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# Are You Missing the Boat?

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**A**bout a month ago, I was sitting in the office of a very successful heating and air conditioning contractor in Pennsylvania.

At one point, I asked the \$64,000 question. "How many customers do you have?" With considerable pride, one of the guys declared, "We have over 20,000 people in our computer that we've done work for." I said, "That's great. How many of them have had work done in the last four years?" The air went out of his chest. "Well, that's closer to 5,000," he said. Just like that, his business had shrunk by 75%. (No wonder I'm not invited to many parties.)

As we looked closer, of course, the bad news turned better. The 15,000 "not current" customers represented a potential vein of gold that had scarcely been mined.

In a lot of contractors, I've observed a "love 'em, leave 'em, find another one," approach to customers. Once they've done an installation or service call, they assume that the customer has either bought everything they need to buy, or will call when they need something more. Perhaps they get a card or letter soliciting a tune-up twice a year, or an equipment brochure supplied by a manufacturer. And, hopefully, some of your techs are using service calls to sell something.

That's fine, as far as it goes. But you end up missing lots of opportunities and leaving a great deal of money on the table. And as competition heats up, this approach leaves you too vulnerable for comfort.

In a recent study of more than 20,000 homeowners, *Contracting Business Magazine* uncovered substantial demand by customers who wanted to add air purifiers, humidifiers, room temperature controls, etc. 20% had never even had a tune-up. 80% don't have service agreements. Yet much of this opportunity remains untapped.

It *should* be easier and cheaper for you to sell to people who have already bought from you, but not if you take them for granted. One of our key priorities should be turning one-time buyers into lifetime customers and maximizing the dollars you get from each one along the way. Instead, we scarcely communicate with these people, and then, it's usually just to make them offers. We squander opportunities to build good will and to educate them about add-ons or services they would benefit from.

We assume that when their system breaks down, they'll call us first, and give us a break if we can't get to them right away. We *assume* they'll refer us to friends and neighbors. We *assume* they understand that we are worth more than the lowballers, or can offer the same range of services as the utilities. We *assume* that one letter or conversation will stick in their mind, ready to trigger action at the appropriate time. We *assume* that they even understand that there are solutions to some of their comfort problems.

Well, remember what Felix said to Oscar. When you "assume" you make an *ass* of *u* and *me*. (Remember, that was the show with Howard Cosell.) I'm not advocating that you stop looking for new customers to feed your business, but this is the most expensive route to bring in money. If you do not prioritize building relationships with people who have bought from you before (calling them all customers is highly optimistic) you will lose tens of thousands of dollars that should be yours. That's one assumption you don't want to test.