

# JLC Online

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— The Editors

## BUSINESS STRATEGIES

### Starting a New Business

#### • Posted by Brad:

*I am just going out on my own doing remodeling. I have run into a problem when I go on sales calls: When people ask me for references on past jobs, I don't have many yet. How can I avoid sounding like I am not experienced?*

#### ◦ Followup posted by Todd:

It may be that you are going after the wrong type of job (too expensive or complicated), or are somehow raising doubts in the customer's mind. You may not present the image they expect (clothes, hair, vehicle, stationery), or you may not seem confident or knowledgeable enough. Also, people are looking for someone they can trust to fix their problem. Get to know people in church, and in trade and social organizations ... When people feel comfortable with you, they will hire you even when someone else has more experience or a lower price.

#### ◦ Followup posted by Ryan:

It counts if you worked as a carpenter for another remodeler. If you really don't have experience, I recommend that you first work for someone for awhile. There is so much you need to know to be successful in this business, and if you start with no mentor, you will probably not make it. A year learning from a successful remodeler will give you more knowledge than five years starving on your own.

My other piece of advice is this: Be up-front that you are starting a new venture. You will not get larger projects, because at first people will not be sure you can do them well. Take on the handyman projects. There is not a lot of reference checking for repairs and small jobs. Carry insurance, which adds credibility (and protects your butt). Keep your truck clean and neat, dress professionally for interviews, and cut your hair.

#### ◦ Followup posted by Todd:

Ryan gives good advice. I spent ten years learning on my own for the most part. I love learning new things, but it was a slow and inefficient way to learn a trade. I believe the best way for anyone to grow a business is to leave ecstatic customers behind. Even on the smallest job, do exceptional work, and be professional, friendly, and honest. Be a man of your word even if it costs you. Ask all clients if you can use them as a reference, and ask them if they know

someone else who needs help. I, too, would go after small projects until you build up the “Satisfied Customers” list. On more complicated jobs, sometimes I say, “I haven’t done that but I have done similar projects on a smaller scale.” I constantly get large jobs from people I did a small repair for last year. There is a big demand and little competition for a careful craftsman who is honest and trustworthy.

#### ◦ **Followup posted by Howard:**

Perhaps ... you can sub your services to an overworked remodeling contractor. I am doing just that with a small contractor who is very skilled, but has not learned how to market his company. I have retained him to manage two large projects with an eye to employing him down the road if I meet my growth projections and the relationship works. There is no reason you couldn’t do the same thing just to get experience.

Secondly, join your local HBA Remodelers Council. One of our members offered me a job in my area because it is too far from him. Get to know these guys; they will be another valuable resource for you.

#### ◦ **Followup posted by young bob:**

Once you do get started, take lots of pictures (or go back and take pictures of what you have worked on to date). Start an album and add the letters you ask customers to write when job is done. I always take mine to the first meeting and usually thumb through it.

#### ◦ **Followup posted by Rick:**

Piggybacking off of an established contractor is a great way to get jobs and referrals under your belt. Also, honesty is best — but tactful honesty. Don’t volunteer more than necessary. True story: On my first addition ever, I was a bit apprehensive about my first big project. My helper and I were laying out footers while the woman of the house watched from an open kitchen window as she washed the dishes. “Well, here we are Rick,” my helper proudly announced, “our first addition.” The rattling of the dishes ceased as the customer nervously looked out at us, pondering this revelation. I shot a glare that could kill at my helper. He looked from me to the customer, then quickly added, “...this year!”

#### ◦ **Followup posted by Eric:**

When I started my business 13 years ago, I had only two or three substantial jobs to use as references, but I also had several jobs that I had run for another company. I had permission to use those homeowners as references; the only requirement was to mention that I was the lead on the job and not the contractor. I was always honest as to what my experience was and where I could do a better job than my competitors.

I would also speak with any design professionals that you might know and see if they will give you any leads or references. Many times they need qualified people for some small jobs that the bigger contractors can’t get to. Also, go back to the few references that you do have and ask them to give you a written letter that you can include with your proposal. This looks great and can help answer some questions before they’re asked.

Take only work that you can handle. Many businesses have been sunk by that first big job. Better to have six small jobs with good cash flow than one big job that overextends your cash and manpower. Concentrate on doing every job well now, and before you know it you will have more work than you can handle! Good luck.