

Some Tips on Customer Psychology

I spend most of my time looking after builders' legal needs, but sometimes I get the opportunity to look at things from a different perspective, either because I am helping out a property owner or occasionally because I am having some work done on my own property. So I thought I would share some insights with you on what your clients want and how they think.

Keeping up the pace on a project and meeting deadlines are very important, even on residential projects where the owners aren't missing out on revenues and even where it's only a renovation. That is because the project is very exciting to the owners and they are full of anticipation. They are eagerly counting down the days to the projected finish date. Missing that date when there have been no variations or unforeseen complications is a bit like telling your kids that Santa unfortunately can't deliver on Christmas Day and they are going to have to wait until he can get around to it. It takes most of the fun out of the occasion.

For the same reason, don't be tempted to slip another project in ahead at the last minute. Those always take longer than you expect and missing the promised start date has the same effect as missing the projected completion date. Similarly, if you know that you have some big event arranged during the course of the project such as an overseas holiday that is going to take you out of play, tell your clients right up front. They can reconcile themselves to it if they are told in advance, but they feel a bit let down if you spring it on them at the last minute.

While the project is underway, your customers will be puzzled if you reach the end of a certain stage, and then for the first time think about ordering the materials or engaging the specialist trades that are required for the next stage. They expect you to arrange those things in advance, just like they would do, so there is a seamless transition from one stage to the next. And there is nothing more frustrating to a customer than reaching practical completion – especially if they pay you in full at that point – and then waiting an age for the final finishing work to be done. Make it your top priority to drive that project through to completion, as soon as you can.

Apart from delays, the other major irritation is unexpected variations that blow the budget. You are perfectly entitled to be paid extra for variations, but your clients expect you to demonstrate that they are genuine variations and that the additional cost is reasonable. It's a simple process of comparing the original plans and specifications with the as-built situation. If what you built was the same as what you were told to build at the outset, then you cannot justify a variation. Even if there were unexpected factors beyond your control that made it more complicated than you anticipated, in a fixed price contract you are generally deemed to have assumed that risk, unless the contract says otherwise. The Certified Builders contracts do say so, but only in certain situations.

Where the plans are detailed, you should know when site conditions, the Council, or the owners require you to do something different. In that case, say so immediately, and record it on one of the Certified Builders variation forms. Ideally you should get the variation costed and approved before you proceed. I acknowledge that isn't always practical, but it will avoid a lot of heartache later if you do it as a general rule. Where the plans aren't detailed that

makes it more difficult, because you have to do some degree of design yourself, and the ultimate solution may be more costly than the one you envisaged at the outset. There is plenty of scope for argument about whether it was within your original scope of work or not, so all the more reason to insist on greater detail at the beginning, and to resolve uncertainties as they arise.

There are three other things you should do to keep your customers happy. They are to keep the site clean and tidy at the end of every day, fix any damage you cause at your own expense, and report to your customers at the end of every day on the day's progress.

It is very tempting just to leave building materials and debris lying around at the end of the day. After all, why bother tidying it up when it will be reduced to a mess again, very quickly the following day? The answer is because your convenience is less important than the clients' pride in their own surroundings. They don't want to live in a tip, and neither should they.

Renovation work very frequently results in unintended damage to the clients' existing structures or household contents. There is nothing more galling to your clients than inadvertently discovering that their precious property has been damaged, and it has been left to them to fix up at their own expense. You should make a point of reporting the damage, rectifying it, and identifying that as a separate item on your invoice as a non-chargeable item.

Sometimes it is not entirely clear whether your staff were responsible at all, but in cases of doubt, still don't make it entirely the owners' problem. The contract works or household contents insurance might cover the cost of the repair, but someone has to pay the excess. What you might do is to agree with the owners at the outset that where unexplained damage needs fixing, you will split the excess 50/50.

Reporting to your customers at the end of every day on the day's progress has three benefits. It keeps them excited, it tells them you are working diligently and conscientiously, and it creates a strong incentive for you make some progress every day. The best way to report is to take some photos on your phone, and email them through. But once you start reporting, keep it up and don't let it slip. If the reports die away, your clients will jump to obvious conclusions.

I have been very fortunate on my own property to have had dedicated Certified Builders doing top quality jobs. We notice when you go the extra mile, and we also notice when you cut corners. So above all, make sure you leave your customers with something you are justifiably proud of.

© Geoff Hardy August 2016.

This newsletter is not intended to be relied upon as legal advice.