

## Administration

From: [Remodeling magazine 2009](#) | Posted on: June 16, 2009

# Don't Rush the Recovery

By: [Les Cunningham](#)

[Related Articles](#) [Save/Share](#)

**Q: What indicators will tell you if you've hit the bottom of the downturn in your market?**

**A:** The simplest way to know when things are going from bad to good is to analyze your numbers, not anyone else's numbers.

The best way to start is for you to remember what happened as things went downhill for you. Do not do this just from memory. If you do, you may not get an accurate answer because your memory can be inaccurate. Start by following the money -- do a little research with your numbers and see what your indicators were.

To help you with this, here is a list of nine indicators that some of my clients noticed when there was a downturn in their local market. My clients tell me that they began to notice some of the indicators as they were completing the last projects in their backlog.

1. Leads began to decrease.
2. Potential job size began to decrease.
3. Close rates of leads to sales began to decrease rapidly and significantly.
4. Competitors -- some of them good companies -- began to bid below what these remodelers knew it would cost to build a project.
5. Clients began canceling projects at the design stage.
6. The remodelers had to find ways to keep their crews busy by having them clean the shop, etc. If they could not, they considered cutting hours.
7. Existing clients were taking longer than usual to pay the remodeler.
8. The remodelers had to work with subcontractors and vendors to update and change payment schedules.
9. The remodelers began evaluating staff performance to decide on potential layoffs.

So, if the above nine indicators were precursors to the downturn, then it would follow that the reversal of these nine items would indicate that you have reached the bottom of your market and you can expect things to get better.

Many remodelers I've spoken to are overly optimistic. They see a change in one indicator and automatically think that they are back on track, and they begin to return to business as usual. However, I would advise everyone to be cautious. Be conservative when it comes to re-hiring laid-off employees. Do not make any major changes in your business until you see several of the indicators change. --*Les Cunningham is an international business consultant who works with hundreds of companies on an ongoing basis. He has worked as a teacher, commercial airline pilot, and owner/manager of his own remodeling business. His firm, Business Networks, specializes in helping businesses become more profitable through interaction with their industry peers. Les can be reached at 800.525.1009 x 14 or via e-mail at [les@businessnetworks.com](mailto:les@businessnetworks.com).*

[Save/Share](#)

## Related Articles

- [Back to Basics in Boulder: Surviving on Small Jobs](#)
- [Remodeling Spending Heads Into Upswing, Per Latest LIRA](#)
- [Heeding the Signs of a Stalled Economy](#)
- [Local Forecast: Watching Home Sales in Boise](#)
- [Value-Driven Luxury: Even High-End Clients Are Demanding More for Less](#)

[All Related Articles](#)

## Related Topics

- [Administration](#)
- [Human Resources](#)
- [Local Markets](#)
- [Economic Conditions](#)
- [Sales Leads](#)

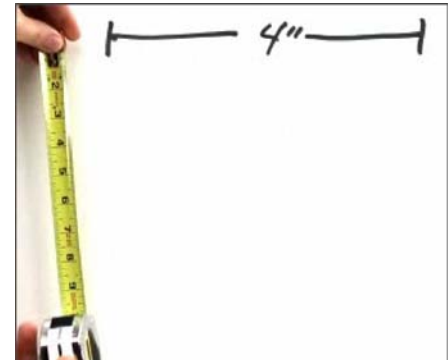
## Comments

Be the first to add a comment to this article.

### COMMENT ON THIS ARTICLE

Post your comment below. If you wish, enter a username and password though they are not required. Please read our [Content Guidelines](#) before posting.

Comment:



### Sponsor Video

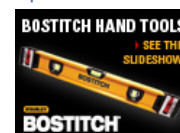


#### VELUX NO LEAK SKYLIGHT

With three layers of protection, VELUX has perfected the No Leak Skylight. We promise it won't leak no matter what the weather. What's more, we back that assurance with an

outstanding 10-year installation warranty. Watch this video to learn more.

### Sponsor Slideshow



#### Bostitch Hand Tools Guide

Bostitch introduces a new line of Hand Tools directed to the pro contractor. The full range falls under the new 100 Year Warranty.

### Sponsor Slideshow



#### Affordable Bathroom and Kitchen Remodeling Products by Sterling®

Sterling simplifies the remodeling experience by offering high

quality, easy-to-install, affordable products that help you save both time and money.

Enter code:



Enter the code shown in the image

Username:

Username is optional

Password:

Enter a password if you want a username

Ads by Google

#### Remodeling Leads

Don't Share Leads or Chase Leads Free Consultation 877-596-6474  
[webvisible.com/RemodelingCustomers](http://webvisible.com/RemodelingCustomers)

#### ELMS Advantage Online

Estimating & Leads Mgmt. Solutions Starting at \$24 - Free 30 Day Trial  
[www.ElmsSoftware.com](http://www.ElmsSoftware.com)

#### Harrisburg Home Remodeler

From Open Floor Plans to Updating, Call for Home Improvement Services.  
[www.HomeOneHandyman.com](http://www.HomeOneHandyman.com)

#### Avalon Construction Plus

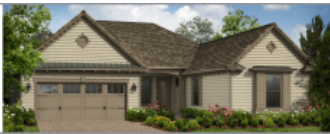
General Contractor & Handyman Quality work at a competitive price!  
[www.avalonconstructionplus.com](http://www.avalonconstructionplus.com)

#### custom kitchen cabinets

fine interior woodwork personalized design  
[bristolwoodworking.com](http://bristolwoodworking.com)

#### Columbus Remodeling

Remodeling Your Home, Office or Condo? Call Our Remodelers Today!  
[www.MattAtComconsol.com](http://www.MattAtComconsol.com)



greenHOUSE

AN IDEA HOME CREATED WITH MARTHA STEWART



Builder Concept Home 2011

[Click here for a sneak preview.](#)

[Opinion](#) | [Management](#) | [Marketing](#) | [Sales](#) | [DesignBuild](#) | [Green](#) | [Facts&Figures](#) | [Products](#) | [LeadPaint](#) | [HomePerformance](#) | [Upscale](#)

**Hot Topics:** [Cost vs. Value 2010-11](#) , [Remodeling Virtual Conference](#)

**Services:** [Bookstore](#) , [Events](#) , [Leads](#) , [RemodelingTV](#) , [Webinars](#)

[About Hanley Wood](#) [Contact Us](#) [Business Media](#) [Privacy Policy](#) [Work for Us](#)  
[Advertise](#)

**Remodeling:** [The Magazine](#) [Subscriptions](#) [Newsletter](#) [Advertise](#) [Contact Us](#)

Search:

[Site Map](#)

**Remodeling Relevant Sites:** [JLC Online](#) | [EcoHome](#) | [Tools of the Trade](#) | [Professional Deck Builder](#) | [Replacement Contractor](#) | [Coastal Contractor](#) | [Custom Home](#) | [residential architect](#) | [ebuild](#) | [HW Market Intelligence](#) | [DreamHomeSource](#) | [ePlans.com](#) | [New Homes](#)

© 2010 Hanley Wood, LLC. All rights reserved.