

Remodeling Contractor Basic Outline Marketing Plan

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Remodeling Contractor Marketing Plan

1.0 Marketing Vision

We are on a path to becoming the remodeler of choice in our chosen upscale market. Our weekly all-staff meetings always involve discussion of ways we can improve every aspect of business and service to reflect this vision.

1.1 Goals

Personal

- Income of \$275,000
- 21 days of vacation
- National Ethics in Business award
- Top 25 Remodeler

Business

- \$5 mil revenue
- 25 design projects
- 100% 9 or above rating

Strategic

- Top 3 in market
- 10 carpenters
- Buy building

Tactical

- Redo website
- Top 10 for 5 search terms
- Column in Home Section
- Hire marketing coach

1.2 Purpose

Remodeling is a tough business filled with lots of unkept promises. We will become known as one of the most ethical service providers in our industry and in business in general. Every decision we make will be infused with our core ethics.

Remodeling Contractor Marketing Plan

1.3 Picture

It's 3pm on a Tuesday and as I enter the office our design team is meeting with a prospect going over our process and portfolio. The customer came to us through a customer whose kitchen was one of the largest we have ever completed. Every aspect of the job went well and in addition to sending us referrals the owner sends the lead project manager on the job cookies and Christmas cards.

When I return to my desk I find 3 inquiries and a request for an interview to talk about our recently instituted green-building process. Shortly I will meet with our customer service team to talk about this year's customer appreciation project.

A quick glance at the project and key indicators board shows we are well on our way to a record year and quickly becoming known as the remodeler of choice if you understand that the remodeling process is as important as project.

1.4 Gap Dashboard

My personal projections are based on a 20% increase in income tied to an even larger increase in revenue.

The business projections are a healthy but realistic 30% increase in business due in large part to our added design capabilities.

Table: Gap Dashboard

Gap Dashboard	Year 1	Year 2	Year 3
Personal			
Income of \$275,000	\$275,004	\$288,754	\$303,192
21 Days of vacation	21	21	21
National Ethics in Business Award	0	Yes	Yes
Top 25 Remodeler	0	Yes	Yes
Business			
Revenue of \$5 million	\$5,120,000	\$5,632,000	\$6,195,200
25 Design Projects	25	30	35
100% Ratings of 9 or above	0	yes	yes
Tactical			
Redo website	0	yes	yes
Top 10 for 5 Internet search terms	0	yes	yes
Write column for the newspaper Home section	0	12	12
Hire marketing coach	0	0	0
Strategic			
Top 3 in market	0	yes	yes
10 carpenters on staff	0	ten	ten
Buy a building for our business	0	done	done

Remodeling Contractor Marketing Plan

2.0 Ideal Customer

You would spot our ideal customer in an older, established neighborhood sending one or more their children off to college and making plans for tomorrow's volunteer board committee meeting. They subscribe to urban living, entertainment and design magazines and entertain often. They belong to an area country club, may own a lake home and attend church on Sunday. They have remodeled before and are probably looking to stay in their home for at least 10 more years.

2.1 Market Description

Our ideal customers are homeowners living in upscale, but older, neighborhoods. They value the remodeling process and creating space for entertaining and large family gatherings. They are often self-employed with flexible schedules and enjoy playing an active role in the design phase of their project. The average project size with our ideal customer is \$75,000.

3.0 Remarkable Difference

Our process is just as important as the completed project. Many companies can get the work done, but few can get it done in a way that doesn't make you hate the journey.

3.1 Differentiators

- Architect on staff
- Very experienced design consultants
- 20-year success history
- Carpenters on staff

4.0 Core Strategy

We want to be seen in the top tier of remodeling contractors competing for the most prestigious work in town, based on our reputation and our process that includes design and attention to detail. We will be considered one of the most expensive options, but worth it. If you've remodeled before, then you know that the process is as important as the project.

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4.1 Core Branding Elements

Blue and Green colors for green building and trust.

Professionally designed logo, marketing materials and website. Our brand identity walks a fine line between rich and sensible. Expensive but valuable.

5.0 Product/Service Innovation

Free Offerings for Suspects:

- Design Trends newsletter: highlights upscale national trends
- Free design workshops: gives prospects a chance to experience the fun side of designing
- 'Ask our Architect' monthly column: questions from local homeowners will position our architect as the accessible expert

Trial Offerings for Prospects:

- Paid design sessions with experts
- Cooking lessons with gourmet chefs

Core Offerings for Prospects and Clients:

- DesignRemodel
- Design only

5.1 Price Rationale

Our pricing is based on industry-provided data for square foot construction. We constantly monitor materials cost and averages for our part of the country. Our aim is to be consistently above industry standard and focus on customer service as opposed to lower-bid work. Our ability to add design gives us a much more accurate pricing picture for each project.

Remodeling Contractor Marketing Plan

6.0 Marketing Materials

Our marketing kit:

- Letter from founder
- Our essential difference
- Remodeling process description
- Job site clean-up checklist
- Case studies before/after
- Customer testimonials
- Award-winning projects
- Customer list
- Article reprints
- The remodeling curve - joy vs. bummer
- Design and Project staff bios

Our marketing assistant is in charge of video for each project and the design and project consultants collect photos during the project. We also set-up a cam vision camera so a homeowner can see their project in progress at any time.

Every customer will receive a photo and video shoot of their project before, during and after. We will turn the video into a short testimonial for web and presentation and create a hardbound Blurb book for coffee table display after each project.

7.0 Web Plan

Our Web presence is a great competitive advantage for us. The images, videos, audios and blogs will help us create the changing content our site needs and assure that we do very well in the search engines locally.

We will use our image-rich site as a place for changing content and to display our process and professional approach as well as tons of useful and changing content. We will also create an Intranet portal for each customer to view project details and communication.

Our site and our direct mail program will promote our "Trends" ezine. We will send out customer and subscriber monthly ezines.

7.1 Social Media Plan

We will employ several blogs as our primary new media tools. We will also post podcast-style interviews with our best customers on a monthly basis and look to interview design and manufacturing and other home type experts such as entertainment, wine, chef and even audio and technology experts.

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8.0 Lead Generation Plan

Our lead generation will come from a combination of targeted advertising, monthly PR, and focus on customers for referrals.

Monthly press announcements to media and contact database. We'll produce a Q and A column in weekly newspaper Style section as well as a Quarterly big pitch story.

Quarterly direct-mail full-color, oversized postcards to core ZIP codes highlighting before and after project images. Promote design seminars in each mailing.

8.1 Advertising

Media Tracking Kits Requested

Advertising Medium	Contact Name	Contact #	Distribution	CostAd	Total CPM
Space Magazine					
Home and Garden Mag					
Local PPC					

8.2 Referrals

Pardon our dust - 3 letters to neighbors of projects giving details about work and contact for any issues.

Carpenter for a day - all customers are offered the use of a carpenter for a day for each referred customer.

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9.0 Lead Conversion Plan

We plan to bring our prospects into our office for their initial consultation, interrupting the standard practice in our industry of running out to a home for the first meeting.

This approach will help differentiate us and allow us to properly conduct presentations that highlight our process and showcase our design expertise.

This approach also shows that we have a very professional staff, office and process - something that also differentiates us from much of the competition.

We will convert 10% of all leads that make the initial visit to our office.

10.0 Service Experience

Highlights of our planned customer experience are presented in the following topics.

10.1 Loyalty Product/Service Offerings

We will offer each customer a survey after each project completes.

We will send hand-written Thank You notes to every prospect that comes to an initial meeting.

We will send gift certificates to all past customers good for \$100 off window cleaning from a strategic partner.

10.2 WOW Process

Our WOW Process is based on 3 parts:

1. Initial meeting in our office to set the tone - video and professional presentation
2. Job site is cleaned up every day at the end of the day - progress note left daily
3. After project:
 - 30-day walk through
 - 90-day flowers sent to home
 - 11-month no-hassle warranty walk through

Remodeling Contractor Marketing Plan

11.0 Marketing Calendar

Daily - hand-written notes, follow-up calls, customer contact

Weekly - review leads

Monthly - new marketing initiative

11.1 Monthly

Months	Marketing Theme
Jan	Strategy
Feb	Core message
Mar	Marketing materials kit
Apr	Website blog sezi ne direct mail
May	PR and referrals
Jun	Social and search
Jul	Audio video podcast
Aug	Events
Sep	
Oct	
Nov	
Dec	

Remodeling Contractor Marketing Plan

Table: Milestones

Milestones					
Advertising	Start Date	End Date	Budget	Manager	Department
Monthly Print Advertising	9/12/2008	9/12/2009	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Advertising Budget			\$0		
PR	Start Date	End Date	Budget	Manager	Department
Monthly Press Releases	9/12/2008	8/8/2009	\$0	ABC	Department
Sunday Newspaper Column	9/12/2008	9/12/2009	\$0	ABC	Department
Big Pitch Story - Quarterly	9/12/2008	6/9/2009	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total PR Budget			\$0		
Direct Marketing	Start Date	End Date	Budget	Manager	Department
Post Card Mailing - Quarterly	9/12/2008	6/9/2009	\$0	ABC	Department
Pardon Our Dust Letters with Each Project	9/12/2008	9/12/2009	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Direct Marketing Budget			\$0		
Web Development	Start Date	End Date	Budget	Manager	Department
Customer Intranet Portal	9/12/2008	10/12/2008	\$0	ABC	Department
Establish Blogs	9/12/2008	10/27/2008	\$0	ABC	Department
Develop Ezine/Newsletter	9/12/2008	12/11/2008	\$0	ABC	Department
Monthly Podcasts	9/12/2008	10/27/2008	\$0	ABC	Department
Total Web Development Budget			\$0		
Other	Start Date	End Date	Budget	Manager	Department
Project Showcase/Testimonial Videos	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Other Budget			\$0		
Totals			\$0		

12.0 Critical Numbers

Our sales forecast and marketing expense forecasts are shown in the following tables. We believe that our tightly focused marketing efforts will yield more serious leads, and that a greater percentage of these serious leads will be converted into clients by our style of business and the quality of our work.

12.1 Sales Forecast

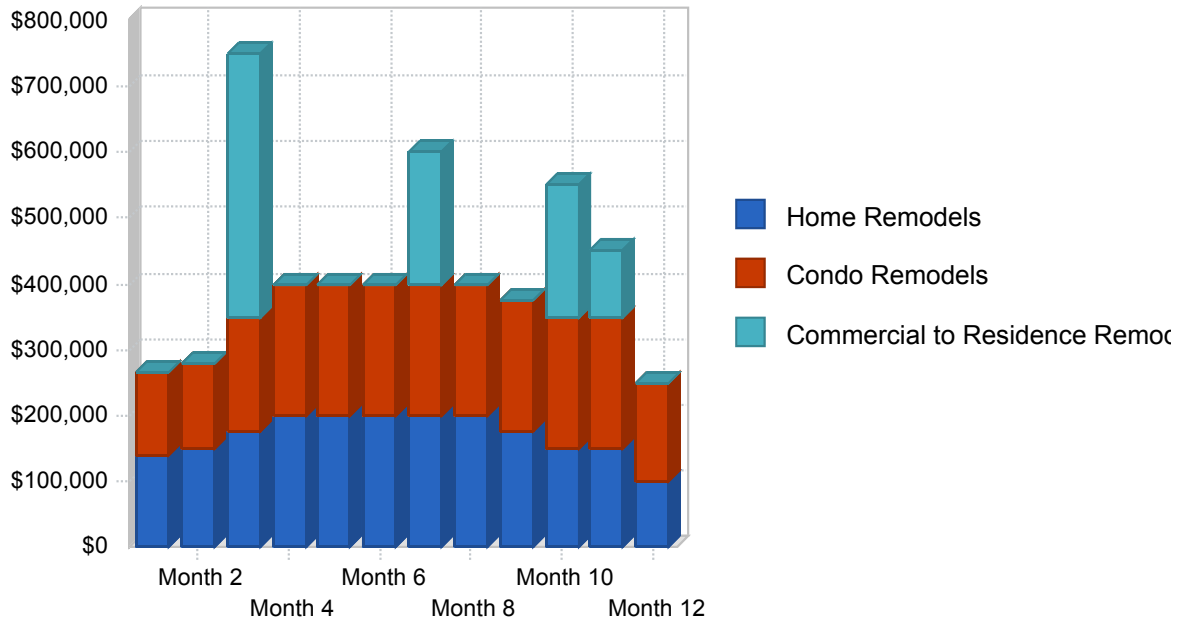
Even though interior remodeling is possible all year long, many customers still see it as seasonal. The sales forecast reflects this as our sales rise and fall. Remodeling projects of homes and condos are usually one or two month jobs. Changing a commercial building into a residence takes significantly longer, and usually involves the creation of several condo units within the one original building. Revenue from this type of project usually comes in installments as the project can run three to nine months from concept to completion.

Remodeling Contractor Marketing Plan

Table: Sales Forecast

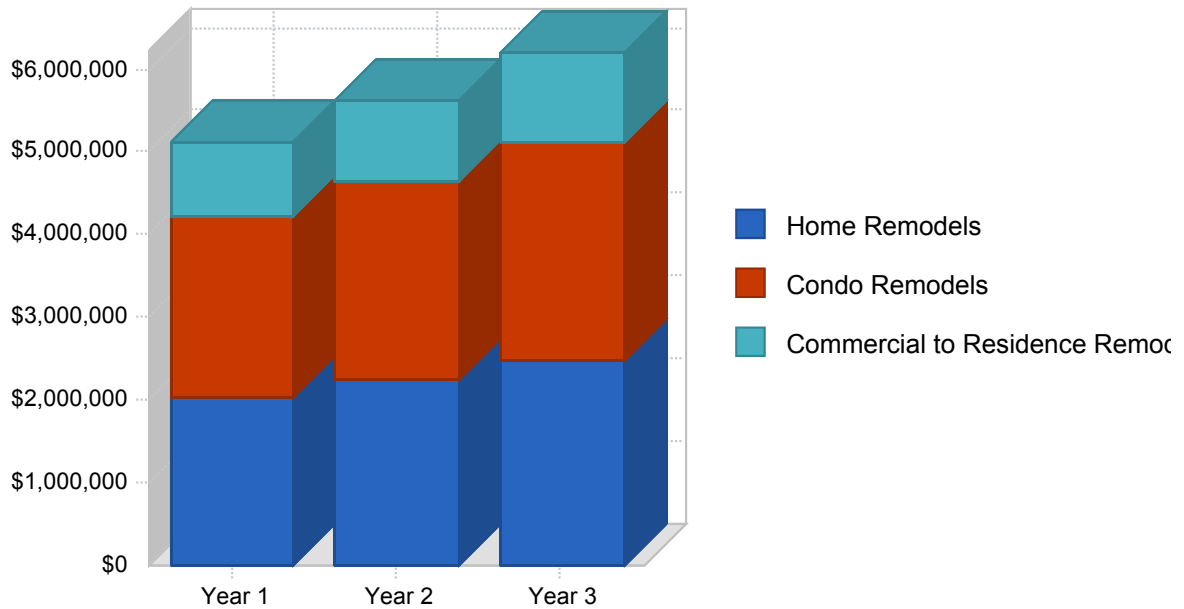
Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
Home Remodels	\$2,040,000	\$2,244,000	\$2,468,400
Condo Remodels	\$2,180,000	\$2,398,000	\$2,637,800
Commercial to Residence Remodels	\$900,000	\$990,000	\$1,089,000
Total Sales	\$5,120,000	\$5,632,000	\$6,195,200
Direct Cost of Sales			
Home Remodels	\$1,020,000	\$1,122,000	\$1,234,200
Condo Remodels	\$1,090,000	\$1,199,000	\$1,318,900
Commercial to Residence Remodels	\$450,000	\$495,000	\$544,500
Subtotal Direct Cost of Sales	\$2,560,000	\$2,816,000	\$3,097,600

Sales Monthly



Remodeling Contractor Marketing Plan

Sales by Year



12.2 Marketing Expense Budget

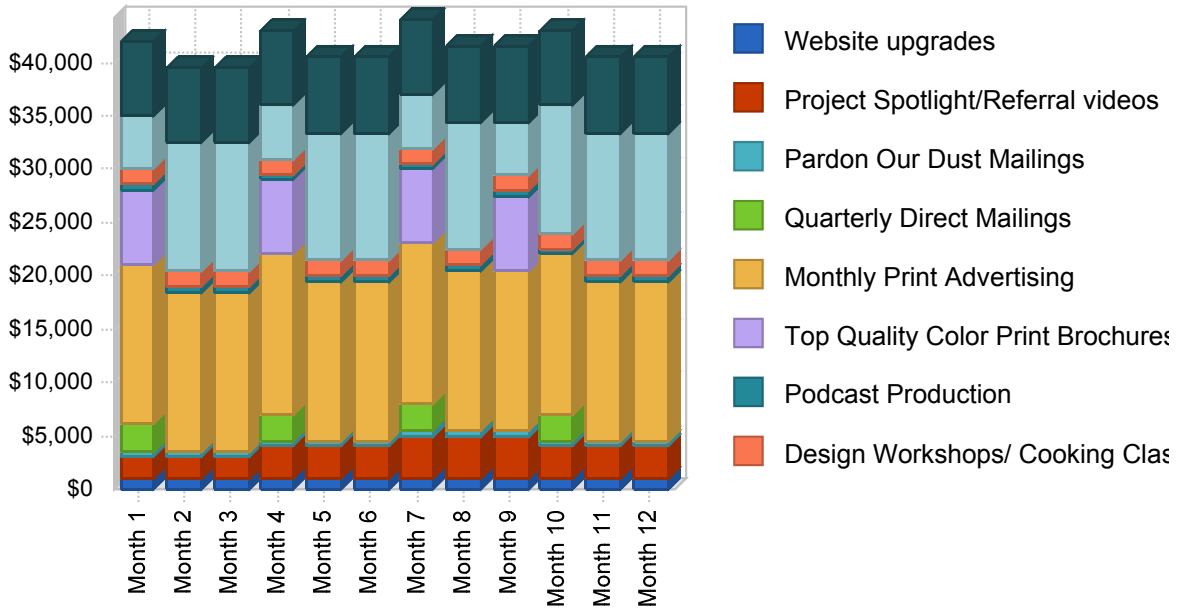
Our goal is to spend approximately 1% of our forecast sales revenue in marketing expenses. This is perhaps optimistic. The following table shows a general listing of anticipated recurring expenses. Additional funds are earmarked for special events, unspecified activities and new strategies and tactics.

Table: Marketing Expense Budget

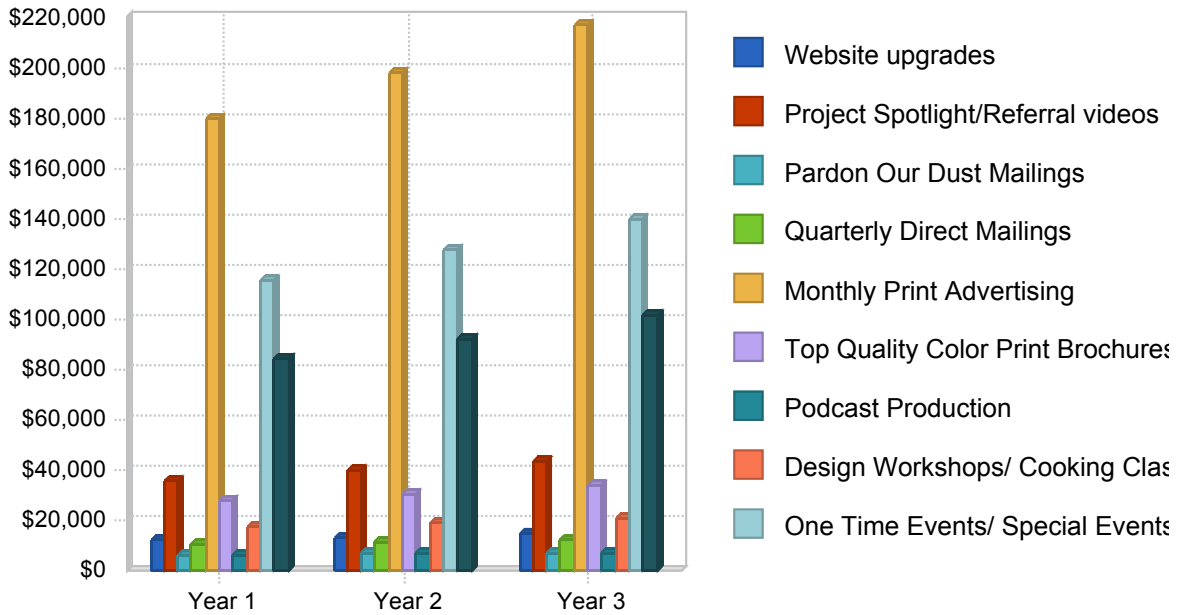
Marketing Expense Budget	Year 1	Year 2	Year 3
Website upgrades	\$12,000	\$13,200	\$14,520
Project Spotlight/Referral videos	\$36,000	\$39,600	\$43,560
Pardon Our Dust Mailings	\$6,000	\$6,600	\$7,260
Quarterly Direct Mailings	\$10,200	\$11,220	\$12,342
Monthly Print Advertising	\$180,000	\$198,000	\$217,800
Top Quality Color Print Brochures and Collaterals	\$28,000	\$30,800	\$33,880
Podcast Production	\$6,000	\$6,600	\$7,260
Design Workshops/ Cooking Classes	\$17,400	\$19,140	\$21,054
One Time Events/ Special Events/	\$116,000	\$127,600	\$140,360
Other	\$84,000	\$92,400	\$101,640
Total Sales and Marketing Expenses	\$495,600	\$545,160	\$599,676
Percent of Sales	9.68%	9.68%	9.68%

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Monthly Expense Budget



Annual Expense Budget



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12.3 Key Marketing Metrics

We've listed some key numbers in the following table. We will need to keep a close eye on these, to see if we meet our own expectations. Some, such as testimonials, can be beyond our control, since we may do an excellent job for someone, but if they are introverts by nature, we'll never get them to speak on camera or put themselves into the public eye. We can hope that in cases such as this these folks will give us good word-of-mouth referrals. If our numbers are off in too many categories, we may, after proper analysis, have to make substantial changes to our marketing efforts.

Table: Key Marketing Metrics

Key Marketing Metrics			
	Year 1	Year 2	Year 3
Revenue	\$5,120,000	\$5,632,000	\$6,195,200
Leads	440	680	793
Leads Converted	10.00%	11.00%	13.00%
Avg. Transactions/Customer	1	1	1
Avg. \$/Customer	\$109,167	\$115,000	\$130,000
Referrals	46	60	85
PR Mentions	30	0	0
Testimonials	51	60	70
Other	0	0	0

13.0 Marketing Training Game

Part of the marketing VPs charge will be ongoing training of the entire staff, in customer contact, and different techniques to intrigue, entice and satisfy the needs and desires of prospects. We will develop our skills in encouraging people to decide that they really want to be our clients.

Our training continues with our carpenters and workers to ensure that the clients are comfortable during the job, and are delighted with their project's results.

Appendix

Table: Sales Forecast

Sales Forecast													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
Home Remodels	0%	\$140,000	\$150,000	\$175,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$175,000	\$150,000	\$150,000	\$100,000
Condo Remodels	0%	\$125,000	\$130,000	\$175,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$150,000
Commercial to Residence Remodels	0%	\$0	\$0	\$400,000	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000	\$100,000	\$0
Total Sales		\$265,000	\$280,000	\$750,000	\$400,000	\$400,000	\$400,000	\$600,000	\$400,000	\$375,000	\$550,000	\$450,000	\$250,000
Direct Cost of Sales													
Home Remodels		\$70,000	\$75,000	\$87,500	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$87,500	\$75,000	\$75,000	\$50,000
Condo Remodels		\$62,500	\$65,000	\$87,500	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$75,000
Commercial to Residence Remodels		\$0	\$0	\$200,000	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	\$50,000	\$0
Subtotal Direct Cost of Sales		\$132,500	\$140,000	\$375,000	\$200,000	\$200,000	\$200,000	\$300,000	\$200,000	\$187,500	\$275,000	\$225,000	\$125,000

Appendix

Table: Marketing Expense Budget

Marketing Expense Budget	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Website upgrades	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Project Spotlight/Referral videos	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$3,000	\$3,000	\$3,000
Pardon Our Dust Mailings	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Quarterly Direct Mailings	\$2,550	\$0	\$0	\$2,550	\$0	\$0	\$2,550	\$0	\$0	\$2,550	\$0	\$0
Monthly Print Advertising	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Top Quality Color Print Brochures and Collaterals	\$7,000	\$0	\$0	\$7,000	\$0	\$0	\$7,000	\$0	\$7,000	\$0	\$0	\$0
Podcast Production	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Design Workshops/ Cooking Classes	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450
One Time Events/ Special Events/	\$5,000	\$12,000	\$12,000	\$5,000	\$12,000	\$12,000	\$5,000	\$12,000	\$5,000	\$12,000	\$12,000	\$12,000
Other	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Sales and Marketing Expenses	\$42,000	\$39,450	\$39,450	\$43,000	\$40,450	\$40,450	\$44,000	\$41,450	\$41,450	\$43,000	\$40,450	\$40,450
Percent of Sales	15.85%	14.09%	5.26%	10.75%	10.11%	10.11%	7.33%	10.36%	11.05%	7.82%	8.99%	16.18%

Appendix

Table: Key Marketing Metrics

Key Marketing Metrics	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$265,000	\$280,000	\$750,000	\$400,000	\$400,000	\$400,000	\$600,000	\$400,000	\$375,000	\$550,000	\$450,000	\$250,000
Leads	30	35	40	40	40	45	50	40	35	35	30	20
Leads Converted	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Avg. Transactions/Customer	1	1	1	1	1	1	1	1	1	1	1	1
Avg. \$/Customer	\$90,000	\$90,000	\$230,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$90,000	\$100,000	\$90,000	\$120,000
Referrals	3	3	4	4	4	5	5	4	4	3	3	4
PR Mentions	2	5	1	2	4	1	2	1	1	2	5	4
Testimonials	3	4	4	5	3	4	6	8	3	4	2	5
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix

Table: Gap Dashboard

Gap Dashboard	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Personal												
Income of \$275,000	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917
21 Days of vacation	0	0	10	0	0	0	0	5	0	0	3	3
National Ethics in Business Award	0	0	0	0	0	0	0	0	Yes	0	0	0
Top 25 Remodeler	0	0	0	0	0	0	Yes	Yes	Yes	Yes	Yes	Yes
Business												
Revenue of \$5 million	\$265,000	\$280,000	\$750,000	\$400,000	\$400,000	\$400,000	\$600,000	\$400,000	\$375,000	\$550,000	\$450,000	\$250,000
25 Design Projects	2	2	3	2	2	2	2	2	2	2	2	2
100% Ratings of 9 or above	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Tactical												
Redo website	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Top 10 for 5 Internet search terms	0	0	0	0	0	yes	yes	yes	yes	yes	yes	yes
Write column for the newspaper Home section	0	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hire marketing coach	yes	0	0	0	0	0	0	0	0	0	0	0
Strategic												
Top 3 in market	0	0	0	0	0	yes	yes	yes	yes	yes	yes	yes
10 carpenters on staff	seven	seven	eight	ten	ten	ten	ten	ten	ten	ten	ten	ten
Buy a building for our business	0	0	0	0	yes	0	0	0	0	0	0	done