

Blueprint for Successful Marketing

Whether you're a small, one-person operation or a company with 50 employees, an effective marketing program will help you build a healthier business

by Greg Stine

Do you need more work to be profitable? Do you have trouble attracting the kind of customers that allow you to make the margins you are looking for? Do you struggle with seasonal ups and downs? Are you looking to grow your company?

If you answered "yes" to any of these questions, you should be working on improving your marketing efforts. Surviving a recession, earning a healthy profit, preventing slow periods in the field, and attracting quality people all depend on a smart and effective marketing program.

In addition, if you ever hope to sell your company to either a key employee

or an outsider, or to pass it along to a family member, you'd better have an effective marketing program in place. In most small- to medium-sized construction companies, lead generation revolves around the owner. Without a strong marketing program, much of the business's value will walk out the door with you when you leave.

Don't confuse marketing with sales. Marketing creates name recognition and generates interest in your company, while a sale is the interaction that turns leads into clients. A marketing department generates quality leads; a sales department closes the deal. Advertising, public relations, Web sites, brochures, job-site signs, and direct mail are all aspects of marketing; selling happens person-to-person with a prospect. You're not really in control of your business unless you are in control of your marketing.



Building Your Brand

What makes your business special? The answer to this question should be at the center of your marketing efforts. If you don't communicate the unique qualities of your business, your company won't be memorable, no matter how sophisticated your marketing campaign is.

In marketing, we talk about building brands, or ideas that are memorable and that generate interest within the marketplace. For instance, Simpson Strong-Tie is a powerful brand known by most builders. But what makes it so special? After all, it's just a bunch of bent metal products that almost any sheet-metal shop in the country could make, right? Well, no: The company's engineering and its full range of products help you do your job and make your job easier. It's the trust you have in the Simpson Strong-Tie brand that separates this company from its competition.

In the same way, you need to separate your company from your competition. There are a lot of remodelers and builders out there; your distinguishing characteristic can't be "quality work and great service at a fair price," because everyone says that. Most successful small- to medium-sized construction companies offer those benefits. So, again: How is your company special?

One of our clients, Harrell Remodeling, is a successful design/build residential remodeler in the San Francisco Bay area. Among the characteristics that make this company

unusual is that the founder, Iris Harrell, happens to be a woman. Harrell Remodeling also has a unique company culture; it builds familylike relationships with its clients. To differentiate itself still further, Harrell Remodeling has chosen purple as its company color. The resulting impression is that everything about this company is special — it's a design/build firm, it's a construction company with a woman owner, it boasts a unique culture, and it outfits its crews in purple uniforms. While there are a number of residential remodeling companies in the same area, the perception is that there is no firm quite like Harrell Remodeling, because the company emphasizes these differences so effectively in its marketing program.

Don't Muddle Your Message

Your marketing materials should emphasize whatever it is that makes you different. Promoting the owner of the business is often one of the easiest ways to do this, because you can link the company's personality to that of the owner. The downside of this strategy kicks in when it's time to sell the business or retire. A powerful part of the brand leaves with the owner. That's why it's a better idea to emphasize your goals and plans for the business.

Not only do effective marketing tools highlight a company's unique qualities — they do it to the exclusion of almost everything else. To generate interest, your message must be simple and easy to understand at a glance. Mixing in "quality work and great service at a fair price" just creates noise and gets in the way of your real message. There is a time to communicate details, but it's not now — save them for the sales process (see "Nine Principles for Building a Powerful Brand," next page).

Rosboro TREATED GLULAM When You Need It To Last

Figure 1. An effective brand mark should have fairly simple visual elements that work well when rendered large or small. If it's designed with only two colors (above), it's effective when reproduced either in color or in black and white. In contrast, a visually complex brand mark's typeface and imagery (right) become almost illegible when reproduced in a smaller size.



Nine Principles for Building a Powerful Brand

1. Keep it simple. One big idea is best. People are overwhelmed by sales pitches. To get noticed, your message must be basic.

2. Word of mouth is the way most brands are built.

It's very difficult to build a brand through advertising alone, but PR (public relations) and events are two ways to mass-produce word-of-mouth marketing. The results of a PR program are not always predictable on a case-by-case basis, but in the end, the payoff is huge.

3. Focused brands are more powerful than diffused brands. Different is better, and different and focused is better yet. Don't dilute your brand by trying to be or do everything — that's a big mistake.

4. Somehow, some way, you have to be different.

Attach your brand to what makes you different or special. If you are not really that different, find something small and make a big deal of it.

5. The first brand in a category has a huge advantage. Nothing beats being a market leader, but being number two isn't bad either. If you are nowhere near the top, find a narrower niche and become the market leader in that market (an example of this would be to focus on kitchens only, or on green building).

6. Avoid sub-brands at all cost. A sub-brand is a new product with a successful, existing brand name tacked onto it. Sub-brands don't work in the long run and suck the life out of parent brands. Here's an example: Your company ACME Remodeling is successful and you want to diversify with a new, handyman company. Don't call it ACME Handyman and run it out of the same office. Instead, create a new, unique brand and make this division or company something special.

7. Quality is important, but not as important as the perception of quality. Although vital, quality alone doesn't win in the marketplace. Being different wins. Companies led by production-driven leaders often make this mistake.

8. Be consistent and patient. Building a strong brand takes time. Know who you are, write it down, and don't get bored.

9. Put your brand definition in writing to stay on course. Doing this is critical to staying focused. A tag line that communicates one big idea (if nothing else, it reminds you of who you are) is important; so is having a visual style guide. And use a written brand definition as the litmus test for all of your marketing projects.

A Good Logo Brings Focus to Your Brand

Whether you have \$5,000 or \$200,000 in your annual marketing budget, a balanced approach begins with a versatile company logo. An effective logo (sometimes referred to as a brand mark) should be visually striking and memorable and should work well in color and in black and white; in digital and print formats and on fabric; and in any size. A good logo should have a bit of art in it, too. Most of all, it should communicate your brand (Figure 1, previous page).

In addition to using your logo and communicating your brand (the qualities that make your company special), you should

make sure your marketing program includes the following, all of which will be explored in more detail in the rest of this article:

- lead-generating activities that make that phone ring
- elements that build name recognition
- strategic alliances, formal or informal, with vendors, suppliers, architects, and other companies that would benefit from win-win relationships
- sales tools that improve the effectiveness of the sales process

This kind of balance will help ensure an effective and efficient marketing program.

Generating Good Leads

Marketing to your past customers should be a very significant part of your overall marketing program. Not only does new work often come directly from your past customers, but so does your most important marketing commodity: referrals. Across the remodeling industry (and most other industries as well), an overwhelming number of leads and projects come from either past clients or referrals from those people.

Keep in Contact

The kinds of activities you should focus on are generally inexpensive, custom activities that target the people who love you already. Examples include project-completion and anniversary gifts, fun events (like open houses), interesting follow-up

print or e-newsletters (Figure 2), updates about decorating tips and trends, free checkups, and so on. To be really effective at generating referrals, these activities can't just be nice, they need to be surprising, too.

For instance, check in with customers three years after completing their project "just to see how the project is holding up" and fix the small things you find — for free. They'll be so amazed they will never forget; if you're lucky, they'll tell others about it. This takes some organization and dedication on your part, but you'll see remarkable results in the quality of your referrals.

Don't underestimate the ability of people to forget anything — even you. To generate a stream of leads from your past customers, you need to remind them periodically that you are still around. The key here is to be proactive with your clients. Just offering a warranty isn't enough.

Find Fresh Sources

Even though most of your leads will come from past customers and referrals, you still need to focus some of your marketing efforts on turning anonymous cold prospects into hot ones. If you don't, you run the risk of "fishing out your pond" — exhausting your pool of prospects. This is especially true if growth is one of your company goals. In order to find fresh sources of customers, you need to be committed to these low-return but still-valuable marketing investments.

One important area of focus is what I call the job-site hot zone. Of all the people you don't already know, your customer's neighbors are the warmest prospects you have. Most likely they have been seeing your trucks and workers and the commotion they make for a period of time. You can focus on generating leads from these people by making sure that you have a consistently branded effort at the job site, with job-site and vehicle signs, worker uniforms (at least hats and T-shirts), and job-site flyers (Figure 3, previous page). A clean, organized site will also help your company's image.

In addition to this on-site branding, a direct-mail campaign (postcards, letters, and the like) to the 50 to 100 houses around a project can be very effective. Phrase the notes tactfully; for example, tell the neighbors that you are going to be working in the area, that your crews will be as considerate as possible, and that if they have any issues, to please contact you.



Figure 2. Both printed and electronic newsletters are excellent ways to stay connected with past clients. Electronic versions — like the one shown here — are especially cost-effective: They're inexpensive to distribute and drive traffic toward your Web site.

A number of affordable list-providers are available for most metro areas in the United States (you can look up addresses based on their proximity to an anchor address). This radius direct-mail technique can be effective at the beginning or the end of a project — or at both points (Figure 4).

Advertising vs. Public Relations

Another valuable tactic for expanding your market is making effective use of PR. Almost every newspaper in the country has a home-and-garden section, and each one needs content to run between the ads. Help these papers out, either by hiring a PR firm to help you write and place articles with your local print media, or by developing a working relationship with feature writers and photographers in your area. Publications love great photography. Events, design trends, human-interest stories — if it's interesting, it's news. And if it's news about you, you're building your brand in the marketplace.

PR is generally cheaper and more credible than advertising; I have yet to see advertising outperform PR efforts when measuring dollars spent against eventual market exposure. So if you're spending more than \$5,000 on traditional display advertising, I highly recommend that you consider taking at least half of that money and spending it on PR efforts instead. Of course, there is always an element of luck with PR, but roll the dice enough and it inevitably pays off in ways that traditional advertising does not.

If after all this you need still more leads, consider a direct-mail campaign targeted at specific types of clients, like architects. Though this approach is expensive and may not offer as big a bang as some of the other tactics, it can be effective. Expect a well-designed mailing to generate between 1 percent and 3 percent in returns.



Figure 3. To help reinforce your visual brand, use well-designed job-site signs that tie into your branding. Job-site flyers can describe your company in more detail.

...and another beautiful McCutcheon remodel project has found a home in your neighborhood.

We're finished, but before we go we'd like to thank you for your patience, and remind you that McCutcheon Construction has been providing superior craftsmanship, quality and customer service for high-end remodeling projects since 1980.

If you're ready to build your dream project, McCutcheon will provide you with value, quality and the remodel of your dreams.



Figure 4. Direct-mail marketing can play an important role in generating leads. To reduce printing costs and increase effectiveness, many list-providers allow mailings to be targeted by income level or homeownership status, or even by street address.



Building Name Recognition and Partnerships

There are important differences between activities intended to make the phone ring and those designed to create top-of-mind awareness. The Goodyear blimp was never intended to make people respond by immediately running out and purchasing tires. The value of this category of marketing is that it creates credibility, which in the end will make your other marketing activities more effective.

Name Recognition Equals Credibility

Broad advertising campaigns, articles about your company or its projects, local sponsorships, charity ventures, job-site signs, and vehicle branding are all examples of ways to keep your company name in the public eye (Figure 5). If you succeed in these efforts, prospects will be more likely to respond favorably to lead-generating tactics because they'll think, "Oh, I've seen that company before."

Don't make the mistake of evaluating marketing activities designed to build name recognition by counting the number of leads or jobs they produce. That's not their role in a marketing program. Large companies measure their success in this area by doing market research and testing randomly selected groups of people over time.

For small businesses, the method is much



Figure 5. In major metro areas, there are generally many publications looking for content; most of the publications shown here, for example, are from one region of the San Francisco Bay area and all are interested in home-oriented news. Effective use of the media — via advertising and by making news yourself through your PR efforts — will help build name recognition for your company.

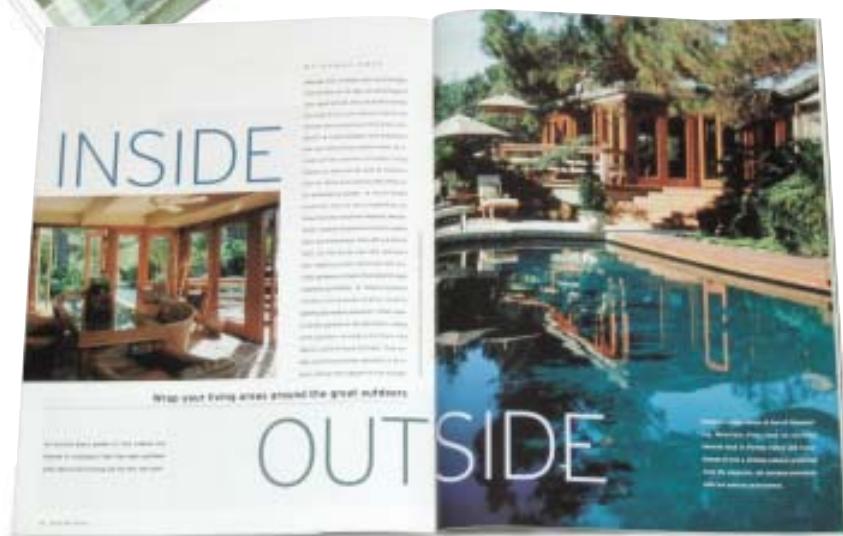




Figure 6. While job-site and vehicle signs (left) are effective ways of keeping your company's name in the public eye, partnerships and other types of strategic alliances also can be used to build name recognition. For instance, this playhouse (above) was raffled off to raise funds for a local hospital, which created positive publicity for the builder who crafted the house and sponsored the project, as well as for the local vendors who donated materials.

less scientific. Simply ask yourself, "Does it seem like it's working?" Keeping your name in front of your prospects in any way possible is critical to an effective marketing program.

Create Strategic Alliances

Look below, above, and beside you in the supply chain. Do your services "bundle" well with others? Who can or should be referring prospects to you? Finding and befriending these companies works to the benefit of both parties — I call this kind of partnership a strategic alliance. A simple, inexpensive, yet often overlooked element of a good marketing program, developing formal or informal strategic alliances can pay big dividends in the long run (Figure 6).

Remodelers and builders might work with vendors, suppliers, architects, and any other companies that would benefit from these win-win relationships. The key is to approach the

other players in a systematic way, perhaps by simply scheduling lunch meetings together. Or, the relationship can be more formal, such as a partnership with a manufacturer in which you use "comp" materials for a model home.

Building-materials manufacturers will often hold press briefings with the local (and sometimes national) press to announce a new product, color, or style. They usually do this via a conference call, and they almost always have a builder on hand (or available for reporters to call later on) to offer a "builder's perspective." So consider approaching manufacturers and offering yourself as a resource.

Make a list of 10 possible or current strategic alliances and make meaningful personal contact with them all at least once every two months for a year and watch what happens. It will be the smallest line item in your marketing budget, but will make a big difference in your marketing program.

Turning Leads Into Sales

Once you've generated a lead, you'll need to engage the prospect in the sales process. Sales tools — Web sites, sales brochures, presentation folders, capabilities brochures, article reprints — are generally developed by the marketing team, but are used during the sales process. They help prospects understand your company and your products and services, and provide proof that you are trustworthy and reputable (Figure 7).

Again, these marketing tools rarely generate leads on their own. Many contractors, for example, have complained to me over the years that they haven't gotten quality leads from their Web sites. But that's not the point of a Web site; cows don't fly very well, either, but they're an excellent source of milk.

A well-done company Web site serves as an excellent sales tool. A no-pressure company tour without a salesperson hovering nearby will help turn prospects into clients (Figure 8). To better evaluate the value of sales

tools, I look to the lead close rate: How often is your sales team converting leads into actual projects?

Build a Budget and Measure Results

I've described how to generate interest in your company and create sales opportunities, but the real key is in correctly managing the process. Marketing without at least a little planning at the front end and some kind of evaluation at the back end is just plain silly.

In my experience, the most important part of building an effective marketing program is what you learn during the process. If at the beginning of each year you create a simple spreadsheet with all your planned activities, dates, and projected costs, you may find that initially you're not very good at ballpocketing costs. Either you'll go over budget or you won't do everything you'd planned. So don't get too complicated and develop a 20-page marketing plan — a simple two-page spreadsheet will give you all the information you need to have a working understanding of what it costs to run an effective marketing campaign (Figure 9, next page).

At the same time, it's critical to measure the results of your marketing efforts. I like to see leads tracked by their source and by how many became signed contracts. If you track those results, you'll find that you get very few leads from some

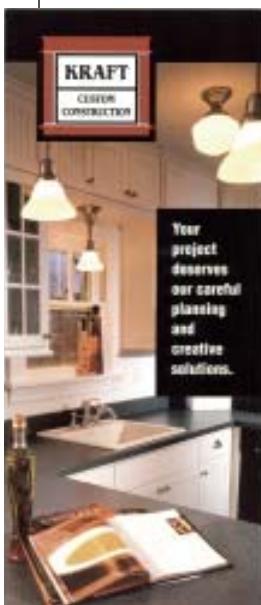


Figure 7. While the message in your branding materials needs to be simple in nature, sales tools — such as this brochure — can contain much more detail, including references, awards, process descriptions, a portfolio, staff profiles, and so on.

Figure 8. By giving your prospects a good taste of your company, a well-designed Web site builds on the interest and trust generated during the early part of the sales process and can improve your close rate.



Marketing Project or Activity	Budget Total	Budget Used	Actual Expenses	Actual Date	Notes
Other	\$1,000.00	\$0.00	\$1,000.00	08/01/04	Other tasks above. Non-annual installations expenses related to growing at track. Also working on a few other projects.
Salaries/Payroll					
Whole	\$11,000.00	\$1,144.00	\$1,140.00	08/01/04	The results to-date reflect the other salaries outside hosting, mostly management.
Customer Sales	\$1,000.00	\$1,000.00	\$1,000.00	08/01/04	Using P&L analysis, made a few changes to the budget. Increased the number of hours for customer sales.
All Project Resources	\$1,000.00	\$0.00	\$1,000.00	08/01/04	Customer Sales
Other	\$1,000.00	\$700.00	\$1,000.00	08/01/04	For the International Home Show, Product Show in Germany or in local regions.
Marketing & Sales Materials					
Germany	\$1,000.00	\$0.00	\$0.00	07/01/04	For the International Home Show, Product Show in Germany or in local regions.
Other	\$1,000.00	\$0.00	\$1,000.00	08/01/04	Product Show in Germany or in local regions.
Employee Training/Development					
Employee Training/Development	\$1,000.00	\$1,100.00	\$1,000.00	08/01/04	Monthly meetings, emails, press releases, and other media.
Business Travel/Entertainment					
Business Travel/Entertainment	\$1,000.00	\$0.00	\$1,000.00	08/01/04	Monthly meetings, emails, press releases, and other media.
Marketing Plan - Action Items					
43-3001-301-0004					
Marketing Project or Activity	Budget Total	Budget Used	Actual Costs	Actual Expenses	Actual Date
Market Research					
General Advertising/PR Initiatives for Budget Initiatives	\$0.00	\$0.00	\$0.00	08/04	Not designed to implement any of initial approaches in the marketing. The three main items to be:
					- Major Product Launch
					- One Year Period Marketing Support
					- Contracted Compliance Rate (0.5%)
Local Advertising: Current Campaign & Next Projects					
Online Local Classifieds	\$1,000.00	\$2,750.00	\$1,750.00	08/01/04	Includes Internet Tech Remodel, Google ads, and other web opportunities to list in the ACME website.
Direct Mail Campaigns - Follow-up Postcards	\$11,000.00	\$9,000.00	\$9,000.00	08/01/04	Target mail programs going after past customers. House 800 FFCDS, House 225 ads, and other specific programs. This includes the cost of postage, mailing, and the cost of the postcard programs. The postcard will be following soon that are off of ongoing mail campaign.
Product Catalog	\$1,000.00	\$0.00	\$1,000.00	08/01/04	Product catalog and website changes. Price and web.
PR & Newsletters	\$1,000.00	\$1,000.00	\$1,000.00	08/01/04	Opening creation of articles, product releases, and press releases monthly. Distribution consisting of local media, and other media. This is to be home remodeling PR only or at minimum in the relevant technology world.
PR Events	\$10,000.00	\$1,000.00	\$10,000.00	08/01/04	Opening creation of articles, product releases, and press releases monthly. Distribution consisting of local media, and other media. This is to be home remodeling PR only or at minimum in the relevant technology world.
Trade Shows & Events	\$1,000.00	\$1,100.00	\$1,100.00	08/01/04	Annual Membership - 3 meetings/year.
2-3 Meetings	\$1,000.00	\$1,100.00	\$1,000.00	08/01/04	Annual Membership - 3 meetings/year.
Business Trade Exhibits	\$1,000.00	\$1,100.00	\$1,000.00	08/01/04	Annual Membership - 3 meetings/year.
Trade Show Exhibits	\$1,000.00	\$1,100.00	\$1,000.00	08/01/04	Annual Membership - 3 meetings/year.
Marketing Plan - Page 1 of 1					

sources, lots of leads and few jobs from others, and lots of work from still others. Markets are different in different locations and in different years, and you need a way to help you judge the results and steer the ship.

One way to streamline tracking is by using an internal lead sheet. This is a form your front-line staff can refer to when answering your phones and gathering information about prospects (Figure 10). By making sure that the right questions are asked, you can both better qualify prospects and systematically gather the data you want to measure for your marketing campaign.

Create a Process

Finally, you need to develop a process to help you run the marketing marathon (note my choice of words — it's not a sprint). A consistent challenge for small- and medium-sized businesses is to keep marketing — which always seems to be less urgent than sales and production issues — on the radar.

To that end, develop a marketing team, have regular meetings with a simple agenda, and designate a marketing administrator (usually not the owner of the company). In a small company, this meeting might involve the owner and an administrative person and occur once a month. With larger companies, the gathering may include more people and occur more often, even weekly.

During these meetings, you should develop a standard agenda that covers new, old, and ongoing marketing projects



Breakdown of Marketing Expenses

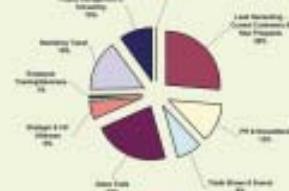


Figure 9. A simple spreadsheet that you can update easily and understand at a glance is a critical component to managing an effective marketing program.

Marketing Plan - Page 1 of 1		Marketing Plan - Page 1 of 1
LEAD SHEET		
ACME Remodeling		
Data _____		
1. Contact Information:		
Name _____		
Address _____		
City _____ State _____ ZIP _____		
Phone (Home) _____		
Phone (Work) _____		
Phone (Mobile) _____		
Other Contact Person _____		
Notes _____		
2. Project Location:		
Address _____		
(Town #1 = 1, Town #2 = 2, Town #3 = 3, Town #4 = 4)		
Notes _____		
3. Source of Lead		
(Check)		
<input type="checkbox"/> Past Customer (30) <input type="checkbox"/> Customer Referral (17) <input type="checkbox"/> Sales Vendor Referral (6) <input type="checkbox"/> Workshop (5) <input type="checkbox"/> Job Site/Trade Show (4) <input type="checkbox"/> Direct Mailing (3) <input type="checkbox"/> Home Show (3) <input type="checkbox"/> Print Ad (7) <input type="checkbox"/> Yellow Pages (1) <input type="checkbox"/> Other (7)		
4. Type of Project		
(Check)		
<input type="checkbox"/> Whole House Remodel (8) <input type="checkbox"/> Room Addition (6) <input type="checkbox"/> Kitchen (6) <input type="checkbox"/> Bathroom (5) <input type="checkbox"/> Porch/Deck (4) <input type="checkbox"/> Other Room (3) <input type="checkbox"/> Minor Repairs (2)		
5. Owner Profile		
(Check more than 1)		
<input type="checkbox"/> Design/Lineup/Estimator (3-3) <input type="checkbox"/> Getting work from one bid (1-5) <input type="checkbox"/> Have done project before (5) <input type="checkbox"/> Family w/ children at home (4) <input type="checkbox"/> Have a tight timeline (3-3) <input type="checkbox"/> Realistic budget in mind (5-5)		
TOTAL LEAD SCORE		
Project Location _____		
Lead Source _____		
Project Type _____		
Owner Profile _____		
Total: _____		

Figure 10. A lead sheet allows builders to not only prioritize incoming leads, but also track the sources of leads — critical information for evaluating marketing efforts.

and includes a review of budgets and leads reports. The key is to keep doing marketing activities, learning something, and doing some more — month after month, year after year.

Greg Stine is a marketing executive in Portland, Ore. To download some of the documents discussed in this article or for more information, visit his company Web site at www.polaris-inc.com.