

# BANKER & TRADESMAN



## Customer Retention in a Changing Retail Market

by Anthony Gagliardi

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No one will debate the fact that retail sales have changed more over the last decade than ever before. With the advent of the Internet, shopping habits have been completely altered. Those who break into a sweat at the thought of going to the mall, or spending a few hours in a big chain store are now able to make nearly all their necessary purchases on-line: from food to furniture, and everything else. For retailers, it's never been more important to cater to consumers. Experts say that 80% of the business comes from 20% of the clientele; if so, retaining those customers should be every retailer's goal.

Shoppers expect retailers to deliver on a promise, which often means increasing accessibility through store expansion into their geographic market area. And, they don't want to wait months or years for you to open for business.

One way chain stores, restaurants, and businesses big and small are meeting those demands is by using construction firms that specialize in completing build-outs and renovations on time, on or under-budget, against even the biggest odds.

These general contracting companies get on board with these types of projects in the earliest planning phase, often working with architects and landlords before the blue prints are even drawn up.

Engaging customers, and promoting an opening date will keep the momentum going for a popular expanding business. Yet, some retailers have announced, or advertised grand opening dates, but then construction is delayed. As a result, they end up putting off anxious customers, losing credibility in the industry, or opening their doors before they've "worked out the kinks" of running the operation.

One national company planned to open almost a dozen new stores, and refurbish six others in several different states up and down the East coast during the course of a two month period. Two of the locations weren't even approved until the end of the first month, and the long permitting process left just ten days for workers to build out and open the store.

Since some opening dates were already advertised, much of the construction work had to be done simultaneously, and project planning and oversight needed to be virtually error-free. The general contractor hired for the job pulled out all the stops, completing the entire project on time and on budget. This scenario proved that quality does not have to be compromised in the face of seemingly impossible deadlines.

If you're a business owner who's thinking of expanding your physical space with an addition, remodel, or a whole new restaurant or store, focus on ensuring your contractor follows these five concepts:

### 1. Understands you as the client.

The builder you hire should understand your goals, from design and preferred materials, to your timeline, and everything in between. Make sure the company has done its homework, and get a feel, early on, as to whether or not you're both on the same page. Check referrals thoroughly to ensure you're working with someone with a proven track record.

### 2. Doesn't make promises that can't be kept.

You should get a sense from the construction firm you're working with whether or not your planned opening date is feasible or not. Ask about subcontractor schedules, whether or not there are backup workers to fill a spot

in the event a worker falls ill or takes another job. Find out what a completion date might be if the space you're renovating for a restaurant doesn't have the proper infrastructure for plumbing, electrical or venting required in most commercial kitchens. If you're a retailer, make sure you're open to capitalize on a specific sales cycle.

### 3. Plans carefully and allows for delays.

Smart builders will put as much pre-production planning time into your project, as it will take for them to complete that project. Supplies are ordered, work phases planned out, and staff hired weeks before the first nail is hammered in. Unfortunately, some contractors are known to play a "shell game" with their other current jobs, fitting you in when there's time, without building on the momentum that may have been created when work on your project began.

Delays are inevitable. Even with the best planning possible, they can happen for reasons beyond anyone's control. Maybe the building's exterior needs rehabbing, but the weather won't cooperate, or a distributor suddenly goes out of business without warning. Planning for them, and having alternate scenarios in mind is crucial to completing the process.

One restaurant owner's desire for a specifically-designed buffet/condiment bar meant one general contracting company had to custom build all the casework on site. There wasn't enough time to measure, then come back and assemble it in the field. Since there were also numerous graphical elements supplied by the owner's people that had to be assembled by the contractor, constant coordination was required in order to make all the work flow smoothly.

Another issue with permitting arose during an inspection; no work had originally been slated to be done on the fire alarms or sprinklers. As the project unfolded, though, the contractor discovered he had to install a smoker in the kitchen for the barbecue fare the restaurant served. Several logistical issues arose during this process, requiring split-second decisions, and reassurance to inspectors that everything would be done to code, which it was. Tight space. Limited time. Multiple players. The key was having the flexibility to make last-minute changes on the spot and work around unexpected obstacles.

4. Pre-screens vendors. Does your contractor have a history with his or her vendors? In most cases, you wouldn't want to use an un-vetted electrical or building supply company; you would want to partner with professionals you

can rely to keep up their end of the bargain.

Ask for a list of those vendors in advance, and query your business associates about their reputation. On the other hand, if you've already vetted your general contractor, you can trust he or she has made the right connections.

5. Includes everything in the price.

Make sure your builder has included all possible expenses when you receive your bid. It helps when they're familiar with the business model and can anticipate your costs. Tacking on fees, overhead costs, and allowing for other accruals can put you way over budget. Read your contract and ask a lot of questions early in the game. Putting money issues on the table right away helps everyone maintain a professional

relationship before, during, and after completion of the project.

Marketing and sales experts say it's five times more profitable to retain current customers than acquire new ones, so providing a seamless experience for them is the ultimate goal. If you advertise an opening date for a new restaurant, franchise or storefront, make sure you meet it. When your doors open, be prepared to do business.

The U.S. retail industry generates more than \$3 trillion dollars each year. Consumers have a lot of choices now on how they want to use their discretionary income, and what they want to use it for. You often have one chance to catch their attention, so make them sit up and take notice when you do.

About Vision Builders Co.:

*Vision Builders is a nationally-Recognized new breed of general contracting and construction management firm with a business model that places equal emphasis on the quality of the client experience as the quality of the finished product. It focuses on developing close working relationships built upon shared vision, open dialog, and skilled craftsmanship. The private firm, established in 2005, works with new and existing companies in a variety of industries that require renovations and construction build-outs. Vision Builders has completed projects for several restaurants, well-known retail operation Work 'n Gear, with locations in Maine, Massachusetts, New York, Connecticut, New Jersey and Pennsylvania, and national Chain Mattress Discounters, with location in Virginia and Massachusetts.*



*If you can envision it,  
we can build it.*



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