

► 7.0 PRICE YOUR SERVICES

In this section we will look at growth from a marketing perspective. That is, what strategies and tactics should you pursue to reach more customers and make more money?

7.1 THREE WAYS TO GROW YOUR BUSINESS

At first glance, **business growth** might seem to be a daunting task. There are so many strategies to choose from. The sheer size of the task may paralyze you.

The good news is there are only three ways to grow your business. All marketing strategies and sales campaigns are just subsets of these three strategies.

The three strategies are as follows:

1. Increase the number of customers and clients.
2. Increase your fee.
3. Sell more services to each client.

The following sections provide a brief overview of these three strategies.

7.1.1 INCREASE THE NUMBER OF CUSTOMERS AND CLIENTS

This strategy includes

- finding new customers and clients,
- getting more people to refer clients to you,
- increasing retention rate of your referral base,
- improving sales techniques (increasing your conversion rate),
- diversification (thinking outside of the box for new inspection opportunities), and
- other strategies.

*New Customers
Only Part
of Puzzle*

This is the conventional way to grow a business. Because I need more sales, I will go and find more **customers** and clients. But this is the most difficult and expensive way to grow a business. You should do this, particularly when you are just starting out, but do not only this. Focusing on getting repeat business with an established customer, for example, is an efficient way to grow your business. There are other strategies that you can combine with this to build real strength into your company. We will explore some of these later in this session.

The next two strategies are more cost-effective ways to grow your business, yet they are overlooked by most home inspectors.

7.1.2 INCREASE YOUR FEE

We have talked about this already, but let's touch on it one more time. It's so easy, but so few do it. Nothing seems to scare home inspectors more than increasing their fees. The inspectors immediately imagine that nobody will want to hire them at a higher price and that they will lose much of their business to competitors.



But the following cannot be overstated: Demanding progressively more for your professional service is a highly effective way to grow your business.

Because we have already looked at how to set your inspection fee and how to raise your prices, we won't go through it again here. To summarize, here are some good reasons to raise your fee:

- There is a strong perceived relationship between inspection fee and quality of the inspector.
- If you have not changed your fee in a long time, you are effectively gaining more and more experience while getting paid less and less money over the years.
- You should keep up with **inflation**. This means raising your fee every year just to keep up. If you have been in business for five years and have never increased your price, you are likely making effectively \$20 to \$25 less per inspection than when you started.
- Your employees want more money.
- You can work less and make more money.
- You are in the knowledge and communication business, not the assembly line business. This means you should get paid for what you know, not how long you work. So when someone says you shouldn't raise your prices because your inspections don't take any longer than they used to, you can say that you know more than you used to know and are more valuable to your clients now.

Don't sell yourself short. You owe it to yourself to get paid what you are worth. Every day you pull off the impossible. Think about it: Home inspection is a business with unusually high liability, slim profit margins and limited economies of scale. We provide an incredibly diverse, multi-disciplined consulting service, under difficult in-field circumstances, in an impossibly short time frame, and we produce extraordinarily detailed technical reports, almost instantly.

7.1.3 SELL MORE SERVICES TO EACH CLIENT

This strategy may include

*Sell More
than Home
Inspection*

additional services at the time of the inspection, like testing for lead paint, radon, asbestos, or carbon monoxide. This is called "upselling" or "cross selling." follow-up services once your client moves in, including an inspection to verify that your recommendations have been addressed correctly, or perhaps an indoor air-quality inspection

This is equivalent to the innocent question at the fast food outlet, "And would you like fries with that?" Upselling and cross selling are everywhere. At the carwash, have you ever been asked if you want the hot wax too?

If you can offer other inspection related services with your home inspection, you may find your revenues increase dramatically. When booking the home inspection, you might offer a water-quality test if the home has a well, a septic tank inspection, indoor air-quality test, swimming pool or spa inspection, and so on.

