



## Closing Rate in Construction: How Important Is Follow-up at Every Stage of the Opportunity?

The construction sales pipeline is unique. A building owner/developer contacts several general contractors (GCs) in the area requesting budgets for the proposed construction project. Each general contractor contacts to their network of sub-contractors requesting bids for each trade involved. Different GCs may have the same sub-contractor in their network. So, the sub-contractors end up bidding more GCs for the same project.

Once a general contractor is awarded the opportunity, the focus changes from one-to-many to one-to-one. The sub-contractor re-focuses sales efforts on the client with the opportunity, and on beating its competition to the finish line.

The process may be a little different between Plan and Spec and Design/Build projects but, generally, this is the process flow in the industry.

**So, how critical, if at all, is sales follow-up in each stage of this sales pipeline? Let's take a look:**

### Deal Not Awarded

When an opportunity first presents itself, contractors submit timely proposals to clients or prospects bidding for that deal. Subsequently, they follow up with them to nurture their relationships and remain informed of who wins the opportunity and when. Even at this early stage of an opportunity, follow-up is key. It serves to:

1. Help you know where you stand on a deal & stay in the loop of any potential issues so you can address them right away.
2. Develop a relationship with the client. Even if you don't win the deal, the connection could lead to other opportunities.
3. Build your brand and trust in your services. An industry study shows how trust generated more repeat business and drove a higher level of operational success.
4. Create opportunities for your prospect to ask questions. Be sure to answer them so the client knows that your organization provides excellent customer support.
5. Increase your chances of winning the bid. Put in the effort and be resourceful. It pays off!

### Deal Awarded

Now your proposal, price, and relationship with the client take center stage. But follow-up remains crucial to closing deals. This is the part of the sales pipeline that approximates the 80:20 principle. For example, Bill Corbin on LinkedIn, reports that 80% of sales are made by 20% of salespeople. And MarketingDonut research confirms 80% of prospects say no four times before they say yes. Finally, according to Hubspot, 80% of sales require at least five follow-up calls before the deal reaches "Closed Won" status. Since apparently as many as 44% of salespeople give up after one follow-up, you could be losing opportunities to close a deal!

*So why stop at one follow-up?*

Of course, once you establish a business relationship, business contact will take place without further face-to-face human interaction. Construction sales management automation CRM tools like iDeal make that entirely possible without burdening salespeople who, according to HubSpot,

spend 66% of their day on administrative tasks already! When they could be negotiating and closing deals. Again, follow-up is a surefire sales methodology to increase your chances of closing a deal. And it does not have to be in person.

- After securing an opportunity, the company that won the bid is ready to connect with Sales. They have researched their options, so make sure you are on that short list... with follow-up.
- According to MarketingDonut, 83% of clients/prospects who request info don't buy for 3-12 months. There is not better reason to keep in touch with frequent follow-up during the decision stage.
- As they ramp up to seize the opportunity and start construction, client inboxes and calendars fill up quickly. Be proactive and supportive and solve problems to stay top of mind!

### Client Taps You for the Deal, Now What?

You've closed the deal with the client, yes, and now the opportunity is yours too, but the follow-up never stops, does it? Acquiring a new customer costs 5-25 times more than keeping an existing customer, according to the Harvard Business Review. The most challenging part of the sales process is behind you, but don't drop the ball now...

Follow up to:

- Solidify your relationship with the client – Ensure you cross the t's and dot the i's for the deal.
- Deliver "value add" to the business relationship – Learn more about your client's expectations and deliver more.
- Build on your success – Stay connected and position you for future opportunities.

### Client Taps You for the Deal, Now What?

Follow-up is KEY to not just determining which client was awarded the opportunity but beating the competition to it when that deal is awarded to say, a general contractor. Then follow-up becomes your strategy to learn more about and position your company to partner with that client for future opportunities. There is no time like the present to FOLLOW UP at every stage of the opportunity.

## Bid & Follow-up Software. CRM for Construction.

Manage opportunities, bids, and clients.  
Create, send, and track proposals.  
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# Winning a bid in construction doesn't just happen.

## You make it happen!

## With timely proposals & consistent follow-up.

