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The Leading Edge

2008 INNOVATORS
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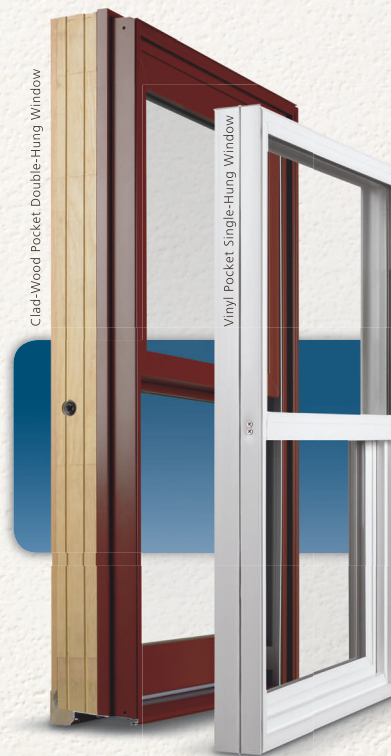
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COVER PHOTOGRAPHY BY MILTON MORRIS

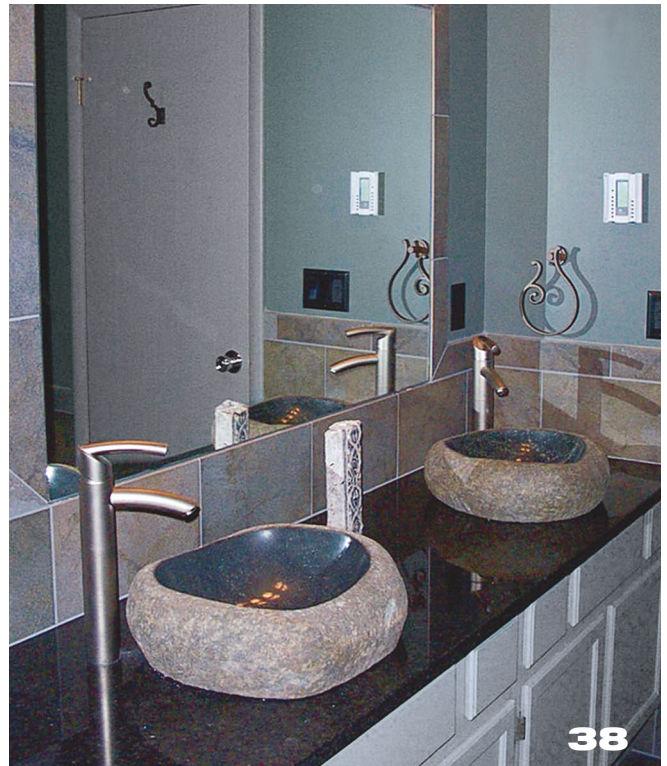


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2008 Innovators

Visit us online for an extended version of our 2008 Innovators profiles.

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Best of the Best

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Remodelers' Exchange

To view the entire discussion "Sales Strategies in a Down Market," and listen to the podcast, visit us online.

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www.HousingZone.com

Visit Our Blogs Page

Read Senior Editor Jonathan Sweet's blog posts about the 2008 Innovators and this month's Corner Office.

www.ProRemodeler.com

Remodeler Poll

Visit us online to answer this month's question below, then compare your opinion to other remodelers'.

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ONLINE POLL

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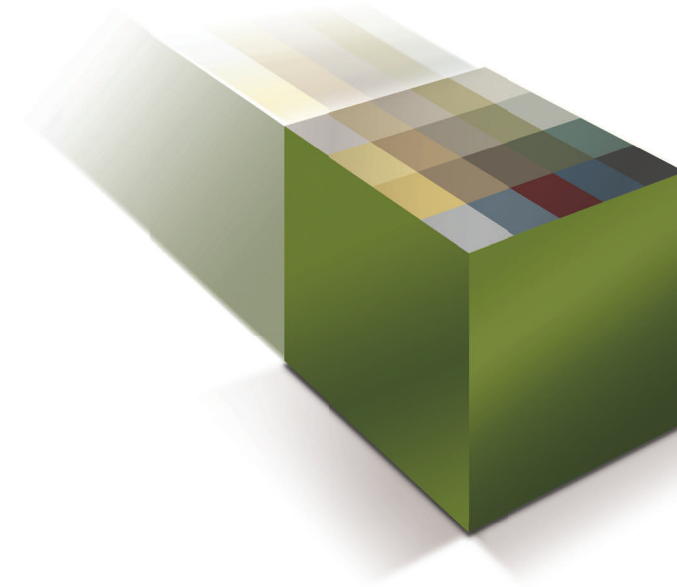
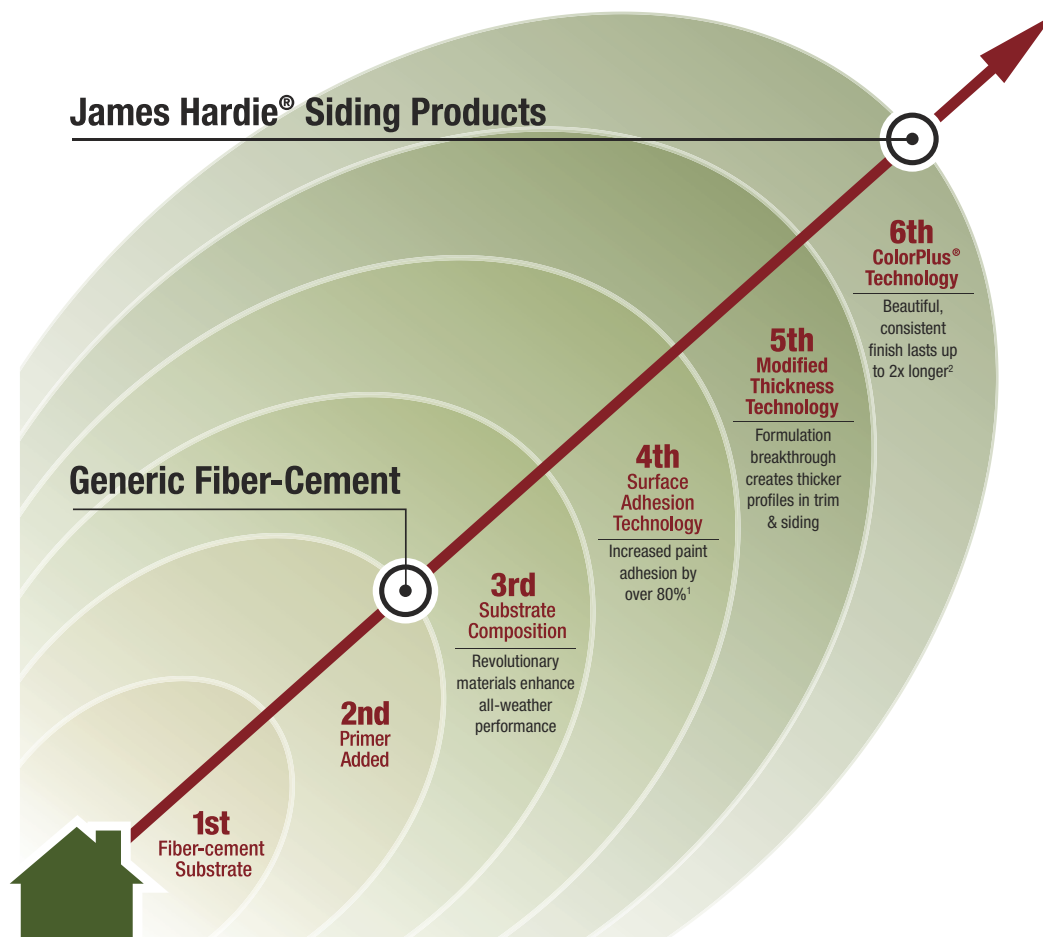


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HOW DO YOU DEAL WITH CHANGE?

Human beings are creatures of habit. We all have everyday routines that help us manage our personal and professional lives, and when we are forced outside of these comfort zones, life can become a real challenge.

One of the true tests of human character is how we react to change. Some of us are very good at it. Others, not so much. Eight years ago, the publishing company I worked for hired a publisher who reacted to change as if he were changing his socks. Sales were down, departments were restructured, people lost jobs and this guy just rolled with the changes, one after another.

Just about that time, a book came out, "Who Moved My Cheese: An Amazing Way to Deal with Change in Your Work and in Your Life," by Dr. Spencer Johnson. Everyone in our company received a copy of the book and was told to read it. If you've never read it, its simple message that change is inevitable and that those who can anticipate and adapt will prosper is a valuable lesson for all of us.

As we head into 2008, it's a good time to revisit this message. There's no doubt that change is afoot in the remodeling industry, and those who anticipate it and adapt will prosper. Those who are too comfortable in their routine and afraid of the unknown will not.

This issue, our first of the new year,

is dedicated to both of these groups. Our cover story, "The Leading Edge," (page 25) unveils our 2008 Innovators. These remodelers are shaping the future of the industry and are great examples of people who embrace change as an opportunity.

Remodelers' Exchange (page 18) features an enlightening discussion on how to sell in a down market from two owners whose companies have been affected. You can hear a Podcast of the entire discussion on www.ProRemodeler.com, as you will be able to with all Remodelers' Exchange articles from now on. You can read a third feature on the topic of change on page 32. The "Top 5 Challenges for 2008" offers you ideas to approach the challenges affecting most remodeling firms right now.

If you look closely, you'll notice that we've taken this subject of change to heart. We've added columnists on business strategy (read Paul Winans on page 17), sales and marketing

(coming in February, by Allison Iantosca Perry), and customer satisfaction (coming in April, by Dave Bryan), on a rotating basis. We've also added a new monthly department, The Green Room, (page 50), to keep you up to speed on all that is new in the world of green. And, by popular demand, The Corner Office (page 34) debuts as a monthly feature.

I wish you all a prosperous 2008. Change is all around. Embrace it. **PR**



Michael R. Morris
Editor in Chief

"Change is afoot in the remodeling industry, and those who anticipate it and adapt will prosper. Those who are too comfortable in their routine will not."

>> Contact me at michael.morris@reedbusiness.com or 630/288-8057

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KNOW YOUR MARKET POSITION

The current state of the economy is strong in some markets, but has slowed down in many others. Some remodelers might say it's more of a normal economy — not just an order taker's phase, while others might say it is a down economy. In my view, they are all correct depending on where the person is located.

So what does this mean? Many things, including:

1. The weaknesses of your business become very obvious.
2. The effectiveness of your business strategy, or in some cases lack thereof, is revealing itself.
3. The quality of your marketing and sales system is truly being tested.
4. The confidence in your own leadership ability is being stretched.
5. The strength of your team and company culture is showing its true colors.

This can be great news to those who are amazed at how well they are weathering the change in their local economy. Some business owners are finding the ship — their company — is in need of tremendous repair to stay afloat, and they are discovering they may need to totally redesign it to sail strong — now and in the future. And some are in an upswing and don't have the benefit of seeing many of these weaknesses appear, thus missing the value of this transition period.

Over the years, in talking to hundreds of remodelers all across the country, I've learned many do not have a defined market position. What is a market position? It is deciding what project types your company will offer, including project size, scope, variety and quality. It is also the margin and price at which you will sell the job, as well as whether your company will be full-service or just handle certain components of a job. Additionally, it's the

overall business mix that best prospers in any economy.

Do you have a clearly defined and written market position for your company? If yes, then great job. Your next question is: should you revisit your market position to make sure it is what you truly want and that it will deliver the results you desire?

If you don't have a defined market position, then it is time to go to work on completing it.

What are the benefits of having a clear market position strategy?

1. You know who your target customers are and can target them directly, thus being the most effective, while efficiently doing so.
2. Your sales and production team will be clear regarding what they need to do and how.
3. During a strong economy it helps you to stay disciplined concerning your job types and price point.

This strengthens your business to better thrive when the weak economy arrives because you have maintained a healthy business mix based on your pre-determined strategy. Remember the economy is always cycling strong or weak; history proves this doesn't need to be a great surprise.

4. It keeps you from simply flowing with the tide of the economy and with new trends and fads. This avoids a lot of wasted time trying new strategies or bouncing around from project types, versus focus-

ing on a niche.

5. It may take longer at first, but you can create true momentum because you chose a strategy and stayed focused.

All the great companies have a core product that aids them in being suc-

cessful over time. Such as, companies that sell hamburger and fries, clothing, software product, cars or remodeling. They don't deviate from their core product or market position of that product, which includes their price point. You can buy dress pants for a low price at Wal-Mart or Kmart; or for a medium price at Dillard's or Macy's; and at a high price from Nordstrom's or Neiman Marcus.

There are a multitude of examples in the marketplace. The point is to know who and where your market position is.

It takes planning, discipline, learning to think differently, and choosing and committing to a focus to nail down your market

position. As you build your customer base, they will refer many more people like them to you, as well as you will be able to market new leads through advertising.

Position your company to prosper. **PR**

Doug Dwyer is president and chief stewarding officer of DreamMaker Bath & Kitchen by Worldwide, one of the nation's largest remodeling franchises. He can be reached at doug.dwyer@dwyergroup.com.



Doug Dwyer
Contributing Editor

“What is a market position? It is deciding what project types your company will offer, including project size, scope, variety and quality.”

>> For more Doug Dwyer on Leadership, visit www.ProRemodeler.com

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HOW DO YOU START A BUSINESS PLAN?

It is the beginning of the year. Once again, on your list of to-dos is “Business plan.” You are stuck, as you have been in the past. How do you create a plan that makes a difference in the day-to-day operation of a company?

The best place to start is at the beginning. You started the business for a variety of reasons, one of which is likely to be the need to earn money. That is not a compelling vision for the company, however, particularly for all the people who work in and with the company.

What is your vision for your company? What are the drivers, the motivators and the reasons for it to exist? What is the company passionate about? What is it about your company that gets you out of bed every morning?

These are important questions. The person who holds the answers is you — the business owner.

The typical remodeling business owner wears many hats. It is not unusual for the owner to be wrapped up in what Stephen R. Covey in “The 7 Habits of Highly Effective People” calls the important and urgent: the stuff that needs to happen right now and the work that earns the company money.

This is a seductive trap that prevents the owner from being the vision setter. If the business exists but it is stuck, going no place fast, only by stepping back and looking at the big picture can the owner start focusing on those issues that are important and not urgent.

A *mission* statement says what the company is about now. It concentrates on the present; it defines the ideal customers and critical processes, and it describes the desired level of performance. A *vision* statement outlines what a company wants to be. It concentrates on the future; it is a source of inspiration; it provides clear decision-making criteria.

I like these definitions because they

clearly distinguish between the two statements and provide direction to write some drafts. Keep in mind that these are to be, at most, several sentences. The easier they are to remember the more likely they are to be referenced on a day-to-day, decision-making basis.

Kraig Kramers in “CEO Tools: The Nuts-n-Bolts of Business for Every Manager’s Success” stresses how important it is to create a vision that all your stakeholders can buy into. The vision must be exciting and relevant for everyone in the organization. When well-crafted, such a statement makes working together toward a challenging goal fun and encourages productive creativity.

In his books, author Jim Collins talks about the Hedgehog Concept. Imagine three overlapping circles. One is what you are deeply passionate about. The second is what you can be best in the world at. The third is what drives your economic engine.

The place where all three circles overlap is the Big Hairy Audacious Goal, or BHAG. A well-written BHAG is clear and compelling — and people get it right away. It serves as a unifying focal point of effort.

It is interesting to note that neither Kramers nor Collins talk at all about a mission statement. Their point is rather to provide a focus that moves the company forward, in writing, that all who work in the company can reference.

Michael E. Gerber in “The E Myth Contractor: Why Most Contractors’ Businesses Don’t Work and What to Do About It” suggests three questions to

address when creating a business plan: Who are we? What do we do? How do we do it? The answers to the first two questions could be great starting points for creating a mission/vision statement.

So, how do you get started? As you go through your work week, jot down notes about the reasons your company exists and what the company would look like if it were successful. Ask your employees for input. This can be done informally at a regular company meeting or formally in writing.

Ask several of your best clients, trade contractors and suppliers for input. They all have opinions about your business; it is useful to hear what they have to say.

Review your notes. Start to winnow them down. Then create a draft. Don’t wordsmith it too much.

Print the result in a typeface that is easy to read. Share it with your people, letting them know that you are interested in their feedback. Consider the feedback, incorporating what

you think makes sense.

Then post it where everyone in the company can see it everyday.

This is a good start. With what you have created and how you put it together, you have a great beginning to your business plan. **PR**

Paul Winans works with Remodelers Advantage. He is a founder of Winans Construction, which he and his wife, Nina, sold in 2007. He can be reached at paul@remodelersadvantage.com.



Paul Winans
Contributing Editor

“What is your vision for your company? What are the drivers, the motivators, the reasons for it to exist? What is the company passionate about?”

>> Coming in May: The Next Steps — Values and Opportunities

SALES STRATEGIES IN A DOWN MARKET

A changing market may require you to alter some business tactics

WITH THE HOUSING MARKET in the midst of an extended down cycle, it's a good time to evaluate the way you do things within your company. With leads and sales down in many markets across the country, you may want to consider altering your sales strategies to make sure the company survives.

Tom Swartz talks with Dave Bryan of Blackdog Builders and Mat Vivona of Father & Son Construction to get their perspective on this changing market.

Tom: To get a view of this, Mat, in '04 you did \$12 million and in '07 you're going to do maybe \$5 million to \$6 million. Tell us about your economy and what's happened in the last few years in the Detroit area.

Mat: Michigan leads the nation in foreclosures. The statistic I heard was 1 in 33 homes in our area is in foreclosure. We've seen home values dip at least 10 percent over the last year. And that's being conservative. When you're talking about the higher-end home, you can see a 20, 30

or 40 percent drop in a year.

Tom: That's more painful than I thought. Dave, what about your market?

Dave: We work in two states, Massachusetts and New Hampshire, and I know that our clientele has experienced a reduction in home values and, consequently, a reduction in equity. I would say we're looking at a 10 percent drop for most of our clientele.

Tom: Mat, talk about your leads over the past two years compared to now.

Mat: They're probably down. I don't have the exact figure, but I would say 10 percent. The difference is that back in 2004 everyone wanted extra living space, either a second story or room addition. Now, we've moved into a more repair/maintenance type organization. We replace driveways. Roofing has been huge for us, and window replacement has done OK. But the size of the jobs has gone down dramatically.

Tom: Do you use different sales techniques than when everything's booming?

Mat: We use urgency. We try to sign them on the first close. We were a little bit more relaxed with that. We try and have them waive the three-day recision, such as cancellations. What would happen is we would go out there and price the job at \$8,900 and then a competitor would come in and say they'd do it for \$8,700. And people would actually cancel over \$200 without any thought to the quality.

Tom: Dave, do you find yourself selling differently or using different techniques?

Dave: We definitely are. I sit with our sales staff on a weekly basis and find out what projects everyone thinks are going to sell and what time frame. For the last nine months, everyone's been wrong. If we



PHOTO: MARC BERLOW

MAT: "We use urgency. We try to sign them on the first close. We were a little bit more relaxed with that. We try and have them waive the three day recision, such as cancellations."

think we're going to sell \$500,000 or \$800,000 in a given month, better than half of that slips to the next month. We had a hard time getting our clients to create a sense of urgency; there is no sense of urgency. People are very happy to just plug along at a very slow pace. Some of the things we've been doing to create

This month featuring:

Mat Vivona, President

Father & Son Construction, Troy, Mich.

A family-owned business since 1979, the full-service remodeling company has been in business for 42 years. Volume this year will be about \$4.5 million.

Dave Bryan, President

Blackdog Builders, Salem, N.H.

Blackdog is a full-service design/build company that's been in business for 18 years. Expected gross revenue for 2007 is \$5.6 million.

DAVE: “We’ve created urgency by using manufacturer’s price increases and say, ‘In this time-frame, the price is going to go up. If you sign now, we’ll lock it in.’ That has helped a lot.”



PHOTO: DAVE BRADLEY

urgency are to use manufacturer’s price increases or price increases in general, and say, “In this time frame, the price is going to go up. If you sign now, we’ll lock it in.” That has helped a lot. It’s helped clients move in a positive direction. We use a complicated sales approach. We could sell design agreements in the first call, but we never sell projects in the first call. Generally, our job size is a little bit larger. If we’re on a sales call, we now set up two or three follow-up meetings. It just seems like it’s been a bear to get clients to commit. Once we are face-to-face, we can get those meetings. But over the phone or by e-mail it seems our clients are either busy or not motivated. It’s been a killer getting people to finalize things.

Tom: Very interesting. Dave, do you

market and advertise more or less during changing times like this?

Dave: We’ve been keeping the pressure on and advertising more. One of the things we do that we haven’t done in the past is advertising at times that we historically have not. In summertime, our leads have been dead. This year, for the first time as an experiment, we threw a big campaign in when leads were lowest and we saw it pick up. The same thing is happening at this time of year. During the holidays, leads are dead. We created another program for this time of the year. We’ve been doing that to see if we can have an impact on what seems to be the natural cycle of leads being down to see if we can turn that around.

Tom: If past customers and referrals are your best form of leads, what can you do to attract more business from them?

Mat: They’ve bought from us once. They know what the experience is. We have a 95 percent referral rate. People who have used us will recommend us and use us again. They’ve already seen the process. They are your best form of advertising; a happy client will spread your name all over. You have all their information. Go back three or four years. Mr. Jones had a kitchen done, has he got an interest in remodeling his bathroom? Go through and develop a list and send them a direct mail piece. It does work. Direct mail, unfortunately, gets a small response, but it keeps your name out there.

Tom: Dave, same question.

Dave: We try to be a circle of influence to those people who are important to us at least four to five times a year in different ways. We’ll do it with a newsletter. We’ll do it with a holiday card at a non-typical time, like New Years. Last year, we did a promotion and sent 9-volt batteries at a time when they change the clocks and reminded them to change the backup batteries in their smoke detectors. We do promotions to try to stand out a little bit with our past

clients. One of the things we’re going to do going forward this year is to require our sales staff to make weekly past client contacts, asking for referrals — just going back through their list of clients and contact one or two a week just to press the flesh and say, “Hey, how are you?”

Tom: Mat, what do you tell your clients, as far as good reasons to remodel now?

Mat: I tell everyone that it’s the way you live in your home. Do you want to continue to look at an old kitchen? That bathroom is

so outdated. Treat yourself; you only go around once. You know it’s not forever.

Tom: Dave, at this particular time, do you maintain your normal gross margins and markups or do you have a tendency to give price considerations in down times?

Dave: On Jan. 1, we’re having a price increase. I’m a big believer in the fact that

you can sell. The only issue with your markups or your margins is in your head. If you’ve presented your product properly and have done a good job building your company, you could sell the margin you need to sell. For certain specific projects that we perceive to be especially desirable, and if the volume merits it and we can look at the duration of the project and see that on a time-frame perspective, we can make the kind of gross profit we need to make because of the volume of the project, we will consider some concessions on a job by job basis. By and large, with our salespeople being a commission-driven sales force based on gross profit, there is not an upside to them reducing the gross profit of a project. It hurts them and it hurts the company. We’re pushing forward with the price increase. We’re not backing off. **PR**



Tom Swartz
Contributing Editor

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A bonus system that works

For the last few years, The Wiese Co. has been trying to find a merit-based bonus system that recognizes employees for a job well done without causing strife.

After abandoning a more complicated system that was good from a business standpoint but bad from a personnel standpoint, the company last year settled on a three-part system. The new program allows the company's two project managers and five lead carpenters to earn up to one-half of 1 percent of a project's cost as a bonus on each project.

"We had to find a way for people to be on board with the fact that they had to be responsible if there are problems on a job," says Ray Wiese, president



of the Natick, Mass., design/build firm.

Each project is judged on three factors: customer satisfaction, budget performance and project quality. Customer satisfaction is measured through independent surveys by Guild Quality, budget performance is judged on hitting required gross profit and qual-

ity is evaluated by Wiese's personal observation of the completed project.

The process replaces the previous management by objective system, which had rated employees on a scale of 1 to 10 on several factors, with bonuses awarded on a quarterly basis. Although the old system had a positive effect on business in the form of higher margins and less slippage, employees didn't like it.

"Some felt like it was over-critical," Wiese says. "I felt like if we kept going down that road we were going to end up with employees carrying animosity around with them."

The problem, Wiese thinks, is that he was asking employees to respond to problems from months ago. He hopes the new system addresses that.

>> If you have a **Trade Secret** you would like to share, e-mail Senior Editor Jonathan Sweet at jonathan.sweet@reedbusiness.com.

Being a good neighbor

Life can be difficult for the neighbors of a remodeling project, a problem that led to California Dream Builders Dream Neighbor Policy, started last year by the Santa Clara, Calif., remodeler and custom home builder.

"I noticed that most contractors don't really seem to care about the neighbors," says company President Shawn Bowman. "I wanted to let them know we do care and see if there was anything we could do to make it go smoother."

When a project starts, either Bowman or the project manager walks around the neighborhood and distributes a letter that outlines the work the company will be doing and includes the company's pledge to keep a clean job site and observe quiet hours from 7:30 p.m. to 6 a.m. The letter also contains contact information for the project manager in case neighbors have any problems.

Even though the program has only been in place for a few months, Bowman says it is already generating leads.

"A lot of the neighbors tell us they've never heard of a company doing this and it makes a great impression," he says. "We're getting a lot of interest from the neighbors, so it's definitely helping from a business standpoint."

THE GREEN PIECE

Taking green beyond remodeling

A J. Stones has been involved in green remodeling in the Pittsburgh area for 20 years, so he's a big believer in the movement. Now, though, Stones wants to increase his business by offering homeowners consulting services beyond a remodel.

Stones, president of AJ Stones Design Contractor, recently earned a Building Analyst Professional certification from the Building Performance Institute.

"This allows me to analyze an existing home and look for problems that could cause health concerns," Stones says. "I'm doing more and more consulting with homeowners, looking for areas where they can address indoor air quality, where they can improve energy efficiency."

Stones believes home performance analy-

sis is going to be one of the biggest parts of green construction as the market continues to grow.

"It works hand-in-hand with remodeling, so it makes sense for me to be doing that rather than let somebody else make money with it," he says.

The BPI training consisted of a four-day training program, with two days in the classroom and two days in the field. Even with his experience in green, Stones says he learned a lot from the class. The certification, along with others he has earned such as Green Advantage, also helps him with potential clients.

"When people are searching on the Web for 'green,' it should help me stand out a little more," he says. "It won't close the deal, but it helps get me in the door."

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2008 Innovators

FIVE COMPANIES WITH A DIFFERENT TAKE ON BUSINESS

By Jonathan Sweet, Senior Editor

Last year was one of transition for the remodeling industry from a market of soaring growth to one where many companies struggled to maintain those highs. With more of the same likely for 2008, companies that find the most innovative ways to improve their businesses will be the most likely to succeed in a challenging market. The five companies on the following pages have come up with ways to separate themselves from the crowd by implementing practices that improve their companies and the industry. For extended profiles of the 2008 Innovators, visit www.ProRemodeler.com.

Bob Fleming is president of Classic Remodeling & Construction in Johns Island, S.C., a trustee of the American College of the Building Arts.

PHOTO: MILTON MORRIS

“We all complain about there not being enough qualified people out there. This is a chance to do something about it.”



PHOTO: MILTON MORRIS

ASK REMODELERS what their biggest challenge is and they inevitably say it's finding good employees. A group of construction professionals in South Carolina is trying to address that problem while simultaneously producing well-rounded students through The American College of the Building Arts.

“We all complain about there not being enough qualified people out there,” says remodeler Bob Fleming, president of Classic Remodeling & Construction in Johns Island, S.C. “This is a chance to do something about it.”

Fleming is a member of the college's board of trustees and is in charge of structural planning and facilities for the school. He first got involved with the Charleston, S.C. college when his company helped sponsor a fundraiser for what was then known as the School of the Building Arts as it was trying to get started. In 2004, the school began recruiting students and changed its name to The American College of the Building Arts.

What makes the college different from other construction schools is its four-year education in traditional subjects such as

Bob Fleming

What makes Bob Fleming an Innovator? Fleming has devoted time and resources to the planning and growth of The American College of the Building Arts, the first four-year college dedicated to the construction industry.

English, math and business along with construction skills. That curriculum makes it easier for the future construction employees to work with clients.

“My employees have college degrees, and that makes it much easier for them to communicate with the high-end clients we have to deal with,” Fleming says.

The students spend half the day in class and the other half in the studio and field. Students also work as apprentices with local construction companies. The program is modeled after construction schools in Europe, most notably the Les Compagnons du Devoir in France.

“There, before people go into construc-

tion, they go into an apprenticeship,” Fleming says. “Here, we don’t teach them anymore. We just put them out in a pickup truck and say, ‘You’re a carpenter.’”

The college currently has 40 students, with an expected enrollment of 60 to 70 next year. The first class is scheduled to graduate in 2009.

Until then, the college won’t receive accreditation from the U.S. Department of Education, which means students can’t get government loans to cover tuition or other expenses. Because of that, the college has been heavily discounting the \$18,000 a year tuition and relying on donations and a \$3.2 million federal grant it received in 2004 to cover costs.

“The future is a serious concern,” Fleming says. “Will it still be here a few years down the road? We’ve got a powerful board, and they’re going to do everything they can to make sure we make it.”

The college’s other major challenge has been finding a permanent home. The school started out in the old Charleston city jail, but quickly outgrew that location. Currently, it operates out of the old Charleston Naval Base that is being redeveloped by the Noisette Co.

The college recently purchased the 38-acre McLeod Plantation, a historic site across the Ashley River from downtown Charleston. The students of the college will restore the main house, outbuildings and grounds to its former state. The plantation not only offers a place for the students to improve their skills but will eventually become the home the college has been searching for, Fleming says.

Classic Remodeling & Construction

Location: Johns Island, S.C.

Years in business: 18

Employees: 39

Type of work: Design/build remodeling

2007 revenue: \$7 million

www.classicremodeling.com

“We want to go in and make it clear that the pickup truck guys aren’t even in the same realm with us.”

LIKE MANY COMPANIES, Casa Linda Remodeling faces a constant challenge of small, low-bid competition. With more than 300 remodelers in the local Yellow Pages and countless more who aren’t in the phone book, the San Antonio firm has to always be thinking about the “pickup truck” contractors.

The best way to deal with the low-bid competition is to separate yourself from them, says company co-founder and vice president Mike High.

“We want to go in and make it clear that the pickup truck guys aren’t even in the same realm with us,” High says. “We’re going to hammer that pretty hard.”

One of the ways Casa Linda differentiates itself is by delivering almost every job within 1 or 2 percent of the original budget. The company accomplishes this with an 88-step estimating process intended to leave nothing out of the design and estimate. Casa Linda uses a customized version of Timberline, asking a series of simple yes/no questions. That information goes into the company’s proprietary database to create a detailed estimate.

Although the software and database that supports it is important, it’s the employees that make the company’s estimating system nearly flawless.

“You’re only as good as what you put into it,” High says. “If guys are forgetting or mismeasuring things, you’re going to have a problem.”

When a new estimator comes on board, he or she immediately begins training with an employee who has been with the company for at least a year. Depending on the person, this is a two- to four-week process involving nothing but training.

“They don’t go out on their own until we’re convinced they understand our system,” High says. “It’s not something they can just learn overnight. To a certain extent, we are training them for a full year.”

This tight estimating system allows the company to promise customers their proj-

ect shouldn’t cost much more once the final estimate is done. This is an important part of Casa Linda’s sales process.

“We can tell them we have a very low percentage of change orders because we don’t miss things during estimating,” High says. “The national average is over 20 percent, and a lot of that is done when contractors mess up, not because the customer changes their mind. Instead of owning up, they’re just going to try to get the client to pay for it.”

High’s team tells potential clients that taking the low bid usually doesn’t mean the best quality and maybe not even the lowest price by the time the project is completed.

“If a contractor comes in 20 percent less than us for the same job, there’s a reason,” he says. “We all have basically the same costs, so they’re cutting corners somewhere.”

By focusing on separating Casa Linda from the competition, the company has grown revenue to \$5 million in 2007 from \$4 million in 2006 “after banging our head against the \$3 million barrier” for years, High says.

Seventy percent of the firm’s business comes from repeats and referrals, but it still advertises extensively. A few years ago, the company created “The Homeowner’s Guide to Successful Remodeling,” a 12-page booklet that describes the remodeling process and what homeowners should look for in a potential remodeler. It’s free to any homeowner who requests it and is the centerpiece of Casa Linda’s marketing efforts.

“We try to educate as much as we can, but some people are just going to do what they want to do,” High says. “They’ll just end up hiring us for the next project. Over the course of 20 years, that’s happened a lot.”



Mike High

What makes Mike High an Innovator? High uses a detailed estimating system that gets every job within 1 to 2 percent of budget — and tops competition from pickup truck contractors.

Casa Linda Remodeling

Location: San Antonio

Years in business: 20

Employees: 30

Type of work: Design/build remodeling

2007 revenue: \$5 million

www.casa-linda.com

**“My dream is to be able to say,
‘Your bathroom in a week or it’s free,’
but we’re not quite there yet.”**



PHOTO: LEE WHITE

Matt Plaskoff

What makes Matt Plaskoff an Innovator? Plaskoff created a system to deliver complete bathroom remodels in only five days.

AT FIRST GLANCE, it doesn't make a lot of sense. With a successful and respected custom homes and remodeling firm, Matt Plaskoff didn't seem like the person you'd expect to start a company called One Week Bath.

But Plaskoff was ambitious and looking for a business he could grow beyond his Southern California market.

"I was coming to the realization that the custom homes/remodeling market wasn't scalable," Plaskoff says. "The question was, how could I develop something that could be systematized?"

So in 1999, the idea for One Week Bath was born. The company's simple name

describes exactly what it does: deliver a complete bathroom remodel in five days.

Plaskoff knew building a bathroom in one week wouldn't be easy. After all, this was a project his design/build firm usually took eight to 10 weeks to complete. It wasn't until Plaskoff did his first project on "Extreme Makeover: Home Edition" that he was sure it would work.

The company will undertake most complete remodels of a standard-size bathroom. The company won't do partial remodels or any project that requires adding or removing load-bearing walls.

Project cost ranges from just under \$10,000 for a small powder bath up to \$40,000 for larger projects.

Plaskoff says the company's success hinges on five factors:

1. Training – One Week Bath has an extensive training program for its installers to break them of old habits and teach them the company's systems. The company uses no subcontractors. Before new employees are sent into the field, they

have to be able to build a complete bathroom in one week in the company's training center.

2. Sales and design efficiency – The customer has to understand exactly what they're getting and agree to it before construction starts. The designers handle sales, and it's their job to make sure every question is answered and the designs are completely finished before work begins.

3. Having everything in place – The company won't start a job unless every item being installed in the bathroom is on-site. All of the necessary materials are delivered to the job site the weekend before construction starts and checked to make sure nothing is missing.

4. Knowing the team's limits – "We can't be all things to all people," Plaskoff says. "There's a limit to what you can do in a week, so we have to be disciplined about saying no."

5. Adequate supervision – Every installation team has a leader who makes sure the job gets done well and on schedule. Besides that, the company has a customer service foreman who visits all sites to check quality. He can have the crew rip something out and start over at any time.

Plaskoff now has such faith in his systems (the company completes 96 percent of its bathrooms in a week) that he pays clients a \$200 per day penalty for each day the company goes over schedule, but his goal is to be even better than that.

"My dream is to be able to say, 'Your bathroom in a week or it's free,' but we're not quite there yet," he says. "I don't want to take that risk until I'm sure we can build the bathroom in three days."

One Week Bath

Location: Tarzana, Calif.

Years in business: 8

Employees: 24

Type of work: Bath remodeling

2007 revenue: \$4 million

www.oneweekbath.com

“We’ve had plenty of customers who would probably not have done as large a project if we couldn’t offer financing.”

REMODELERS OFTEN PITCH design/build to clients as the advantage of one-stop shopping. Custom Design & Construction in Los Angeles takes that theory one step further with its own in-house financing.

Although plenty of remodelers offer financing through partnerships with banks or other lenders, Custom Design & Construction is unique because the company itself provides the funds.

“It’s a simple, seamless method of delivering the design, the construction and the financing of the construction all in one place,” says company President Bill Simone.

That design/build/financing model was the plan from the very beginning when Simone and his partners started the firm. From day one, Custom Design & Construction promoted its ability to finance its own jobs. In fact, the very first job Simone sold 22 years ago was financed by the company. Today, the company finances about 40 percent of its projects, with the rest evenly split between those who pay cash and clients who use other financing.

The system offers several advantages for Custom Design & Construction. One of the most notable is that it has allowed clients more freedom in their design choices.

“We’ve had plenty of customers who would probably not have done as large a project if we couldn’t offer financing,” says Randy Ricciotti, vice president of field operations. “It allows them to come into the design process without having to worry about the money. It frees them to solve the problem because they know we will give them the loan.”

That’s because Custom Design & Construction knows more about the value remodeling can add to the project than a typical lender, Simone says, so the com-



PHOTO: LEE WHITE

Bill Simone

What makes Bill Simone an Innovator? Homeowners can have financing backed by the company’s own financial resources.

pany is willing to lend the money that it takes to get the project done and improve the home, knowing that in a worst-case scenario there is value in the house.

From the first customer contact, the company’s employees discuss financing with the client. When clients decide to apply, they fill out a one-page credit application that Custom Design & Construction reviews like any other lender would. In many cases, the company can have an answer for the client within 15 minutes.

“In the current climate, it has helped

us out real well,” Simone says. “Homeowners don’t have as many choices out there as they used to.”

Company financing also increases homeowners’ confidence in the company. It shows potential clients the company has the financial backbone to stay in business, Simone says. As the lender, Custom Design & Construction is also concerned with making sure the client doesn’t overspend, he says.

Self-financing also speeds construction because there’s no wait for payments from the bank or checks to clear.

“We know where our money is coming from,” Ricciotti says. “The production schedule has nothing to do with a draw schedule. It really speeds completion.”

The average job size for the company is \$400,000, with many projects more than \$500,000. The company will partially or completely finance projects on a variety of terms.

“We can be very creative because it’s our money,” Simone says. “We’ve done loans that were a year up to 30 years; we’ve done interest-only. We’ll do anything we can to make it work best for the homeowner.”

Most clients end up paying the loan back early or refinancing it with another lender. Just like any other lender, the company does occasionally have a loan default and then has to go through the collections process.

“The principals have the resources to handle that,” Simone says. “You have to weigh the risk versus the reward, but we’ve been very fortunate.”

Custom Design & Construction

Location: Los Angeles

Years in business: 22

Employees: 7

Type of work: Design/build remodeling

2007 revenue: \$4 million

www remodelwithus.com

“I know how these people think. They’re not used to going forward without a business plan.”



PHOTO: MARC BERLOW

Tricia Sinn

What makes Tricia Sinn an Innovator? Sinn treats the remodeling process as a business plan, an approach the company’s high-end clients understand.

WHEN TRICIA SINN JOINED her husband’s design/build firm she knew she wanted to change the way the company planned projects. Thanks to the Internet, clients knew more about products, and the overload of information led to frequent changes all the way through the construction phase.

With her corporate background and

her knowledge of the company’s high-end clientele, Sinn decided to treat every project like a business with a corresponding business plan. The company’s typical clients own their own business or are professionals; they’re often people with more money than time.

“I came at it like I’m the client,” she says. “I know how these people think. They’re not used to going forward without a business plan.”

It’s an approach her clients easily understand because they use business plans every day, Sinn says.

“I tell them, ‘You wouldn’t make a major investment in your business without planning it, so why make a major investment in your home that way?’” says Sinn, the company’s principal designer.

In her first meeting with clients, Sinn explains the importance of making decisions and sticking to them; by working through the plan, every decision is made ahead of time.

“We stress that staying with the plan means we stay on schedule,” she says. “If we make a change in the plan, we can lose that schedule.”

She helps the clients set their goals by identifying what they need, what they want, and what the difference is. Then, they look at how those wants and needs fit into the budget. Many clients are dreaming big with the idea they can get a great price on products on the Web.

“I’ll quote them a price for a specific shower, for instance, and they’ll say they can find one online for \$1,500,” she says. “Well, we tell them they have to understand the real costs. Who makes it? Who’s selling it to you? How much is it going to cost to get it here? We still have to install it, and we can’t stand behind the product. That \$1,500 item now costs about \$8,000.”

Every last product and finish decision is made during this months-long process to make the construction as smooth as

possible. In some cases, that means a project never advances beyond the initial planning stages, but Sinn would rather see that than invest time in a design only to find out a client can’t afford it.

“I don’t think we’ve ever fully designed something that hasn’t been built because we have all these little steps along the way where we can see what’s going on,” she says.

The assessment has become such an important part of the firm’s success that it became part of the company’s standard contract. If somebody wants to hire Sinn, they need to agree to the process. It adds time during the design stage, but an easier and faster construction phase easily makes up for it.

“By the time we get to construction documents, there are no surprises,” Sinn says.

The company has received a lot of positive feedback from clients, many whom have worked with other remodelers in the past and appreciate Sinn’s process.

“It’s a more businesslike approach to a very complex process,” Sinn says. “They seem to really appreciate that when they’re throwing ideas out there we can make it all work.”

The process has reduced the company’s costs by almost totally eliminating change orders and other delays in the field. It’s also resulted in lower labor costs because subcontractors know the company’s plans are so solid changes or delays are unlikely.

“They know they don’t have to fluff their bids for those things that are going to fall through the cracks,” Sinn says. **PR**

Sinn Design Build

Location: St. Louis

Years in business: 19

Employees: 18

Type of work: Design/build remodeling and new construction

2007 revenue: \$12 million

www.sinnndesignbuild.com



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Top 5 Challenges

By Michael R. Morris, Editor in Chief

AS THE CALENDAR ROLLS OVER FROM 2007 TO 2008, the likelihood 2008 will be a challenging year for remodelers increases with each passing day.

Rising interest rates, declining home values and more coverage of the soft real-estate market by media have changed remodeling market dynamics in many ways. Depending upon the market you serve, your company, too, may experience one or all of the following conditions this year. With a little foresight and planning, however, you can overcome all of these challenges and keep your business alive and well.

1. FEWER LEADS

Every sale starts with a lead, so when leads begin to decline, you can bet that sales are going to start dropping as well. When sales volume declines, the obvious solution for most remodelers is to start cutting costs. Try to avoid the temptation to cut your marketing and advertising budget as a cost control measure, however, as that will only further dry up the flow of leads into your company.

"Companies need to market much more aggressively to offset these effects or it could be a real killer," said Vince Butler, president of 44-year-old company Butler Brothers Corp. in Clifton, Va., and past national chair of the NAHB Remodelers.

The best place to look for more leads is through your base of past customers and satisfied clients. Marketing more aggressively to them via a company newsletter or direct mail campaign can pay dividends during slowdowns. Creating a rewards program to provide an incentive for referrals also works.

"You have all their information. Go back three or four years," says Mat Vivona, president of Father & Son Construction in Troy, Mich. (see Vivona's ideas for how to sell in a down market on page 18). "Mr. Jones had a kitchen done; has he got an interest in remodeling his bathroom? Go through and develop a list and send them a direct mail piece. It does work."

If you're seeing a decline in large additions and major renovations in favor of smaller scale jobs (see challenge No. 4), consider

creating a marketing message that speaks to the prospect for these smaller jobs.

2. TENTATIVE HOMEOWNERS

Second on our list of evils that could befall your company this year are the tire-kicking, slow-moving, hesitant, reluctant or just plain scared prospects. They contact you to inquire about a project, then either flat-out disappear or just drag their feet when it comes to committing with a signed contract.

Consumer media coverage of the downturn in new home construction and the real-estate market has put a damper on consumer confidence in the home as an investment. This has had a trickle-down effect on remodeling, including lower closing ratios; glutted pipelines between design and construction; and fewer leads overall.

"It is my opinion that those [homeowners] that are reluctant are weeding themselves out before they even make it to us," says Neil Kristianson of Crimson Design & Construction in Naperville, Illinois. "I think that this stems from the media's portrayal of the financing market and real-estate pricing in general. People are scared that they will not see their money again if they invest in their homes. Therefore, I believe that they take themselves out of the market long before they get to us. It all comes down to one word: fear."

Try to avoid the temptation to drop your prices or sacrifice profit margin for volume. This can create a downward financial spiral that can turn a short-term challenge into a long-term problem.

3. FINANCING ISSUES

So, let's assume you've avoided being affected by the first two challenges. You have plenty of leads flowing in from customers who are ready and willing to do business with you. But are they able? Challenge No. 3 for 2008 will be finding ways for your prospects to finance their projects.

With interest rates increasing, home equity decreasing and most lending institutions raising their qualification standards,

ges for 2008

the availability of money for remodeling projects has dwindled. Contact your lender or multiple lenders in your area to see if they will work with your clients to provide financing. It's a win-win for both of you.

"Currently we are trading referrals [with our bank]," says Allen Griffin of Gryphon Builders in Houston. "I used to stay out of the funding aspects because my clients always had their own resources. But, I've found this to be very beneficial in how it reflects on us. Having deep resources, we become the champion."

Griffin has seen financing become a great challenge for many of his clients. Even one client who was able to secure financing presented a minor cash flow challenge because the lender wouldn't release startup funds.

"We fronted the startup but then made a larger first draw," says Griffin. "It was really a matter of policy with the bank. We did a little bit of work, and they were happy. I do see this becoming more of a trend and smart business for the banks. I don't like it, but we will need to adjust."

4. SMALLER JOBS

How is your average job size these days? If you're like most remodelers we've talked to, it's shrinking. If you're like some, the drop has been dramatic compared to 2006 levels.

"This is the area that really sums it all up," says Kristianson. "Job size is way down. We haven't had anyone interested in a substantial addition in almost a year. We normally build three or four projects a year that are over \$300,000. This year, we didn't do any. The largest jobs have been in the \$100,000-\$120,000 range."

This issue is most likely related to the above challenges of dealing with the reluctant homeowner and difficulty finding financing for large projects, says Kristianson.

"It goes back to the fear of housing values and the ability to get money from the bank," he says. "I think it mostly stems from fear, because our client base is well enough off that they could finance [a large project] if they wanted to. We have been able to maintain our gross profit margin, but the lower sales volume

means that the gross profit dollars are down dramatically. This has led to some cost cutting and putting off some long-term plans to increase staff levels and capital."

Potential strategies include selling change orders at an increased margin over the original contract margin and targeting smaller jobs with your marketing and sales efforts to keep overall volume as high as possible.

5. COMPETITION FROM BUILDERS

In a down market for new home construction, what do home builders do? They turn to remodeling. Builders across the country are looking for ways to keep their crews busy and keep cash coming in. With home starts and sales both suffering dramatically, it's the best way they can think to keep from shuttering the business.

Because builders are marketing their remodeling services to those who bought homes from them, they have the advantage of the past relationship, just as you do with your past clients versus your competitors.

"The builders have a distinct advantage if their customer liked the building experience," says Craig Deimler, vice president of Deimler & Sons Construction in Harrisburg, Pa. "Why call a remodeler when they have a track record with the builder. Construction is construction, right? Little do they realize that building and remodeling an occupied home are vastly different."

Because builders know very little about how to price a remodeling job compared to new construction, pricing on competitive bids can become skewed. Try to avoid the temptation, as we mentioned above, to lower your margins to compete with builders and subcontractors who are now your competitors. Deimler has had builders bid as much as 50 percent lower than him to get a job, but he hasn't succumbed to the pressure.

"The key is to keep pricing and service high so that you don't slaughter your reputation or the experience for the client," he says. "Find the savings for the bottom line in other areas. That's what we have done." **PR**

Keeping the Faith

LEGACY'S LEADERSHIP
TEAM MAINTAINS ITS
FOCUS THROUGH
TURBULENT TRANSITION

By Jonathan Sweet, Senior Editor

"The Corner Office" is a look at the top executives at large remodeling firms. After being introduced last year as a three-part series, reader response was so strong that the feature will continue as a monthly department profiling industry leaders and examining their unique business issues.

A SWITCH IN OWNERSHIP. AN ALMOST COMPLETE turnover in employees. A local housing market that soared to record highs — then swiftly slowed. To say Legacy Custom Building & Remodeling has faced a lot of changes over the last five years would be quite an understatement.

Despite all that, Legacy has not only survived, but thrived, growing volume from about \$4 million in 2002 to nearly \$10 million in 2007. That happened because of a dedication to systems, to accountability and to refocusing the company on its core mission of remodeling.

Major changes started in 2002 when current President Mark Olson bought a controlling interest in the firm from founder Rosie Romero. At the same time, senior vice president and general manager Brian Shaurette came on board as sales manager.

"When we came on board, the company was going in a lot of directions," Olson says. "We had remodeling, we had custom homes, we had a handyman division and a concierge service. A lot of these things were distracting the firm from the core business: remodeling."

Immediately, they moved to shut down the handyman division and the custom home business, and eased the company out of the concierge services as existing contracts expired.

"We looked at it and said there's no way we're making money on this," says Shaurette, who is now a part-owner. "We needed to pick a farm and farm it. We were trying to be too many things to too many people."

It's a strategy that seems to have worked well. Since 2002, the company has averaged 29 percent annual growth, including a 46 percent increase from 2005 to 2006, as the Phoenix area's housing market exploded. The goal now is to manage a firm that experienced rapid growth and keep it moving forward at a steady pace.

Mark Olson has built Legacy into a market leader in the Phoenix area by delegating to his top management and implementing extensive processes and procedures for everything from financials to production.

EXECUTIVE SUMMARY

Legacy Custom Building & Remodeling
Scottsdale, Ariz.

President: Mark Olson

Owners: Mark Olson, Brian Shaurette, Mark Dixon and Mike Daniels

2007 projects: 70

2007 volume: \$9.5 million

Projected 2008 volume: \$10 million

Employees: 48

Founded: 1988

Biggest challenge: Finding and attracting high-quality employees who will buy into Legacy's culture of accountability

Web site: www.legacyaz.com

"We've got the company going in a great financial direction," Olson says. "We want to make sure we can keep our arms around what we've got right now."

DO YOUR JOB AND DO IT WELL

For Olson, having Shaurette as his right-hand man has made all the difference in the company's success. Shaurette manages the day-to-day operations of the company, freeing Olson to focus on the big picture and manage the company's short- and long-term finances. All of the company's senior management report to Shaurette, who is the only direct report to Olson.

Shaurette also brings residential construction knowledge to the company. Olson, a CPA by training, had run a multifamily development company before joining Legacy in 2001. Shaurette, although new to remodeling in 2002, had spent more than 20 years working in new construction.

"I don't have the personality to go out and do what he does," Olson says. "I don't have that background or that understanding of construction."

Delegating to Shaurette has also given Olson the freedom to be away from the office at his Colorado ranch, where he can stay on top of what's going on thanks to the power of computers and an extensive system of budgets and plans that are updated constantly.

"There's nothing that happens with cash on a daily basis that I don't know about," Olson says. "My budget is set up in a way to track revenue and expenses that incorporates the daily changes in projects."

Legacy has three sets of plans that Olson uses to manage the company's finances: a constantly updated weekly cash forecast that looks six weeks out, a 12-month forecast that is updated monthly and a 5-year long-term plan.

Hand-in-hand with delegation is a culture of accountability and candidness that Olson and Shaurette have created over the last five years. That requires open communication between not only the partners, but also with every employee.

"What we tried to do is create the processes and procedures for establishing and clearly communicating the accountability for every person and each step of the process," Olson says.

Legacy has accomplished that with clearly defined job descriptions and systems that identify who is responsible for managing every aspect of the business, with extensive documentation of results.

"Candidness is important for a company to be successful," Shaurette says. "If you're not performing well in this company, there's nowhere to hide. That's passed all the way down to the superintendents."

That management of expectations carries over into communication with the clients as well. Too many remodelers are worried about scaring off potential clients and set the bar too high.

"We're violating someone's most valuable possession, we're violating their family unit and we're violating their work schedule," Shaurette says. "We have to be honest with clients: we're going to disrupt your lives."

A TIME OF TRANSITION

Although systems are important, a company's culture is dependent on its employees more than anything else. Finding the right team has been a struggle for Legacy.

"That's the single biggest problem we've faced in both sales and production," Shaurette says. "The problem is that most good, quality people that understand remodeling have their own companies."

Adding to the struggle was that, for the most part, the existing employees were not willing to accept the changes under the new ownership and management.

"As soon as you bring other people into positions of authority, you're going to change the company culture," Olson says. "This change wasn't a ripple effect; it had a tsunami effect on the organization."

In fact, Vice President of Production Mike Daniel and Mark Dixon, the company's top sales consultant, are the only ones left from the employees Olson inherited. Those two also have

A WEEK IN THE LIFE

How President Mark Olson spends his average 60-hour week with Legacy Custom Building & Remodeling and his other business endeavors.

Reviewing and updating Legacy reports	10 hours
Communicating with Legacy team members	10 hours
Developing and improving real-estate	10 hours
Monitoring investments/evaluating opportunities	5 hours
Ranching and horse training activities	25 hours

small ownership stakes.

"Everybody else had to leave the organization," Olson says. "They were not suited to the mindset we brought to the company."

As the management team implemented its processes and growth-focused strategies, many of the employees did not want to change the company. Too many had become comfortable with a flow of business that kept the firm small and limited its growth, Olson says.

Some employees quit and some were fired during the transition. At times, it became almost overwhelming as the scope of the employee turnover grew. While they had anticipated change, they were not prepared for the almost 100 percent turnover, Olson says.

"We started to think it was me and Mark that had the problem," Shaurette says. "We were constantly being told that by people, that we didn't understand the company. In the end, we just had to believe we were doing the right thing."

It was a painful process and one that could have easily destroyed the company.

"It wasn't easy at times," Olson says. "We didn't want to send the signal that the sky was falling."

Legacy got through the turmoil by relying on its processes and procedures to keep things running smoothly. Now, the company has a core group of employees that have bought into the company culture and have the company well-positioned for future growth.

"What we have tried to do is be competent with the jobs we do and create a reputation for integrity, quality and success," Olson says. "This attracts more competent people, who then deliver the jobs better. It's a process that never stops." **PR**

>> For more on Legacy, visit Jonathan Sweet's blog at www.ProRemodeler.com/blogs.

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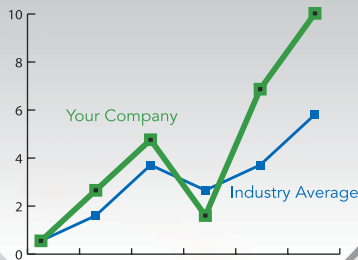
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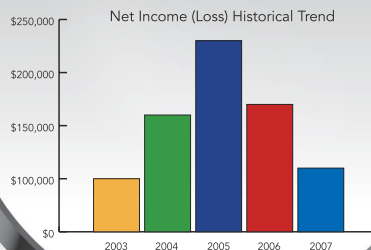
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Virtual Bathroom

THE WORLD WIDE WEB COMES THROUGH FOR A CONTRACTOR DESIGNING AN EXOTIC BATHROOM

By Wendy A. Jordan, Senior Contributing Editor

REVAMPING THE MARCHES' MASTER BATHROOM was more than a remodeling project; it was a quest. Jo and Rick March not only wanted to correct the odd, do-it-yourself design devised by the previous owner in 1985, they wanted to upgrade with a unique design of their own — one that had McClurg Remodeling & Construction Services of Marcellus, N.Y., searching for products and design inspiration everywhere.

The original owner tailored the bathroom to fit his extraordinary height, with a sky-high showerhead and a homemade, two-person tub large enough for a giant. The fiberglass tub was bumpy inside and so huge that the water was always cool by the time there was enough for a bath. "It was worthless," says Jo. "We never used it." By 2006, the shower had developed a bad

leak and only one of the two sinks in the vanity had a functioning faucet. The cats took naps in the other sink.

A few years earlier the Marches hired a "bargain" contractor to replace their windows. "We were never really happy with the work," says Jo. This time the Marches went straight to the best contractor they could find for their bathroom remodel. Through her job with the New York State government, Jo knew of McClurg's quality work. "I know their reputation," she says, "so we just went with them."

McClurg project consultant Mark Waite first met with the Marches in August 2006, long before they planned to start the remodel. They wanted the new bathroom to be beautiful, luxurious, and out of the ordinary, and they wanted plenty of time to

Matching granite and tile harmonize the tub and shower. A frameless glass enclosure allows the large corner shower to share rather than block space and light. Oil-rubbed bronze sconces provide atmosphere and non-glare up-lighting around the room.



PHOTOS COURTESY OF MCCLURG REMODELING & CONSTRUCTION SERVICES

develop a design that was perfect in every detail. Besides, says Jo, “there was no way to get trucks up our 1,000-foot driveway in winter,” so the couple reserved March 2007 — six months off — for the construction.

The time frame worked out; designing the bathroom took a full three months.

Almost everything in the 10-foot by 10-foot bathroom had to be scrapped. The vinyl and carpet flooring, dated ceramic-tile vanity top, and deteriorated fixtures and fittings had to go. Even the pipes were inadequate; Waite knew he’d have to replace the ½-inch pipes with ¾-inch conduits to provide decent water flow. “The vanity was the only good thing they had,” he says.

As for the new look, the Marches knew just two things at the start. They wanted big tiles. And they wanted a distinctive and romantic space, perhaps in keeping with their handmade, castle-esque, Renaissance-style bed. They had accumulated piles of magazine clippings of pretty bathrooms, but the designs they chose were all over the map. Remembering a medieval grotto-theme bathroom McClurg built a decade earlier, Waite suggested this rich, earthy style to the Marches. They loved the idea. The quest was on.

HASHING OUT THE DETAILS

Waite needed to develop a distinctive design using virtually all off-beat, new products, while staying as close as possible to the \$35,854 estimate. The design evolved week by week, with painstaking discussion at every decision point along the way. “We had at least a dozen sit-down meetings as we were doing selections,” says Waite, and made countless trips to suppliers — five to the granite store alone and three or four to other places. “Frustration ran high sometimes,” Waite admits, “but we tried to make them feel as non-pressured as possible. They had the time, so we let them use it.”

As the Marches made choices, Waite kept them informed of the budget impact. “By the time everything was selected they knew what all the increases were.” Though the final cost topped the estimate by nearly \$10,000, sticker shock never became an issue.

When the Marches signed the design contract — or what McClurg calls a preconstruction agreement — Waite collected a 5 percent retainer that would be credited to the last draw. The retainer fell far short of covering time invested. “We spent 50 percent more time than usual on design,” says Waite. McClurg co-owner Brian Ciota wasn’t worried. “I’m looking for a commitment from the customer to build the job,” he says, and creating a design the clients love ensures that commitment.

GOOGLING FOR A GROTTO BATH

The Marches’ first selection was blue-green ceramic tiles. The other components had to match this unusual color, and most surfaces and fixtures needed to look like — or be — stone. In most cases McClurg’s regular suppliers didn’t have exactly what the Marches wanted. So they scoured the Internet, as did Waite, shooting e-mails



PRODUCTS LIST

In-floor heat mat: Watts Radiant (HeatWeave) **Light fixtures:** Minka Group **Shower fittings:** Moen **Sink faucets:** Grohe **Towel rings and accessories:** Murray Feiss **Tub and toilet:** Kohler **Vessel sinks:** Stone Forest **Wall and floor tile:** Portenza-Verde Lagos

back and forth as they discovered products that might work.

Except for the tile and granite, virtually all the key products for the bathroom were Internet finds. Often Waite took the Marches back to a regular McClurg supplier, hoping to find a product similar to one seen on the Internet. No success. “Sometimes it would get down to handle style” or slight color variation or another detail that wasn’t quite right. But when ordering a product from a manufacturer or supplier new to McClurg, company co-owner Scott McClurg says, “I need it to be somewhat time-tested.” (Before ordering a new brand of cement siding he once soaked a slab of the siding in a bucket for a week to test its performance.)

On Internet purchases for the March project, Waite carefully checked out the products and manufacturers. He also closely studied the recommended installation specs “to make sure they were followed to the T” and the warranty would never be voided. He allowed three or four extra weeks for product delivery, though all products arrived promptly. And he forwarded the specs to subcontractors to be sure adequate time and installation costs were incorporated in the schedule and budget.

Finding the two vessel sinks and sink faucets was toughest, says Waite. Stone-look vessel sinks were identical and, to look natural, the Marches preferred each to be unique. They zeroed in on two thick granite units at one Web site, one of them squarish and the other more round. No faucets from local suppliers would fit them. An Internet search turned up a European faucet that looked great but, because it wasn’t low flow, did not meet county code. More Internet research at last uncovered code-compliant faucets the Marches liked.

Also on the Internet, Waite spotted an odd-size, 5-foot, 6-inch –long tub that was spacious enough for two bathers and wouldn’t crowd the room. He used blue granite for the tub sur-



Refinished and topped with a blue granite counter, granite vessel sinks and elegant faucets, the vanity gains distinction and style. A tile frame integrates the large mirror into the design.

round, the top of the repainted vanity and the lower walls of the room. A large, glass-enclosed, two-person shower with granite threshold is sized to fill all the space adjacent to the tub. A final Internet trophy — European, oil-rubbed bronze sconces — add ambiance and light to the windowless room.

ON-SITE SOLUTIONS

Lead carpenter Donn Schuldt had to saw the old tub in half to get it out of the bathroom. He replaced three rotted floor joists under the old shower, ran new drains and installed in-floor

THE FINANCIALS

Vice president and co-owner Brian Ciota sets the draw schedules on McClurg projects, and has the job down to a science. “We are very careful to stay at least even on our draw schedules,” he says, without “borrowing money from the bank or other jobs to cover expenses, but being fair to the homeowner.” Ciota collects a draw up front to cover non-returnable products that are ordered;

Budget History

Initial estimate	\$35,854
Final estimate	\$42,984
Change orders	\$2,328
(instant hot water heater, including water lines and insulation)	
Final price of job	\$45,312

the March project required a \$10,000 draw for the granite, tile, specialty sinks and custom shower door.

He pins subsequent draws to visible, indisputable markers such

as start of drywall, and requests payment within just two days; change orders usually are due upon signing. “Most people don’t have any problem with paying right away,” Ciota says, and the fast payment enables McClurg to take advantage of early bird discounts from subcontractors and suppliers. “We always receive those discounts,” he says. “At 1, 2 or 3 percent a month, the savings add up.”

COMPANY SNAPSHOT

McClurg Remodeling & Construction Services

Owners: Scott McClurg and Brian Ciota

Location: Marcellus, N.Y.

2007 volume: \$5 million

Projected 2008 volume: \$6 million

Web site: www.mcclurgteam.com

Biggest challenge: Creating a unique luxury bathroom to exacting aesthetic standards

heating to warm the tile floor. To fit with the grotto theme, he installed a ceramic bull nose around the mirror. The Marches also liked his idea of laying the floor tile at an angle.

Ordinarily McClurg's granite fabricator pre-drills for faucets. The delay in finding faucets put the onus on Schuldt, who had to pinpoint the best faucet location for each one-of-a-kind sink, then drill 1¼-inch holes through the granite counter top on site.

During project planning, Waite gave the Marches a quote on adding an instant hot water heater, alerting them that the existing water heater might not be adequate for their big new fixtures. Shortly after production started, they opted to install the unit. This, at least, was an easy decision. "The instant hot water system is fantastic for the shower and the tub," Jo says. "We love everything about the room."

Says Waite: "If you run into anyone else who wants a grotto bathroom, call me by all means. At this point we could cut that product search process in half." **PR**

PROJECT TIMELINE

2006	Stage of Project
Aug. 17	Initial meeting
Aug. 29	Design contract signed
Dec. 4	Design complete
Dec. 18	Construction contract signed
2007	
March 1	Begin demo
March 5	Begin framing
March 7	Begin drywall; complete plumbing and electrical rough-in
March 13	Install in-floor heating; begin tile
March 15	Install cabinetry
March 16	Tile complete
March 19	Begin trim; finish electrical; make granite template
March 22	Install granite
March 23	Install shower door; finish plumbing
March 26	Punchlist complete

Payments: 2006

Sept. 7	\$1,792 design fee
Dec. 18	\$10,000 to order materials

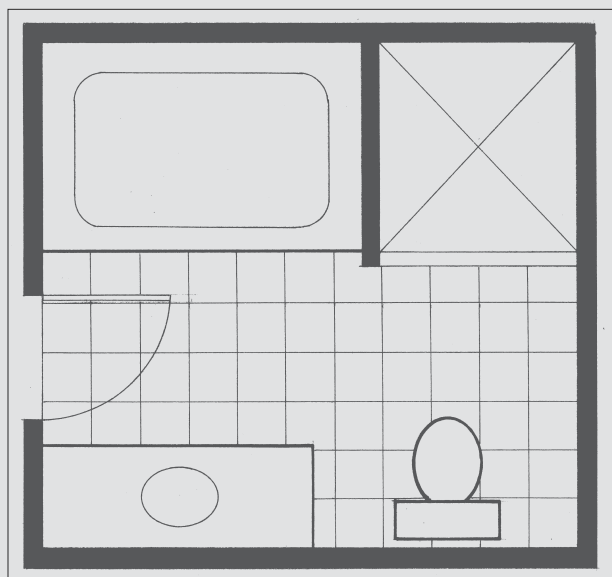
2007

March 5	\$10,000 upon start of construction
March 7	\$10,000 upon start of drywall
March 13	\$12,328 upon installation of tile
March 26	\$2,984 upon completion

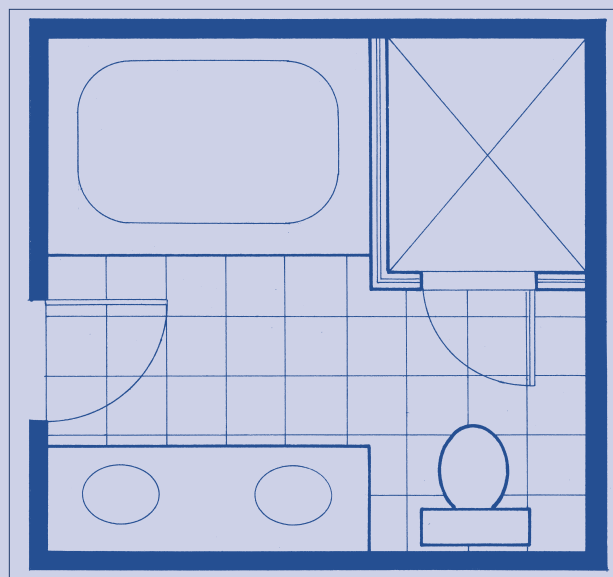
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Before



After



EXPANDED VISION



KITCHEN REMODEL

REMODELER: Newbridge Construction Co., Hopkinton, Mass.

DESIGNER: Distinct Designs, Hopkinton, Mass.

INTERIOR DESIGNER: Macchi Design Associates, Hopkinton, Mass.

CUSTOM CABINETRY: Kramer's Custom Kitchens & Woodworking, Hollister, Mass.

PROJECT LOCATION: Hopkinton, Mass.

SCOPE OF WORK: Kitchen expansion

PRODUCTS LIST

Appliances: Sub-Zero, Wolf, Asko **Cabinets:** Custom cherry
Countertops: Granite **Faucets:** Rohl **Sinks:** Elkay, Shaws
Windows & Doors: Kolbe **Locksets:** Emtek **HVAC:** Trane
Home Systems & Controls: Crestron **Lighting fixtures:**
 Lightolier, Sea Gull **Housewrap:** Tyvek **Insulation:** Owens
 Corning **Roofing:** Georgia-Pacific **Siding:** Western red cedar
Paints & Stains: Benjamin Moore

This New England Colonial's kitchen doubled in size to fit a crowd

By Ann Matesi,
Senior Contributing Editor

THE OWNERS OF THIS CUSTOM-BUILT home in Hopkinton, Mass., recognized that their lifestyle requirements had changed dramatically as their family grew from two to four children in the eight years since moving to their home. The couple's goal was to reconfigure several areas of its traditional floor plan as well as to add much needed living space. One of the key areas was their kitchen, which they felt no longer functioned efficiently for a family of six nor

met their entertaining needs.

The couple turned to local builder and remodeler Scott Miller of Newbridge Construction, which originally built the home, to help them improve its livability. Miller and

Support for the home's second floor included a column that was originally hidden in a cupboard. In the new kitchen, the team deferred structural support to two lally columns incorporated into the center island and hidden in decorative panels.

his top-notch design and construction team was able to give his clients a much larger and completely reconfigured social center that is now family-friendly, functional and upscale. The new kitchen features more than 700 square feet of living space.

"Their original kitchen was a 'stock' plan," says Miller, "that was pretty much run-of-the-mill. It did have a center island and a breakfast nook but was very cramped as a gathering area. This was a problem because my clients not only have a big family of their own but also a large extended one in the area. And they love to entertain."

Miller maintained the 25-foot width of the kitchen but increased its depth nearly 15 feet by removing an existing outdoor deck and moving the rear wall backward

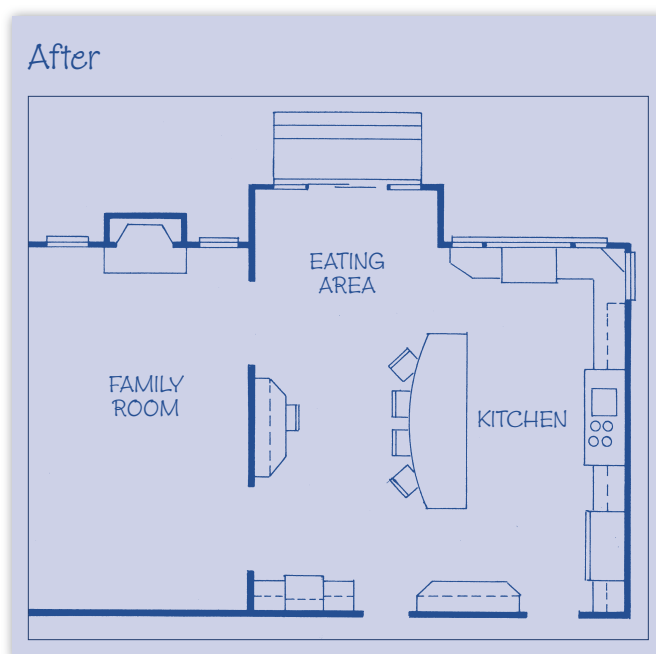
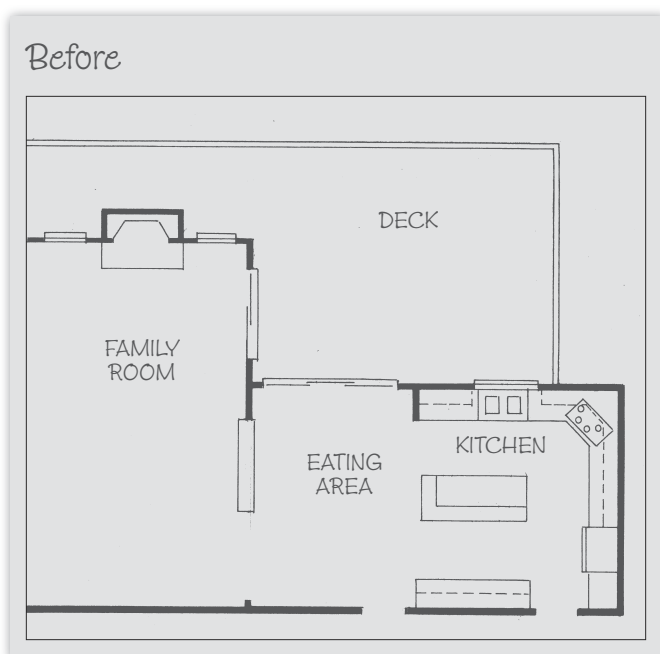
to accommodate a spacious informal dining area. The sink wall was also extended by more than 10 feet, creating an L-shaped footprint. The rear wall, now virtually all windows, floods the kitchen with natural light

and views, despite its northern orientation.

The kitchen's existing cabinets were replaced with high-quality, custom-built cherry ones designed specifically for the family's needs. "Our clients really wanted to



The remodeled kitchen gets its upscale look from furniture-grade custom cabinetry, granite counters and top-of-the-line appliances. The cabinets feature stained, painted and glazed finishes. "Homeowners are using lots of colors when it comes to their cabinets these days," says fabricator Andy Kramer, "particularly when it comes to accenting the island."



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The built-in desk was a “concession to the kids” but ultimately serves as a great addition to the kitchen, says interior designer Deborah Kollmeyer. “This was interesting because in a lot of my projects today we are taking out the desk, but we had plenty of space to include one here. I think that it is a great feature as long as it complements the rest of the kitchen. This one came out just gorgeous.”

boost the available work space in their new kitchen,” says kitchen and bath designer Deborah Kollmeyer of Distinct Designs. “They were looking for lots of functional areas so that more than one person could be working in there at the same time and not be on top of each other.”

They also wanted their cabinets to have the look and feel of fine furniture, she adds. “We broke up the solid appearance of the cabinet doors with multiple open shelves and glass panels. This really jazzed up the space and gave the entire room much more character.”

Another priority for the homeowners was to upgrade their appliances, says Miller. “The original kitchen had so-so ones but, they really went all out for their new space.” This included adding two full-size refrigerators; two refrigerated drawers; a new range and oven; a warming drawer; two dishwashers; and two trash compactors.

The refrigerated drawers, located in a dry bar along a perimeter wall, are actually an energy-saving feature, says Kollmeyer. “They are a great place to store beverages such as juice and water for the kids so they are not constantly opening the doors of the

big refrigerators just to get a drink.”

But, it is the multi-level island that serves as the focal point for the new kitchen. Not only does it provide storage space and snack bar seating, but it also includes a second sink, a built-in microwave at a child-friendly height and its own trash compactor and dishwasher.

The columns and arch, which frame the island, give it a distinctive style and also conceal important structural elements, says Miller. The rear wall of the original kitchen included a 25-foot beam that was supported by a lally column buried in an existing wall. When the rear wall was moved back, the column was moved to the center of the room where the island would go. The remodeler replaced the single column with two new ones on either side of the island and supporting an engineered lumber beam that runs perpendicular to the home’s existing LVL beam. New footings in the basement provide support for the columns.

“Our cabinetry guy really did a terrific job of disguising the columns and beam while still keeping the island very functional,” says Miller, referring to local craftsman Andy Kramer of Kramer’s Custom

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The kitchen now features a farmhouse-style sink topped by a huge picture window that provides a view of the backyard and patio.

Kitchens & Woodworking.

Concealing the new structural elements was not the most complicated element of the project, Kramer says. "The most challenging part of my job these days is dealing with the wide range of custom panels required for all of the different appliances.

They are constantly changing."

For this project, Kramer fabricated panels for both refrigerators, the refrigerated drawers, dishwashers, warming drawer and trash compactors to match the cabinets.

"The family was extremely pleased with the final results," says Miller. **PR**

Self-Venting Roof Design Eliminates Moisture Problems

Remodeler Scott Miller's clients wanted their new kitchen to be as bright and cheerful as possible, despite its northern orientation. The amount of glass on the extended rear wall concerned him: venting the roof properly to prevent damage from leaks and ice dam build up would be difficult.

"This was a tricky problem," says Miller. "We encounter some pretty tough winter weather, so we needed to make sure that the new roof would vent itself, allow air to move freely and shed water."

Miller came up with a design that proved to be a clever and practical solution. He began by constructing a typical roof with plywood sheathing on top of the rafters. Next, he installed a waterproof membrane on top of the sheathing. Then he added 1-inch by 3-inch strapping on the flat top of the membrane parallel to the rafters to function as a

spacer to create a void between this layer and a second layer of sheathing. He then followed up with a second moisture barrier and the shingles.

"We had to make sure that we used roofing nails that were exactly the correct length so that we would not penetrate the lower waterproof membrane," he adds.

Where the new roof met the existing back wall of the house he installed rolled venting material. A continuous soffit vent was also incorporated underneath the base of the roof. The layered design allows any water to drip down on the waterproofed layer below and run out through the soffit vent at the bottom of the roof.

"The end result was a roof that will vent itself during the wide swings in temperature that we get in New England," says Miller.

THE REAL DEAL:



GRAPHIC COURTESY OF PATH PARTNERS

REMODELER GROWS BUSINESS BY PACKAGING

Consider bundling green and energy-efficient products

By Scott T. Shepherd
PATH Partners

TRAVEL AGENTS DO IT. So do software firms, telecommunications companies and restaurants. Package deals are found in most industries with standardized products.

So why not remodelers?

Coleman & Laurienzo Builders of Damascus, Md., wondered the same thing: why not package design and materials for customers?

The company's Classic Addition includes a cathedral ceiling, eight 3 foot by 5 foot energy-efficient windows, a 6-foot elliptical feature window, a 6-foot gliding door, a masonry foundation, pre-finished hardwood flooring and a ductless heat pump with remote control thermostat.

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- 12 Induction cooktop



PHOTOS COURTESY OF COLEMAN & LAURIENZO

Simple and elegant are the hallmarks of the Coleman & Laurienzo's "Classic Addition," which delivers the space and natural light many consumers desire. The package includes a cathedral ceiling, eight 3 foot by 5 foot energy-efficient windows, a 6 foot elliptical feature window, a 6 foot gliding door, a masonry foundation, pre-finished hardwood flooring, and a ductless heat pump with remote control thermostat.

packaged addition was very well-received," says Jill Coleman, sales/operation manager for Coleman & Laurienzo. Since marketing the Classic Addition, about 75 percent of the company's addition work uses the package approach with some variations.

The benefits to package deals — sometimes referred to as product bundling — go beyond the consumer response. Bundling products allows remodelers to buy in bulk and develop time- and money-saving practices.

Whether it is a meal or a new kitchen, there is value in a well-crafted package deal.

What's the Deal?

Package deals frequently translate into customer savings because the package ensures sales of multiple items. That's why buying a combo meal at a fast food restau-

rant will cost you less than buying a burger, fries and soda separately.

"We definitely include savings for the customer," Coleman says. "After all, there are savings for us and guaranteed product sales."

Coleman says her customers also appreciate the simplified process. Clients can feel overwhelmed by the sheer number of products available, and a package deal eliminates the need to make difficult product choices.

"There are consumers out there who want to be involved in every detail, but there are others that just want a new kitchen and only want to address the major items," says John Rymer, a Tampa, Fla.-based housing industry marketing consultant. "These people are looking for a little guidance from their remodelers. Packaging is a tool to provide that guidance."

Developing the Deal

Some remodelers avoid packaging because they assume each project and each client is unique. That is generally true, but there are often a lot of similarities among customers in a specific market, Coleman notes.

"After many years of building custom additions, we began to see a trend in what most of our customers were interested in: a great room that almost stood alone in a sense," Coleman says. "It was a room that was far different from the rest of the house with a lot of glass, high ceilings, a feeling of openness, but yet a room that didn't look like an add-on."

Most of the products Coleman & Laurienzo chose for the Classic Addition package were familiar to their customers; they just responded better when presented together.

Only the ductless energy-efficient heat pump, a Partnership for Advancing Tech-

Packaging Green

If packaging is effective for additions, why not for green building?

That's the philosophy behind PATH's Tech Set series, which bundles the major green technologies in nine topic areas. The goal is to take the guesswork out of green.

For example, if you're building a kitchen and want it to be green, what are all the major components you need to know? PATH Tech Set 7, "Green Kitchen Remodel," describes your major product options.

If you've always been interested in solar but aren't quite sure where to begin, turn to Tech Set 6, "The Sun in the 21st Century," which describes your major active and passive solar options.

Seven other Tech Sets provide guidance on resource-efficient plumbing, a durable building envelope, HVAC, energy-efficient lighting, storm-resistant roofing, wind-resistant openings, and indoor air quality.

Find all the PATH Tech Sets at www.pathnet.org. Click on Tools.



The key to Coleman & Laurienzo's package approach is that little options can significantly change the look and feel of a room to fit the customers' taste. About 75 percent of the company's addition work uses the package approach with some variations.

nology in Housing-profiled technology, typically required some explanation.

"This type of room needed a unique heating/cooling system that would not tax the existing house unit and would be quiet, because this would be the 'hangout,'" Coleman says. "It is whisper quiet, fairly small, and the install time is reduced since there is no ductwork to run. The efficiency was a bonus that sealed our decision and is a great selling feature."

The great thing about packages, Coleman says, is that nothing is written in stone; it can all be fine-tuned to meet the clients' needs. Coleman describes the 18 by 18 Classic Addition as a starting point, where clients keep what they like and tweak a few smaller items to suit their taste. The packaging helps them see their vision more clearly.

Value Deal

Many consumers see the benefits of the package deal in the single price tag, but there are just as many benefits to the building process — and savings for the builder.

For Coleman & Laurienzo, standardization means that crews become familiar with building the addition, which allows them to work faster and more accurately.

"As a result, we have increased our sales volume consistently over the past several years and have only hired two additional employees," Coleman says. "Our vendors and trade contractors also have a much better idea of what we're doing, making it easier for them to install and test their systems since they understand the addition so well."

The company plans to buy products in bulk and warehouse them once there is enough of a backlog on the Classic Addition. The company also plans to pre-build wall frames in the warehouse before installing them on site, which will not only be faster but will ensure better quality by being more accurate.

Because business has been so good for the Classic Addition, Coleman & Laurienzo introduced two more packages: the Classic Addition Junior, which is smaller and less

expensive, and the Classic Addition Deluxe, which is larger and more expensive, with a fireplace, skylights and a deck. The company is also considering other packages.

"I think packaging is possible in a lot of different applications, whether it's a kitchen, living room or basement," Coleman says. "We are just taking it one at a time and seeing how the market responds."

Rymer reports he's seen an increasing number of remodelers offering package deals, particularly because more homebuilders are offering remodeling services to supplement their earnings. He says bundling can be a great way to make customers feel at ease with a construction project.

"Builders already offer these sorts of deals in new construction because they know how effective it can be," Rymer says. **PR**

Scott T. Shepherd writes about better building practices on behalf of the Partnership for Advancing Technology in Housing (PATH). PATH is administered by the U.S. Department of Housing and Urban Development. Learn more at www.pathnet.org.

By Rebecca Bryant
Contributing Editor

12 THAT HAVE SHAPED GREEN

Our list of the top influencers on green building and remodeling

1 NECESSITY

The picture came into focus in the 1970s; more people were using more resources. This shaped supply and demand curves, which dictated that tell-all number: price. Higher energy bills led to tighter buildings that exhaled VOCs. Higher lumber costs led to innovations such as OSB and SIPs. Meanwhile, ecosystems languished under the strain of producing raw materials. Keep an eye on necessity via this report from the Worldwatch Institute. www.worldwatch.org/vs2007

2 SIM VAN DER RYN

In the mid-1970s, architect Sim Van der Ryn restored a 100-year old Victorian in Berkeley, Calif. The design — solar panels, a composting toilet, water reuse, and backyard food production — was way ahead of its time. He called it “ecologically integrated living.” Walking through the front door or reading about the project introduced thousands to whole systems design. www.ecodesign.org/edi-portfolio.html

3 EDWARD MAZRIA

In 1979, architect Edward Mazria published the “Passive Solar Energy Book: A Complete Guide to Passive Solar Home, Greenhouse and Building Design” which brought passive heating, cooling and lighting to the fore of ecological design. He went on to build a number of award-winning passive homes in New Mexico. His third act “Architecture 2030” is an attempt to reduce the building sector’s contribution to greenhouse gas emissions by 50 percent.

www.architecture2030.org

4 AUSTIN GREEN BUILDING PROGRAM

Oil prices dropped in the 1980s, and Reagan rolled back Carter’s solar and conservation initiatives. But some communities continued to plug away. Austin Energy of Texas was a standout, developing a green building program that remains a model today.

www.austinenergy.com/Energy%20Efficiency/Programs/Green%20Building/index.htm

5 U.S. GREEN BUILDING COUNCIL

In the 1990s, a small group of people in the industry decided that, although local green building programs were great, uniform, nationwide standards for high-performing buildings were needed. That decision eventually led to the rollout of LEED, and drove the green building movement into the 21st century.

www.usgbc.org/DisplayPage.aspx?CMSPageID=147

6 CALIFORNIA

When it comes to green, there’s no place like California. State tax incentives and an initiative to install panels on a million roofs are supercharging demand for efficient and self-sufficient homes. On the supply side, Real Goods has been selling alternative energy systems since 1978 and has a cadre of technical experts to help remodelers. Contractors at Sustainable Spaces audit older houses, while firms like Canyon Construction and Allen Associates, handle remodeling projects.

www.gaiam.com/realgoods

www.sustainablespaces.com

www.dennisallenassociates.com

www.canyonconstruction.com

7 AMORY LOVINS/ROCKY MOUNTAIN INSTITUTE

Amory Lovins has been a major force in moving the U.S. toward conservation and small-scale, decentralized power systems with minimal ecological impact. He is a framer of large ideas, an entrepreneur and the founder of the Rocky Mountain Institute. www.rmi.org

8 SOLAR DECATHLON

Every fall, the Washington Mall hosts 20 college teams (plus their entourages, the public and media) for the Solar Decathlon. After students reassemble houses built elsewhere and shipped to D.C., they scramble through a series of contests to determine which team has designed the most attractive, energy-efficient,

>> If you have ideas or comments, email the author at GreenRoomDept@mac.com

solar-powered home. www.solardecathlon.org/

9 SARAH SUSANKA

“Big” has a nice ring to builders and remodelers but “small” is most effective in going green. It means fewer materials, lower utility bills and less carbon output. North Carolina architect, author and consumer advocate Sarah Susanka has created a cottage industry, popularizing these ideas and designs that embody them.

www.notsobighouse.com/sustain.asp

10 HABITAT FOR HUMANITY

With 17,000 affiliates plugging away at affordable housing across the U.S., Habitat for Humanity has exposed middle America to green building. The overall aim is healthy, energy-efficient, durable housing, with an emphasis on small units. Many affiliates operate ReStores, retail outlets that sell salvaged building materials.

www.habitat.org/env/default.aspx

11 BUILDING GREEN, INC.

An innovator in information delivery, Building Green, Inc. launched Environmental Building News in 1992 and the GreenSpec directory in 1999. Last summer, the company partnered with others to create Greenbuildingblocks.com, a one-stop source for product guides, case studies, reference tools and the like.

www.buildinggreen.com

12 ENERGY STAR PROGRAM

Since its inception in 1992, the Energy Star labeling program has expanded from residential heating and cooling equipment to major appliances, light fixtures and building materials. Commercial and industrial tools and best practices are likely to trickle down to the residential sector.

www.energystar.gov



WELLNESS SHOWER

Employing “negative ions and rare volcanic minerals,” and claiming to reduce the signs of aging, the Wellness Shower water purification system removes chlorine and heavy metals. The company says its patented process protects skin from free radical attack; helps repair damaged skin and hair; and boosts hydration by 115 percent.

For FREE information, visit
<http://pr.ims.ca/5655-125>



CERTAINTEED

You can't beat real cedar — but you can at least look like it. CertainTeed's CedarBoards XL insulated siding is 16'8" long and is made in a double 6-inch clapboard profile with extruded polystyrene insulation. The boards are molded from real cedar planks and have a rough texture.

For FREE information, visit
<http://pr.ims.ca/5655-126>



MIELE

The KM 5753 30-inch, four-zone and the KM 5773 36-inch, five-zone induction cooktops from Miele sport innovative and easy-to-use timing functions, multiple power boosters, cookware recognition and auto heat programs. Both are available in black Ceran with a stainless steel frame.

For FREE information, visit
<http://pr.ims.ca/5655-128>

GREENLEE

Textron's subsidiary Greenlee now offers a new line of pliers, including side cutters, diagonal cutters, long nose and two types of pump pliers in 5-, 6-, 7- and 8-inch models. All feature diamond-serrated jaws with precision-machined and induction-hardened blades. Wires, ACSR, bolts, screws and nails don't stand a chance.

For FREE information, visit
<http://pr.ims.ca/5655-127>



JEFFREY COURT

Drawing on the classical style is Jeffrey Court's Mozart Mosaics line of wall, floor and decorative natural stone tiles. Moldings, mosaics, micro-mosaics and other patterns are available in a variety of sizes. Customers can mix and match style and patterns for designs that are truly unique.

For FREE information, visit
<http://pr.ims.ca/5655-129>



LEICA

The creators of some of the world's finest cameras now have something else to brag about. The Leica DISTO D3 multi-functional laser distance meter measures runs of up to 325 feet to within 1/16 of an inch. It powers over nearby obstructions, and the built-in tilt sensor determines angles of up to 45 degrees while providing true horizontal distances.

For FREE information, visit
<http://pr.ims.ca/5655-131>



HILTI

Ideal for fastening a metal deck to structural steel or metal joists (minimum 1/4-inch thick), the compact X-76 from Hilti is perfect for wind tacking and fastening multi-level erections — you can drill up to 600 fasteners per hour. The system is easy to assemble and take apart and requires no tools.

For FREE information, visit
<http://pr.ims.ca/5655-130>



WALKER ZANGER/MICHAEL BERMAN

Born from a collaboration between Walker Zanger Tile and interior designer Michael Berman, the Studio Moderne Collection ranges from Hollywood Regency to Art Deco styles. The tiles are made with a combination of ceramic and natural stone in 30 separate designs.

For FREE information, visit <http://pr.ims.ca/5655-132>



HAKATAI

The Cartglass Luster Series of $\frac{3}{4}$ by $\frac{3}{4}$ -inch glass tiles by Hakatai feature cool opal-like iridescent colors for exterior walls, countertops, backsplashes, pool or residential floors. The sleek-surfaced series is available in 1.15-square foot sheets which are mesh-back mounted for easy installation. Twelve opaque colors and seven standard are offered.

For FREE information, visit
<http://pr.ims.ca/5655-134>

BRINTONS

Coming from across the pond is wool-rich luxury carpet manufacturer Brintons with their line of woven Axminster carpets. The company offers more than 200 styles in its stocked range collections and are now widely available in North America for the first time. Distribution will be based out of Atlanta.

For FREE information, visit
<http://pr.ims.ca/5655-133>



KERFKORE

New stair riser offerings from Kerfkore include a new paint grade version at half the price of the standard veneer products. The risers are made in an 8-inch step height that can be ripped down to match new specs or existing stairs. For those who want to really go nuts, they can be purchased in single- or double-nosed or in red oak, pine and maple veneers.

For FREE information, visit
<http://pr.ims.ca/5655-135>



ARMSTRONG

Following the 2006 CushionStep fiberglass flooring launch are 23 new designs from Armstrong Floor Products in the company's Wood, Stone and Impression lines under the 120-, 100-, and 80-mil Better and Best collections. Better additions include the Messina, Sedona canyon and shoreline beige.

For FREE information, visit
<http://pr.ims.ca/5655-136>



EVERTECH

Hardwoods such as ebony, rosewood and walnut are becoming increasingly scarce and expensive. A low-cost alternative called Alowood by EverTech uses plantation-grown, sustainable lumber that is organically hardened and colored throughout with the company's starch-based Everdex technology. The product is FSC-certified.

For FREE information, visit <http://pr.ims.ca/5655-137>



DOMCO

You can slap these floors down with or without an adhesive, according to Domco. Its latest collections, the Urbana and Eloquence, feature easy maintenance and excellent dimensional stability. The floors are extremely quiet to walk over and carry a 15-year performance warranty.

For FREE information, visit <http://pr.ims.ca/5655-138>

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STAIRTEK

High-quality, prefinished stair treads by Stairtek are available in three widths and five lengths in 12 different exotic species. Treads and risers are sorted by appearance and grain patterns for a more consistent look. Builders looking to green up their operations can tell customers that, according to Stairtek, the wood is derived from environmentally managed forests. A 25-year residential wear guarantee is offered.

For FREE information, visit <http://pr.ims.ca/5655-139>



ILEVEL BY WEYERHAEUSER

The company recommends using its Trus Joist Wolmanized Parallam Parallel Strand Lumber (PSL) in unprotected exterior applications or where structural framing will be exposed to elevated moisture conditions. The construction on iLevel's PSL allows the copper azole preservative treatment developed by Arch Wood Protection to penetrate to the core of the product for protection from termites, mold and moisture.

For FREE information, visit <http://pr.ims.ca/5655-141>



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Using both Georgia-Pacific's DensArmor Plus with its own QuietRock soundproof drywall, Quiet Solution's new QuietRock DensArmor Plus 528 combines the top moisture, fire and mold resistance with excellent sound abatement properties. The product is 5/8-inch thick and hangs, installs and finishes like regular drywall.

For FREE information, visit <http://pr.ims.ca/5655-142>

LP

Made from fast-growing northern hardwoods and certified by the Sustainable Forestry Initiative, LP's SolidStart LSL is a new wood line made from compressed thin wood strands protected with both end- and edge-seals. The product offers a dimensional strength of 1.75E and, according to LP, outperforms dimensional lumber.

For FREE information, visit <http://pr.ims.ca/5655-140>



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Made from fast-growing renewable woods is Premier Building Systems' latest Structural Insulated Panels (SIPs). The SIPs consist of a layer of expanded polystyrene (EPS) insulation sandwiched between two layers of OSB. The company claims the product maintains a 55-percent higher whole-wall efficiency over traditional 2-by-6, R-19 construction.

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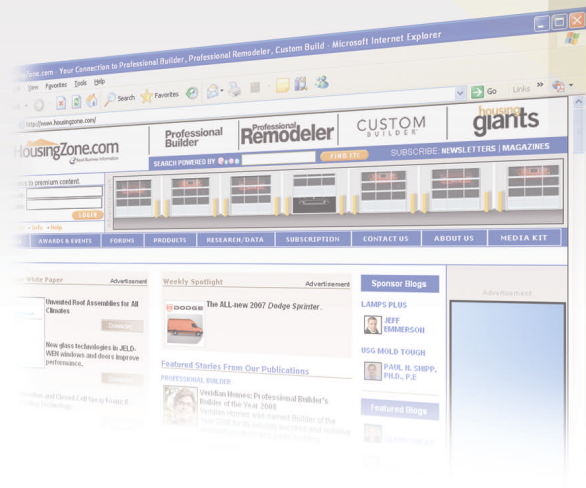
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VOLUME IS VANITY

Years ago, when I was stumbling through my real world education, desperately trying to obtain the secrets of a successful remodeling company, I made certain assumptions. Key among them was that bigger is better. "Imagine if we could grow to \$1 million dollars — we would be on easy street." That sounded great, making my chest swell with pride. I would be able to check the "\$1 million and above" box on industry surveys! I could answer the ubiquitous "What's your volume?" question at trade shows with a swagger and air of accomplishment.

We hit our \$1 million goal three years ahead of schedule and, for a short time, it felt great. But, bigger is better, so...

The next goal was \$2 million, then three, etc., etc. However, the pursuit of growth — exciting though it may be — can mask a host of problems. Chief among our problems was that we were not delivering nearly enough profit to the bottom line.

A company should exist to serve the owners and employees in several ways: 1) Fair compensation for the work/risk being asked of us; 2) Job security; and 3) Quality of life, although not necessarily in that order. I thought that if I built a bigger company and did good work, by definition, all good things would come to us. I was wrong.

I share this with you not as some 12-Step program for remodelers, but because I know our industry is filled

with owners who toil under the same misinformation. I once attended a seminar where the speaker said, "Volume is Vanity." It struck me right between the eyes! I was vain! Though I had never thought of myself that way, the evidence was clear: I pursued volume over important things like salary, profit and cash reserves.

I operated under the delusion that we could grow our company into profitability and that success was always waiting at the next volume plateau. I was like the dog who always assumed that the best part of his life was six inches beyond the end of his leash.

And so, today, I am promoting a new and better perspective. How about "Profit is Paramount," or maybe "Stability is Sustaining?" Regardless of the slogan, the point is that we are far better off building slow-growing, profitable and stable companies, rather than fast-growth companies that sacrifice quality, profit, client satisfaction, employee satisfaction and cash flow.

As you plan and budget for 2008 (What? You haven't started yet?!), don't fall into the trap that success will

only come from growth. If you can't make your budget work without large growth, then you need to adjust other areas within your company. Has your overhead crept up on you and grown too big? Is your markup delivering

enough gross profit to make the net you need and deserve? Are you factoring in economic realities in your market? Are you paying yourself enough?

The next time someone asks your volume, have this witty response ready "Volume? How provincial! Wouldn't you rather know my net profit percentage? Or how about my owner's compensation and net profit combined?" (The benchmark for which, by the way, should be 10 percent at a minimum with 20 percent as an ideal goal.)

Lastly, let's not forget about quality of life. If your company generates great numbers, does it do so because you have created a well-oiled machine or because you work 80 hours a week? Being a workaholic is just another

form of vanity, after all. The goal is not be proud of how many hours you work, but proud of how well your company performs while you and your employees enjoy life. **PR**



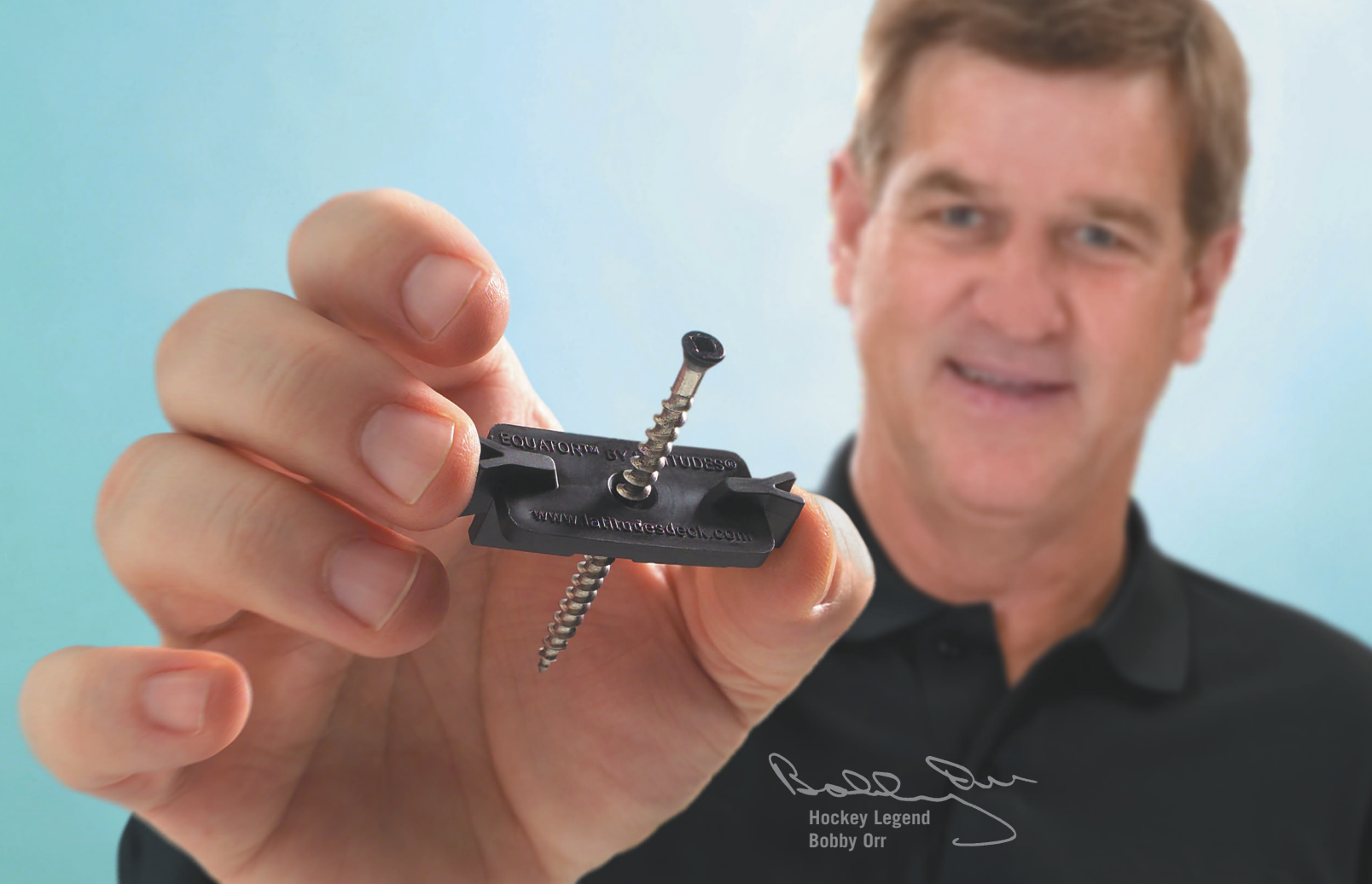
Dave Bryan
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"Regardless of the slogan, the point is we are far better off building slow-growing, profitable and stable companies rather than fast-growth companies..."

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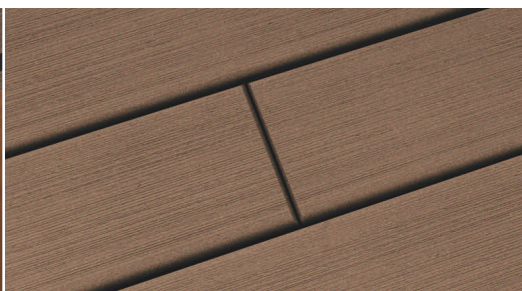
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