



HIDDEN OPPORTUNITIES

ARE YOU OVERLOOKING HIDDEN PROFIT CENTERS?



We've all heard the terms valued added, back end selling and after sales selling. What do they really mean, and how does a business provide something valuable for the customer?

The greatest cost of any transaction is in the first sale. Unless you're selling a product such as a Rolls Royce, you will need additional sales from the customer to be profitable. Let's say every customer costs \$100.00 to bring into your store. This means that you actually have to add \$100.00 to the cost of every customer. If you also discount the sale, there's a good possibility the sale doesn't make you very much money. In order to make this happen, you must have products that your customer will want or need to purchase after the sale.

CLEANING PRODUCTS. Every product needs a different kind of cleaner, so why not find one that you can private label? In addition to cleaners, some products need polishes and sealers. Makes sure you have them all in stock for your customers.

EXTENDED WARRANTIES. I've heard flooring dealers say that flooring warranties have no value. I don't know a product on the market, particularly electronics, that doesn't have an extended warranty no matter how cheap the product may be. The warranty becomes a problem when the salesperson doesn't explain what it means.

Most stores have a warranty on the installation, with exclusions. Why not offer a paid warranty to pick up the exclusions? If you have a two year installation, why not offer a lifetime one? Installation is the most important part of your business, so provide as much coverage as possible.

PROFESSIONAL CARPET CLEANING. All carpet must be professionally cleaned. Are you doing the cleaning, or allowing someone you don't know into your customer's house? Eventually the customer will need new carpet, and will ask the cleaner where to get it. If the carpet cleaner has someone other than you that they work with, you're out of luck. Either do the cleaning or find a "cleaning partner" and work out the details, so you can give the customer what they need and make money as well. You can also sell a discounted cleaning package.

COMMERCIAL JOBS. When it comes to the commercial business, beware. Start small when building your commercial business, whether it's negotiated or bid work. Chances are you won't be paid as quickly as you are for your residential work, so cash flow may be a problem. Look for jobs that make you money and aren't jobs that just have big numbers. Keep your margins up, not your volume. You might be able to provide the flooring and not the installation. Also consider doing the final building cleaning. This can be very profitable.

PROFITABLE PRODUCTS. Can you provide window treatments, shutters, painting or construction? If you have the skills and the personnel, they are all a good fit. Shower doors go with bathrooms; kitchen cabinets are a natural with kitchen floors.

SELLING VACUUM CLEANERS. I have always thought that selling vacuum cleaners was one of the best products on the market. There are vacuum cleaners now available that will vacuum hard surfaces and the very thick carpet. The very thick carpet has been causing a problem for years. In fact there are vacuums on the market that actually get caught in the carpet and destroy the fibers.

There are several new vacuums that are being sold today that can clean this new thick carpet as well as flat carpets and hard surfaces.

DON'T OVERLOOK THIS VERY IMPORTANT CERTIFICATION: MINORITY OR WOMEN OWNED BUSINESSES

Is the majority of your business owned by either category? If so, apply for certification and get yourself an advantage on certain jobs. This can be very lucrative.