

What defines, and drives, a great window replacement company?

Discipline.

Unstoppable

JIM CORY EDITOR

QUICK GLANCE

Company

Renewal by Anderson of Colorado Springs and Denver

Owners

Randy Shepherd, Kevin Orf

General manager

Brett Ortengren

Headquarters

Colorado Springs, Colo.

Years in Business

11 years as Homeowners' Direct,
6 years as Renewal by Anderson of
Colorado Springs and Denver

Showrooms

Colorado Springs and Denver

Web sites

loveyourwindows.com,
findreplacementwindows.com

2006 revenue

\$17,410,000

2007 revenue

\$22,090,000

Marketing expense as percentage of revenue

15%

Major lead sources

Direct mail and miscellaneous media 38%,
repeat/referral 27%, shows and events 23%,
canvassing 12%

Number of sales representatives

27

Products sold

Replacement windows 81%, doors 19%

Five-year compounded growth rate

19.3%

In early 2005, if you happened to have been stopped at the traffic light at the intersection of Interstate 25 and Arapahoe Road in Denver, your eye might have been drawn to the dilapidated eyesore that was once a Chevy's Mexican

restaurant. The restaurant, closed for several years, occupied a highly visible location. Boarded up, it had attracted squatters.

Today, after extensive renovations, the same building is a 6,500-square-foot "Window Design and Expo Center." It features a media room with DVDs about window installation, a space with toys and videos to occupy kids while parents consult with sales reps, a science center where fenestration technology can be demonstrated and explained, and walls showing windows with interior and exterior trims and many different textures and colors, including stucco, brick, river rock, and fiber-cement siding.

"We found that one of the biggest obstacles to a sale was the inability to show the customer ahead of time what the finished product looked like," explains Randy Shepherd, co-owner of Renewal by Andersen of Colorado Springs and Denver, our Replacement Contractor of the Year. Shepherd says that roughly a third of RBA of Colorado Springs and Denver's customers visit one of the company's three showrooms, and two-thirds of those who do make a purchase.

COVERING ALL BASES

At a time when many home improvement companies see their sales sliding backward, RBA of Colorado Springs and Denver posted a sales increase of almost 26% last year. Average annual sales increases for the last five years were 19.3%. Of the company's 27 salespeople, 11 generated revenue in excess of \$1 million, three had pushed past the \$1.5 million mark, and one was a \$2 million seller. Last year RBA of Colorado Springs and Denver's marketing department produced 7,200 leads for that sales team, an increase of 12% over 2006. This at a time when marketing departments at many home improvement companies are issuing fewer leads.



Photost: right, Marc Piscotty/WpN; left, courtesy Renewal by Andersen of Colorado Springs and Denver



From left to right: co-owner Kevin Orf, general manager Brett Ortengren, and co-owner Randy Shepherd, of RBA of Colorado Springs and Denver. The company became an RBA affiliate in 2003, and has since propelled itself into double-digit growth by establishing and marketing high levels of customer service.

OK, so how do they do it? First off, there's consistently superior installation. Shepherd and co-owner Kevin Orf would tell you that RBA of Colorado Springs and Denver hires the best technicians to install its windows. Their installers must be able to open up a wall and frame a door or window as skillfully as finish carpenters. The company pays them roughly twice the prevailing piece rate for window installation. (Installers include both company employees and subcontractors.)

Then there's customer communication and service, something RBA of Colorado Springs and Denver has worked hard to perfect. General manager Brett Ortengren says that there are seven points of contact between scheduling the appointment and following up with customers after their windows or doors have been installed, much of it before the product actually gets to the door. Far from snagging a signature and hanging the customer out to dry for six to eight weeks while waiting for the windows to arrive, the company issues a series of messages, including thank-you notes and a gift, to make clients aware of when windows were ordered, shipped, and delivered.

SELL THE EXPERIENCE

Of course, there's no point in creating the ultimate home improvement experience unless you can market and sell it. RBA of Colorado Springs and Denver has plenty of experience canvassing (currently 12% of leads). But the company typically produces leads across at least five or six major sources, including events (23%) and direct mail. And then there's the sales process. To get on the RBA of Colorado Springs and Denver sales team, the aspiring salesperson takes two personality profile tests, spends some days in the phone room, receives training in the product, then does a stint with crews installing both windows and entry doors. After all that, there's classroom training in how to handle objections, then running leads with a senior member of the sales force. "People hate it," Ortengren says. "They just say, 'Let me go sell.'"

Like many businesspeople, Shepherd and Orf were enamored of Michael Gerber's *The E-Myth*, a book that famously prescribes systematizing an operation for success. So enamored, in fact, they hired the Gerber organization to be their business coach. Unfortunately, it didn't work out. "We knew the importance of documenting,