

Remodeling Contractor 30 Minute Marketing Plan

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Date

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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 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

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.

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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.

4.0 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

5.0 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.

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6.0 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.

7.0 Service Experience

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

7.1 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.

8.0 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.

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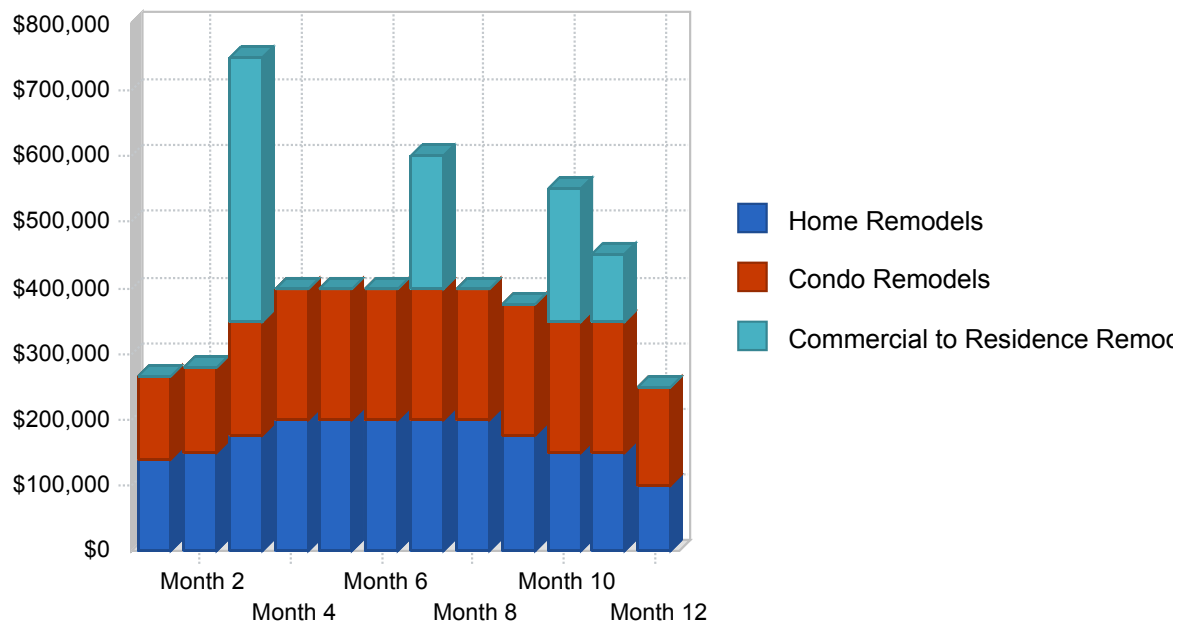
8.1 Sales Forecast

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.

Table: Sales Forecast

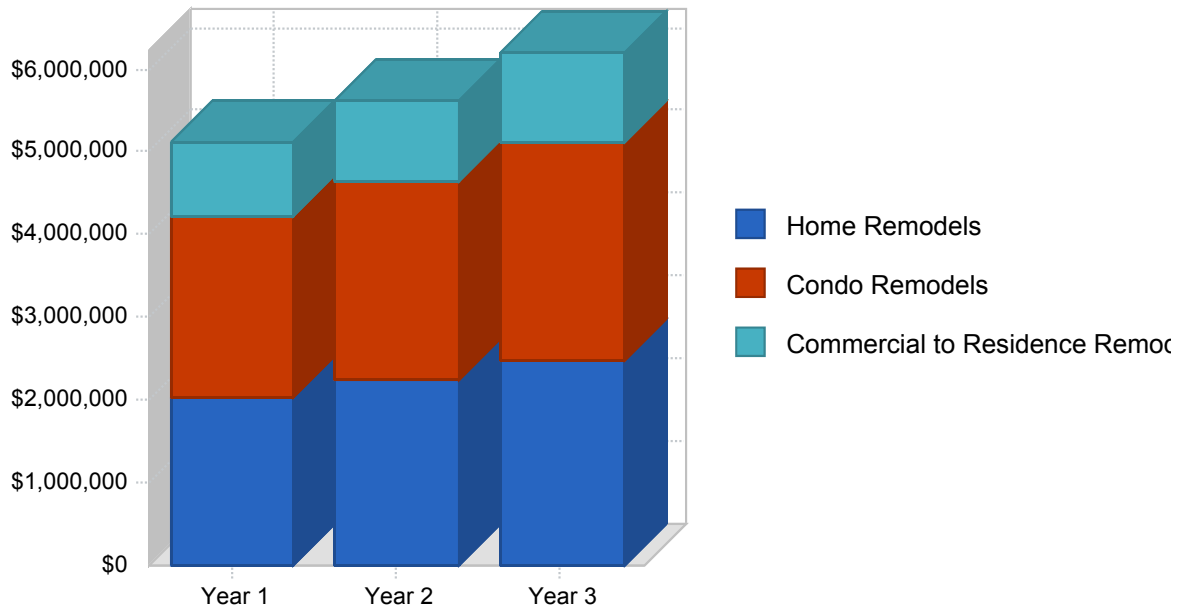
Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
Home Remodels	\$2,040,000	\$2,244,000	\$2,468,400
Condo Remodels	\$2,180,000	\$2,398,000	\$2,637,800
Commercial to Residence Remodels	\$900,000	\$990,000	\$1,089,000
Total Sales	\$5,120,000	\$5,632,000	\$6,195,200
Direct Cost of Sales			
Home Remodels	\$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



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Sales by Year



8.2 Marketing Expense Budget

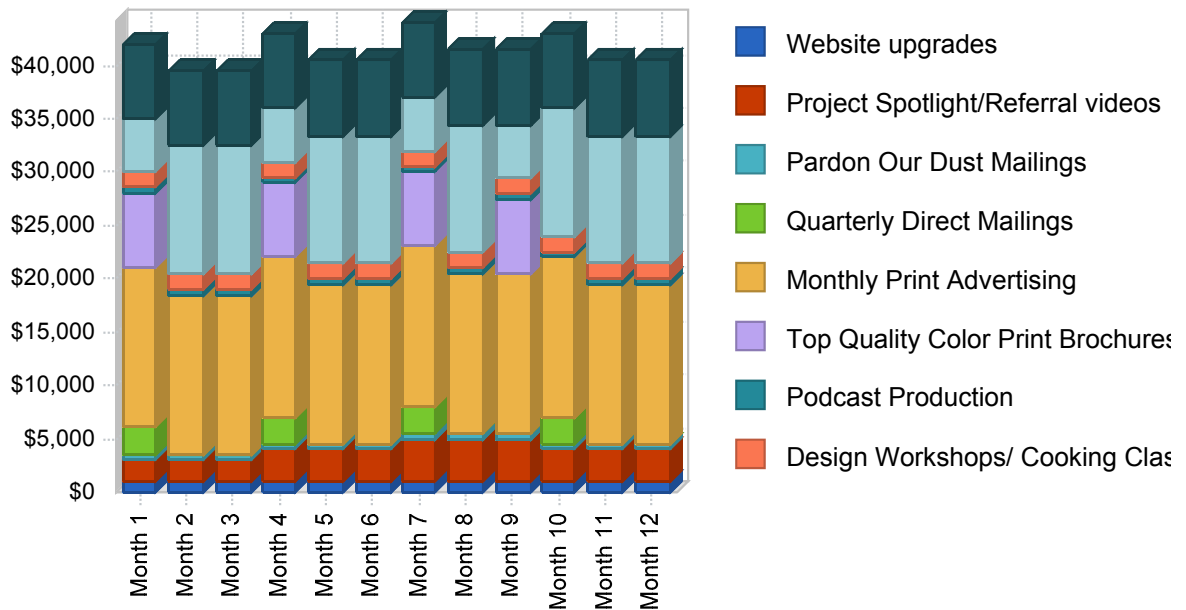
Our goal is to spend approximately 1% of our forecast sales revenue in marketing expenses. This is perhaps optimistic. The following table shows a general listing of anticipated recurring expenses. Additional funds are earmarked for special events, unspecified activities and new strategies and tactics.

Table: Marketing Expense Budget

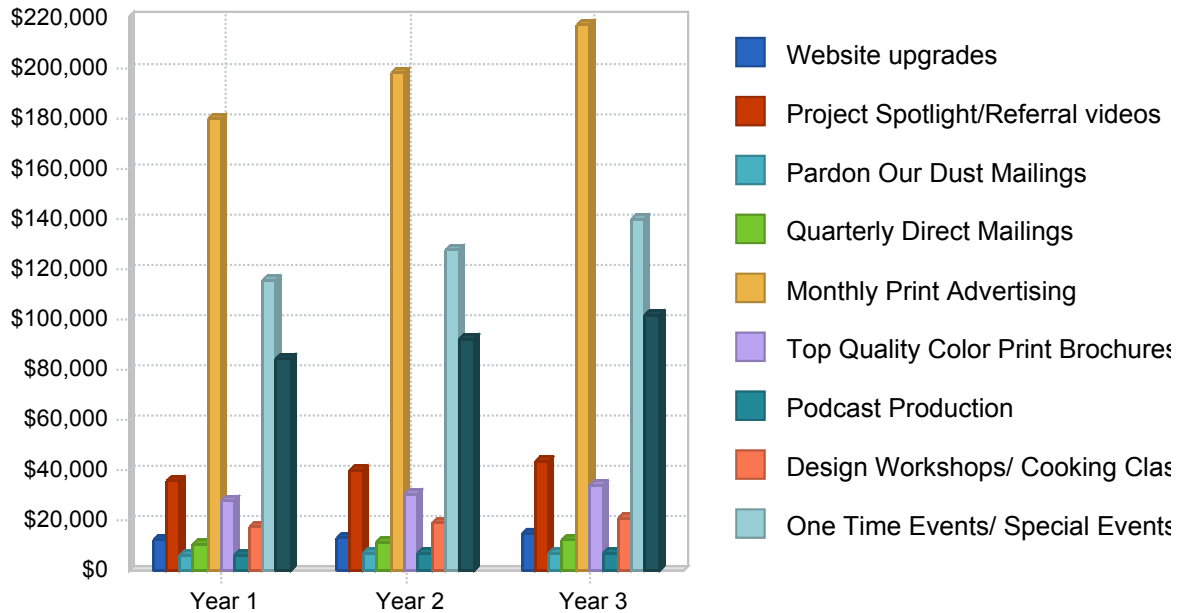
Marketing Expense Budget	Year 1	Year 2	Year 3
Website upgrades	\$12,000	\$13,200	\$14,520
Project Spotlight/Referral videos	\$36,000	\$39,600	\$43,560
Pardon Our Dust Mailings	\$6,000	\$6,600	\$7,260
Quarterly Direct Mailings	\$10,200	\$11,220	\$12,342
Monthly Print Advertising	\$180,000	\$198,000	\$217,800
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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8.3 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

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
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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	0