

THE  
**S.M.A.R.T.**

**■** WAY TO PROPERLY EVALUATE HOME  
IMPROVEMENT CONTRACTORS &  
THEIR ESTIMATES

**PROTECT YOURSELF FROM FAULTY WORKMANSHIP AND CONTRACTOR FRAUD**



**CONTRACTORS ARE THE NUMBER 1 MOST COMPLAINED ABOUT INDUSTRY IN THE UNITED STATES: HERE'S THE SMART WAY TO AVOID THE 5 MOST COMMON TRICKS STILL USED BY CONTRACTORS TODAY!**

# S. M. A. R. T.

## **Specifics:**

**TRICK:** Contractors leave you with vague handwritten estimates that lack specificity.

## **Multiple Options:**

**TRICK:** Contractors high-pressure you into buying the only product that they carry, which may not be the best product for your home.

## **Accuracy of Inspection & Solution:**

**TRICK:** Contractors provide you with a superficial inspection of your project. They do not conduct a thorough inspection to properly assess the situation because they know that if they provide you with a cheap estimate, which allows them to get the job, they can charge you more after starting the project and “discovering” unseen problems that must be fixed at an additional charge that they determine.

## **Reliability:**

**TRICK:** Contractors know that consumers do not properly understand how to evaluate contractors. They have slick salesmen that are trained and know what to say to make it seem like they are reputable.

## **Tactics in Sales Manipulation:**

**TRICK:** Home improvement salespeople are trained to use high-pressure sales techniques to sell you on their products and services and make commissions, regardless of whether or not it's the best solution for your needs and budget.



S



**SPECIFICS**

# HERE'S WHAT THE *BETTER BUSINESS BUREAU* HAS TO SAY ABOUT THE IMPORTANCE OF GETTING SPECIFICS...

Terms and Conditions: All agreements and oral promises regarding a home improvement project should be put in writing to protect both the customer and the contractor. If you intend to do some of the work yourself or hire another contractor to do it, such terms should be written into the contract as well. The written contract should also include:

A thorough description of the work to be done—specifying all materials to be used in terms of quality, quantity, weight, color, size, brand name, etc.;

- Agreed upon starting and completion dates;
- Total cost, with a breakdown of labor and material charges;
- A payment schedule;
- Any warranties and guarantees of workmanship;
- The method for debris and material removal once the job is finished; and
- A clause which states your right to cancel the contract within three business days if you sign it in your home or at a location other than the contractor's permanent place of business. This clause should also state that the contract is null and void or will be renegotiated if the job uncovers unexpected or hidden problems or damage after work has begun.

In addition, make sure the written contract includes:

- The contractor's full name
- Address
- Telephone number
- Professional license number

Never sign a partial or blank contract. Read every contract clause carefully and ask any questions you may have before signing. Retain a copy of the contract once it is signed, and file it in your records.

—Better Business Bureau

## HERE'S WHAT THE FEDERAL TRADE COMMISSION HAS TO SAY ABOUT THE IMPORTANCE OF GETTING SPECIFICS...

### Getting a Written Contract

Contract requirements vary by state. Even if your state does not require a written agreement, ask for one. A contract spells out the who, what, where, when and cost of your project. The agreement should be clear, concise and complete. Before you sign a contract, make sure it contains:

- The contractor's name, address, phone, and license number, if required.
- The payment schedule for the contractor, subcontractors and suppliers.
- An estimated start and completion date.
- The contractor's obligation to obtain all necessary permits.
- How change orders will be handled. A change order — common on most remodeling jobs — is a written authorization to the contractor to make a change or addition to the work described in the original contract. It could affect the project's cost and schedule. Remodelers often require payment for change orders before work begins.
- A detailed list of all materials including color, model, size, brand name, and product.
- Warranties covering materials and workmanship. The names and addresses of the parties honoring the warranties — contractor, distributor or manufacturer — must be identified. The length of the warranty period and any limitations also should be spelled out.  
What the contractor will and will not do. For example, is site clean-up and trash hauling included in the price? Ask for a "broom clause." It makes the contractor responsible for all clean-up work, including spills and stains.
- Oral promises also should be added to the written contract.
- A written statement of your right to cancel the contract within three business days if you signed it in your home or at a location other than the seller's permanent place of business. During the sales transaction, the salesperson (contractor) must give you two copies of a cancellation form (one to keep and one to send back to the company) and a copy of your contract or receipt. The contract or receipt must be dated, show the name and address of the seller, and explain your right to cancel.

— Federal Trade Commission

**DOES THIS MEET THE FTC & BBB RECOMMENDATIONS?**



Customer Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Sales Consultant: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_

**More than just GREAT PRODUCTS**



- **Total Project Management from start to finish**  
*Project Manager is [redacted] Employee*
- **Professional Installation**  
*Installers trained, insured & background checked*
- **Complete Insurance Package to protect YOU and YOUR HOME** *\$4,000,000 per job*
- **Flexible & Attractive Financing Options**  
*No interest / No payment options*
- **The Best Warranties backed by the largest home improvement retailer in the world!**  
*All Administered by [redacted]*

Now, doesn't this represent the **VALUE** you're looking for?

OPTION 1		OPTION 2	
<i>3 Tab - 25 year Shingle</i>		<i>Architectural - 30 year Shingle</i>	
<i>Both Have 12 year non-prorated period plus 12 year 100% craftsmanship warranties - <u>price includes everything</u></i>			
TOTAL INVESTMENT <sup>1</sup>	EST. MONTHLY PAYMENT <sup>2</sup>	TOTAL INVESTMENT <sup>1</sup>	EST. MONTHLY PAYMENT <sup>2</sup>
<i>\$ 11,629</i>	<i>\$ 221</i>	<i>\$ 12,404</i>	<i>\$ 236</i>

<sup>1</sup> Price is guaranteed for 30 days from today's date of *2-28-07*.  
<sup>2</sup> Estimated Monthly Payment = Contract Amount x 0.019.  
 Based on 84 months @ 13.99% APR (subject to credit approval).

THIS IS A PRICE QUOTE AND DOES NOT CONSTITUTE A SALES CONTRACT.

12-22-05 SFC

*\* Over please*

## HOW ABOUT THIS ONE?

PRODUCT 118

**Proposal** Page No. \_\_\_\_\_ of \_\_\_\_\_ Pages

**THE COUNTY INSURING INC.**

PROPOSAL SUBMITTED TO		PHONE	DATE
STREET		JOB NAME	
CITY, STATE and ZIP CODE		JOB LOCATION	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

- REMOVE AND HAUL ALL ROOFING FROM HOUSE AND GARAGE
- INSTALL 6' OF KE & WATER SHIELD ABOVE GUTTERS, 3' IN VALLEYS
- REPLACE 6 STATIC ROOF VENTS
- REPLACE 2 4" EXHAUST VENTS
- INSTALL 70' OF 'W' VALLEY METAL
- REPLACE 2 PLUMBING VENT FLASHINGS
- REROOF USING #30 FELT PAPER AND GAF 3-TAB SHINGLES WITH A WARRANTY OF 25 YEARS
- SYSTEMS PLUS WARRANTY UPGRADE (12 YEARS NON-PRO RATED MATERIALS/LABOR) TOTAL: 6695-
- REROOF USING GAF TIMBERLINE DIMENSIONAL SHINGLES WITH A WARRANTY OF 30 YEARS ADD: 520-
- INSTALL RIDGE VENT ADD: 555- AND SUBTRACT 120- FROM TOTAL
- INSTALL .032 SEAMLESS GUTTERS (8 FT, 35 FT) (WITH DOWNSPOUTS/ARROW BRACKETS) ADD: 420-

**We Propose** hereby to furnish material and labor — complete in accordance with above specifications, for the sum of: IN FULL UPON COMPLETION dollars (\$ \_\_\_\_\_).

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature: \_\_\_\_\_  
Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days.

**Acceptance of Proposal** — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_ Signature: \_\_\_\_\_

Nebs To Reorder: 800-225-6380 or nebs.com



Make sure your contract is detailed and complete.

**M**

**MULTIPLE  
OPTIONS**

### MULTIPLE OPTIONS

Everybody has been through it. You go to the store to get an item, only to come home to find out it is nothing like the product you thought it was. Maybe your neighbor or a family member exposes the weaknesses of what you bought, or maybe you discover it over time. In any case, this is frustrating when a product costs just \$10.00, but it can be much more frustrating when the project costs \$10,000.00 or even \$20,000.00 dollars. The key to avoiding this dissatisfaction is to be properly educated on your options, before you make the purchase, so you can have trust and confidence that you are making the right decision.

For your home improvement project, you need to match your products to the specific problems found from a thorough and accurate inspection (which will be discussed on the next topic). What you want to look out for is the obvious biased advice that you will often receive from sales representatives who only sell products from 1-2 manufacturers.

The simple fact is that because sales people make their money from the commissions on sales, it is in their best interest to do everything in their power to convince you that the product that THEY sell is the best product in the marketplace. This is why you will often receive direct conflicting information when talking with sales representatives from competing companies.

Depending on the problems and issues found from a thorough inspection, only a company that offers multiple products from many different manufacturers can truly provide you with the the most effective and cost-effective solution for your home improvement project.

# MULTIPLE OPTIONS

## What options are available for your home improvement project?

Here's a small sample of manufacturers available for replacement windows, siding, and roofing.



Each manufacturer and the product that they represent have specific features and benefits that are specifically engineered to solve specific home improvement problems. Obviously, they are all not exactly the same. They're not the exact same products just with a different name, and it's not a "one size fits all" scenario.

The biggest problem that homeowners face is which product and manufacturer to use for their home. A thorough and complete inspection will reveal all of the pertinent issues that need to be solved by the product being installed. The issues that need to be addressed determines the product that should be installed. Never should a product be modified or changed to address issues that it was never intended to be a solution to.

Would you go to a doctor that was only able to prescribe only 1-2 types of medicine? Of course not. Doctors have a vast number of medicines available to them to treat the countless numbers of symptoms that exists. Your home may not be as complex as the human body, but it should make perfect logical sense that the home improvement product that you choose for your home be the best available solution that properly addresses the issues that you are trying to solve.



Be wary of companies that only represent 1-2 product manufacturers.



**A**

**ACCURACY  
OF INITIAL  
INSPECTION**

## Here's a Case Example Showing the Importance of Accuracy in the Initial Inspection:

### Consumer Concerns for Older Americans

#### Home Improvement Scams Alert

Many low-income elderly homeowners are targeted by scam artists who use high pressure tactics to sell unneeded and overpriced contracts for "home improvements." Often these scam artists charge more than their quoted prices or their work does not live up to their promises. When the senior refuses to pay for shoddy or incomplete work, the contractor or an affiliated lender threatens foreclosure on the senior's home. In an effort to fight such scams, the National Consumer Law Center focuses this issue of Consumer Concerns for Older Americans on the practices of unscrupulous home improvement contractors.

#### A Case Example

Mrs. T is an 80 year-old homeowner living on a fixed income. Although money is tight, she takes great pride in her home and garden. Until his death five years ago, Mrs. T's husband handled the majority of the home maintenance.

Last fall, Mrs. T was approached by a friendly contractor who told her that some of her roof shingles looked water-soaked. Since Mrs. T had noticed a small leak in her bedroom, she asked for an estimate. The contractor went up to the roof, pulled off some roof shingles, and put up a tarpaulin. He told Mrs. T that he had found a major leak and that he needed to replace some roof beams as well as the entire roof. When Mrs. T expressed concern about the cost, the contractor told her that he would give her a senior citizen discount price of \$8,000 and arrange for "market rate financing."

The contractor began work the next day and pulled off much of the roof. A few days later, he brought Mrs. T a loan contract from "We Care Finance Company." Mrs. T discovered that the loan was for \$27,500 at 16% interest. When she reminded the contractor that the price was supposed to be \$8,000 financed at a market rate, he told her that the work was more extensive than he had originally thought and that the finance company had imposed some "points and fees" that raised the price of the loan. He claimed that since the work was "half done," she had to sign the loan contract to pay for the work. He threatened to "abandon the project and put a mechanic's lien on the house." Since winter was coming, Mrs. T panicked and signed the papers presented.

Six months later, the new roof is leaking more than the old one ever did. Mrs. T's floors and walls are damaged. She stopped making loan payments because the work was so bad. "We Care Mortgage" has sent

## Here's a Case Example Showing the Importance of Accuracy in the Initial Inspection:

foreclosure papers to the home. An employee of "We Care" told her, "You hired the contractor and we are not responsible. The loan you signed with us is a separate matter. You have to pay us and then sue the contractor for your money."

[https://www.nclc.org/images/pdf/older\\_consumers/consumer\\_concerns/c\\_home%20improvement\\_scams\\_alert.pdf](https://www.nclc.org/images/pdf/older_consumers/consumer_concerns/c_home%20improvement_scams_alert.pdf)

### **The previous case study shows what happens if a thorough examination is not properly conducted.**

Superficial inspections and examinations are advantageous to the contractor. The contractor knows that they have the ability to hold the homeowner "hostage" once the construction project begins. Once windows, roofing, siding, etc. are removed and walls are opened up and structure is exposed, the contractor knows that the homeowner will have very little choice but to pay any upcharges and hidden fees that have been conveniently "discovered" after the construction starts.

Extortion may be a very harsh word to use in this situation, but depending on the contractor and their initial intent, extortion is not far from the truth. It certainly was the truth in the case study presented earlier.

Obviously, there are instances where problems can only be seen after construction starts. However, a thorough inspection can reveal a majority of the issues prior to the start of the project, thereby reducing the risk of incurring significant, unplanned for, additional expense.

## Thorough Project Inspection:

The key to a successful Home Improvement project starts with the inspection. An inspection should include a close look at all the factors that led to the current condition of the project, and a close look at all the components. This is the only way a contractor can adequately measure and detail the work.

For Example; in roofing, your contractor should closely inspect the roof itself (actually walk on the roof, if possible) for access points around the building, possible areas that could be damaged by traffic or debris, particular leak concerns, and any other project-related items that you may want to know about (such as damaged chimneys). As the US Department of Housing and Urban Development states, every roof inspection should include a thorough attic examination, as this is the only way they will know what condition the wood decking is in, what kind of leaks might be present, and in what condition ventilation is in. The contractor that speeds through without these checks displays he is in too much of a hurry to make sure he is giving you the right job, or even worse, is planning to trick you into signing a low-ball bid with all that “weasel-room” to hit you with more charges later on.

For Window or Siding projects, careful examination of the wall assembly, flashings, penetrations, and overall building envelope is absolutely critical to getting a high quality long lasting project. Failure to address these things can in some cases lead to catastrophic damage from water infiltration into the wall assembly. This could lead to mold and mildew, rotting walls, extremely expensive repairs that could also put the health of the occupants at risk.

You should see your contractor snapping a few pictures as reference points on his or her digital camera. These photographs assist the contractor in remembering details as he or she completes all of the geometry and math required for an accurate estimate. The pictures may also serve to answer questions you may have regarding existing conditions or damage and document the current conditions. Specialized equipment, like Infrared Cameras can be used to further examine suspicious areas and determine causes of specific problems so there is no guessing.

There are some considerations any reputable company will want to process that may not be on the forefront of your mind. For instance, a reliable contractor will typically ask if you have pets or children, so he or she knows to put that in the job notes with concern for eliminating sharp objects and nails from certain areas. Also, a reliable contractor may have a number of other questions that are best asked while you meet for the first time.

It can be very stressful to allow strangers onto your property, but you can use an inspection as an initial test for your contractor. After all, it's far

## ACCURACY OF INITIAL INSPECTION

worse to hire the wrong person without getting the chance to even meet him or her.

You should demand a review of a thorough inspection report to qualify and quantify the recommendations in the estimate. Any True Industry Professional will be more than willing to provide such documentation and should be an absolute expectation and condition prior to signing contracts or work orders.



Be wary of companies that simply walk around your home, take rough measurements, don't spend any amount of time asking you questions about your home, and proceed to provide you with an estimate based on very little accurate information.



**R**



**RELIABILITY**

## PROTECT YOURSELF FROM GETTING SWINDLED BY UNSCRUPULOUS CONTRACTORS

The home-improvement industry is known for its lack of integrity and ethics – things like contractors who make promises they don't keep, take advance payments and never show up again, start the job then disappear, or don't finish the job within a reasonable time period.

Your first line of protection is to make sure the contractor's company is legitimate and reputable. Even if the salesman's presentation looks polished and his truck looks new, the problems could be just beginning!

**Remember this basic rule: Never judge a contractor by his appearance alone! Insist that the following documentation be provided before the job starts... and before you give him any money.**

- **Certificate of Insurance – not “Self-Insured”**
  - General liability & workman’s comp: All policies should show a minimum of general aggregate \$1,000,000.00 or more; completed operations \$1,000,000.00; and workers compensation marked Wisconsin Statutory limits. Ask for and demand to see a copy of and have access to any company’s insurance information so that you can have the peace of mind of knowing you are properly protected while installers are working on your project and that it is an active policy. Insist on this information and check to ensure it is valid before allowing anyone to work on your home or you are financially responsible for any catastrophes that may occur. If your contractor’s insurance policy can’t cover potential damages, then the contractor would be personally liable. If he cannot cover the damages himself, you will again have no legal recourse and will end up paying for the damages yourself. Over three-fourths of construction companies are not financially stable and, therefore, don’t carry proper insurance coverage to protect you against losses.
- **Current Wisconsin Division of Safety & Buildings Registration Card:**
  - Contractors must be registered with the Division of Safety and Buildings (608-266-3151), showing proof they have paid for worker’s compensation, unemployment insurance, and minimum levels of liability or a bond, in order to for them to obtain any necessary building or construction permits for your project. Do not hire any contractor that places the responsibility of securing building or construction permits on you, the homeowner. If you take out the permit, you do not have assurance that the contractor has proper insurance.
- **Problem resolution program and agreement:**
  - If something goes wrong, is there a predefined problem resolution procedure in place where 3rd party arbitration is provided to the homeowner at no cost? There should be strict adherence to the 2005 Wisconsin Act 201, the “Right to Cure Law.”

“The 2005 Wisconsin Act 201, the “Right to Cure Law,” says that consumers at the time of contracting for construction or remodeling work for dwellings must be provided with this brochure describing requirements for making any future claims of construction defects.”

State of Wisconsin  
Department of Agriculture, Trade and Consumer Protection

### Wisconsin “Right to Cure Law”

**The “Right to Cure Law” provides the steps and timetables to be followed in resolving any claims of dwelling construction defects by consumers against contractors or suppliers. Claims must be pursued through the “Right to Cure Law” process before arbitration or before legal action.**

The 2005 Wisconsin Act 201, the “Right to Cure Law,” says that consumers at the time of contracting for construction or remodeling work for dwellings must be provided with this brochure describing requirements for making any future claims of construction defects.

People who feel they have a claim concerning defective workmanship or materials need to provide written notice to contractors or suppliers before any legal action may be filed. The contractors and suppliers have the opportunity and the responsibility to respond to claims.

Construction defects can involve workmanship, materials, or code requirements in new construction or remodeling, but not maintenance or repairs. Claims may be made by owners, tenants, or property associations.

This document highlights some of the provisions of the “Right to Cure Law”, and is not a complete description of the law, and is not a substitute for legal representation.

**Notice Concerning Construction Defects**

Wisconsin law contains important requirements you must follow before you may file a lawsuit for defective construction against the contractor who constructed your dwelling or completed your remodeling project or against a window or door supplier or manufacturer. Section 895.07 (2) and (3) of the Wisconsin statutes requires you to deliver to the contractor a written notice of any construction conditions you allege are defective before you file your lawsuit, and you must provide your contractor or window or door supplier the opportunity to make an offer to repair or remedy the alleged construction defects. You are not obligated to accept any offer made by the contractor or window or door supplier. All parties are bound by applicable warranty provisions.

**More Highlights**

- Claimants may accept settlement offers, accept them in part, or reject offers, doing so via detailed written notice.
- The law does not apply where there is no contract to construct, as in the case of purchasing an existing home.
- Contractors and suppliers have the right to inspect and, as appropriate, test alleged defects.
- Access must be provided in a timely fashion for inspections, tests, and repairs.
- Additional claims made or discovered after an original claim, are treated as separate in terms of time and process.
- There is a different timetable and process for the claims and responses if a contractor seeks contribution from a supplier.
- Failure by the claimant, contractor, or supplier to follow the “Right to Cure Law” can result in delay or dismissal of legal or arbitration actions.

The Department Safety and Professional Services prepared this brochure, but does not investigate, arbitrate, or judge consumer-contractor/supplier disputes. Those disputes are solved through the “Right to Cure Law” process, by the state’s court system, and, for arbitrations and arbitrations, the Home Improvement Practice Code, ATPC 110, of the state Department of Agriculture, Trade, and Consumer Protection.

The Department Safety and Professional Services does not discriminate on the basis of sex, race, religion, age, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request. Contact the Industry Services Division at 608-266-2112, or TTY 800-947-3529.

**Chronology of the step-by-step claim and response interaction between consumers and contractors/suppliers**

*Step One: Notice of Claim*—At least 90 working days before commencing an action against a contractor or window or door supplier or manufacturer, a claimant must deliver a written notice of the alleged defect to the contractor.

*Step Two: Contractor’s Response*—The contractor will have 15 working days (or 25 working days if it involves a defect involving a window or door supplier) to provide the claimant with a written: (1) offer to repair or remedy the defect; (2) offer to settle the claim with a monetary payment; (3) offer of a combination of (1) and (2); (4) statement that the contractor rejects the claim and the reasons for rejecting the claim; or (5) proposal to inspect the alleged defect or perform any necessary testing.

*Step Three: Claimant’s Response*—If the contractor rejects the claim, the claimant may proceed to commence an action against the contractor. The claimant must serve written notice on the contractor within 15 working days if he or she either accepts any offer or rejects an offer. Note that if the claimant has a claim against a window or door supplier or manufacturer, the claimant should contact the supplier to ensure that the supplier received a notice of the claim from the contractor.

*Step Four: Contractor’s Supplemental Response*—If the claimant rejects the offer, the contractor has five working days to provide a written supplemental offer or a notice that no additional offer will be made.

*Step Five: Claimant’s Response*—If the contractor has provided the claimant written notice that no additional offer will be made, the claimant may commence a lawsuit or other action against the contractor, if the claimant has received a supplemental offer from the contractor, the claimant must respond within 15 working days.

Rev. 9/14



We’re you provided with this brochure? In not, why not?

- **Lien Waivers:**
  - When any payment is made-especially final payment, get lien waivers from the contractor. This will prevent a subcontractor or material supplier from putting a lien on your home if the contractor doesn't pay the bills. Wisconsin law requires that consumers receive a lien waiver from a contractor whenever they make partial or final payments. Consumers, however, should know in advance to ask for a lien waiver if one is not offered.
- **Multiple payment and financing options:**
  - A reputable contractor will have several different payment options available to them. Only reputable contractors can establish working relationships with banks and finance companies. Beware of contractors who only take cash or credit cards and are asking you to find your own financing options.
- **Better Business Bureau Listing:**
  - Do not hire any contractor who is not listed with the Better Business Bureau. The Bureau reports on all companies, member or not, that have been the subject of frequent inquiries or complaints.
- **Client reference letters, Testimonials, Reviews:**
  - Be sure to check the contractor's online reputation through Google, Yelp, Angie's List, Facebook, etc. Make sure the contractor that you choose to do business with has a proven track record.
  - All reputable contractors have lists of references. Be sure to actually call some of them. Don't assume that just because their names are on a reference list that they are actually happy customers.



Conducting proper due-diligence to ensure that your contractor is fully qualified to work on your home will protect you from experiencing a home-improvement nightmare.

A large, light blue, semi-transparent letter 'T' is centered on the page. At the top of the vertical stem of the 'T', there is a small, grey rectangular box containing a dark blue letter 'T'. The background of the page features a dark blue horizontal bar at the top, with a lighter blue horizontal bar slightly below it, both spanning the width of the page.

**T**

**TACTICS  
IN SALES  
MANIPULATION**

This document provides an overview of the most common tricks still used by contractors today:

1. Lack of specificity in the contracts
2. Focus on selling homeowners the products that they carry and not on the proper solution for the homeowner's home improvement problems
3. Lack of a thorough inspection conducted to have a better understanding of the current situation that is causing the problems that need to be addressed
4. Taking advantage of homeowner's lack of understanding on how to properly evaluate and compare contractors and the labor force that installs the product.

Of course, let's not forget about the "sales tricks:" long, high-pressure sales presentations, discounts available only if you buy today, huge price drops, bait and switch—where you ask for an advertised product and they try to sell you on a more expensive product, etc. are just some of the tricks consumers are consistently subjected to in the sales process.

The home improvement industry deploys a full arsenal of sales tricks to perpetuate its sales agenda. There is an entire industry dedicated to Home Improvement Sales Training and homeowner manipulation tactics.

Here are just a few topics that home improvement sales people are taught:

1. Feigning personal interest to establish a "common" bond with the homeowner. Salespeople are taught to look for similarities (hobbies, kids, cars) and offer insincere compliments ("you have a beautiful home") in order to develop a "friendship," making it difficult for the homeowner to say no to their high-pressure sales pitch.
2. Conducting a false "needs analysis" where their "exclusive" product is always the best solution to the problem, without taking into account the actual cause of the problem in the first place.
3. Using numerous high-pressure "closing" tactics.

Here's a list of some of **Closing Techniques** salespeople are trained to use.

- **1-2-3 Close** - close with the principle of three.
- **Adjournment Close** - give them time to think.
- **Affordable Close** - ensuring people can afford what you are selling.
- **Alternative Close** - offering a limited set of choices.
- **Artisan Close** - show the skill of the designer.
- **Ask-the-Manager Close** - use manager as authority.
- **Assumptive Close** - acting as if they are ready to decide.
- **Balance-sheet Close** - adding up the pros and the cons.
- **Best-time Close** - emphasize how now is the best time to buy.
- **Bonus Close** - offer delighter to clinch the deal.
- **Bracket Close** - make three offers - with the target in the middle.
- **Calculator Close** - use calculator to do discount.
- **Calendar Close** - put it in the diary.
- **Companion Close** - sell to the person with them.
- **Compliment Close** - flatter them into submission.
- **Concession Close** - give them a concession in exchange for the close.
- **Conditional Close** - link closure to resolving objections.
- **Cost of Ownership Close** - compare cost over time with competitors.
- **Courtship Close** - woo them to the close.
- **Customer-care Close** - the Customer Care Manager calls later and re-opens the conversation.
- **Daily Cost Close** - reduce cost to daily amount.
- **Demonstration Close** - show them the goods.
- **Diagram Close** - Draw a picture that draws them in.
- **Distraction Close** - catch them in a weak moment.
- **Doubt Close** - show you doubt the product and let them disagree.
- **Economic Close** - help them pay less for what they get.
- **Embarrassment Close** - make not buying embarrassing.
- **Emotion Close** - trigger identified emotions.
- **Empathy Close** - empathize with them, then sell to your new friend.
- **Empty-offer Close** - make them an empty offer that the sale fills.

- **Exclusivity Close** - not everyone can buy this.
- **Extra Information Close** - give them more info to tip them into closure.
- **Fire Sale Close** - soiled goods, going cheap.
- **Future Close** - close on a future date.
- **Give-Take Close** - give something, then take it away.
- **Golden Bridge Close** - make the only option attractive.
- **Handover Close** - someone else does the final close.
- **Handshake Close** - offer handshake to trigger automatic reciprocation.
- **Humor Close** - relax them with humor.
- **Hurry Close** - go fast to stop them thinking too much.
- **IQ Close** - say how this is for intelligent people.
- **Minor points Close** - close first on the small things.
- **Never-the-best-time Close** - for customers who are delaying.
- **No-hassle Close** - make it as easy as possible.
- **Now-or-never Close** - to hurry things up.
- **Opportunity Cost Close** - show cost of not buying.
- **Ownership Close** - act as if they own what you are selling.
- **Price-promise Close** - promise to meet any other price.
- **Puppy Close** - acting cute to invoke sympathy and a nurturing response.
- **Quality Close** - sell on quality, not on price.
- **Rational Close** - use logic and reason.
- **Repetition Close** - repeat a closing action several times.
- **Requirements Close** - write down what they want as a formal requirement.
- **Retrial Close** - go back to square one.
- **Reversal Close** - act as if you do not want them to buy the product.
- **Save-the-world close:** - buy now and help save the world.
- **Selective-deafness Close** - respond only to what you want to hear.
- **Shame Close** - make not buying shameful.
- **Shopping List Close** - tick off list of their needs.
- **Similarity Close** - bond them to a person in a story.
- **Standing-room-only Close** - show how others are queuing up to buy.
- **Summary Close** - tell them all the things they are going to receive.
- **Testimonial Close** - use a happy customer to convince the new customer.

- **Thermometer Close** - they score out of ten, you close gap.
- **Think About It Close** - give them time to think about it.
- **Treat Close** - persuade them to 'give themselves a treat'.
- **Trial Close** - see if they are ready for a close.
- **Valuable Customer Close** - offer them a special 'valued customer' deal.
- **Ultimatum Close** - show negative consequences of not buying.
- **Yes-set Close** - get them saying 'yes' and they'll keep saying 'yes'.

## There is an Entire Industry Dedicated to Home Improvement Sales Training and Homeowner Manipulation Tactics

### Top 10 Sales Closing Techniques: Learn How to Seal the Deal

by Thomas Metcalf, Demand Media

#### The 17 Greatest Sales Closes of All Time, Part 1

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### Closing Sales Techniques

Helping You Close More Sales



By Thomas Phelps  
Sales Careers Expert

### 5 Closing Questions You Must Be Asking

Written By : Mike Brooks

#### Contractor Sales Advice – Closing the Deal

Posted on June 6, 2012

#### Sales Team Training

Customized, Industry Specific, Award Winning Training Solutions



#### Bait-and-Switch

Techniques > General Persuasion > Sequential Requests > Bait-and-Switch  
Description | Examples | Discussion | See also

#### Description

Offer them something that appears to be very good value. This should be a real bargain, an offer they can't possibly refuse, even if they were not thinking about it.

Later, replace the item with something of less value to them (and more profit to you).

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## CASE STUDY EXAMPLES REAL EXPERIENCES FROM REAL HOMEOWNERS

The following are case study examples, written by homeowners just like you, about their experiences in being subjected to sales tricks still used by salespeople today. Hopefully, these case studies will help you to recognize these sales tactics when they are being used on you.

### EXAMPLE #1

I recently bought an older, (built in 1976) victorian style home in [REMOVED]. It is a very nice home, but I bought it knowing it would need some repair. The home currently has hardboard Masonite siding and original windows, and I wanted to get some quotes to see what the market was like for new Vinyl windows and Vinyl siding, as well as Hardiplank and Fiber Cement siding.

I spent a week setting up 6 to 8 estimates, [Company X] being the last because their scheduling was 2 weeks out. I will break down my experience with [Company X] into two segments.

#### Experience #1

My first encounter with [REMOVED] was with a salesman named Barry, who came out around 6pm. I had already had 7 previous estimates, for Vinyl siding and windows, including soffits and fascia, totaling around \$18,500 to \$37,824 being the highest.

Needless to say, after seven estimates, I felt like I had been through every presentation possible, and weary of another high pressure sales pitch, I tried to keep the salesman from wasting his time letting him know that he did not have to go through the entire presentation, just measure my home and show me some samples and give me an estimate. He insisted on going through the entire sales pitch--so I figured what the hell, this could only take an hour and a half at most?

I was wrong. The salesman first, was at my home for nearly four hours. He unpacked five suitcases and showed me various products, including their Vinyl siding, Vinyl windows, gutters, soffits and ventilation system, and details about each. I was mildly impressed with the product, and let him know I was ready for an estimate.

Finally, he walked around my home, crudely measured it (using a tape measurer rather than a roller) and sat in his car for about fifteen minutes with his calculator. Before doing so he gave me a book and asked me to call a list of names of previous customers and ask them how satisfied

they had been—this seemed a little odd so I did not do this, I wouldn't want someone calling my home out of the blue asking me about my siding.

He then returned from his vehicle--after I had endured the three hour presentation and fifteen minutes of him number crunching in his Nissan Altima, and I figured the worst was over. I was wrong again. He presented me with an estimate--for my 1600 square foot one story home, which is 70% windows, for \$57,900.

I was at first, amazed, then shocked, then offended that I had been presented with an estimate so ridiculous. I then began asking questions. He explained to me that the reason for such a high estimate was due to their insured, professional labor, and the quality of their materials. The only difference I had seen with the siding was the fact that they put styrofoam padding behind what is obviously a virgin vinyl CertainTeed or Alcoa siding panel, and the Windows to me resembled an Anderson vinyl window much like I had seen previously quoted for a 1/4 of the price.

I then begin digging further, and he offered no explanation of the price per unit for the siding, each window, or any details about the pricing and just began pressuring me to sign a contract saying that 120,000 satisfied customers was enough to convince me. I refused, and then he began pressuring even more, offering a 10% discount, and an additional 10% discount, ONLY if I signed right then and there on the first visit. That reduced the price to \$47,000.

I asked him how he was able to throw nearly \$10,000 out the window like that, without any explanation, and he had no response, just that 80% of their customers buy on the first visit. I was astonished, and agitated at this point. I told him no, and asked him to leave. He refused to leave--asking me what price I'd be willing to pay.

By now, I was upset and began throwing out figures I knew he wouldn't bite-- I told him for \$38,000 I'd do the entire job. He then picked up the phone and 'supposedly' called someone speaking to them, letting them know I was so impressed with the product but that I couldn't afford the price, which also offended me.

We haggled back and forth, and finally he reduced the entire job to a price of \$42,500, if I let them put a sign in my yard for two months. I asked him to leave a quote and a business card and I would think about it, and he refused saying I must sign a contract now, or that was it, I would be punished with the 6 month price of nearly \$53,000. I told him in that case, I was not interested, and asked him to leave. He angrily left, slamming my door on the way out.

## **Experience #2:**

While eating lunch the next week I received a call from Company X's call center, asking me why I had not signed a contract on the first visit. I explained to them my experience, and that I was uncomfortable purchasing something so expensive after knowing someone for three hours, and they then said that they thought the estimate was high and would send someone out to remeasure my home and that I would not need to be home, they would do so and call me back with a better price. I said that was fine, since I wouldn't need to be home, and hung up.

The following weekend, at 8:30 in the freaking morning, someone began banging on my door like the police. I answered, to find none other than a [Company X] representative at my front door. I opened the door slightly to try and intercept the salesman and he barged his way in, introducing himself and beginning the usual small talk that most salesman begin their pitch with.

Finally, I asked him to cut to the chase and I let him know that I had already been through the presentation, he looked surprised and said he had no idea someone had already been there. He then asked me to show him the outside of the house. I was tired, in my pajamas, and it was cold, but still for some stupid reason I allowed him to walk around my house. He went outside and started pointing out every single thing he could that was wrong with my one thing--sell. They are not interested in making customers, or providing a quality service, they are interested in selling--and selling as much as possible.

The other point is, understand what you are buying. The siding product I was shown, was simply a standard vinyl siding probably made by CertainTeed or Alcoa, or alike in a similar manufacturing process, backed by a Styrofoam board.

Furthermore, I saw no difference in the window than you would find in a similar name brand Window at Home Depot or Lowes, for around half the price. I only had 11 windows in my home, and the price just to do my Window job was over \$17,000. \$1,550 per Window. There was a huge price difference, made up by either labor, or profit margin on material or something but I could get no explanation as to why one price was more than another. That is simply ridiculous.

Somehow, between siding and windows on such a small home, Dixie came up with a nearly \$43,000 estimate. How much is the salesman making off this deal? Company X is filed under the category 'Obvious Ripoff'

## EXAMPLE #2

Here is a complaint about Company Y. They use high pressure sales, similar to a car salesman's. They really don't need to do this, since their product is of much higher quality than the competitors'.

I live in northern [REMOVED].

I found Company Y on [website address REMOVED]. Their product looked beautiful in the online ad. I called their number and mentioned that the online ad was for \$99 off per window. I was told that the offer would expire by the end of the month, and that the offer had to be fulfilled within 30 days of the in-home quote.

Other competitors give their customers more time to think about committing to the work. I was also told that there was a 4-window minimum requirement; no other competitor that I talked to has a minimum required. I was asked if I was the sole party paying for home improvement and making decisions on home improvement, to which I replied yes.

In December, a sales rep visited me. He did an outstanding presentation and I was interested in purchasing the product. The price was no more than 15% higher than competitors, and of much better quality.

However, the salesperson told me that the "low" price that he quoted me (~12% higher than the competitors) was only good if I signed an agreement that day and put a deposit down that day, while he was there. Since vinyl windows would cost me thousands of dollars, I wanted time to think about it.

However, he told me that if I didn't not sign while he was there for that appointment, I would then have to pay about \$1700 more! The salesman told me that he was not paid commission, but he acted like he was on commission.

When I told him that I wanted time to think about it, he told me, "You don't like the windows", and got up to leave as if I had offended him. If they hadn't used high-pressure sales, they might have gotten my business, but now I am afraid of them.

## EXAMPLE #3

I received an estimate today, and also experienced high-pressure sales tactics. The "estimate" began with a bashing of local competitor's products. I wanted to know what Company Y could do for me--not what the salesperson's opinion was of other companies.

I had received an estimate from one well-known company on Thursday evening, and already had a ball-park figure of what the job should cost, but did not disclose this to the Company Y salesperson. Company Y's price came in \$3300 HIGHER than the earlier estimate. I was also told that if I would sign a contract today, the \$1400 commission would be dropped from the price.

I told the sales rep that I must contact my son, who is on duty in the Middle East, and the rep asked if I could call him at that moment. Duh. What a stupid question. I told the rep I would let him know by Monday night, which is when he said the \$1400 reduction would expire.

The rep I met with also seemed irritated that I could not make the decision on my own, even though the home is owned by my son. Sorry, dude. I will be getting a third estimate, but Company Y will NOT be the contractor I choose.

If the product is that good, it should sell itself without pressure tactics. So far, after searching the net, I've only found one positive comment--all the rest have been negative.

## EXAMPLE #4

I just had an estimate done last night and had the same experience. Product appears to be good quality but the sales process was annoying... Felt like I was being sold a used car.

After the product demo and sales pitch, the salesman came up with an estimate of 15K (for 14 windows of different sizes of their top of the line product with all the best features). After he had just said '15k', I just made a comment of '15k?!', he told me to not say anything until he is finished talking.

He went on to spiel off all the 'discounts' that we supposedly qualified for and the price went down to \$8600. Then came the hard-sell for us to buy right then and there to get that price. When we said that we had scheduled another estimate with another vendor tomorrow and then wanted to compare our options, he put on more pressure: 'What price would it take you to buy tonight?' 'You've seen our product, you like it. Why do you need to get another estimate?', etc. etc.

We continued the negotiation and actually got him to go down to \$7600 and then even \$7300 but he said he would have to call the owner to approve and if the owner agrees then we would still have to buy immediately.

By then it was 8:30 pm and we were getting hungry and couldn't take it any more so told him we had to go to dinner. I guess he was probably hungry too at that point and finally said that he would call us back tomorrow about the \$7300. I doubt that he would call back but either way, after that sales experience, not sure if I would want to use them now... but we'll see if he actually will call back and give us that price.



Be wary of companies that subject you to high pressure sales techniques and tactics.

### WHAT TO DO NEXT.

If you have already started getting estimates from home improvement companies, your next step should be to take every single estimate that you have and evaluate them against the SMART guidelines. If the specifics in the estimates fall short of any one of the SMART points, then you must proceed with caution if you are considering buying from that particular home improvement company.

If you haven't started the process of getting estimates, you can use the information to properly screen contractors prior to inviting them to your home. You will save time by not having to sit through hours and hours of sales pitches from companies that wouldn't qualify to earn your business.

We at Guardian take pride in our work and in our industry and we are striving to raise the standard for which other companies need to measure up to. We know that you are making a major investment into your home, and we want to make the process easy and trouble free for you. That's the reason we developed this white-paper. We hope that you found the information highly educational and useful in your search for a contractor for your home.

If you need additional information after reviewing the materials, or would like to schedule a complimentary consultation with one of our Certified Home Advisors, please feel free to contact us at (414) 226-5619 or (262) 208-4727, or visit our website at [GuardianEXTS.com](http://GuardianEXTS.com). We will be more than happy to answer any additional questions you may have.