

**Welcome!** The 60-Hour program is made up of 8 separate courses. Many of the courses are available in both Video and/or Text. **It is not necessary to complete both versions.** We offer both versions to ensure your learning style is addressed. You can choose whether you want to watch the video, or read the text, but you **DO NOT** have to do both. You can use either version for study purposes- just be sure to take the all quizzes in one version **OR** the other.

Marketing is an essential part of running a successful business. This seven hour course will show students how to put together a customized, cost-effective marketing program that will work year after year. Even those building contractors who have already been in business for years will learn how to build strength in the marketing aspects of their company, including a cost-effective method of generating leads.

**If you are taking this course as part of the 60-Hour Prelicense Program, please read the information below:**

The 60-Hour program is made up of 8 separate courses listed below. Many of the courses are available in both Video and Text/Online. It is not necessary to complete both versions. You can choose whether you want to watch the video version or read the text version. As the videos for the other four courses are completed, they will be added to your registration at no additional charge.

### **COURSES**

1. Business of Building (Video or text)
2. Contracts, Liabilities and Risk Management (Video or text)

3. Project Management for Contractors (Video or text)
4. Marketing for Building Contractors (Video or text)
5. Building Green (Video or text)
6. Residential Code Review (Video coming soon)
7. Michigan Construction Safety (Video or text)
8. Overview of Building Trades (Video or text)

**PLEASE CONTINUE READING:**

**FREE WITH PURCHASE**

These are all optional and not required in order to complete the 60-Hour program, but the math tutorial and exam prep are extremely helpful in studying for the State exam.

- 3-Hour Math Tutorial video for State exam prep
- Michigan Exam Prep (sample questions for State exam prep)

You will be sent the following via U.S. Postal Service and should receive them within 3-5 business days:

- Applications to the state of Michigan
- PSI Testing Information booklet
- MIOSHA Test Review sheet
- Books (if ordered)

# ***Marketing for Building Contractors***



## ***The Remodeler's Powerpak***

*Excerpted from "The Remodeler's Marketing PowerPak*

*by Linda Case and Victoria Downing*

**BEGINNING  
MARKETING**

**SPECIALIZATION**

**COST  
ANALYSIS**

**MARKETING  
TEAM**

### **How to Develop a Cost Effective Lead Generation Program**

***Learning Objectives:***

***Recognize and implement an effective lead generation program.***

***Identify the target customer and analyze the market.***

Marketing is an essential part of running a successful business. Whether you are a small or a large company, marketing tools and techniques can help your company's visibility and produce quality leads throughout the year.

**An effective marketing/lead generation program will:**

- Lessen the effects of the market's high and lows by providing a steady flow of leads throughout the year.
- Produce quality leads that let you pick and choose the projects that you want to work on.
- Attract the types of customers you enjoy working with.
- Reposition your company so you're known in the community for new or expanded services.
- Pre-sell your company, making the sales process easier and less stressful.
- An effective program will position your company in such a way that your prospects will be willing to pay a professional fee for your services--helping you sell value, not price.

**"An effective lead generation program focuses on quality, not quantity. You want the right leads, for the right jobs, at the right price."**



Every company markets in some way, shape or form. Word of mouth is a form of marketing, but if your marketing strategy is not intentional and guided, you are missing the opportunity to develop quality leads that grow your company into a profitable business.

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## **Starting at the Beginning**

Developing your business and marketing goals is critical for creating the right lead generation program. Advanced planning and setting objectives have two important benefits in marketing--you will invest much less money in your marketing program because you are not wasting dollars on disorganized efforts. The leads you generate with a targeted program are of higher quality because they fit your definition of your targeted prospect. Therefore, these leads are easier to sell.

### **What are Your Marketing Goals?**

You need to identify what you want to do:

- Increase volume
- Sell at a higher price
- Make selling easier

- Increase referrals and repeat business
- Raise job size
- Target a specific niche
- Attract a new kind of customer
- Promote a new product or service
- Increase market awareness

**Analyze your company, you need to answer these tough questions:**

-What does your company bring to the marketplace that is better or different than what any other company offers?

-In what areas do you need improvement? Are there particulars about your company that would be seen as detrimental?

-What marketplace event and trends could uncover business opportunities for you? Example: a new product, new niche marketing development.

-What situation(s) or possible event(s) could pose a risk to the business? Example: a large competitor entering the marketplace, the loss of a long term employee etc.



**Develop a list of where your business is coming from now.**

Review last year's leads to determine the lead source. What percent of your business is coming from what source? Examples are:

- Repeat customers
- Referrals from previous customers
- Job site marketing
- Home/mall shows
- Direct mail
- Newsletters
- Truck signage
- Web site
- Yellow Pages
- Newspapers
- Radio/television commercials

### **Determine the best kind of job for your company.**

-Profile the last 20 jobs you have completed.

-Which jobs created greater profits and why?

-Which jobs did you enjoy the most?

-Did they match? If not, spend some time thinking about what you want from your company.

-From the profile you should be able to determine what the best kind of job for your company will be.

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## **Areas of Specialization**

It is recommended that you identify areas of specialization to work in.

**Being specialized offer plenty of advantages:**

- By limiting your work to one niche, you will discover that you have less direct competition than you would if you tried to do it all.
- You will quickly become a technique and product knowledge expert in your field. People will be willing to pay more for that expertise.
- Your crews will learn the best ways to handle the details of one kind of work, making them faster and more efficient.
- Once you have begun to be known in your particular niche, you will gain referrals from within that specialized community.
- A niche serves a confined market. You do not have the expense of selling to a broad market.

**Your specialization or niche can be defined by:**

- Type of service offered.
- Type of property you like to work on (i.e. historical homes, retail stores).
- Type of work your company does (i.e. two story colonial, interior trim).
- Geographic area.
- Products (i.e. window type, siding type or franchise).
- Size of your jobs.
- Clientele you prefer to work for.





Where your company is located may dictate if you can specialize or have to stay generalized. Most areas can support your particular niche successfully.

Targeting a well-defined niche means you can compete on the basis of value, not price. To make the most of your potential, you must have a clear idea of what your niche is and then market that specialty.

As you develop your marketing plan, you must think about where you want to be in the future. You need to ask yourself some important questions:

- What do I want my business to look like in five years?
- How big will my business be?
- What services will I offer? (design, construction, etc.).
- Where else could I potentially sell my services, and why?
- If I walked up to someone in my town five years from now and asked what they know about my company, what would I like them to say?
- How far am I from achieving my goal?

## Analyze your Customers

Review the last 20 clients so you can determine similarities that will help you target future clients. If you are not happy with the demographics, think about what must be done to change the client profile.

### Create a client demographic list:

- Average age
- Household income
- Two income earners or one
- Professional or blue collar
- Family size
- Marital status
- Ethnicity
- Level of education



List the top 3 client professions, 3 or 4 locations or neighborhoods, the age of homes worked on, and what you are helping them do in terms of problem solving.

## Analyze the Competition

### Complete a brief survey containing:

- Volume
- Location

- Number of employees
- Years in business
- Difference in business model (i.e. use more subs, work with architects).
- Differences in clientele (i.e. check their marketing, visit their website).

**You need to create a marketing message that will answer three questions:**

- Why should people buy from you instead of your competition?
- What makes your company different?
- Why is your company a better choice?

**To get the answers, you may need to ask past customers some questions:**

- What is it that made your company so good to them?
- What did they especially value about the way they were treated?
- What were you always careful to do?
- What were you always careful NOT to do?

List 5 features that you feel your company brings to your customers. Look back at what your customers have told you and what features you feel you bring to the table and list them as benefits. Stress these benefits in all of your marketing materials. Remember customers don't care about features; they care about benefits and "what's in it for me?".

## Progress Check

- What are the two most important benefits of

- advanced planning and objective setting?
- What is the purpose of developing a client profile?

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## Costs of a Marketing Program

-It takes money to generate leads. By spending your dollars on marketing, you are investing in the future of your company. The only way to grow your business is through quality leads.

-Full line remodeling companies spend in the range of 2% to 5% of the projected yearly volume on marketing.

-Smaller type jobs, or if the company is growing, you will probably need to spend more.

-If your company only works large projects (over \$150,000) you rarely need to spend more than 1-2%.

-If you are a specialty or single lined remodeling company, your budget could be upwards of 10-15%.

Your marketing budget should include: design or materials, printing, postage, photography, uniforms, job site signs, brochures, media costs, membership dues for networking organizations, web site development and maintenance, and anything else created to help your company generate leads.

While this amount of money may sound high, remember that it includes the cost of the personnel to implement the program.

### Guidelines for Spending your Marketing Budget

1. **60%** on your Circle of Influence. This includes your previous customers, and anyone who will refer business to you. Examples are accountants, attorneys, real estate agents, suppliers and subcontractors. This category is the most likely to produce quality leads.

2. **30%** on your Prospects. These are people who have some potential reason to become buyers. This could include neighbors near your current job site, homeowners in identified neighborhoods, and people with homes of a certain age.

3. **10%** to reach everyone in your market area-- newspaper/magazine ads, radio and television advertising. This form of marketing is the least likely to get quality leads.



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## Who Will Get the Job Done?

As an owner, you already have many hats, with the increased work load of marketing many times it gets pushed to the side. When this happens, leads can dry up. Because it can take up to six months for a new marketing program to produce dependable leads, it is important that your marketing program be consistent.

If you don't have time, or can't delegate enough time, you can hire it out. There are many options:

-Someone from the office--make sure they are enthusiastic about the additional responsibility and have a good mind set.

-A part time employee or subcontractor hired specifically for this purpose.

-A local university student majoring in marketing.

-Hire a marketing consultant to help with the specific parts while you do the rest.

No matter what you decide, you should stay abreast of the program because nobody knows your business as well as you do. You need regular reports on how different tactics work so you can refine the program to be cost effective.

### **Create a Marketing Team**

-This team is usually made up of individuals or companies that help you make your marketing program run smoothly.

-Graphics designer--they can add flair and professionalism to everything from your company logo to the job site post card that you'll be sending out.

-Using a writer who is experienced in producing marketing text will provide you with a more effective piece, in less time.

-Try using a quick print shop for smaller one or two color projects, and a second printer for larger more complex jobs. Until you really get to know your printers, get two or three quotes on your print jobs.

-A mail house can handle the labeling, stamping, and complicated sorting the post office requires to get the best rate.

-Web site designers can work miracles. As consumers increasingly use the internet to locate quality companies, it is critical that your

web site represents the image you have worked so hard to build. Check references and customers to make sure they are experienced and qualified.

### **Resources for finding marketing team members:**

- The local Chamber of Commerce.
- The local university (marketing, business or graphics arts students make wonderful economic employees, plus you get the benefit of fresh creativity).
- Your peers.
- Neighbors and other business associates.
- Your industry associations.

Check around and interview several companies in each of the categories until you find just the right fit for your company. A well implemented marketing program--like a good remodeling job--is the result of careful planning that includes the owner's input, good follow-up by a company employee, and a team of subcontractors who deliver.

#### **Progress Check**

- Name at least five elements that comprise a demographic list.
- Which kind of professions should you hire for a marketing team?

# ***Marketing for Building Contractors***



## **Developing Your Company's Public Face**

*Excerpted from "The Remodeler's Marketing PowerPak"*

*by Linda Case and Victoria Downing*

**COMPANY LOGO**

**PROFESSIONAL IMAGE**

### ***Learning Objective:***

***Translate the importance of developing a professional image through the use of a logo, brochures and performance.***

### **Image: A Community Perception**

As a remodeling company, you need to reflect professionalism in every aspect. You need to show your expertise in your area with matching marketing materials. Design/building companies should have materials that demonstrate design flair. If you work in professional institutions it should reflect that. Remodeling is an easy-entry industry, so it is important that the community knows your company is stable and will be around for a long time.

### **Remodeling Your Company Name**



Start with your company name. Have it reflect your type of work. "Jones Company" does not tell anyone what you do. "Jones Design and Remodeling" is more reflective of a remodeling niche. Be as specific as possible.

## **Developing/Updating Your Company Logo**

### **Tips for developing a high impact logo:**

- Think how you are going to use it. Multi colors and color screens look great, but can be very expensive.
- Make it easy to read and simple in concept. Make it reproducible clearly in black and white.
- Don't be too gimmicky--remodeling buyers want stability and professionalism. When designing your logo, make the design one that can last 15-20 years.
- If you have one, update and make it more polished and modern.

### **Stationary**

- Note cards and envelopes
- Second sheets
- Fax sheets
- Letter size and large envelopes
- Labels
- Business cards
- Presentation folders

### **Signage**

Make sure your graphic designer provides you with a digital version to be used on company documents, e-mails, and your web site.

### **Developing a Company Brochure**

A brochure is something that can be left behind after every sales meeting. They should be handed out at Home Shows and open houses. You can use your brochure as a direct mailer before initial client meetings. Remember that your brochure will represent your company--and can frame the way your potential clients perceive your firm.

### **Brochure budgets will depend on:**

- The size of the brochure
- The paper you choose
- Whether you use full color or black and white
- Whether you include photos
- The cost of the designer, writer, and printer
- Organization at the beginning of your design process. Just as change orders can disrupt the flow of a project, last minute changes affect the cost of your brochure.

### **Guidelines to help you develop a winning brochure:**

- Most brochures are good for only two to three years.
- If you need a starter brochure, there are generic ones available. Add a company label or logo to customize it. This will give you time to get your own brochure developed.
- Using a self-mailer format makes it easy to use as a direct mail piece. Print it with a bulk mail indicia in place, when only sending a few mailers, place a first class stamp over it.
- If mailing in an envelope, size it to fit in a standard envelope.
- Make sure the look matches your company materials' color(s), typeface, and logo.
- Use headlines and subheads to clarify your major benefit messages. Professional writing help is worth every penny you may invest.
- Be sure to leave plenty of white space to make the brochure easy to read.



## **Carrying the Image Throughout the Company**

Once you have created a dynamic logo, use it consistently throughout all your marketing efforts. Great looking trucks, signage, and stationary never make up for doing poor work on a job. Many remodelers have reported that signage on the company vehicle has been one of the most effective marketing tools they have used. Try using a company uniform of a polo shirt with the company logo and a pair of jeans or shorts. Be sure your employees are aware of jobsite etiquette--all your efforts are wasted if the perception of the company is tainted by inconsiderate job site behavior.

Remember, marketing is 90% doing things well, and 10% letting others know about.

**Performing well is the best image!**

### Progress Check

- What factors should you consider when developing a company logo?

- Describe the guidelines to follow when creating a brochure.

# ***Marketing for Building Contractors***



## ***Increasing Repeat Business and Referral Leads***

*Excerpted from "The Remodeler's Marketing PowerPak"  
by Linda Case and Victoria Downing*

**REPEAT CUSTOMERS**

**COMMUNICATION**

### ***Learning Objective:***

***Explain the importance of creating customer loyalty: through referrals, testimonials, and a Circle of Influence.***

### **The Golden Rule of Marketing**

**"You can double the repeat business and number of referral leads you receive if you constantly market back to your Circle of Influence".**

The most desired business sources are either repeat business or a referral from an existing client or friend of the company. 75% or more of your business will come from these two sources. Don't fall for the myth that this return business will come without effort.

## **Capturing Business from Repeat Customers**

It is easier to sell yourself to a past customer than to sell yourself to a new one.

### **Communication is the Key!!**

- Continually stay in touch, this way they still know you are in business and what it is that you do (you can add or delete services or product lines). Communication is the key to success!
- If you expand your services, let your customers know.
- Never assume that previous clients know everything that you offer. It is your job to educate them.

### **The Importance of Referral Leads**

The National Association of the Remodeling Industry (<http://www.nari.org/>) states that nearly 50% of incoming jobs to contractors come from client referrals. You may find this number to be even higher. If this is the case, you should make it a top priority to create a program that encourages referrals. **The absolute highest quality lead is one that comes from a referral.** The close ratio on a referral lead far surpasses any other source, and is the least expensive. The referrer often gives the prospect a lot of information about the company which ultimately closes the deal.

### **For Example:**

- You may not be the cheapest in town, but you offer a good value.
- You deliver what you promise.
- Your personnel are pleasant, friendly and courteous.

- You keep the job site clean.
- Your previous customers are happy with your work.

Referrals come from a larger group of people than just your previous customers. Friends, social acquaintances, and business associates can also send referrals; we call this your **Circle of Influence**.



**Expand Your Circle  
Of Influence**

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## **Develop a Circle of Influence Database**

Collect various contact information:

- Names, addresses, home and work phone numbers, e-mail addresses, type of prospect and lead source
- Optional information could include map coordinates, profession, family size, ages of clients, family members living at home and more.

Maintain this customer information at least 5 years after the project is completed. You can use a computer program to collect and sort this data--many are available. ( [www.remodelersadvantage.com](http://www.remodelersadvantage.com)).

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## **Create a Communication Program**

Contact your Circle of Influence at least 4 times a year--make it a soft message (no hard sell). Encourage referrals to capture future business. Some ways to keep in touch include:

- Newsletters
- Informative letters on your letterhead
- Holiday cards
- Invitations to a home show
- Delivering a gift after the project is finished
- Telephone calls on the anniversary project completion
- Notices of new services offered
- Updates on referral programs
- Announcements of special events, such as television or magazine coverage, open houses

Think creatively! There are many ways to stay in touch. Creating loyalty with regular mailings is one of the easiest ways to keep in touch with your clients.

### **Newsletters**

- Keep you in contact with your Circle of Influence.
- Communicate your activities and changes within your business.
- Can provide key stories that are short and easy to read.
- Keep it short, and SOFT sell!!! Remember, this is your Circle of Influence!
- Share awards you have won, certificates earned, any personnel changes, special charity projects etc...
- Use trade magazines as resources for short stories. They will usually let you reprint them with permission.
- As the year progresses, file copies of stories for future use.
- List current projects, it reinforces your credibility.
- Consider a newsletter service--they could cut your overall costs.





## **Letters to Produce Leads**

-Simple letters to you COI can provide information about a new product or a new system your company has implemented, or a new development in the remodeling industry itself.

-Remember, the client does not care about the change unless you can show them how it will benefit them.

-Use a form letter to send out, two to three times a year, to remind them of you and your services.

-Good times to send these letters are Thanksgiving, Valentine's Day, and late winter. Get them thinking about new projects for the spring.

## **Mailings to Announce Special Events**

- Your company's anniversary
- Winning a special award
- Hiring key new employees
- Feature articles in a magazine or newspaper



## **Holiday Cards to Stay in Contact**

Remember, everybody else uses Christmas, so try another holiday or creatively make your own. St. Patrick's Day, Groundhog Day, Valentine's Day, Halloween, or any other offbeat holiday could work. A card sent out on these holidays can stand out dramatically!

## **Project Profiles**

Clients love to see what others are having done. Beautiful professional photography on either an 8½ x 11 sheet or postcard is an eye catching way to show off your work.

## **Saying Thanks with a Gift**

- Leave something behind to show your appreciation for the work.
- This make the customer feel good about your company and increases the probability that they will return.
- The gift does not have to be expensive and should be something that will be around the home for a considerable time.

- An organized project folder with pictures before, during and after their project.
- A magazine subscription, etc.

- A framed picture of the finished product.



**Create a referral program by encouraging your previous clients and other COI contacts to send their friends or associates to you.**

- On your evaluation form for the project completed, ask for names and addresses of others thinking about remodeling.
- Provide a gift (\$50-\$100 gift certificate) for any lead that produces a job.
- A coupon that customers give to a prospect, and when the prospect signs on they get a small offering and the referring customer gets a gift.
- Hold a special event for your COI--a picnic, dinner, outing etc...
- When you do a marketing event include your COI--free tickets (Home Show), or just a notification (open house).

**Business Contacts Deliver Business!**

- Previous customers are great but don't forget the referrals that can result from your business associates.
- Create a program for your business allies to bring customers to you.

- Keep a healthy personal relationship with these contacts and remember that referrals work both ways.
- Join local business networking groups made up of non-competing companies, stay active in your local Chamber of Commerce, and participate in community based clubs (Kiwanis, Rotary, etc.).
- Utilize professional business people like Real Estate agents, subcontractors (electrical, plumbers, drywall, HVAC), architects, bankers, landscape companies, or builders who don't remodel or work in your niche.

### **Testimonials are Powerful!**

An old saying goes-"If you say something about your company it is a claim. But if someone else says something about your company, it's a fact." When a project is complete and the customer says how great it is--ask them to put it in writing. You may have to give them a gentle reminder at a later date--but it is worth it. If they refuse--find out why.

Collect the testimonials and use them as a marketing tool.

- Use testimonial quotes on every page of your website.
- Use segments of those testimonials in your brochures.
- Include letters of recommendation in your presentation book.
- Frame a glaring testimony and hang it in your office.

**Place them in your newsletters to let your Circle of Influence know of another happy customer!!**

### **Progress Check**

- What are the components of a successful newsletter?
- How can you use testimonials as a marketing tool?

- What percent of remodeling jobs come from client referrals?

# ***Marketing for Building Contractors***



## ***Reaching Out to Targeted Prospects***

*Excerpted from "The Remodeler's PowerPak"*

*by Linda Case and Victoria Downing*

**PROSPECTING**

**MAILINGS**

**NETWORKING**

**WEB SITES**

### ***Learning Objectives:***

*Discuss and evaluate the several ways to expand your targeted customer base.*

*Integrate these methods into a successful marketing campaign.*

# **Job Site Prospecting**

## **Prospects**

These are the people who fit your pre-determined target market. You notice the word "pre-determined". Usually your work involves a certain group of people, a range of home values, and specific customers with certain demographics. Even though you have been successful in that market, it is important you sell to prospects outside your Circle of Influence.

It is important to market to prospects near your current projects. Surrounding home owners are excellent prospects who usually share similar demographics as your current job. Your current project can showcase your design and craftsmanship. Remember your subcontractors will reflect on you, and that it is important to keep the job site neat and clean.

## **Job Signage**

- It should be neat, clean and display the company logo, phone number, website, and a short tagline describing the type of work you do.
- Always be consistent with colors and design for all your marketing material-- you are branding yourself.
- Print on both sides of the sign.
- Use attractive sign holders, that includes a place for extra promotional material.
- Placing a tube or box for promotional materials in a customer's yard with a well-designed flyer inside is a great way to produce quality leads at a low price.



- If the neighborhood does not allow signs, use your truck for signage.

## **Canvassing the Neighborhood**

-Typically the project manager or company owner will make contact with area home owners.

-Try to use the job site as a point of interest.

-If the canvasser cannot make an appointment, make sure to leave literature and suggest a visit the project site.

-If no one is home, leave a door knob hanger or a plastic bag with promotional materials.

-The best times are late afternoon, early evening and Saturdays.

-Confirm appointments--30% of all appointments are cancelled.

-Quality leads are relatively few and far between--generally 20-40% result in a sale.

## **A Sample Canvassing Script**

"Hi--I'm Bill Peters of Blanchfield Renovations. Did you notice that we're re-siding the home next door? I wanted to let you know that we try to disrupt the neighborhood as little as possible.

Our company specializes in exterior home improvements. In fact, we provide top-quality replacement windows, gutters, and vinyl siding. Have you been thinking of improving your home or saving money with more energy efficient products? While we are in your area, I'd love to talk to you about what we offer. I'm setting appointments in the neighborhood on Tuesday and Thursday. I could show you how we can transform your house at that time. Which day would be better for you?"



(If the prospect does not want to make an appointment):

"Here's a brochure about our company for when you decide that it's time to improve your home. By the way, would any of your neighbors like to have information on our services? Thanks so much for your time, and please call if there's anything we can do for you".

## **Tricks of the Trade**

-The person you choose as a canvassing manager can make or break the program.

-You will need a constant source of part-time workers. College students often fit the bill.

-Canvassers can get paid on commission or a low wage and commission per lead generated.

-A canvasser in an urban area can knock on 100 doors an hour, probably setting one appointment per hour on average.

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## **Mailings**

### **Job Site Mailings**

Mailings can target the prospects living around a jobsite. Plan on contacting up to 100 prospects surrounding each job. It is easy to implement and can produce high quality leads. Expensive mailers use an office service or subcontractor who guarantees the mailing gets done. A less expensive route would be to use a part-time employee to implement the program--but this can often get put on a back burner and never gets done. Some things to consider:

-They can indicate a job that is coming to their neighborhood with follow up letters detailing the progress of the project.

- The first job site letter should be sent out within one week of the construction starting.

-Consider job site post cards instead of a letter. The customer is more likely to read the card as opposed to opening "junk mail". These can also qualify for bulk mail rates.

-How to create the mailing list (the most important and difficult part)

- Criss-cross directories are available at most local libraries--you can purchase CD-Rom formats to use on your computer. Go to [www.haines.com](http://www.haines.com) and [www.expiriam.com](http://www.expiriam.com) for more information. The US Post Office web site-- [www.usps.com/directmail](http://www.usps.com/directmail)-- can be useful as well.
- Drive through the neighborhood to gain as much information as you can.
- Develop labels all at one time for mailing.
- If you don't have in-house capability or the time, hire a secretary or office service to set up and do the mailing for you.



## **Direct Mail**

Targeting prospects with direct mail is one of the most efficient methods of reaching many, but it can be an expensive failure if not done correctly. It can generate prospects--but they can be of lower quality--with only a return rate of 1-2%. Target specific neighborhoods with special promotions, winter and holiday savings, etc.

## **Targeted Mailing Lists**

- Any mailing list should contain the names and addresses of those people who have similar demographics as your customers.
- Use your existing in-house lists.
- Use any lists you can get from organizations you belong to.
- Purchase a list of prospects from a mail house. You can place definers on the list to make it more specific. It is usually only a one time use list, and is often monitored. These lists can often contain "dead information"--expect about 10% of obsolete information.
- Use mailing lists from professional associations if it fits your niche. For example--if you remodel dentists' offices, use dental association publications.

**What** you mail is the second most important part of the direct mailing! The envelope is important--your customers must want to open it and not just throw it away without even taking a look. Captions to catch their eyes:

***"Open to find out how you can...."***

***"Read inside to learn more..."***

***"Free information inside...."***

Send it first class. If you send by bulk mail you run the risk of delays--the post office can hold it for up to two weeks--and dated material can expire.

Once a mailer is opened, you have a 5-8 second window of opportunity to grab the reader's attention. Only 10-15% of recipients will read it. First they scan for relevancy, and if their attention is caught, they will continue to read and form a decision.

- The letter should have a headline and a P.S.--these are usually read first and should be used as grabbers.
- Consider a self-mailer which has no envelope--just fold and mail.
- People want to know how it benefits **them**. Make sure you answer the all important question: **"What's in it for me?"**.



### **Tricks of the Trade**

- Expect about 1% return--so if you want 50 responses, you will need at least 5,000 pieces mailed.
- If you send large quantities of mailers, be prepared for a response. If you can't handle the response--it is a wasted effort.
- Include a response card. It can be dropped in the mail and you only pay the postage if sent back.
- Create a secondary response mechanism to help build your data base. Offer free tips and brochures if they respond (FREE is one of the most powerful words to use in direct mail).
- When you get a response for brochures, add them to your mailing list. The interest indicates they are considering remodeling their home.

-Exchange your mailing list with a non-competitive company to grow your list. Make sure you match demographics.

-The best months to direct mail are generally January, February, October and August. The next best are November, December, September, and July.

-Test large direct mail campaigns. Send out two different samples so you can see which is best to use.

-Make sure you monitor your gains to justify using this method. If you don't get close to 1% return, it may not be cost effective and you may need to reevaluate.

-Post card decks combine advertising pieces from many different companies into a single package. They are less expensive and can provide a wider variety of marketing messages.

### **Example of a mailing program:**

#### **Results from Murphy Bros. Building & Remodeling Co. in Blaine, Minn.**

- ***Three mailings to 100,00 people each***
- ***An investment of just over \$14,000 dollars for the three mailings***
- ***218 leads***
- ***2 feasibility studies sold for projects worth \$55,000***
- ***5 design/build agreements sold for projects worth \$655,750***
- ***4 construction contracts sold for jobs totaling***

***\$434,404 in contract value***

- ***83 prospects still pending***

***John Murphy, the owner, said "We anticipate the revenue that will be directly attributable to this mailing will reach \$1.5 million. With that kind of return, we'll be using this marketing tool far into the future!"***

## Progress Check

- What percent of leads are "quality" leads that result in a sale?
- Which type of mailing targets the prospects living near a current job site?

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### **Networking**

Person to person lead generation--this is simply building relationships with people in the community that can help your business by sending you referral leads or direct sales.

-Create a profile for your company by joining community organizations and participate. (Chamber of Commerce, Rotary Club, Elks, etc.)

-Volunteer for specific community projects: utilize your skills, management or construction, to help with community projects.

-Take a business associate to breakfast or lunch once a month.

-Suppliers are a steady source of referrals. Take them to lunch and ask advice on how to grow your company.

-Thank each and every referrer with a hand written card.

-Introduce yourself innovatively. The person you are talking to may be a future customer.

-Listen to the conversation and keep an ear tuned to what you can do for that person. Ask questions that start with how, why, what, or tell me about....

-Give out your business card only after you've formed a conversational bond--not just to use them up.

## **Telemarketing**

This form of marketing may not be as effective because of the "do not call" lists. It can still be implemented if done correctly. Place calls to repeat customers to generate repeat sales. Federal law states you may call if you have done business in the last 18 months. The goal is to set up an appointment to visit the customer. Make a confirmation call the day before the appointment--a large percent of appointments will cancel. Typically, once you visit, it is not uncommon to sell 25-50% of kept appointments.

## **Open Houses**

Open houses are a great opportunity to show off your work. The three things you need are a noteworthy project, welcoming clients, and a seasonable time of year. Things to consider:

-Do your homework-visit other open houses, talk to real estate agents and learn what makes for a successful open house.

-It should be in an area you want to do additional work.

-Pick a Sunday in early spring or fall after the vacation season.

-Target neighbors and your mailing list.

-Pay to get the house cleaned, and buy fresh flowers.

-Protect floors and carpets with plastic runners. Ask visitors to remove their shoes.

-Have visitors sign in--this is a foundation for your follow up program.

-Provide simple refreshments.

-Provide plenty of literature.

-Clean up, clean up, clean up!



## **Presenting Educational Seminars**

Educational seminars are valuable because they are designed to attract qualified prospects that are thinking about doing some kind of project. Some ideas:



- **How to Choose the Right Remodeler for You**
- **How to Plan for the Project**
- **What to Expect During Construction**

### **Before you decide to do a seminar, you should consider:**

- Who will present the seminar? What is the experience level?
- What will the presentation focus on? How can you customize the talk to fit your specific niche?
- Don't sell from the platform. Attendees are there to receive valuable information, not to sit through a sales pitch. Sell your expertise, they will come to you.
- Have literature available--ask guests to sign a register and provide name, address, and phone number. Ask if you can contact them with more information. You will increase your quality prospects.
- Once most homeowners see how difficult a project can be--they are more open to the idea of hiring a professional. If you have done your job--the job is yours.

### **Teach an Adult Education Course**

- Home owners that attend these classes are good prospects.
- Be organized and competent--it could backfire on you if you don't present yourself in a professional manner.
- Once arrangements are made to teach the class--be sure to get the information out to your Circle of Influence.

### **Charitable Events**

- Shows your preferred audience your willingness to contribute to the community.
- You can donate time, materials, or cash to organizations.

- Donate "A Carpenter for a Day" to school and club related fund raisers for auction.
- This can also give your company exposure to new prospects.
- When you do contribute--be sure to communicate it to your Circle of Influence in your newsletter.

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## **Web Sites**

Every professional remodeler should have a web site. Customers browse the internet looking for information all the time. A well designed and thought out web site can draw prospective leads. It is a company brochure that is available 24/7 to customers.



### **Some must do's for a successful web site:**

- Secure a domain name, (URL) Uniform Resource Locator. You must be registered to secure the URL for the company's exclusive use. Use a known registering source. ([www.enom.com](http://www.enom.com), [www.domain.com](http://www.domain.com), [www.networksolutions.com](http://www.networksolutions.com), or [www.register.com](http://www.register.com) ).
- Find a reliable professional hosting company. Stay away from low cost or free hosts that require endless pop up ads.
- Hire a professional to build your site.
  - First impressions are important.

- They know how to get the best bang for your buck.
- Check references thoroughly, there are a lot of start up and fly by nighters. (Use the Better Business to check for references).

-Plan for a well-organized site with simple navigation. Easy to move from page to page or return home.

-Every web site should have a contact page with a simple contact form.

-The site pages and corresponding content should be grouped in a logical manner that is easy for visitors to browse. Remember that a web site is really no more than an online brochure. Organize your site the way your printed materials are.

**-Keep it Simple--give important information and don't be a bore!**

### **Finding a Designer**

-Start by asking suppliers, vendors, distributors, and other business associates who did their web sites.

-You want a company or individual who works on web sites for a living--not as a hobby or side job.

-The best place to start is online. A simple search for web design will give you plenty to look at.

-Look at each web developer's site carefully--look for ease of navigation, professional and modern design.



-Identify ones that you are interested in and contact them. Ask for at least five recent references and sites that you can visit.

-Web developers charge a wide range of fees. Don't settle for the cheapest. Base your decision on:

1. Is this a company you feel comfortable talking to?
2. Does the company promptly return phone calls and e-mails?
3. Do you like the designs the company has done for other clients?
4. Most importantly, does the designer understand your needs?

Get a detailed agreement on what you are purchasing--the cost, payment schedules, and dispute resolution. Make sure you receive a copy of your site on CD-ROM, don't rely on your host to maintain a backup.

### **Promote Your Site**

If you want traffic, you have to create it! Put your domain on everything: business cards, brochures, vehicle signage, printed ads, office and job site signage. Submit your domain to a search engine and directory. Be prepared to wait. It may take several months to be indexed. It can be costly to have your site ranked high on the search engine, but can be worth it.

### **Update Your Site**

Plan to add fresh content at least twice a year. Add new sales information and photos--remove dated and expired info. Do a site overhaul every two years. With a CMS(Content Management System) it is realistic for someone in your office to regularly update your web site.

**Progress Check**

- How many pieces of mail will you need to send for a one percent rate of return equaling 50?
  - Why are educational seminars valuable?

# ***Marketing for Building Contractors***



## ***Universal Marketing Program***

**Build a Flow of New Buyers**

*Excerpted from "The Remodeler's Marketing PowerPak"*

*by Linda Case and Victoria Downing*

**MEDIA**

**HOME SHOWS**

**AWARDS**

**SHOWROOMS**

### **Learning Objectives:**

*Describe how to implement a practical and successful ad campaign.*

*Explain the benefits of working a professional show, and of maintaining your own showroom.*

Marketing to a "universe" means targeting your entire market area, whether that universe is comprised of qualified prospects or not. It can be an effective way to reach new customers who have not heard of you, and can be a means to generate a large volume of leads. Marketing to your universe can be costly and time consuming, and should only be used when more effective marketing methods have been exhausted.

## **Your Universal Marketing Program**

# Media Advertising

## Newspapers

Newspapers reach a large number of readers every day. Since it is printed daily or weekly, it can be a timely medium. A recent survey by the Newspaper Association of America found that 70% of owners of homes valued at \$250,000 and above read the paper daily, and 77% of them read the Sunday edition. Things to consider when using the newspaper:

- Do the readers match the demographics of your target population?
- Are they distributed in your target geographic location?

## Designing a Newspaper Ad

Consistency, frequency and patience are keys to a successful campaign. The Newspaper Association of America says "your audience needs to be exposed to your ad 2.5 times before they relate to it".

- Good times and bad times are appropriate for newspaper advertising. If people are aware of you and your company, they will remember when times are better and they have money to spend.
- Concentrate on strong eye-catching headlines.
- Include a strong "call to action" in your ad. For example: "visit our showroom", or "call for a free design consultation", etc.
- Be consistent with the design, size, and content of the ad. Repeating the same ad reduces cost and instills familiarity.
- Include plenty of white space, don't clutter and make it difficult to read--it won't be!
- Make the benefit to the reader crystal clear.

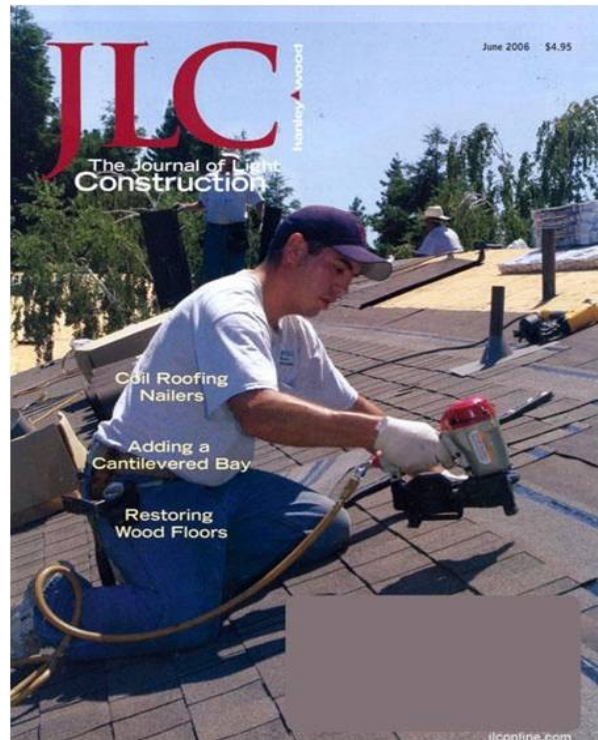
## Magazine Advertising

### Pros--

- Magazines are beautiful because of the quality of the publication itself.
- Magazine readers tend to be loyal readers.
- Magazines have a long shelf life.

### Cons--

- Monthly circulation eliminates timely sales promos.
- Magazine ads are good for creating an image--not necessarily for getting leads.
- The lead time is extensive (ads must be turned in several weeks before circulation) and last minute changes are impossible.
- Magazine advertising can be cost prohibitive.



### Radio Advertising

-**99%** of homes have radios, and approximately 50 million radios are sold per year.

-Prime time is morning and evening commutes, and are the most expensive.

-Commercials are sold in 10, 30 and 60 second spots. Ask the station for a media kit.

-Station content is targeted to a particular audience and demographic. Ask your customers what they listen to.

-Volume discounts and additional time slots are available-- typically instead of reduced costs.



Radio commercials are generally produced internally, and are of three types:

- 1. Donut**--the beginning and end of the ad stays the same, and the central message changes.
- 2. Testimonials**--the announcer interviews a previous customer.
- 3. Live**--the announcer acts like the company spokesperson. This is spontaneous, and may be dangerous (you never know what may be said).



Most effective ads run over a 2-4 week schedule. A typical pattern is to run an ad for 2 weeks, skip 2 and then run again for 2 weeks. The audience perceives a 6 week advertisement. Radio is a medium that works best in combination with other tactics (home shows, open houses, training classes...).

## **Television Advertising**

The benefits of television advertising are many. First, you are in the customer's home. Viewers perceive your company as a nationally recognized name. This form of media allows you to target to a very specific audience; for example daytime shows cater to women, and sports shows cater to men. Professionals are targeted during evening news or news programs. TV ads should be professionally produced by the station or an ad agency.

## **Cable TV**

More and more small businesses use cable TV as a viable advertising medium. The keys to success are:

- 1.** Pick the right networks (HGTV, DIY, Food Network, etc...)
- 2.** Have enough frequency for it to work--with cable you choose the audience and then entice them to take action through repetitive exposure.
- 3.** Do the right things with your creative output. Create a compelling message with a strong call to action. Your cable provider will help you produce a commercial that works on their medium.



The benefit of cable advertising is the ability to select specific territories to run your commercials:

**National:** which includes the entire network

**Regional:** which includes all the homes in a metro area

**Local:** which allows you to pick specific areas for your commercial to air

Costs of advertising can range from several hundred to several thousands of dollars, depending on the demand for the program. Talk to your cable sales representative to see if it fits your marketing plan.

**Yellow Pages--How much to Spend?**

## Benefits--

- Can be very effective or a waste of money
- Yellow Page shoppers are buyers, not browsers
- Everyone has the Yellow Pages--either paper or online
- Your logo can be included. This helps to capture business through positive recognition.



## Drawbacks--

- Makes it easy for people to shop your price.
- Risk of losing business to the competition. Their ads are in the same location as yours.
- The Yellow Pages are annual publications. You will be forced to make a decision for the entire year.
- The best positions on the page go to the more expensive ads.
- Your product line-up may require that you purchase more than one advertisement.

Studies show that customers are motivated to call in response to a Yellow Pages ad for three primary reasons: Name recognition, the size of the ad, and the content of the ad.

## Progress Check

- What are the drawbacks of magazine advertising?
- What must you consider when implementing a

newspaper campaign?

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## Home Shows

There are several things to consider when working a home show. First, there is the cost of keeping the booth manned. The booth space must be efficient, comfortable and memorable. Build the booth to be used over and over again. Be sure to provide take-aways--something of nominal value that has your name, address, phone number and web site printed on it. You want to learn to qualify your prospects in order to identify your best leads.



### Home Show Tricks

- Provide something eye-catching to entice your prospects.
- The theme of the booth needs to relate to your target market.
- Make your purpose for attending easy for customers to grasp immediately.
- Booth construction and craftsmanship are important. It gives a good impression.
- Check with your suppliers for free displays.
- A raffle or give-away in your booth encourages prospects to complete entry blanks--giving you detailed information for your database.
- Keep the entrance and exit clear.
- Have a give-away contest that is relative to your business. Provide photo albums of before and after projects.

-Do not put chairs in the booth. Drafting height stools are ok.

### **Things to Consider**

- How well it is promoted.
- Demographics--the number of people, their age, income level, etc.
- Are your competitors going to be there?
- Find out whether or not the companies that have attended the show in the past felt it was productive and worth the investment.
- Evaluate booth designs.
- Try to place your booth in a strategic place.
- Prospects should be able to stand 20 feet away and know immediately who you are and what you sell.
- Stay away from trendy designs that go out of style and force you to re-design your booth.
- At least half of all literature is thrown away--it never even makes it out the door.

### **Win Awards**

Winning awards is a third party affirmation of your company's excellence. It can take time and attention to detail--but is well worth the effort. Two things must happen in order to win:

- 1.** The project must be well decorated and landscaped.
- 2.** The project should tell a story or show a progression (before and after).



## Tips on Getting Started

- Watch industry publications and associations for award competitions.
- Carefully execute the rules of competition.
- Create a concise and well organized presentation book with good photos that help tell your story.
- Use before photos to demonstrate the level of improvement.
- After photos should be of professional quality.
- Describe the problem areas and how they were overcome.
- Emphasize a story angle to make it memorable to the judges.
- Communicate with the judges in easy to understand terms.

If you win--celebrate your success with your staff and friends. Have a party! Notify the media about your award. Generate publicity--this is a valuable form of marketing, and is easier than you think.

## Steps to Generate Publicity

**Step 1.** Create a database of media contacts. Local newspapers, magazines, association publications etc.

**Step 2.** Provide press releases that are newsworthy, and describe your company and your successes, at least three or four times a year.

- Don't be discouraged if the larger papers do not run your releases. Concentrate on the smaller publications.
- Once an article is published, cut it out and add it to your presentation book. Send copies along to your customer base.

## Press Release Guidelines

The press release should be typed and double spaced. Begin with "For Immediate Release", and provide captions for any photographs you may include. Leave room for editing in the margins. Be sure to have your name, address, e-mail and phone number at the top.

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## Showrooms

Maintaining a showroom requires a large investment in both time and money. Experts recommend that your sales volume be at least \$1,000,000 before considering a showroom. It will need to be staffed with properly trained employees. The minute you open a showroom, you have gone into the retail business. It may take two to three years to see a payoff--but a showroom can be a very effective lead generator.



## **Recognized Benefits of a Showroom**

- You can generally make sales with a higher margin of profit since customers see more value in doing business with an established, successful business.
- The showroom will help your customers make a decision--they see samples and displays.
- The salesperson has the ability to control the sale when conducted in person, in a showroom.

## **Things to Consider**

- Does your business have enough volume to support the additional cost? You must consider displays, increased rent, utilities, insurance and labor costs.
- Will the showroom have regular hours or will it be used for appointments only?
- Choose your suppliers carefully. It is better to stay with well established suppliers (less likely to go out of business).
- Carry only one or two lines for each product. This allows you to sell enough volume to get the favorable attention of the supplier.

## **Tricks to Creating a Great Showroom**

- Build the room to serve the profile of your target market.
- **Location! Location! Location!** Look for a space with high traffic and proximity to other retail stores.
- Build displays that could be workable layouts for the majority of your customers.
- Budget appropriately and project your sales towards at least a break-even point.
- Create package deals for low, medium, and high-end budgets.
- Implement effective signage to generate drive-by and walk-in traffic.

**Progress Check**



- List four guidelines to a press release.
- What are the tricks to creating a great showroom?

# ***Marketing for Building Contractors***



## ***Putting It All Together***

*Excerpted from "The Remodeler's Marketing PowerPak"*

*by Linda Case and Victoria Downing*

There are so many marketing tactics to choose from--it's important to choose the ones that you believe are the best fit for your company's current marketing needs and budget. Identify which tactics have delivered the most **qualified leads**. These are the leads that are the best fit for what your company does, and the customer type that you can best service. Now you are ready to create an action plan to implement the marketing tactics you have planned. **Remember it takes spending money to make money.**

## **SAMPLE MARKETING PROGRAM**

**Projected Sales Volume: \$1,500,000**  
**Size: \$50,000**

**Average Job**

**Marketing Budget (2% of annual volume): \$30,000**

You will need to produce 30 jobs a year to reach your goals. If you close 1 out of 8 raw leads, you will need 240 raw leads a year. This means you will need to attract 20 raw leads a month.

If you close 1 out of 4 leads, you will need 120 raw leads a year. This means you will need to attract 10 raw leads a month.

## **COMPANY MATERIALS BUDGET**

<i>Update Logo</i>	<b>\$2,000.00</b>
<i>Develop Brochure</i>	<b>\$1,800.00</b>
<i>Paint one Truck</i>	<b>\$1,800.00</b>
<i>Business Cards for Lead Carpenters</i>	<b>\$100.00</b>
<i>Uniforms</i>	<b>\$300.00</b>
<i>Upgrade Website</i>	<b>\$2,500.00</b>
<b><i>SUB-TOTAL</i></b>	<b><i>\$8,500.00</i></b>

## **CIRCLE OF INFLUENCE PROGRAM**

<i>Thank You Notes</i>	<b>\$50.00</b>
<i>Customer Gifts</i>	<b>\$1,200.00</b>
<i>Four Mailings</i>	<b>\$500.00</b>
<b><i>SUB-TOTAL</i></b>	<b><i>\$1,750.00</i></b>

## PROSPECT PROGRAM

<i>Job Site Mailings</i>	<b>\$2,500.00</b>
<i>Freelance Assistance</i>	<b>\$1,000.00</b>
<i>Upgrade Job Sign (includes labor to build)</i>	<b>\$250.00</b>
<i>One Showroom Seminar</i>	<b>\$4,300.00</b>
<b><i>SUB-TOTAL</i></b>	<b><i>\$8,480.00</i></b>

## UNIVERSE PROGRAM

<i>Float in 4th of July Parade</i>	<b>\$ 1,500.00</b>
<i>Networking (membership dues)</i>	<b>\$ 660.00</b>
<i>Yellow Pages Listing</i>	<b>\$ 2,000.00</b>
<i>Ad in Softball League Directory</i>	<b>\$ 250.00</b>
<b><i>SUB-TOTAL</i></b>	<b><i>\$ 4,410.00</i></b>
<i>*Contingency fund</i>	<b>\$ 3,000.00</b>
<i>Staff to Implement Plan</i>	<b>\$ 3,600.00</b>
<b><i>TOTAL</i></b>	<b><i>\$30,000.00</i></b>

*\*Many companies set aside a 5% to 10% contingency fund so they can take advantage of special opportunities that may crop up during the year (e.g., special event sponsorship, media advertising special sections, or customer appreciation events)*

## Marketing Calendar

At the beginning of each fiscal year, create a marketing calendar that includes all the tactics in your marketing plan. This can show you how you can spread your marketing expenditures throughout the year to avoid a major drain on your cash flow.

- Utilize the marketing tactics you have decided to utilize and spread them throughout the calendar.
- The calendar is adaptable (not set in stone).
- Provides a roadmap to help you stay focused on your business plan.
- The actual tasks within the calendar could be delegated to someone else.
- Helps to organize a plan to disperse your budget throughout the year.



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### **SAMPLE MARKETING CALENDAR:**

#### **JANUARY**

**Build a Home Show booth**

**Build dollhouse for give-away**

**Design/write/print  
newsletter #1**

#### **FEBRUARY**

**Mail Circle of Influence letter  
#1**

**Mail press release #1**

**Home & Garden Show**

#### **MARCH**

#### **JULY**

**Begin direct mail project  
research**

**Get rules for award entry**

#### **AUGUST**

**Circle of Influence mailing  
#3**

**Home Show at fair**

#### **SEPTEMBER**

**Develop award entry**

**Direct mail to Hillsdale area**

**Plan Open House**  
**Have invitations designed**  
**Send open house invitations**  
**Order open house refreshments**  
  
**Send special invites to media**

## **MAY**

**Design/write/print newsletter #2**

**Open House May 17**

**Mail press release #2**

## **JUNE**

**Schedule photographer**  
**Co-op ad research**  
**Circle of Influence newsletter #2**

**Design Thanksgiving cards**  
**Have pro photos taken**

## **OCTOBER**

**Send in award entry**

**Purchase sweatshirts for crew**

**Print Thanksgiving cards**

## **NOVEMBER**

**Thanksgiving mailing(COI #4)**

**Press release #3**

**Select/purchase client gifts**

## **DECEMBER**

**Send/deliver gifts**

## **Ongoing Marketing Efforts**

A few things to remember to monitor on an ongoing basis as the year progresses are:

- Database upkeep
- Sending customer evaluations
- Jobsite marketing
- Collect testimonials, etc.

# ***Marketing for Building Contractors***



## ***Track Your Marketing Success***

**TRACKING LEADS AND SALES**

**CUSTOMER EVALUATIONS**

### ***Learning Objectives***

***Examine the value of tracking your leads and evaluating your customers' assessment of your services.***

***Be able to create a customer evaluation.***

**Tracking Your Marketing Success**

**Monitoring Your Leads and Sales**

- Information is the key to continual improvement.
- Take the effort to gather the needed information.
- Collect the information allowing you to analyze whether your marketing tactics are effective or not.
- Send questionnaires to find out why a prospect did not use your company.
- Ask new prospects where they learned about your company every time they call.
- Which tactic attracted them?
- What project or products are they interested in?
- Are these people that responded to your ad or tactic quality leads?
- By having this information, it allows you to invest your marketing budget in tactics that have proven to be effective in generating real business.
- Learn to qualify your prospects. Don't spend valuable time spinning your wheels with what you believe to be a probable dead end.



## Sample Lead Forms

Use a rating system to quickly sort good prospects from mediocre ones. The sample lead form gives each lead a numeric value by letting you add up the rankings in two categories:

- Lead Source
- Type of Project



The value you assign to different types of projects depends on your company's niches, so customize this form and the numeric rating system to fit your company.

**SAMPLE LEAD FORM**

Type of Project: What type of project are you considering? (Circle One)

45 New home  
35 Major remodeling  
45 Addition including kitchen  
30 Kitchen remodel  
20 Bath remodel  
15 Basement remodeling

How long have you lived in your home?

Have you remodeled before? \_\_\_ Yes \_\_\_ No If yes, how was the experience?  
\_\_\_\_\_

Who was your contractor? \_\_\_\_\_

What research have you done on this project? \_\_\_\_\_

Do you have an investment range in mind? (\$ to \$) \_\_\_\_\_

*Add up the points from the two categories on this form. The total score indicates the lead's quality. Here's a key for interpreting scores:*

Poor	65-90 Excellent	45-64 Good	20-44 Fair	Below 20
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## Tracking Leads and Sales

Review the sales tactic that generated the leads and the lead-to-sale ratio from the leads that were generated.

Check what the average sales profit from the tactic used. This allows you to better invest your budget dollars.

## Measure the Effectiveness of a Tactic

You know your tactics have worked if the leads you have generated are solid. If your lead generation program is attracting too many unqualified leads, it needs to be reworked.

Use these four criteria:

1. Quality of the leads--effective monitoring of leads is not related to the number of leads, but to the **quality** of those leads
2. Per-lead cost
3. Conversion Rate (leads to sales)
4. Average sale size

Source	# of Leads	Cost Per Lead	# of Appts.	Cost per Appt	# of Sales	Cost per Sale	Average Job	Closing Convers. Rate
Newspaper Ads \$1800	45	\$40	18	\$100	6	\$300	\$65,400	13%

This sample entry show that our company placed small newspaper ads throughout the year for a total expenditure of \$1,800. Here are the results:

- These ads generated 45 leads.
- Dividing \$1800 by 45 shows us our average lead cost was \$40.
- From those leads, we made 18 appointments
- Dividing \$1800 by 18 tells us we spent \$100 per appointment.
- From those leads, we sold 6 jobs, or 1 out of three leads.
- \$1800 divided by 6 tells us we invested \$300 for each sale.
- Because we closed six of the 45 leads, our closing conversion rate is 13%.
- The 6 sales averaged \$65,400 each.

## **Lost Jobs--Find Out Why**

Survey would-be clients to find out why your company was not chosen.

- Helps improve company's services which can mean more leads.
- Survey should be short--no more than two sides.
- Include a thank you.
- Quick and easy to complete.
- Including a stamped, self-addressed envelope to encourage a response.
- Send the form to all prospects who did not award your company the business.

## **Sample "Why We Didn't Get the Job" Survey**

Thank you for the opportunity to consult with you on your remodeling project. It is important to us that we deliver the best service and highest quality product available. If you would take a moment to tell us why you did not choose our company, it would greatly help our efforts to improve. We appreciate your help.

1. Have you awarded your remodeling contract to another remodeling company?

If yes, could you give us the name of the remodeling company who was awarded the job?

If no, please move to question #4

2. Was your decision based on any of the following? If more than one, please number in order of importance.

- \_\_\_\_ Timeliness of response
- \_\_\_\_ Salesperson's ability to accurately assess your needs
- \_\_\_\_ Company's ability to present creative solutions
- \_\_\_\_ Clarity and completeness of our proposal to you
- \_\_\_\_ Professionalism of our presentation
- \_\_\_\_ Personal rapport with salesperson
- \_\_\_\_ Previous relationship with company
- \_\_\_\_ Product offering
- \_\_\_\_ Company's reputation
- \_\_\_\_ Price

3. If price was a factor, was our company's proposal higher than another company's proposal by:

- \_\_\_\_ 0-5%
- \_\_\_\_ 6-9%
- \_\_\_\_ 10-15%
- \_\_\_\_ More than 15%
- \_\_\_\_ Other \_\_\_\_\_

4. How many times did you meet with the other company's representatives?

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5. If you did not proceed at all, why?

6. Please rate our company representative on the following:

<b>Ability to listen and understand your needs</b>	<b>Poor 1 2 3 4 5 Excellent</b>
<b>Professional appearance</b>	<b>Poor 1 2 3 4 5 Excellent</b>
<b>Presentation of company and proposal</b>	<b>Poor 1 2 3 4 5 Excellent</b>
<b>Technical expertise</b>	<b>Poor 1 2 3 4 5</b>

	<b>Excellent</b>
<b>Quality of our solutions</b>	<b>Poor 1 2 3 4 5</b> <b>Excellent</b>
<b>Timeliness of response</b>	<b>Poor 1 2 3 4 5</b> <b>Excellent</b>
7. Additional Comments:	

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### **What Do Your Customers Really Think?**

When the project is complete, the client's name and other pertinent information should be moved into your Circle of Influence. Keep tabs on the quality of your services.

- Continually monitor customers.
- Work to improve areas in which you are weak.
- Ask clients to complete a questionnaire after the job is finished.
  - Make questionnaire easy to complete.
  - Enclose with cover letter saying "Thank You".
  - Include stamped, self-addressed envelope.
  - 30% to 40% return is typical.
  - Mail second evaluation if no response from the first.
  - Follow up with telephone call of Thanks or send Thank you card.



### **Customer Evaluation Cover Letter**

Dear \_\_\_\_\_,

Thanks again for your business. We appreciate your confidence in us. To continue to earn business from wonderful people like you, we are always working to improve our services and procedures. Would you please help us in our efforts by giving us your feedback on your recently completed project?

Enclosed is a short survey that rates us in a variety of areas. Of course, we'd also like any other comments--positive or negative. Constructive criticism is very beneficial.

Thanks for helping us become the best construction company we can be!

Cordially,

(your name)

P.S. If there's anything we can do for you, please don't hesitate to call.



## **Customer Evaluation Questionnaire**

On a quarterly basis, determine the average scores for each of the questions and the total for the 10 numeric questions.

Compare the scores to the previous quarter to see if your company is improving.

The averages will also give you a reading of your employees' effectiveness. Examples:

- If the score for question 2 is consistently low, you'll know that's a major problem.
- If you see a sudden drop in a score, correct the problem before it becomes serious.

## **Customer Survey**

Name

(optional): \_\_\_\_\_

\_\_\_\_\_

As you circle your ratings, please remember that a "5" is excellent and a "1" is poor.

- |   |           |
|---|-----------|
| 1. How happy are you with the project design? | 1 2 3 4 5 |
| 2. Was our salesperson courteous and helpful? | 1 2 3 4 5 |
| 3. Was the design process smooth?             | 1 2 3 4 5 |
| 4. Was our salesperson knowledgeable?         | 1 2 3 4 5 |

- |  |           |
|--|-----------|
| 5. Was our office staff friendly and efficient?                          | 1 2 3 4 5 |
| 6. Were we accessible when you phoned, and timely returning your calls?  | 1 2 3 4 5 |
| 7. Was our production manager responsive to your concerns and questions? | 1 2 3 4 5 |
| 8. How would you rate the people working on your job?                    | 1 2 3 4 5 |
| 9. Were your subcontractors professional and quality-conscious?          | 1 2 3 4 5 |
| 10. Did we clean up as expected?   | 1 2 3 4 5 |
| 11. How was our overall performance?                                     | 1 2 3 4 5 |