



HOME CONTRACTOR'S GUIDE TO PREPARING FOR THE GREAT COMEBACK

This is a very challenging time for contractors with a lot of confusion about managing the current situation and preparing for the comeback. The article "[How to Survive a Recession and Thrive Afterward](#)" by Walter Frick*, deputy editor of the Harvard Business Review, talks about the companies who survived and thrived after the Great Recession.

The experts who researched factors that enabled a comeback after surviving a recession mentioned these 3 main points:

- **Maintain Cash Flow:** Surviving a downturn requires deft financial management to ensure that you don't run out of cash
- **Conserve Resources:** Rely less on layoffs to cut costs and lean more on operational improvements
- **Invest in Technology:** Downturns actually encourage the adoption of new technologies

Among the companies that stagnated in the aftermath of the Great Recession, "few made contingency plans or thought through alternative scenarios," according to the Bain report. "When the downturn hit, they switched to survival mode, making deep cuts and reacting defensively." Many of the companies that merely limp through a recession are slower to recover and never really catch up. A cost-cutting focus had the lowest probability of pulling ahead of the competition when times get better. Companies that survived the recession best were playing the offensive: investing in product and market-share leadership.

Smart business owners, many of them LEAP customers, running interior and exterior home remodeling businesses are using this time to setup their businesses to keep running and prepare for the comeback. The more you can preserve, the less you have to rebuild. Some questions that are top of mind for business owners are:

- How do I maintain what little business I have? How do I try to keep some core staff?
- How do I get small? Where do I invest my time while small?
- How do I keep my costs down and when should I begin scaling back up?

1. Customers: Let them know you are open and ready to help them

- In many states contractors are considered an essential service. Breakdowns or leaks do not stop despite these circumstances.
- Send your customers an email and let them know you are still open for business
- Explain how you are going to practice physical distancing and give them an indication of the precautions you are taking
- Have an announcement on your website on the services you continue to provide
- Reach out to your previous customers and see if they will give you referrals

2. Systems and processes: Don't shut down, you are still an essential business

- Homeowners still want to plan their projects
 - They need assurance that your company has the technology and systems to do a combination of a walk-through from the outside and an online meeting
 - Get ready with these 3 tools to continue your business
 - Zoom for remote demos using the Leap app
 - Paperless contracts using [DocuSign](#)
 - [Secure Payment Capture](#) for remitting payment remotely
 - **PRO TIP:** Ask for training on virtual selling from the Leap team!
- Your sales process needs to adapt
 - Tell homeowners that you will be coming to their property and conducting a contactless inspection of the premises
 - Use technology like Company Cam to take photos and send to the customer
 - Order aerial measurements using technology like Eagleview and HOVER
 - Homeowners can help by taking photos from inside the house
 - Talk to customers through windows to keep a safe distance while still maintaining a human to human connection
 - Setup a follow-up call using Zoom to send the homeowner photos and measurements
 - Use a digital presentation to walk the customer through product options
 - Establish credibility by showing them guarantees and testimonials

3. Employees: Furlough don't layoff

Business owners are thinking about ways to keep costs low and maintain the core staff. The more you can preserve, the less you have to rebuild.

- In the interior and exterior home remodeling industry, we know it is very difficult to find good people. Layoffs may be a short-term solution that could create long term problems. Conserve your resources and have a rehire plan.
- Reassign people to roles that use their skills for different functions. For example, use project managers in sales roles and office managers in customer success.
- Offer a retention program where you have staff go part-time 2 days a week, but you pay them for 3 days
- Deferred pay: get buy-in for core employees to defer part of their pay over the next few quarters to preserve cash flow and also retain core employees

4. Marketing

- Create promotions that make it impossible for homeowners to refuse
- Be creative with financing options to make it easy for you to continue the volume of business

5. Credit Lines: Ask for help with cash flow

- Plan for payments for the next few weeks
- Reach out to suppliers for a deferred payment plan far in advance of your next payment
- Talk to landlords and suppliers to see if they can give you different financing options
- Use State and Federal programs to help you retain your employees using new programs

6. Training

- Use this opportunity to continue to train your sales people on your tech platforms, particularly if there has been a gap since the last training or if you have introduced new software
- Have the project managers cross-train on sales. This knowledge will be useful if you see homeowners still reaching out for your business.
- If you have put off training on your CRM or back office systems because of time constraints, use this time to get everyone familiar with these systems

Technology Preparation: Planning for the Comeback

It may take time for business to return to normal but when it does, there will be pent-up demand from consumers. Businesses who took the time to get ready and be prepared will thrive.

Here are some ways you can prepare for the comeback and meet new consumer expectations:

Customer's point of view on in-home sales presentations will be different.

- Customers will be less open to in-house sales calls and will want more work to be done digitally.
- The gap between owner-operator or large business perception will shrink if the sales representative brings in technology and shows more professionalism in giving the customer a better experience. Technology can quickly put a small operation on the same playing field as a larger company.
- More millennials are also becoming homeowners and do not believe in contractors collecting information on paper. Credit cards are far and away the preferred method of payment. Make sure you are prepared to accept electronic payments using a secure payment method.

Solution: Digital documentation

Digital Sales Presentations: Create detailed digital sales presentations that educate the customer on your products and your company. These should be available to all of your sales staff on iPads so that they can show them to customers in the home or on a digital sales call. If you have several products, you will need these presentations for each product line.

Offer and Promotional Flyers: Having these housed digitally on every salesperson's iPad makes it easy for you to give them the latest document without having the hassle of paper and outdated offers and flyers.

Price Guarantee and Testimonials: To close a sale, your sales staff can show the customer your price guarantee and testimonials. These take time to build and will be out of date quickly. If you have these presentations digitally, you can easily use the Leap Dashboard to update these materials in one place and push them out to all of your salespeople. This is a huge help when you have remote sales teams and enables you to give them instantaneous access to the latest updated documents.

Digital Contracts: Homeowners want to receive contracts digitally so they can save them and refer back to them easily. Paper contracts will be redundant and are easily misplaced.

Technology Preparation: Planning for the Comeback

Recruiting and Keeping Sales Reps

Upcoming generations, who will be your future sales reps, grew up with technology. They are adept at using digital tools and will produce better results if your company has the tools and technology available.

Using technology, you can attract sales reps from any industry as they no longer have to measure physically and can use Leap's integrations to order measurements, photos and aerial inspections.

Solution: Sales training content can be uploaded to the cloud and made available to your entire sales team. You can scale and retrain people without wasting time. Leap's integration with tools like EagleView and HOVER will help your salespeople complete estimates quickly and spend more time selling.

Calculating the Price On-Demand and Avoid Mistakes

Consumers need the price on demand and cannot wait for your sales rep to go back to the office, get the price list from the supplier and then go back to the homeowner. This may result in lost sales.

Having checks and balances in the software will help production get the best specifications from the salesperson.

Set limits on discounts and offers that can be given on each job to control your margins and profitability across the board.

Solution:

Digital Pricing Guide

The price guide is the backbone of your business. It stores the information and details about the products you sell including items, pricing, accessories and more. Before building your price guide, it is important to plan your data structure in a way that will be easy for your sales reps to create accurate estimates. Making it digital gives you the ability to control the information and distribute it to all your sales people.

Digitally create measuring sheets: Using the pricing guide and the results of the digital measurements, you can create a quick measuring sheet and avoid mistakes.

Technology Preparation: Planning for the Comeback

Creative Financing to Get More Volumes

To get your volumes going very quickly, you will need to have a variety of financing options and select your financing partners. In order to get an answer immediately, you will need to have this information available to your sales team on their iPads to quickly help their customers navigate the finance options. Checks and paper credit card forms may not be convenient to the homeowner.

Solution: Create digital secure payment methods and agreements with different finance companies and have these options in one place.

About Leap

Leap is transforming the home services industry as the first-ever end-to-end point of sale application digitizing the in-home sales process including estimating, financing, contracting and real-time communication. Created by seasoned home services professionals, Leap's application helps businesses eliminate errors and increase efficiency by simplifying and automating the day-to-day sales process.

This document was created by Leap from a series of interviews with business owners in the home contracting industry. Published: April 2020.

*References:

Frick, Walter. "[How to Survive a Recession and Thrive Afterward](#)". Harvard Business Review. May-June 2019.