

CONTRACTOR/20

A Perfect Vision for Success

Friends

If you were asked to choose between

A) 80% CUSTOMER RETENTION WITH 10% PROFIT

OR

B) 75% CUSTOMER RETENTION WITH 20% PROFIT

Choose choice B ... read on

Power Pricing ... Pump Up Profits to 20% Net (just a part of our Steps to Success plan)

1) Customer retention ... keep it above 75% ... Do a consumer survey \$ 450 to confirm this ... send us the names of 500 recent customers with phone numbers to get this step done.

Get your Pricing right ... a consumer survey will reveal your customer retention rate ... if it is over 75% and your closing rates with repeat customers is also high, we will advise you as to the exact price changes you can make. The right time to do a consumer survey is once a year or 3 months after a price increase.

The other day I spoke with a client in the great state of Washington. The choice was straight forward, keep 80% of their customers happy with their prices and earn 10% profit or keep 75% of their customers happy with their prices and earn 20% profit. Unless you think customers are going to line up with thank you checks when you retire, the time to maximize profit is now.

2) Raise prices if Customer retention is above 75%.

3) Offer yard signs in exchange for a discount to price turndowns ... to save the job ... on days when you have extra time to sell ...

4) 3 months later do survey .. to make sure you did not push prices to far.

5) Keep track of jobs lost for price, lower the prices on the low closing rate jobs, raise the price on the highest closing rate jobs. It's about ... Fine Tuning Pricing ... across the board mark ups is a mistake ... track the 20% of services that customers complain about the price, lower those prices and then raise the prices of the other 80% of services with low level on complaints, then have your cake and eat it too.

Steps to Success

- 1 Get your Pricing right** ... a consumer survey will reveal your customer retention rate ... if it is over 75% and your closing rates with repeat customers is also high , we will advise you as to the exact price changes you can make . The right time to do a consumer survey is once a year or 3 months after a price increase . the other day I spoke with a client in the great state of Washington . The choice was straight forward , keep 80% of their customers happy with their prices and earn 10% profit or keep 75% of their customers happy with their prices and earn 20% profit. Unless you think customers are going to line up with thank you checks when you retire , the time to maximize profit is now
- 2 Maximize Customer retention** ... mail 1/3 of your customer base each month , brand each home with an outside the kitchen window thermometer with logo and phone number and switch cover plates with logo and phone number . Add to that a spring and fall newsletter and you got it done .
- 3 Get your overhead under 40%** ... divide your overhead by .4 the result is your sales goal . Add to your prices the budget needed to hit that sales goal ... then check in 3 months that your customer retention is still good.
- 4 Leave no sale behind** .. ask about our secret method to close every sale possible .. when you can handle the extra work
- 5 New Customer promotions that are proven effective and Affordable** . .personality based targeted mail , radio and TV , internet sites with coupons , next generation Google ad words , Trackable Search engine optimization, mailings and door hangers to neighbors and new movers
- 6 Tech and Csr training** ... to maximize sales and closing rates
- 7 Get your labor cost under control** .. learn to avoid overstaffing, check the flat rate book times , mark up labor correctly , over preform your projected billable hours with our secret method to close every sale possible .. when you can handle the extra work
- 8 Branding** ... turn your company into a local hero with clear branding of quality, value , trust ... then over deliver on the promise of the brand . Associate your company with **local youth sports, Komen for the Cure** fighting breast cancer, **World Vision** a faith based action building sustainable agriculture and pure water where it is most needed , and **Action For Older** persons .. then promote these good works . Our Contractors United For Good leave behind cards (designed stop bad internet reports before they happen) and Service Angel referral promotion systems is perfect to promote your company “ good guy “ Branding . Think about a patch you techs could wear with the organization logos you support on it, the affect that could have on your branding. Then consider this , how proud will your team be , and their spouses to be part of a company that makes the local community, the nation and the world a better place for the promising young and most vulnerable citizens. How proud will you be.
- 9 Fine tune Pricing** .. across the board mark ups is a mistake .. track the 20% of services that customers complain about the price, lower those prices and then raise the prices of the other 80% of services with low level on complaints , then have your cake and eat it too.

At your service Mike Morosi ... and Proud to be a
PHCC/QSC Industry Partner And a Service Roundtable Consult Partner
Mike Morosi Pres, Contractor 20/20

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Direct Mail, Radio, and TV advertising... sales and service

Free Profit, Pricing and Employee Recruitment consulting.

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