



Creating Separation: A Simple Recipe for Growing Your Business

by Bobby Parks

When you're bidding against other contractors for a job, what is it about you and your company that makes you different or better? What benefits do you offer to your prospective client that the others don't, and what impressions are you making that increase the chances you'll get the job? What kind of credibility do you reflect and what kind of risk do you represent? Why would a customer choose you?

If your company is perceived as average in your market, with little to differentiate it from your competitors, the customer's decision is likely based strictly on price. If you can stand out as one of your market's top contractors, however, pricing may still be a factor, but your company is going to be chosen for reasons other than price.

Being recognized as one of the top operators in your market is not about your company's size or the size of your jobs. It's about the quality of your company's delivery history, pro-

duction skills, and capabilities. It's about your reputation, the perception in your market of who stands out as one of the best and—cost aside—who would be chosen for the job 80% to 90% of the time. This is the category for those who can communicate to their customers who they are and what they are about, and then back it up with how their company performs. If you're not content to go through the motions and be average, but want to elevate yourself and your company, this is the category for you.

When you are in this group, you will be able to charge more for your company's services. This is the approach that I took with my deck building company while operating in a competitive Atlanta market. By focusing on margin growth instead of production growth, our company's operations ran more smoothly, and we were able to charge between 5% and 15% more than we had before we added the following simple ingredients to our business recipe.

PHOTOS BY BOBBY PARKS



Regularly incorporating details such as curved railings and finished columns (rather than bare PT posts) into your designs will help differentiate your deck building company from your competitors.

A Simple Business Approach

Rising in the rankings doesn't have to be complicated. Moving the needle in your favor means focusing on fine-tuning your communications so that you project your company's image, brand, and reputation in your market. For some, it may require an adjustment to their building philosophy in terms of what they offer and how they deliver it. It's a simple recipe that requires you to work more on your business than within it.

Create separation. One key step in this process is to not appear to be like everyone else; instead, you want to separate your company from your competitors, to create excitement with your designs and options, and to stand out in the right ways. It's about effectively communicating with your customers so that your company's credibility is extremely high, and potential clients see zero risk in hiring you for the job. Less risk equals more dollars.

Understand that if you appear to be like everyone else, your pricing will have to be similar, as there's no justification for it to be higher. If a prospect is trying to decide on a company to use for a job and there's no noticeable separation between contractors, it becomes a decision primarily based on price. In the prospect's mind, the chances for a successful project outcome and the risk associated with each of the contractors they're meeting with are the same, so it comes down to which one they can hire at the least cost. Competing on cost is a race to the bottom.

Company philosophy. If someone asks you to explain what your company is all about in 30 seconds, what is your answer? Whether you can articulate it or not, your company's building philosophy is your contractor identity and what you as a contractor will be known for. It's your foundation and the bowl

all other influential ingredients are mixed into. It's the motto of operation that you'll build from that includes your style of details, products, and process.

It doesn't have to be complicated; it just needs to be honest and make sense. It's your elevator speech of what your company does and stands for, and it's what's recorded in a prospect's mind. Use simple messaging on websites and when you're having that first phone conversation with a potential customer. It's one of the first of two impressions you make with a potential customer.

To illustrate, here's the philosophy of my former Atlanta deck building company: "We don't build the stained PT wood decks and porches that are widely accepted in our market. We combine products that we believe will perform and stand the test of time. We design and build projects that look like true extensions of the home and that we know will reflect well on our reputation for years to come." It was a simple

message, but it communicated what I wanted potential customers to hear in that first 30 seconds when I spoke to them, or to take away after a visit to our website.

Quality matters. To even begin to compete with other companies for preferred status, quality craftsmanship and excellent customer service have to be a given. Your goal should be to continually improve your company's operations and the products your company delivers.

You should be looking for answers to questions like these: Are past deliveries helping or hurting your company's reputation? If you build using lower-grade materials, does your customer experience buyer's remorse after a summer or two? If your customer has a dinner party on a deck that you built a year or so ago, what kind of impression does the deck make on their guests? Have the joints opened up? Has the decking warped and checked, or weathered and lost that new look? When they ask who the builder was, are those guests going to be impressed enough to give you a call, or do you get checked off the list of potential contractors they'd be interested in meeting with? Unless you used materials and techniques that stand the test of time and delivered a quality job, you'll never even know the conversation occurred.

To shoot for a ranking near the top of your market, making the decision to not offer the least expensive solutions to customers is a big first step. The message we tried to send to customers looking for the cheapest option is that they should shop somewhere else.

Easy doesn't pay. Whether you are a contractor or an employee, the easier a job is to do, the more people are qualified to do it and the less it pays. The same holds true with your job offerings; in most cases, the simpler jobs offer the least

amount of profit compared with a “better and best” approach. In addition, the types of projects you deliver either separate you from the others or place you in the same category.

Many contractors never leave their comfort zone, but almost all of us need to in order to raise our game and find stability as a business. Otherwise, we are just one of many. High-end finish details don’t have to be complicated, though overall these jobs are generally more complex. If you have the ability to deliver and price them properly, these details can not only provide better profitability but also help you to build your company’s reputation for quality. And, again, the better the reputation, the easier it is to sell.

As you and your crew members become accustomed to building them, what are considered to be custom details at some point simply become your company’s standard details. Offering these details in simple designs using quality products as your standard, and not as an upgrade, will raise you up in the rankings. That is, what you deliver to your customers affects your company’s margin, reputation, and brand.

Value of trust. Will prospective customers choose you to do a job when your estimate is \$31,000, while another contractor seems to be offering a similarly sized project at \$28,000? Would they pay you 10% more? There are risks associated with

any contractor when a customer makes a choice. Often, a customer has multiple proposals, and the contractor who makes the strongest impression is the one they’d typically choose if prices were equal. But when the price isn’t the same, the customer has to weigh the investment risk of each contractor. If a contractor is lower in cost but isn’t able to communicate a strong delivery history for the type of job the customer thinks they want, there is an element of risk associated with that contractor. Maybe the customer will get the kind of project they hoped for, but there’s uncertainty; it could turn out to be a nightmare. The customer may hope that they can save money with this lower-priced contractor, but then realize that hope is a risky way to make a decision.

Hiring a contractor who is able to communicate multiple layers of credibility lowers the risk factor for customers who want to make a safe investment. They will be willing to spend an extra 10% to have no doubt that you will deliver exactly what they want, rather than risk throwing away \$28,000 on a contractor who may not come through. ❖

Bobby Parks is a former deck builder, frequent PDB contributor, and owner of BP Consulting and Design. You can connect with him on Instagram: @bobbyparks007.