

Three Ways to Grow Your Business

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AT FIRST GLANCE, BUSINESS GROWTH

might seem to be a daunting task. There are so many strategies to choose from. The sheer size of the task may paralyze you. The good news is there are only three ways to grow your business. All marketing strategies and sales campaigns are just subsets of these three strategies.

The three strategies are as follows:

1. Increase the number of customers and clients.
2. Increase your fee.
3. Sell more services to each client.

Here's an overview of these three strategies.

1. Increase the number of customers and clients

This strategy includes:

- finding new customers and clients,
- getting more people to refer clients to you,
- increasing retention rate of your referral base,
- improving sales techniques (increasing your conversion rate),
- diversification (thinking outside of the box for new inspection opportunities), and other strategies.

New Customers Only Part of Puzzle

This is the conventional way to grow a business. Because I need more sales, I will go and find more customers and clients. But this is the most difficult and expensive way to grow a business. You should do this, particularly when you are just starting out, but don't do just this. It's the hardest way to grow a business. You have to win every new sale one client at a time. Focusing on getting repeat business with an established client, for example, is an efficient way to grow your business. There are other strategies that you can combine with this to build real growth. We will explore some of these shortly. The next two strategies are more cost-effective ways to grow your business, yet they are overlooked by many home inspectors.

2. Increase your fee

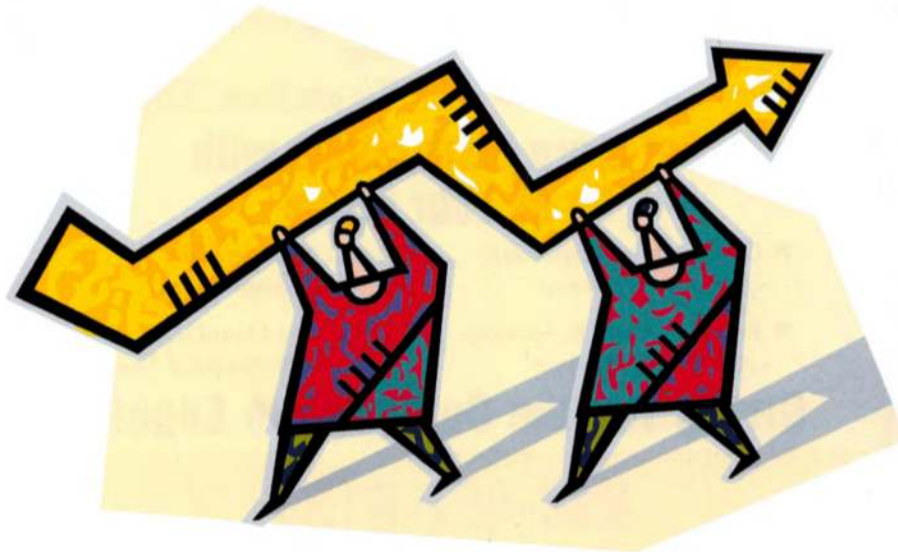
It's so easy, but so few do it. There are few things scarier than raising your fees. You immediately imagine that nobody will want to hire you at a higher price and that you will lose much of your business to competitors. But the following cannot be overstated: Demanding progressively more for your professional service is a highly effective way to grow your business. There are three ways to set your prices. Which do you use?

1. Figure out your costs and charge a little more.
2. Look at what your competition charges and fit in.
3. Figure out what value you deliver to your clients.

We like the third. If you are different than your competition (and you should be), price yourself differently.

To summarize, here are some good reasons to raise your fee:

- There is a strong perceived relationship between inspection fee and quality of the inspector.
- If you have not changed your fee in a long time, you are effectively gaining more and more experience while getting paid less and less money over the years.
- You should keep up with **inflation**. This means raising your fee every year just to keep up. If you have been in business for five years and have never increased your price, you are likely making effectively \$35 to \$45 less per inspection than when you started.
- You can work less and make more money.
- You are in the knowledge and communication business, not the assembly-line business. This means you should get



paid for what you know, not how long you work. So when someone says you shouldn't raise your prices because your inspections don't take any longer than they used to, you can say that you know more than you used to know and are more valuable to your clients now. Don't sell yourself short. You owe it to yourself to get paid what you are worth. Every day you accomplish the impossible. Does this describe your business? Home inspection is a business with illogically high liability, slim profit margins and limited economies of scale. An incredibly diverse, multi-disciplined consulting service, delivered under difficult in-field circumstances before a highly stressed, hostile audience with differing interests, in an impossibly short time frame, requiring the production of an extraordinarily detailed technical report, almost instantly, without benefit of research facilities or resources.

3. Sell more services to each client

Sell More than Home Inspection

This strategy may include additional services at the time of the inspection, like testing for lead paint, radon, asbestos or carbon monoxide. This is called "up-selling" or "cross-selling." You may also offer follow-up services once your client moves in, including an inspection to verify that your recommendations have been

addressed correctly, or perhaps an indoor air-quality inspection. This is equivalent to the question at the fast food restaurant, "Would you like fries with that?" Up-selling and cross selling are everywhere. At the carwash, have you ever been asked if you want the hot wax too? If you can offer other inspection-related services with your home inspection, you may find your revenues increase dramatically. When booking the home inspection, you might offer a water-quality test if the home has a well, a septic tank inspection, indoor air-quality test, swimming pool or spa inspection and so on. What services do clients need that you can provide? What problems do they have that you can solve? Start from the client's perspective and work backward. Don't start from your comfort level and work out.

We recommend you use all three strategies to grow your business:

1. Look for new clients.
2. Raise your prices regularly. (We do it twice a year in small odd-dollar amounts with no announcements.)
3. Meet other needs for your home-buying clients. Be a problem solver by providing valuable services. People appreciate the convenience of one-stop shopping. ■

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