

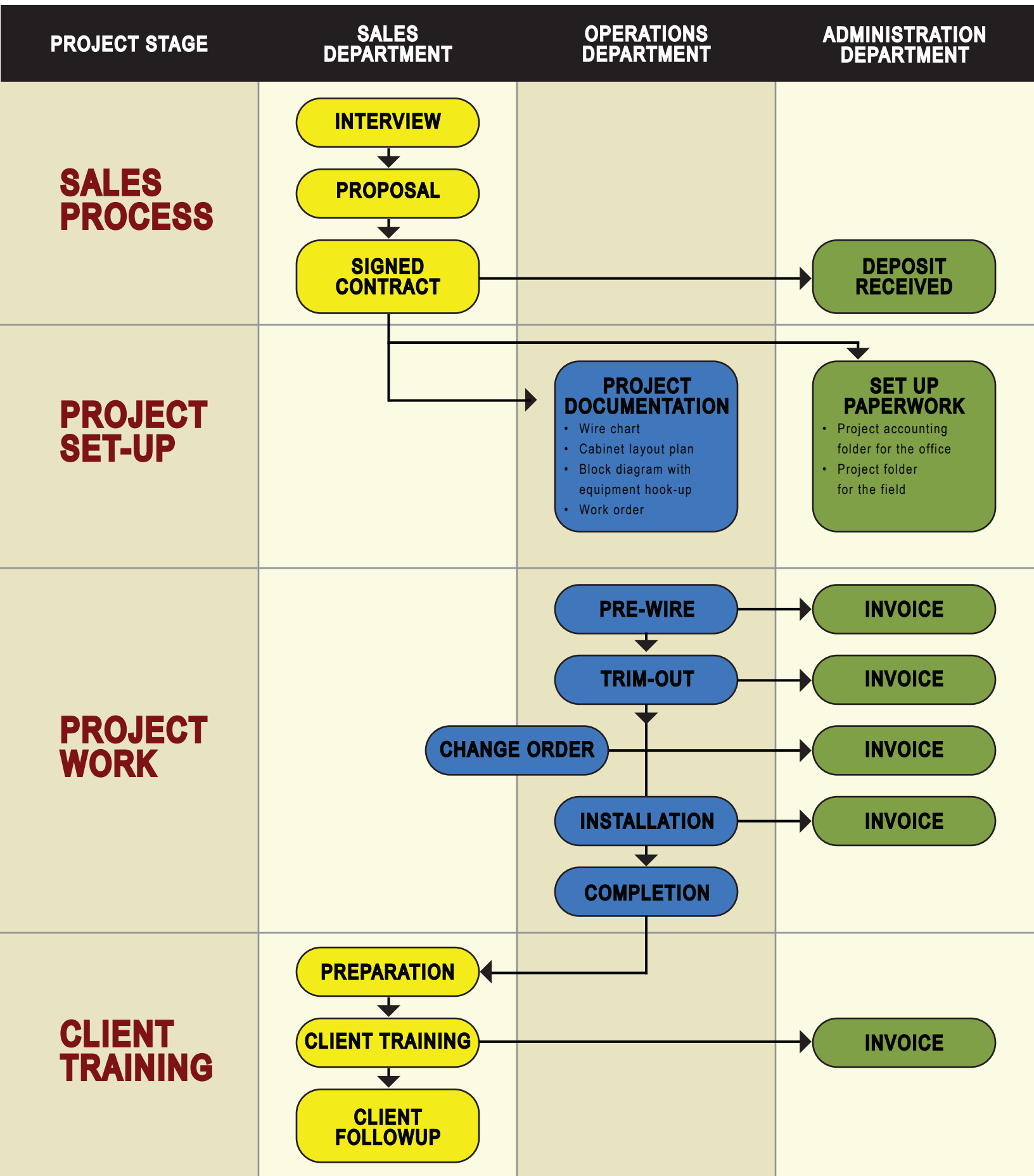
Get with the Flow

For traditional retailers, custom installation is a whole new ballgame. The key to success may be a solid project management plan.

by Helen M. Heneveld

Today's homeowners are often turning to CE retailers to incorporate the latest technology into their homes. Expanding a retail store to include a custom installation department is a great opportunity to grow business and profits, but it is not without its own unique challenges. Proper management of the design, documentation, and installation of a residential install is critical for customer satisfaction. Custom installation requires knowledge and a set of skills that CE retailers don't typically have. One of those elusive skills is handling project flow. Hybrid dealers need to be adept at guiding a project all the way from closing the sale to training the customer. The flow of a project goes through several stages, starting with the sales process. Once a sale is complete and the contract is signed, the paperwork and documentation need to be set up. Then the project work begins and goes through the typical project phases. The key to managing a complicated project is often making it simple -- at least from an organization standpoint. For hybrid dealers approaching the installation project management model, it can be helpful to look at the flow as four simple steps.

CUSTOM PROJECT OVERVIEW



STEP 1: SALES

The sales process includes finding the right client for the custom installation and interviewing him to find out his wants and needs. This interview process includes more than just asking a few questions. It involves sharing the many options available, taking detailed notes on an interview form, and delving into lifestyle topics such as favorite music, daily routines, entertainment choices, Internet use, and home decor.

With this information, a system is designed and a proposal is prepared outlining the equipment needed to meet the objectives. The salesperson meets with the client and presents the proposal, reworking it as needed. Once an agreement is reached, a contract is signed and a deposit is received from the client. Now the relationship begins in earnest as the project work commences.

STEP 2: DOCUMENTATION

Upon receipt of the deposit, the project paperwork is set up and detailed documentation is completed. For every project, the information resides in two places. The project accounting folder holds all the paperwork that remains in the office, including the original signed agreement, signed change orders, invoices, and any paperwork related to the accounting aspects of the project. The project field folder/binder contains all information related to the installation of the project, including a copy of the proposal (without dollar amounts), the wire chart, system drawings of layout and hook-up, product details for install, work orders, communications, and any other pertinent information.

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STEP 3: INSTALLATION

A custom project installation consists of four phases: pre-wire, trim-out, installation, and completion. Pre-wire (also called rough-in) involves: a site walkthrough to finalize and mark up the location of devices; installation of the distribution panel, back boxes and rough-in kits; and wiring before the drywall goes up. In a retrofit installation, pre-wire, trim-out, and installation are all done at the same time.

The trim-out phase includes the termination of wires at the distribution panel, back boxes for outlets, volume controls and keypads, along with installing speakers and other built-in devices.

At the installation phase, all of the components and equipment are installed, connected, and programmed.

The completion phase involves the final steps that truly make it a custom installation -- labelling all equipment and wiring, thorough testing of the system, documentation of final hookup, creation of user instructions, and "tweaking" of the system for maximum performance.

STEP 4: CLIENT TRAINING

The final stage in the project process is the training of the client on the system. Client satisfaction directly relates to his or her understanding and enjoyment of the system installed. Don't skimp at this important step.

Bring back the salesperson and have them explain the system and teach clients how to use it. Remember, it was the salesperson who met with them and closed the sale; he can now confirm the delivery of what was promised and make sure they understand the system and will use it. It is also an excellent opportunity to look for referrals and new sales opportunities.

5 Project Management Tips

- 1. Assign a project manager** A custom installation project requires attention to detail and tracking throughout the entire process. To ensure that nothing falls through the cracks, everything is kept on schedule, documentation is current, and everything runs smoothly, assign a project manager to each project.
- 2. Document the flow of a typical project** Establish a standardized flow of a project through your company's custom installation department. Document the project flow with a flow chart.
- 3. Schedule work** Planning and scheduling is important with custom installation projects. Be sure to communicate with the builder or homeowner to make sure the jobsite is ready for the work to be performed, the installation crew will have proper access, and the necessary utilities (electrical, cable, phone) are available.
- 4. Use change orders** Establish a process for handling change requests. Document the change with a change order and be sure to have the client sign it. The change order lists the changes, including equipment additions, deletions, and installation hours required to perform the work, the total cost for the change order, and the payment terms.
- 5. Crack the WIP** Identifying your open projects and getting the information organized and readily available will make things run efficiently at your company. A simple exercise to get your company organized and all on the same page when it comes to your open projects is the WIP (work-in-progress) report. The report lists all open projects as well as the gives the status and related lists.