

LEADERSHIP

Know Your Position in the Remodeling Market

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The current state of the economy is strong in some markets, but has slowed down in many others. Some might say it's more of a normal economy - not just an order taker's phase, while others might say it is a down economy. In my view, they are all correct depending on where they are located.

So what does this mean? Many things, including:

- 1.) The weaknesses of your business become very obvious.
- 2.) The effectiveness of your business strategy, or in some cases lack thereof, is revealing itself.
- 3.) The quality of your marketing and sales system is truly being tested.
- 4.) The confidence in your own leadership ability is being stretched.
- 5.) The strength of your team and company culture is showing its true colors.

This can be great news to those who are amazed at how well they are weathering the change in their local economy. While other business owners are finding the ship (their company) is in need of tremendous repair to keep afloat, and they are discovering they may need to totally redesign it to sail strong, both now and in the future. Then there are those who are in an upswing and don't have the benefit of seeing many of these weaknesses appear, thus missing the value of this transition period.

Over the years, in talking to hundreds of remodelers all across the country, it is apparent that many do not have a defined market position. What is a market position? It is deciding what project types your company will offer, including project size, scope, variety and quality level offered. It is also the margin and price at which you will sell the job, as well as whether your company will be full-service or just handle certain components of a job. Additionally, it's the overall business mix that best prospers in any economy.

The question is, do you have a clearly defined and written market position for your company? If yes, then great job. Your next question is, should you revisit your market position to make sure it is what you truly want and that it will deliver the results you desire. If your answer is no, then it is time to go to work on completing it.

What are benefits of having a clear market position strategy?

- 1.) You know who your target customer is specifically and can target them directly, thus be the most effective, while efficiently doing so.
- 2.) Your sales and production team will be clear regarding what they need to do and how.

- 3.) During a strong economy it helps you to stay disciplined concerning your business mix (job types) and price point. This strengthens your business to better thrive when the weak economy arrives because you have maintained a healthy business mix based on your pre-thought strategy. Remember the economy is always cycling strong or weak; history proves this doesn't need to be a great surprise.
- 4.) It keeps you from simply flowing with the tide of the economy and with new trends and fads. This avoids a lot of wasted time always trying new strategies or bouncing around from project types, versus focusing on a niche.
- 5.) It may take longer at first, but then you create true momentum because you choose a strategy and stayed focused.

All the great companies have a core product that aids them in being successful over time. Such as, companies that sell hamburger and fries, clothing, software product, cars or remodeling. They don't deviate from their core product, or market position of that product, which includes their price point. For example, you can buy dress pants for a low price at Wal-mart or K-Mart, or a medium price at Dillard's or Macy's, at a high price from Nordstrom's or Neiman Marcus.

There are a multitude of examples in the market place. The point is to know who and where your market position is.

It takes planning, discipline, learning to think differently, and choosing and committing to a focus in order to nail down your market position. As you build your customer base, they will refer many more people like them to you, as well as you will be able to market new leads through advertising.

Position your company to prosper!