

Respect Your Customer, Protect Yourself

When starting a business relationship with a customer or client, you want to make sure you understand exactly what the customer is asking for. If you are in the business of giving an estimate for a job before you do the work, then you want to make sure you give a “written estimate”, so that everything is in writing. The customer needs to sign the estimate or proposal showing that they agree to the work and the price that you have listed in the proposal. This will cause less confusion if any problems arise after the work is completed. A customer may start asking you to do additional work that was not included in the original proposal, if so, make sure you type up a “change order” so that the additional work and charges are listed. If you do not give them a “change order” and there is nothing in writing, they might try to get out of paying the additional charges because they have a signed proposal that has the original price. Too many times verbal quotes are given, and then there could be a disagreement on what work was to be done or the cost of the work after the job is completed. Avoid this confusion by taking the time to provide a written estimate. It is also a great idea to get 40-50% down on a job that requires materials that you have to purchase. You will have the money to pay for the materials and then you can collect the balance for your labor and time when the job is completed. If you have a problem collecting from a customer after the job is completed, and you did not collect a down payment, you will be hurting even more because your vendors that you purchased the materials from will be expecting to be paid even if you have not received your payment. Cover your expenses. Do not be scared to ask for 40-50% down before starting a job.

Don't be afraid to “prequalify” your customers. By “prequalify” this means you can ask the customer detailed questions about the job they are asking you to do. You can see how particular they are going to be and if they are going to be reasonable to work with. If you go to give an estimate to a customer and the first thing they tell you is they don't want to spend much on the job, or they want the cheapest price, then they might not be a good fit for you. If you decide that a customer is going to be difficult to deal with, you can simply decline to give an estimate, or price the job very high to make it worth your time.

If you find yourself in the middle of a battle with a customer over a job or money, let Business Beware help you out. Check us out @ [BusinessBeware.Biz](https://www.BusinessBeware.Biz).