

# How Do You Build a **Profitable Painting Company** In an Uncertain Economy?

In 1948 Winston Churchill remarked.

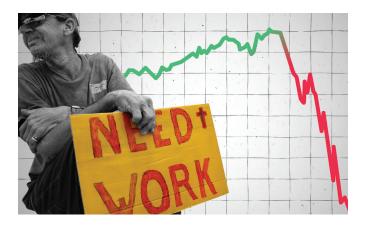
"Those who fail to learn from history are condemned to repeat it."

Unemployment numbers have recently soared while the government is printing money at a rate that devalues the dollar. Our residential and commercial clients connected to the restaurant, retail, aviation, hospitality, service and other industries are unlikely to fully recover anytime soon. Many will never open their doors again.

Client concerns over having potentially infectious painters inside their home or office are not likely to disappear overnight... especially with the media peddling fear to drive up ratings 24 hours a day.

If Churchill were here today, would he say we are about to see a "replay" of the "Great Recession?" Would he say we've failed to learn from the past?

Though hundreds of thousands of painting contractors experienced the "Great Recession," the <u>individual outcomes</u> were very, very different...



Group #1 Went Out of Business - Untold thousands of "technically talented", established painters went bankrupt virtually overnight. Dropping prices didn't help. "Penny pinching" didn't save them. As their incomes dried up, meager savings vanished. Finally, they scrambled back into the workforce as an employee or filed for unemployment.

**Group #2 Barely Scraped By** – In the face of serious trouble, these owners made minor changes in their businesses that were marginally helpful. They scaled back operations, accepted lower incomes, accumulated personal debt and took a "wait it out" approach to make it through.

Group #3 Survived & Then Thrived – This was the "outlier" group. These contractors saw what was coming and quickly decided: I have to change everything about the way I'm doing business – and I have to change it now.

They asked tough questions about industry assumptions. Going back to the drawing board, they reinvented how they marketed, sold, and delivered their painting services. They changed recruitment, hiring, operations, management and leadership strategies.

As a result, Group #3 THRIVED while hundreds of thousands of painters FAILED. Like an adaptive virus, they MUTATED to the new situation.

What Made the Difference In These Three Groups?
How Did Some Become Wealthy While Others Remained Poor?

Without any prior painting experience, I launched my painting business in 2008... right at the beginning of the "Great Recession."

While other painting businesses were going bankrupt, we grew year-after-year to over \$1,000,000 in sales. I made a very good income. Five years later in 2013, I even sold my company for \$440,000 while the economy was still recovering.

In late 2014, I began passing on the secrets I discovered to other painting contractors when I launched the Academy for Professional Painting Contractors. In the last six years, I have worked with over 450 painting contractors in six different countries.

These companies have ranged from \$50,000,000 in annual sales to startups. I've worked with commercial-focused companies in metro markets, residential-focused painters in rural markets and every combination you can imagine.

I've evaluated the business systems found in virtually every painting franchise... working with owners one-on-one and even at the corporate franchise level for several years.

During this time, I have steadily collected the littleknown methods used by the world's wealthiest painters... and I have found what keeps the nation's poorest painters permanently poor.

I've been lucky enough to share my wisdom in the pages of every painting magazine and on the stage at every major painting industry event. In fact, I personally host the largest painting conference in the nation that's exclusively focused on increasing the personal income of painting business owners.



Hundreds of successful painting contractors gather to share wealth-building secrets each year only at my Painting Profits Summit industry conference

### Why Tell You All This?

I do not tell you any of this to impress you, but rather to impress upon you two important things...

#### #1 - I have been in your shoes.

I know exactly what it is like to worry about the future. To wonder how you will pay the mortgage and the car payment. To have anxiety about providing for your wife and children as the primary breadwinner.

I understand what it's like to sit at the kitchen table with your wife looking at bills you can't pay – wondering how you'll make ends meet. I get how it feels to watch your savings evaporate.

### #2 - Most painting contractors are dead-men-walking unless they take action immediately.

As an industry, we are woefully behind the times and our painting contractors are struggling. The average size of a painting company is 1.7 people. After conducting 1,087 painting business system reviews, I can tell you the vast majority of painters are not making any money. In fact, most are covered up with personal or business debt. Few painters could ever hope to profitably sell their companies.

Even large, multi-million-dollar companies are often only operating at 10-20% cash-flow to owner. While they think they are doing well, I often discover they are missing what it takes to be successful. They don't use the 5 key strategies I am about to reveal. As a result, they work their tail off every day, compromise their family relationships and are leaving half their income on the table or more each year. The worst part is this: they don't even know they are selling themselves short. They think working harder is the answer. When they could get a lot further by working a little bit smarter.

These painting contractors can get by when the economy is roaring (if you don't mind losing half your money every month), but when the economy experiences a downturn, these painters are the first to suffer and often suffer the most.

### Let Me Take A Moment to Predict the Future...

While no one knows what our new economy has in store, I will make a prediction here:

### Prediction One: "Good Painters" and "Craftsmen" Will Go Out of Business by the Thousands.

When you start out in the painting industry as a painter, you only learn how to paint.

You spend years learning how to brush, roll and spray with precision and efficiency. Basically, you learn how to work for someone else.

At some point, you decide to go into business. Maybe you get a buddy to help you paint. Your focus is exclusively and only to "do good painting jobs." Then, you learn to work for a client. Basically, just a different boss.

At some point, you may even have 6-10 painters out there "doing good painting jobs" for lots of different bosses.

However, this singular focus of "doing good jobs" makes you reactionary and blinds you to your responsibilities to become a true business owner. It causes you to ignore the disciplines and systems that build a lasting, durable and profitable painting business requires.

Before you know it, you are working 60 hours a week while money gets tighter. You spend every day "fighting fires" trying to avoid catastrophes. It becomes so all-consuming, it's all you can do to get through to the end of the week for a little quality time with your family.

Only to start the whole damned process over again on Monday morning. It's exhausting.

In essence, learning how to "do good jobs" at the exclusion of most everything else makes you very, very vulnerable during an economic downturn because your business systems are weak – or worse yet entirely absent.



That's why hundreds of thousands of painters that could "do good jobs" went out of business in the "Great Recession." In fact, a large number of them never even returned to the painting industry or the painting profession.

Think about this: If "doing good jobs" make you wealthy, why isn't the paint store covered up with BMW, Mercedes and Lexus cars... instead of rusty, beat-up vans and trucks?

I'll tell you why: Because "doing good jobs" is the least important part of owning and operating a profitable painting business. You should always do great work. However, great work is not enough.



# Prediction Two: Systems-Focused Painting Entrepreneurs Will Survive, Grow and Come Out Stronger Than They Went In

When a recession comes, it doesn't make a painting business weaker. It simply <u>exposes</u> all the weak systems that were there BEFORE the recession hit.

Businesses that have strong, essential systems will <u>still</u> generate leads, close sales and profitably

produce painting projects – even if conditions are worse.

Owners who have refined programs for hiring, motivating and managing painters, estimators and production managers will be able to have their pick of the best possible talent – while other owners will have to make do with the "labor leftovers' created by rampant unemployment.

It may not be "right" and it may not be "fair," but the STRONG always SURVIVE.

During this turbulent time, getting your painting business – and more importantly yourself – to a position of strength is your number one priority. Now is the time to invest in yourself and your business. Not buying vans, ladders and sprayers – but building systems for success.

# For Finding Success in an Uncertain Economy

"So, what do you do for a living?" Have you ever asked someone that question? I ask that question of painting business owners all the time. Do you know what they tell me?

"I'm a painting contractor."

"We do commercial and residential painting."

Or simply, "I'm a painter."

They are dead wrong. That might be what you did as a painter or a crew leader.

However, once you become an OWNER

of a painting business, these things are no longer "what you do."

Not unless you want to be poor. Not unless you want to go out of business when times get tough.

The "5 Keys" you are about to discover could also be the answer to this critical question: "So, What to You ACTUALLY DO when you create a painting company that is built to last?"

These are not things your average painter will know he should do – much less know how to do well.

### Create an Explosion of New Jobs In 30-Days and Keep Repeat & Referral Business Rolling In

Most painting contractors think like a caveman. A cave man would go out hunting, find an animal, kill it with a club, bring it back to their family for dinner and repeat the process the next day. Painters are similar, they want to find a "new job," make a dollar and then repeat the process again the next day.

This is what leads to the feast-orfamine cycle that keeps contractors lurching from "too busy" to "no work" on a weekly or monthly basis. When the economy takes a downturn, this gets even worse.

The way to avoid this is to focus on finding a client and keep them for life through consistent, calendared communication that does NOT treat them like a "human ATM machine."

Painters have lists of hundreds or even thousands of past clients they NEVER communicate with. Basically, they practice "catch-and-release marketing. When they do market their services, they do a poor job of it. Only sending a Christmas card or an occasional email that promotes a "deal" or a "discount."

This does not create the personal bond that's needed for keeping repeat and referral business coming in.



"I produced \$232,000 on sales or 3,000 hours in booked labor in 45 days. If you have a customer base like we have, just use it. I've never had a result this amazing and we've done our share of marketing."

– Mike Ausherman of Mike Ausherman Painting When you fail to hold on to your clients – and even unconverted leads from estimates you did not win – it creates permanent problems in your painting business. In fact, this problem alone is one of the major reasons most painting companies level out and stop growing after the third or fifth year in business.

Repeat and referral business closes at higher rates, higher prices and at the average job is bigger. I know, I've seen the data. Plus, the cost to market to this audience is pennies on the dollar compared to rip-offs like HomeAdvisor, Angie's List, Payper-Click and other lead services.

When you fail to market to your past clients and unconverted leads

with proper systems, it's like constantly pouring paint in a bucket with holes. It never works – and it really doesn't work in a slow economy.

A calendared communication program for past clients and unconverted leads is the key to getting more repeat and referral jobs fast and it's only attainable through customer reactivation and retention programs that work.

### Closing More Jobs at Higher Prices – Even When You Aren't the Cheapest or Can't Meet "Face-to-Face"

Painters think that their job is to "get a price" to the client. This is DEAD WRONG.

Recently, I had three estimates provided for painting my commercial building where the offices of the Academy for Professional Painting Contractors and Painter's Weekly are housed.

All three painting companies did the EXACT SAME THING!

They answered the phone the same way and collected administrative information.

Each showed up and tried to build rapport. All did some "technical talk" about painting, caulking etc.

They all emailed me a PDF estimate. Two attached proof-of-insurance and one provided a list of references (just names and phone numbers.)

Two followed up with me a time or two.

From my perspective, I could not tell ANY difference between the owners or the companies. Guess what? That's EXACTLY how your clients feel.

When you have a price-focused instead of a persuasion-focused sales process, you will LOSE the job when you are higher... especially if people have "tightened" their belts.

You must communicate what makes you SAFE to work with and why your painters can be TRUSTED not to assault, steal-from or disrespect the client. You may think this is a "given," but you are wrong. Painters have a reputation for drug-use, criminal backgrounds and doing crappy work. Our industry is not trusted for a reason... many painters do not deserve to be trusted. You already know this, but we never address it.

When you show up without persuasive sales processes, tools, or collateral to be used BEFORE, DURING and AFTER the estimate appointment... clients simply lump you in with all the other "typical" painters.

You can't just <u>say</u> you'll "do a good job." You must PROVE to the client that you've done it *hundreds* or *thousands* of times – and they will not take your word for it unless you can show them.



"Thanks to Brandon's PowerPaint Presentation Process, my closing rate increased from 24% to 50%! Because of the APPC's programs, I've moved from being the business myself to running the business as the owner. I make a lot more money and have a great deal more fun and freedom than before."

- Keith Zafren of My Three Sons Painting

By the way – they do not care that you show up dressed in a company polo or wrapped van. They've been lied to and mistreated by "professional looking" companies in the past. Looking the part is not enough. Not anymore. Not in this economic climate.

Focusing on persuasion instead of price is the key to closing more jobs at higher rates and prices and it's only possible by developing the sales processes, tools and proof necessary to succeed.

### Making More Money on Every Job – No Matter the Size or Type

"You win some and you lose some" seems to be the philosophy for most painters.

They show up and "guess" how much labor and material is required for a project.

Let me tell you this: If I sent you into your back yard with a ten foot long board and skill saw, you couldn't even "guess" how to cut it exactly six feet without a tape measure – nor could you do it ten times in a row.

Every board would be off. Some by a little, others by a lot.

If you tried to build a house out of those boards, it would be disaster because guessing doesn't work.

You can't hold your men accountable to hit a labor budget that's a "guess." After all, why is your guess any better than theirs? They paint too, right?

Do you want me to tell you what you are in the business of doing when it comes to the operations of your painting company? You buy labor WHOLESALE and you sell it RETAIL at a profit.

Not knowing how many labor hours are in a project or how far an hour of a painter's labor will go on any given surface is like ASKING – no BEGGING – to lose money on half of your projects.

Not doing simple, real-time job costing and providing labor budgets to your men ensures they cannot make you happy with their performance.

Failing to incentivize means they'll never excel. If you do not have a bonus program in place that is simple, easy to implement and rewards your painters fast, you can't expect them to perform.

And it can't just be money. Not all painters respond to money alone.

If you want people's behavior to change, you have to change the systems that drive behavior. You need processes, tools and programs in place to manage the things that make or break your personal income.

Production rate estimating, budgeting and bonus plans make consistently profitable jobs a reality.

When the economy is down, there are fewer jobs to do.

You can't afford to lose money or break even on half of them. Not anymore.

Controlling the pricing and budgeting of your services is the key to making more money from fewer jobs but it only happens when job production systems are developed and implemented consistently.



## Get Your Jobs Painted Right the First Time – Without Leaving Your Desk

If you are a painter turned owner, you feel like you must micromanage every detail. Mainly, because that sort of technical attention to detail paid off when you were an hourly painter. Later, to a degree, that approach was helpful on smaller jobs when you were a crew leader.

However, once you become an owner, this same approach becomes a handicap.

I see owners who try to run a company like they used to run a job. They'll order the paint for the guys, put it on the van, gather up the equipment and drive out to "start the job." They verbally issue a few orders thinking that the painters will know exactly what to do. Then, they leave.

Guess what? The painters DON'T know what to do. They end up doing the wrong things in the wrong order. They cause communications problems with the client. The client gets furious with you.

Resolving these problems often costs you time and money with call-backs, extra trips and lots of apologizes to the client on your part.

After a while, the team becomes completely dependent upon the owner to tell them what to do at every step. This means your phone is blowing up four and five times a day with "dumb questions."

It means you have to "check in" and mange every job you run – almost daily. This means you have to be there at the end of every job to create a punch list, meet the client and collect a check.
Essentially, you become a poorly paid "gopher" and a professional fire-fighter. You are working for your crew rather than them working for you.

Now, multiply this problem by two, three, four or even five jobs. It can run you ragged.

It becomes unworkable... FAST.

While you are "managing" all these jobs, trying to make sure they end up being "good paint jobs," you get behind on everything else. There's no time left to market and sell your painting services.

There's not even time to stop and see if you are actually MAKING MONEY on any of the jobs you are doing. Why? Because you have fires to fight, clients to call and jobs to schedule.

You've got to "keep the guys working."

You turn around after two or three months of doing this and notice something odd. Your bank account has barely budged. It may have even gotten smaller!

How is this possible? You are working like crazy completing tons of jobs. But for some reason, the only people really getting paid are the painters, the paint store and the insurance agent.

What went wrong?

I'll tell you what went wrong: You tried to run your field operations from your feet instead of your desk. Instead of building a system that empowered, trained and equipped your painters, you built a company that relies solely on you to be the puppet-master-in-chief.

You created rampant dependence upon your brain. You created "mindless zombies" out of once capable painters. These "zombies" are now happy to have you do all the work and all the thinking for them.



"My business is growing without all the chaos that I used to have. Before I started with the APPC, I was kind of a micro manager and felt that I had to control every situation and run to every client complaint or issue. Working with Brandon has helped me realize that I have capable staff that can do this and that's part of their job."

- Marc Poulus, Marc Poulus Painting

This is unworkable.

Instead, what you have to do is put the paperwork, processes and procedures in place to succeed. Painters should leave the office with an *Ultimate Crew Leader Packet* and return with a check. Their Customer Satisfaction Survey should say, "This was the best painting experience we've ever had."

This means having processes for starting and completing a painting project without management supervision. It means reporting labor hours, progress and next

steps every day. It means your crew leaders taking ownership for being profitable and even upselling new services or generating leads from the homes or businesses around them.

And it needs to happen without you ever leaving the office. Indeed it **must** happen without you ever leaving the office if you are to build a truly predictable and scalable painting business.

With the economy in turmoil, you must be focused on running the business – not babysitting. When times are lean, you cannot afford unnecessary overhead.

A crew leader driven system is key to producing jobs on budget without your personal involvement and it's only attainable when you equip and empower your field staff with the processes and tools they need.

### Land More Jobs and Bigger Jobs More Often By Focusing on Fewer People

I've never understood it. Why do painters spend all their time chasing after small clients and small jobs when targeting big clients and big jobs takes the exact same amount of time?

In fact - in the long run - it takes even LESS time.

Most people only own ONE house. Granted, they have more painting done and they do it more often than painters think they do. Yes, they can refer you to many, many people – and they will if you use Key #1 and Key #2 in this report.

However, there are people in your market – right in your back yard – who own or manage the equivalent of HUNDREDS of houses.

These individuals could refer you to HUNDREDS of people. Not just a handful.

That's why it's so important to build marketing programs for tapping into two highly-profitable markets.

#### The first market is B2B referral sources.

These are owners and professionals like roofers, plumbers, gutter installers, flooring installers, realtors and interior decorators.

These individuals are in and out of people's homes – often dozens of times per week. They are in contact with your IDEAL clients. They are TRUSTED by your ideal clients.

Now, most painters have a person or two who occasionally gives them a referral here or there. However, your average painter never stops to ask: What could I do to double or triple my referrals? How could I ALSO double or triple the amount of people referring me?

The answer is simple: You use a program that identifies, targets and converts ideal prospects. Then, you work to build a relationship of trust that makes you THE go-to-painter for every referral.



"Going after commercial repaint accounts has helped us double our personal income and create a more steady, predictable painting business. Even if you don't like marketing and sales, Brandon's systems make it easy to succeed."

– Mike Balding and Greg Collins of Absolute Painting

When the market is weak, it is essential to use other people's money and marketing efforts to get your work. It's cost effective and practically free.

You already know this works. All you have to do is put a program in place that supercharges the number of jobs you get from this audience!

#### The second market is commercial repaints.

Everywhere you look, there are large commercial buildings. Shopping centers, warehouses, assisted living centers, private schools, churches, and tank yards! Guess what, all of those facilities MUST be painted.

These jobs are large, lucrative, recurring and best of all EASY! Not only can you do the work with lower-skilled painters, the property and facility managers are not as emotional or as demanding as residential clients. Don't get me wrong, you NEED residential to keep the cash flowing and diversify in a down economy.

However, you can't get rich if you ONLY paint grandma's bedroom.

And you'll NEVER get rich painting for general contractors. They are the slave-driver and you are the slave. They keep the profits, you get the problems. They get the relationship and the equity, you get next job... maybe if you're cheap enough to get it.

Often, lucrative commercial accounts are hiding in plain sight. You know what? Painters NEVER call on them. They never market to them or sell to them.

I'll bet commercial repaints are only a small percentage of the work you do.

That's sad because this is the type of work that can pull you through a slow, stagnant economy. It can make you lots of money when the residential market loses value. In order to approach this market, you have to have a marketing program, prospecting process and sales system that WORKS in commercial. You need to know how to RETAIN these clients as well.

Putting all your eggs in one basket is very risky. That's why adding commercial repaints to your painting business is so essential if you really want to get wealthy in painting.

Developing B2B and commercial repaint relationships is the key to landing more large, recurring and profitable painting projects and it only happens when you have the marketing, sales and retention processes in place you that need.

### **Putting the 5 Keys to Work In Your Painting Business**

Look, you've seen how you can protect your painting business from economic uncertainty while still increasing your wealth.

I've personally done it and helped hundreds of other painting contractors do it. You've watched other painters successfully do it in your very own market. Why shouldn't you share in the success?

I've put together a special opportunity to discover how to do this... and it's *free*.

It's also no pressure and you have nothing to lose.

Simply sign up for a free painting business diagnostic call with me.

I'll walk through the major business systems in your company and together we will craft a plan to help you implement these 5 key strategies into your painting business.

We will come up with a simple, easy-to-follow plan for you to safeguard your business during this economic downturn. Plus, I'll do the hardest part of the work for you.

### Now it is time for a decision.

### The Way I See It, You Have Three Options...

### Option #1: Do absolutely nothing and stay exactly where you are now.

If you already have enough money to wait out the storm, maybe doing nothing will work for you and your family. Maybe your business can survive without making any changes at all.

If so, maybe you don't need to implement these 5 keys at all.



#### Option #2: Do it yourself.

You can try to develop all these systems yourself.

Then, through years of trial and error, see if you've got it right.

If you are willing to spend weeks or even months in front of your computer perfecting it, you might be able to pull it off.

#### Option #3: Let me do the heavy lifting for you.

I'll put my expertise and proven systems to work on your business from the moment you schedule your call with me.

I'll develop all the tools, systems, processes and instruction you'll need to make more money and build a better painting business - FAST.

All you'll need to do is take my systems and put them in place.

Then, enjoy running your new painting business in a more efficient, profitable way.

Go enjoy your life.

Of these three options, ask yourself...

#### Which One Is Going to Be Easier for You...

You see, there are two types of people in this world.

Those who only dream about achieving their business goals without ever taking any action to make it happen...

And those who are ready to take action when opportunity presents itself.

Most painters tell you they want to become rich and successful in business.

But we both know very few actually make it happen.

It's a natural law of business...

The classic tale of the willful and the wishful.

Most people will keep dreaming...

While the few who are actually serious about their financial future will take action.

Since you've read my entire report this far, I think you are one of the special ones.

One of the handful of painting contractors I'd actually want to work with.

I look forward to Speaking with you! BI

#### If I'm right and you're still with me... there are four ways to schedule your free call.

- #1 Click this link to schedule your free call.
- #2 Visit https://www.paintersacademy.com/freebizcall
- #3 Email me at Brandon@PaintersAcademy.com.
- **#4** Call me at 423-800-0520 to set up your call.

In the end, only you can decide.

Brandon Lewis, MBA

Founder, The Academy for Professional Painting Contractors

Publisher, Painter's Weekly









