

Remodeling Contractor Standard Outline Marketing Plan

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Remodeling Contractor Marketing Plan

1.0 Marketing Vision

We are on a path to becoming the remodeler of choice in our chosen upscale market. Our weekly all-staff meetings always involve discussion of ways we can improve every aspect of business and service to reflect this vision.

1.1 Goals

Personal

- Income of \$275,000
- 21 days of vacation
- National Ethics in Business award
- Top 25 Remodeler

Business

- \$5 mil revenue
- 25 design projects
- 100% 9 or above rating

Strategic

- Top 3 in market
- 10 carpenters
- Buy building

Tactical

- Redo website
- Top 10 for 5 search terms
- Column in Home Section
- Hire marketing coach

1.2 Purpose

Remodeling is a tough business filled with lots of unkept promises. We will become known as one of the most ethical service providers in our industry and in business in general. Every decision we make will be infused with our core ethics.

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1.3 Picture

It's 3pm on a Tuesday and as I enter the office our design team is meeting with a prospect going over our process and portfolio. The customer came to us through a customer whose kitchen was one of the largest we have ever completed. Every aspect of the job went well and in addition to sending us referrals the owner sends the lead project manager on the job cookies and Christmas cards.

When I return to my desk I find 3 inquiries and a request for an interview to talk about our recently instituted green-building process. Shortly I will meet with our customer service team to talk about this year's customer appreciation project.

A quick glance at the project and key indicators board shows we are well on our way to a record year and quickly becoming known as the remodeler of choice if you understand that the remodeling process is as important as project.

1.4 Gap Dashboard

My personal projections are based on a 20% increase in income tied to an even larger increase in revenue.

The business projections are a healthy but realistic 30% increase in business due in large part to our added design capabilities.

Table: Gap Dashboard

Gap Dashboard	Year 1	Year 2	Year 3
Personal			
Income of \$275,000	\$275,004	\$288,754	\$303,192
21 Days of vacation	21	21	21
National Ethics in Business Award	0	Yes	Yes
Top 25 Remodeler	0	Yes	Yes
Business			
Revenue of \$5 million	\$5,120,000	\$5,632,000	\$6,195,200
25 Design Projects	25	30	35
100% Ratings of 9 or above	0	yes	yes
Tactical			
Redo/ update website	0	yes	yes
Top 10 for 5 Internet search terms	0	yes	yes
Write column for the newspaper Home section	0	12	12
Hire marketing coach	0	0	0
Strategic			
Top 3 in market	0	yes	yes
10 carpenters on staff	0	ten	ten
Buy a building for our business	0	done	done

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2.0 Ideal Customer

You would spot our ideal customer in an older, established neighborhood sending one or more their children off to college and making plans for tomorrow's volunteer board committee meeting. They subscribe to urban living, entertainment and design magazines and entertain often. They belong to an area country club, may own a lake home and attend church on Sunday. They have remodeled before and are probably looking to stay in their home for at least 10 more years.

2.1 Market Needs

Let's face it, the remodeling business has its share of less-than-ethical participants and there are plenty of remodeling horror stories.

While we focus on high-style design and craftsmanship, we know that the process of completing a project, cleaning up every day and paying attention to the homeowners' input is what the market needs.

2.2 Market Trends

People want function from every room in the house. It needs to be stunning and it needs to perform. Electronics, computers, audiovideo are standard in today's upscale home. Design is a core strength.

Increasingly, our ideal customer is attracted to upscale condos in converted buildings in their neighborhood. We are aware of the need to communicate our skills in working in older buildings and creative space planning.

Growing numbers of our ideal customers are also expressing their desire to be more earth-friendly through the use of green products and contractors who utilize green building practices. This aligns with our vision as well.

2.3 Market Description

Our ideal customers are homeowners living in upscale, but older, neighborhoods. They value the remodeling process and creating space for entertaining and large family gatherings. They are often self-employed with flexible schedules and enjoy playing an active role in the design phase of their project. The average project size with our ideal customer is \$75,000.

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2.3.1 Demographics

Our best customers are homeowners in ZIP codes with average home values above \$150,000. Often they are couples with high school age children or recent empty-nesters. They tend to be self-employed or in professional services businesses with flexible working hours. They are often college educated but not necessarily advanced degrees.

2.3.2 Psychographics

Our ideal customers are belongers and emulators - they entertain and love to have family around. A big draw for remodeling is to create space to entertain and host large family gatherings. They are very community-oriented and tend to participate heavily in school, religious, civic and nonprofit organizations.

2.3.3 Behaviors

Our ideal customers have remodeled before. We have found that once you have been through a large remodeling project you understand all of the dynamics and what a good and potentially bad experience can really cost.

2.3.4 Geographics

We have identified 13 areas and suburban ZIP codes based primarily on average home age and value.

2.4 Market Growth

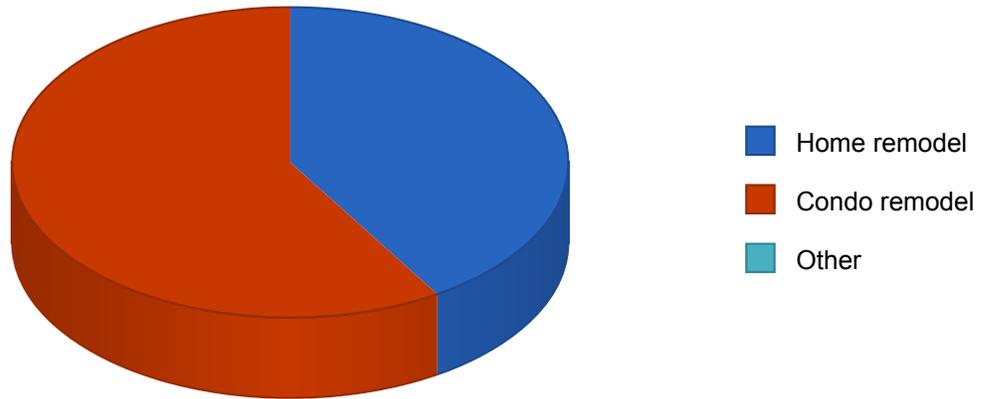
While overall growth in the remodeling industry is always linked to interest rates, home value appreciation and the economy as a whole, growth in the upper end is very strong. This market is often funding the cost of remodeling from sources other than loans and income and is less impacted by an economic downturn. Our ideal customer is also very attached to older neighborhoods and will often invest in remodeling projects that might initially exceed the surrounding home values.

Table: Market Analysis

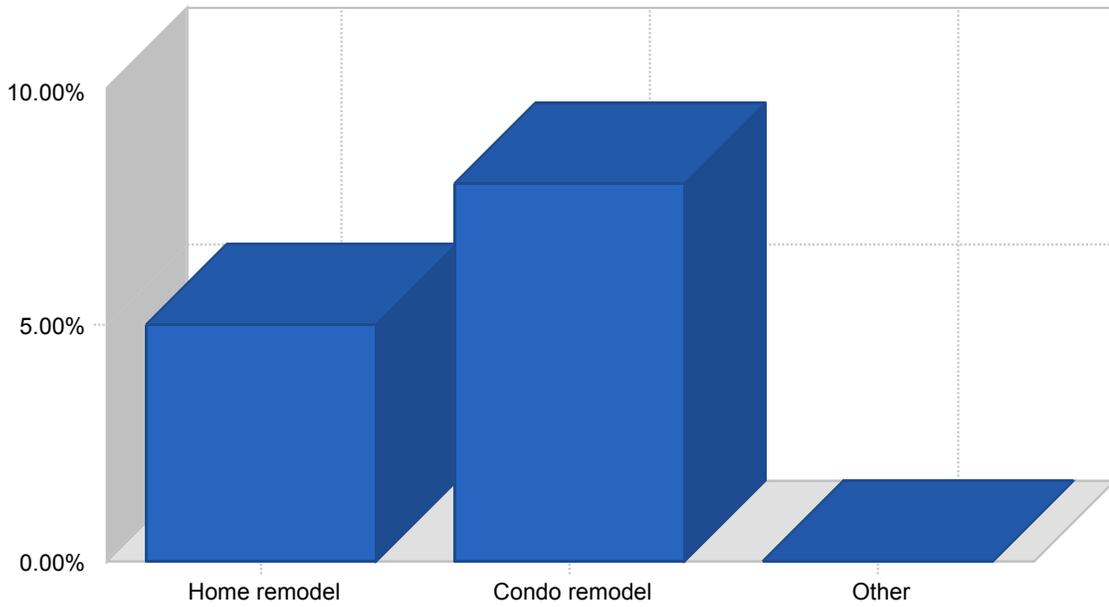
Market Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Potential Customers	Growth						
Home remodel	5%	175,000	183,750	192,938	202,585	212,714	5.00%
Condo remodel	8%	250,000	270,000	291,600	314,928	340,122	8.00%
Other	0%	0	0	0	0	0	0.00%
Total	6.80%	425,000	453,750	484,538	517,513	552,836	6.80%

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Market Analysis (Pie)



Market Analysis CAGR



3.0 Remarkable Difference

Our process is just as important as the completed project. Many companies can get the work done, but few can get it done in a way that doesn't make you hate the journey.

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3.1 Differentiators

- Architect on staff
- Very experienced design consultants
- 20-year success history
- Carpenters on staff

3.2 Direct Competition

Smythe Contracting - Focuses on cost-plus remodeling and strong reputation in upscale neighborhoods; owner lives in very upscale community and is involved.

Kitchen by Keith - while only focused on kitchens, strong reputation for upscale design.

O'Toole Brothers - Not the force they once were, but long-time established in upper end market.

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Table: Competitive Analysis

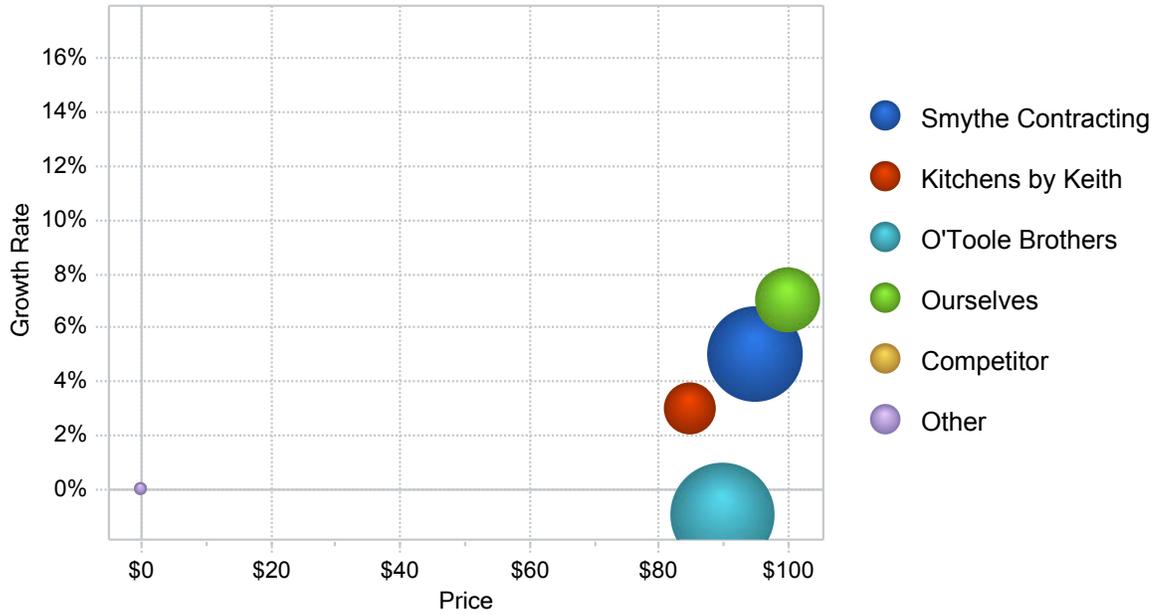
Competitive Analysis			
Competitor	#1 Smythe Contracting	#2 Kitchen by Keith	#3 O'Toole Brothers
Product and/or Service			
Quality	5	5	4
Selection	4	3	3
Price	4	4	4
Other	0	0	0
Location and Physical Appearance			
Traffic	3	2	3
Appearance	3	0	3
Visibility	1	0	1
Convenience Factors	0	0	0
Other	0	0	0
Added Value Factors			
Pre and Post Sales Service	4	5	4
Experience	5	5	4
Expertise	4	5	4
Reputation	5	5	5
Image	5	3	4
Stability	4	4	3
Strategic Alliances	4	4	4
Other	0	0	0
Other Marketing Activities			
Established Sales Channels	5	4	5
Advertising	4	3	5
Post-purchase Support	4	5	4
Incentives	3	3	3
Loyalty Components	3	3	2
Other	0	0	0
Total	70	63	65

Table: Growth and Share

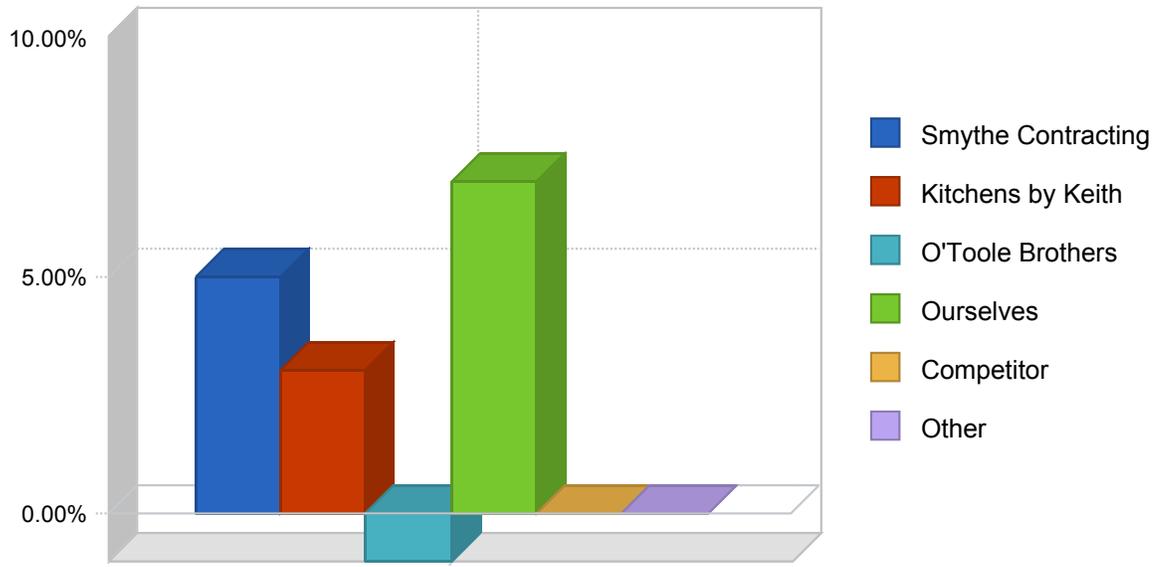
Growth and Share			
Competitor	Price	Growth Rate	Market Share
Smythe Contracting	\$95	5%	15%
Kitchens by Keith	\$85	3%	7%
O'Toole Brothers	\$90	-1%	17%
Ourselves	\$100	7%	10%
Competitor	\$0	0%	0%
Other	\$0	0%	0%
Average	\$61.67	2.33%	8.17%
Total	\$370.00	14.00%	49.00%

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Competitor by Growth and Share

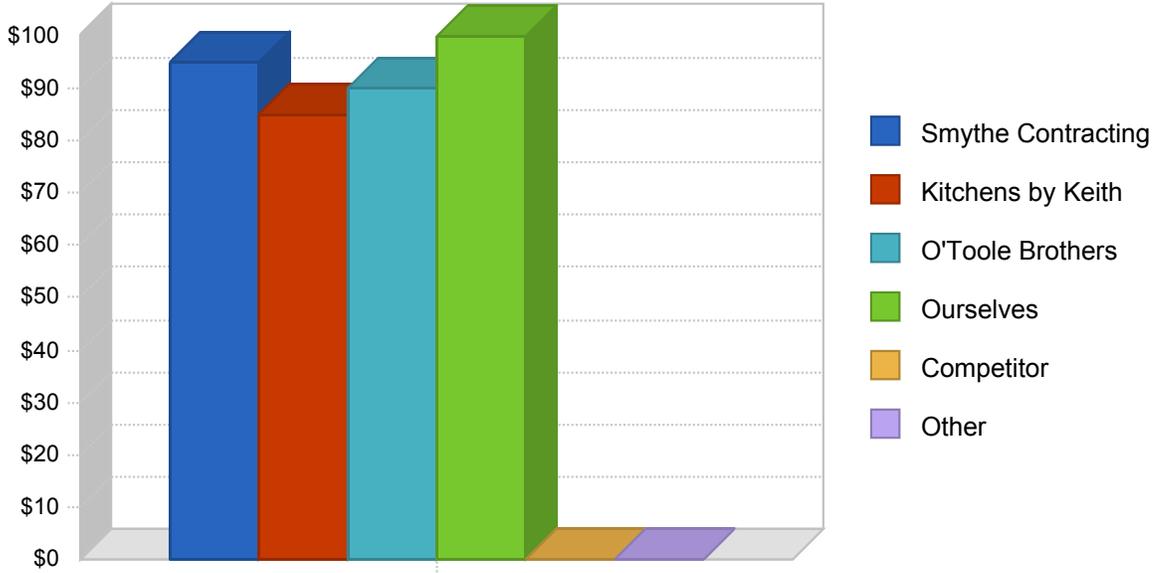


Competitor by Growth

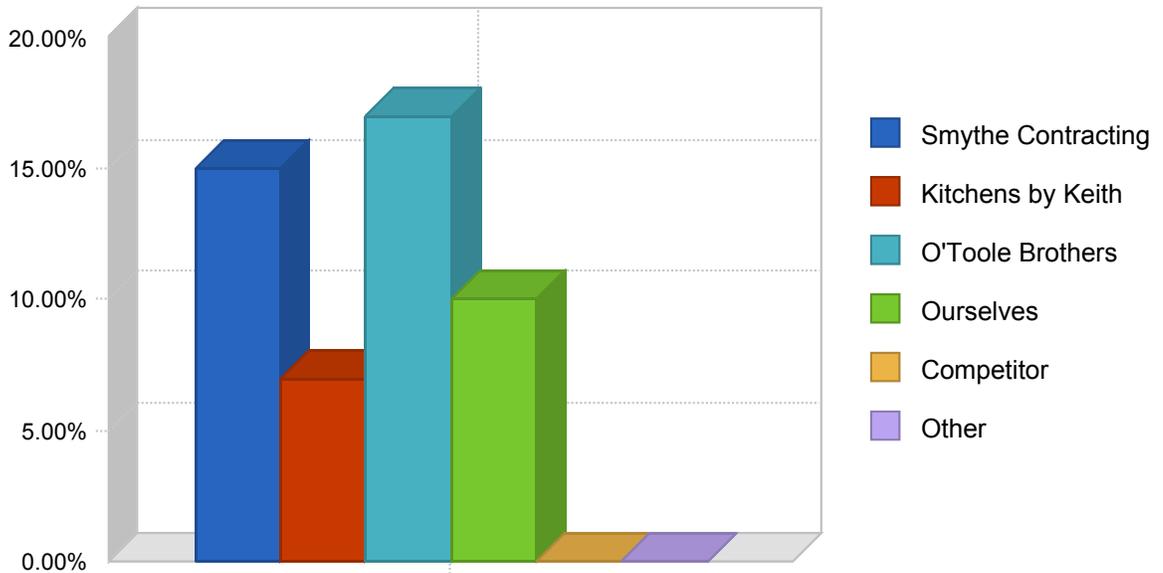


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Competitor by Price



Competitor by Share



3.3 Indirect Competition

- New home builders
- Handyman services
- Vacation homes

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3.4 Model Competitors

- Graham Homes - Orlando, FL
- Henkle Remodelers - Minneapolis, MN
- Earth Home - Taos, NM

4.0 Core Strategy

We want to be seen in the top tier of remodeling contractors competing for the most prestigious work in town, based on our reputation and our process that includes design and attention to detail. We will be considered one of the most expensive options, but worth it.

4.1 Core Message

If you've remodeled before, then you know that the process is as important as the project.

4.2 Positioning Goal

We aim to be seen as the obvious remodeling choice for upscale homeowners who understand that while we cost more than the others, we're worth it.

4.3 Key Strategic Indicators

- Leads
- Design appointments
- Referrals
- Completed designbuild projects

4.4 Core Branding Elements

Blue and Green colors for green building and trust.

Professionally designed logo, marketing materials and website. Our brand identity walks a fine line between rich and sensible. Expensive but valuable.

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4.4.1 Colors

Green and blue - earth-friendly and trustworthy

4.4.2 Logo

Logo sends the initial message of professional, trustworthy and stable.

4.4.3 Images

The owner of the company, Hardin Jackson, is a well-known figure in the industry and helps put a trusting face on our brand. His image appears in all of our materials.

4.4.4 Type

Basic san serif type with little or no fuss.

5.0 Product/Service Innovation

Free Offerings for Suspects:

- Design Trends newsletter: highlights upscale national trends
- Free design workshops: gives prospects a chance to experience the fun side of designing
- 'Ask our Architect' monthly column: questions from local homeowners will position our architect as the accessible expert

Trial Offerings for Prospects:

- Paid design sessions with experts
- Cooking lessons with gourmet chefs

Core Offerings for Prospects and Clients:

- DesignRemodel
- Design only

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5.1 Hourglass Strategy

Using free and paid workshops, we plan to expose prospects to the true ways in which we are different and offer vast design resources and experience.

5.2 Price Rationale

Our pricing is based on industry-provided data for square foot construction. We constantly monitor materials cost and averages for our part of the country. Our aim is to be consistently above industry standard and focus on customer service as opposed to lower-bid work. Our ability to add design gives us a much more accurate pricing picture for each project.

6.0 Marketing Materials

The marketing materials which support our various marketing programs and tactics are presented in the following topics.

6.1 Marketing Kit

Our marketing kit includes:

- Letter from founder
- Our essential difference
- Remodeling process description
- Job site clean-up checklist
- Case studies before/after
- Customer testimonials
- Award-winning projects
- Customer list
- Article reprints
- The remodeling curve - joy vs. bummer
- Design and Project staff bios

6.2 Marketing Story

The owner of this business started over 25 years ago and did much of the work on his own. His involvement in the industry and the community and in working with older homes is well established.

Design and business ethics awards help tell the story of longevity, innovation and trust.

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6.3 Case Study Plan

Every customer will receive a photo and video shoot of their project before, during and after. We will turn the video into a short testimonial for web and presentation and create a hardbound Blurb book for coffee table display after each project.

6.4 Testimonial Plan

Quotes are gathered as part of the post-production walk-through.

6.5 Multi Media Materials

Our marketing assistant is in charge of video for each project and the design and project consultants collect photos during the project. We also set-up a cam vision camera so a homeowner can see their project in progress at any time.

7.0 Web Plan

Our Web presence is a great competitive advantage for us. The images, videos, audios and blogs will help us create the changing content our site needs and assure that we do very well in the search engines locally.

7.1 Website Marketing Strategy

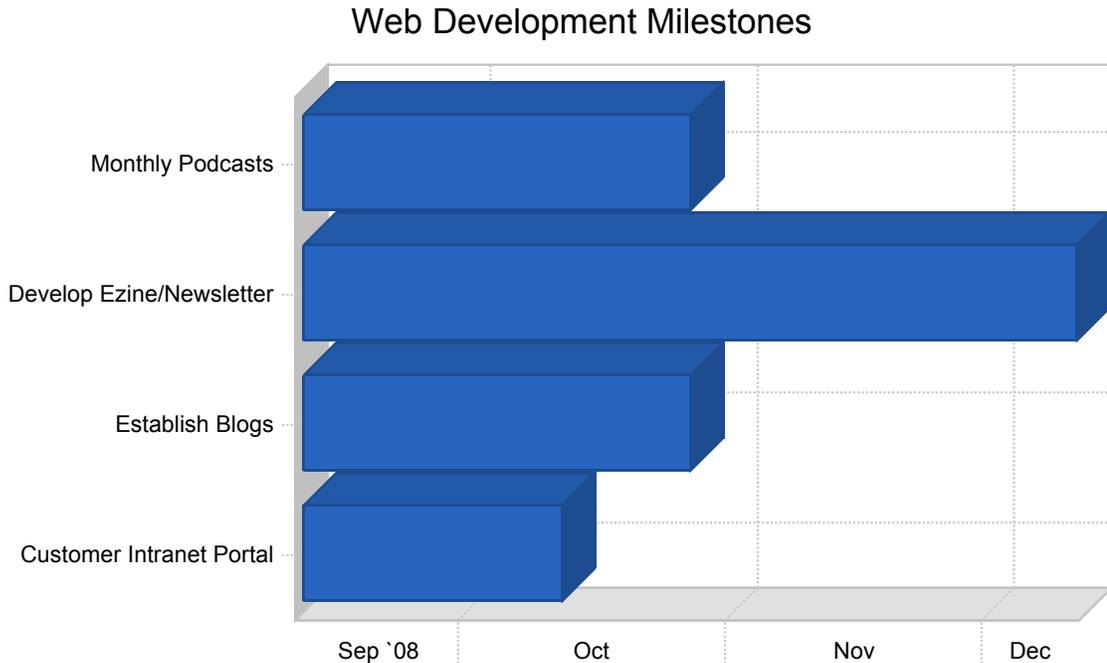
We will use our image-rich site as a place for changing content and to display our process and professional approach as well as tons of useful and changing content.

We will also create an Intranet portal for each customer to view project details and communication.

Table: Web Development Milestones

Web Development	Start Date	End Date	Budget	Manager	Department
Customer Intranet Portal	9/12/2008	10/12/2008	\$0	ABC	Department
Establish Blogs	9/12/2008	10/27/2008	\$0	ABC	Department
Develop Ezine/Newsletter	9/12/2008	12/11/2008	\$0	ABC	Department
Monthly Podcasts	9/12/2008	10/27/2008	\$0	ABC	Department
Total Web Development Budget			\$0		

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7.2 Content Strategy

We will add the marketing content and additional project portfolios as well as two blogs to keep adding new content. We will also publish articles and archive our monthly newsletters.

7.2.1 Update

Our marketing assistant will update the website and add every project. Our chief designer will blog weekly and our owner will take questions from readers and blog the answers.

7.3 Search Engine Strategy

Our SEO strategy is primarily a local one - we will optimize our content using the names of local cities, suburbs and even neighborhoods.

We will build pages with specific local content for the homes we have worked in specific target neighborhoods.

Our blogs will be a key part of our search strategy with aggressive linking to industry sites and links from all of our key vendor support companies.

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7.3.1 Local Search

Internal links will be local in nature - "Kansas City Kitchens" for the anchor text, as opposed to simply "Kitchens."

We will build profiles in all local search directories including images of homes.

7.3.2 Social Search

We will build profiles in the social search sites such as local.com, insiderpages, citysearch and topix and promote positive reviews from testimonial customers.

7.4 Email Marketing Plan

Our site and our direct mail program will promote our "Trends" ezine. We will send out customer and subscriber monthly ezines.

7.4.1 Lead Capture Strategy

We will feature a "Subscribe" form on all Web pages and build separate landing pages for our direct mail "Trends" newsletters offers.

7.4.2 Ezine and Data Mining

We will add the use of the SwiftPage tool to monitor the responsiveness of our email readers and prepare follow-up based on reader interest.

7.5 Social Media Plan

We will employ several blogs as our primary new media tools. We will also post podcast-style interviews with our best customers on a monthly basis and look to interview design and manufacturing and other home type experts such as entertainment, wine, chef and even audio and technology experts.

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7.5.1 RSS

Our sales leads all subscribe to a list of leading industry, design and appliance blogs in an effort to stay on top of trends and announcements from suppliers and experts.

7.5.2 Blog

We have implemented two frequently updated blogs.

Ask a Remodeler - our owner fields and answers questions about remodeling

Design Matters - our designers offer tips on color, design, appliances and entertaining

Both of these blogs will generate significant search traffic.

7.5.3 Podcast

We will create a monthly show that features a message from our owners, interviews with customers and a featured interview with an industry leader to talk about trends that homeowners might find valuable.

7.5.4 Social Networking

We will initiate several helpful community features.

We will host a remodeling forum on our site where readers can come and ask remodeling questions and receive remodeling advice.

We will also create a customer-only section of our website where customer projects will be featured along with the ability to network with other customers and our design and project staff. News and announcements will be added via RSS feeds.

8.0 Lead Generation Plan

Our lead generation will come from a combination of targeted advertising, monthly PR, and focus on customers for referrals.

Remodeling Contractor Marketing Plan

8.1 Advertising

Media Tracking Kits Requested

Advertising Medium	Contact Name	Contact #	Distribution	CostAd	Total CPM
Space Magazine					
Home and Garden Mag					
Local PPC					

Table: Pay-Per-Click ROAS

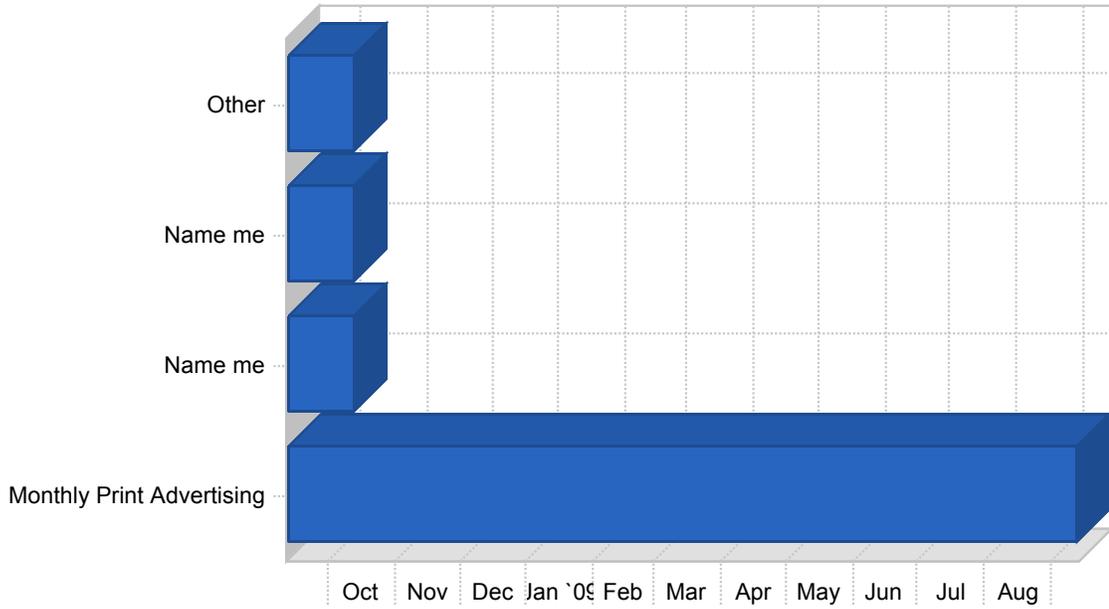
Pay-Per-Click ROAS									
Network	Monthly Cost	Clicks	Leads Generated	Orders	Monthly Revenue	ROAS	Cost-per-click	Cost-per-lead	
Google	\$560	290	15	2	\$18,000	3214%	\$1.93	\$37.33	
Yahoo!	\$780	498	22	3	\$27,000	3462%	\$1.57	\$35.45	
Other	\$0	0	0	0	\$0	0%	\$0.00	\$0.00	
Total	\$1,340	788	37	5	\$45,000	2225%	\$1.17	\$24.26	

Table: Advertising Milestones

Advertising	Start Date	End Date	Budget	Manager	Department
Monthly Print Advertising	9/12/2008	9/12/2009	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Advertising Budget			\$0		

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Advertising Milestones



8.2 Public Relations

Monthly press announcements to media and contact database

Q and A column in weekly newspaper Style section

Quarterly big pitch story

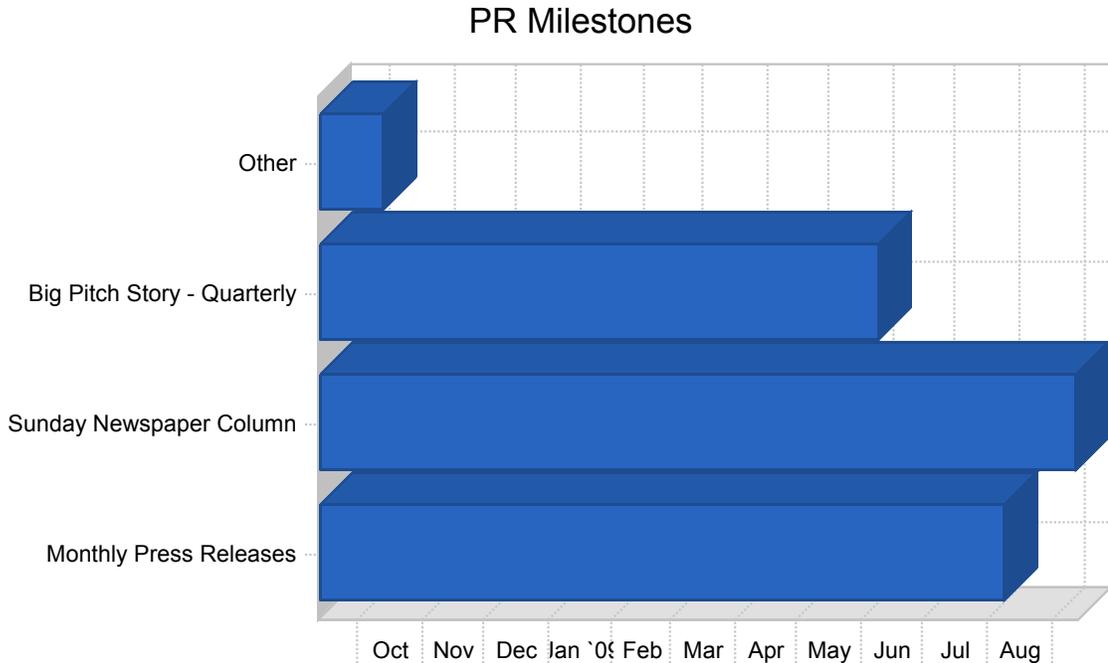
8.2.1 Media List

Journalist	Journalist Bio.	Organization	Description	Notes
Becky Newton		Small Business Monthly		
Editor		University Alumni Press		
Laura James		Home Style Magazine		
Lee Heath		Chamber Newsletter		
Steve Peat		Real Estate Business Journal		

Remodeling Contractor Marketing Plan

Table: PR Milestones

PR	Start Date	End Date	Budget	Manager	Department
Monthly Press Releases	9/12/2008	8/8/2009	\$0	ABC	Department
Sunday Newspaper Column	9/12/2008	9/12/2009	\$0	ABC	Department
Big Pitch Story - Quarterly	9/12/2008	6/9/2009	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total PR Budget			\$0		



8.3 Referrals

Pardon our dust - 3 letters to neighbors of projects giving details about work and contact for any issues.

Carpenter for a day - all customers are offered the use of a carpenter for a day for each referred customer.

8.4 Direct Mail

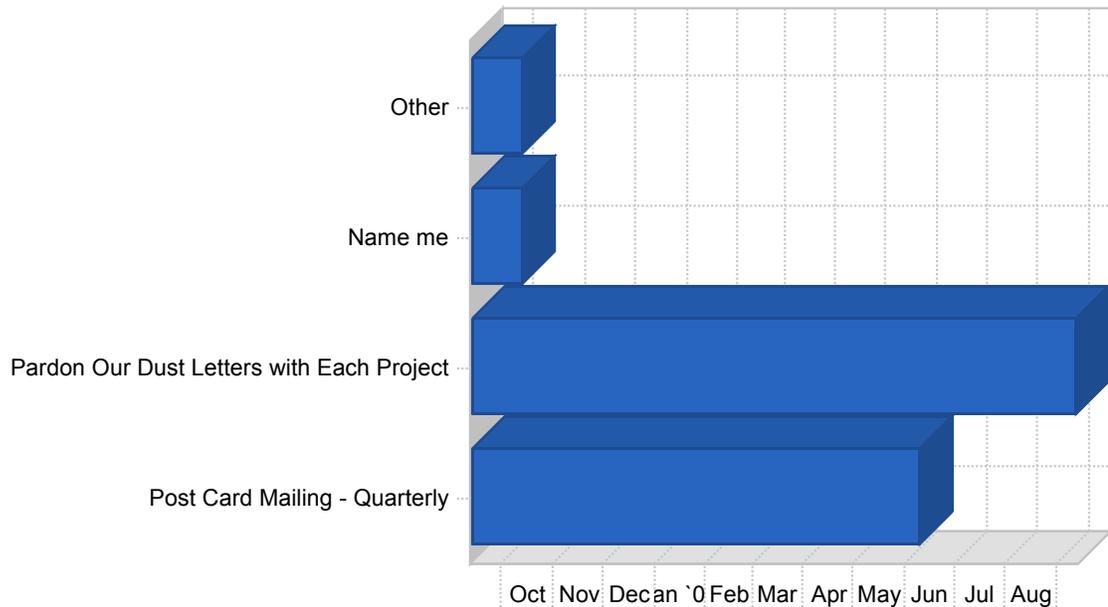
Quarterly direct-mail full-color, oversized postcards to core ZIP codes highlighting before and after project images. Promote design seminars in each mailing.

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Table: Direct Marketing Milestones

Direct Marketing	Start Date	End Date	Budget	Manager	Department
Post Card Mailing - Quarterly	9/12/2008	6/9/2009	\$0	ABC	Department
Pardon Our Dust Letters with Each Project	9/12/2008	9/12/2009	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Direct Marketing Budget			\$0		

Direct Marketing Milestones



8.4.1 Mailing List Source

We work with InfoUSA to target homes in 10 specific ZIP codes with home values over \$350,000.

8.5 Lead Generation Tracking Plan

We will employ an automatic lead tracking system that IDs each phone call, Web lead, PPC ad, postcard mailing and print ad.

9.0 Lead Conversion Plan

We will convert 10% of all leads that make the initial visit to our office.

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9.1 Sales Strategy

We plan to bring our prospects into our office for their initial consultation, interrupting the standard practice in our industry of running out to a home for the first meeting.

This approach will help differentiate us and allow us to properly conduct presentations that highlight our process and showcase our design expertise.

This approach also shows that we have a very professional staff, office and process - something that also differentiates us from much of the competition.

9.2 Sales Process

Prospect path:

1. First call: prospects are qualified by our lead designer
2. Invited to our office (pre-meeting package sent)
3. Design consultant and owner conduct in-office preview
4. In-house meeting
5. Proposal drafted Design contract
6. Contract offered
7. Deposit and specs

9.2.1 Qualify

All leads go to our head designer to be qualified and then sent to a project consultant. Leads are directed to more information or referred to other contractors. All leads are scored and entered into CRM for future follow-up.

9.2.2 Present

In-office presentation involves our process overview presentation, video testimonials, virtual project slideshow and showroom tour. Consultant and owner participate in the meeting.

9.2.3 Nurture

Marketing kit and design tips and trends newsletter are forwarded to prospect after in house meeting. Continued editions are sent. Design consultant checks in three times to move the project forward or to a No.

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9.2.4 Transaction

Once customer initiates some form of contract, they receive the contract in an orientation meeting that includes the New Customer Kit and discussion of the entire process, key dates, good and bad about the project, payment process and after-completion warranty programs.

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9.2.5 Follow-up

Use the following table to list your follow-up communication for prospective and current contacts:

Follow-up Contact Calendar

Month	Prospective Contacts <i>(newsletters, case studies, invitations, "tips" sheets, etc.)</i>	Client Contacts <i>(newsletters, phone calls, thank you notes, new productservice announcements, client-only event invitations, reprints of articles, etc.)</i>
1	Marketing Kit	Referral letters
2	Trends newsletter	Trends newsletters
3	Monthly press release	Monthly press releases
4	Q and A reprints	Invites to quarterly events
5		90-day floral arrangement
6		
7		
8		
9		

Remodeling Contractor Marketing Plan

9.3 CRM Plan

We are using Infusionsoft CRM to track all customer activity, sales opportunities and marketing follow-up campaigns. Our Lead Designer's assistant and each design consultant enter leads.

10.0 Service Experience

Highlights of our planned customer experience are presented in the following topics.

10.1 Community Building Plan

We will have an annual Christmas event and give Christmas trees to each customer. We will have quarterly themed events in remodeled homes.

10.2 Loyalty Product/Service Offerings

We will offer each customer a survey after each project completes.

We will send hand-written Thank You notes to every prospect that comes to an initial meeting.

We will send gift certificates to all past customers good for \$100 off window cleaning from a strategic partner.

10.3 WOW Process

Our WOW Process is based on 3 parts:

1. Initial meeting in our office to set the tone - video and professional presentation
2. Job site is cleaned up every day at the end of the day - progress note left daily
3. After project:
 - 30-day walk through
 - 90-day flowers sent to home
 - 11-month no-hassle warranty walk through

Remodeling Contractor Marketing Plan

11.0 Marketing Calendar

Daily - hand-written notes, follow-up calls, customer contact

Weekly - review leads

Monthly - new marketing initiative

11.1 Monthly

Months	Marketing Theme
Jan	Strategy
Feb	Core message
Mar	Marketing materials kit
Apr	Website blog sezi ne direct mail
May	PR and referrals
Jun	Social and search
Jul	Audio video podcast
Aug	Events
Sep	
Oct	
Nov	
Dec	

Remodeling Contractor Marketing Plan

Table: Milestones

Milestones					
Advertising	Start Date	End Date	Budget	Manager	Department
Monthly Print Advertising	9/12/2008	9/12/2009	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Advertising Budget			\$0		
PR	Start Date	End Date	Budget	Manager	Department
Monthly Press Releases	9/12/2008	8/8/2009	\$0	ABC	Department
Sunday Newspaper Column	9/12/2008	9/12/2009	\$0	ABC	Department
Big Pitch Story - Quarterly	9/12/2008	6/9/2009	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total PR Budget			\$0		
Direct Marketing	Start Date	End Date	Budget	Manager	Department
Post Card Mailing - Quarterly	9/12/2008	6/9/2009	\$0	ABC	Department
Pardon Our Dust Letters with Each Project	9/12/2008	9/12/2009	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Direct Marketing Budget			\$0		
Web Development	Start Date	End Date	Budget	Manager	Department
Customer Intranet Portal	9/12/2008	10/12/2008	\$0	ABC	Department
Establish Blogs	9/12/2008	10/27/2008	\$0	ABC	Department
Develop Ezine/Newsletter	9/12/2008	12/11/2008	\$0	ABC	Department
Monthly Podcasts	9/12/2008	10/27/2008	\$0	ABC	Department
Total Web Development Budget			\$0		
Other	Start Date	End Date	Budget	Manager	Department
Project Showcase/Testimonial Videos	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Name me	9/12/2008	10/12/2008	\$0	ABC	Department
Other	9/12/2008	10/12/2008	\$0	ABC	Department
Total Other Budget			\$0		
Totals			\$0		

12.0 Critical Numbers

Our sales forecast and marketing expense forecasts are shown in the following tables. We believe that our tightly focused marketing efforts will yield more serious leads, and that a greater percentage of these serious leads will be converted into clients by our style of business and the quality of our work.

12.1 Sales Forecast

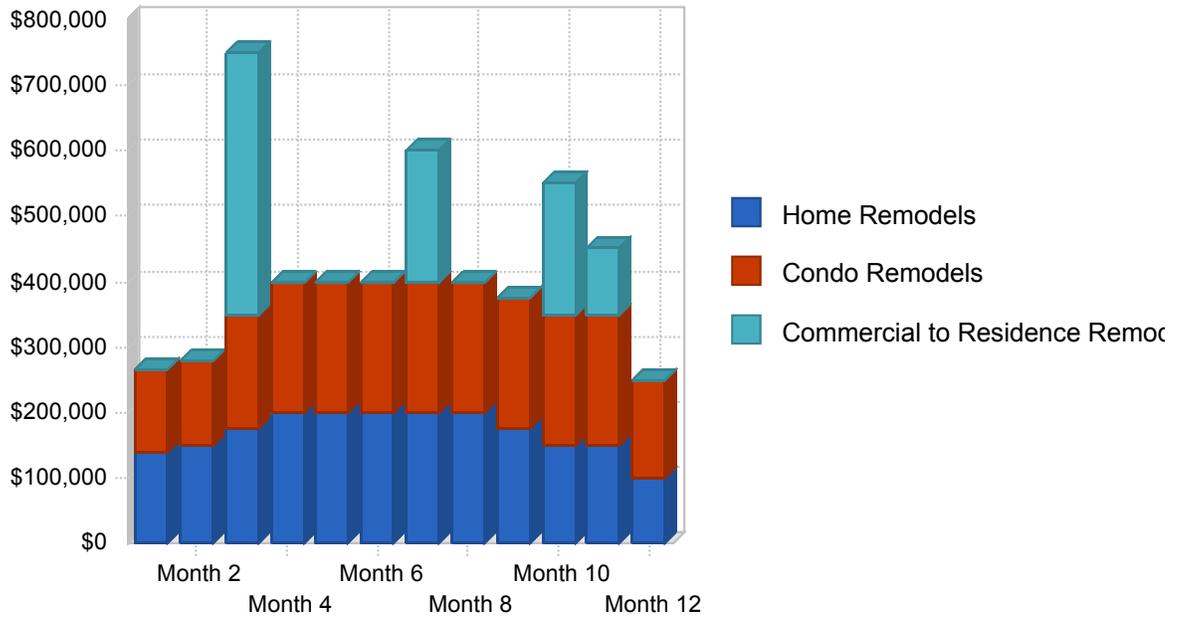
Even though interior remodeling is possible all year long, many customers still see it as seasonal. The sales forecast reflects this as our sales rise and fall. Remodeling projects of homes and condos are usually one or two month jobs. Changing a commercial building into a residence takes significantly longer, and usually involves the creation of several condo units within the one original building. Revenue from this type of project usually comes in installments as the project can run three to nine months from concept to completion.

Remodeling Contractor Marketing Plan

Table: Sales Forecast

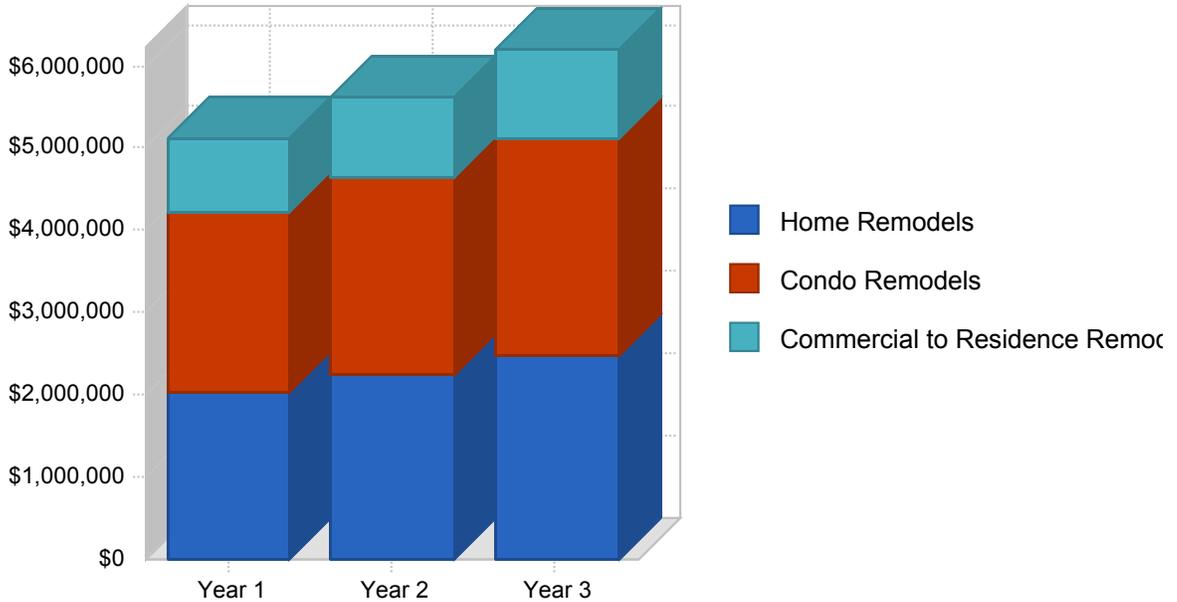
Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
Home Remodels	\$2,040,000	\$2,244,000	\$2,468,400
Condo Remodels	\$2,180,000	\$2,398,000	\$2,637,800
Commercial to Residence Remodels	\$900,000	\$990,000	\$1,089,000
Total Sales	\$5,120,000	\$5,632,000	\$6,195,200
Direct Cost of Sales			
Home Remodels	\$1,020,000	\$1,122,000	\$1,234,200
Condo Remodels	\$1,090,000	\$1,199,000	\$1,318,900
Commercial to Residence Remodels	\$450,000	\$495,000	\$544,500
Subtotal Direct Cost of Sales	\$2,560,000	\$2,816,000	\$3,097,600

Sales Monthly



Remodeling Contractor Marketing Plan

Sales by Year



12.2 Marketing Expense Budget

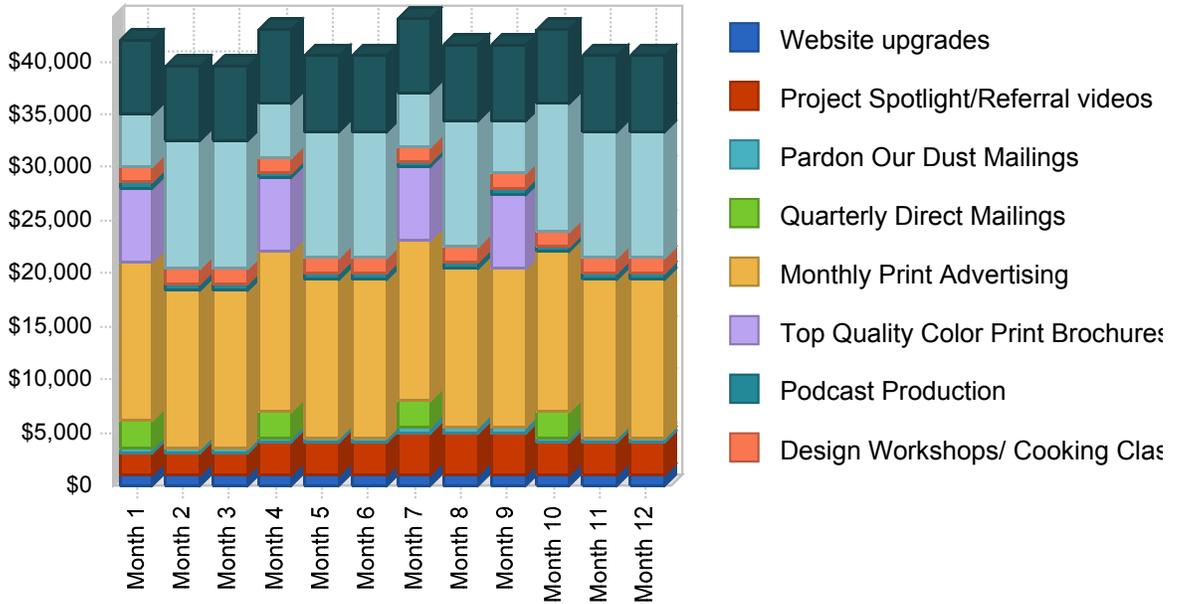
Our goal is to spend approximately 1% of our forecast sales revenue in marketing expenses. This is perhaps optimistic. The following table shows a general listing of anticipated recurring expenses. Additional funds are earmarked for special events, unspecified activities and new strategies and tactics.

Table: Marketing Expense Budget

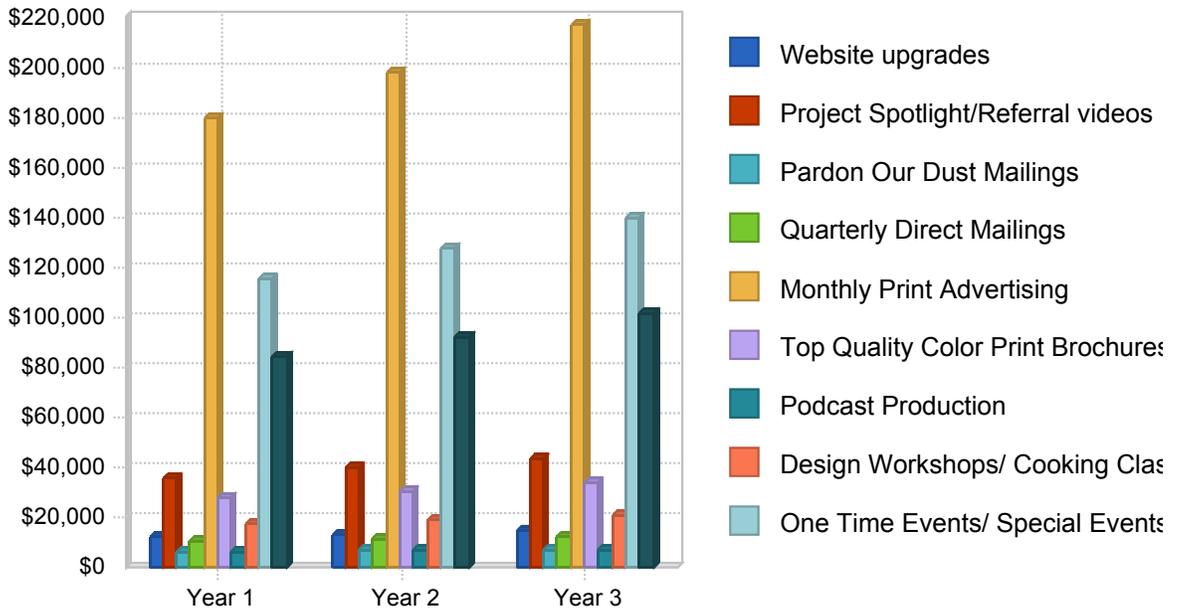
Marketing Expense Budget	Year 1	Year 2	Year 3
Website upgrades	\$12,000	\$13,200	\$14,520
Project Spotlight/Referral videos	\$36,000	\$39,600	\$43,560
Pardon Our Dust Mailings	\$6,000	\$6,600	\$7,260
Quarterly Direct Mailings	\$10,200	\$11,220	\$12,342
Monthly Print Advertising	\$180,000	\$198,000	\$217,800
Top Quality Color Print Brochures and Collaterals	\$28,000	\$30,800	\$33,880
Podcast Production	\$6,000	\$6,600	\$7,260
Design Workshops/ Cooking Classes	\$17,400	\$19,140	\$21,054
One Time Events/ Special Events/	\$116,000	\$127,600	\$140,360
Other	\$84,000	\$92,400	\$101,640
Total Sales and Marketing Expenses	\$495,600	\$545,160	\$599,676
Percent of Sales	9.68%	9.68%	9.68%

Remodeling Contractor Marketing Plan

Monthly Expense Budget



Annual Expense Budget



Remodeling Contractor Marketing Plan

12.3 Measurement Plans

Our measurement structure is centralized through our VP of marketing. All marketing and advertising decisions are originated from this position and all leads come through this function.

Our design team also reports key indicators in weekly marketing meetings.

Our key success indicators, both projected and actual, are on display in our break room for all associates to see.

12.4 Key Marketing Metrics

We've listed some key numbers in the following table. We will need to keep a close eye on these, to see if we meet our own expectations. Some, such as testimonials, can be beyond our control, since we may do an excellent job for someone, but if they are introverts by nature, we'll never get them to speak on camera or put themselves into the public eye. We can hope that in cases such as this these folks will give us good word-of-mouth referrals. If our numbers are off in too many categories, we may, after proper analysis, have to make substantial changes to our marketing efforts.

Table: Key Marketing Metrics

Key Marketing Metrics			
	Year 1	Year 2	Year 3
Revenue	\$5,120,000	\$5,632,000	\$6,195,200
Leads	440	680	793
Leads Converted	10.00%	11.00%	13.00%
Avg. Transactions/Customer	1	1	1
Avg. \$/Customer	\$109,167	\$115,000	\$130,000
Referrals	46	60	85
PR Mentions	30	0	0
Testimonials	51	60	70
Other	0	0	0

13.0 Marketing Training Game

Part of the marketing VPs charge will be ongoing training of the entire staff, in customer contact, and different techniques to intrigue, entice and satisfy the needs and desires of prospects. We will develop our skills in encouraging people to decide that they really want to be our clients.

Our training continues with our carpenters and workers to ensure that the clients are comfortable during the job, and are delighted with their project's results.

Remodeling Contractor Marketing Plan

13.1 Marketing Organization

Our marketing organization starts with our VP of marketing. This function is the central hub of all marketing activity and lead funneling. She fields all inquiries and assigns leads to designers.

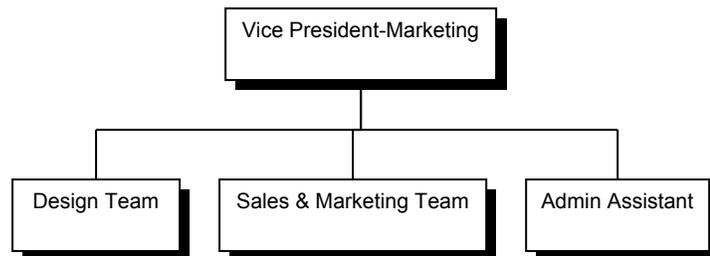
Designers convert leads and determine the scope of the project with project managers and act as single sales contact throughout the project.

Weekly marketing meetings assess progress on all leads and projects.

Monthly marketing meetings function as training and education on all marketing initiative opportunities.

13.1.1 Organizational Chart

Our VP of Marketing will work with an assistant and act as Sales Manager for the entire design consultant staff. She will guide the marketing efforts and monitor lead and conversion activities.



13.2 Keys to Success Training Plan

We will conduct monthly, all-hands marketing meetings to go over the key numbers and present all marketing activities.

13.3 Numbers Reporting

We will report all key numbers to the entire staff by posting them on a white board in our break room and holding monthly all-staff meetings to report key numbers and teach staff the meaning of all key numbers and reports.

Appendix

Table: Sales Forecast

Sales Forecast													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
Home Remodels	0%	\$140,000	\$150,000	\$175,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$175,000	\$150,000	\$150,000	\$100,000
Condo Remodels	0%	\$125,000	\$130,000	\$175,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$150,000
Commercial to Residence Remodels	0%	\$0	\$0	\$400,000	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000	\$100,000	\$0
Total Sales		\$265,000	\$280,000	\$750,000	\$400,000	\$400,000	\$400,000	\$600,000	\$400,000	\$375,000	\$550,000	\$450,000	\$250,000
Direct Cost of Sales													
Home Remodels		\$70,000	\$75,000	\$87,500	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$87,500	\$75,000	\$75,000	\$50,000
Condo Remodels		\$62,500	\$65,000	\$87,500	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$75,000
Commercial to Residence Remodels		\$0	\$0	\$200,000	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	\$50,000	\$0
Subtotal Direct Cost of Sales		\$132,500	\$140,000	\$375,000	\$200,000	\$200,000	\$200,000	\$300,000	\$200,000	\$187,500	\$275,000	\$225,000	\$125,000

Appendix

Table: Marketing Expense Budget

Marketing Expense Budget	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Website upgrades	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Project Spotlight/Referral videos	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$3,000	\$3,000	\$3,000
Pardon Our Dust Mailings	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Quarterly Direct Mailings	\$2,550	\$0	\$0	\$2,550	\$0	\$0	\$2,550	\$0	\$0	\$2,550	\$0	\$0
Monthly Print Advertising	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Top Quality Color Print Brochures and Collaterals	\$7,000	\$0	\$0	\$7,000	\$0	\$0	\$7,000	\$0	\$7,000	\$0	\$0	\$0
Podcast Production	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Design Workshops/ Cooking Classes	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450
One Time Events/ Special Events/	\$5,000	\$12,000	\$12,000	\$5,000	\$12,000	\$12,000	\$5,000	\$12,000	\$5,000	\$12,000	\$12,000	\$12,000
Other	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
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Total Sales and Marketing Expenses	\$42,000	\$39,450	\$39,450	\$43,000	\$40,450	\$40,450	\$44,000	\$41,450	\$41,450	\$43,000	\$40,450	\$40,450
Percent of Sales	15.85%	14.09%	5.26%	10.75%	10.11%	10.11%	7.33%	10.36%	11.05%	7.82%	8.99%	16.18%

Appendix

Table: Key Marketing Metrics

Key Marketing Metrics	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$265,000	\$280,000	\$750,000	\$400,000	\$400,000	\$400,000	\$600,000	\$400,000	\$375,000	\$550,000	\$450,000	\$250,000
Leads	30	35	40	40	40	45	50	40	35	35	30	20
Leads Converted	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Avg. Transactions/Customer	1	1	1	1	1	1	1	1	1	1	1	1
Avg. \$/Customer	\$90,000	\$90,000	\$230,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$90,000	\$100,000	\$90,000	\$120,000
Referrals	3	3	4	4	4	5	5	4	4	3	3	4
PR Mentions	2	5	1	2	4	1	2	1	1	2	5	4
Testimonials	3	4	4	5	3	4	6	8	3	4	2	5
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix

Table: Gap Dashboard

Gap Dashboard	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Personal												
Income of \$275,000	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917
21 Days of vacation	0	0	10	0	0	0	0	5	0	0	3	3
National Ethics in Business Award	0	0	0	0	0	0	0	0	Yes	0	0	0
Top 25 Remodeler	0	0	0	0	0	0	Yes	Yes	Yes	Yes	Yes	Yes
Business												
Revenue of \$5 million	\$265,000	\$280,000	\$750,000	\$400,000	\$400,000	\$400,000	\$600,000	\$400,000	\$375,000	\$550,000	\$450,000	\$250,000
25 Design Projects	2	2	3	2	2	2	2	2	2	2	2	2
100% Ratings of 9 or above	yes											
Tactical												
Redo/ update website	yes											
Top 10 for 5 Internet search terms	0	0	0	0	0	yes						
Write column for the newspaper Home section	0	yes										
Hire marketing coach	yes	0	0	0	0	0	0	0	0	0	0	0
Strategic												
Top 3 in market	0	0	0	0	0	yes						
10 carpenters on staff	seven	seven	eight	ten								
Buy a building for our business	0	0	0	0	yes	0	0	0	0	0	0	0