

Competing With Chuck in a Truck

by Diana Hanson

If you are a deck builder, chances are you face unfair competition. His name is Chuck. Chuck in a truck. He's that guy who's underbidding you. Last week he was a roofer, and the month before that he was a drywaller.

He can underbid you because he's got no overhead. He also has no license, no workers' compensation or liability insurance, no product knowledge, no clue about building code — and only marginal construction skills.

So, what does a professional deck builder do to stay in business amidst all the Chucks?

Educate the Homeowner

First, let's talk about what you have that Chuck doesn't. You have a legitimate business, including experience, licensing, and insurance. You have references who sing your praises. You have product knowledge, manufacturer certifications, and maybe even a couple of industry awards.

Homeowners, however, don't know about any of those qualifications and why they matter. Before you can make the sale, you need to educate them. Motivating prospective customers to choose a professional deck builder over the lowest bidder means introducing some well-merited concerns into their thought process. Here are some talking points for teaching homeowners how you are different from and better than Chuck.

License. If a license is required to perform residential construction in your area, explain to prospective customers what it takes to obtain one — the fees involved, the tests you have to pass, the

insurance requirements. Give homeowners the website address or phone number where they can find out whether a contractor has a valid license.

General liability insurance. Liability insurance (usually required for a contractor's license) covers damage or accidents caused by the contractor and covers products and workmanship after the project is completed.

Teach homeowners that the insurance doesn't just protect the contractor — it also protects them. As the hiring party, they are responsible for a contractor's actions during the course of that employment. So if an uninsured Chuck damages a neighboring property or injures a passerby, the homeowners could be on the hook.

Workers' compensation insurance. Workers' comp covers injuries to workers on the job and is also usually required in order to obtain a contractor's license.

Many homeowners don't realize that workers' compensation insurance protects them too. Explain that if uninsured Chuck or his worker falls off a ladder and breaks a leg, the homeowners are likely to be responsible for the costs related to the injury, because the accident happened on their property.

Permit. Unlicensed contractors cannot pull a permit.

Teach homeowners that permitting exists to protect them. It ensures that the design and construction of the deck conform to current building code. It provides for inspection. It safeguards homeowners against shoddy work and improper materials.

Chuck will tell homeowners that he builds decks without permits all the

time. He will say that he builds all his decks to code, so he doesn't need the permit and inspections that go along with the permit.

Homeowners need to know that a deck built without a permit may be a problem when they try to sell their home. Stress that they will get red flags from home inspectors with wording such as "second-story deck added — no permit." Failure to obtain the proper permit may negatively affect the value of the house.

Also point out that when construction activity is slow, building officials drive through neighborhoods looking for unpermitted projects. Counties, cities, and townships want revenue! A building official has a right to ask homeowners about construction on their property. Not having a permit could be a real problem.

Product knowledge. Professional deck builders are familiar with the very specific products used in building a deck. Unlicensed contractors don't know the difference.

Teach homeowners that deck building requires particular skills in construction methods as well as knowledge about an array of products. Explain that one piece of wood is not necessarily the same as another and that composite and vinyl products are not all equal. Each has its idiosyncrasies. Explain that the hardware must meet building code requirements, and that the choice of decking will affect how the support structure should be built.

Chuck may use untreated lumber next to the ground. He might not bother with stainless steel or coated fasteners for treated lumber. No one really knows

what Chuck will do. Emphasize that the wrong product combination could very well land their brand-new deck on the ground.

Product warranties. Many deck products come with warranties that are void if the installation instructions are not specifically followed.

Explain to homeowners that if Chuck uses the wrong spacing to install the deck boards and there is a problem, they will be out of luck. Plus, if a warranty claim needs to be made, they will need purchase receipts and documentation, and Chuck may be hard to find a year down the road. By then, Chuck could be in North Dakota driving an oil truck.

Be sure to bring up that by hiring Chuck, homeowners also run the risk of getting a surprise phone call or lien notice from a local retailer because

Chuck failed to pay in full for the materials now installed in their deck.

Selling Professionalism

Summarize your mini-seminar to your prospective clients like this: “Although you might get a lower bid from an unlicensed contractor, the risks of possible safety, financial, and legal issues far outweigh any benefits a lower bid may appear to offer. Hire a licensed professional.”

We’ve all seen disastrous construction — next time, snap a couple of pictures with your phone. Later you can show your prospective clients the best example of the worst construction to help you make your point.

Design a one-page handout to use as a cue card and leave with homeowners once you’ve made your presentation.

For ideas, search the Internet or contact your local Better Business Bureau and Realtors for their handouts on choosing contractors.

The old adages “pay me now or pay me later” and “penny wise, dollar foolish” have been around so long because they are true. Use your knowledge and experience to motivate homeowners to hire a professional deck builder. Not only will you be promoting yourself, you will be promoting the professionalism of our industry. Together, we just might get the Chucks to leave the deck business altogether. ❖ *Diana Hanson is a 30-year veteran of the legal profession and owns Woodpile Products in Meridian, Idaho, with her husband Jack. The author sincerely apologizes to any professional deck builders named “Chuck.”*