

Property Guarantee Administration



“Getting on with the job”

Part 2: Approved Contractors

2.0 Approved Contractors

Approved contractors in most service industries have been with us for many years now and the building preservation industry is no different. Product manufacturers are very keen to retain the loyalty of their contractor clients and to help achieve this they grant them ‘approved contractor’ status but what does this really mean?

2.1 Introduction

The basic premise runs like this.... Sales reps of product manufacturer’s seek out companies either involved in the industry or on the fringes of it and try to entice that company to buy from them - usually by undercutting their existing supplier’s prices. Sometimes for a modest fee and proof of the existence of their Public Liability Insurance, the newly poached contractor is signed up to the manufacturer’s scheme and agrees to work with integrity and trust, to a minimum set of standards.

Due to the competitive nature of the industry hardly any of the manufacturers’ now request a fee and acceptance into their ‘Approved Contractor’ scheme is on the say so of the representative who may have been selling ice cream last week! We are aware of one manufacturing company that mailed unsolicited ‘Approved Contractor’ certificates to contractors! So much for vetting! Once ‘approved’ the manufacturer supplies some slick marketing materials along with logos for use on vehicles and company stationery.

Should a prospective client contact a manufacturer looking for a reliable contractor, they will either be given the contact details of ‘Approved Contractors’ that cover their area or the area rep will contact them and point them towards their ‘favoured’ contractor customer. The client-contractor relationship then develops as usual, with a site visit, survey report, estimate etc.

2.2 What's in it for the client?

Well, they gain some peace of mind in knowing that they have more than likely eliminated the worst of the cowboys, and they hope that the contractor has been lightly vetted and declared 'compos mentis'. They are able to take advantage of the Manufacturer’s Guarantee schemes

(for an additional cost) and they have the option to complain to the sponsoring manufacturer if the contractor lets them down or does a shoddy job but do not rely too heavily on this.

2.3 What's in it for the Contractor?

Basically kudos. Gone are the days when a contractor was only 'allowed' to be 'Approved' by one manufacturer. It used to be if a contractor dared speak to another manufacturer and their current sponsor got wind of this they would be threatened with expulsion and removal of their 'Approved' status - shock horror! Nowadays, due to the intense competition to supply building preservation materials it is not unusual to see contractors openly advertising that they are 'Approved Contractors' for several manufacturers. The tables have turned.

It's basically another form of advertising for the contractor. It also has the added kudos of allowing the Contractor to declare themselves 'Approved' and therefore add a small premium to their costs. They also have access to the technical back-up of the sponsoring manufacturer, enhanced marketing materials and rapid access to data sheets.

Many contractors also believe that the more 'badges' they have on their paperwork the more impressed their potential clients will be yet in many cases the opposite is true. Be aware that some of the less scrupulous contractors print badges, logos etc. on their paper work that they are not entitled to. It is always worth checking that a contractor is a member or is registered with whoever they are claiming to be associated with.

2.4 What's in it for the Manufacturer?

Forgive our cynicism, but the manufacturers have not established these schemes for the benefit of the client or the contractors. It is primarily for their own benefit to maintain contractor loyalty and a steady outlet for their products but as mentioned earlier this is not always the case. If the clients and the contractors are helped in the process, that's a welcome bonus.

These schemes turn contractors into unpaid Sales Reps for the manufacturers. The 'Approved Contractor' turns up on the client's doorstep, eager to sell not just their building preservation skills and expertise, but also the products of the sponsoring manufacturer....and they're actually paying the manufacturer for the privilege, which means, at the end of the day, the client is paying!

2.5 Conclusions

Approved contractor schemes in the preservation industry have been around for years and it is probably true to say that their status has been eroded over the last decade. They were viewed by some as a positive move but it should be remembered that approved lists are not infallible. They are specific to each manufacturer's products and a contractor that is 'Approved' by one manufacturer may not be 'Approved' by others.

Also remember that a product manufacturer has little or no influence over the day to day running of a contractors business or their business ethics. By the same token the business ethics of some manufacturers who will grant just about anyone 'approved' status just to sell some products is to be frowned upon.

Contractors that repeatedly 'break the rules' may be thrown off a list by one manufacturer and lose their 'Approved' status, but other manufacturers will soon 'take them onboard' if it means a sale. They can not be prevented from carrying on as contractors. Work that is seriously sub-standard may or may not be corrected by the contractor but by then, the damage is done; the client is disenchanted, the job has been delayed and the preservation industry takes another knock.

However, overall, choosing a Contractor from an approved list is still a better idea than sticking a pin in the phone book, or accepting the bargain offer from the 'bloke' that knocks on the door because he is 'working in your area'.

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