

Starting Up

After nearly 20 years with another firm, Bobby Parks recently founded Peachtree Decks and Porches LLC in Atlanta.

PDB: What's the most important factor in starting up a new deck business?

Parks: There are a lot of factors, but having a realistic, detailed business plan that covers all elements is critical. It has to detail your product, the service you'll offer and how you'll deliver it, what it takes to sell and market, how you'll finance it, and what your cash flow expectations are.

PDB: That all sounds like common sense. What's the benefit of writing it down?

Parks: Writing it down makes you be honest with yourself and look at the little details. I used a ready-made business-plan template from Palo Alto Software (www.paloalto.com). It had examples to help me work it through from beginning to end. I've been in the business a long time, but this forced me to look at the fine details, like developing a monthly targeted sales plan.

That plan gave me something to take to the bank — literally. I think that if I had just walked into the bank

as a carpenter who wanted to start my own business, they would have been scared. With the business plan in hand, they could see that I'd been realistic in thinking about the real costs and issues of running the business, and that helped to obtain financing.

PDB: Bank financing is helpful, but what about setting up accounts at suppliers?

Parks: Having been in the business helps, as a lot of suppliers knew me. And I've got good credit. You need good credit. In addition to filling out the vendor's credit application, I sent a cover letter. This wasn't long — it just told a little about my history and outlined where I plan to take the business.

PDB: Did you have any second thoughts because of the economy?

Parks: No. I knew my business plan for the first year was realistic and conservative, so I knew I'd survive. Also, the downturn in the building economy has affected new home builders differently from remodelers, which is how I classify deck builders. We just don't track along the same graph lines as builders.

PDB: Are you hitting your initial targets for the business?

Parks: Better. I didn't plan to have much work until I started marketing after the first of year, but I've already got two months' worth of jobs on the board for one crew.

PDB: How did you find those jobs?

Parks: They came in through referrals from friends and other contractors, guys who don't do decks regularly. It's good to get to know people in other trades. One referral came from a guy who worked on one of the crews I ran years ago. That's one reason it's important to take care of people: You never know when someone you knew can help or hurt you.

PDB: What's the most important leg of your business plan?

Parks: Marketing. All the numbers come down to making the sale, and that depends on having the opportunity to make the sale. That's what marketing gets you. I'm confident of my ability to sell jobs, once I get talking to people.

Marketing takes constant investment. I'm planning to spend a significant part of my gross on marketing, but not in a blanket way. There are neighborhoods with high per-capita incomes and high property values.

How do your practices and preferences stack up against other deck builders?

Answer our Quick Vote and Survey at www.deckmagazine.com.

Survey: Are you comfortable using new decking products? How long must a product be on the market before you'll recommend it to customers?

Quick Vote: Do you attach ledgers with lag screws or bolts (machine or carriage)?

The screenshot shows the homepage of the Professional Deck Builder magazine website. The header includes the magazine's name, navigation links for 'the magazine', 'news', 'forums', and 'resources', and a 'GO' button. A 'Monthly Survey' section is prominently displayed, titled 'LEDGER ATTACHMENT ISSUES' for November 2007. The survey question asks about proper ledger attachment procedures. Below the question, there are 'Survey Responses' from December 3rd, 2007, by Timothy Ward. The response discusses the importance of proper ledger attachment, mentioning the use of lag screws and the potential for rot and structural failure if not done correctly. A sidebar on the left lists 'The Magazine' with links for Home, Advanced Search, Current Issue, Past Issues, Table of Contents, Monthly Survey, and Editor's Corner. At the bottom, there is a 'Magazine Services' section with links for Subscribe, Buy Back Issues, Advertise, and About Us.

That's where I want to work, and I target them.

Also, I like to install certain products, such as composite decking and railing. I think the low maintenance these products deliver makes for happy customers, and I make more selling them. What's great about some of the manufacturers is that it's pretty easy to become listed on their Web sites as an authorized contractor. There's a lot of free marketing available from manufacturers. Another avenue that gets me listed on a Web site is being a member of NADRA.

That's all short-term thinking, though. In the long term, it's a base of satisfied customers that makes a business succeed. To get that, you have to sell what you believe in and deliver top-quality craftsmanship and service.

PDB: How did you develop your Web site?

Parks: I hired a designer, someone I knew personally. I knew when I first talked to her that she was the one. She asked the right questions about the business and made good suggestions. I could tell she understood where I wanted to go.

I did some research first, too. I found a couple of Web sites that I liked, so I could show them to her. That saved time and money for both of us.

PDB: How does your wife feel about this venture?

Parks: It was important that she be on board with me. She's really taken the bull by the horns. She set the office up, and she'll be working with me in the future.

PDB: Can you sum up your approach to business?

Parks: It's about relationships. Be aboveboard, remember who you are and how you want your company to appear. Customers don't hire a company, they hire an individual who works for that company. Personality and likeability makes the difference. High-pressure sales don't work. I try to be a buyer's aid, to gain their trust.

Any business has a number of aspects — marketing, sales, planning, production. They're like segments of a wheel. If you're missing a segment, you're in for a rough ride.

PDB: Are you sleeping at night?

Parks: I am. ❖