

# Building Relationships



Brian Arnold, partner in Trikor Builders, believes his company is only as strong as the relationships they have built with their customers and suppliers.

An investment in strategic relationship building is one that can have a significant impact on the reputation and bottom line of a business.

by Lindsay Wright

**Strong relationships are at the core** of every successful business. This is hardly a new idea, but you would be hard-pressed to find a business that can claim to do it perfectly. Relationships are constantly growing, changing and evolving, making it difficult for businesses to hit a moving target of success.

“Developing a relationship with a brand is like any relationship – it is built on needs and trust,” says Jason Abbott, president of the Canadian Marketing Association – Manitoba Chapter. “If your business delivers on only one of these things, delivering a decent product (need) without investing in building a relationship (trust), you’re eventually going to lose out to the brand that delivers on both.”

## Value of a Happy Customer

“Relationships actually have a fiscal value,” says Mark Hollingsworth, executive director of the Human Resource Management Association of Manitoba. “Applying a high value and importance to relationship management is often an underappreciated and underutilized strength that most businesses can begin building upon immediately without any capital outlay.”

Brian Arnold, partner in Trikor Builders, says that in the home building and renovating business a strong reputation – and a strong business – begins and ends with a satisfied customer.

“We make it a key priority to build trust with our customers by being open and honest – how we will handle the job, who will actually be there doing the work,” says Arnold. “We’re working in their homes and they need to be able to trust us like family, otherwise it could end up feeling very invasive.”

Something Trikor does to ensure their projects run smoothly is to assign an employee as project co-ordinator.

This individual is on-site throughout the project, touching base with the homeowner on an almost daily basis, checking in to provide updates and even ask the homeowner's opinion on the progress.

"It's all in the details," says Arnold. "We work to build a sense of comfort and trust from our very first meeting. It can be a lot of work, but we make time to ensure we're meeting the customer's needs because we understand the importance of word-of-mouth referrals in our business. Winnipeg is a small market and we constantly hear that our customers know someone who has worked with us before. I would say that half our business is based on referrals."

The key to securing customer referrals is to ensure you have happy customers who are motivated to speak highly of your work and of their experience working with you.

"When a customer has received a referral or recommendation from someone they trust, it makes a big difference in how they make their decision about who to work with," says Arnold.

"It makes the decision about more than just price – they know we do quality work and they know they can trust us, so they are often willing to spend a little bit more."

### Calming Troubled Waters

Taking the time to build a strong relationship with a customer can also help when a project hits a snag. If a relationship of trust has been developed between the customer and the builder, the customer is less likely to automatically take an adversarial position when things don't go as expected.

"We were just in the middle of doing a basement renovation project for a new customer," says Arnold. "In this case, the homeowner bought their own fixtures ahead of time and they were being stored in the same part of the house where we were working. We had to move the bathtub a few times as we were framing and during one of these moves the tub was dropped and the corner was chipped. We called the homeowner right away to tell him what had happened, and assured him that

we'd take care of fixing it. The homeowner's response was 'don't worry about it, I know you'll make it right'. Because we'd taken the time to build a good relationship with this customer, there was no worry or drama or apprehension when something went wrong – he trusted us to fix it. Just this morning, he emailed out of the blue to say 'thanks, everything looks great, keep up the good work'. To us, that's the definition of a good relationship."

This approach makes a lot of sense says Abbott. "Businesses need to make relationship building a priority and view their customers as lifelong ambassadors of their brand. Because of this, it becomes very important that each and every interaction with your brand is positive.

"Now, more than ever, word of mouth is extremely important. The widespread adoption of social media has helped to accelerate the messages being shared about businesses – both positive and negative – making it more important to build strong relationships with customers who will spread positive



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messages about you. It's not only about avoiding negative word of mouth, it's about turning customers into advocates for your brand and even encouraging them to share candid reviews of their experience within their social and professional networks."

## Partnering for Success

Because so much of the work done on a job site is by subcontractors and trades, building a good relationship with them will make building a good relationship with your customer a much easier task.

"If I were running a company today, I would have one priority above all others: to acquire as many of the best people as I could," says Jim Collins, author of the immensely popular business bestseller *Good to Great*. "The single biggest constraint on the success of my organization is the ability to attract and hang on to enough of the right people."

"Price can't be the single deciding factor when we choose a subtrade," says Arnold. "I honestly believe that when you pay a little more, you get a little more. And we're willing to pay a little more because we know the value of a good tradesperson. A homeowner will sometimes see that person as often as they see one of our own employees, and they are trusting us to hire tradespeople who are reliable and do good work. It's our reputation that is on the line when we bring an external partner on board."

One way to get off on the right foot with a new partner is to make sure they are paid on time – or even ahead of time. "If I can keep them happy by doing little things like that, I know that they'll be that much more willing to be there for me when I need them in the future, and to give a little more to our customers," says Arnold.

In return, Trikor has built relationships with partners who are just as willing to reciprocate and go the proverbial 'extra mile' for a customer.

"One of the painters we work with was chosen for the quality of his work, and we paid a bit of a premium to work with him," says Arnold. "When inspecting a house we were working on together, we noticed overspray from the clear coat on a number of windows in the house. We gave them a call – obviously very concerned – and were informed

that not only had they noticed the overspray, they had already hired a cleaning crew that was on their way to fix it immediately. It's worth every penny to choose partners like this, ones who care as much as we do about the finished product."

Glenda Sobie, of Ventura Custom Homes, says her company reduces risk when working with external partners by ensuring expectations and processes are extremely well-defined, leaving no room for grey areas or misinterpretation.

"We have a policy that includes price, terms, quality and service," says Sobie. "Our suppliers and subcontractors clearly understand that they must live up to these standards. We also have

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*Mark Hollingsworth*

a very unique scheduling system that is updated and published weekly that outlines their (suppliers' and subcontractors') work for the next few months. This allows our suppliers and subcontractors to predetermine their workloads and hiring requirements."

## Invest in Relationships

"It can take years to build successful long-term relationships with subtrades and suppliers, and the best test of that relationship is when something goes wrong," says Arnold. "You learn a lot when a job goes south. In those circumstances, we find out how good our partners really are. We find out if they will stand behind their work, and when they do, we know we've found a great partner and we'll work to keep that relationship going.

"If we have a good relationship with a subtrade and we run into a problem, we'll work together to solve it for our customer. They'll stand behind us and come to the plate to make things right – even if it costs them money – to make sure our homeowner is happy."

Sobie agrees that having a great relationship with suppliers makes it easier to build a great relationship with customers.

"We have many subcontractors who have been with us for over 20 years," she says. "We are determined to provide the best value to our customers, and this would not be possible without these strong and long-term relationships."

## All Good Things Must Come to an End

Sometimes things just don't work out and it becomes necessary to end a relationship. It is just as important to put as much care and effort into ending a relationship as was put into building it.

"If you have to end a relationship, it should always be done with care and consideration," says Hollingsworth. "You never know when you may need that relationship again, or how many independent relationships have built-up from that initial one. Relationships are a strategic aspect to any successful business and should be treated as such."

When a relationship goes south, says Arnold, the most important thing is to keep open and honest communication happening between both parties.

"If we've messed up, we need to fess up and tell them what we'll do to make it right," he says. "Being open and honest means pointing out a mistake before they've noticed it and doing everything we can to fix it. We work on building and renovation projects every single day, and so a bump in a project might feel minor to us, but we work to constantly put ourselves in our customers' shoes. It can be so easy to forget what it's like to be a homeowner who might only take on a project like this once – maybe twice – in their lifetime. It's a big deal."

Almost any situation can reach a positive resolution when it's handled with respect and understanding, where both parties take the time to really listen to the other's concerns and can walk away with heads held high and reputations intact.

"With suppliers or trades, you'll sometimes try out a new relationship and it's just not a good fit," says Arnold. "Then it's important to be honest, understand that it's rarely just one party's fault, and walk away without burning any bridges." **b&r**