

Business Tips for Remodelers

One of the main reasons contractors attend the NAHB Remodelers' Show is to exchange information and look for ways to improve their businesses. If you couldn't attend the standing-room-only seminars at this year's show in Baltimore, fear not: our editors were looking out for you. Here are some of the tips they brought back.

Be Your Own Competition

When design/builder David Bowyer of Peacock & Company presents design drawings to his clients, he always makes it a point to show them three options with ballpark estimates. Why? First, it makes the customers feel like they have choices and have participated in the design. And second, by giving options, he's found that he has usually eliminated the competition — he's the low, middle, and high bidder all in one. Bowyer also shows customers what the finished product will look like in each case. This builds confidence that he is capable of doing the job, and it helps turn estimates into sales.

Bowyer uses 3-D CAD and spends 10 to 20 hours on the first drawing, but the variations and revisions are a snap. To make sure his designs aren't ripped off, each is stamped "Copyright by Peacock & Co." along with the date. To increase the copyright's impact, he also stamps on it a notice citing the legal consequences of copyright infringement and gets the owner to sign. For the design work, he charges about 1% of the estimated cost if he knows he has the job, about 5% if the customers want to get other bids.

Since he started copyrighting his plans, says Bowyer, he's scared off a lot of would-be plan stealers and has had a few turn bright red. For example, one woman fessed up that her son, a shop teacher, had asked her to get a couple of estimates with plans so he could build the addition over the summer.

Design/Build Questionnaire

When designing a kitchen remodel, you can try to keep it all in your head, or take good notes, but a simple questionnaire is the best way to go, says Sandy McAdams, of the McAdams Co., a design/build firm in Kirkland, Wash. Her one-page form covers number and ages of family members; physical handicaps; number of cooks; kitchen table seating; types of activities (entertaining, arts and crafts, canning, baking); need for a TV, desk, or computer center; appliances to be replaced; frequency of shopping, and other storage needs. Perhaps the most useful questions, says McAdams, come at the end of the questionnaire: What do they like and dislike about their present kitchen?

In addition, McAdams draws a rough sketch, takes mea-

surements, and shoots a lot of photos, typically a whole roll. The questionnaire and the photos prove invaluable, she says, both in the design and estimating of the new work.

Estimates Must Be Consistent

If some of your estimates earn windfall profits and some leave you in the hole, you need to improve your estimating, says Jim Merrill, of Merrill Construction Co., in Bellevue, Wash. Whether you use unit-cost estimating or count stick by stick is a very individual thing — Merrill's a stick estimator for most types of work. What's more important is that you're consistently plus or minus 5% on your estimates. First, however, Merrill does a preliminary one-hour estimate to see if the customer is in the right ballpark. These come in plus or minus 10%. Whatever technique you use, you need to do job-costing, or you'll never know if your estimates are right or not.

Merrill does his estimating and job costing on a spreadsheet customized to his style of estimating. (He likes Microsoft Works because it's easy to learn and has a good on-line tutorial.) When setting up a spreadsheet for the first time, however, he cautions you to check your arithmetic manually — or you can make some very expensive mistakes later on.

Give 'em 101 Percent

"One hundred and one percent, on time, with a smile, period!" That's the company philosophy at Criner Construction in Yorktown, Va. Company owner Robert Criner says that in a service business like remodeling, excellent customer service is critical to success. And the only way to get it, he says, is to have a clear written policy that is communicated to everyone in the company. Make sure you put your philosophy down on paper and drum it into everyone on staff, including subs, so they know what is expected of them and can work as a unified team.

The other half of the customer satisfaction equation is customer expectations. You always want to undersell and overdeliver, says Criner. To help your customers form realistic expectations, he says, it's important to have a preconstruction meeting to discuss all the potential problems. Criner uses a "pitchbook" — a notebook containing samples of contracts, addenda, change orders, warranties, and a homeowner's manual. He also helps prepare customers for what's ahead by talking about dust, noise, trash, phone, bathroom, pets, kids, security, and even the use of the client's electricity (one customer wanted Criner to use his own generator instead of the house wiring!). ■