



5 MISTAKES **THAT COULD SINK** YOUR FENCING BUSINESS

AND HOW TO AVOID THEM

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INTRODUCTION

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Running a business is a hard job. It's even harder if your business is fencing. According to the US Department of Commerce, construction and contracting businesses have the highest failure rate of any business. Up to 96% of these companies fail before reaching 10 years in business. If you own (or are thinking of starting) a fencing business, be ready to wear many hats. From accountant to manager to marketer, many highly-skilled fencing pros have to do it all. But does fencing skill equal a successful business? In many cases, the answer is unfortunately no.

Fencing can be a lucrative and rewarding business. That's why we gathered the biggest names in fencing to share five hurdles and solutions they find are common to many businesses, and how to vault over them.

Mistakes ultimately are avoidable or correctable. We've gathered insights on a range of topics, including business strategies, marketing, and finance to help you identify and address potential problem areas.

IGNORANCE OF BASIC BUSINESS PRINCIPLES & PRACTICES

“Most fencing contractors start out as good craftsmen. They know how to put up a good fence. They start a business, and within a couple of years, they find themselves in a bind because they don't know how to run a business.”

Tony Thornton

There is a common misconception that if you have money in the bank to pay your bills and your installers, you're running a successful business. That belief is essentially a house of cards, and it doesn't take into account downturns in the economy or slow seasons. Sometimes, all it takes to make your business a statistic is one bad patch.

A sound understanding of how businesses work and how to use business best practices can help you not just survive, but thrive.

Get Out of the Business and Work on the Business

No one can be in two places at the same time. It's easy for you to prioritize field work over working on your business. After all, you know how important quality is to your reputation. But there's a time when you have to step back and look at the big picture, trusting your crew to continue performing to your standards.

Getting into the business inevitably calls for some education. At a minimum, you should familiarize yourself with:

- ▶ Profit and Loss (P&L) tools or spreadsheets
- ▶ Budgeting
- ▶ A reasonably priced Customer Relationship Management (CRM) solution
- ▶ A lean business plan (even if you've been in business for awhile)

P&L Statements

At its simplest, a P&L statement lists your business's income and expenses during a defined time period. You can do them monthly or once per quarter, but the more up-to-date you keep your P&L the better.

A P&L statement is not a budget, but a P&L can help you build a budget by showing you what your fixed expenses are (debt payments, payroll, overhead), and what expenses fluctuate (raw materials) It also lets you know at a glance whether your fencing business is turning a profit in the short term. Six months of updating P&L statements will give you valuable insight into the long-term health of the business.

To get you started, Microsoft has some [easy-to-use templates](#) available to download for Office 365. If you don't have Office 365, you can download a template from the link and upload it into Google Sheets.



Business-Ending Blunders

You may have heard stories about fence contracting companies folding after lawsuits over injuries or involuntary termination. Unfortunately, those stories are very real. Without the right processes in place, it can be easy to fall into a legal and regulatory trap.

Without diving too deeply into the horror stories, expert David Gatto gives the following advice: find a mentor. Seems simple, doesn't it? But having a mentor and business coach who has learned the hard way what to do and what to avoid will save you trouble.

“ When you look for a mentor, make sure that they've run successful businesses, and that they mirror the work/life balance or other professional values that are important to you.

David Gatto

“ If we want to expand and grow by 10-12% let's put it on paper. Let's see if we can do it on paper before we dive into it without looking. ”

Tony Thornton

Budgeting

Surprisingly, many fencing contractors don't operate off a formal budget. This can, and often does, lead to messy surprises that can seriously affect your bottom line. The P&L statements, if done consistently, help you to ensure that your team is always ready and has the equipment and inventory necessary to make the magic happen.

What are the components of a solid budget for a fence contractor?

- ▶ Use that P&L data to review your revenue and expenses.
- ▶ Deduct fixed costs like debt repayments or payroll.
- ▶ Understand what expenses are variable (your salary, replacing equipment, and so on).
- ▶ Invest overages into a contingency fund for unexpected expenses.

Nobody loves budgeting, but it's an essential part of owning your own business and being successful with a growth mindset.

CRM Solution

What is a CRM solution? Fundamentally, it is a software tool that tracks your customers and prospects throughout their journey with your company. At a glance, you can look at a contact and see how they found you, if you've connected with them, if they made it to the proposal stage, and if they are due for repairs or an upgrade. It's a single tool for managing everyone you do business with.

Additionally, a CRM system will show you any service calls, complaints that you've resolved, or upsell opportunities. It can take some time to set up a CRM (although most allow you to import your contacts from a spreadsheet), but the business implications are enormous.

Many CRM systems are huge and expensive, but there's also a range of solutions that are free or reasonably priced for small contracting businesses. [Forbes Advisor](#) has a list of free solutions that may be a good place to start your search.

Lean Business Plan

You might think of a business plan as a tool for contractors just getting started. The Small Business Administration (SBA) begs to differ. At the SBA website, you'll find a [template for a "lean" business plan](#). Since you're running an established business, a lean plan will suffice for your needs - a traditional plan is often used to get investors or credit from a bank for seed money.

A business plan can help you by clarifying what you want out of your business and for your business. Maybe you've been in business for five years, or ten, and maybe you've been so caught up in the details that you're feeling overwhelmed. Taking a couple of hours to do a lean business plan can help you view the big picture.

The business side of running your own fencing business can seem daunting at first, but with a little practice and a consistent investment of your time you'll see results that matter.

MISTAKE **2** FAILING TO MARKET YOUR BUSINESS EFFECTIVELY

To many fencing business owners, marketing is a conundrum. You can only spread awareness of your fencing services by marketing, but how and where to start? Is it really worth the money you spend?

Our industry research is clear: marketing is essential. Our [2022 Homeowner's Survey](#) showed that while 38% of homeowners rely on word-of-mouth or referrals to evaluate businesses, the rest of the cohort requires some kind of marketing to introduce them to your business.

We know that marketing is confusing, with many platforms and channels, paid ads, keeping up with social media around fencing, dealing with agencies, and deciding your strategy. These tips from our expert contributors should help you navigate stormy seas.

Define Your Audience

This is always the first step in effective marketing - know your customer. This is where you, as a fencing expert, have an upper hand. Whether you specialize in residential or commercial fencing, you've been in the field long enough to understand what marketers call "pain points." What questions do you hear? What are their concerns?

“Don't take anything for granted when it comes to the foundation of your business. Effective marketing is your first impression with most of your new clients.”

Joe Everest

Once you've identified those answers, ask yourself what specific value your company brings to the table. Is there something you do better than anyone else? Do you have deep experience in one type of installation? Are you a talented generalist? Make sure your audience knows.

Build Your Marketing Toolbox

"The right tool for the right job at the right time" is a piece of wisdom you've heard most of your life. A marketing toolbox also needs to be fully stocked and used wisely and consistently. Only this time, your toolbox is entirely metaphorical.

SWOT Analysis

Perhaps the most basic tool is called a SWOT evaluation. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. A SWOT shouldn't take more than an hour of your time, but having one lays the foundation for all your marketing efforts.

<p>S Strengths Positive attributes of your business within your control</p> <ul style="list-style-type: none">▶ 20+ years of experience▶ Residential and commercial▶ Many satisfied customers	<p>W Weaknesses Areas within your control that may negatively impact the customer</p> <ul style="list-style-type: none">▶ Lack of reputation▶ Lack of online presence▶ Too few ratings and reviews
<p>O Opportunities External factors that could help your business move forward</p> <ul style="list-style-type: none">▶ Stand out among the pack, who all approach the business one way▶ Sketch, estimate and close at the site to save time and effort	<p>T Threats External factors you do not control that could place your business in danger</p> <ul style="list-style-type: none">▶ Skilled labor shortage▶ Saturated market▶ XYZ Fencing has a 20% market share in my area

Example SWOT analysis for your fencing business

A SWOT analysis gives you the ammunition you need to decide how to focus your marketing efforts. While every marketing activity should take into account strengths, weaknesses, or opportunities, threats are worth extra attention.

By definition, threats are out of your control. That's why you have to keep your marketing practices nimble. For example, if the cost of fence materials skyrockets, you may want to stop talking about value and start talking about quality as a differentiator.

Ownership of Your Marketing Channels

Channels are the digital communication methods you use to reach your audience and influence them. Phone calls, text messages, emails, video, radio, and social media are all types of communication channels.

It's important to make sure you have secured your marketing channels. Claim your listing on review sites, establish your social media channels if you haven't yet, and make sure that you evaluate them regularly to make sure they're performing well and generating leads for your business.

Remember CRMs?
They're a great way to check and see which of your leads came in from which channels.

Hiring Outside Agencies

Finding an agency to handle your marketing needs (including graphic design, website design, social media posts, marketing collateral, and more) can satisfy your business's endless need for fresh content. Be careful, though - just like your customers, get multiple estimates, research ratings and reviews, and interview your short list thoroughly. Just beware - hiring outside your company to market it doesn't absolve you of learning about marketing. If anything, it becomes even more important.

You may find what seems like the perfect fit, but what about pricing? Paying too little is as bad as paying too much in many cases. But when you understand your fundamental marketing needs, you have the ammunition to evaluate more effectively.

“I believe that underpaying for resources goes right back to a lack of comfort with marketing. When you don't know what you need to hit which business goals, cheaping out can be a mistake.”

————— **Sam Natello**

People make whole careers out of marketing, so it helps to understand what the bare minimum is for your business when it comes to using marketing effectively.

- ▶ Claim your business on Google, Yelp, Angi, and so on, to monitor reviews. Address negative reviews professionally, and be sure to use your high star rating in your marketing materials.
- ▶ Content is king. Whatever channels you use, make sure to provide fresh content on a regular basis. Post on your social channels frequently and, most importantly, consistently. Never be afraid to boast about your excellent work - before and after pictures can be powerful in social media.
- ▶ Consider a blog. It helps your website rank higher in search engines, and it gives you something to talk about on social media. If starting a blog on your website is intimidating, you can use a simple blogging platform and link to it. Consider the [“they ask, you answer” framework](#) by Marcus Sheridan to help you find content ideas.
- ▶ Trust your gut. You know your audiences, which are often your own neighbors. What kinds of marketing channels do you think will reach them? For example, if you live in a town or area with a lot of older adults, do they still prefer direct mail postcards and radio ads? If you're wrong and your marketing campaign doesn't work, you'll still have valuable data for the next try.
- ▶ Don't give up!

Finally, Hubspot Academy provides a plethora of [free marketing classes](#) to upskill yourself.

“These owners need to educate themselves to a minimum in the language of business and marketing, so they fully understand what agencies are selling them.”

————— **Joe Everest**

3 FALLING BEHIND ON THE TECH FRONT

It can be easy and comfortable to keep doing things the same way you always have, and it sometimes seems that technology is evolving more quickly than you can keep track of it. However, your customers embrace technology and expect to see it used to improve processes and performance.

In the fencing industry, it's becoming increasingly essential to bring your office with you into the field. That means you'll need technology to take with you everywhere, namely a smartphone and tablet. These two tools have become so powerful that many fencers don't require a laptop anymore.

Looking for the right tech for the job can be confusing. In the end, it all comes down to cost and utility. Your instinct might be to go with the cheapest options, but you should also consider if they are robust enough to run the apps you need to run your business.

You also need to evaluate technology based on its usability in the field. This means reliability, yes, but also how quickly your people can learn what they need to make their jobs more efficient, accurate, and effective.

A modernized and [easy-to-use mobile application](#) for sketching, estimating and closing in the field can also save time and win your business more deals.



4 USING DEBT INCORRECTLY & EXPANDING TOO RAPIDLY

When you begin your fencing business, some debt will be inevitable. Few business owners have the savings to fund their own new businesses. Startup costs just by themselves will rack up huge amounts of debt if you use them too much.

“[New fencing contractors] see other people with a brand new truck, a fancy house, or all new equipment, and they make the mistake of using credit and debt to keep up with the Joneses.”

Joe Everest



Funding Startup Costs

How do you start in the fencing business and economize to avoid overpowering debt, all without sacrificing quality? It's a vicious cycle: you need to present a professional image to get new customers, but you need debt to fund new customer outreach, but at the same time, you don't have the income for your debt repayments. You are not the first fencing contractor to feel this particular pinch. Again, the SBA can [come to the rescue](#) with a small business loan.

There are ways to start your contracting business without getting swallowed by spiraling debt repayments:

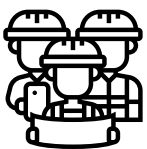
- ▶ Don't give up your day job until you can pay yourself, your installers and your creditors. This is obviously the hard way, but it gives you the power to do startup right the first time, your way.
- ▶ Have a solid plan in place to pay off your debt before you take it on, and that includes both revolving debt like credit cards, HELOCs, and fixed payments.
- ▶ Focus on what you want out of your business to ensure that you have realistic expectations. This is where your business plan will prove essential.



Find Investors

The one source of funding we haven't discussed is finding investors in your fencing startup. This can be tricky because you don't want to change the way you run your business based on what your investors want. However, the right investors can significantly aid you in startup costs.

Family members, colleagues and friends, and local startup incubators are all possible sources of investment. Just make sure your investors agree to your business plan and sign off on it. This means you might have to create a full business plan. You can find out more about business plans at SBA.gov.



A Word of Warning

If you choose to save and leverage your personal net worth to fund your business, be absolutely sure not to overextend yourself. Many contractors make this mistake, and when the business fails, the industry usually loses you for good. No one wants to go backward.

5 FEAR OF LETTING GO

You love fencing - that's a big part of why you're starting your own business. Whether it's selling and estimating, installation, camaraderie with your crew, or the satisfaction of seeing your work come to life, being in the field is far more exciting than being stuck at a desk.

“What I see time after time are masters at fencing who can't find someone they think is good enough to replace them in the field.”

Tony Thornton

Unfortunately, that's where you need to be. Not all the time, all day, every day, but most of your time will be eaten up by administrative and business work.

This is where hiring top talent and training them to your standards is critical. You need to be able to trust your sellers and estimators to do their jobs to the highest standard of service. They must provide exemplary customer relations, estimate accurately, manage installers on the site, and generate accurate takeoff lists. That's a big ask. That's why you need to make the leap.

Hire wisely and train thoroughly. Shadow them on the first couple of jobs. Then let your team take over in the field. It's crucial that you have the time to devote to making your business a strong success, and anything more than a supervisory role will simply take too much of that time.

“Bringing in the right resources, training the right resources, and setting expectations to hold them accountable is essential to focusing on the business.”

Tony Thornton

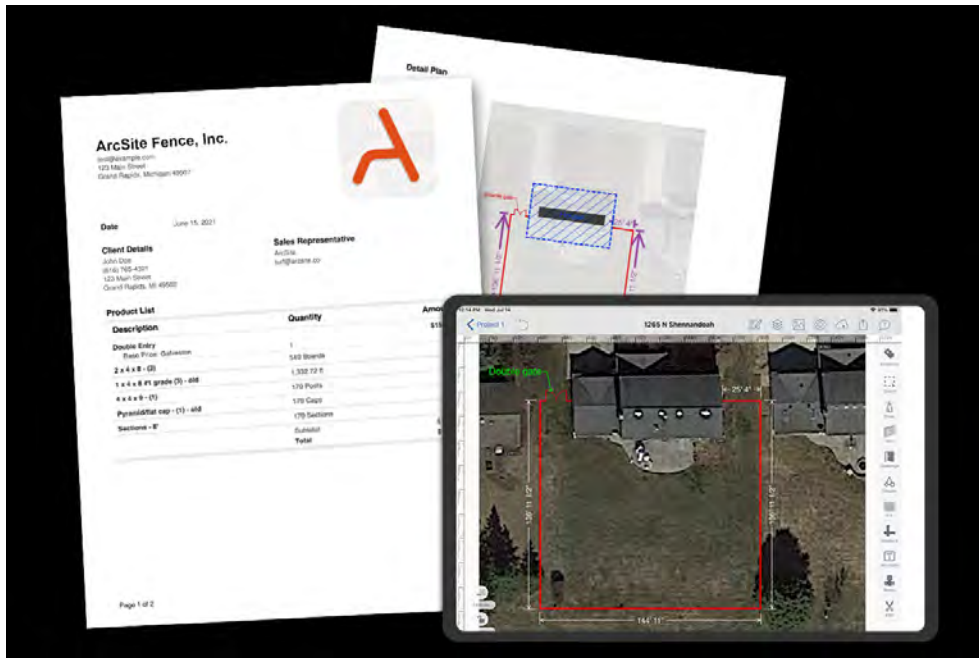
PUTTING IT ALL TOGETHER: KEY TAKEAWAYS

Starting and running your own fencing business might be your big dream, but it's important to understand what you're undertaking so that you can ultimately be successful.

- ▶ Get ready to run the business by taking advantage of our advice from top fencing pros and knowledgeable mentors.
- ▶ Don't neglect the business side of things in favor of the excitement of starting your company.
- ▶ Marketing effectively is the first step to success.
- ▶ Make sure you have a marketing plan in place and understand that sometimes paid advertising is a smart bet.
- ▶ Use advancements in technology to make the business more profitable and produce better customer experiences.
- ▶ Use debt wisely and make sure you're taking on the right amount to grow your business without digging yourself into too deep a hole.
- ▶ Hire and train the right people to sell, estimate, generate takeoffs, and install so you can concentrate on the business.



ARCSITE: A TOOL FOR DRAWING, ESTIMATING AND MATERIAL LISTS



ArcSite is a mobile drawing and estimating solution that works anywhere your estimators go. Give them the power to sketch jobs quickly and accurately, generate professional proposals as leave-behinds to secure rapid approvals, and produce accurate material lists.

The ArcSite approach has several advantages

- ▶ Fencing libraries containing your exact inventory, reducing waste and overages so you can generate the most accurate estimates instantly
- ▶ Easy to learn and use in field conditions
- ▶ Draw yourself, take a picture, or import a PDF to get started
- ▶ Collaboration made easy between you and your staff
- ▶ Winning proposals that incorporate your own company's logo and colors ready for handoff to the customer
- ▶ Accept customer approval and signatures on the site

Every new business needs a helping hand to beat the odds. With the right set of tools and a little education in the basics, you can gain the advantage in what could be a crowded market.

Here's to your successful fencing business!

GET STARTED WITH ARCSITE NOW