



Improving how you sell and renew irrigation service agreements

by Jeff Carowitz, Strategic Force Marketing

If you're in the irrigation contracting business and you don't offer service agreements, you're missing a huge opportunity. Or, if you offer agreements but don't have at least 75% of your service accounts on an agreement (or membership) program, you're missing out on a significant way to strengthen your company's profitability and customer loyalty.

Customers actually like service agreements. They like to pay once for a season's worth of proactive checkups and maintenance. They rest easier knowing you'll be there to take care of what's needed when it's needed.

Agreements make your operations run more smoothly. Because a big chunk of service visits (turn-ons, winterizations, summer checkups) are booked in advance, you get predictable activity for your service team. This allows you to route more effectively and organize your schedule more to your convenience. You'll have a few fewer frantic calls from customers because they already know they're on your schedule.

*Service agreements are good for you – and good for your customers.
Invest some time to make them a bigger part of your business.*

Agreements grow the re-sale value of your company. Most irrigation businesses are asset-light: a little inventory and some well-used equipment. When it comes time to sell your business, buyers often will set their offer based two things: 1) the size of your repeat customer base and 2) what they can clearly see is repeatable, profitable cash flow. It's simple: the more customers under agreement = the more your company is worth. Establishing service agreements allows you to demonstrate to an acquirer or to your bank that your business is worth their investment.

How can you be better at winning more renewals and convincing more of your clients to sign on for agreements?

1) Renew in fall, but offer new agreements all season. Experienced pros know the best time for renewals is when the customer has just finished an irrigation season, not in February before the season starts. Structure your renewals in the fall when the importance of an efficient system is top-of-mind.

To get new clients enrolled in a membership program, offer the opportunity to join at the time of a service visit. Train

your technicians to present your program – and consider compensating them a little extra for each customer they are able to enroll.

2) Let customers choose from multiple packages. The most successful contractors offer 2-3 package options that bundle start-up, winterization and in-season checkups to provide all of the routine maintenance needed. If you offer additional services (fertilization, aeration, landscape lighting maintenance) offer those as ala carte options too.

3) Add monitoring. With the success of Wi-Fi controllers, it's now possible to create a revenue-stream from monitoring services as well. Offer a bundle price for the hardware to add monitoring (usually a timer upgrade, completed during the winter) and an annualized monitoring cost (Typically \$150/season). Your service can cover monitoring for alarms (electrical and flow) and notifying the client of any potential need to send a technician, plus irrigation suspension during rainy weather.

4) Be persistent in your promotional communications. Don't rely on just one method to promote your service agreement / membership programs. Many homeowners ignore emails and text messages, but surprisingly will respond well to "old school" direct mail or direct phone calls. They're busy, so stay with the message. Don't give up until you've enrolled everyone.

5) Incentives motivate. Offer early-bird renewal discounts, because they work. They get customers motivated to write the check, because they don't want to "lose" the discount. Just plan them into your pricing structure in advance.

Bottom line: service agreements are good for you – and good for your customers. Invest some time to make them a bigger part of your business.

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