



PROFITING FROM DESIGN

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Do more sales calls = more sales?

Q I worked with a consultant who told me the best way to improve my design/build sales was to go out on more sales calls. What are your thoughts?

A I've heard this theory for many years and used to believe it—it seems to make sense. But let's assume on average you meet with 30 new clients a month and close with about 10 of them, around 33 percent. Not a great closing rate. Now let's also make the assumption your average sale is \$6,000 on the jobs you close, thus your total sales for the month are \$60,000. Therefore, if you want to increase your sales by 20 percent and make \$72,000 a month instead of \$60,000, you just need to make two more sales at \$6,000 each. Seems easy enough. But wait: To make those two additional sales you will need to see six more customers or 36 total, based on your closing rate.

Before we go any further, let's do the math another way. We'll make the same assumption that you see 30 customers a month. Instead of dividing the \$60,000 in sales by 10, giving you an average of \$6,000 per customer, divide the \$60,000 by the total amount of customers you saw for the month (30). Your average sale per lead is only \$2,000. You see, those 20 customers who didn't buy anything from you still count. You still had to meet with them, invest time in an estimate and possibly a design, plus you had to have a minimum of two meetings (the initial consultation meeting and the follow-up or sales meeting). That's quite a bit of time per lead. To be honest, 30 design/build leads a month is a lot for anyone, let alone setting a new goal of 36.

Next, let's look at how much time each lead takes you. Once again, we'll start with 30 new leads a month. If we assume each lead takes six hours of your time, we come up with 180 hours a month or 45 hours a week. Some leads may just be a one-hour meeting and others may require a design and proposal plus two or three meetings. Once you add everything up, this process can take up to 20 hours (or more). Six hours per lead is conservative.

Now, let's consider you want to increase your sales by 20 percent. Using your consultant's "more is more" theory, you'll need to see six more clients a month, which is an additional 36 hours a month or nine hours a week. This brings you to a total of 216 hours a month or 54 hours a week. Still doable, but we're getting pretty high in man-hours. Don't get me wrong, during busier times of the year 54 hours a week is not unheard of for a salesperson, especially considering many appointments are on weekends and evenings when most people have finished their regular eight- or nine-hour workdays.

This brings up another point. Every salesperson I know does not just go on appointments, do design work and sell. Many do the estimating, some do job costing, but all of them are required to go out in the field during the installation to make sure the design is being installed as they envisioned it. This means painting out patios and walkways, laying out bed-lines, confirming elevations, moving plants around and making field changes as needed. Plus, time is required to meet with your clients during the project to make sure they're happy with the work.

Factor in all of that time, and your 54-hour week becomes 70 or 80 hours. And what about next year when you want to grow another 20 percent? How many hours a week will that be, and is it humanly possible to work that much?

By now I think you realize I whole-heartedly disagree with the "more is more" theory from a logical perspective and personal experience.

The better solution is the contrary. Reduce the amount of calls you go on and increase your sales per customer. This approach can be achieved by having a better client-screening process, charging for your design work and servicing your paying customers better. Instead of working 80 hours a week, you'll be doing 40, and selling more work than ever before. You might even go on a vacation.

To submit a question for Profiting From Design, please contact Shilan at jshilan@gmail.com.