

SPECIAL REPORT

AVOIDING THE PITFALLS OF THE CONTRACTING BUSINESS THE 9 MOST COMMON MISTAKES CONTRACTORS MAKE TO SABOTAGE THEIR BUSINESS

BY PAUL MONTELONGO

Dear Colleague,

As I was having lunch with my best friend Larry, he anxiously explained to me the problems he was having growing his remodeling business. "I am just working from paycheck-to-paycheck and week-to-week. My business won't grow and it is running me into the ground".

"How can that be, I said? You are a highly skilled craftsman, you give great customer service, and the quality of your finished job is top-notch."

When I asked him if he could do some things differently to promote his business, he resisted with excuses like, "advertising costs too much" and "I can't handle any more work than I have now." Yet, he still complained about always being behind the eight

ball when it comes to cash flow.

And then he gave me the real reason...when he said, "My grandfather did it this way for 40 years and it worked for him".

I was floored! "He must be joking. This is 2001! We have all the technology in the world to be successful and he is telling me that he is set on his grandfather's ways." But as I thought about it more, I realized the mentality behind his statement was the undeniable root of the problem.

Let's get real! You want to be a successful contractor? You must adopt a futuristic and creative mindset that will put a fist full of profits in your pocket.

Don't sabotage your business. Change your thinking and earn more money! Here is a list of the nine most common mistakes a contractor should never make.

1. "That's the way my grandfather did it". With all due respect to dear old gramps, the times 'hava-changed sonny". The world moves at a pace that is at least one hundred times faster than it did thirty or forty years ago. Sure, I know customer service and quality was the name of the game in the 50's, 60's, and 70's. Now, however, you have to add speed, efficiency and timeliness. That is why your crews use pneumatic tools

instead of hammers and nails. That is why you use computer-estimating software and e-mail instead of a paper bid sheet. The customer demands speed and accuracy today and you have to produce it. Next time you see gramps or your mentor, express your sincere gratitude that he set you on the right course and taught you the basics. But remember that today's contractor plays a different game.

"You must adopt a futuristic and creative mindset that will put a fist full of profits in your pocket."

2. "You can be all things to all customers". Wrong Bucko. To achieve any measure of real success as a reputable contractor, you must niche your business and your services. The reality is the more narrow your niche, the more profitable you can be. Now, I am all for diversification. Have I got you confused yet? If you want to be known as a kitchen-remodeling expert, then focus on that segment of the industry. The same is true with luxury home

(Continued on page 2)

FEATURE



PAUL MONTELONGO

works with entrepreneurs in the construction industry to help them grow their business, earn more profits and reach their goals. You can learn from his 23 years of business ownership.

(more about the author on page 2)

INSIDE

ABOUT THE AUTHOR	2
MILLION DOLLAR HABITS FOR THE SUCCESSFUL CONTRACTOR	2
HOW TO GET FREE PUBLICITY	3
101 POWER STRATEGIES: TOOLS TO PROMOTE YOURSELF AS THE CONTRACTOR OF CHOICE	3
REGISTER FOR FREE ELECTRONIC NEWSLETTER	4
WWW.CONTRACTOROFCHOICE.COM	4

SPECIAL REPORT

AVOIDING THE PITFALLS OF THE CONTRACTING BUSINESS (Continued)

PITFALLS... (Continued from page 1)

building, historical renovations, fire and water restoration, handicap accessibility remodeling or even birdhouse building. Grow your reputation in a niche and customers will search for you because of your expertise. What about that diversification thing I mentioned? Once you become well known in a niche, then go for another niche. It should be closely related to the first niche and that will greatly reduce your startup costs.

3. "You must have a nail-pouch past". So you are really proud that you can plumb and line a 2" X 4" framed wall. You have paid your dues by pouring concrete, installing 3-tab composition shingles and sweating copper pipes with the best of men. Big deal! Possession of carpentry, plumbing or roofing skills does not in itself award you the right to start your own construction firm. How are your selling skills? What about your management and people skills? In order to be a real entrepreneur in the construction business, your visionary aptitude will be the single most important tool in your pouch. Treat your enterprise like a business and it will grow, prosper and reward you for many years.

4. "If you build it, they will come". Pardon my grammar, but this ain't no field of dreams and I don't ever remember hearing that Kevin Costner owns a construction company. Just because you decide to hang a shingle over the front door doesn't mean that customers will flock to your store. There is no getting around it. You must market, promote and advertise your business every day. This business

takes hard work, dedication, persistence, creativity, stamina and an intestinal fortitude that would make the marines proud. It takes a constant commitment to improvement.

5. "Customers will only build or remodel once in their life". That is grandpa talking again. The reality is that we live in a very mobile society. The average family only lives in their home about five years, these days. They move up to bigger homes or move to new cities all the time. Our industry is now to a point that we are seeing repeat customers for the fourth or fifth time. Regardless of the nature of your construction business, you will see repeat customers. What does that say about your commitment to customer service? The statistics speak for themselves.

6. "It's hard to find good subs and employees". OK, I'll go halfway with you on this one. Sure it is a challenge to find good sub-contractors and employees. However, this is a huge country. Despite your perception, there are still thousands of hard working, honest, quality minded trade contractors and employees. They are just looking to get matched up with a reputable general contractor. Think of it like a good marriage. It takes work, lots of work. It takes open quality communication and a commitment to the institution. Things are not always smooth, but the long-term dedication to the project keeps you in the game. The most difficult part of working with sub-contractors and employees is that many times the problem originates with that person you see every morning in the mirror. Just like a marriage, agree?

7. "Cut back your marketing budget when the economy slows". I see this time and time again. Builders, Remodelers and trade contractors think the first place to make budget cuts and tighten their financial nail belt is with the marketing budget. Wrong buffalo brains! Your marketing and promotional dollars need to be stretched, not cut. In fact, I would cut out the hunting trips, golf club memberships and Wrangler blue jean allowance before I touched my marketing budget. When the economy slows it is time to increase your company's visibility in the marketplace. Even in a tight economy, there are still qualified buyers out there with plenty of disposable income. Invest more in your marketing plan and you will reap the benefits.

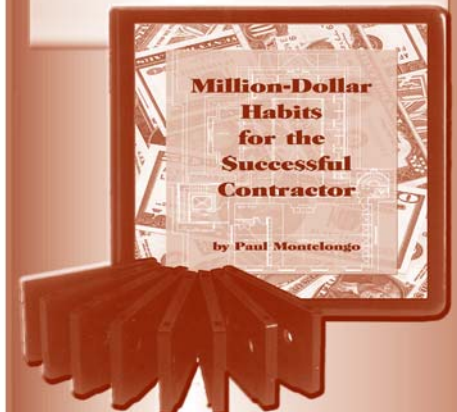
(Continued on page 4)

ABOUT THE AUTHOR

Paul Montelongo works with entrepreneurs in the construction industry to help them grow their business and earn a fist full of profits. Paul is a nationally recognized speaker, author, syndicated columnist and consultant to the construction industry. Paul has built and owned two multi-million dollar construction companies over the last 23 years. Paul is a certified instructor for the Home Builders Institute of the National Association of Home Builders. Over a million contractors each month read Paul's professional development articles in magazines across the country. An avid golfer and marathon runner, Paul lives in San Antonio with his wife and two sons.

"Million Dollar Habits for the Suce\$\$ful Contractor"

Discover the amazing secrets of how to achieve breakthrough success in your contracting business. Learn how to design a compelling vision of success for your future, set and achieve outstanding goals and position yourself among industry leaders. This insightful 8-Audiotape album with 30-page study guide is packed full of million dollar strategies to show you exactly how to build a multi-million dollar enterprise ... \$177.



HOW TO GET FREE PUBLICITY TOP 10 LIST OF LOW OR NO-COST MARKETING

BY PAUL MONTELONGO

1. Join organizations and associations and get involved.
2. Send out press releases.
3. Teach a class.
4. Form alliances.
5. Ask ... That's right. Ask!
6. Be a radio or TV guest.
7. Have stuff and label your stuff.
8. Get a coach or be a coach.
9. Send an email newsletter.
10. Get involved in lateral associations.

There are hundreds of ways to promote yourself and your company for practically no out-of-pocket cash. The extent to which you can market your services for no money is limited only by your imagination. The list you see above is only a small sample of the 101 strategies that are outlined in the book *101 Power Strategies; Tools to Promote Yourself as The Contractor of Choice*.

In this 144-page book you will learn at least 101 powerful strategies to promote yourself. Most of the strategies can be implemented for well under \$500. Many of the strategies can be performed for absolutely no hard cash out of your pocket. Here is a sample of the areas in which you can market yourself, improve your bottom line and position yourself as the Contractor of Choice.

- Spread the Word
- Print Strategies
- Networking
- Electronic Technology
- Media Promotion
- Community Commitment
- Recognition and Praise
- The Psychology of Selling
- Commitment to Excellence

This book is full of stories and examples of contractors just like you who have made a success of their business. *101 Power Strategies* is designed to give you powerful information in a short period of time.

"Paul proves beyond doubt that you're in two businesses at once--the construction business and the marketing business. If you're an expert in the first, his book can make you an expert in the second."

- Jay Conrad Levinson
Author, "Guerilla Marketing" series of books

"Use the principles in this book and succeed beyond your most extraordinary dreams."

- Mark Victor Hansen
Co-creator, #1 New York Times best selling series, *Chicken Soup for the Soul*®

**We're On the
World Wide Web**

ContractorOf Choice.com

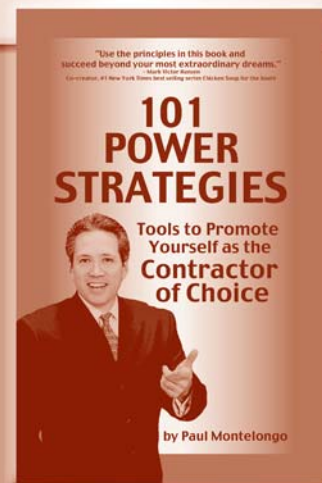
Visit today for resources to help you grow your business and keep a "Fist Full of Profits."

**Sign up for your FREE
e-mail newsletter.**

Make More Money

with this 144-page book.

Paul teaches extraordinary low-cost and no-cost marketing and promotion power strategies to explode your construction business to the next level!



SPECIAL OFFER!

Get Paul's book for your association, organization or company sales staff. Invest only \$17 (plus tax, S & H).

Call toll free 1.866.494.1911 for special pricing on multiple cartons of books for your organization.

**Makes a great gift
for your clients and association members!**

SPECIAL REPORT

AVOIDING THE PITFALLS OF THE CONTRACTING BUSINESS (Continued)

PITFALLS... (Continued from page 2)

8. "Cut back on your marketing budget when the economy booms". This is no different from mistake number seven. Complacency is a cancerous disease that can kill your company. Just because you have all the work you can handle doesn't mean you retreat from your promotional strategies. You can even use your marketing budget in boom times to try something fantastically unique with your advertising schemes. The chilling facts are that you must consistently maintain your presence in your marketplace. Investing more money in your marketing plan during boom times will give you a stronghold in your niche.

And the biggest mistake a contractor can make is...

9. "You are convinced that you are in the construction business". WHAT? I know you are saying, "I thought this whole special report is supposed to be about succeeding in the construction business". It is. That is why you can't be in the business of construction. Oh sure, you build homes, remodel property or provide contract services for the construction industry. But that is all it is...a service. The real business you are in is the marketing and sales business. Everyday, you must wake up and think..."How am I going to promote my business to the world today?" "What do I have to do to let my prospective customers know what a great company I have?" And... "How can I improve my sales and marketing strategies?" There is no prospective client that calls your office unless they have first heard of your company. How do they hear of your company? It is the promotional work

you have done to get them to pick up the phone and call your office. It is no different for a baker, a florist, a mortician or Bill Gates. Your business success is driven by your market visibility. When you begin to think in terms of becoming a marketing machine, the service part of your company will take care of itself, as will your profits.

Here is my sincere recommendation. Re-think the purpose of your enterprise. Begin to concentrate on the long-term growth and perpetuity of your business. Look for ways to market and promote yourself and your company. Market recognition and awareness will allow you to grow your business and keep a "fist full of profits"

Till we meet in person, take great care and remember, "Success is your choice. Choose well."

Copyright 2001 Success Concepts, Inc. All Rights Reserved.

Speaking Services

Make your meeting a VICTORY with a dynamic and energetic speaker.

Paul's high impact speeches and interactive programs offer inspiration and illumination for a life that is full of success. Each program is creatively customized to benefit your company or organization.

Paul captivates audiences with unique and memorable stories from his many experiences in the trenches of the building business. He teaches contractors how to build an enterprise that magnetizes customers, explode sales and balance the challenges of career and life.

**CALL
TOLL FREE TODAY
1.866.494.1911**
for speaking service
arrangements.



www.ContractorOfChoice.com

For additional copies of this special report or to order any of the Money-Making Tools inside this report,
CALL TOLL FREE 1.866.494.1911
or visit us on-line at www.ContractorOfChoice.com

Visit our website and register today for your FREE e-mail newsletter. The *Contractor Of Choice* E-Zine is sent twice a month. We do not share our email database with anyone.

Paul Montelongo
Success Concepts, Inc.

14855 Blanco Road #309
San Antonio, Texas 78216