

Charging LESS to Make MORE

New Hampshire Dealer Wins With Second-Door Service Strategy



By Bruce McConnell

I spend a lot of time helping door dealers throughout the United States maximize sales and profits. The typical strategies include increasing door prices, increasing service rates, and adding new products. For many years, one or all of these methods helped dealers increase profits and grow their businesses.

However, in the economy of recent years, reduced demand and increasing competitive pressures have diminished the effectiveness of these methods. Instead, many dealers are looking for more ways to

cut expenses and manpower to be as lean and mean as possible.

A Better Way

Resisting the concept of cutting manpower, one of my clients kept saying, “There’s gotta be a better way.” That persistence led Brad and Nick Leighton of Overhead Door Options in Meredith, N.H., to develop a “Service the Second Door for 35 Bucks” strategy. This great idea allowed them to improve their daily service work revenues and in some cases even their installations.

Here’s what they did. Beginning in the fall of 2010, all residential service customers were given the opportunity to get the most out of having Door Options’ team at their residence. For a reduced rate of only \$35 per additional door, customers could receive a comprehensive checkup for all the other garage doors on site. The \$35 rate is well below their \$99 standard service call rate. Parts, of course, are extra.

It Worked!

Customers liked the plan. And so did Door Options. Since the policy’s inception, about 75 to 80 percent of customers have taken advantage of this value offering. The average revenue per service call has also increased by about 25 to 30 percent, which has further enhanced profitability.

The “upselling” idea ties together many common-sense concepts in a way that benefits both the customer and the dealer. From my financial perspective, it does a very good job of balancing value with cost. It increases revenues, improves the profitability of the technician’s time, and delivers value to

customers. The additional work is not being done for free, and most if not all of the extra \$35 goes right to the bottom line.

Ethics First

Of course, Door Options maintains its ethical business standards with this service plan. Customers are always made aware of their options. Parts are replaced only when necessary. And part prices are consistent with market rates.

No matter what customers decide to do, Door Options seeks to deliver added value, maximizing customer satisfaction. It’s always the customer’s call. The “while I’m here” approach provides the opportunity for customers to get their other doors or operators serviced at a reduced cost from a trusted and reliable company. They won’t have to worry about the other door system failing. It can be handled right now.

Company Culture Is Important

In addition to competitive pricing and quality products, being successful at this strategy requires commitment to a company culture of above-and-beyond service. This culture must encourage each employee to demonstrate a “what else can we do for you” attitude in their daily activities on the phone, in the office, or out in the field.

SINCE THE POLICY’S INCEPTION, ABOUT 75 TO 80 PERCENT OF CUSTOMERS HAVE TAKEN ADVANTAGE OF THIS VALUE OFFERING.

Specifically, this company culture:

1. Develops and implements an upsell/upgrade mentality throughout the staff. Offering the additional value to the customer should become second nature for all employees.
2. Positions the cost of the offering as preventive maintenance or as an alternative to an extended warranty.
3. Reinforces the company’s mission to solve problems and to go above and beyond to meet the customer’s needs.

Providing extra value and expertise at a lower cost, especially when it results in satisfied customers, is a great way to keep them coming back for more. Door Options believes that this value strategy can be of benefit to door dealers nationwide. ■

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