

EXPERT ADVICE

WITH
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WHAT'S IN A PRICE? More Than Just a Number

You've decided you want a new pool installed, and now the search for a company begins. You have a budget in mind, an amount you cannot or do not want to exceed. When it comes to an investment of this nature, price can make or break a dream. But what really is a price? And what is something actually worth?

You go ahead and get a couple different quotes, and it gets you thinking. Why are the companies' estimates so different for installing the same item? How much of a difference does quality of workmanship make?

What really goes into developing a price?

How can such a simple thing as a price be so complicated? Many of us just look at the total and do not consider the many pieces that make up that total amount. Is that pool worth the price being asked?

Let's look at what makes up a price in simple terms.

Basically, price is comprised of four main items. You have the timeframe for getting it done, which dramatically affects cost. Want it now? Pay more. Next, you have the scope and complexity of the project. The larger the scope and the more complicated the project, the more attention it requires. This also means added cost. Another factor is the actual cost of doing business, which involves much more than direct labour and materials. And finally, add in the profit that must be made for the company to stay in business.

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The Actual Price of Doing Business

So many things go into making a company what it is. Every one of these items affects pricing and they also affect the end product the customer receives:

Expertise: Experience and training of the persons involved in the project

Product: Type and quality of the product being made or used

Construction: How something is constructed, including method and quality

Fixed costs: Insurance, vehicles, office, phone, etc.

Safety: What safety training and measures are put into place within the organization

Level of detail: Includes scope, quality and expectations, including an eye for details

Company philosophy: What the company stands for and their level of engagement with the project

Overall experience: The overall experience of dealing with a company during and after the project

Value added: All the "other stuff" a company offers to clients, tangible and intangible, such as seminars, educational material, and access to after-install support

It costs money to run a successful, sustainable, ethical business that supports many families. It also costs money to create an environment where employees want to work, and clients enjoy their experience. It isn't something we think or talk about much, but cumulatively, it's a huge cost of doing business. Start removing or compromising on those items and the company value changes.

Most often, you really do get what you pay for. As every company's offering is different, it is never apples to apples. The next time you ask for quotes on a project, big or small, consider not only the total amount, but also the many factors that contribute to each company's offer. It just might be worth it. ■



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