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Marketing Matters

Think long-term in your marketing

With all the economic turmoil in the past 18 months, those companies that can inspire consumer confidence are the winners in uncertain times.

The tipping point in puchase decisions now is much more heavily weighed to reputation and reliability than to price.

One way to solidify your brand is with consistency in marketing. If you continue your PR and marketing efforts during a slowdown, people will notice. The more visible your company is over time, the more credible you become.

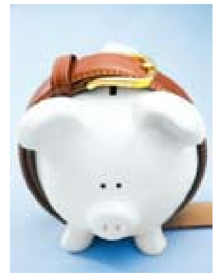
Keeping your name in front of people gives confidence in your company.

Every day you have an opportunity to build trust with customers and prospects. As marketing expert Steve McKee stated, there's no way to know for certain whether or not Nike makes the best shoe, Michelin makes the best tire or Verizon has the best network. We just make assumptions because those brands are repeatedly out there.

"We entrust at least some of our judgment to the momentum these brands appear to have in the marketplace," McKee said.

The exposure through advertising or publicity generates an image you are successful. And the longer period of time you are visible, the more credibility you gain through positive momentum. Advertising helps people know you exist; with repeated exposure, they learn that you're stable; with long-term exposure, they'll assume you're successful, McKee said.

It proves the old adage, "Never underestimate the power of simply showing up."



Follow a plan in slow times

If the sluggish economy has left you with some time on your hands, here are some ideas that will move your business forward.

- **Review your contact list.** It's easy to lose touch with past clients and colleagues when things are busy. Now is a good time to re-engage and bolster your network. Follow up with those you haven't seen in a while. If there are people in your network who could use each other's services, be a matchmaker and bring the two together. They'll return the favor one day.
- **Start a monthly email update.** A short, lively email about what's going on in your company or in construction/remodeling in general will keep you top-of-mind when others need your services.
- **Eat breakfast out.** It's the cheapest of meals for entertaining business clients and a great way to start the day. Try scheduling one or two breakfasts a week to meet colleagues or former clients. You never know what opportunities might arise as you're downing those scrambled eggs.
- **Invest in your online presence.** Scrutinize your website to see that it truly reflects your services and the value you provide. Get some testimonials to offer another perspective on your services.

Management Issues

Small companies have trust of customers

Small companies are beating out their much larger counterparts in winning new customers. How? According to Harvard economist Peter Bregman, smaller companies have the advantage of personal relationships with clients and customers. And that leads to trust.

It's true that small companies go out of business all the time. But the difference, Bregman says, is that employees of small companies have greater control of their own destinies. Employees of small companies who do a great job are likely to be recognized. In a company of thousands, it's easy to be overlooked and easy to be laid off.

Bregman says we don't trust companies; we trust people. The ability to call and talk to one person who is familiar with your situation is an advantage that customers no longer take for granted.

As Bregman puts it, "**Small is the new big. Sustainable is the new growth. Trust is the new competitive advantage.**"

"I was wrong."

That three-word phrase is one of the most difficult for people in management and leadership to say. And it's one of the most important things they can ever acknowledge. Think of the CEOs in the recent past who could have saved their companies millions – and perhaps their company's survival – if they had surrounded themselves with ethical people, encouraged robust discussions and been willing to admit that they had made mistakes before their misjudgments became catastrophic.

When a leader acknowledges a mistake in a timely fashion, that act builds confidence and trust with the team.

The willingness to acknowledge mistakes in a timely fashion also gives a leader the chance to make corrections, change direction and move toward success. Being decisive is a trait of good leadership; always being right is not because that suggests the leader cannot accept criticism.

The best leaders and managers surround themselves with people who are smarter than they are, at least in some things, so that they can listen to arguments, weigh facts and gather different points of view. Leaders who have the confidence to listen to dissent and acknowledge mistakes will make better decisions.

Highlights

- **Nuts & bolts**
- **Working smarter**

NIR helps you boost your business
From networking to education to marketing assistance, the NIR supports restoration specialists. **434.973.4200**

Working Smarter

Computer upgrades tough for small companies

No IT department? That means that small businesses have to do the heavy tech lifting themselves. If you are contemplating upgrading the computers in your small business, Raymond Ray has these suggestions.

Keep organized files. Most people save files in the My Documents folder which greatly simplifies transferring of files from one computer to the next. If files are scattered all over the hard disk or several external disks, the job is much tougher.

Hosted applications save hassles. If you can export some routine computer tasks to online hosts, you'll have less to worry about with going to new computers. Some of the online applications include Carbonite (automatic backup), Blip.tv (video), Flickr (photographs), and Intermedia (a Microsoft Exchange service hosted by a third party). You will still need your programs such as Microsoft Office and an antivirus program but the fewer applications you need to reinstall, the easier it is to switch computers.

Consider standardizing on one computer type. If you have several of the same computer models, you can swap hard disks, power supplies and other vital elements in an emergency. That won't be possible if you have a variety of computers.

Backup often. If you use an online service such as Carbonite, the backups are made after any files change. If you take responsibility for your own backups, do them frequently and check to be sure that they are done correctly.

Consider the value of premium support services. If your business depends on your computers and you are the IT department, paying for premium technical support can be well worth the cost.

Nuts And Bolts

Think like a banker to get a business loan

Is the credit crisis for small businesses over?

Opinions vary. While a major company that issued credit cards to small businesses has closed customer accounts, the Small Business Administration reports that loans to small businesses rose more than 25 percent between the first of March and end of May.

Getting a business loan is possible, according to financial advisor Scott Mendintz, if companies are persistent and know how to present themselves. He makes a number of suggestions for companies looking for loans.

- **Look to smaller banks**. Big national banks are more likely to be pulled into the credit-default swap morass and are skittish about loans. Smaller banks that have been more conservative in their lending practices are making loans as usual. A survey by Barlow Research Associates found that small banks were three times more likely to give credit to small businesses than large banks.
- **Know the details that bankers look for** before you apply. Such business measures as debt-to-equity ratio or net margins are data that bankers focus on in evaluating loan applications. Be able to demonstrate exactly how you plan to use the money and why that plan makes sense.
- **Cultivate a relationship with a local banker** before you need a loan. Treat that relationship as a long-term partnership.
- **Take comfort in the fact that your bank will scrutinize you closely.** The smaller banks have traditionally been more cautious and that's why they're in the forefront of lending today.

Credit environment stable but fragile

A report from Reed Construction Data projects that credit rates are likely to remain near the current level over the next year and then rise when the Federal Reserve Board takes back some of the emergency liquidity as the economy begins to recover. That stability assumes that there will be no more serious problems from the credit market and that lenders respond positively to federal efforts to recapitalize them.

The report notes that homebuilders, who have suffered a recession for three years, have had a difficult time getting credit. That credit squeeze has now spread to commercial construction where rental rates are falling. The report predicts that credit access will continue to worsen for commercial building owners, developers and contractors as the number of vacant buildings grow.

Technology saves contractors time and money

Of all the technology that is helping contractors, none is more intriguing than the GPS systems – now a staple on much construction equipment. GPS, short for Global Positioning System, can pinpoint a location with an accuracy of 20 to 30 feet with a small receiver such as a cell phone. Higher-end receivers such as submarines can be accurate to within 5 feet.

GPS technology can also help contractors keep up with the location of their fleets and the number of hours a particular piece of equipment is used.

Other technology can help deliver fuel efficiency in moving equipment.

Managers also have a variety of tools with project-management software that helps keep track of work and gather the necessary documentation to simplify billing. Packages such as BuilderTrend, ComputerEase, Primavera or Proscore help companies manage schedules, costs, resources, contracts, documents and change orders.

Cost of materials continues to fall

The Associated General Contractors believes the producer price index for construction materials could drop as much as four percent through 2009. According to Jeffrey Raday, president of McShane Construction, pricing for construction materials will continue to weaken until the demand for new projects starts to rise.