

by Matt Michel
MARKETING AUTHORITY



5 Questions every plumber should ask

Would you like to make the next twelve months better than the current twelve months? What about the next five years? Answer the following five questions and you could change the course of your business.

Should I grow?

A surprisingly large number of plumbing contractors do not want to grow. Others are trying to grow as rapidly as possible. Whatever you decide, think through the ramifications.

Plumbers who do not want to grow operate lifestyle businesses. They make enough to maintain the status quo. It's critical for them to have adequate insurance to provide for their families and themselves in the event of serious illness or a work preventing accident. They also need to put money aside and invest it on a continual basis because they will not be able to sell their companies and retire from the proceeds.

Plumbers seeking to grow need to grow personally because the biggest limitation on the growth of most small businesses is the capabilities and knowledge of the owner. You learned how to turn a wrench. You also need how to turn a profit. You know the craft of plumbing but must also learn the craft of business.



Why should anyone do business with your company over all the other plumbing companies in your market? What makes you stand out?

What are your goals for your sales? A sales goal necessitates a certain number of trucks. What are your goals for trucks and plumbers to utilize them? What are your profit goals? When you set goals, you set a direction for your business.

Why should anyone do business with you?

Why should anyone do business with your company over all of the other plumbing companies in your market? What makes you stand out? What makes your unique?

It might help to pay attention to the unique selling propositions you see on competing plumbing company trucks. Do they promise quality work? Good prices? Fast service? Probably. Most will sound the same, impossible to distinguish. What can you claim that is different from what others claim?

Are you the oldest, largest, best rated? If not in the metro area, then a county? If not a county, then a particular town? Are you a specialist in a particular technology, type of service, or geographic area? What do you do better than anyone else that is compelling?

What lifestyle do I want?

Most plumbing contractors conform their lifestyles to the surpluses their businesses provide. This is constraining. It is scarcity thinking. Instead, identify the lifestyle you want and build a business that can provide that lifestyle. This is expansive. It is prosperity thinking.

What lifestyle would you like? What kind of house would you like? Do you want a second house? Boats? Vehicles? Vacations? What do you want for your family? Quantify the costs and determine how big your company need to be to throw off enough excess cash every year so you can attain your lifestyle.

What are my goals?

"Would you tell me, please, which way I ought to go from here?" asked Alice in Wonderland to the Cheshire Cat.

The Cheshire Cat responded, "That depends a good deal on where you want to get to."

"I don't much care where," replied Alice.

"Then it doesn't much matter which way you go," said the Cheshire Cat.

If you lack goals for your business, it likewise doesn't much matter which way you want to go. Moreover, if your business is drifting, it is subject to the any shift in the economic currents and business tides. Who knows where it might wind up? Instead, take control. Ask what your goals are for the business for the next year.

What is my exit strategy?

Every plumbing contractor will exit the business someday. Some will walk away. Others will be carried away. Unless you plan to exit in a casket, working every day of your life, you should think about an exit strategy. You can sell the business to outsiders, sell it to employees, pass it along to family members, or close the doors and walk away.

If you plan to sell to outsiders, you need to grow the company to the appropriate size, put in the necessary business processes, and establish a management team. To sell to employees or family, should create the legal structure and asset transfer mechanisms to ensure you minimize taxes and maintain control until you have been adequately compensated. If you close the doors, make sure you have money set aside.

Just like you should get help from a professional for legal matters, you should get help from professionals for growing your business. Find good attorneys, accountants, and business advisors.

For help with these questions and help with the business, turn to the Service Roundtable. Visit www.ServiceRoundtable.com. Text "TEN" to 797979 to try the Service Roundtable for \$10.

Matt Michel is CEO of the Service Roundtable. Need a speaker? The Service Roundtable will provide speakers to any meeting of contractors free of charge. Anytime. Anywhere. Visit www.ServiceRoundtable.com or call 877/262-3341.

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