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Communication, communication, communication

The NHS top performers prove that open, honest and frequent conversation with clients is the key to customer satisfaction

BY KIMBERLY SWEET
Editor

Everyone agrees. “Communication is the biggest thing,” says Ray Cichocki, a lead carpenter for Great Renovations Inc. in Farmington Hills, Mich. “When things go wrong, it ends up being something that someone didn’t communicate,” says Amanda Johnson, the designer at Small Carpenters at Large in Atlanta. “Ninety-nine percent of the problems in our industry are communication-

A study of exceptional standards

BY SEAN BOYCE, PAUL CARDIS
AND ANTHONY DEMARTE, NRS CORP.

Customer satisfaction is vital for the survival and growth of any business, and nowhere is that more true than in the remodeling industry. To better understand how well remodelers are meeting their clients’ expectations, NRS Corp., a research firm specializing in customer satisfaction research, recently worked with remodelers across the country to survey their 2001 clients.

Findings from the National Homeowner Satisfaction research study indicate that most customers of the participating remodelers are very satisfied with their remodeler. In fact, the average index score of all NHS study participants is an extraordinary 96.

To honor remodelers with exceptional customer satisfaction results, the National Homeowner Satisfaction Award has been created. This year, the company with the highest index score — 99.3 out of 100 — and the winner of the inaugural NHS Award is Great Renovations Inc. of Farmington Hills, Mich. Runners-up — tied at 97.8 — are Small Carpenters at Large of Atlanta and Westhill Inc. of Woodinville, Wash.

The study measures the following components of customer satisfaction: project design, quality of materials, quality of workmanship, work-site conditions, production schedules, budget, price/value of projects, sales process (five subcategories), production crew (six subcategories), items identified for correction, timeliness of corrections and pre-contract expectations.

NHS Award winner

Great Renovations Inc.

NHS Index: 99.3

Location: Farmington Hills, Mich.

Type of company: general remodeling contractor

Years in business: 14

Number of employees: 6

2001 sales: \$520,000

Annual jobs: 40-60

Mission statement: "To have our customers feel like they have received value for their investment. To serve them as we would expect to be served ourselves. To be polite and treat our customers and their residence with respect. Our goal is to serve the customer better than they expect."



based," says Chuck Russell Jr., CGR, president of Woodinville, Wash.-based Westhill Inc.

Again and again, employees of the top three companies in the National Homeowner Satisfaction study reveal that listening to clients and keeping them informed are the most important components of customer satisfaction. The similarities don't stop there. The list of shared beliefs and traits that make for happy clients includes:

- Customer satisfaction is a team effort. That starts with a customer-focused mission statement and hiring people who already share the company's philosophy.

- They believe that you can't satisfy customers without first satisfying your employees. That means giving employees the tools, training and responsibility to do their jobs well, and rewarding them for it.

- The salespeople use some variation of relationship selling, which requires becoming a client advocate by asking questions, understanding customers' needs and providing solutions.

- Expectations are managed almost daily before and during a project's construction by the main sales, design and/or production contacts.

- Pre-construction conferences are a

The customer satisfaction team at Great Renovations includes (top, left to right) Barry Holmes, Steve Clapp, lead carpenter Ray Cichocki, (bottom, left to right) Ben Pouch, office manager Kathy Pouch and president Mark Pouch. Photo: Bednarski Photographics

must. Customers are warned about the possibility of finding a surprise behind a wall or other problems than can cause budget and schedule changes.

- Schedules are padded to absorb such problems without causing a delay.

- Follow-up phone calls, notes and gifts, as well as continued help with handyman-type work, reassure clients that they are customers for life.

As a result of all of the above, these companies earn the majority of their business from referrals and repeat customers.

At a small company such as Great Renovations, where every staff member regularly has direct customer interaction, having the right people in place takes priority. President Mark Pouch looks for the right personality and attitude when hiring carpenters by asking open-ended questions to show how an individual thinks. "I want to serve my customers the way I want to be served," he says. "Remodeling is an intrusion, and it's noisy and it's dirty. We want to make this as painless as possible for them."

His wife, office manager Kathy Pouch, calls past employers for references, and if

the person has been self-employed, will call customer references. Mark Pouch goes to job sites and checks on candidates' workmanship. Once hired, Great Renovations carpenters — especially leads — are expected to manage themselves.

Kathy takes initial calls from prospects and asks about where they live and the scope of the work they want done to help qualify them. Her 16 years of experience as a reservationist and customer service representative in a travel agency taught her how to address customer wants and needs. "You develop a compassion for people who are calling," she says. "They're calling us for help."

After Kathy discusses the call with Mark, she sets up an appointment for an initial meeting. Mark, who does all the sales, takes along a book of before-and-after pictures as well as a packet prepared by Kathy that includes a letter of introduction, certification of insurance, builder's licenses and a list of referrals.

Mark does more qualifying at the first visit, looking especially for customers who have done remodeling projects before. "That's when we stand out," he explains. He suspects that dissatisfaction



The NHSSM

National Homeowner Satisfaction Award

Aligning expectations and perceptions is key to achieving high customer satisfaction. This is an important factor because many buyers have unrealistic expectations. To achieve high customer satisfaction, it is important that remodelers be realistic about what a buyer will experience. If a remodeler is doing a great job, then aligning expectations with what customers will receive is that much easier, and satisfaction is almost guaranteed. These survey results show that those who did worse in customer satisfaction set higher expectations and delivered less than those who scored the best in customer satisfaction. The old adage "promise less and deliver more" rings loud and clear.

Areas of excellence

Based on the average of all responses to each survey question, the following five categories scored highest for satisfaction:

Courtesy during the sales process	98.5
Knowledge of remodeling during the sales process	98.5
Design of project	98.0
Quality of materials	97.5
Availability during the sales process	97.3

Room for improvement

Overall, the five categories that scored the lowest for satisfaction are:

Items identified for correction	81.3
Price/value	91.8
Adherence to schedule	91.9
Cleanliness of work site	93.0
Communication of price changes caused by change orders	93.2

Results of the items identified for correction question strongly suggest that this category poses the greatest challenge for all the NHS study participants. However, remodelers with higher scores for the items identified question also had higher NHS Index scores. As one might expect, minimizing callbacks helps maximize satisfaction.

actual recommendations they had made. This question is important because it relates more closely to actual behaviors than to mere intentions. The NHS study reveals that a high percentage of customers have made a significant number of recommendations for their remodeler.

Since completion of your project, how many actual recommendations of your remodeler have you made to others?

	Top 3 companies	Bottom 3 companies
0 referrals	8%	18%
1-2 referrals	34%	32%
3-5 referrals	32%	29%
6 or more	26%	21%

The top three companies have 92% of their customers making actual recommendations, while the bottom three companies have 82%. Interestingly, the top three remodelers have 58% of their customers making three or more recommendations, while the bottom three remodelers have 50% in this category. These results further confirm the importance of satisfied customers on a remodeling business even among such high-performing companies.

Expectations versus reality

Satisfaction at any given point in the project cycle is the sum of a customer's perceptions minus his or her expectations. In this study, respondents reported that before they signed contracts with their remodeler, their expectations tended to be lower than the actual satisfaction scores reported after the project was completed. Remodelers who scored highest on the NHS Index had the largest spread between their index score and expectation score.

Rate the level at which you expected to be satisfied before signing a contract

Very dissatisfied	0%
Moderately dissatisfied	0%
Slightly dissatisfied	0%
Slightly satisfied	6%
Moderately satisfied	35%
Very satisfied	59%

NHS Index averages compared with expectation averages

	Top 3 companies	The rest
NHS Index score	98.2	95.2
Expectation prior	91.4	92.8
Difference	(6.8)	(2.4)

Overall satisfaction for each remodeler is calculated as a weighted average of the company's satisfaction scores across all categories. Survey respondents also were asked to rate their willingness to recommend their remodeler. Each remodeler's score for this question is averaged with its overall satisfaction score to yield an NHS Index score.

Setting high standards

When it comes to setting standards for satisfying homeowners, the remodelers who participated in the inaugural NHS study have set the bar high.

Each participating company has a great percentage of customers who would recommend it to family and friends. Because all participating companies did relatively well, the willingness to recommend a particular remodeler does not vary dramatically. In fact, even customers whose remodeler scored in the bottom third for overall satisfaction report that they are still likely to recommend their remodeler to family and friends.

Nevertheless, one would expect remodelers with the highest scores for overall satisfaction to score the highest for the recommend question, too. Such a finding would be consistent with research conducted in new-home construction, as well as in other industries. The results of this study reflect that relationship. Higher scores on overall remodeler satisfaction resulted in higher scores on the recommend to family and friends question.

Overall, would you recommend your remodeler to family and friends?

Definitely yes	91%
Most likely	7%
Unlikely	1%
Definitely not	1%

Overall satisfaction averages compared with willingness to recommend averages

	Top 3 companies	Bottom 3 companies	Difference
Overall satisfaction	97.7	93.4	4.3
Willingness to recommend	98.7	96.4	2.3

In addition to tracking how likely clients are to recommend their remodeler to family and friends, NRS asked customers how many

NHS runner-up

Small Carpenters at Large

NHS Index: 97.8

Location: Atlanta

Type of company: design/build remodeling, occasional custom home

Years in business: 22

Number of employees: 14

2001 sales: \$2 million

Annual jobs: 31

Mission statement: "We would like all of our customers to say, 'I'm glad I hired SCAL for my project, and I would do it again!' We want to be known for providing the cleanest and friendliest service while satisfying our customers' needs. On all of our design/build projects, we seek to meet the functional needs of our customers within their budgets, while enhancing the beauty of their homes and their lives."



Small Carpenters at Large asks employees to "leave their ego at the door" and focus on customers. Photo: Robin Nelson

with their prior contractors makes his clients that much more impressed with Great Renovations. "You don't want to set their expectations too high," Pouch says. "You want to sell them on what you can do but not over-exemplify it."

He prepares the estimate with one of his leads. When he presents it to the customers, he's already able to tell them who will do the work, setting up the handoff to production. Mark or Kathy, depending on whom the clients seem more comfortable with, meets customers at suppliers to help with selections.

Mark and the job's lead carpenter meet the customers at the pre-construction conference. They review the contract, the scope of work, the order of events, where materials should be located and cleanup policies. Setting expectations for frequent communication up front, Great Renovations provides customers with work, cell phone and pager numbers as well as e-mail addresses, and asks for the same in return.

Then, unless Mark is serving as the lead, he turns the project over to the lead carpenter, although he remains available to the customers and handles the finan-

cial aspects of any change orders.

Lead carpenter Cichocki joined Great Renovations three years ago, bringing a penchant for cleanliness from his time in military service. "When you work with me, you're going to have to bring your white gloves," he says. "I clean as I go." Whenever possible, construction areas are boarded and/or plasticed off.

Rather than plan a weekly meeting, Cichocki prefers to talk with customers almost daily, either waiting for them to come home, leaving a message on the answering machine or calling them at work to discuss progress, offer suggestions and seek feedback. In addition, he makes a daily punchlist of his own to minimize the punchlist at the end of the project.

Final walk-throughs usually include the lead carpenter, Mark Pouch and the customers. Great Renovations takes care to manage expectations at this stage, too, explaining, for instance, that as new lumber shrinks in an addition, some cracks will open up and the company will fix them. Cichocki adds that if he's working for a couple, he gets both partners to the

walk-through to prevent after-the-fact disagreements and callbacks.

After each project's completion, Kathy or Mark Pouch follows up with a phone call to the customers to make sure they are happy with the project and to ask them to call if anything comes up. The company has a written survey but doesn't use it regularly.

When callbacks do happen, Mark and his leads make sure the call is returned the same or the next day and an appointment scheduled within two weeks. "I look at it as a request, not a complaint," Mark says. "The biggest complaint I've heard from customers in general — not ours — is you can't get the contractor to come back."

Great Renovations will do small handyman jobs for existing clients, and Kathy helps maintain contact with them by sending fruit baskets or boxes of candy during the winter holidays. "We take care of those who've taken care of us," she says.

Communication among internal departments becomes critical at a bigger company, such as 14-person Small

Where the leaders stand out

One of the most valuable aspects of this study is its insight into the best practices of remodelers who satisfy customers. The following table ranks the NHS questions that yielded the greatest difference between the top three companies and the rest of the companies in the study. Excelling in these areas seems to separate the companies that are great at satisfying customers from those that are merely good.

Factors that separate the good from the great

Category	Top 3 companies	The rest	Difference
1. Communication of price changes caused by change orders	99.1	89.2	9.9
2. Items identified for correction	86.3	78.5	7.8
3. Adherence to production schedule	96.4	89.2	7.2
4. Time taken to make corrections	97.8	90.9	6.9
5. Cleanliness of work site	96.5	91.1	5.4
6. Communication of progress	97.8	92.9	4.9
7. Timeliness of responses to questions during construction	98.7	94.4	4.3

1. Communication of price changes caused by change orders

How satisfied or dissatisfied are you with your remodeler's communication of price changes caused by change orders?

Very dissatisfied	1%
Moderately dissatisfied	2%
Slightly dissatisfied	2%
Slightly satisfied	5%
Moderately satisfied	11%
Very satisfied	79%

2. Items identified for correction

Overall, the number of items identified for correction after completion of your project was:

Much less than expected	43%
Less than expected	28%
Slightly less than expected	8%
Slightly greater than expected	15%
Greater than expected	6%
Much greater than expected	0%

3. Adherence to production schedule

How satisfied or dissatisfied are you with your remodeler's adherence to the production schedule?

Very dissatisfied	2%
Moderately dissatisfied	0%
Slightly dissatisfied	4%
Slightly satisfied	3%
Moderately satisfied	22%
Very satisfied	70%

4. Time taken to make corrections

How satisfied or dissatisfied are you with the time it took your remodeler to make corrections?

Very dissatisfied	3%
Moderately dissatisfied	0%
Slightly dissatisfied	0%
Slightly satisfied	3%
Moderately satisfied	19%
Very satisfied	75%

5. Cleanliness of work site

How satisfied or dissatisfied are you with the cleanliness of the work site during the project?

Very dissatisfied	1%
Moderately dissatisfied	1%
Slightly dissatisfied	1%
Slightly satisfied	5%
Moderately satisfied	20%
Very satisfied	72%

6. Communication of progress

How satisfied or dissatisfied are you with your remodeler's communication of progress?

Very dissatisfied	2%
Moderately dissatisfied	0%
Slightly dissatisfied	0%
Slightly satisfied	3%
Moderately satisfied	17%
Very satisfied	78%

7. Timeliness of responses to requests

How satisfied or dissatisfied are you with your remodeler's timeliness of responses to requests?

Very dissatisfied	1%
Moderately dissatisfied	1%
Slightly dissatisfied	0%
Slightly satisfied	3%
Moderately satisfied	10%
Very satisfied	85%

Of the seven categories listed as breakout areas for the top three remodelers in this study, success with communication issues is most prevalent. Accurately communicating price changes on change orders, keeping the homeowner abreast of work progress and promptly responding to requests are all opportunities to maintain or enhance customer satisfaction during the construction process. Keep in mind that the homeowner is on top of the work and might get increasingly anxious about the project as time progresses. It is vitally important that project managers position themselves as on-site consumer advocates for their customers. To do so requires constant communication with the homeowner, as well as a commitment to accuracy when estimating change order costs and work progress. Frequent, accurate communication is a key to keeping customers happy, especially while you're in their homes.

One objective of the NHS study was to apply statistical validity to what many remodelers might have already known to be key factors that influence customer satisfaction. Ultimately, most of the remodelers in this study perform very well across all the categories measured and indicate that they have working knowledge of what it takes to turn customers into raving fans. This first NHS study is one snapshot in time of how the participating companies perform for customer satisfaction, but to plan and navigate for improvement, it is crucial that snapshots be taken regularly. The key to improvement is to focus on one or two areas at a time, and to make sure that you measure your customers' satisfaction and monitor your company's performance over time.

Methodology

The application process for the 2002 NHS research study began in early spring 2002. Remodelers across the country submitted information on each customer from 2001. All participating remodelers closed at least 25 projects of \$2,500 or more in 2001, and every customer from that year was mailed a survey. About 30% of the total survey population contributed data to the study. NRS Corp. developed and deployed the survey, collected the data and analyzed the findings. NRS and *Professional Remodeler* jointly verified the information provided by participants.

Carpenters at Large, where customer satisfaction requires more employee interdependence. "I tell people to leave their egos at the door when they work here," says president Danny Feig-Sandoval, CR. He looks for people who make eye contact, listen well and are willing to laugh at themselves. "That tells me they're not too lost in themselves," he says.

Feig-Sandoval is responsible for most sales, but construction coordinator Rick Wadsworth, CR, and designer Johnson usually accompany him in the initial meeting with clients. Johnson says much of the meeting focuses on asking the clients about what they want in their project and explaining the design/build process. "The most important thing is for customers to be comfortable," Feig-Sandoval says, "having customers feel like they can tell you their thoughts and that this doesn't have to be adversarial."

Johnson pays another visit to measure and photograph the existing home, and then brings the customers into the office to view three preliminary drawings and photos of similar projects. "They get a feel for what they're paying for and how much detail there is," she says. She does her initial space drawings by hand, feeling that sketches are less threatening to customers than "hard-line computer drawings" that seem final and unchangeable.

Customers' needs come before company revenue, Johnson says. One recent customer chose SCAL over another remodeler that had pressured her to use all high-end materials, whereas Johnson was willing to suggest a solid-surface material instead of granite. Feedback from Feig-Sandoval and Wadsworth as well as the customers helps Johnson stay on budget rather than upsetting the customers by presenting an option they love but can't afford.

The signed contract includes a detailed budget and scope of work. Selections are done up front, and allowances are seldom given. Lead carpenter Tim Blakely says expectations are set well up front. "Our proposals are very specific about what we're going to do for how much money," he says.

Wadsworth promises customers a start time within a two-week window, usually about a month out. A week before the earliest possible start date, he calls the customers to let them know when the actual start date will be. Pre-construction meetings take place a week or two before then, with Wadsworth, Feig-Sandoval, the lead and the homeowners in attendance. They discuss the process to come, the importance of regular communication and the hours when the crew will be on site.

SCAL keeps a detailed schedule in house to keep it on time and on budget, but customers see only a general schedule. Wadsworth doesn't want to upset customers if a family situation arises or another job runs over and a subcontractor can't make it to the project on a promised date. Building in extra time in case things go wrong means SCAL often finishes up to two weeks early. Wadsworth and the lead carpenters give the homeowners heads-ups along the way in addition to reporting progress. "You have bad news, you share it with the customer right away," says Wadsworth. "That goes for good news, too." One lead is on call every weekend to handle emergencies.

Leads also designate an area within the house for leaving messages for the homeowners, and vice versa. Blakely even leaves bills there if the customers aren't home, along with a thank-you note. Leads are on site every day, even if running multiple projects. Wadsworth visits twice a week, and Feig-Sandoval usually stops by weekly. When necessary, Johnson and Feig-Sandoval come to the site to meet with the lead and the homeowners to work out details.

Communication doesn't run between the homeowners and subs, though. "You can talk to a customer all you want about the Braves or the weather, but don't talk to them about the project," Wadsworth tells them. He instructs subs to direct homeowners' questions to the lead carpenter rather than offering opinions without knowing about all the conversations that have taken place.

Once the gypsum board is up, Wadsworth regularly points out actual or

Nothing sells like a satisfied customer

In recent years the science of customer satisfaction has evolved to give us the American Customer Satisfaction Index (ACSI), a multinationally accepted system that measures customer satisfaction in large industries such as auto manufacturing, air travel and government. Although the ACSI is not currently used to measure customer satisfaction in the construction industry, research conducted in these other industries has shown a strong correlation between customer satisfaction and future consumer spending, corporate earnings and stock market performance.

Based on measurement principles established by the ACSI, customer satisfaction research conducted by NRS Corp. has found that satisfied customers are a significant source of profitability within the home building industry. In home building, NRS has identified a direct connection between high customer satisfaction and improved financial performance.

Furthermore, findings consistently show a direct correlation between home buyer satisfaction and a willingness to refer. After all, customers are worth more than just the dollars in their contracts — they represent *profit potential*. In home construction and remodeling, profit potential is realized as repeat business and (most often) as referral business.

Monitoring customer satisfaction is not new in remodeling. The methods vary from casual, post-project customer interviews to sophisticated third-party surveys that collect and analyze data at multiple points throughout a project.

Companies that make customer satisfaction measurement a top priority stay apprised of their customers' expectations, as well as their ability to meet or exceed those expectations. These companies empower themselves with business intelligence that can help create cohesive company cultures, aid in forecasting earnings and help establish reputations for satisfaction excellence.

Operating a business without a good customer service measurement system is like navigating an aircraft without a guid-

NHS runner-up

Westhill, Inc.

NHS Index: 97.8

Location: Woodinville, Wash.

Type of company: design/build remodeling, occasional custom home

Years in business: 28

Number of employees: 26

2001 sales: \$3.8 million

Annual jobs: 30-70 (job size has decreased in past year)

Company philosophy/mission statement: "Commitment to highest-quality construction standards and practices. Professional competence and responsible business practices. Honest and equitable service in all aspects of a project. Strive to deliver 100% of what is promised on time. Keep the best interest of our client in mind at all times."



Westhill's Finishing Touch program includes follow-up cards to customers for 10 years after a project's completion. Photo: Krogstad Photography

potential problems to the leads to prevent open items at the end of the project. Feig-Sandoval comes to most of the walk-throughs as a final quality assurance measure. "I don't know the number of times that we've redone things the homeowner never catches," Blakely says. "Danny has a very critical eye."

SCAL provides a two-year warranty and sends out a customer survey immediately after project completion. Feig-Sandoval points out that the company did only \$1,500 worth of warranty work in 2001; however, if he thinks the company was at fault for a problem, SCAL will fix it for free even after the warranty has expired. Wadsworth says that even after a job is completed, about 50% of SCAL's clients let the company keep house keys in case they need handyman work or anything else.

Feig-Sandoval is developing a formal homeowners packet as a leave-behind. He already makes a point of buying each customer a gift, such as a handcrafted wooden bowl, at project completion. "I try to make it appropriate for the customer."

Larger companies require more formal systems for ensuring customer satisfaction and might even have specific people or departments devote most of their time to these tasks. Such is the case with Westhill Inc., which has developed a program called Finishing Touch.

A sale begins when office manager Sue Tughan takes the initial call and qualifies it using a formatted lead sheet. Then sales manager Tim Russell, the brother of president Chuck Russell Jr., calls back within 24 hours to set up an

ance system. If a company's aim is to maximize profitability, why risk missing the target?

Consider what a lost referral costs. How about several? If we look at opportunity costs versus the cost to go the extra distance to satisfy — even delight — customers, it's apparent that an indifferent or dissatisfied customer is more expensive.

The science of satisfaction

Satisfaction relates to emotions, and although a project can be compartmentalized into processes (sales, construction, etc.) and categories (workmanship, knowledge, etc.), in the customer's mind the project is perceived as one, big, evolving emotional experience.

The emotional trajectory the customer experiences depends on how well a remodeler meets or beats the customer's expectations every step of the way. Maximizing a customer's profit potential requires a commitment to regularly auditing perceptions of quality and aligning expectations of quality in order to provide the customer with the most favorable emotional experience possible.

What your customers say about you as time goes on — the synopsis of your business from their perspective — is a rolled-up assessment of everything they experienced while working with you. This includes both the tangibles (such as product quality) and the intangibles (such as messy job sites).

But how do you know where to invest in your customers' profit potential? Remodelers must first determine what their customers' satisfaction levels are at the beginning of a relationship, during the construction phase and after project completion.

Perceptions can change every step of the way. It is important that a measurement system ensures that data at all points are actionable, and can be used to establish trends over time and across all projects.

Normally, satisfaction tends to run high at contract signing. Monitoring your customers' perceptions during this phase will inform you of how well you are managing their expectations of the sales process, as

appointment. On the sales call, he brings along a portfolio of past jobs that match the type of project and budget the prospects seek, plus a company résumé that includes Westhill's history and philosophy as well as client references.

Good communication starts here, with Tim doing more listening than talking. When he does talk, it's to ask about the potential project and to explain Westhill's process. Prior customers do the rest of the selling for him. "If a prospect calls the references, I've usually sold the job," he says. He also takes prospects to visit jobs in progress if they ask. After receiving the contract and initial deposit, Tughan sends a thank-you letter.

The pre-construction meeting takes care of any remaining customer questions or concerns, as well as introducing the customers to the production crew. Of spe-

If a prospect calls the references, I've usually sold the job.'

cial concern is the schedule: Westhill presents clients with a job schedule in bar-graph form — slightly padded to allow for problems — as well as a selections schedule notifying them what they have to pick and by what date. The company also explains the impact of any delays in selection on the clients' part. "Try not to set expectations too high," Chuck says. "If you're pretty sure you're going to meet or exceed them, as the project goes along you become a hero."

Lead carpenters conduct weekly on-site job meetings with the customers and production manager Chuck Russell III, CGR. In addition to reviewing what happened the prior week and what's coming up, discussion of schedule and budget is mandatory. Written notes are kept on file in the office, with copies going to the clients. "When customers are too busy to attend meetings, those are the jobs that have problems," Tim says. "It opens the

door for misunderstandings."

Tughan sends thank-you letters after every deposit, and midway through each major job she sends a survival packet containing a feather duster, earplugs, aspirin, gift certificates for dinner out, and a cookbook for crockpot meals. That's also about the time that customer service representative Dave Coster, who is also a lead carpenter, stops by to address any construction issues that have arisen.

Near the end of the project is when Finishing Touch kicks in. Coster joins leads on all the big jobs to do a walk-through a week before the homeowners' walk-through, serving as an advocate for the customers. "I'm probably harder on us, meaning quality and workmanship, than our customers and our leads," he says. "Clients really appreciate it when I find something they didn't notice."

After the homeowners' walk-through, Coster completes any final items and then leaves the clients with a homeowners manual that includes such items as warranty information, Westhill's emergency contact number, paint choices and other product selections, pamphlets on home maintenance, and a letter of congratulations and thanks.

Ten days after the final billing statement is sent, Tughan sends customers a survey with a cover letter and a self-addressed, stamped envelope for returning it. Once she receives final payment, she has a gift delivered to the customers.

Five months later, she sends a letter notifying each client that Coster will call within two weeks to discuss the project and schedule an appointment for six-month warranty work if necessary. Coster does all of Westhill's warranty work, returning calls as soon as he receives a message and acting on pages within the hour in emergencies.

For the next 10 years, on the anniversary of his or her project, each client receives a "congratulations" card from Tughan that includes a reminder of Westhill's painting and handyman services. It takes time and money, but Chuck Russell Jr. builds it into his overhead as a marketing cost. PR

well as how you are establishing expectations of the construction process and the finished project. This is crucial information because what your customer thinks now is the foundation with which all future perceptions will be compared.

During the construction phase, remodelers have tremendous opportunities to interact with their customers and manage quality and expectations. Communication is key. Routinely reporting progress, providing prompt and accurate answers to questions, and clearly explaining price changes are examples of satisfaction components that must be properly managed. Indeed, the construction process can be the most challenging phase for a remodeler when it comes to managing customer expectations because of the anxiety many customers experience during this time.

By the time a project is completed, customer expectations established during the sales process will have been affected by the construction process. Any issues during construction that were not anticipated will have affected the overall satisfaction with the finished project.

At this point the remodeler will be in a customer service mode, reacting to any issues that come up after completion. Although there might be an initial euphoria after project completion, customers might become dissatisfied if the remodeler does not fulfill obligations after leaving. This is the last contact the remodeler has with customers, so it is vital to do it right for long-term satisfaction.

For determining longer-term perceptions, surveying customers one month after the completion date provides insight into what perceptions about your remodeling company are being sustained. This is when quality of materials and workmanship can re-emerge in importance in overall customer satisfaction.

NRS Corp. is a leading research and consulting firm that has served the construction industry since 1993. For more information about the NRS research study or the NRS Award, please contact NRS Corp. at 800/851-5823. You can e-mail questions to NRS at info@nrscorp.com.