

# A Case for Quoting

by Steve D'Antonio

As a marine industry consultant I hear both sides of most stories. In my work with people who are purchasing boats or having them built and serviced, I play combined roles as a technical advisor and trusted confidant, although at times I feel like a seagoing therapist. If you've worked in the boat business for any length of time, you've probably heard many of these stories as well: jobs gone wrong, budgets blown out of the water, and schedules shot to hell. In some cases, clients sob as I discuss the details of a project whose cost and schedule far exceed the original estimates. Other times, a client or spouse might die before the project is completed, but long after the original predicted finish date. I also realize that back when I was a yard manager I rarely heard the whole story. Now I see it in all its gory detail, and it's not pretty.

Our customers are not satisfied. They tolerate, often with disdain, rather than embrace our industry; and the unsettled economy has only exacerbated matters. Too often we are perceived as a necessary evil rather than an ally, and the lasting damage from that is significant.

In my consulting work I also hear the other, no-less-compelling perspectives of yard owners and personnel. Their stories usually revolve around three subjects: profit, competition, and customer satisfaction.

The good news is there's at least one solution that addresses a concern the two groups share: cost. Without a doubt, the most frequent complaint I hear from my clients is the project's cost or, more specifically, the *uncertainty* of the project's cost. Owners will forgo jobs because they don't trust the estimated costs they are provided, and cannot afford unknown escalating expenses—not good for

either party. Don't think this doesn't apply to you: I'm hearing it from owners of 18' (5.5m) center-consoles, 80' (24.4m) expedition vessels, and everything in between.

The solution is *quoting*—commonly considered taboo in our industry, yet embraced in many others.

When I mention the “q” word to experienced, savvy boatyard managers with whom I consult, the response is usually: “Nope, we don't do that; we tried it and we got burned.” And, “Every boat is different; you just can't quote this work.” As much as I respect their opinions and experience, I know they're mistaken, because for over a decade I managed a yard whose mission statement required quoting as much work as possible. The particulars of how we quoted are beyond the scope of this essay; however, the program was in place long before I arrived, and it's going strong today.

You can quote successfully and profitably; and if you can't do it for *routine* work, then you need to question how well you know your trade and business.

Quoting is very different from a *not-to-exceed* figure, which many customers would prefer, or mistake for the same thing. To be clear, a quote is just that: a promised price for a job. If you succeed in completing the work within that budget, both parties win; you make the profit you expected; and, importantly, you've been rewarded for the risk and for your experience and business smarts. The customer is satisfied—and maybe even a little surprised the first time—because he or she knew what the invoice would be before agreeing to the work, and you delivered on that promise.

*Not to exceed* means the price will be *\$x or less*. From the industry's point of view, that practice should be avoided at all costs, because you are burdened with all the risks while receiving none of the rewards.

I've heard all the reasons why quoting won't work, and you can cling to those beliefs; or you can take my case to heart and reap the monetary and customer-loyalty rewards. Don't be surprised if your customers begin coming to you wanting to know if you'll quote projects. I suggest that boat owners *insist on* quotes for many types of tasks. Yards agreeing to this system would help the marine industry regain lost ground, and our customers' respect. After all, our goal is to satisfy clients so they come back, and so they tell others how pleased they are; and, of course, we need to make money along the way.

Here's a final compelling reason for quoting: to avoid disputes. In the decade I managed a boatyard in which most work was quoted, I dealt with just a handful of billing disputes. Once the customer accepted the quote, any discussion of cost ended.

While quoting isn't the sole solution to customer satisfaction, it's vitally important in developing trust. Avoid it at your peril. **PBB**

**About the Author:** For many years a full-service yard manager, Steve now works with boat builders and owners and others in the industry as “Steve D'Antonio Marine Consulting.” He is a contributing editor of Professional BoatBuilder, and awaits publication (by McGraw-Hill/International Marine) of his book on marine systems.