

LEADERSHIP

Business of Change

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The struggling economy may be spearheading a batten-down-the-hatches consumer mentality for spending. But as history has shown, small businesses are part of the solution to a turnaround, and today is no exception. Small businesses drive our economy. They create 70 percent of new jobs and more than half our non-farm private gross domestic product, according the Small Business Administration.

That may have little meaning as you try to meet payroll. But it's an optimistic sign that there are things that you can do today to position your business for success now and on the road ahead.

Environmental Change

With huge questions looming over the American conscience, it's no wonder that people are putting remodeling projects on hold indefinitely. They have been more concerned with the presidential race, the credit crisis and what it costs to fill up their gas tanks. In return, remodelers are feeling the pinch.

Then add the impact of increased competition, such as home builders entering the remodeling market, the rising costs of materials, and the buying power you have with suppliers if you have less work on the books. Suddenly, a wave of things is affecting your bottom line.

As a remodeler, the best thing to do is come to terms with those environmental changes that are impacting your business. Then get proactive about what you can do to meet the needs of your business and of your consumers in light of that environment.

The answer lies in how your business changes to address those environmental changes. Being agile, acknowledging real-world financial challenges, and then finding ways to innovate and show services that are attractive to clients living within that change puts remodelers on the defining edge of a vital turnaround.

While big corporations struggle [look at the stock values of big box retailers], small businesses can adapt. They can do it quicker, see results faster and, in the end, prosper.

Hanging your hat on issues that are beyond your control is what puts your business in a rut. Instead, try remodeling your business to be the solution for creating a wave of tighter budgets and leaner living.

Societal Change

Today, that means addressing societal changes. Consumers are no longer motivated by bigger is better luxury living at any cost. They want value, perceived and real. That comes in a variety of forms that are in actual demand.

New home construction is down 65 percent from a high two years ago. The real need, instead, is to make existing homes conform to the evolving needs of families staying put.

Energy costs continue to rise, and so does consumer interest in finding ways to lower their monthly heating and electric bills.

The casual dining industry continues to lose money, close stores and raise prices to stay ahead of escalating food costs. In return, people are choosing to cook at home and reconnect as families.

The societal hot buttons involve greener living, energy savings and a return on any investment. It means protecting the single biggest asset, a home, even in a declining real estate market because it is the very shelter that people have in an often discomfoting time. Remodelers are the gateway to addressing these issues head-on.

Look for trends in the projects that you book and then market to those potential projects in greater numbers. Maybe your job average is going down, but you're closing more sales when you market energy savings as part of the project. Perhaps the newer homes that don't really demand a facelift are being replaced by older zip codes where remodels can make a home up-to-date. Your yellow pages may not be producing phone calls, but maybe your green remodeling direct mail piece has won you business.

A keen insight into the minds of your clients in good times and in bad is the difference between remodelers who thrive, those who just survive, and the casualties that cannot adapt or adapt too late and perish in the business world.

Patterns of change dictate patterns of opportunity. And despite forces that are beyond your control, there is much more in your toolbox than you may recognize. Think of the "How" and "Why" versus "It's impossible." Evaluating the "How" and "Why" help you uncover opportunities that you might otherwise not see with an "It's impossible" attitude.

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