

# Building a Business on Referrals

New York remodeler uses partnerships and referrals to become a success

By Jon Minnick

**J**ay Tovey, CGP, CAPS, president of Jay P. Tovey Co. Inc., Rochester, N.Y., just had a year of 100 percent referrals. Not one of those jobs was bid. More amazingly for Tovey was that he was also able to put into place all the necessary business components to retain a 100 percent client satisfaction rate amongst those jobs, making him the April NAHB Remodeler of the Month.

Starting out with a nail sack, Tovey admits that running his business was something that has been acquired over time. In his early years it was more like a School of Hard Knocks, but now he has a company with a lot of perfected systems. Tovey says, "I have been focusing more on doing better in business, learning more and being more professional. It's invaluable the education I get from not only the seminars and shows, but also my colleagues I've met through the NAHB."

The big change for Tovey's business was attending a seminar on the 10 Best Business Practices where the 2008 NAHBR Remodeler of the Year, Jeff Hunt mentioned tracking leads with a spreadsheet. Getting a copy of this, Tovey was able to determine the source of his work and which ones were paying off and which ones weren't.

"I used a variation of this sheet and what I found out was that around \$1 million of our referrals were from trade partners, vendors and the people who see and know the operation of our business," adds Tovey. "I take that as the highest compliment. These people know our level of quality, they know what we do for our clients, and they know how we treat our partners. Those are the ones that generated most of the work we did."

Tovey's business has grown solely from satisfied customers. He has put the customer first and

continues to strive toward virtually perfect work to keep the work coming in. One of the ways he has found customers the last few years is through partnerships with local trades. Tovey has found that doing smaller or less appealing jobs for local trades have lead to bigger jobs. For instance, in partnering with a local granite fabricator, Tovey's team may get demolition work for an existing counter. This project then usually leads to tiling a backsplash or a new bathroom with the same homeowner.

"It has just been miraculous for us, because something a remodeler may turn down as tedious while looking for \$100,000 to \$200,000 jobs has led to the \$100,000 to \$200,000 jobs for us," explains Tovey. "We're on the short list for some of the tile vendors, meaning if they have a client who is looking for someone to do a tiled backsplash we take it because it usually leads to a bigger project. We received a job from a tile vendor for a homeowner who was looking into building an addition and was already looking at slate for her floor. The tile vendor recommended us because the homeowner didn't have a builder at the time and the project turned into a \$300,000 plus referral."

The company is also becoming more involved with its local landmark society because it seems to be more concerned with educating the consumers. The Landmark Society has a home that's over 200 years old in which they do small seminars on what it's like to maintain and improve a home. Tovey has supported this with sponsorships



Jay P. Tovey, CGP, CAPS

and is looking to conduct a few seminars of his own there.

"There are a lot of misnomers about hiring a remodeler and straightening some of that out is going to be my mission," explains Tovey. "I want to educate the consumer; emphasizing what it is like to hire a contractor and to utilize some of my expertise and knowledge of green building and aging-in-place that I've acquired mostly through the NAHB."

Tovey feels that his best business practice is honesty. He says, "We're 100 percent honest with our clients with the process of budgeting and what they can expect through construction with every dollar and every detail. I think that makes every relationship we have work." | QR

## JAY TOVEY, CGP, CAPS:

- **Company name:** Jay P. Tovey Co. Inc.
- **Location:** Rochester, N.Y.
- **Founded:** 1980
- **Number of employees:** 5
- **Community involvement:** Supports a workshop series, "Your Old House," through The Landmark Society of Western N.Y. and is currently developing a website to help educate remodeling customers.
- **Industry involvement:** Was a member in the '80s but didn't understand NAHB at the time. After rejoining five years ago, Tovey has become very active, obtaining his CGP designation and recently his CAPS. He is now preparing to achieve his CGR designation.

Do you have what it takes to be the NAHB Remodeler of the Month? Apply today at [www.nahb.org/rom](http://www.nahb.org/rom) or call Heather Staverman at (800) 368-5242 x8323. The competition is open to NAHB Remodeler Members.