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Trouble in Minneapolis Generates Tips for Consumers Door Dealers and the Better Business Bureau Join Forces

By Tom Wadsworth, Editor

Editor's Note: We don't enjoy publishing "Bad Bob" stories, but this one is compelling. To our knowledge, it's the first time that garage door dealers worked together with the local Better Business Bureau to develop and publish a list of Consumer Tips to warn the public of specific garage door scams. We hope this story will provide you with concrete ideas of how to combat bad business practices in your area.

I first heard about the "Trouble in Minneapolis" in August 2007. Since then, I've received an unusually large number of e-mails and phone calls from Minneapolis-area door dealers.

What's all the fuss about?

Part of it is the usual "Bad Bob" scenario where a dealer uses heavy advertising to attract service work, then charges hundreds of dollars for questionable repairs and exorbitantly priced parts. For example, one Minneapolis-area dealer reported seeing an invoice for \$870 that included \$99 for a service call, \$585 for three springs, plus \$180 for labor and fuel.

But some of the alleged business practices didn't involve service work at all. One company was accused of using dishonest tactics to sell new doors. For example, a former employee of that company said he witnessed the company's president urging his salespeople to use a "fake consumer report" and a "fake" sales flier to scare customers and beat the competition.

Seeking Outside Help

The Minneapolis squabble eventually digressed into finger-pointing by dealers who questioned each other's ethics. Looking for outside assistance, dealers contacted door manufacturers, the Door & Access Systems Manufacturers' Association (DASMA), the International Door Association (IDA), Door & Access Systems magazine, the local news media, the Better Business Bureau (BBB), and God-knows-who else.

By fall 2007, the local BBB had invited representatives from the garage door industry, including manufacturers, to join an "Industry Committee" to discuss advertising and selling practices.

Lisa Jemtrud, trade practices manager for the Better Business Bureau of Minnesota and North Dakota, explains, “The BBB initiates an industry committee when we see patterns of complaints from consumers or competitors, and we feel the BBB can be of assistance in helping the industry.”

A Disturbing Pattern of Complaints

Complaints about garage door companies had certainly developed a disturbing pattern. Jemtrud says the number of local complaints tripled between 2006 and 2007 (from 14 to 44 complaints). The number of inquiries from consumers nearly doubled (from 1,586 to 2,970).

Garage door companies, as a business category, then ranked 66th by numbers of complaints. This was alarming; in national BBB statistics, our category typically ranks around 200th (the smaller the ranking, the higher the complaints).

“One caveat to this,” she adds, “is that one company in our service area had received a substantial amount of complaints in the industry.”

On Dec. 13, 2007, the local BBB’s board of directors revoked the membership of one door company, Allen Anderson Inc. This company’s BBB “Reliability Report,” posted online, says it lost its membership “due to failure to eliminate the underlying cause of complaints on file with the BBB.”

The report identifies 51 complaints in 36 months. When compared to other local garage door companies nationwide (as analyzed by Door & Access Systems), Allen Anderson’s record of complaints is among the worst in the nation.

Tips for Consumers

The BBB’s Industry Committee finally focused its attention on developing a list of “Tips for Consumers” who need garage door sales or service. The committee revised the list of tips several times until the list was finalized in late February 2008 (see below). It is being disseminated through the media and posted on the BBB’s Web site at www.thefirstbbb.org (this BBB was the first in the nation).

“Developing and disseminating (the tips) is great for consumer education,” adds Jemtrud. “The issues regarding poor business practices will be discovered by educated consumers. Good businesses stay in business, and poor business practices will be noticed and reported.”

The list is a noteworthy industry achievement for several reasons.

1. The tips were developed by industry insiders who are acutely familiar with negative business practices in our industry.
2. The list was developed with the guidance and perspective of the Better Business Bureau, which is acquainted with bad business practices in many industries.

3. Now published, these consumer tips can be used as a reference by door dealers nationwide.

If you are having trouble with bad business practices in your area, alert your local BBB to these Tips for Consumers posted at www.thefirstbbb.org. Your local BBB is likely to have enough clout to get the attention of your local media, and it may post the same list on its Web site.

Bottom Line: The garage door industry just gained a significant ally in the battle against disreputable garage door businesses.

SIDEBAR

Garage Door Sales and Service - Tips for Consumers 2008 Better Business Bureau of Minnesota and North Dakota

- Be wary of business phone lines that are simply answered “service,” “door service,” or similarly. Ask for their business name and address. If they cannot easily answer this question, you may not have called a local, reputable business.
- Even though you dialed a local number, you may be calling an out-of-state call center. Local numbers don’t always mean “local” business.
- Ask several companies to come to your home to evaluate your needs and answer your questions. Comparison shopping allows you to consider differences in price and proposed repairs.
- Ask for an estimate before agreeing to any service, and sign an authorization form after you approve the estimate.
- Request references with name, phone, and address from consumers who have recently had work performed by the company. Then, contact the references.
- Large ads do not always mean a bigger company, a stronger reputation, or better service. Check out Better Business Bureau company reliability reports at www.thefirstbbb.org.
- Take note of advertising discounts and lowest price claims. The only way to get a fair price is to comparison shop. A cheap price does not always mean good value.
- Some companies say they can respond quickly. But weigh the benefit of convenience with waiving your ability to shop around.
- An advertisement’s rating claim (i.e., rated #1 in customer service) should list the independent third party that provided the award, along with the date received.
- When purchasing a new garage door, request a manufacturer, brand, and model number of all door components (door sections, hardware, track, springs, etc.). Request a warranty card and owner’s manual. You may need this information later.
- Question any claim that seems “too good to be true.” The cost of a “free” item might be added into the overall price. Comparison shopping will reveal if you’re truly getting a good deal.

(Note: This list has been slightly edited for space reasons. See the complete list at www.thefirstbbb.org.)