

Selling More than Price by Linda Hanson

Most contractors are proud of their quality of work, reputation, and personal service. When presenting your company to customers and prospects, you need to impress them to ensure you are not evaluated on price alone. This means showing the added value you bring to the customer. Added value means helping him meet not only his financial demands but solving the project complexities and tight schedules that would cause the project owner to look for more than a low bid. But, if the customers are not aware of the added value that bidders offer, they have no choice but to evaluate and select contractors based only on price.

In an era where low bidding is constant, successful contractors have learned that their bids are only one step in building growth for their company. If you concentrate on bidding many jobs, especially at low prices, it will not guarantee a steady flow of profitable work. Let me ask you, “Do you sell more than price?” Have you ever been the low bid and not gotten the job? It happens all the time. Selling added value can help you be successful and grow your business. Rather than risking your company’s growth by low bidding use the following ten strategies to help you win more profitable work:

1. **Develop a strategic plan.** Your planning team should include business unit managers or senior division leaders. Your plan should address three key questions: what are we going to sell, who we will sell to, and how do we beat or avoid the competition. It should contain objectives and tactics for each department and be developed by each department. Companies that plan their future create their future. Lastly, your plan should monitor the progress by each department as the year progresses. Development of a strategic plan and the proper execution of the plan will help you grow your business.
2. **Identify your expertise, specialty, or niche.** Successful companies are known for being the best at something. For example, some are known for the types of projects, difficult jobs, fast track, or design-build. To be the best your customers must know your specialty. Let your customers and prospects know your strengths and tell them again and again how you add value.
3. **Understand that estimators are more than price givers.** They are your sales force and need to spend lots of time with their customers. Get your estimators out of the office and into your customers’ offices at least once a week to cultivate the relationship and be aware of opportunities and issues. This insight makes it easier to develop value added opportunities. In other words, ensure they are in the right place at the right time.
4. **Develop a marketing budget.** Companies that invest in their future make more money than those who do not. Create an image, logo, and marketing materials to build an impression of who you are, what you stand for, what value added benefits mean to customers and what you specialize in. Invest as much as you can per year on mailings, flyers, customer events, meals, ballgames, golfing, thank-you gifts, and cards for your customers.

5. **Make everyone responsible for building customer relationships.** Everyone who comes in contact with the customer from project managers to technicians needs to follow a standard process to ensure customers are delighted. Also, develop a program to let your customers speak to you. Send out report cards, follow-up regularly, and spend time with them at least every two months in a relationship-building setting like meals, sporting events or over coffee.
6. **Be active in your industry and community.** The most successful companies are seen by everyone, everywhere. Their employees are active in industry associations and community organizations. They serve on boards of directors and give time and money to make their community better.
7. **Build employee skills.** It takes professionalism, knowledge, and confidence to win profitable jobs. Firms that get awarded more jobs are not only trained in job skills they are trained in communication, sales and presentation skills. They show up at a project interview with their team rehearsed, prepared and ready to impress.
8. **Improve your processes.** An organization is a collection of processes. Improving your processes will help you produce value, better serve customers, reduce costs and waste, and generate income.
9. **Embrace change.** The old saying, “If you always do what you’ve always done you’ll always get what you’ve always gotten,” is true. Leading companies use the latest tools, techniques, and technologies to stay ahead of their competition and lead their customers. If you show the future to your customers they are more likely to see you for your value and not on low bids.
10. **Develop a network for referrals.** The easiest way to double your sales is to ask loyal customers for a referral. Referrals to other job opportunities, meetings with prospective companies, and knowledge of bids being let don't come without asking. If you establish strong relationships and do a great job for your customers they will almost always give you a referral if you ask.

If you want to increase your chances of winning more than your share of profitable jobs, consider implementing the above ten tips. Make your bid only one small part of the selling process and join the list of successful construction businesses.

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