

A Swamp Experience

Written by Steve Marr
Monday, 06 August 2012 01:16

I received a request for help from a drywall subcontractor. He made a reasonable living over the past several years, but business has fallen off. For the past three years, he has been walking into a swamp, getting in deeper every day. He does not know what made him profitable and what changed. He has key issues to face, especially because he is in an extremely price competitive business. While he has a good skill level and delivers quality work on schedule, so do other competitors.

He believes he needs a marketing effort, and he is correct. Currently he has none. He has no web site, a poor Yellow Pages® advertisement and no other advertising. He has no idea of his unique sales proposition (USP). Fortunately for him, most of his competition is ignorant of basic marketing, too.

His goal was to get me, in a few hours, to transform his business into a profitable one. He also wanted to grow his business from two part-time helpers to developing three full-time crews he would manage. I explained the necessary process.

First, I needed to work with him to develop his USP (my earlier article is here: www.bit.ly/kCQ1N7). He wanted to know why he couldn't write a few ads to get more business. I explained that he didn't understand why customers called him. He thought it was because he did good work. I reminded him that two dozen others do good work as well.

Until a business owner is clear about their USP, the owner cannot develop a good marketing plan. Your USP shows you what customers to target and how to get those customers to buy. There is no shortcut to this process. The USP must come first before you can develop any marketing approach. He needed to differentiate himself from other drywall contractors.

The initial step he needed to take to improve marketing was to go back to past customers for testimonies and referrals. I told him to ask his customers, "Why did you hire me?" Ideally, their answers would give him a picture of his competitive advantage. He has a bigger problem if no pattern surfaces.

Second, there was the issue of pricing. He asked if dropping his prices 5% would help. He was already in a very competitively priced business in which others were charging much less. A small cut in price would not gain more customers.

Third, I explained what was next after he had his USP focus and an increased market brought more customers. He would need three crews and that would require him to change everything about the way he managed his business. He could no longer be a one-man show. He would need to become a manager with employees. This change would affect everything: his advertising, bid system, hiring process, billing system, and how bills were processed and paid.

He still had unrealistic expectations. He hoped that I could set up his entire marketing plan,

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implement that plan, write advertising copy, and reset his business model to include a three crew organization—all in a few hours.

I reminded him of Proverbs 21, 5: “Steady plodding brings prosperity, hasty speculation brings poverty.” (TLB) There are no short cuts. He faced a choice. He could embrace the changes that would lead to his dream of developing a multi crew drywall business, or continue on his current path that was leading him deeper into the swamp every week.

Again, I reminded him of scripture: "But don't begin until you count the cost. For who would begin construction of a building without first getting estimates and then checking to see if there is enough money to pay the bills? Otherwise, you might complete only the foundation before running out of funds. And then how everyone would laugh at you! They would say, 'There's the person who started that building and ran out of money before it was finished!'" (Luke 14:28-31, TLB)

All of us in business need to count the cost. No matter what we build, money and manpower are only part of the equation. The builder needs to make sure that the desired materials are available, that he can hire skilled workers, and that he can manage the team effectively. Having money without the ability to manage the crew who would do the work would mean failure.

Unfortunately, the drywall subcontractor wanted a quick fix for too many problems, something I could not do. I wished him well and stepped back.

Steve Marr, Your Christian Business Coach

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