

How to Identify and Qualify Your Best Customers

JANUARY 20, 2015 || 1 – 2:00 PM

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Resource Poverty

The Harvard Business School refers to a phenomenon in small business called “Resource Poverty”

- Small business owners wear dozens of hats
- Small business has limited time and resources
- Time is the most valuable and limited resource you have!

How Many Roles do You Have?

- Owner/president _____
- General manager _____
- Production manager _____
- Office administrator _____
- Office assistant _____
- Director of sales _____
- Salesperson _____
- Director of marketing _____
- Marketing manager _____
- Architect/designer _____
- Estimator _____
- Expediter _____
- Lead Carpenter _____
- Carpenter _____

High Impact Activities

High Impact Activities:

- Actions that will have positive impacts on many different areas of your business
- Attracting and qualifying the right clientele is a “high impact activity”

What is a Good Sales Lead:

Target the kind of clients you want

- There are 2 parts to identifying what makes up a good prospect
 - The project
 - The client

Identifying the Right Project

How do you determine the “right project”

- Example: Baths and Kitchens...

– What were your 3 best projects last year?

➤ Why were they profitable?

➤ Which projects did you enjoy doing?

➤ Where were they located?

Your Best Projects

What are the things you look for to define your best jobs:

- Profitability of the job
- Geography (location, location, location)
- The type of project
- Your niche

Identifying the Right Client:

Do you know who your best customers are?

How do you find out?

- What projects were your most profitable?
- Which projects did you enjoy doing?
- Who did you enjoy working with most?

Your Best Clients

What are the “demographics” of your best clients

- Income
- Profession
- Children
- Geographic location

North Arlington niche

- Local elementary school
- Homeowners committed to the neighborhood

Southern California: A target market

The Marketing Funnel:

Marketing is a numbers game

- Number of leads needed to get an appointment
- Number of appointments needed to get a design contract
- Number of design contracts needed to get a construction job

Can you adjust your marketing “pipeline” to meet your needs?

Your Marketing Funnel

When you know what to say “yes” to, you also know what to say “no” to

Say “No” to unprofitable work!

Create a marketing presence, and “brand”

- Keep working your present referrals
- Neighborhood mailings
- Keep adding homeowners to your marketing “pipeline”

Online lead-referral sources can assist you with this

- Targeted leads, by **specialty** and **work area**
- Online company profile, and other business-related tools direct potential customers to you
- You can adjust the lead flow
- Gain access to a trade contractor pool
- Homeowners in targeted areas who want your products and services

The Element of Time...

A marketing survey discovered that when consumers purchased a product or service, that almost 80% of those consumers did **not buy** the product or service from the person who introduced them to that product or service.

We need a predictable, consistent marketing plan to keep our “name” in front of the potential customers we meet!

Your Marketing Message

How do you create your best marketing message?

– Ask your best clients

- Why did they work with you?
- What benefits did they receive as a result of working with you?

Your best clients will tell you your marketing message!!!

The Lead Sheet:

LEAD SHEET

DATE: _____

Name: Spouse Name: Telephone: Cell phone:

Address:

City/State/Zip Subdivision: Rating (1-4)

Own Home? Age? How long in house?

When to start work? Other bids? Who?

Completion Date:

TYPE OF JOB: Rating (1-4)

- | | | |
|-------------------------------|------------------------|---------------|
| 1. Whole House | 5. Bathroom | 9. Roofing |
| 2. Room Additions | 6. Siding | 10. Small job |
| 3. Addition w/kitchen or bath | 7. Window/Door (Vinyl) | |
| 4. Kitchen | 8. Window/Door (Wood) | |

The Lead Sheet

SOURCE OF LEAD:

Rating (1-4)

- 1. Past client _____
- 2. Referral _____ Appointment: _____
- 3. Job Sit _____
- 4. Truck Signs _____
- 5. Newspaper Ad _____ Which One _____
- 6. Mailing _____ Which One _____
- 7. Architect Designer _____
- 8. Insurance Co: _____
- 9. Cold Calls _____
- 10. Other _____

Terminated:

Design Agreement Signed:

Comments _____

Audition the Client

- Audition your clients to see if they are a good fit for your company
- You do this with questions
- You need to find out as much as possible about your prospective client and project during your first contact with them

The Pre-Qualifying Phone Conversation

- You don't want to go out on appointments with unqualified prospects
- Spend 20 to 30 minutes on the phone with them, or more
- The time you spend on the phone should be proportionate to the size of the job

The Pre-Qualifying Phone Conversation

When a potential client first calls and asks if you can help them, the initial answer should always be:

- “I don’t know. I need to ask you some questions to find out more about your project”

The person asking the questions controls the conversation...

The Pre-Qualifying Phone Conversation

When a potential customer, ask the following questions:

- How long have they owned their home?
- What is the type and scope of the project?

The Pre-Qualifying Phone Conversation

- Why are they considering remodeling?
- What is their target schedule?
- What is their budget range?
- What level of research have they done?
- Who will be involved in the decision-making process?

The Pre-Qualifying Phone Conversation

- Have they remodeled before? If so, what was the outcome?
- If not, do they know someone who has remodeled before? What was the outcome?

The Pre-Qualifying Phone Conversation

In asking these questions, you will find out a great deal about the client

- Real prospects want to talk about their project
- You may talk with them for 45 minutes or more
- You may find you make a good “connection” with the person

Only schedule appointments with qualified prospects!

Saying “No” Gracefully

If you decide you don't want a lead, be professional about how you turn them away

- Recommend they call the local chapter of a Remodeler/Builder association
- Give them the name of another company who can do the job

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