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INDUSTRY EXCLUSIVE

2008

Market Leaders

20 TOP METRO AREAS' LARGEST FIRMS / 18

Team Building for Growing Firms / 14

How to Profit from Spec Remodeling / 36

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DA Home Improvement President Dave Adamczyk

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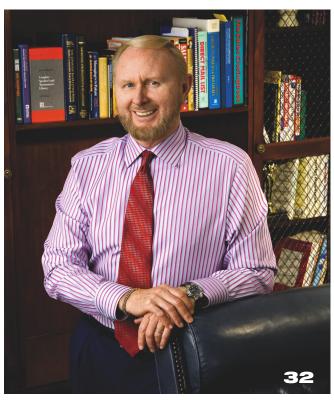




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Remodelers' Exchange Podcast

Listen to this month's discussion between Tom Swartz, Chris Stebnitz and Linda Minde on team building for growing firms.

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ONLINE POLL

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A CHALLENGE TO OUR INDUSTRY

have never been the confrontational type. My idea of leadership has always been to lead by example, be a team player and let things work themselves out naturally rather than force my will down people's throats.

But the more I think about our indus-

try and where this magazine can best serve its needs, the more I believe the time has come for someone to step up and challenge the industry's best to raise the level of professionalism for the good of reputable contractors everywhere.

Let's face it, folks. Despite the efforts of NAHBR. NARI and countless other organizations to educate remodelers to become more professional, the landscape is littered with poorly run, often disreputable companies that do a lot of harm to this industry and your business. These bottomfeeders must be driven out once and for all, or 10, 15 or 20 years from now, remodeling will still be

considered a safe haven for scumbags and scoundrels to make a quick buck and get out when the going gets tough. You do realize that most consumers - your prospects - still bristle at the thought of having to hire a remodeling contractor for fear they will get ripped off, treated unprofessionally or just be forced to settle for



Michael R. Morris Editor in Chief

You have to force your will — your desire to be the best in a well-respected industry — down your lesser competition's throats.

low quality workmanship.

It's not enough for you - the professional remodeler - to simply lead by example, be a team player and let things work out naturally anymore. You have to force your will — your desire to be the best in a well-respected industry -

> down your lesser competition's throats. Make them choke on it. Drive them out of business. Motivate other professional contractors in your market to do the same. This will benefit you all, because every time that low-bid shyster down the street gets another job. he's literally pumping life into the decades-old myth that all remodeling contractors can't be trusted. That taints your reputation no matter how good you are.

Our mission at Professional Remodeler (see below) is to challenge you, inspire you and engage you, the owners and top executives of professionally run remodeling firms, with information that helps you set the standard in your mar-

ket for how a remodeling firm is supposed to operate.

As a leader in this industry, it's our responsibility to seek out the best companies and let their stories set an example of business excellence, high ethical standards and professionalism for all to follow.

Won't you join us in this mission? PR

>> Contact me at michael.morris@reedbusiness.com or 630/288-8057 Read my blog at www.ProRemodeler.com/blogs.

Our Mission

Professional Remodeler challenges, inspires and engages owners and top executives of established, successful remodeling firms by delivering vital, trusted information.

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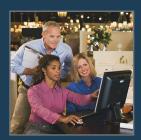
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FIND THE REALITY FOR YOUR BUSINESS

s I alluded to in last month's column concerning planning for a reality check, you will find there is always a need to get back to the basics during challenging times and growth periods. Do you know what your numbers are, and are you reviewing them weekly and monthly? Or, have you gotten your eye off the ball for a couple of months or longer? A couple of months can cost you, and going longer can put you out of business or create a year's worth of damage.

It is inevitable that the busyness of life, with its many distractions and personal challenges, can cause us to take our eyes off the ball. It has happened to me in my career, and it can be painful! The ball in business terms is key metrics/measurements. As I mentioned last month, first and foremost, it is the profit and loss statement; balance sheet; marketing and sales numbers; job costing; job performance; and morale of the team, which equals leadership.

If your sales are off, yet produced work is strong for the first four or five months of 2008, what does that tell you? First, sales were good in the last quarter of 2007 and maybe for early 2008. Second, production is going to be slow for the latter part of the second quarter and for most of the third quarter.

There is a delayed effect depending on the size of the jobs. The type of jobs you perform will determine the lag time. Depending on how far sales are off, you will have to tighten up on expenses or actually lay off some production staff and, possibly, an underperforming salesperson or office staff member. Remember, numbers don't lie, but we owners and entrepreneurs are optimistic and many times too slow to make these tough changes.

If you have new or mature salespeople, many don't follow a set system or haven't

worked on their skills lately. There is a huge opportunity here: you could be missing 30 to 50 percent or more in sales because of this alone. Dig in and evaluate the situation. Maybe sales are off 15 percent because of the economy and 20 percent because of bad attitudes and failure

of the sales team to work on improving skills. Although your closing ratio is one indicator, actually observing the sales team in action, or independently calling prospective clients to take their pulse can help you get a better understanding of the situation. My father, who built many local and national companies, said "Inspect what you expect." Right now, more of you are facing challenging times, so the advice is even more important to take now.

The reality is many of you will have to adjust your business plan and review objectives now, or face losing your business in six months. One positive way to look at this and to help adjust your mind and emotions is to remind yourself that you made money at lower volumes before and you can do it now. The journey of tough

decisions may not be attractive, but it is better than the alternative: everyone loses their job, including the owner, and the owner also loses his or her investment. Obviously there are many other key metrics to look at — don't stop with the few I have shared. Find reality and make the needed adjustments.

TWO FINAL THOUGHTS:

First, during these times it is tempting to

estimate jobs with too much optimism. For example, it normally takes 60 hours to install cabinets in a particular job, but you might offer to do it in 40 because you think it will win you the job. This is a trap, and the vast majority of people who employ this strategy lose.

Doug Dwyer
Contributing Editor

My father, who
built many local
and national
companies, said

stress thi matter ho or I feel to desire for fect, life a business to be per are blind we live in world as (I know the shock to ity is need times.) It's accept, the respondation of the stress of the str

built many local and national companies, said 'inspect what you expect.' Right now, more of you are facing challenging times, so the advice is even more important to take now.

Second — and I cannot stress this enough - no matter how connected you or I feel to our staff and our desire for things to be perfect, life and especially business are never going to be perfect. Often we are blind to this truth that we live in an imperfect world as imperfect people. (I know this may come as a shock to some; a little levity is needed during these times.) It's a reality we must accept, thus enabling us to respond appropriately and with reasonable investment time and effort. I'm not saying cutting expenses and laying off people are easy to do. They're not, but they are doable. But, if you and I don't accept the hard realities about our business, then one day, that reality will come crashing in on us with a force that can cripple us for some time. Find out your current business reality and

respond proactively. Ultimately it is the best for everyone. **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

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



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RELIABILITY for real life $^{\circ}$



on Sales and Marketing

MARKETING IDENTITY CRISIS: BE CONSISTENT

onsistency is not a bad thing. For example, I like my hairdresser to be consistent. And my doctor — I want her to be consistent. And I like my son's daycare to be perfectly consistent. I like the big paper cut out flowers in the spring and pumpkins in the fall. I like the teachers to be cheery and to greet my son as if he were the most important kid in the program — every day. I want his cubby to be exactly where it was yesterday and his coat peg to be the second from the end.

I need this consistency to feel OK about leaving the single most important person in my world in the care of others for eight hours a day. And I want my firm's marketing message and brand story to be just as consistent and trustworthy. I want every encounter any single person has with my firm to elicit that same safe mantra: "You know us and you can trust our brand."

I'm not exactly sure when we, as a firm, successfully achieved consistency in our message. The effort began four years ago when we decided our brochure was perilously outdated. Realizing we were short on creativity, I began making phone calls to marketing consultants. Most of them touted glossy bound books that primarily proved graphic design ability. That sounded good; we'd look gorgeous, but one consultant, the one we ended up hiring, said: "Sure, I can help you, but what story do you want to tell?" Silence on my end of the phone. Well, that's a heck of a good question.

It's not that I was clueless about running our marketing department; I did have a few ideas. I knew we were a construction company so I crafted ads to show off our beautiful portfolio. I also knew we did high-end work, so I agonized over finding money to

advertise in every shelter magazine that promised to reach a wealthy demographic. I tried radio spots and sponsored random charity events — all this in hopes of reaching someone who could fog up a glass and happened to have money burning a hole in his or her pocket.

The problem with my shot-in-the dark approach was that we were promising to be everything to everyone. Internally, we knew our clients needed to be wealthy and interested in a high level of craft, but these criteria also fit 10 of our competitors. Our ads didn't really do anything to set us apart; the phone was ringing, but from the wrong area codes.

So what was the story we wanted to tell? With our new, very clever consultant on the payroll, we began to dig it up. She and I and the rest of the company spent several hours together poking at assumptions, defining core values, testing capabilities, trusting instincts, and drawing crazy diagrams to determine where

we landed on every bell curve. We felt wrung out and hung out, but at least we knew we had explored our core beliefs.

And then, most importantly, our consultant made more than 20 phone calls. She chatted up clients who loved us, clients who hated us, lost prospects, architects and trade partners — anyone who could prove or disprove the consistency of experiencing the firm. The results were amazing. We discovered common

threads to tie together our brand and strong metaphors that could relate our values to our clients' personal stories. We heard concrete expectations of what people demanded from us. It was stunning to finally be able to organize our story into a few simple

nuggets.

With these nuggets, we embarked on developing our brochure and print ads. Our consultant coached us on language to use when we were interviewed for articles. We developed a threevear plan that capitalized on our brand. We pulled out of advertising opportunities that didn't match our culture. And a most amazing by-product became solidifying operations criteria. Every person in the firm knew exactly how to represent him or herself in any situation.

Everything is now aligned. This doesn't mean we can't change and grow, but as we do, we know what our center axis is. Our clients trust us to be consistent; when we work for them, they

trust us with their home. And we prove it to them every time they encounter our firm. **PR**

Allison Perry lantosca is vice president of marketing and sales for F.H. Perry, Builder, a preeminent custom builder and remodeler in the Boston market. She can be reached at aiantosca@fhperry.com.

Allison P. lantosca
Contributing Editor

Our clients

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when we work

for them, they

consistent;

trust us with
their home. And
we prove it to
them every time
they encounter
our firm.

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>> Coming in September: The sales and marketing budgeting processes: do they compete or collaborate?

TEAM BUILDING FOR GROWING FIRMS

Empower your employees to boost camaraderie and productivity

THERE IS NO "I" IN TEAM. That's what team building is all about: getting everyone in the company to participate in setting goals and core values. Once employees are part of the process, they'll believe in their work and be more willing to uphold the goals and values of the company.

Tom: Chris, define how you look at team building.

Chris: If you look at professional sports or any type of sporting event, you have an idea that they're after something. They're after a championship, they have a history of their team and a fan base that they need to support. They also have a bottom line to achieve. In our business, it's no different, We have the clients, the bottom line that we have to achieve, employees who need a reason to be focused. It isn't just the job or the bottom dollar. The most successful teams or businesses out there have a goal. They have a reason for being in business and what they do that makes them different from everyone

This month featuring:

Linda Minde, Co-Owner

Trilite Builders, Chandler, Ariz

Trilite is a design/build/remodeling company that's been in business for 25 years. The firm has 11 employees, Annual volume is \$2 million to \$2.5 million.

Chris Stebnitz, Owner

Stebnitz Builders, Delavan, Wis.

Stebnitz is a 36-year-old company, with Chris as a third-generation owner. The firm has 20 employees and an annual revenue of \$3.5 million to \$4 million.

else. We've spent a large portion of our time and dedication to materials and resources, inhouse and outsourced, to help us identify that. You can get that answer, you can say what the answer is or go out and search for that answer of who you are in relation to the other companies in your area and what the clients are looking for. You've got the key to start the team building. One is the people — what do we rally around, and what's our goal?

Tom: Linda, being in the human resource area, how do you look at team building and how do you define it?

Linda: We look at team building in conjunction with our core values. One is exceptional customer service. Another is respect and accountability. I see that is important in the team, that they respect one another, that there's good communication and they support each other with all the different ideas coming together. It's a synergistic thing. We look at that with our staff. It benefits the client when they feel that no matter who they're working with, it's all one team working together for a common goal.

Tom: Some say that team building is just a lot more meetings. How do you address that; is it true or false?

Linda: No, it really isn't. Once a month we have a strategic planning meeting. We develop our strategic goals for the year. When we get together it's accountability time about how the departments are doing. We usually have a team building event. For example, if we're going to talk about communication, we'll do a fun exercise. Like we pair up one field person and one office person. Put them back to back. One person has a picture and he describes that picture to the other person, who draws it and



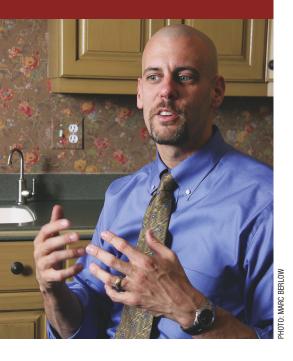
LINDA: "We look at team building in conjunction with our core values. One is exceptional customer service. Another is respect and accountabilitv."

tries to guess what it is. It's a way to bond together.

Tom: Chris, is there any time that you would advise and think it was important to bring in outside consultants - team builders, coaches or anyone else outside the confines of your company?

Chris: Absolutely. We've brought in dif-

CHRIS: "If you look at professional sports or any type of sporting event, you have an idea that they're after something."



ferent professionals whose level of expertise has helped bring more clarity to different aspects.

Tom: Linda, do you use outside sources at all?

Linda: We did last year. We hired a consultant to help us do our first strategic planning. I'm a member of NAWBO, the National Association of Women Business Owners. I talked to someone I met at that organization, mentioning that we were growing our company and bringing our design in-house. I felt there was a little bit of disconnect between the field and the in-house design. She recommended doing a strategic plan and bringing everyone together. We did hire her to come in to work with the managers of all the departments and the individual employees.

Tom: Linda do you believe that an outside source is helpful, or do you think you can do about as good in-house?

Linda: The first time, I thought it was very helpful because it was all new to us. Working with the consultant, there were things that we could do ourselves, like putting our own brochure together. That lowered the cost somewhat. Since we've done one, we do it in-house now; we don't feel the need to bring her back again.

Tom: Chris, do you see a need for out-

side consulting or outside help coming in from time to time to bring the team back together?

Chris: I do. We're members of Remodelers Advantage. We'll come back from our meetings with some big ideas on how to move from point A to point B. Sometimes we're too close to it, so it helps to have someone else come in without preju-

dice; it makes things go much smoother. They meet with us and they're going to do what we want them to do to achieve. We have an end result. We have them come in and identify what that is, and I think it's really invaluable.

Tom: Linda, when you take a look at team building, do you look at people or processes?

Linda: It's a little bit of both. Usually it's in the process side that something that is not working well. It may or may not be employee-related. It may just be that some communication is not well. Usually it starts with the process.

Tom: Chris, people or processes?

Chris: 100 percent process. If things aren't being done, then I've done a poor job at getting the process in such a way that it dictates who I bring in. If I don't have a job description that fits the right type of people I have, then I could just hire anyone and bring anyone in. I think it's process-driven. It enables you to do all the other things in your business well.

Tom: Now, the last bit of information you're

going to tell a group of remodelers who want to know more about team building.

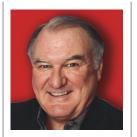
Chris: First of all, define who you are! The way to do that is ask the clients and ask the people you work with. If you have employees, ask them. If you have past clients and current clients, ask them. Try to get an unbiased survey done. Ask the suppliers and those people what it takes to make a great company. Those are the people who you want to listen to. Once you get that feedback, identify the type of client you want and

the things that they want from you. Go through the process of defining what it takes to get there; what are the systems and processes we need to get from here to there? Who do I need, and who's going to be doing this process? What are the specific things you can achieve out of this? In essence, we probably want more profits, happier clients and happier staff. No mat-

ter where you're at in the process — from a one-man crew to a 50-person company — this process works. It eliminates a lot of the running around and buckshot approach of trying to get to the end result. Understand who you are, and understand where you're going and how you're going to get there.

Tom: That's great advice! Linda, what can you add to that?

Linda: So many small businesses don't make it because they're burned out. They're trying to do it all. Take a step back and see why it is that I have to be involved in this. Why is it that my staff doesn't really know what their job is or what the process is? If they would start with one little piece, that would be huge. It would probably take five to 10 hours out of their work week. Then they could see the benefit of that, and they'll start working on another area.



Tom Swartz
Contributing Editor

>> For the rest of the discussion on this

topic or to listen to the podcast, visit www.ProRemodeler.com/bestpractices



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* Membership is not available in all areas.

By Jonathan Sweet Senior Editor

Making the big boxes work

ome see the installed sales divisions of the big boxes as an enemy, but Anthony Home Improvements President Stephen Klein has embraced Home Depot as the key to his company's growth.

The Elkins Park, Pa.-based company (under the name Housecrafters) has been installing projects for Home Depot since 2003. The company started by working with three stores and now is the authorized contractor for kitchens, baths, sunrooms and closet organizers at 57 stores in and around Philadelphia. Business from Home Depot accounted for about 90 percent of the company's \$7.2 million installed volume last year. (The company is No. 3 in the Philadelphia market on this year's Market Leaders list. See p. 28 for the complete list.)

For kitchens and baths, Housecrafters only provides



the labor and installation after the project has been sold and designed. For sunrooms and closet systems, though, the company sells, designs and installs the project, as well as provides materials.

Thanks to 35 years working in the business that his father started more than 50 years ago, Klein has plenty of experience working as an unaffiliated contractor. The company was also part of the Sears network in the 1980s and '90s.

The partnership offers sev-

eral advantages over being on his own, Klein says, including reduced marketing costs, eased financing and improved cash flow because Home Depot pays promptly.

Klein however says it's not for everybody. A contractor has to be willing to give up some control in pricing and design, as well as deal with Home Depot's paperwork requirements.

"We also have to worry about putting so much of our business with them," Klein says. "We realize we could get swallowed up with them — they could take everything away from us."

For that reason, Klein is looking at ways to build the rest of the business, including a new focus on universal design.

"Home Depot grew so fast, it became a much bigger part of our business than we ever thought it would be," he says. >> If you have a **Trade Secret** you would like to share, e-mail Senior Editor
Jonathan Sweet at *jonathan*.
sweet@reedbusiness.com.

Market Leaders' Trade Secrets

ere are some best practices from this year's Market Leaders

- American Home Renewal (No. 1 in San Francisco) works with homeowner associations in the area to make sure its windows and siding are preapproved, so when someone wants work done, it can be at the top of the list.
- F.H. Perry Builder (No. 1 in Boston) launched a three-year



plan, Permission to be Preeminent, which promises its employees that they will have the tools and education to remain the choice of sophisticated homeowners.

- Artisan Interiors & Remodeling (No. 5 in Denver) has tightened its focus to luxury baths, kitchens and whole-house remodels with its Concierge Construction Services, emphasizing their turnkey approach to remodeling for high-end customers.
- Behr Construction (No. 4 in Los Angeles) holds a weekly meeting with all project managers and supervisors where they not only review the status of all ongoing projects, but also have a short quiz on current and new building codes.

Everybody get together

or Curb Appeal Renovations, growing the business means more than just increasing volume.

So company owners Robin Burrill and Rob Mathews decided that in 2008 the Keller, Texas, design/build firm (No. 5 in the Dallas market on this year's Market Leaders list) would focus on improving its culture in a variety of ways, including holding the first company summit.

Burrill and Mathews worked with Linda Case of Remodelers Advantage to develop an outline of what they wanted to accomplish at the meeting, then hired a facilitator to lead the all-day event last November.

At the summit, Burrill and Mathews shared their revenue goals for the year, detailed financial information and shared what they saw for the future. They also solicited the input of the employees about what they thought both company and personal goals should be and they could improve the company. They also talked about the results of the company's Guild Quality surveys and how they could improve customer satisfaction. The benefits were immediate, Burrill says.

"It really got them to feel as if they are part of the company because they know where we stand," she says. "It's really made them think strategically, like owners, not employees."

Burrill and Mathews are planning a follow-up meeting in June to review the company's progress and another summit — this time for two days — in October. They also used the model for a trade contractor summit in January where they shared the goals for the year with their subcontactors.





The 2008 Market Leaders list, which identifies the top remodelers in 20 top remodeling markets, was compiled through a combination of research by *Professional Remodeler* staff and information provided by the listed companies. For the complete list, see p. 28.

By Jonathan Sweet, Senior Editor

THERE ARE ECONOMIC DOWNTURNS, and then there's Detroit.

While most of the country feels the effects of the hard-hit economy and a slowdown in the remodeling market, few cities have been hit as hard as Detroit. Not only is the area suffering from the results of the subprime fallout, but a local economy dependent on manufacturing has been in a freefall. (In fact, the metro area ranked No. 6 for foreclosures in the first quarter of the year, making it the only Top 10 market outside the Sun Belt.)

Put it all together and it seems like a recipe for disaster. That makes the success of DA Home Improvement, based in suburban Wyandotte, Mich., stand out even more. While many area remodelers lost millions of dollars in business from 2006 to 2007 or just disappeared altogether, DA Home Improvement was able to grow slightly to \$18 million in sales in 2007, with more growth forecast for this year.

Instead of fighting the economy and scrambling for a piece of the shrinking single-family market, DA Home Improvement has succeeded by turning its attention to multi-family projects. While the company still undertakes smaller residential projects, multi-family — ranging from low-income apartments to highend condominiums — has become its bread and butter.

It's a matter of following the market, says President Dave Adamczyk. With people losing their homes or choosing not to buy, the apartment market is booming. Because of high vacancy rates, many property owners weren't remodeling, but now rising demand is causing them to invest in much-needed renovations.

"They've found that they can take a property with a lot of open units, spend some money on remodeling, and then they end up with a waiting list to get in," Adamczyk says. "After they see that, they decide to invest in upgrading their other properties, too."

Like many firms, DA Home Improvement relies on repeat and referral business. What sets the company apart is the incredible level of service that Adamczyk offers his clients to make sure they get that business.

"I do everything I can to make the project work for the client," he says. "We'll finance it for them, we'll piecemeal it, we'll help them get grants — whatever we can do."

One recent project is a perfect example of that above-andbeyond service. A potential client had an apartment complex that literally had blue tarps covering a leaky roof. ("It looked like we were down in the Caribbean after a hurricane," Adamczyk says.) Because of the roof, the property owners couldn't get insurance, and without insurance they couldn't get a loan to make repairs.

"So, I went in and financed the roof for them and made sure

they had cash flow to handle it," Adamczyk says.

Once the roofs were repaired, the client got insured, and then Adamczyk helped them secure funding from a lender he works with to not only pay the company back for the roof, but also to undertake \$4 million in siding and shutters.

"They got insurance and paid me off, and I got the job for the rest of the complex," Adamczyk says. "A lot of contractors won't do that."

Another service offers his low-income housing clients help with getting state and federal grants. The residents have to meet income standards, but the grants are readily available.

"There are grants that are just waiting there," he says. "These apartment owners don't even realize they can use them, or if they do, they don't want to be involved with the paperwork. So we do it for them."

This has allowed him to close jobs he probably never would have gotten otherwise.

"What I can do now is go to people and say, 'I can give you \$300,000 or \$400,000 if you're going to do X amount of work.' That's a big deal," Adamczyk says.

Even after the job is completed, that dedication to service continues. While the company will go back and take care of any normal warranty work, Adamczyk has also sent his team to repair storm damage or other problems on completed jobs. It's all part of the effort to make sure DA Home Improvement stays top-of-mind for property managers and co-op boards. Unlike a homeowner, a property manager will probably undertake dozens of remodeling projects at various properties. That's also why Adamczyk walks through every job site to complete a final punch list after his project managers have done theirs.

"It's got to meet my standard of absolute perfection," he says. "People see me on their properties, and then three or four or five years later, they remember that when they need to hire someone again."

The company does most of its work around Detroit, but will go farther for the right project. Adamczyk is getting more calls from out of state now, and he's expanding his service area to reach his ultimate goal of a \$30 million to \$40 million-a-year company. Because DA Home Improvement uses subcontracted labor, Adamczyk only needs to send a project manager to the site to make these far-flung projects work.

That has also allowed him to keep his options open and offer nearly any type of remodeling. The company has done projects with millions of dollars in roofing and siding and then will turn around and get a \$25,000 bathroom in a single-family home, or a multifamily job with 609 kitchens and 1,000 bathrooms. **PR**

Population: 5,278,904

(24.3 percent increase since 2000) **Median home value:** \$154,000

(down 9.6 percent from 2007)

Median household income: \$51,948

Local unemployment rate:

5.1 percent (3.9 percent in 2007)

Total Market Leader volume:

\$27.8 million

Average employees: 30 (18 field, 12 office)

Average No. of projects: 45

2007 remodeling market: Three Market Leaders said it was up; two said it was down, with trends of smaller jobs and a longer decision-making process.

2008 outlook: Three say it will be worse, one better and one unchanged.

Key challenges: Maintaining consistent sales with decreasing leads, rising costs of doing business and the general economy

"There's less disposable income, but more people are choosing not to move and improving where they live."

— Ginny Tibbetts, Atlanta Decking & Fence Co.

Population: 4,482,857 (2.1 percent increase since 2000)

Median home value: \$357,100 (down 7.8

percent from 2007)

Median household income: \$52,792

Local unemployment rate: 4.3 percent

(4.3 percent in 2007)

Total Market Leader volume:

\$33.9 million

Average employees: 19 (10 office, 9 field)

Average No. of projects: 27

2007 remodeling market: Four Market Leaders said it was down; one said it was up, with significant drop-offs in the low and middle markets, tougher competition for work and longer negotiations

2008 outlook: Three say it will be unchanged, one better and one worse.

Key challenges: Customers who are more price-concious, reducing overhead to deal with a smaller market and implementing systems to run more efficiently

"We continue to operate in a fairly saturated, competitive market.
Our biggest challenge is consistently differentiating ourselves from other general contractors."

— Allison P. Iantosca, F.H. Perry Builder

CHICAGO

Population: 9,524,673 (4.7 percent

increase since 2000)

Median home value: \$249,600 (down 6.6

percent from 2007)

Median household income: \$51,046 Local unemployment rate: 5.6 percent

(4.9 percent in 2007)

Total Market Leader volume: \$62 million Average employees: 60 (33 office, 27 field)

Average No. of projects: 115

2007 remodeling market: Two Market

Leaders said it was down, two said it was up and one said it was unchanged. While the Market Leaders mostly had better years, they saw significant declines for many of their competitors.

2008 outlook: Two say it will be unchanged, two better and one worse.

Key challenges: Downturn in the housing market; hiring and training new employees; and competition that is cutting prices to land work

"With low interest rates and a flat new home market, we expect that homeowners will choose to remodel rather than attempt to sell their homes."

— Tom Koutny, Orren Pickell Remodeling Group

DALLAS

Population: 6,145,037

(19.1 percent increase since 2000)

Median home value: \$142,400

(down 2.1 percent from 2007)

Median household income: \$47,418

Local unemployment rate: 4.2 percent

(4.1 percent in 2007)

Total Market Leader volume:

\$10.4 million

Average employees: 6 (3.5 field, 2.5 office)

Average No. of projects: 81

2007 remodeling market: Three Market Leaders said it was up; two said it was unchanged, with average job size increasing in a relatively strong housing market.

2008 outlook: Two say it will be unchanged, two better and one worse. **Key challenges:** Developing better infrastructure to control costs, finding more

consistent leads and rising material costs

— Robin Burrill, Curb Appeal Renovations

"The housing market has had steady increases, not the huge rise in value like some markets, so we are optimistic that our market will continue to do well."



Population: 2,464,866 (13.1 percent

increase since 2000)

Median home value: \$223,500 (down 6.6

percent from 2007)

Median household income: \$51,088 Local unemployment rate: 4.8 percent

(3.9 percent in 2007)

Total Market Leader volume:

\$37.9 million

Average employees: 23 (12 field, 11 office)

Average No. of projects: 141

2007 remodeling market: Two Market Leaders said it was up, two said it was down and one said it was unchanged.

2008 outlook: Two say it will be unchanged, two better and one worse. **Key challenges:** Dealing with smaller

margins, finding more effective ways to market and a decrease in leads

"When the market turns around those who were able to grow and remain in the market will be poised to make an impact."

— Wyatt Breum, Artisan Interiors & Remodeling

DETROT

Population: 4,467,592 (0.3 percent

increase since 2000)

Median home value: \$148,000 (down 15.9

percent from 2007)

Median household income: \$49,160 Local unemployment rate: 8.1 percent

(7.4 percent in 2007)

Total Market Leader volume:

\$38.3 million

Average employees: 14 (9 field, 5 office)

Average No. of projects: 119

2007 remodeling market: Four Market

Leaders said it was down; one said it was up, with an increase in small home improvement projects and a decrease in larger projects.

2008 outlook: Three say it will be better and two expect worse.

Key challenges: Finding and keeping good employees, competing against low bidders and bringing staffing in line with smaller volumes

"The local economy is terrible. It's darn near a depression."

— Dave Adamczyk, DA Home Improvement

HOUSTON

Population: 5,628,101 (19.4 percent increase since 2000)

Median home value: \$148,400 (up .8 per-

cent from 2007)

Median household income: \$44,761 Local unemployment rate: 4.1 percent

(4.1 percent in 2007)

Total Market Leader volume:

\$25.3 million

Average employees: 17 (10 office, 7 field) **Average No. of projects:** 92

2007 remodeling market: All five Market Leaders said it was up.

2008 outlook: All five expect it to be better. **Key challenges:** Rising marketing costs, aging labor pool and implementing better systems

"Houston is a great market to be in, and we see no reason it won't continue to be strong for remodeling."

— Ben Crawford, Crawford Renovation

I OS ANGELES

Population: 12,875,587 (4.1 percent increase since 2000)

Median home value: \$459,400 (down 21.3

percent from 2007)

Median household income: \$45,903 Local unemployment rate: 5.5 percent

(4.4 percent in 2007)

Total Market Leader volume:

\$54.1 million

Average employees: 65 (35 field, 30 office)

Average No. of projects: 617

2007 remodeling market: Three Market Leaders said it was down; two said it was up, with consumers more reluctant to invest.

2008 outlook: Three say it will be worse and two unchanged.

Key challenges: Declining leads, the downturn in the housing market and tightened homeowner budgets

"We have seen the consumer begin to be shopping more and not as quick to make a decision on a remodeling project."

— Vince Nardo, Reborn Cabinets



MINNEAPOLIS

Population: 3,208,212 (8.1 percent

increase since 2000)

Median home value: \$199,900 (down 10.2

percent from 2007)

Median household income: \$54,304 Local unemployment rate: 4.8 percent

(4.4 percent in 2007)

Total Market Leader volume:

\$28.4 million

Average employees: 34 (19 field, 15 office)

Average No. of projects: 256

2007 remodeling market: Three Market Leaders said it was down, one said it was up and one said it was unchanged.

2008 outlook: Two say it will be better, two worse and one unchanged.

Key challenges: Homeowners' difficulties getting financing, declining home prices, rising gas prices and smaller average job size

"The mortgage industry is our largest challenge currently. Refinancing homes has become very difficult in the past year."

— Cassie Meyer, Budget Exteriors 10TO: EXPLORE MINNESOTA TOURISM

NEW YORK OF THE PROPERTY OF TH

Population: 18,815,988 (2.7 percent

increase since 2000)

Median home value: \$445,500 (down 3.9

percent from 2006)

Median household income: \$50,795 Local unemployment rate: 4.7 percent

(4.6 percent in 2007)

Total Market Leader volume:

\$94.7 million

Average employees: 57 (31 field, 26 office)

Average No. of projects: 70

2007 remodeling market: Four Market Leaders said it was down; one said it was up, with business strong in the upper end of the market but sagging elsewhere.

2008 outlook: Four say it will be worse and one expects better.

Key challenges: The tight credit market; the economic downturn; competition from builders jumping into the market; and hiring and training good employees

"For the high-end, affluent clientele, the economics here are still good."

— Arnold Karp, Karp Associates

Population: 5,827,962 (2.5 percent

increase since 2000)

Median home value: \$220,900 (down .7

percent from 2007)

Median household income: \$47,528 Local unemployment rate: 4.9 percent

(4.2 percent in 2007)

Total Market Leader volume:

\$84.1 million

Average employees: 50 (27 field, 23 office) **Average No. of projects:** 644

2007 remodeling market: Three Market Leaders said it was up; two said it was down.

2008 outlook: Three say it will be worse, one better and one unchanged.

Key challenges: The slowing economy, heavy competition, more budget-concious clients and rising expenses

"The economy is down, and even very affluent customers are taking a wait-and-see attitude."

— William Stanfield, Devon Remodeling & Construction

PHOENIX

Population: 4,179,927 (28.5 percent

increase since 2000)

Median home value: \$222,200 (down 15.4

percent from 2007)

Median household income: \$44,752 Local unemployment rate: 3.5 percent

(3.1 percent in 2007)

Total Market Leader volume:

\$25.4 million

Average employees: 35 (24 field, 11 office)

Average No. of projects: 108

2007 remodeling market: Three Market Leaders said it was up, one said it was down and one said it was unchanged.

2008 outlook: Three say it will be worse

and two expect better.

Key challenges: Finding and training employees; builders' entering remodeling; declining home values; and competitors using illegal labor

"The remodeling market will be strong but a lot more competitive due to new construction slowing."

— Jason Williams, Armor-Deck



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PORTLAND

Population: 2,175,113

(12.8 percent increase since 2000)

Median home value: \$286,600
(down 1.1 percent from 2007)

Median household income: \$46,090 Local unemployment rate: 5.6 percent

(5 percent in 2007)

Total Market Leader volume:

\$50.2 million

Average employees: 60 (31 field, 29 office)

Average No. of projects: 70

2007 remodeling market: All five Market Leaders said it was up, particularly in the first half of the year.

2008 outlook: Four say it will be unchanged and one expects better.

Key challenges: Effects of the mortgage market; controlling production costs; hiring and training project management staff; and maintaining controlled growth

"People are interested more in improving their current residence than moving and buying new with the elevated pricing and smaller lots."

– Jeff Metke, Metke Remodeling & Woodworking

SACREMENIO

Population: 2,091,120

(16.4 percent increase since 2000)

Median home value: \$258,500
(down 29.2 percent from 2007)

Median household income: \$46,106
Local unemployment rate: 6.5 percent

(5.1 percent in 2007)

Total Market Leader volume:

\$24.5 million

Average employees: 29 (20 field, 9 office)

Average No. of projects: 51

2007 remodeling market: Three Market Leaders said it was up; two said it was down, with project sizes decreasing slightly.

2008 outlook: Two say it will be better, two worse and one unchanged.

Key challenges: State business regulations, builders' entering remodeling and a lack of consumer confidence

"Consumers are more price-sensitive, and the market has definitely tightened up."

— Kent Eberle, Eberle Remodeling PHOTO: TOM MYERS/COURTESY OF SACRAMENTO CONVENTION & VISITORS BUREAU

ST. LOUIS

Population: 2,803,797

(3.9 percent increase since 2000)

Median home value: \$121,400
(down 9.7 percent from 2007)

Median household income: \$44,437

Local unemployment rate: 6.4 percent

(5.0 percent in 2007)

Total Market Leader volume:

\$35.8 million

Average employees: 48 (32 field, 16 office)

Average No. of projects: 67

2007 remodeling market: Three Market Leaders said it was up, one said it was

down and one unchanged. **2008 outlook:** Four say it will be unchanged and one expects better.

Key challenges: Generating leads at a reasonable cost; finding and keeping

qualified employees

"I think the slow home sales in St. Louis will help remodeling stay strong."

— Paul Kanyuck, P-K Construction

SANDIEGO

Population: 2,974,859

(5.7 percent increase since 2000)

Median home value: \$459,000
(down 22.9 percent from 2007)

Median household income: \$47,607

Local unemployment rate: 5.3 percent

(4.2 percent in 2007)

Total Market Leader volume:

\$41.8 million

Average employees: 24 (13 field, 11 office)

Average No. of projects: 81

2007 remodeling market: Two Market Leaders said it was down, two said it was up and one said it was unchanged. Last year's wildfires also affected the San Diego market.

2008 outlook: Two say it will be better, two worse and one unchanged.

Key challenges: Generating leads, finding qualified help, declining real-estate values, the general economy and nervous consumers saving their money

"Our design consultants had fewer leads but worked them more successfully. The people that are calling appear to be more serious."

Gary Marrokal,
 Marrokal Construction



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SANFRANCISCO

Population: 4,203,898 (1.9 percent

increase since 2000)

Median home value: \$701,700 (down 6.1

percent from 2007)

Median household income: \$62,024 Local unemployment rate: 5 percent

(4.2 percent in 2007)

Total Market Leader volume:

\$38.1 million

Average employees: 26 (15 field, 11 office) **Average No. of projects:** 69

2007 remodeling market: Two Market Leaders said it was down, two said it was unchanged and one said it was up. 2008 outlook: Four say it will be worse

and one unchanged.

Key challenges: Improving efficiencies, hiring good installers and keeping quality customer service as business slows

"The Bay Area is still seeing brisk sales and an interest in upgrading current homes where there is substantial equity."

— Bella Babot, Harrell Remodeling

SEATTLE

Population: 3,309,347

(8.7 percent increase since 2000)

Median home value: \$372,300

(down 2.1 percent from 2007)

Median household income: \$50,733

Local unemployment rate: 4.2 percent

(4.1 percent in 2007)

Total Market Leader volume:

\$57.1 million

Average employees: 69 (40 field, 29 office)

Average No. of projects: 1,200 **2007 remodeling market:** Four Market Leaders said it was up and one said it

was down.

2008 outlook: Three say it will be unchanged, one better and one worse. Key challenges: The economy; rising costs of insurance and fuel; increased competition; and finding qualified employees

"We're very concerned about the economy; potential tightening of credit options; and second mortgage availability and flexibility."

— Guy Golliver, State Roofing





TAMPA

Population: 2,723,949

(13.7 percent increase since 2000) **Median home value:** \$184,700 (down 9.1 percent from 2007)

Median household income: \$37,406 Local unemployment rate: 5.1 percent

(3.6 percent in 2007)

Total Market Leader volume:

\$24.9 million

Average employees: 13 (7 field, 6 office)

Average No. of projects: 20

2007 remodeling market: Three Market Leaders said it was down; two said it was up, with rising taxes and cheap new homes pushing remodeling down.

2008 outlook: Two say it will be unchanged, two expect worse and one expects better.

Key challenges: Competing with lowquality imports, credit crunch, training employees and the slowing economy "The amount of layoffs has (increased) unlicensed remodeling activity ... but this will diminish when the market turns around."

— Neal Fiske,TriplePoint Construction

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portunity to hone our

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WASHINGTON, D.C.

Population: 5,306,565

(10.6 percent increase since 2000)

Median home value: \$371,800
(down 13.1 percent from 2007)

Median household income: \$57,291 Local unemployment rate: 3.4 percent

(2.9 percent in 2007)

Total Market Leader volume:

\$105.6 million

Average employees: 107

(60 field, 47 office)

Average No. of projects: 50

2007 remodeling market: Four Market Leaders said it was down and one said it

was unchanged.

2008 outlook: Three say it will be better and two unchanged.

Key challenges: Declining leads and restructuring to better handle the lean market

— Kathy Kelly, BOWA Builders

growth."

Sources: Company-provided data, Bureau of Labor Statistics, U.S. Census Bureau, National Association of Realtors, Office of Federal Housing Enterprise Oversight, Zillow.com



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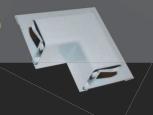
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Market/Company	Installed volume	Specialty	Location
Atlanta	40.00=		
Weidmann & Associates	\$6,987,500	Design/build remodeler	Roswell, Ga.
Rembrandt Remodeling	\$6,800,000	Full service remodeler	Marietta, Ga.
Home Rebuilders	\$5,367,168	Full service remodeler	Atlanta
Cruickshank	\$4,474,000	Full service remodeler	Atlanta
Atlanta Decking & Fence Co.	\$4,200,000	Outdoor living	Cumming, Ga.
Boston			
F.H. Perry Builder	\$10,421,000	Full service remodeler	Hopkinton, Mass.
FBN Construction	\$8,900,000	Full service remodeler	Boston
einmann	\$5,670,000	Full service remodeler	Lexington, Mass.
_ee Kimball	\$4,600,000	Design/build remodeler	Winchester, Mass.
The Wiese Co.	\$4,259,276	Design/build remodeler	Natick, Mass.
Chicago			
Normandy Builders	\$29,333,000	Full service remodeler	Hinsdale, III.
Benvenuti and Stein	\$10,000,000	Design/build remodeler	Evanston, III.
J.C. Restoration	\$9,498,002	Insurance restoration	Bensenville, III.
Staalsen Construction Co.	\$8,000,000	Full service remodeler	Chicago
Orren Pickell Remodeling Group	\$5,200,000	Full service remodeler	Lincolnshire, III.
Dallas	ψ0,200,000	Tall service remodeler	Eliloonioniio, iii.
Elite Remodeling	\$3,440,000	Full service remodeler	Frisco, Texas
Skillful Improvements	\$2,100,000	Full service remodeler	Mesquite, Texas
•	\$2,100,000		
Capital Improvements		Full service remodeler	Allen, Texas
Home Artisan Authority	\$1,600,000	Full service remodeler	Denton, Texas
Curb Appeal Renovations	\$1,200,000	Full service remodeler	Keller, Texas
Denver			
BOA Construction	\$19,000,000	Full service remodeler	Denver
Finished Basement Co.	\$12,000,000	Design/build remodeler	Denver
JNI Design	\$2,700,000	Full service remodeler	Greeley, Colo.
Highcraft Builders	\$2,700,000	Full service remodeler	Fort Collins, Colo.
Artisan Interiors and Remodeling	\$1,500,000	Full service remodeler	Centennial, Colo.
Detroit			
DA Home Improvement	\$17,000,000	Full service remodeler	Wyandotte, Mich.
Rolar Inc.	\$8,676,554	Full service remodeler	Troy, Mich.
Great Lakes Custom Builder	\$8,400,000	Full service remodeler	Rochester Hills, Mich.
A.J. Dompierre Construction	\$2,200,000	Full service remodeler	Farmington, Mich.
Bloomfield Construction	\$2,034,464	Exterior remodeler	Bloomfield Hills, Mich
Houston	, ,,,,,		
Crawford Renovation	\$14,100,000	Design/build remodeler	Houston
Amazing Siding Corp.	\$4,500,000	Exterior remodeler	Tomball, Texas
Doing What's Right Construction	\$2,900,000	Full service remodeler	Conroe, Texas
Living Improvements	\$2,414,122	Full service remodeler	Stafford, Texas
Brothers Strong	\$1,350,000	Full service remodeler	Houston
Los Angeles	ψ1,330,000	i un service remouelei	Houstoff
Reborn Cabinets	\$14,000,000	Kitchen/bath specialist	Anaheim, Calif.
Pacific Home Remodeling	\$13,051,540	Exterior remodeler	Los Angeles
			•
Dial One Window Replacement Specialists	\$12,157,892	Exterior remodeler	Santa Ana, Calif.
Behr Construction	\$9,898,000	Full service remodeler	La Canada, Calif.
Plaskoff Construction	\$5,020,000	Full service remodeler	Woodland Hills, Calif.
Minneapolis/St. Paul	Φ7.70F.000	Full seminer at 1.1	Die in the
Budget Exteriors	\$7,705,000	Full service remodeler	Bloomington, Minn.
Plekkenpol Builders	\$6,687,000	Full service remodeler	Bloomington, Minn.
Minnesota Rusco	\$5,100,000	Full service remodeler	Minnetonka, Minn.
Authentic Construction Co.	\$4,271,000	Full service remodeler	St. Paul
	A4 000 000	Full service remodeler	Minneapolis
	\$4,600,000	1 4.11 501 1100 1 51110 40101	
	\$4,600,000	- un control tomouston	
New York	\$50,315,608	Full service remodeler	Plainview, N.Y.
New York Alure Home Improvements			Plainview, N.Y. Fairfield, N.J.
New York Alure Home Improvements Home Remodelers Group	\$50,315,608	Full service remodeler	
Murphy Bros. New York Alure Home Improvements Home Remodelers Group Karp Associates Remodeling Consultants	\$50,315,608 \$15,760,920	Full service remodeler Full service remodeler	Fairfield, N.J.

Sources: Company-provided data, Bureau of Labor Statistics, U.S. Census Bureau, National Association of Realtors, Office of Federal Housing Enterprise Oversight, Zillow.com

PROFESSIONAL REMODELER

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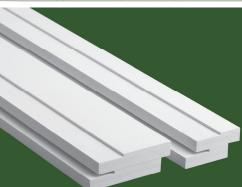
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Market/Company	Installed volume	Specialty	Location
Philadelphia	A 10 000		
Gardner/Fox Associates	\$40,000,000	Design/build remodeler	Bryn Mawr, Pa.
Power Windows and Siding	\$26,445,243	Exterior remodeler	Brookhaven, Pa.
Housecrafters	\$7,200,000	Kitchen/bath specialist	Elkins Park, Pa.
Brindisi Builders	\$7,000,000	Full service remodeler	Marlton, N.J.
Devon Remodeling & Construction	\$3,480,741	Full service remodeler	Devon, Pa.
Phoenix			
Legacy Custom Building & Remodeling	\$9,350,700	Design/build remodeler	Scottsdale, Ariz.
Armor-Deck	\$5,260,254	Outdoor living	Tempe, Ariz.
Kowalski Construction	\$4,536,380	Full service remodeler	Phoenix
Kirk Development Co.	\$3,684,103	Full service remodeler	Phoenix
Cook Remodeling & Custom Construction	\$2,527,000	Full service remodeler	Mesa, Ariz.
Portland			
Neil Kelly Co.	\$25,488,031	Design/build remodeler	Portland
A Cut Above Exteriors & Construction	\$14,118,051	Exterior remodeler	Portland
Metke Remodeling & Woodworking	\$4,633,024	Full service remodeler	Lake Oswego, Ore.
Olson & Jones Construction	\$3,400,000	Full service remodeler	Portland
Master Plan Remodeling	\$2,600,000	Full service remodeler	Portland
Sacramento			
Kitchen Mart	\$10,000,000	Kitchen/bath specialist	Sacramento
/inyl Designs	\$5,000,000	Exterior remodeler	Sacramento
Morse Remodeling	\$4,629,688	Full service remodeler	Davis, Calif.
Eberle Remodeling	\$2,600,000	Design/build remodeler	Sacramento
O & J Kitchens & Baths	\$2,300,000	Kitchen/bath specialist	Sacramento
St. Louis			
Dalco Home Remodeling	\$11,727,011	Full service remodeler	Bridgeton, Mo.
Boa Construction	\$7,700,000	Full service remodeler	St. Louis
Mosby Building Arts	\$7,360,000	Full service remodeler	St. Louis
Ehrlich's Kitchens & Baths	\$5,292,681	Kitchen/bath specialist	Hazelwood, Mo.
P-K Construction	\$3,768,835	Full service remodeler	Kirkwood, Mo.
San Diego	+		
Marrokal Construction	\$15,083,786	Design/build remodeler	San Diego
Charco Construction	\$10,000,000	Full service remodeler	San Diego
Dewhurst & Associates	\$7,000,000	Full service remodeler	La Jolla, Calif.
Remodel Works Bath & Kitchen	\$5,800,000	Kitchen/bath specialist	Poway, Calif.
K-Co Construction	\$3,948,586	Full service remodeler	San Diego
San Francisco	φο,στο,σσο	Tall dol vice Telliodelei	Can Diogo
American Home Renewal	\$14,000,000	Exterior remodeler	S. San Francisco, Cali
Harrell Remodeling	\$11,039,000	Full service remodeler	Mountain View, Calif.
McCutcheon Construction	\$6,452,645	Design/build remodeler	Berkeley, Calif.
Schiller Construction	\$4,070,530	Design/build remodeler	Mountain View, Calif.
Creative Spaces	\$2,500,000	Full service remodeler	Oakland, Calif.
Seattle	Ψ2,000,000	Tuli doi vido Tollidudidi	ouriui, ouiii.
State Roofing	\$22,852,000	Exterior remodeler	Monroe, Wash.
Sound Glass Sales	\$14,083,000	Exterior remodeler	Tacoma, Wash.
Westhill	\$7,387,000	Full service remodeler	Woodinville, Wash.
The Affordable Co.	\$7,000,000	Exterior remodeler	Burien, Wash.
Fenhulzen Remodeling	\$5,778,000	Full service remodeler	Redmond, Wash.
Tampa	φυ,ττο,υυυ	i uli sci vice i dilloudidi	neumonu, wasil.
Home-Pro	\$14,283,000	Outdoor living	Oldsmar, Fla.
Kitchen Creations	\$3,000,000	Kitchen specialist	
	. , ,	Full service remodeler	Tampa. Fla. Gulfport, Fla.
FriplePoint Construction	\$2,735,500		• •
Strobel Design Build	\$2,726,000	Full service remodeler	St. Petersburg, Fla.
Daniel E. Ashline Inc.	\$2,131,090	Full service remodeler	St. Petersburg, Fla.
Washington, D.C.	040 445 040	Full comics on 1.1	D-//
Case Design/Remodeling	\$49,145,943	Full service remodeler	Bethesda, Md.
BOWA Builders	\$28,820,991	Full service remodeler	McLean, Va.
The Window Place	\$9,739,696	Exterior remodeler	Fairfax, Va.
Landis Construction Corp.	\$9,200,000	Design/build remodeler	Washington, D.C.
Sun Design Remodeling Specialists	\$8,720,000	Full service remodeler	Burke, Va.





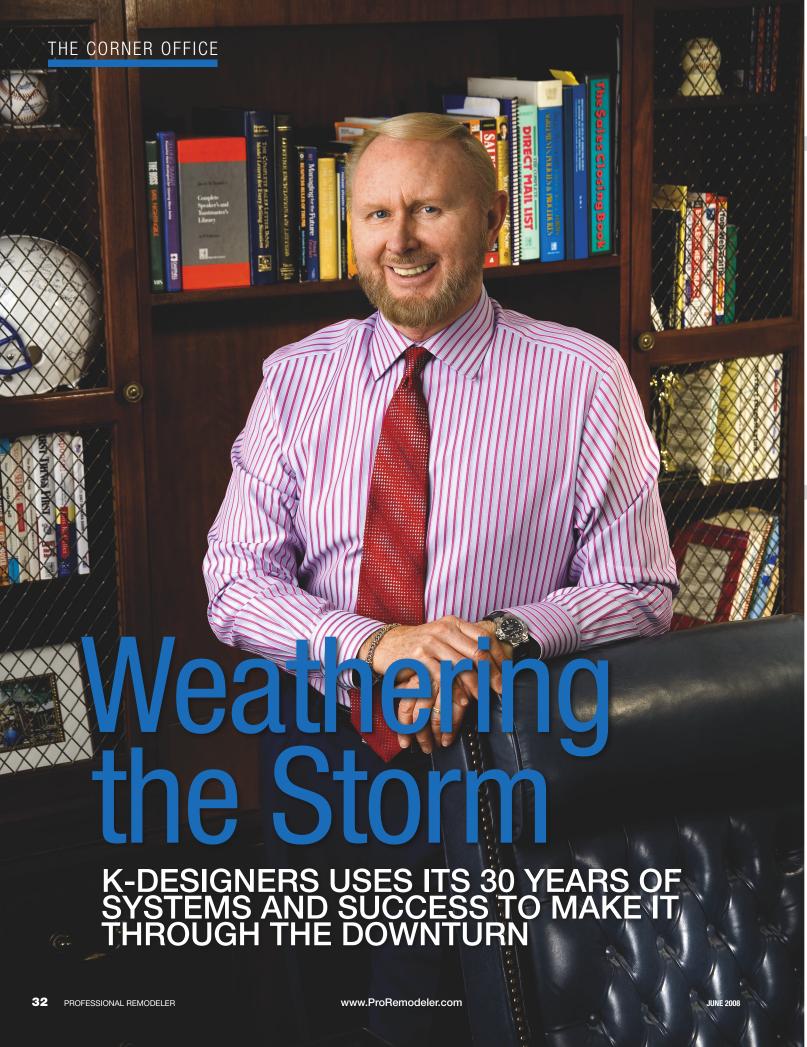
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By Jonathan Sweet, Senior Editor

IT WAS 30 YEARS AGO NEXT MONTH that a major hailstorm hit Casper, Wyo. Golf-ball size hail left nearly every building in the city with significant damage. Local contractors couldn't handle all the repairs and insurance companies were desperate for help. So Larry Judson and his brother Lee decided to take their construction experience to Wyoming to capitalize on the opportunity.

"I called my brother and said, here's a chance to make some fast money," Larry Judson recalls. "I figured we'd move there, do this for six months, then split the money down the middle."

Larry moved from Colorado Springs, where he was selling additions for a small remodeler, while Lee stayed in Billings, Mont.

"After six months, we didn't do what we wanted, but we did OK, so we said let's go another six months," Judson says. "At the end of the year, we had a model that was working, so we decided to open a branch in Billings and try it for another year or two."

What was intended to be a short-term partnership ended up becoming one of the largest exterior remodeling companies, K-Designers, in the country, with sales of \$61 million last year out of 11 branches throughout the western half of the country. K-Designers opened a Denver branch in 1981, closed the Casper location in 1982 and moved into the California market in 1986 with the opening of the Sacramento office. In 1990, Larry bought the company (except for the Billings branch) from Lee, moving the headquarters to Sacramento.

"If you look at history, with most businesses, the original founder did not envision what it became," Judson says. "We just pushed and worked. There wasn't a grand vision in place."

GROWTH-ORIENTED

Although the brothers didn't intend to launch a national brand, by the time Larry bought the company from Lee, he was ready to grow the company to other markets. After completing the long-term buyout with his brother in 1995, he quickly proceeded to open six more branches in 1995 and 1996. In 2000, he bought back the Billings branch from Lee and opened two more offices in Phoenix and Los Angeles, giving K-Designers its current 11 offices that serve 18 states.

"We had a good model in three cities and good procedures," Judson says. "We saw that if we took the same model, we could have success wherever we went."

Judson also recognized that a larger company had more buying power and could get better service and better pricing from suppliers. K-Designers now buys all of its products directly from

After two years of semi-retirement, K-Designers' CEO Larry Judson has returned to run the company he founded 30 years ago.

the manufacturer, down to the nails. Everything is delivered to the headquarters in Gold River before being sent to the branch offices for individual jobs.

"There's warehousing costs whether we warehouse there or warehouse here, but by running things through here we get the distributor's profit," Judson says. "We're selective with what we bring in, so hardly anything sits on our floor for more than 30 days."

The branch model also offers considerable savings in other overhead expenses. Marketing, financing, payroll, accounting and other services are all handled out of the corporate head-quarters. The local branches are responsible for little beyond installation and sales, and even those associates and employees receive training at the headquarters before going into their local markets. The company has systems in place for all aspects of sales and installation, making it relatively easy to expand to new branches.

However, with 11 branch managers and 19 sales managers, along with hundreds of other employees, keeping everybody on the same page can be difficult. One of Judson's priorities for this year is increasing uniformity in the branch offices and making sure all the systems are being followed. With the rapid growth and strong remodeling market of the last several years, it was easy to let those things slip, he says. Last year was the first time in 11 years that revenue dropped, declining from \$63 million in 2006.

"Our biggest weakness is holding people more accountable for following those systems," he says. "If we can do that, we'll see 10 percent growth right away."

Judson now has a weekly conference call with all of the branch managers to make sure they are up to speed. The com-

EXECUTIVE SUMMARY

K-Designers

Headquarters: Gold River, Calif., with 11 local branches

President/CEO: Larry Judson

2007 projects: 5,639

2007 volume: \$61.4 million

Projected 2008 volume: \$73 million

Employees and associates: 970

Founded: 1978

Biggest challenge: Making sure all 11 locations follow

the company's systems

Web site: www.k-designers.com

"Our biggest weakness is holding people more accountable. ... If we can do that, we'll see 10 percent growth right away."

pany's chief financial officer, three vice presidents (of marketing, production and sales) and the operations manager are also in constant communication with local branch, sales and production managers. Four times a year, the branch managers come to Sacramento for a company meeting.

"Everyone is trained to a standard, and if they deviate from that standard, it's not something we taught here," Judson says.

WORKING THE BASE

The market downturn has not only helped expose some weaknesses in the systems, it's also presenting an opportunity for K-Designers to grow.

For its entire 30-year history, K-Designers has focused on installing siding and, since 1990, windows. This year the company is rolling out a nationwide entry-door program. With an average price of \$4,000, it makes a nice add-on to siding and window jobs, Judson says.

Although the company has seen great growth by adding branches over the last decade, Judson says the company could have done even better by adding more product offerings.

"Selling to the existing customer has a lower cost, and it's also just a better way to increase revenues," he says. "What happened is we were making money, revenues kept going up and we didn't need it."

With more than 100,000 past customers, that's a huge group of potential clients to market new services to, Judson says.

To take advantage of that, by the end of the year, Judson wants to have four product lines at each branch, including siding, windows and doors. The fourth line may differ from branch to branch depending on local needs. With locations as diverse

A WEEK IN THE LIFE

How K-Designers CEO Larry Judson spends h average 40-hour week	is
Weekly senior executive meeting	4 hours
Meetings with VPs (sales, marketing and production) and staff	25 hours
Meetings with operations manager and team	4 hours
Consulting with finance manager and team	2 hours

as Phoenix and Minneapolis, there are going to be differences in what customers need as well.

The company also taps its past customers with a coupon program it instituted last year. K-Designers sent coupons to 37,000 past customers, offering \$1,000 off of a job of at least \$2,500. The program generated \$6 million in repeat business in December and January from about 900 customers. The company saw a 25 percent increase in business for those months, which typically see a 20 percent decrease. Judson plans to conduct another campaign this year, with the only change being raising the minimum price to protect its profits.

"One thing we want to do is capture more repeat business from existing customers," Judson says. "Every year, we add 6,000 new customers, so it's a very powerful tool for us. If we had started this campaign three years ago, we'd probably be at \$70 million."

This is all part of an aggressive three-year plan for K-Designers to get back on a growth track. The plan calls for the company to do each of the following every year: add a new product at every branch, open a new branch and acquire a smaller company.

"Some markets where we want to go, we'd consider buying a smaller company that has a presence there," Judson says. "We could take a company with a good reputation and take our experience in marketing and sales and use that to grow."

This plan to get refocused on growth is also what's brought Judson out of what was essentially a semi-retirement to focus full-time on the business in 2008.

"I've always been able to grow the business, so as the business has become a little tougher, I wanted to be back in it," he says. "The drive is what I bring to the table — a consistent drive to stay consistent and ambition to stay on track."

Besides a dip in 1996 when K-Designers briefly partnered with Sears (also the only year the company lost money), it has seen business steadily increase before it plateaued at \$63 million in 2005 and 2006 and dropped to \$61 million last year.

"Whenever you flatline, overhead continues to rise and that eats into your profits," Judson says. "We are still profitable, but our best year was in '05. '06 dropped a little and '07 dropped more. My job really is to assist the management team and guide them along their path." **PR**

K-Designers once generated 98 percent of its business through telemarketing. To find out how the company has survived the Do Not Call list, visit www.ProRemodeler.com for exclusive online content.

Remodeler REMODELER OF THE YEAR

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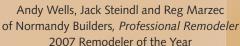
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To nominate your company or any remodeling company you think deserves to be named *Professional Remodeler* 2008 Remodeler of the Year, go to www.ProRemodeler.com/ROY.

Nominations must be received by July 21, 2008.





By Wendy A. Jordan, Senior Contributing Editor

HOUSING AND THE ECONOMY MAY BE HURTING but remodelers Diane Menke and Dana Priesing are getting richer, and enjoying a handsomely updated home to boot. How? They have made a succession of shrewd moves in the speculative remodeling business, most recently buying and living in a house they are improving as a business investment.

Both women are affiliated with the Philadelphia-based remodeling company Myers Constructs — Menke is co-owner and production manager, Priesing is office manager — but each of the spec remodeling properties is a separate venture owned, financed and managed independently of Myers Constructs. "It's important to keep the businesses separate," says Menke, "for liability protection and financial clarity."



The duo designed an airy, two-cook space with a big island and quality appliances and finishes to attract affluent buyers. For now, Menke and Priesing love using it.



The luxurious kitchen has custom cabinets, high-end stainless steel appliances and granite counters.

Menke warns that spec remodelers can lose money if they miscalculate an investment property's potential or its turnaround costs. On the other hand, she says many remodelers steer clear of spec projects unnecessarily. "Most remodelers are put off because they think spec remodeling is all cash out. Really, you can finance much of it" with loans against equity, she says. Spec remodels do not always have to be expensive to do well financially, she adds. Menke and Priesing have purchased six spec properties since 2003; the first five were modest houses in downtown Philadelphia that they fixed up as a rental or for a quick sale.

MOVING UP

But by 2006 the Philadelphia housing market had changed. The old working class neighborhoods in the city were no longer affordable for young professionals, says Menke. Just outside the city limits, though, was a belt of working class communities chock full of old houses that haven't been touched. Often, buyers can flip them for a nice profit after a few repairs, Menke says. "They might scare traditional buyers but remodelers can roll up to a house and see that it is fixable."

Menke and Priesing asked their real-estate agent to scout out a house in this sleeper market that they could occupy, improve and sell. They researched the sales prices of area houses and must-haves for optimum marketability — features such as a fire-place, a two-car garage, large rooms, at least three bedrooms, a pleasing view and a nice yard with big trees. The team knew what money they had to work with and what the value could be in a year after renovations.

They visited about a dozen properties, looking for a well-priced house that was larger and more valuable than their current 1,200-square-foot row house and was in a quieter, greener neighborhood, Menke says. The 1957 split-level they ultimately selected was basically "in original Sputnik era condition" and boasted an inviting living room. Its tiny kitchen, overgrown yard and pair of separate front entries were turn-offs that could be remedied. The neighborhood, near toney Chestnut Hill, was convenient to the city, offered good schools and had reasonable property taxes — all factors that attract home buyers. At the time, area home prices were falling but the neighborhood and a 2,400-square-foot-home were ripe for a turnaround.

"We created a spreadsheet listing the items the house needed, worked backward from the asking price and the comps, and

PRODUCTS LIST

Accounting software: GnuCash Cabinet hinges: Blum Cabinet legs and pulls: Haefele
Cook top, ovens, refrigerator: Viking Disposers: Insinkerator Dishwasher: Fisher & Paykel
Exterior doors and windows: Weather Shield Faucets: Danze Outlets, switches: Lutron
Pendant lighting: Flos Sinks: Franke

made the offer," she says. At \$355,000 the house cost a bit more than the partners wanted to spend, but new McMansions not far away already were going for almost \$600,000. Besides, Menke and Priesing planned to occupy the house for at least a few years while the neighborhood transitioned, and they factored into their decision the value of enjoying a nice residence. They bought the place in May 2006, using a credit line plus some cash, and moved in that June.

ADDING VALUE

To command a good price in the higher-end resale market, the split-level needed a big, splashy kitchen; a master bedroom and bath suite; more light; and a commanding entry. Because the Myers Constructs design department was overloaded, Menke and Priesing hired Philadelphia architectural firm In House Studio to create a space plan and help with design details.

The partners wanted to remodel in two phases. They started phase one — the entry, kitchen and large replacement windows — in late March 2007 and planned to finish it by mid-summer. Working every afternoon, evening and weekend they made steady progress. Menke functioned as lead carpenter, occasionally hiring Myers crews to lend a hand. She contracted the masons immediately to lock them into the timeline, then scheduled all the critical path items such as windows, flooring, plumbing, electrical and cabinets. She and Priesing recorded the time they put into the project, for reference in estimating future projects. "We want to skip doing the work ourselves next time," says Menke.

In place of the two front doors, they enclosed the old breezeway and built a single entry featuring a double door and a slate-

PROJECT TIMELINE

2006	Stage of Project
May	Property purchased
June	Move into remodeled house
2007	Stage of Project
February	Sell previous residence; complete remodeling design
May	Refinance rental property; dig foundation
	for front addition and patio; frame addition
July	Phase one substantially completed
October	Refinance home; pay down line of credit
2008	Stage of Project
May	Complete phase two of design
2009	Stage of Project
Spring	Begin phase two of remodel
Summer	Scheduled project completion

paved patio. They replaced all the windows in the house with energy-efficient units two or three times larger. The modern look, ample views and flood of sunlight made a huge difference in the space, Menke says. Installing the new windows also launched a working relationship with a supplier Myers Constructs wanted to use.

Creating a luxurious kitchen gave the house upscale appeal. At the same time it gave Myers Constructs a showplace to use in marketing to a more affluent, suburban client base. Menke and Priesing removed walls that boxed in the old kitchen, establishing a bright, open eat-in space. It has sophisticated custom cabinets (showcasing the premium level cabinets Myers Constructs wants more clients to specify); high-end, stainless steel appliances (trendy, great to use, and purchased at a contractor discount); gran-

THE FINANCIALS

eal estate is a very local economy," says Diane Menke. "Investors need to be nimble with the spreadsheets, stay disciplined and train themselves to see opportunities."

Before buying any investment property, she and Dana Priesing analyze the deal carefully, asking themselves several questions: "Are we buying to flip or to rent? Are we buying because we see good potential cash flow in a rental? Are we buying to develop equity? What cash will need to go into the deal?

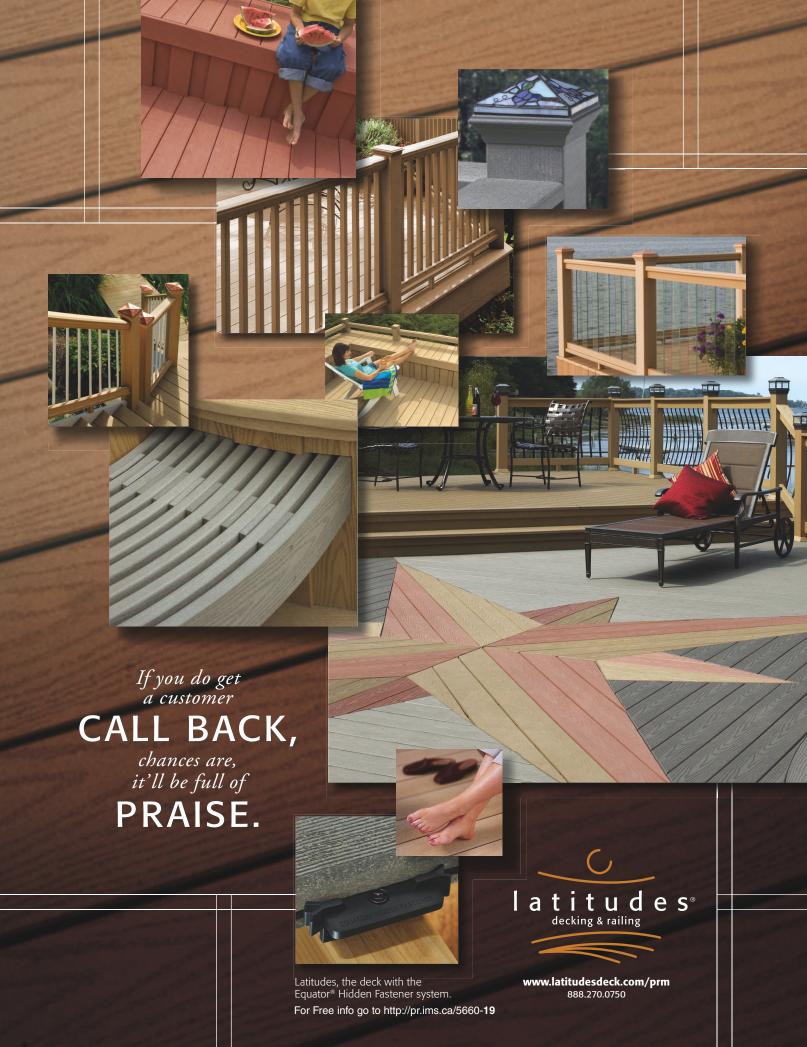
В	ud	get	ist	ory

Purchase price	\$355,000
Rolling line of credit for construc	tion \$100,000
Initial budget for phase one of remodeling	80,000-\$90,000
Revised budget for phase one of remodeling	\$100,000
Phase one project cost	\$110,000
Final investment in purchase and phase one	\$465,000
Post-phase one appraised value	\$530,000
Budget for phase two of remodel	ling \$70,000
Projected final appraised value	\$650,000

What carrying costs? "Every deal needs to work in multiple ways,"

Menke says. If we can't sell because of market flux or seasonal downturn, we want to be able to rent at positive cash flow."

Priesing manages the finances for each property and the spec business as a whole. She uses double-entry accounting because it "forces precision" in monitoring income against expenses, she says. She inputs bills and receipts weekly in each project's chart of accounts. "I assess the actuals against the pro forma p and I," she says. With this tight control, "We've never lost money on a flip."



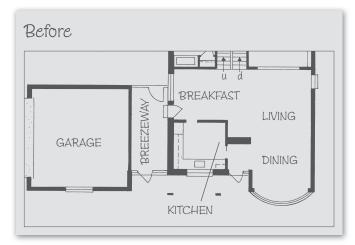


Separate breezeway and foyer doors in the old house were confusing and off-putting. A central doorway with wide patio forms a new, single entry with focus and style. Large replacement windows add a contemporary touch.

ite counters (a buyer pleaser); and an island with two work stations, each equipped with a sink (also winners with home buyers).

Priesing monitored the budget continually. Early on she could see that the \$80,000 remodeling budget was too low. Confident that the market would recover a larger investment, the partners raised the budget to \$110,000. For months, though, their former residence was a financial drag. It languished unsold, with mortgage and utilities costs draining the house's construction fund. But the row house finally sold in August 2007 for about \$350,000, and the increased value yielded windfall profits that the partners channeled into the construction fund. Refinancing a rental house that summer fueled the rest of the remodel.

With phase one of the remodel complete, the house appraised at \$530,000 in October 2007. The partners refinanced at \$417,000, paying down their credit line and putting \$34,000 in the kitty. That money can go toward phase two of the remodeling project: the



COMPANY SNAPSHOT

Myers Constructs

Owners: Tamara Myers and Diane Menke

Location: Philadelphia **2007 volume:** \$900,000

Projected 2008 volume: \$960,000
Web site: www.myersconstructs.com
Speculative Remodeling Partnership

Partners: Diane Menke and Dana Priesing

Years in business: 5
Properties purchased: 6

Biggest challenge of this project: Doing so much of the

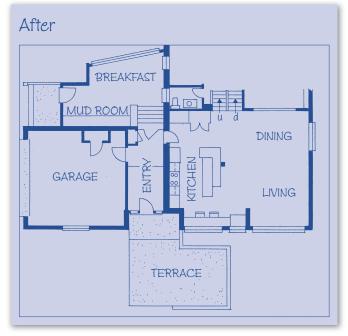
work themselves and in their spare time

master suite and other improvements. More likely, it will be used to seed another spec venture, an office building that Menke and Preising are looking to buy and remodel. Myers Constructs and other tenants would lease the space.

This shift in priorities represents an important feature of speculative remodeling: keeping your options open. Menke and Preising love their house and are content to stay put. In spec remodeling, though, staying put is a relative term. After all the remodeling is finished and the real-estate market is right, they will sell the house no doubt at a very nice profit. **PR**

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PRODUCTS LIST

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CONSERVATORY/SUNROOM

REMODELER AND ARCHITECT: Sun Design Remodeling Specialists, Burke, Va. **PROJECT LOCATION:** Woodbridge, Va.

AGE OF HOME: 12 years old

SCOPE OF WORK: Create a conservatory-style sunroom that seamlessly ties in to the existing architecture

A glass ceiling and glass walls offer the

A glass ceiling and glass walls offer the homeowners a space to enjoy outdoor views and to showcase their art. By Ann Matesi, Senior Contributing Editor

THE OWNERS OF THIS contemporarystyle home had no trouble creating a sophisticated wish list when it came to the form and function of the solarium they planned to add to their residence.

The challenge, they soon discovered, came in finding a contractor willing to incorporate their unconventional ideas for materials in the design for the addition.

AFTER PHOTOS BY GREG HADLEY PHOTOGRAPHY

The contractor also had to have the skills and confidence to execute the project successfully.

Ambitious Design Goals

The couple, avid art and artifact collectors, had high hopes for their new solar retreat. They wanted an addition that would appear to be a natural extension of the home's rear elevation. To do so, they wanted to maintain or reuse exterior finish materials and existing windows wherever possible; ensure the year-round retreat would remain separate from the rest of their living areas; create a place where they could display select pieces of their three-dimensional art; ensure the room minimally affected the amount of natural light coming into the adjoining kitchen: and include a glass wall and glass ceiling that mimics an English/Colonialstyle conservatory.

Several contractors told the homeowners that it would be impossible to build a glass ceiling addition without significantly increasing the potential for leaks. And, although they chose mahogany to frame the room because of the wood's unique beauty and the fact it matched the other interior finishes, the exotic wood did not meet local building codes.

Undeterred, the couple contacted remodeler Sun Design Remodeling Specialists in Burke, Va., for an opinion on the project. The award-winning design/build firm was not only eager to take the Woodbridge, Va., project but ultimately proved to be more than up to the challenge.

Picture-Perfect Transition

The first challenge says senior designer Jeremy Fleming, was to develop a design that would tie the addition into the atypical architecture of the home's rear elevation. He decided to use an existing triangular-shaped niche created by the angles of the kitchen and family room at the back of the home. This space — which already served as a partially-covered rear terrace with its own door — became the transition point into the new room. It opens into a striking glass bay and now offers spectacular views



The remodeler reused some of the original brick from the home's exterior to create a kneewall as a base for the new sunroom.

of the backvard.

The team salvaged part of the home's original brick fascia and reused it on the exterior kneewall that defines the perimeter of the solarium, creating a seamless transition between old and new. Deep brown aluminum trim, selected for its

contrast with the home's light exterior finish, weatherproofs the room's wood framing, providing the clients with a virtually maintenance-free exterior.

Although the entire room can be closed off from the rest of the house, the original windows remained in place to keep the home's

Keep it Light, Leak-Free

aximizing available light was a critical design element for this project for several reasons, says Sun Design Remodeling Specialists' senior designer, Jeremy Fleming.

"This house only had a few really nice bright spaces already," he says, "so the clients did not want the new room to reduce the natural light in the existing living space. It was also very important because the new sunroom would be a display space for their art collection."

The roof system was designed to work with the

existing windows and does not hinder the flow of light to the inside of the home.

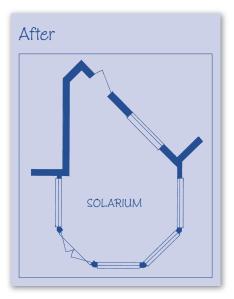
The 238-square-foot room's glass ceiling panels are tinted to prevent harmful rays and excessive heat in the space, and the walls feature Low-E insulated glass.

The firm used a two-part system to protect against leaks. The exterior flashing for the room runs behind the EIFS surface, and the home has a secondary internal gutter system. The result: excess water is directed through the wall and out a drain system in the foundation.



Rather than use solid walls between the new solarium and the main house, existing windows add visual interest and bring in light. The exposed red meranti framing for the room ties in well with the rest of the finishes in the main home.





interior as bright as possible.

A ductless heat pump system with its own thermostat permits independent cooling or heating of the sunroom.

Unusual Framing Material Works Well

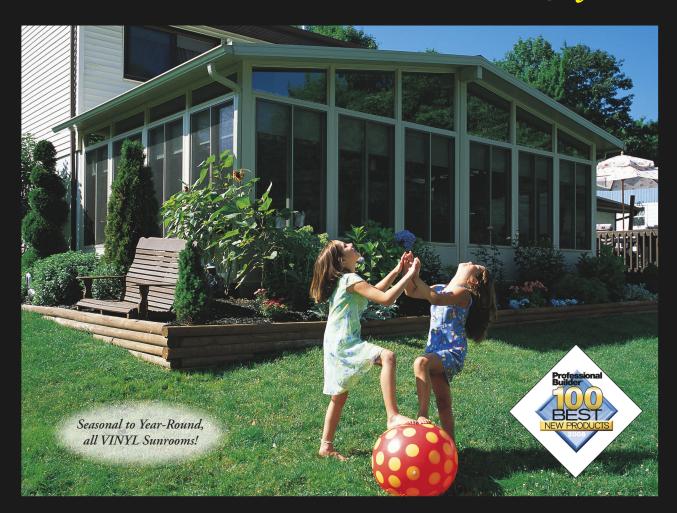
The homeowners craved a mahogany look but didn't want to break code. The team chose red meranti for the exposed framing in the new room. Although not a true mahogany, this exotic hardwood from the Philippines features a similar deep color and coarse grain that met both the structural and aesthetic requirements of the project. "We've had lots of experience working with exotics and knew that this was a feasible, if somewhat unusual, material for this application," Fleming says. The team offered local officials detailed analysis of the wood to prove the room would be structurally sound.

"Despite its challenges, this was one of those types of projects where the clients really knew what they wanted and fulfilling their requirements was really important. We recognized that we had to be able to meet their goals 100 percent or it was not worth doing the project at all," he says. "We were clear with them upfront about that and they really appreciated it."

The entire project took 3½ months from start to finish, and the clients loved the results, says Fleming. "We were right on target." **PR**

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By Rebecca Bryant Contributing Editor

GOING FROM TRAINING WHEELS TO GREEN EXPERTISE

3 perspectives on choosing the right green remodeling education

raining in ecological design and construction can take many forms. The professional certification programs described last month will not transform a novice into an authority, but they can be a component of a broader educational program. In this issue, three experts with unique perspectives on green remodeling outline their strategies for building skills and confidence.

THE REMODELER'S VIEW

Michael Strong is vice president of Houston remodeling firm Brothers Strong.

A couple of years ago, the company launched a start-up, GreenHaus Builders, to build LEED-certified homes. His advice: "Take every class, do every Webinar, go to every conference and read everything you can. It will eventually sink in."

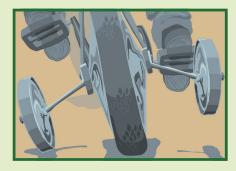
Strong says he recommends the AIA Gulf Coast Green conference. "It's great for hothumid climates, and you get to rub elbows with the design community. Overall, West Coast Green and the NAHB National Green Building Conference are the best for residential green."

THE EXPERIENCED ARCHITECT

Lecturing extensively around the United States, Eric Corey Freed, principal of Organic Architect, a San Francisco-based design and research firm, has met thousands of building professionals eager to move into the green field. This doesn't surprise him. Anything less, he says, is shirking professional responsibility.

What does perplex Freed is why so many builders are waiting for the perfect client to call.

"That's like waiting for a client to say, 'Design something beautiful or code-compliant,'" he says. Instead, he advises, "Go out and start doing it."



If you can't muster the confidence to go for it, hire a consultant who will teach you how to design and spec instead of doing it for you, he says.

For in-depth or hands-on training, Freed, who has 15 years of experience in green building, refers people to the Energy & Environmental Building Association's Houses That Work seminar (various locations); solar classes at the Solar Living Institute (throughout California); courses at Yestermorrow Design/Build School (Warren, Vt.); and summer workshops at Ecosa Institute (Prescott, Ariz).

Freed serves on the advisory board of West Coast Green, and calls its San Jose, Calif. conference his favorite. In addition to his own book, "Green Building & Remodeling for Dummies," he suggests David R. Johnston and Kim Masters' "Green Remodeling: Changing the World One Room at a Time."

FROM THE EDUCATOR

As director of education for NARI, Dan Taddei was part of the group that developed NARI's Green Certified Professional program. He says remodelers need to view their education as a two-part process. Stage one is gaining a mastery of building science. Stage two is learning how to implement that knowledge.

To enter the field, he advises:

>> If you have ideas or comments, e-mail the author at **GreenRoomDept@mac.com**

- Find the closest green building/remodeling program and get involved. Many green building programs are based in cities, counties or states due to varying local conditions and climates. Check with your local associations or municipalities.
- 2) Start doing green projects.
- 3) Attend regional green conferences.
- 4) Decide which certification route you want to follow.
- 5) After you get certified, find a niche that works for you, such as building performance or high-end green kitchens, and specialize there.

CONCLUSION

This is an exciting but awkward time for remodelers, marked by a profusion of training options but little certainty as to which will survive the test of time. Try not to get frustrated. Instead, figure out how you learn best — via the printed word, visual materials, formal classes, or tinkering — and then customize an educational program to suit yourself. Above all, design a program you'll enjoy. Fun is the best motivator.

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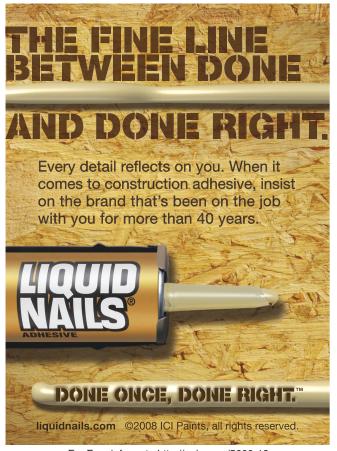
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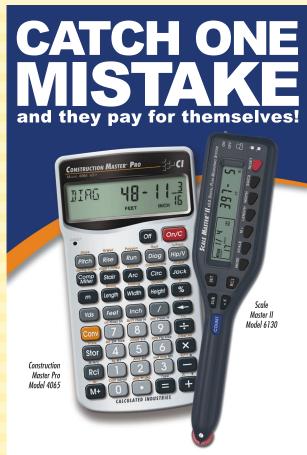
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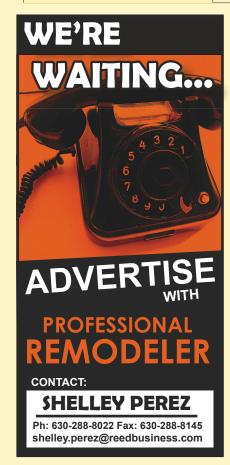
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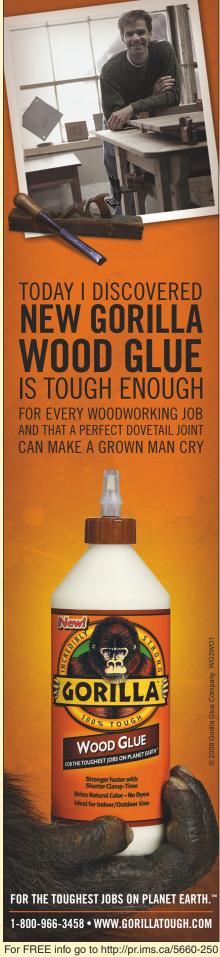
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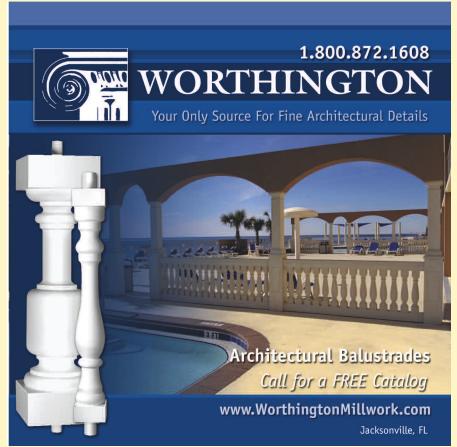
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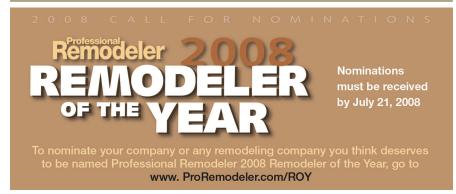


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the Board Room

REALITY 101: TODAY'S ECONOMY REQUIRES A NEW BUSINESS VISION

re you

- Trying to build tomorrow's successes with yesterday's business model?
- / \• Thinking economic conditions will eventually change to match your current strategies?
- Spending most of your time waiting for the other shoe to drop?

Although I don't personally buy into the current shroud of doom and gloom in the remodeling profession, I do believe that even small changes in perspective can reap huge rewards. I also find that if it is your company's belief that there is a reason (or excuse) for the way things are — especially if you don't have control over it — very little change will happen. That's when you lapse into the very dreaded and mind numbing wait-and-see mode. And that doesn't really get you anywhere.

For example, in today's market, if your sales or profits are off, it is easy to chalk it up to the economy. The justification is that because it is the economy's "fault," we should just wait until the economy changes to once again fit our company's systems. What if your belief is that your systems need to change with the economy and you just didn't change fast enough?

The majority of remodeling companies have owners who wear several hats. Because of this, it is often difficult to find the time to stop and honestly ask yourself if your current processes are truly in service to both your company and your clients.

In the book "QBQ: The Question Behind the Question" by John G. Miller,

he uses great examples of how the questions you ask can lead to great results.

Some examples:

- "We only see clients between 9 and 5." Are you missing an opportunity to be of service to your clients and your bottom line? Could you set aside one evening a week to meet with clients whose schedules don't allow them to be home during the day? Or save one Saturday morning a month to meet with folks who don't have the flexibility you do? Think outside the box.
- "Most of our work comes from word of mouth." What if a great client wants to do work and doesn't find out about you? Ask your favorite clients how to meet more clients like them. Fun people know other fun people.
- The first 10 minutes in your initial client meeting is spent telling them why you are the best. What if you spent that same 10 minutes finding out what would make you the best in their eyes? All clients have different reasons. Never assume.

 You have specific beliefs around why things are the way they are.
 Could there be other reasons such as inflexible attitudes, ineffective

> processes or a culture that keeps employees fear-based rather than empowered? Don't let your belief system stagnate; ask for input. Pay attention.

• Are you losing jobs to your competition? Are you providing more value to your client than your competition? Look at your services and what other services you could add or embellish that would make you the only choice. Educate your clients so they appreciate why you are the best solution to their problems.

In short, focus on making small changes that will help your company grow and prosper NOW. Ask questions. Listen to the answers. Course-correct your cur-

rent policies and procedures. Be flexible. And continue to fine-tune your new business vision. **PR**

Craig Durosko is president of Sun Design Remodeling Specialists in Burke, Va. Craig can be reached at craig@sundesigninc.com.



By Craig Durosko Advisory Board Columnist

What if a great

client wants to

do work and

doesn't find out about you? Ask your favorite clients how to meet more clients like them.

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