

# STEP 6—Work Out the Price and Present Your Proposal

**You've completed the home tour, answered questions, and used your tools. Now, stay alert to signs of interest from your prospects, and close the sale during the same visit whenever you can.**

During your initial meeting, your prospects may change their thinking from: "How much is the project going to cost?" to "How much would you charge to do this project?" That's a subtle, but important difference. Nothing influences the prospects as much as your strong, genuine belief in the value of what you're selling.

## How do you overcome objections?

You avoid them in the first place. You should prepare for objections in advance—handling any objections during the walk-through is the perfect time. Here's how you can prevent the two objections you'll hear most often.

**"The price is too high":** During the walk-through I'll mention, "Some people are surprised by the price for this type of work, but what they don't realize is that if you do the job with quality components and skilled labor, and back it with a strong guarantee, you'll never have to think about it again."

As you know, NYSERDA offers incentives and financing options for income-eligible households to help pay for the work. Be sure to use these:

**On-Bill Recovery**—a loan of \$1,500 to \$25,000 that's built into the prospect's monthly utility bill, with payments that don't exceed their estimated average cost savings on energy.

**Smart Energy Loan**—a more traditional loan of \$1,500 to \$25,000 with payments made to NYSERDA's loan servicer.

**"We want it sooner":** That's when to say, "Some people look for a contractor who can start sooner, but they don't realize that any contractor who is good at what he does is bound to be busy."

During the home tour, tell prospects about how job sequencing works. For example, duct repairs need to be completed and confirmed by testing before you can determine if downsizing the HVAC is appropriate.

Note that if you're able to complete the estimate and proposal in one visit, deliberation about a budget isn't relevant. Calculating the cost of the proposed project is the natural next step in order to bring your meeting to a conclusion. Just remember to define the work with logical, sequential specifications in writing that's easy to understand.

Begin to sharpen your skills immediately so that you can estimate at the kitchen table. If you estimate more quickly, you can see more people and sell more jobs—and maybe even get too busy. If you get to that point, you can actually raise prices based on the demand for your products and services.

Many contractors ignore the issue of budget altogether, until the prospect brings it up. Then, in response to,

"How much is this going to cost?" You could say: "I understand you're interested in the price. Before we even think about price, I want to make sure we design the project to suit your needs." Make sure you have all the information you need from your prospect to complete a proposal.

Once you have all of the information you need to calculate your costs, you can say: "Excuse me for a few minutes while I put together my quote for you. If you have something you need to do for the next 30 minutes or so, I'll let you know as soon as I have something ready for you."

Prepare the quote for the entire job using the worst-case scenario (option #1), or quote the work in phases (option #2), or propose to start with testing only (option #3). Share the first option, including the price, with the goal of selling the entire job. You could proceed to option #2, and then #3 if necessary.

If you're not able to quickly put together your quote at the house, option #3 still allows you to get an agreement for testing only and start getting paid.

See the *Dos and Don'ts of Financial Conversations* tool to know just what to do, and what not to do, when quoting a job.

# Tool #6: The Dos and Don'ts Of Financial Conversations

The best way to have a successful conversation is to control the conversation. It's as simple as knowing what to do and what not to do every step of the way.

 **Do**

- Lead with customer needs, not prices. Every sentence should be constructed as: "To address your issue of \_\_\_\_\_, we'll need to \_\_\_\_\_, and that will cost \_\_\_\_\_."
- Provide information about NYSERDA programs that can help make financing easier such as On-Bill Recovery and Smart Energy Loans. Additional assistance may be available to income-eligible households.
- Quote the job and get a commitment at the first visit. Sales are about trust and connection. You don't want to have to establish that again and again.
- Provide information about incentives for income-eligible homeowners from NYSERDA.

 **Don't**

- Guess at costs. Use a unit/cost system of estimating. It will make you and your prospect more confident in the pricing and reduce haggling.
- Apologize for being successful. When customers want the job done sooner, nicely explain that you have existing customers and commitments to satisfy first.
- Leave without a commitment. A deposit on the whole job, or the first phase, can be as valuable to your new customer as it is to you.

For more sales and marketing insights, look for the Selling Efficiency Series on your NY Home Performance Portal.

*Mike Gorman is the leading expert in teaching contractors how to best position and price their business to increase sales. He's an award-winning contractor, author, and consultant.*