

## Outlast and Outshine the Competition!

Five Secrets for Contractors to Come Out on Top when the Competition, Prospects and Clients are Trying to Knock Them Down

By Vicki Suiter

If your prospects and customers are pinching pennies, and you feel the competition breathing down your neck, it's easy to think the only way to get business in the door is to cut your prices.

Think again.

Take these five steps to clear out your competition, gain control of the selling process and keep your profits up too!

### **Secret 1: Get clear about what you can cut in costs *before* you consider cutting prices.**

Reducing prices without reducing costs will bankrupt you. Before you reduce your prices, look for ways to cut your costs. Then, if you do cut your prices, it will not be at the cost of your profits. Here are some key ways to do that:

- Increase production inefficiencies. Increasing efficiency in job production will allow you to bid more competitively. Fewer trips to Home Depot are a good start!
- Reduce labor costs. Make sure your field people are clear about the hours you've budgeted for a project by phase and task . Manage them to keep to the budget.
- Cut material costs. Negotiate better prices on materials with vendors.
- Remove duplication and confusion. Make sure everyone involved in your process, from suppliers to staff and customers, are on the same page. Being clear on scope and schedule are two critical drivers for keeping costs under control.

### **Secret 2: Give prospects a good reason to do business with you.**

People like to do business with people they know and trust. The best way to build trust is to behave in ways that show people they can count on you.

- State what you will do and do it. By doing this, you will build credibility and a reputation for reliability. That includes showing up on time to meetings and following through with the agreements you make.
- Tell the truth—even when you make mistakes. Being up front with people and being willing to "have the hard conversations" at the front end makes for less painful and resentful conversations at the back end.
- Tell the whole story. Don't just tell prospective clients what you think they want to hear, or what sounds good. Make sure they understand the short- and long-term consequences of their decisions.

**Secret 3: Have a clear plan when you go into a meeting with a prospect.**

The more prepared you are when you walk into a meeting with a prospect, the more in control you will be of the meeting. This helps build confidence with your prospect.

- Be prepared. Find out as much as you can about your customer before the meeting. It will reflect your professionalism and they will appreciate that you did not walk in cold.
- Know their issues. Plan to have a phone conversation with them before the first meeting, so you can vet out their concerns and what they have in mind about a project they want to do with you.
- Create a written meeting agenda and follow it. Making this part of your sales process and asking good questions (see Secret #4) will allow you to get clear on what the prospect wants and give you information that will support having a competitive edge.
- Honor their time. Arrive on time. Complete on time. Let them know you know their time is valuable.

**Secret 4: Ask questions that will give you and the prospect greater clarity about scope and desired outcome**

- Asking questions that elicit what is not working for a prospect and finding out what they would like before you offer a solution can set you apart from the competition and put you heads above the rest. Find out what's NOT working that got them to call you.
- Ask what they would like to happen. *Always* do this before you start to offer a solution to their problem. In this way, you can customized your solution (see next step) so it addresses what they don't want *and* what they do want.
- Offer a compelling solution. When you are clear about what the prospect wants, tell them how you can provide the solution they have just asked for, and then ask them if they would like you to proceed with helping them implement that solution by giving them a quote or bid. This gets them in the 'yes' mindset with you – always a good sales strategy.
- At the end of the meeting, ask when they would like to get the bid from you. Let them know your process includes meeting with them face-to-face to go over the bid. It is a fact that contractors who deliver bids in person, review them with a prospect and follow up have a higher close rate.

**Secret 5: Make it clear how much people love you!**

Let your customers do the talking about how great you are. This will carry much more weight than if you tell them.

- Have a current list of satisfied clients willing to talk about you.
- Ask past clients what you did right; then, ask them to put it in writing.
- Ask happy customers to introduce you to people they know.
- Feature testimonials in all information packets you provide prospects in your first meeting. (Don't have an information packet? Start providing one.)



These five secrets for outshining and outlasting the competition will help you build trust in business relationships, sustain profitability and become the provider more customers choose. You will gain greater control over the sales process and see your close rate go up!

*About the author:* As a business consultant and coach to the construction industry for over 20 years, Vicki has helped hundreds of contractors realize an appreciable increase in profits and cash flows. She does this by developing solid strategic, financial plans and feedback systems that get results. She works with owners and managers to create alignment in teams and to build cultures of accountability – which is key to building a sustainably successful company! As a business coach, Vicki's straight-forward style helps business owners and managers maintain clarity and focus on what they need to do to reach their goals.

Vicki earned her degree in business and finance from Dominican University and is a certified business coach and trainer.

Visit Vicki's website and get a FREE CD on "Increasing Your Bottom Line. . . NOW!" – [www.suiterfinancial.com](http://www.suiterfinancial.com). You can also email Vicki with questions at [vicki@suiterfinancial.com](mailto:vicki@suiterfinancial.com).