



2007 Tech Report

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Marketing Matters

How much to spend on marketing?

That's a question that faces every business. The tendency is to spend more when times are good and cut back when money is tight. Unfortunately, that pattern is in response to your cash flow and not according to any type of strategy that is going to increase your business.

There are some general rules of thumb about marketing budgets.

When you are introducing a new product or service, expect to spend more. It takes exposure to get people to recognize something new about your business.

Fortunately, you don't have to put all your marketing dollars in expensive print and TV advertising. In addition to direct mail, you can use the internet. Do a Google search on "internet marketing" and you'll find a great deal of helpful advice available on line.

Spend enough for people to find you. That means a Yellow Pages ad and a website for starters. Other marketing activities can add to these basics.

Allocate a defined amount to marketing. One consultant said that a marketing budget should constitute 5% of expected sales. Put another way, a good marketer should be able to bring in \$100 worth of sales for every \$5 invested – when you are not trying to introduce a new project. If you are unveiling a new feature to your business, you will have to increase your marketing budget.

Have a plan. To make the most of your marketing dollars whether your budget is large or small, have a plan for what you are trying to accomplish and then some way of measuring how effective you are. Only then can you know whether you are spending your marketing dollars wisely.

Tie your marketing concept to needs of others

There are two reasons people buy: the rational reason and the real reason. While people may talk about specific qualities of a product as reasons for buying, the real reason people buy discretionary items is to satisfy unmet needs. That is an important fact to remember when crafting your marketing message.

Highlights

- **Nuts & bolts**
- **Working smarter**
- **Hints to make you more efficient**

Management Issues

Policies to help manage your risk

As we start out a new year, human resource experts say it is a good time to review policies to be sure that you are covering some potentially risky bases.

No-solicitation rules

Employees have the right to discuss and solicit union support on non-work time but you do not have to let non-employee organizers onto your property if you have a lawful non-solicitation rule. The rule must be equitably enforced to prohibit third-party solicitation of any kind.

Harassment and discrimination policies

You must have these policies and a standard complaint procedure in order to defend against harassment claims. The policy should be distributed and posted in a conspicuous place.

Commissioned salespeople

You should have a written agreement with all commissioned salespeople that address such things as timing of a commission and what happens when an employee leaves. Consider a policy that says no commission will be paid for products shipped after the last date of employment.

Confidentiality and non-compete agreements

For those with access to trade secrets, customers or other confidential information, consider a contract that restricts an employee from going to work for a competitor within a given time period.

Family and medical leave

If you are large enough to be covered under FMLA, draft a policy that states employee eligibility for leave and whether or not employees must take accrued but unused vacation in concurrent with their FMLA leave.

Work and safety rules

Put rules in writing that states that employees are required to follow safety procedures and have those procedures posted prominently.

Email, Internet and computer use

Inform employees of expectations that computer use will be limited to work-related activities.

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Working Smarter

Decide how to use your time

There are many kinds of poverty in America and one of those is what John de Graff calls “time poverty.” We have almost no discretionary time. Every minute is already committed to the daily tasks of just keeping up. But it doesn’t have to be that way according to success coach Roberta Lockwood. She offers these tips for getting back control over your day.

1. Decide whether you are acting out of a sense of abundance or a sense of fear. A full schedule based on abundance will energize you while a schedule based on fear will sap your energy and creativity.
2. Prioritize your time so that you do the most valued activities first. Make a list of your most important values and allocate your time accordingly.
3. Forget perfection. Those who are perfectionists feel as if they are the only ones who can do a job properly. Asking for support and real assistance can lighten your load and give others a feeling of accomplishment.
4. Stop doing your least favorite activity. Ask or hire someone else to do it or drop it if you can.
5. Simplify your environment. Stop keeping stuff that is not beautiful or useful. Everything you keep requires time to clean and maintain.
6. Match your technology demands with your real needs. Every time you upgrade technology, you must spend additional time and money to buy, learn and maintain your new software or equipment. Buy the simplest, highest quality machine that will work for you – whether it is a computer, car or a TV set.
7. Keep a time log. Set aside 3-5 days to track how you spend your time. Are you giving enough time to those areas that fulfill your creative, learning, social, emotional and physical needs? If not, you need to re-evaluate your daily schedule.
8. Stop when you’ve done enough. That is a very hard thing for over-achievers to do but it will help create balance in your life. When you have brought a project to a satisfactory stopping point, do something else – take a walk, socialize or take a break from work. During the down times are often when people get their most creative ideas.
9. Set up personal appointments for yourself and honor them. Those could be times you spend with family, friends, pets or just reading. Avoid the lure of multitasking – America’s current obsession. Honor your personal limits and you’ll be rewarded with better long-term performance.

Nuts and Bolts

Buildings that think for themselves

Cars are already capable of monitoring their own performance and responding to external conditions. Buildings may not be far behind. Engineering labs are already developing prototypes for buildings that will be capable of changing shape and responding to the needs of their inhabitants according to Carlo Magnoli of the Kinetic Design Group at Massachusetts Institute of Technology.

Called adaptable buildings, these concept prototypes could include shadow-seeking lights that move around, curtains made of flexible solar panels to collect and store energy, or houses that can shrink their surface area and volume during the winter to cut heating costs. Office buildings could reconfigure themselves to improve ventilation and skyscrapers could alter their profiles to sway slightly and distribute increased loads during hurricanes.

Such notions may seem far-fetched but Magnoli points out that in the not-too-distant-past, people could not conceive of the commonplace objects today that had their roots in the advent of electricity.

Ethanol plant produces premium vodka

Chippewa Valley Ethanol Company in Minnesota has found a profitable byproduct. The company that produces 45 million gallons of ethanol a year also produced premium vodka on the side, selling 15,000 cases at \$33 a bottle last year. Sold under the label Shakers, the vodka is packaged in an art deco bottle and marketed as an American original.

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