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NOVEMBER 2008

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2008 REMODELER OF THE YEAR

## The Dean of Green

**TOM KELLY  
SHREWDLY LEADS  
NEIL KELLY CO.  
THROUGH THE  
DOWNTURN / 20**

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Neil Kelly Co. President Tom Kelly

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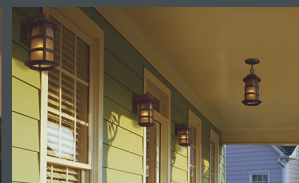
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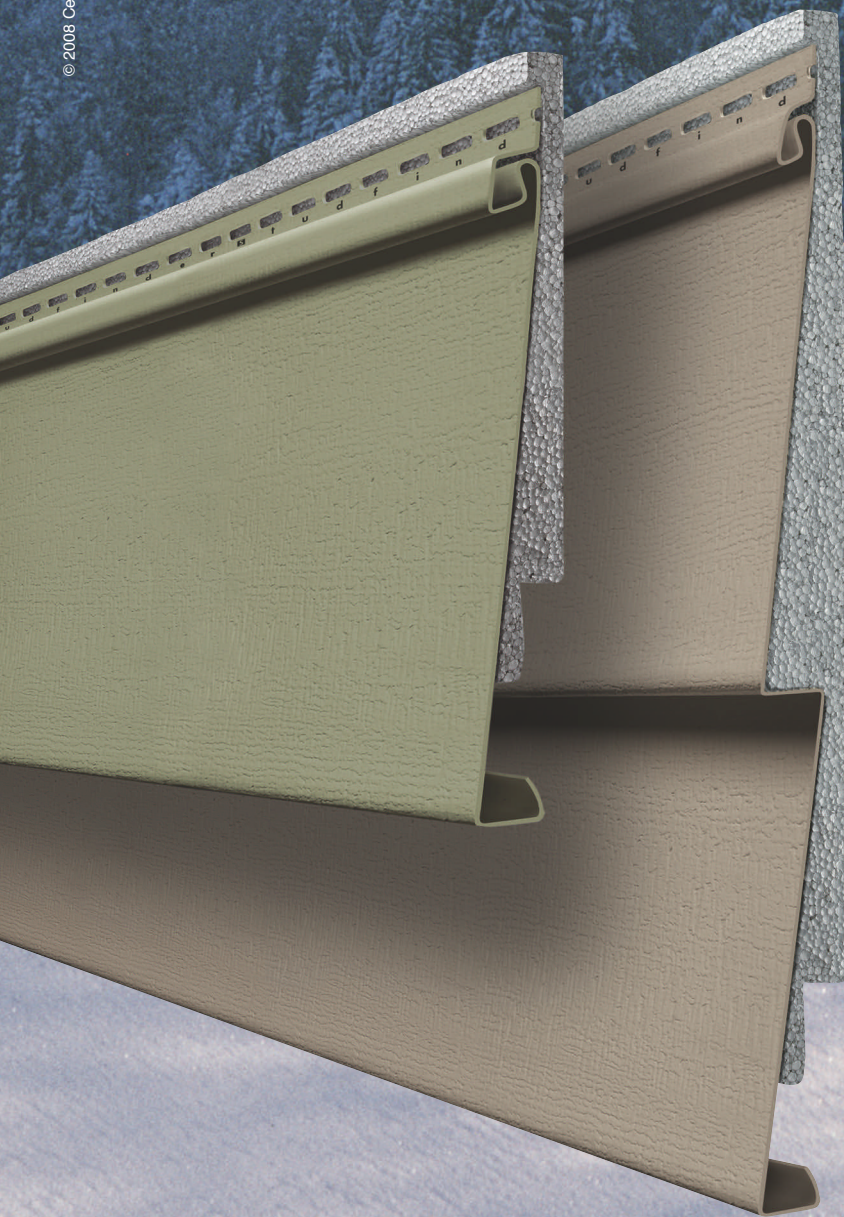
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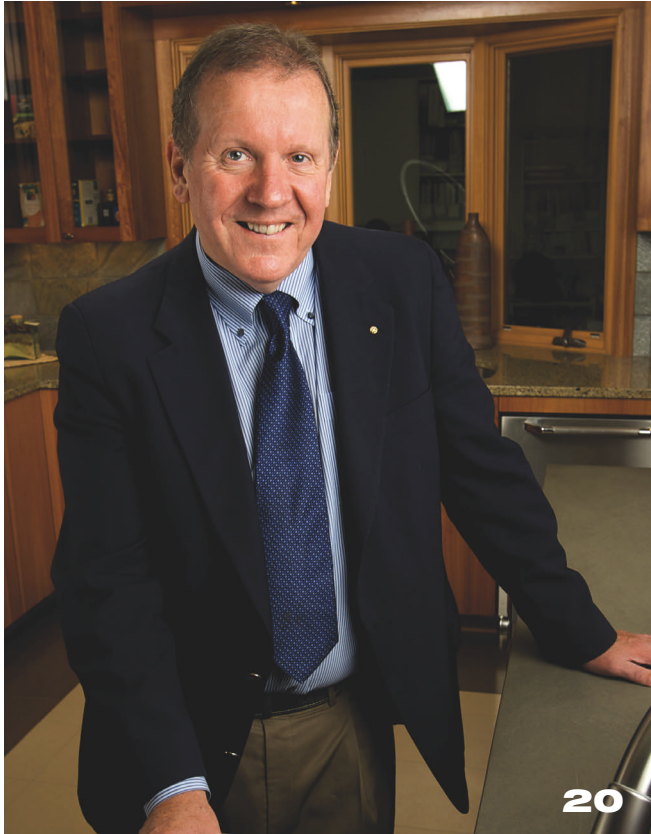
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NOVEMBER 2008

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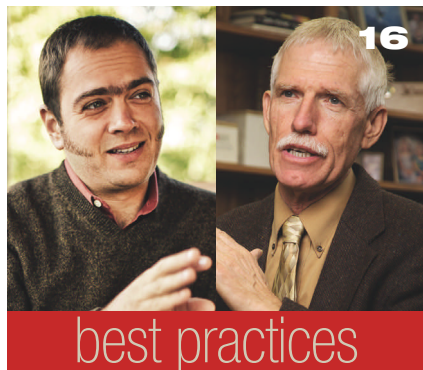
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### Embracing Green

If you missed the live Webcast or just want to share it with members of your team, it's not too late. You can download the discussion on green remodeling strategies featuring Michael McCutcheon of McCutcheon Construction and Michael Ansel of Otogawa-Ansel Design-Build any time you like.  
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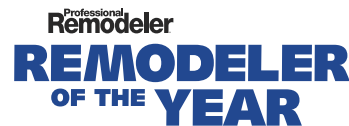


### Looking for Young Leaders

We're searching for the people who will be setting the agenda for the remodeling industry for the next decade and beyond. Nominate someone at [www.ProRemodeler.com](http://www.ProRemodeler.com).

### Remodeling Notes

Senior Editor Jonathan Sweet posts the latest news and views from the remodeling industry several times a week.  
[www.ProRemodeler.com/Sweet](http://www.ProRemodeler.com/Sweet)



### Remodeler of the Year Podcast

Listen to President Tom Kelly of Remodeler of the Year Neil Kelly Co. discuss the business practices that set his company apart in the Portland market.  
[www.HousingZone.com/Kelly](http://www.HousingZone.com/Kelly)

### ONLINE POLL

## How has the economic downturn impacted your business?

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## HOW FIT IS YOUR BUSINESS?

There's an excellent business book on the shelves right now that I'd recommend to any remodeling business owner.

"How Fit Is Your Business? A Complete Checkup and Prescription for Better Business Health," by Mark Richardson, is one of those rare books that can totally change your mindset and, in turn, totally change the course of your business future.

Rarely does a first-time author — even one as astute at running his own business as Mark has been at Case Design/Remodeling and Case Handyman and Remodeling Services franchises — provide both great advice *and* do it in a way that will relate to an audience as diverse as exists in the remodeling industry. Richardson's maiden voyage as a book author is intended to be relevant to business owners in any industry and it succeeds.

If you've ever attended one of Mark's seminars over the years, you already know that he is as eloquent, intelligent and motivational a speaker on business topics as our industry has to offer. It's one thing to be able to connect with an audience in person. It's quite another to succeed at putting that same great information into written form and have it connect with your audience effectively.

Richardson, who was inducted into the NAHB Remodelers Hall of Fame and also honored as one of our Market Leaders at a reception and dinner at this year's Remodeling Show (see page 10 for photos), more than delivers with his unique perception

that there's a strong connection between diagnosing and solving personal health issues and doing the same thing in a business management environment.

Here's a particularly insightful excerpt from Mark's book, given the current conditions that exist in our economy and the remodeling marketplace.

*When all of your business comes from personal referrals, you are not really in control of your future. If the economy slows down or a specific market changes, you need to be able to generate new clients. Over-reliance on referrals can make your marketing*



**Michael R. Morris**

Editor in Chief

**Richardson's maiden voyage as a book author is intended to be relevant to business owners in any industry and it succeeds.**

*"muscles" weak; when you need some "heavy lifting," your strength will not be able to handle it. Most businesses with a very high percentage of revenue from personal referrals ride a rollercoaster from good times to bad.*

Are you riding that rollercoaster? Is your business in need of a checkup? Then I suggest you read this book and start on the road to business health. **PR**

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

**Read my blog at [www.ProRemodeler.com/blogs](http://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.



## AWARD WINNERS HONORED AT REMODELING SHOW

Some of the top remodelers in the country gathered in Baltimore as *Professional Remodeler* recognized its Market Leaders, Best of the Best Design award winners and Remodeler of the Year at two events at the Remodeling Show.

The Market Leaders were honored at the first-ever Market Leaders dinner the first night of the show. Only the top remodeler in each market was invited to this exclusive event. (Photos this page.)

Winners of the Best of the Best Design Awards received their awards at the annual Best of the Best event on the second night of the show. Neil Kelly Co. was also honored that night as *Professional Remodeler's* 2008 Remodeler of the Year. (See article on p. 20 and event photos opposite page.)



Some of the largest remodelers in the country gathered at the Market Leaders dinner: (from left to right) Andy Wells, Normandy Builders; Mark Richardson, Case Design/Remodeling; Tony Mancini, *Professional Remodeler*; Carl Hyman, Alure Home Improvements; Ben Crawford, Crawford Renovation; John Todd, Elite Remodeling; Tom Kelly, Neil Kelly Co.; Mike Morris, *Professional Remodeler*; and Mark Fox, Gardner/Fox Associates.







Neil Kelly Co., Portland, Ore., was honored as the *Professional Remodeler 2008 Remodeler of the Year*. President Tom Kelly and his staff accepted the award.



Gardner/Fox Associates won the award for top project in the Best of the Best competition. President Mark Fox and his team were honored for a whole-house historic restoration. The full results of the Best of the Best Design Awards will appear in the December issue.





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## THE ROAD TO YOUR STRATEGIC MAP

Contrary to the financial woes making national headlines, there is still a market for remodeling. And understanding the decision-making criteria for target clients today is the first step in strategically mapping how to sustain and even grow your business in the current economy.

There are remodelers in vastly diverse locations offering services at greatly different prices who are actually having a good year. It may not be their best year on record, but it certainly isn't their worst either. And the secret to their success is less about reading the minds of these remodelers and more about understanding their ability to read the minds of their customers, their competitors and their market. It is less about the city where they operate and more about the solutions they can provide.

These remodelers have found a niche for upscaling in a down market. They can correctly identify customers who still want, and oftentimes need, to remodel a home today. They know who their competitors are and how to differentiate themselves in a tough environment. They also know how to use a weak economy to advance their position for today and into the future. Here's where success is a plan and not a reaction. And here's your strategic map to do the same:

### 1. MAP THE CUSTOMER

For many successful remodelers, the target customer today is not the same as their target customer from a couple of years ago. But their method for mapping the customer is exactly the same. They know who is shopping their services and why.

There are new hot buttons for clients who want to remodel today.

Residential real-estate values have dropped an estimated 18 percent over last year, making it harder than ever to sell a house in a market full of inventory. A remodeled home may be the answer to stand out from the competition and attract more buyers.

Other homeowners are also willing to spend now in order to save later. That means offering remodeling projects that introduce green features that benefit the environment and energy-efficient features that save money down the road.

### 2. MAP THE COMPETITION

When customers make apple-to-apple comparisons, it's the differences that win or lose jobs. So a remodeler needs to understand what peer remodelers are offering and then go one step further to be the remodeler of choice. That doesn't mean being one step cheaper, either. There are remodelers doing well today who are not the least expensive option in their market. But perhaps they remain busy because they are a more aggressive marketer, they offer that extra level of customer service and they wow the client with more than a job but an experience. When you know where your competitors stand, you know where to leap to distance yourself.

### 3. MAP THE MARKET

Although you cannot control the economy, you can always make it

work to your company's benefit. This is that time in a financial cycle when you can recruit great talent who were part of another company's down-size. This is when you can negotiate great deals with suppliers hungry for more business. This is when

you can shop better deals with vendors and even readdress old ones. When the economy looks shaky, you should take a position of strength.

Perhaps the person who says it best is world-famous business leader, motivational speaker and best-selling author Ken Blanchard, who advises, "Don't quack like a duck. Soar like an eagle." When he spoke at my company's national meeting this year, he said he would rather not hear the news or read the papers, because he chooses not to listen to all the negative rhetoric. Rather, he wants to find the positives.

I tend to agree. Every market, regardless of how high or how low, will have its leaders. Now's the time to put together a strategic map to be one of them. **PR**

*Doug Dwyer is presi-*

*dent 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@dwyer-group.com](mailto:doug.dwyer@dwyer-group.com).*



Doug Dwyer  
Contributing Editor

**The secret to their success is less about reading the minds of these remodelers and more about understanding their ability to read the minds of their customers, their competitors and their market.**

>> For more Doug Dwyer on Leadership, visit [www.ProRemodeler.com](http://www.ProRemodeler.com)





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## BRINGING YOUR BUSINESS PLAN TO LIFE

**O**ver the course of this year I have been writing about the steps involved in creating a business plan.

Now that you have one, how do you bring it to life?

### GOALS

Start by taking the results of the SWOT analysis and creating a short list of goals for the company. Keep in mind that too many goals actually will hold back your company, as the focus will be too scattered. When conceiving a goal, make sure it is specific and measurable. If this is not done it is difficult to strive to achieve the goal, and it is impossible to know if you have achieved the goal!

It is important to have all in the company own these goals. Consequently, this is work that might be done by a small leadership group and then brought to the entire company for review and discussion. The book "The Five Dysfunctions of a Team: A Leadership Fable," by Patrick M. Lencioni, lays out a very effective process for creating ownership and buy-in in a company. An important insight to the leader's role includes making sure that all participants have their say before the decision is reached. Otherwise, it is less likely to have united support for the goal.

### ACTION ITEMS

With a list of measurable and achievable goals in hand, the next step is to create a list of action items for each goal. These are the steps that are needed to realize the goal.

Again, be straightforward and complete without being overly complicated. A short list of action steps that, if done, do help achieve a goal, is better than the "perfect" list that's onerously long, daunting and undoable.

When thinking of action steps for a goal it is often useful to start from the

perspective that the goal has been achieved. Looking back, what had to have happened to be able to achieve the goal? Those are the stepping stones needed to reach the goal.

The clearer you get with the action steps the more likely you will be to achieve the goals. It is very similar to doing an estimate for a remodeling project. The more complete and thought-through the estimate the more successful the remodeling project.

### THE SPECIFICS

For each action step, you need to determine what it would look like if the step were successfully achieved. In other words, make the results measurable. Absent the ability to measure the results, how will you know that the result has been accomplished?

What if you told a painter to paint a room but the discussion regarding the level of prep desired, coats needed for coverage and similar, specific need-to-know-to-be-successful items never took place. How would everyone feel when the painting is "done?" Get specific about the measurable results.

Each step needs to have a person who is responsible for making it happen. Lay this out in your action plan. By getting specific about who will pay attention to each step, the company will have a champion who will own the respective outcomes.

If the overall goal is to be achieved by a certain date, then what are the dates that the action steps need to be completed? Getting clear about these dates

while the action plan is being created allows less wiggle room and helps everyone manage the realization of the goals.

In the absence of a deadline-driven schedule, how long will a remodel take? Likely longer than anyone likes and

probably with a lot of circumstance-driven compromise. Deadlines are lifelines, as they help us get done what we know we should be doing.

Do keep in mind that an action plan is not set in stone. You and your people have the ability to modify and update the plan as needed. The better the job crafting the action plan to begin with, the less likely it is that it will need to be completely redone.

You and your people have done a fantastic job of working "on" the business, which is hard to do because we are more inclined to work "in" the business. Michael E. Gerber has written so compellingly about this principle in "The E-Myth Contractor."

What next? With the business planning process complete, your company is now ready to take a

series of small steps which, when done, creates goals accomplished. Now you all can go get them done! **PR**

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



Paul Winans  
Contributing Editor

**When conceiving a goal, make sure it is specific and measurable. If this is not done it is difficult to strive to achieve the goal, and it is impossible to know if you have achieved the goal!**

>> For more Paul Winans on Business

Strategy, visit [www.ProRemodeler.com](http://www.ProRemodeler.com)

# RECYCLING AND REUSING MATERIAL

## How to find the best ways to manage job site waste

**IN TODAY'S WORLD OF GREEN**, what can a remodeler do to save money, help the environment and become green-friendly to their customers? The three Rs: reduce, recycle and reuse. This discussion offers information that will help you incorporate this important process into your remodeling.

**Tom:** Don, define with examples recycling and reusing — is there a difference, and what is that difference, if any.

**Don:** There is a difference, Tom. Reuse is the better of the two, typically. For instance, on a job where we're going to have some lumber — 2 by 4 studs, 2 by 6 ceiling joists or whatever it is — we establish a location, that if anything is cut, if it is 6 feet or longer that is left, it goes in this pile so we can reuse that somewhere else. The recycling would come in if we can't use it. There are two different options we use. One is a company in the Dallas-Fort Worth metroplex that has a packer grinder. It's like a wood chipper, but it's a big monster of a thing! They will take all the wood scraps, Sheet-

rock and some cement, things like that. They'll grind it up on the job. It becomes a mulch that we incorporate in the landscaping. The other one is Silver Creek Materials. We have it hauled out to them and they grind it up and put it in a mulch that they will resell.

**Tom:** Michael, I said recycling and reuse and you added a word, reduce. What is the difference to you?

**Michael:** Don nailed it in the difference in reuse and recycling. With the reduce component, when we look at a project we start with the reduce, then we move to reuse and then recycle. In terms of importance, the very first thing we can do is find out ways to reduce the overall impact of the project. That may mean that the project is smaller; it may mean that we tear out less material than we normally would. In the traditional project, we'd gut everything. We're going to have an eye to try to keep materials in the house, so we reduce the amount of waste we have to deal with in general. By keeping the project smaller, we reduce the amount of material that we buy in the first place. The reduce category is the area where you can have the greatest amount of impact.

**Tom:** Does it save or cost more money to recycle and reuse?

**Michael:** In general, we look at this as a cost-cutting measure. We have smaller Dumpsters on site, and we have fewer Dumpsters coming to our projects. We did a second-story addition, so essentially a one-story single family house built on top of an existing house. Our total waste on the project was 9 cubic yards. Where we would normally have had two 40-yard Dumpsters,



PHOTO BY JONATHAN CHAPMAN/GETTY IMAGES

**MICHAEL:** "When it comes to the reuse of the material or going out and finding something that already exists, it's usually a lot less expensive than buying something new off the shelf."

we had 3, 3-cubic-yard Dumpsters.

**Tom:** How does it happen?

**Michael:** When we look at buying material and bringing it to the job site, we try to be a little more careful in terms of what we're ordering. We try to keep the job order waste down as much as possible. That may mean using something like a cut list, being

### This month featuring:

**Michael Anschel, Owner**

Otogawa-Anschel Design-Build, Minneapolis  
The firm focuses on green building and urban living and has been in business for 13 years. It has 11 employees and expects volume for this year to be \$2 million to \$2.5 million.

**Don Ferrier, Owner**

Ferrier Companies, Fort Worth, Texas  
Ferrier Builders and Ferrier Custom Homes offer remodeling and new construction, with about \$3.5 million in combined annual revenues.



**DON:** “The biggest obstacle to us has just been getting the people to understand why we’re doing it and commit to do it.”

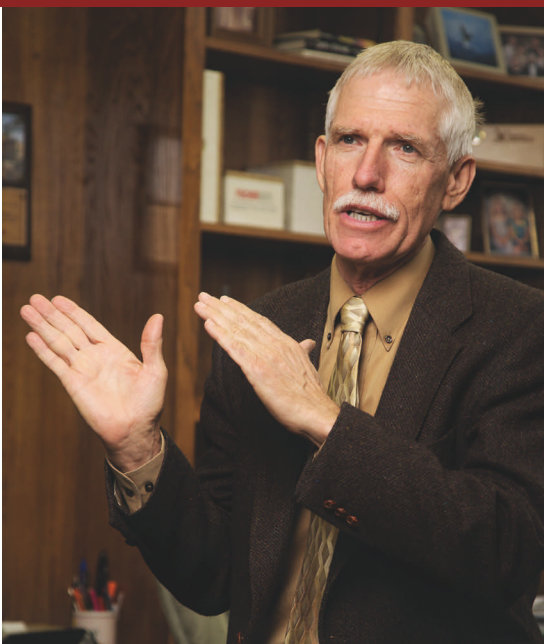


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strategic with the material we buy so that we have as little waste as possible. When it comes to the reuse of the material or going out and finding something that already exists, it’s usually a lot less expensive than buying something new off the shelf. I can pick up doors, nice two- or three-panel solid core doors from 1920 that would cost me \$1,000 to buy. I can pick them up for \$100. So that’s all cost savings for us. Less waste means money in our pocket and less expensive materials to bring into the project.

**Tom:** How do you find the costs when it comes to recyclable and reused materials?

**Don:** I think that what you find, in our experience, is when you initially start on it, you’re going to have more. There’s a sales aspect to this to your own people, your

superintendents and your subs. The construction industry typically is used to throwing it in a pile that some subcontractor comes in with a dump truck or a Bobcat, in our area, and takes it to a landfill, or it’s going into a Dumpster. It is a new thought process. What we have found, very similar to Michael’s, as we have done this now for about seven years, is that it becomes second nature. If you properly train your subs, and they come on board, then even they see how it does help and that, in the end, it does save us money. But there is a learning curve to it, in our experience.

**Tom:** Don, how do you market that to your customer? Do you pass the costs on to your customers? Do you mark it up? Do you mark it up the same?

**Don:** We’re marking it all up the same. As far as the recycling and projects like that, how do we market that?

We’ve been very fortunate to have had last year about 58 newspaper and magazine articles written about us. People come to us primarily because they want that. A common comment we have among the clients or prospective clients that come to us: “We’ve looked and looked for a builder/remodeler who knows how to do this, and we’re so thrilled we found you.” They’ve gone to so many who said it’s overrated, they don’t do that or it’s going to cost way too much money. I tell them basically what they’re saying is, “We don’t know how to do it — we’ve never done it.”

**Tom:** Talk about the good, bad and the ugly. We talked about the good. I’m interested because it sounds like if you’re smart and strategic about it, you could save some money. That might be a good point. Michael, what are the major drawbacks to recycling in terms of time cost?

**Michael:** There is no drawback to sending your stuff out to be recycled. Just so everyone’s clear on that. If you want to sort on site, it takes some training. You’ve got to have some guys who are going to pay

attention and are going to think about it. Most old-school carpenters want to do that by nature. They hate the idea of throwing out half a sheet of plywood. They hate the idea of throwing out half a stick of lumber. The younger guys tend to want to just throw it away. If that’s where your crew’s at, make a selection with your Dumpster company with your rolloff to select one that actually engages in the process of sorting the material and recycling. You can get 60 to 65 percent of the material in the Dumpster recycled. That means

you don’t have to do anything different in your business. Some Dumpster companies will give you money back if you sort materials into three different boxes. We get, for example, steel and copper, we actually get money back from the Dumpster company.

**Tom:** Don, what kind of drawbacks to you see for a remodeler who wants to get into recycling and reuse and be more green?

**Don:** I think it’s what we talked about earlier, Tom. It’s the education. Subs, vendors aren’t going to be used to that; your own people aren’t going to be used to it. There are going to be some that feel like this “green thing” is way overrated and a bunch of hype. There will be some resistance, some passive aggressive and some pretty blatant. But there will be a lot who see the wisdom in it and jump on board. That’s my experience. The biggest obstacle to us has just been getting the people to understand why we’re doing it and commit to do it. Like Michael said, if you’ve got three different bins out there, either they put it in the right bin or you’re going to have to come back and put it in the right bin. **PR**



Tom Swartz  
Contributing Editor

**TALK BACK**

>> For the rest of the discussion on this topic or to listen to the podcast, visit [www.ProRemodeler.com/bestpractices](http://www.ProRemodeler.com/bestpractices).





# THE NEW COMMERCIAL STANDARD



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## Taking radio into the 21<sup>st</sup> century

Home improvement radio shows are a popular and effective way for remodelers to market to new customers.

Not only does it remind past clients a company is still around, it exposes a firm to new customers who may never have known it existed. That's been the case for Grand Rapids, Mich., remodeler Thompson Remodeling, which has gained a much higher profile in the local community since taking over the Home Improvement Show on WOOD-AM four years ago.

"Everybody says they hear us on the radio. It's great at building awareness," says President Ben Thompson, who hosts the show along with his parents, the station's Pat and Sandie, the

company founders.

But where the company has taken a step beyond the norm is by leveraging the Internet to create a bigger presence for the show. Text versions of selected episode segments are archived on the Thompson Web site at [www.thompsonremodeling.com](http://www.thompsonremodeling.com).

And for the last three years, Ben Thompson has recorded "WOOD 2 Go" podcasts. (Available at [www.woodradio.com](http://www.woodradio.com).)

Each podcast is one to five minutes long and focuses on a specific subject, such as green remodeling or chimney safety tips. Some of the podcasts are created off of segments from the hour-long call-in show and others are specially recorded by Thompson when he goes in to record his weekly promos at the station.

"It's extended the show from a one-hour show to 24-7," Thompson says. "They don't have to be listening at 8 a.m. Saturday morning to hear us anymore. If they're interested in it, they can find it."

For more on the benefits of local radio, see our October 2007 profile of Houston remodeler Bob Birner, available at [www.proremodeler.com](http://www.proremodeler.com).



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

## A different take on the Web

Steve Gray Renovations has an award-winning Web site and e-newsletter that goes out to past clients, but wanted a way to reach new customers.

The Indianapolis remodeler now reaches its target audience (homeowners with more than \$150,000 in income and homes worth more than \$300,000) by partnering with NBC affiliate WTHR-TV through its Web site [www.wthr.com](http://www.wthr.com).

But instead of simply advertising on [wthr.com](http://wthr.com), the company went further, working with the team there to build a page

## THE GREENPIECE Class is in session

Homeowners are hungry for information about green, so offering workshops can be an effective way to get your message out and build business at the same time.

That's what The Hoots Group, an Atlanta-based full-service remodeler, has been doing for the last few years in its community.

Company President Matt Hoots makes at least one presentation a month on green remodeling and other subjects, usually at the company's showroom but sometimes at other locations as well. The showroom includes a classroom set-up that lends itself well to the presentations, Hoots says.

He often partners with other companies, including trade contractors, lenders and real-estate agents.

For clients, it's a demonstration of the com-

pany's dedication and knowledge of green.

"They're glad that we're doing it and glad to have a resource like us," Hoots says.

"They're more confident in us because we are educated and willing to share."

The workshops usually draw at least 20 people and average 30 or 40 attendees, including other contractors.

That's fine with Hoots, because he'd rather have informed competition than have companies out there doing green remodeling incorrectly. In fact, he also offers some workshops aimed at professionals on topics such as recycling on the job site.

"Some of it's networking, some of it's educational and some of it's self-promotional," he says. "The important thing is to make these things available."



dedicated to the company, under the "Home Central" tag on the site. The microsite includes videos, project profiles, newsletter archives and more. The section (available at <http://sgrenovations.wthr.com>) has been live for only a few months but has already resulted in increased traffic and company awareness.



2008 REMODELER OF THE YEAR

# The Dean of Green

TOM KELLY SHREWDLY LEADS  
NEIL KELLY CO. THROUGH THE DOWNTURN





Professional  
**Remodeler**  
**REMODELER**  
**OF THE YEAR**

Neil Kelly Co. President Tom Kelly has taken an aggressive approach to growing the company through expansion into a new market and launching a home performance division.

PHOTOS BY CRAIG MITCHELDER/GETTY IMAGES



## 2008 REMODELER OF THE YEAR

By Michael R. Morris, Editor in Chief

**TOM KELLY HAS THE AGGRESSIVE NATURE** of a world-class athlete, the passionate soul of a rock star and the wily personality of a high stakes gambler.

But when you get right down to what really makes him tick, it's the heart of gold that beats within his Irish-American chest that separates Kelly from many remodeling firm executives and industry leaders.

The jovial, witty and kind-hearted Kelly has Neil Kelly Co. poised to come out of the remodeling industry's downturn stronger than ever — partly because he's not afraid to take a calculated risk or two and partly because he cares about the careers of his 159 employees as if they were members of his extended family.

That nature and an innate passion for green building practices — both of which he inherited from his father, industry icon and company founder Neil Kelly — trickle throughout the entire organization. Not only does that make for a wildly successful company culture, it creates an environment where the buy-in is

so deep and rich that the company will increase its volume from \$25 million in 2007 to more than \$27 million by the time the books are closed on 2008. While many remodeling firms in America are struggling just to keep revenue flat, Neil Kelly Co. has pushed the pedal to the metal thanks to Tom's aggressive business strategy and cunning knowledge of the Oregon markets his company serves.

It's all this that has earned Neil Kelly Co. *Professional Remodeler's* 2008 Remodeler of the Year award. (See photos from the awards reception and our Market Leaders dinner on pages 10-11.)

"When I think about how times have slowed down, the thing I'm most proud of is how resilient my employees are," says Kelly.

**Members of the Neil Kelly management team (left to right) Julia Spence, Human Resources VP; Lisa Elsener, VP/Controller; Monty Moore, VP New Homes; Tom Kelly, President; Yasmine Branden, VP/Production Manager; Randy Hudson, Sales Manager; and Martha Kerr, Executive VP.**





"I don't have a bunch of folks going around, down in the mouth. I have people saying, 'If I do that, it isn't going to do any good. I'm gonna go out and do some personal marketing; we're gonna work hard, we're gonna find business.'"

"We had one of our carpenters bring in a lead today. We now have a program for that, which we started when the economy started to slow down. I'm really proud of how resilient my employees are in the face of tough times."

(Log on to [www.HousingZone.com/Kelly](http://www.HousingZone.com/Kelly) to listen to our podcast of Tom Kelly talking about his strategy for Neil Kelly Co.)

In 2008, Neil Kelly Co. is on the verge of closing its most financially successful year ever. Design/build, with a focus on green, has been the driver of the Neil Kelly brand for decades. The company also operates a home repair division, a custom home division, a home performance division and a \$3 million per year, environmentally friendly cabinet company incorporated separately from the rest.

Not willing to just sit tight through the downturn, Kelly has taken an aggressive approach to the current market conditions. By increasing marketing in 2008; expanding into the burgeoning Bend, Ore., market; opening the home performance division; hiring 20 new employees; and building new strategic partnerships with building product manufacturers, media outlets and community leaders alike, the company has increased its client base, number of leads and sales volume.

## MARKETING

The engine that drives Neil Kelly Co. is and always has been its marketing. With an average spending of 2 percent of revenue the last four years, Kelly increased that number to 2.75 percent in 2008 rather than choose to remain flat or decrease it, as many companies do when market downturns occur.

"I spent an extra \$100,000 in the last six months, over and above what we had budgeted for the year, because I felt it was an opportunity to gain market share in a slowdown like this," Kelly explains. "At the same time, I'm very invested in not wanting to grow the company down due to the economy because I've got a great group of employees. So that investment is made from a long-term perspective, as opposed to what we can get for the moment. Let's keep everybody busy and let's gain some market share through the slowdown. You go to business school and they say 'don't advertise less in a slowdown, advertise more.' That's easy to say, harder to do."

Kelly's marketing approach is concentrated on newspaper advertising; public television and radio spots; consumer seminars; and local trade shows. The message highlights Neil Kelly Co.'s dedication to green, which connects the brand well with the strong environmental values held by most consumers in the

## COMPANY SNAPSHOT

**Neil Kelly Co.**

**Headquarters:** Portland, Ore.

**Showroom locations:** Portland (2: east side and west side), Eugene and Bend, Ore.

**Principal:** Tom Kelly

**Business model:** Design/build with a focus on green remodeling, custom homes, home repair, home performance, sustainable cabinets

**Years in business:** 61

**Employees:** 159

**2008 sales volume:** \$27 million-plus (projected)

**Mission statement:** Creating exemplary living and working environments for generations to come

**Web site:** [www.neilkelly.com](http://www.neilkelly.com)

Pacific Northwest. (Turn to The Green Room on page 43 for an example of Neil Kelly Co.'s green remodeling ad campaign.)

The radio and television advertising Kelly runs promotes the business mainly in the Portland market but does give the company some reach into the Bend and Eugene markets as well. Neil Kelly Co.'s television presence recently took a unique turn when the company decided to become involved with the local Fox affiliate, KPTV-TV in Oregon to produce a series of five Saturday morning shows featuring one of Kelly's recent green remodeling projects. (See a sidebar on the series on page 24 for more details.)

Most of Kelly's marketing strategy is tailored to each market's nuances. Kelly weighs the decisions as to what to run in each market based heavily on the keen market knowledge and opinions of his managers in those markets.

"I have a real strong philosophy about what I call listening to the ground and listening to my people that are in those markets, and listening to what they have to say as to which media is more effective in their market," Kelly said.

Kelly's ultra-keen marketing sense also includes an opportunistic element many remodeling firm executives would consider risky or unworthy of consideration. Because Kelly has experienced both the long- and short-term benefits that investing in community service programs has given his brand over the years, he puts a lot of emphasis, not to mention capital outlay (nearly \$110,000 total in 2008), into such things as Habitat for Humanity, Native American Youth & Family Center, Sisters of the Road non-profit food program and more than 50 other institutions in Oregon. Kelly spent a whopping \$45,000 this year on a major sponsorship of a Bob the Builder exhibit at the local children's museum.

"Yes, that cost us \$45,000, but it's a great way to give back to



the community,” Kelly explains. “And who’s there, but moms with their kids who are just entering into the remodeling phases of their lives. So we’re doing something good for the community, but we’re also doing a sponsorship that puts us right in front of our potential client. We do a lot of things quietly, but we also do a lot of things like that, that are fairly high-profile.”

Many of the community service types of marketing Kelly does have little or no cost attached, however. When Kelly opened the Bend division, for instance, he bought out a local kitchen and bath remodeling operation that included a showroom. Before they opened the showroom under the Neil Kelly brand, they remodeled the facility and donated the old cabinetry to a local non-profit organization in Bend. When they held the grand opening at the newly remodeled showroom, that donation came up in numerous conversations among community members in attendance who were impressed by Kelly’s commitment to their community. As Kelly put it, “You can’t beg, borrow or steal that kind of reputation.”

“I think that’s part of your brand,” Kelly says. “When consumers understand that you’re a responsible member of the community, there’s a fair amount of literature out there in this world that says they’re more likely to purchase from you if they understand that you are a responsible corporate citizen. It’s what I like to call enlightened self-interest. It’s very much a legacy of my father’s. He was somebody who really gave back to the community and built that into our corporate soul.”

Both Neil and Tom have received a fair amount of personal recognition for their community involvement as well. Neil has had scholarships and awards named after him, posthumously, and Tom and his wife were honored this year with The Friend of the Children award by that same local children’s museum that is

hosting the Bob the Builder exhibit.

Kelly’s sales force takes an active role in the marketing effort as well. Each design consultant manages an array of initiatives to promote their own names as designers and promote the Neil Kelly brand. One- and two-year follow-up calls to past clients, individual newsletters, seasonal greeting cards and in-showroom seminar presentations have been implemented for years at Neil Kelly Co.

This year, extra requirements have been put on the sales force to reach out to the marketplace more aggressively. Showroom seminars have been expanded to include weekdays; individual direct mail campaigns now go to targeted neighborhoods or market segments (owners of historic homes, for instance); “take one” fliers have been created to attach to job site signs similar to real-estate fliers; and speaking engagements have been scheduled with targeted organizations (such as aging-in-place seminars for organizations targeting the 50-plus homeowner).

“Besides generating fresh awareness of Neil Kelly and our designers to new prospects and newly arrived residents unfamiliar with the Neil Kelly name, these initiatives are designed to consistently reinforce the primary brand attributes of professionalism, integrity, quality and superior design and craftsmanship that are the foundation of the Neil Kelly marketing message,” Sales Manager Randy Hudson explains. “They also help our design consultants grow and maintain confidence in their own skills and their relative position of strength in the market.”

### STRATEGIC GROWTH

Neil Kelly Co. has always taken an aggressively practical approach to growing its business.

## PARTNERSHIP WITH TV STATION HELPS MARKETING

Neil Kelly Co. worked with Fox affiliate KPTV-TV in Oregon to produce a five-show series on Saturday mornings featuring one of Kelly’s green remodeling projects.

Before the project started, Tom Kelly, his management team and consultant Bob Knoll considered their options and chose to work with KPTV because of its building programming and the focus of KPTV’s weekly Saturday morning show, “Good Day Oregon Home and Garden,” and its host David Schmitke, a former builder.

Kelly approached KPTV about the team’s vision of doing a series of stories on a unique green project over multiple episodes by tracking the project and its green emphasis. The decision was made to produce a series of five shows,

with the final episode airing in mid-December and including an interview with the homeowner.

Part of the agreement gives Neil Kelly Co. rights to use the shows in their showrooms, at trade shows, in seminars and on the Kelly Web site.

Kelly’s costs include a modest production fee to KPTV for its on-site production and editing time. Kelly separately hired a freelance videographer to shoot the deconstruction phase, and that footage was made available to KPTV for use in the series.

The shows’ content was overseen by Neil Kelly Co. designer Byron Kellar and project manager Travis Duncalf. Then the team worked with Schmitke on the final details. They then shot footage as the project progressed, including on-site interviews discussing the merits of the green products used



What began in 1947 by company founder Neil Kelly, who dedicated his career to promoting professionalism in the remodeling industry (see our article from February 2008, "10 Most Influential People in Remodeling History," on [www.ProRemodeler.com](http://www.ProRemodeler.com)), has grown steadily into the diverse firm it is today because of this strategy.

In the past year alone, that has included two key expansion initiatives: opening a home performance division and expanding into a third market, in Bend, Ore. Both of those undertakings were executed with the company's usual precision and careful planning.

"When we get involved in any new divisions of the company, we're pretty methodical," Kelly said. "We write a business plan and we write a budget. In general, whether we're expanding into a new division or expanding into a new market, we're going to involve employees who already work for us and hire new people.

The home performance division, launched mid-2007, was planned to operate as an adjunct of the already existing home repair division. Some current employees were shifted to the new division; new hires were made; and training and equipment were procured.

In partnership with Energy Trust and Energy Star, home performance services include conducting energy efficiency audits, indoor air quality assessments and remediation of inefficiencies found in those areas. Like any new division Kelly launches, the operation is currently undergoing analysis and refinement.

"We are expanding the division to enhance its effectiveness, and enhancing our procedures to work smarter instead of harder," says Brian McVay, home repair and home performance manager. "One of the nuances of home performance is how to take all of the information we obtain in an energy audit and articulate this

in simple terms that a homeowner can buy into. We are refining our sales process to educate instead of the opposite."

While the early results have not quite met his sales and profit goals, Kelly sees the division more as a long-term investment and potential upsell opportunity for remodeling.

"If I wanted to rate it on a scale of one to 10, I'd give it a seven or eight," Kelly said. "We haven't quite met the goals that we would have liked to have met, but we're doing fairly well. That whole thing about doing audits and energy efficiency measurements on houses, I think, five years from now all of us remodelers will be doing something like that as part of the services we offer. If we're not, we're going to be missing out on what is going to be a very important part of our market."

The expansion into Bend had been in Kelly's business plan for a number of years, but the situation was never quite right. When Kelly decided this was the year to take the plunge, an opportunity presented itself for him to buy out a Bend kitchen and bath remodeler who was ready to retire, including buying the company's existing showroom in a prime location.

"We were pretty deliberate about investigating the Bend market, doing some research to really understand what the opportunities might be there," Kelly recalls. "We wrote a business plan, made a very deliberate effort to find the right location and so on. It didn't quite go the way we thought it would. We didn't go in there thinking we would acquire a company, but that's what we ended up doing, which was a great opportunity for us and for the guy who sold it to us."

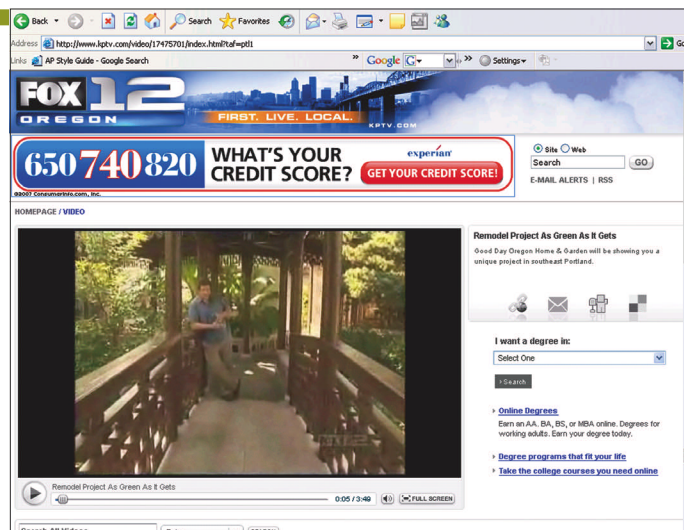
Kelly retained the company's employees and added three of his own from the Portland and Eugene locations for a total of eight who now run the operation. So far, the division is holding

(including Kelly's line of environmentally friendly cabinetry) and how they were incorporated in the home.

"This has been a real team effort between the NKC design and production team and KPTV," says Knoll. "Lots of good-natured give and take, and we're pleased with the outcome."

Kelly couldn't agree more, adding that the shelf life of the video and its marketing value in telling the company's green story make the effort priceless.

"We'll end up with a piece that we can use internally for showing our clients and using in our seminars and things like that," Kelly said. "It's something that's pretty special and is having a good impact on our marketing. It's sort of an advertorial because we're paying for it, although the cost was certainly nominal for what we're getting."





its own, on track to meet the \$1.2 million first-year sales goal Kelly budgeted for. His five-year plan is for the operation to generate between \$4 million and \$5 million.

Has the downturn in the economy forced him to re-think whether the timing of this expansion was the right thing to do?

"We knew the economy in Bend was actually tougher than most other places in Oregon," says Kelly. "Because it had been a really hot residential market, it also went the other direction harder than others in the state. But the opportunity there to be able to hire people ... if we went in there during the boom time, it would be very difficult for us to develop relationships with trade contractors and hire employees, and we have been able to hire fabulous people. We've been able to develop relationships with trade contractors who are interested in us, so we're laying the groundwork for long-term good business."

### COMPANY CULTURE

Part of what makes Neil Kelly Co. tick is its company culture. With 20 new hires to help handle the increased business this year's expansion generated, keeping the culture intact despite a large infusion of new people might have been a concern for most companies.

But because Neil Kelly Co. has a strong reputation throughout Oregon for its care for the environment, their communities and their employees, the company has been able to identify and hire many highly qualified candidates that are a good fit in that culture.

"We know that our company culture and our emphasis on environmental sustainability brings us employees who will provide an extra measure and help us grow," says Julia Spence, vice president of human resources. "We're seeing young people who are searching for a values match as well as a good job."

It doesn't hurt that Neil Kelly Co. also has in place a very detailed and diligent hiring process designed to help them make quality hiring decisions and avoid mistakes.

First interviews, depending upon how many applications are received, take place directly with Spence. She then conducts second interviews with the hiring manager (usually jointly), plus interviews with two or three team members in the respective department. All new hires go through reference checks, background checks (including sexual-predator checks), drug testing, and a DMV background is pulled for anyone required to drive as



**"I'm really proud of how resilient my employees are in the face of tough times."**  
— Tom Kelly

part of their work.

If the position is in sales for any of the divisions, the candidate will also be sent for an interview with Kelly's outside human resources firm, the MBL Group, which has worked with Kelly for years and is familiar with the type of person who will succeed in Kelly's sales environment.

All this due diligence before any employee is offered a job helps the company protect a company culture that has been carefully nurtured by Neil, Tom and their executive management team for decades.

"The caring family environment was initiated by Neil and has been passed on through the generations by the lucky folks who had the opportunity to work with him," says Martha Kerr, executive vice president, who has been with the company for 39 years. "Our HR manager, Julia Spence, is a wonderful custodian of the great legacy that Neil has left us and reminds us all every day how important it is to be sure that all of our employees understand the culture and are encouraged to support it completely and pass it on."

### THE FUTURE

Kelly is never one to stand pat. So future growth and expansion, including potentially into Seattle and other regional markets, is more than likely sometime down the road. Now with four showrooms (including two in Portland) in three diverse markets, Kelly is always on the lookout for new business opportunities and strategic alliances.

One thing is for certain. No matter what the future brings for Neil Kelly Co., it will be handled with the careful planning, strategic thinking and unique personal touch of the company's leader.

Tom Kelly wouldn't have it any other way.

"As a remodeler, I believe you shouldn't do things like build new homes or do home repair unless you get serious about it and formalize a new division of the company. Otherwise, you're a general remodeler who's doing an OK job at home repair and don't really focus on it. Or you're a general remodeler who's building new homes once in a while and you don't really work at formalizing the processes and focusing on that business as a specialty in itself," Kelly says. "I'm a real believer in that." **PR**

**>> To listen to the Podcast of our interview with Tom Kelly, visit [www.HousingZone.com/kelly](http://www.HousingZone.com/kelly).**





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# Antique Green

## GREEN REMODELS INVOLVING HISTORIC HOMES REQUIRE A CAREFUL BALANCE OF AESTHETICS VERSUS EFFICIENCY

By Kelly Cutchin, Contributing Editor

**HISTORIC BUILDINGS POSSESS MANY OF THE** characteristics now being touted as green. Local, non-toxic materials? Check. Environmentally sensitive design? Check. Those saltbox homes in the Northeast, rambling breezeways in the Southeast, and adobes in the Southwest were adaptations to the local climate using the materials at hand.

"Historical preservation addresses sustainability in many ways," says Jennifer Buddendorf, program officer at the National Trust for Historic Preservation. "Most historical buildings before World War II were built to be very durable, and with passive heating and cooling a part of the design. You're preserving pieces of history as you preserve buildings, and you're also keeping those building materials out of a landfill."

But remodeling in a designated historic district brings with it a set of challenges new to many remodelers. Neighborhoods that are part of community associations with strict covenants for exteriors can be just as tricky. Though the objectives of historic preservation officials and green building advocates seem ultimately compatible, conserving precious, limited resources aesthetic restrictions can be stumbling blocks for even the most conscientious remodeler. But with more than 2,300 designated historic districts and more than 200,000 community associations nationwide, this is not a market to be ignored.

Turn those stumbling blocks into steps to a new niche market. Here's how.

### 1) Learn neighborhood renovation guidelines before getting clients excited about a design.

Scott Whipple, historic preservation supervisor at the Maryland National Capital Park and Planning Commission, advises that if

you've accepted a remodeling job in a designated historic district, the first thing you should do is contact the local historic preservation office staff to discuss design review processes and standards.

The same is true for neighborhood review boards. Make sure your designs are approved at the neighborhood level before developing construction documents; stories abound of renovations held up for weeks, mid-project, while review boards demand changes.

Mary Andrews, a homeowner in Silver Spring, Md., wanted to build an addition and upgrade the energy performance of her home but ran into such roadblocks.

"Our 1923 bungalow isn't in a historically designated neighborhood but is considered a contributing resource, so we had to go through the same process," she says. "We didn't know that until the architect submitted the plans for permitting. We eventually got approval for the basic design from the Historical Planning Office," Andrews says, "only to learn much farther down the line that they didn't meet local zoning guidelines."

Most historical planning offices use the U.S. Department of the Interior's "Standards for Rehabilitation" as a guideline for developing their own protocol, but these guidelines leave room for interpretation. The ninth guideline reads, "New additions ... will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion." In some cases, this is interpreted to mean that additions must look similar to the existing home, but Andrews' designs got approval spe-

**In some neighborhoods restricted by covenants, contractors have had luck gaining approval for solar panels by trimming them to look like skylights.**









**The interior storm windows on this renovated historic barn are invisible from the exterior, thus immune to restrictions imposed by the local historic preservation office.**

cifically because they were stylistically distinct from the existing structure. Knowing the aesthetic restrictions on your job is as important as knowing the local building code.

"If you start working with a client and collecting fees for a design without doing your homework, you are going to get yourself into a lot of trouble," says Van Franke, principle of Franke Architects in Kensington, Md.

## **2) Give special consideration to the addition or replacement of windows.**

Windows that meet both historic preservation guidelines and local energy codes can be very expensive. Solid wood, Energy Star-qualified windows come at a price. According to the National Trust for Historic Preservation, even high-quality new wood windows (with the exception of mahogany) won't last as long as historic wood windows, which use dense, durable old-growth wood. "Windows and doors are always an issue we address early on," says Franke. "They account for 10 to 15 percent of the average job's budget. Adding the price premium of solid wood, unclad windows can be painful to a client."

For additions, you will probably need to buy new windows, but if your clients are considering window replacements to increase the thermal performance of their home, ask them to think about interior storm windows. They are nearly as efficient and usually more affordable than buying new, and you won't run into the aesthetic restrictions planning commissions often impose.

"Heat lost through windows (rather than around them) is a small percentage of a house's total heat loss," says Whipple. "Historic windows — when restored to a proper operating condition, caulked adequately and a storm window is installed — can function approximately as efficiently as modern windows. Plus, the old windows don't end up in a landfill, which is better for the environment."

A 1997 field study comparing various types of renovations and replacements in Vermont demonstrated energy savings of \$16-19 per window per year with the installation of a storm window over a loose, single-paned window. Replacing a loose, single-paned window with a double-glazed, low-E window achieved savings of \$20 per window per year. If the existing window is in good shape, the savings from adding a low-E storm window (compared to replacing the window with a double-glazed low-E unit) are almost the same — \$6.20 per year for the storm versus \$6.80 per year for the new unit — but low-E coated storms only



cost half as much. Custom storm windows come in a variety of colors and materials and can be designed to fit odd, bowed or out-of-square openings.

A simple Web search for custom storm windows should turn up providers in your region. Also check historical window refurbishers. If you have a window representative, ask for leads.

### 3) Be wise about solar.

Architectural review committees (ARCs) are created by community associations to review construction plans with an eye to maintaining or increasing curb appeal and property values. But if you are dealing with an overzealous ARC, it may seem as if its purpose is to stonewall the solar market in your area.

In both historic districts and neighborhoods restricted by community associations, you'll probably face difficulties if you try to install solar panels on the front of the house, for example.

To find out if your project has restrictive covenants in place, have your clients check their deeds and their neighbors' deeds. Some developers place restrictions on only certain properties, but, if contested, judges typically enforce specific restrictions for all properties in the development. Also check the recorded plan and the declaration of covenants. If they exist, these can be found at the local office of the recorder.

Some of the more common rules you may face for solar installations will be explicit restrictions on solar system placement, height, roofing materials, piping (for solar hot water) and placement of improvements.

If your project is subject to ARC approval, follow these guidelines to improve your chances of success with a solar installation:

- 1) Examine covenants first, and find out who has the right to enforce them. Knowing the motivations of enforcers can help you avoid potential roadblocks. Some states have laws overriding covenants that restrict solar installations.

- 2) Keep records of all communications with the ARC as you seek approval for the solar panel system. In the unfortunate event that the homeowner must pursue litigation to gain approval for the system, this documentation will form an important part of the evidentiary record.

- 3) Engage actively with the community association. Attend board meetings to present your case and answer questions. Some contractors have had success proposing oversized systems and then "reluctantly" agreeing to downsize (to the proper size) at the association's insistence. Other contractors have trimmed panels to look like skylights from the street view. Figuring out how to work within the system is always preferable to taking the issue to court.

If legal action is required, fear not; it's unlikely you'll ever enter a courtroom. In a survey conducted by the Community



**This historic home in Harper's Ferry, West Virginia shows how residents used stone, an abundant local resource, to respond to local climatic conditions.**



**Traditional New England saltbox homes have asymmetrical roofs with the lower side aimed north to act as a windbreaker.**

Associations Institute, nearly one-fifth of the associations responding indicated they had been involved in a dispute with a homeowner about rule violations. However, less than one-half of one percent of the associations reported being involved in a lawsuit that went to court.

With a little planning beforehand, renovating in an aesthetically restricted neighborhood could be a stepping stone into a new niche market: you could color yourself antique green. **PR**

Kelly Cutchin is a former builder who advises the housing industry on cost-effective green practices. She is a consultant with D&R International, an environmental consulting firm based in Silver Spring, Md. Kelly can be reached at [kcutchin@drintl.com](mailto:kcutchin@drintl.com).

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# The Day After

F.H. PERRY BUILDER LEARNS  
WHAT COMES AFTER SUCCESSION



By Jonathan Sweet, Senior Editor

**COMING UP WITH A SUCCESSION PLAN** is actually not that difficult. Whether it's selling the company, passing it to family or transitioning it into an ESOP, there's plenty of advice out there for setting up a solid blueprint for the transfer.

But what comes after the business transaction is done? How does a company make the most of a founder's expertise, but still move on so the next generation can take over? That's the challenge facing F.H. Perry Builder, an award-winning full-service remodeling firm in Hopkinton, Mass.

Finley Perry incorporated F.H. Perry Builder in 1989 but has been running the business in various forms since 1973. This past January, Perry sold the company to three of his former employees: daughter Allison Perry Iantosca, vice president of sales and marketing; Vice President and Project Executive Bill Cosman; and Vice President of Production Brad Gardner. The three are equal partners and have a five-year loan with Perry that, if everything works out, will be paid off in 2013.

"What has really surprised me is that I thought I could keep running it and just change the names of the owners, and everyone would go along working the way they always have," Perry says.

It wasn't until Perry returned from his annual summer vacation this fall that he realized that model might not work. Over the course of the last few years, the sale has been in the planning stages, with the new owners making more and more decisions, especially when Perry was out of the office.

"That's really contributed to the overall success of the business in a dramatic fashion," Perry says. "The negative side is at the end of the day, all of a sudden I began to feel like I was a person of relatively little significance around here, and that's been hard for me to deal with emotionally."

Perry and Iantosca agree they want him to play a role in the company — they're just not entirely sure what that role should be. That's reflected in the fact that Perry has no official title at the firm beyond "founder." ("Got any ideas?" Iantosca jokes.)

They see his best role as being one of sales, especially to new customers, and business development. Perry is exploring ways the company can expand into new markets and products. As long as the new owners want to grow the business, there's a role for Perry in that arena, he says.

"If at some point we decide the business should just stay what it is, I become an expensive piece of overhead, and I need to move on and do something else," Perry says. "So we're trying to

figure out just what that answer is."

Perry doesn't want to worry about day-to-day management of the company. Being free of that responsibility has allowed him to take long periods away from the office and pursue activities such as his love of sailing.

Those frequent sailing trips were actually one of the drivers of succession for Perry. He was concerned that something could happen to him on one of his trips that would leave a "messy situation" for the people left behind at the company. He also wanted to resolve the situation from an estate-planning standpoint. With one daughter that works in the business and another who doesn't, he wanted to figure out how to have something of value for both of them.

"A way of doing that was to turn the asset that the family owned into a loan instead of this sort of amorphous, hard-to-value business entity," Perry says.

## LAYING THE GROUNDWORK

One of the most important parts of preparing for succession was creating value in the company beyond Perry. For the last several years, the management team has been focused on separating the image of F.H. Perry the company from F.H. Perry the man.

"People have this great image of the company that Dad has developed over the years," Iantosca says. "Now it's taking the story and the identity that he's created about the company and turning that into something larger than him."

The first step in that effort was working with a marketing con-

## EXECUTIVE SUMMARY

**F.H. Perry Builder**, Hopkinton, Mass.

**Founder:** Finley Perry

**Owners:** Allison Perry Iantosca, Bill Cosman, Brad Gardner

**2007 projects:** 30

**2007 volume:** \$10.4 million

**Projected 2008 volume:** \$9.5 million

**Employees:** 17

**Founded:** 1973 (Incorporated as F.H. Perry Builder in 1989)

**Biggest challenge:** Managing the business and personal challenges of transitioning from the founder to a new generation of owners

**Web site:** [www.fhperry.com](http://www.fhperry.com)

**The F.H. Perry Builder management team of (standing, l to r) Bill Cosman, Allison Perry Iantosca and Brad Gardner and founder Finley Perry (seated) are working through succession.**



## “It’s taking the story and the identity that he’s created about the company and turning that into something larger than him.” — Allison Perry Iantosca

sultant to talk to past clients, architects, suppliers — anyone who had worked with the company in the past. The company even contacted prospects who didn’t hire F.H. Perry to find out why.

“We wanted to learn from people who love us and people who had been challenged by us,” Iantosca says.

This process helped the company identify that it was the experience the Perry team offered that mattered to clients; it wasn’t just about improving their homes, it was about improving their lives. It allowed the company to focus the marketing strategy for the high-end niche the team really wanted to reach.

“It was about taking that story and turning it into something that we can put out to the public through advertising, through brochures — sort of matching our culture to the culture of advertising vehicles that are out there,” Iantosca says.

“The materials we put out are more experiential than archi-

tectural like our competition is putting out there,” Perry says. “Now, when the phone rings here we’re not getting calls for decking, re-roofing, the kind of calls we used to get.”

Another important part of a successful transition was that the three new owners also spent a lot of time putting together an operating agreement ahead of the sale.

“I’ve had any number of people ask me if I was crazy to go into a partnership, but there’s this wonderful dynamic in how we operate,” Iantosca says. “It was really important for me to be an equal partner with them rather than take the opportunity of being a family member to hold on to a larger chunk of the company.”

Each of the owners has their strengths. Iantosca brings her sales and marketing experience to the table, while Cosman and Gardner have both worked in construction for more than 20 years.

### LOOKING FORWARD

Many companies don’t survive the first few years after an ownership change. For Iantosca, that challenge isn’t one she takes lightly.

“There’s this legacy that I’m responsible for carrying on,” she says. “We have to make sure the legacy stays intact and has momentum moving forward.”

Perry says he also feels some responsibility for the company’s success. He wants the new owners to succeed and continue the Perry legacy. Their success also helps them pay off the purchase loan.

“The whole idea of staying in and doing business development and sales is to create value,” he says. “If it doesn’t work it’s going to be all of our faults.”

The company needs to identify future movements so they can stay ahead of what the market wants, Perry says, citing trends such as the wave of hotel/condo developments that sprung up over the last decade.

The most important part of future success will be keeping a simple focus on the basics of delivering quality work to a targeted niche. It’s a method that has allowed the company to continue to succeed in a down market.

“At the end of the day, you can analyze the market all you want, but if your product is not good, you’re missing out on 50 percent of what drives the business,” Perry says. **PR**

Allison Perry Iantosca is on the Professional Remodeler Advisory Board and also writes about sales and marketing as a regular columnist. Read her archived columns at [www.proremodeler.com](http://www.proremodeler.com).

## NON-TRADITIONAL ROUTE

Neither Finley Perry nor Allison Perry Iantosca started out intending to end up in construction. After graduating from Stanford with a political science degree, Perry came back to Massachusetts to work for the governor. A few years of that cured him of wanting a career in politics.

“I got very frustrated with the impossibility of getting anything done in a day,” he says.

That desire to see something tangible from a day’s work led him to start the carpentry business that eventually became F.H. Perry Builder.

Iantosca, on the other hand, spent her post-college years focusing on a career in theater and the arts. Even when she came on board at F.H. Perry in 2000, she wasn’t sure it would last.

“We had the agreement that if this didn’t work out for him, he could fire me, and if it wasn’t working out for me, I could quit,” she says. “I think I spent a lot of time with one foot out the door, thinking that I was going to find my career out there in something else.”

It was only after talking to several mentors in her life that she realized the opportunities she wanted were there at F.H. Perry.

“Ever since I got the other foot in the door, it’s been this really cool opportunity to build something,” she says.



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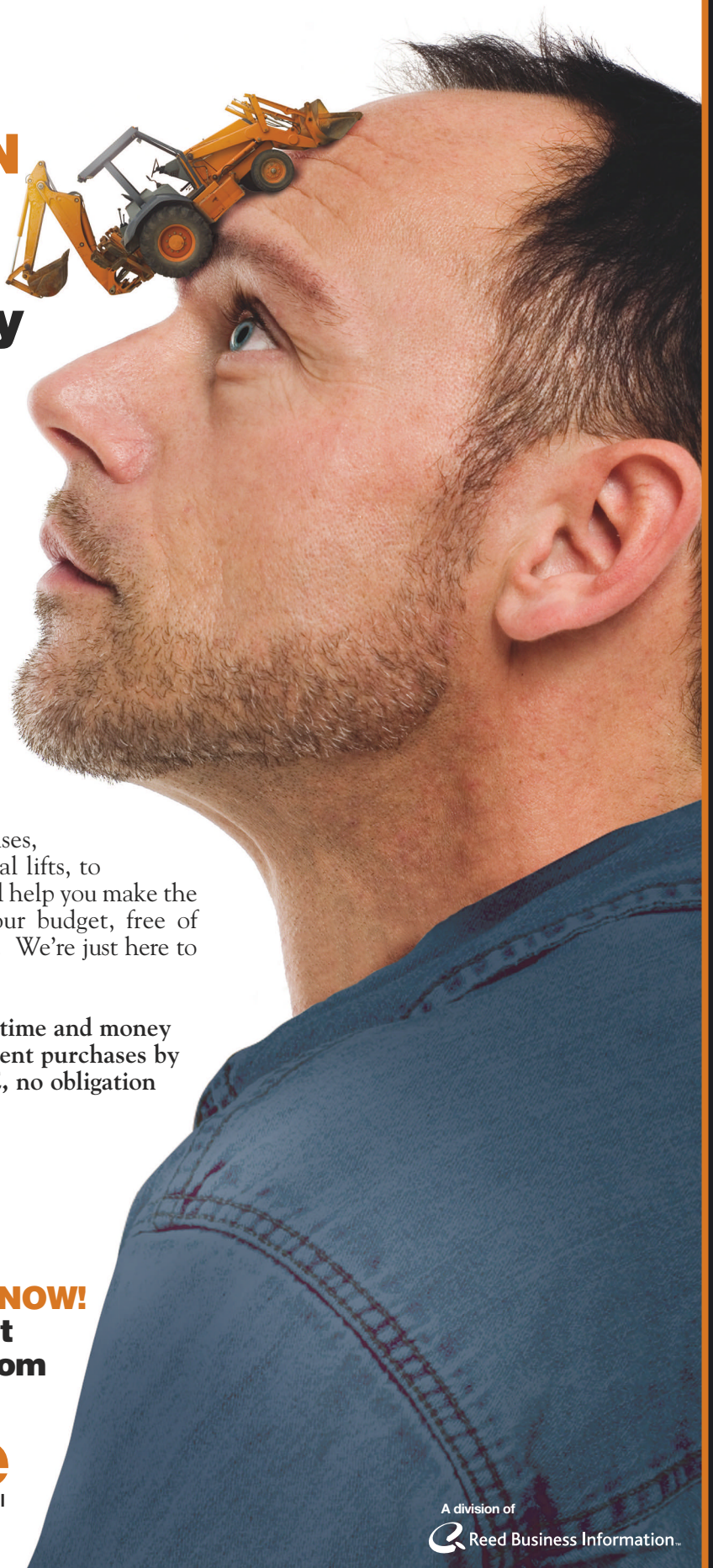
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## MYGREENBUILDINGS TURNS A FAILED INVESTMENT INTO A POSITIVE EXPERIENCE

# Model for Green

By Jonathan Sweet, Senior Editor

**IN LATE 2005, STEVE ELLIS BOUGHT A SMALL** 1,100-square-foot, two-bedroom house in a nice Sarasota, Fla., neighborhood for \$480,000 as an investment property.

Oops.

"Only in the heights of all heights could you sell this for half a million bucks," says Ellis, principal of MyGreenBuildings. "The value is probably half that now for the same house."

Ellis had done a quick remodel of the kitchen before trying to sell the home as a cleaned-up, two-bedroom, one-bathroom bun-

galow. Despite being in a very attractive neighborhood, by late 2006 Ellis knew "that wouldn't fly."

Rather than throw in the towel and take the loss, though, Ellis decided to use the house as a model of sustainable remodeling for MyGreenBuildings, the company he was starting with Grant Castilow.

The home sits in the popular West of Trail neighborhood in downtown Sarasota in an area known as the Flower Street District. It is close to the water and beaches and within walking dis-





AFTER PHOTOS BY EVERETT DENNISON, SRQ380



**MyGreenBuildings incorporated courtyards and Florida-friendly landscaping into the design to help expand the living area of the small home. Several large glass sliders also made the outdoors easily accessible.**

tance of public transportation, shopping and restaurants.

"We thought it'd be a prime candidate for a green remodel because its location encourages a green lifestyle," Ellis says.

The MyGreenBuildings team had launched the company to take advantage of what they saw as the coming trend in remodeling. Both had spent years running businesses in the construction and environmental fields and thought the time was ripe to combine the two. Ellis' property would be the first test of their business concept.

### BEYOND GREEN

As a small house on a large lot in an attractive neighborhood, the home was one that many expected to be torn down and replaced by a brand new home, as had been done throughout Sarasota's downtown. Ellis and Castilow saw it as an opportunity to promote the green message and garner attention for their fledgling business.

"We wanted to prove to the community that you don't have to tear these houses down," Ellis says. "You can make them stronger, more fortified, better-looking, and for a lot less money and substantially less energy than a brand-new constructed house."



### PRODUCTS LIST

**Cabinets:** Mill's Pride and local custom **Countertops:** Silestone, scrap granite  
**Doors:** Jeld-Wen **Faucets & fixtures:** Kohler **Insulation:** Bio-based soy-urethane foam  
**Kitchen appliances:** Frigidaire **Paints:** Sherwin-Williams and Harmony Zero VOC  
**Roofing:** Eagle concrete tile **Windows:** Jeld-Wen





Before undertaking the project as a model green remodel for his new business, MyGreenBuildings co-founder Steve Ellis first tried to modernize the two-bedroom bungalow by remodeling the kitchen. The decision to expand and go green came after the house didn't sell.

The 1946 home also had good bones — 100-year-old heart of pine structural framing that was better than anything the company could buy today.

"There's a massive amount of embodied energy in these older structures," Ellis says. "Imagine the energy it takes to go out

somewhere in Pacific Northwest, cut down a tree, pull it out of the forest, send it to a processing facility, make 2 by 4s out of it and get it on the shelf here in Sarasota."

Although both are big believers in green remodeling, Ellis and Castilow knew the home needed more than a green upgrade to

## THE FINANCIALS

Originally Steve Ellis bought this Sarasota home as an investment, with the idea of doing a quick remodel and turnaround, taking advantage of what was then a booming Florida housing market.

After renting the home and marketing it for several months, it became clear to Ellis that the home wasn't going to sell without some other major work. So Ellis essentially became the first client for MyGreenBuildings.

"When we were starting the business, I decided to make it a case study, with the idea that if we built a better house, I'd get a better return

### Budget History

Estimate	\$290,000
Change orders	\$50,000
Final price of job	\$340,000
Cost to produce	\$280,000
Gross profit	\$60,000
Budgeted gross profit	21%
Actual gross profit	21.4%
Purchase price	\$480,000
Final sale price	\$650,000

on my investment," Ellis says. "I don't think it would have sold for the price it did if it wasn't green. If it wasn't for that, it would probably still be on the market."

During the three-month project, Ellis made payments to MyGreenBuildings

every other week. The project was completed in March 2007 and sold in December for \$650,000 — \$170,000 more than Ellis paid for it, but about half the price tag for the remodeling. What that doesn't include is the benefits the newly formed company and Ellis as an owner received because of the extensive publicity the home generated.

"We lost money on it because we bought it at the wrong time and sold it at the wrong time," Ellis says. "The thing to remember is we sat on it for quite a while, and we used it for marketing and tours, which all generated more business. So it's hard to say what the real value of the home is."



**MyGreenBuildings owners Steve Ellis and Grant Castilow wanted to show potential clients that a home could be green and still be luxurious. They did that by incorporating environmentally friendly yet high-end features such as low-energy, sun-fired Saltillo tile and reclaimed vintage hardwood doors.**

make it attractive to potential buyers. It also needed to be bigger and brought up to modern Florida hurricane codes. Most importantly, it had to show that green could also mean attractive.

"We wanted to make sure this house showed people that you didn't have to be smoking weed and walking in flip-flops to go green," Ellis says. "People didn't realize that a green, truly sustainable home could be just as elegant as anything."

The company nearly doubled the building to 2,100 square feet, adding a new wing that contained two new bedrooms and bathrooms, including a master suite. The existing bedrooms were converted into a dining room and study. MyGreenBuildings took advantage of the scenic Florida outdoors to create the illusion of even more space. The company incorporated two large courtyards and several wood overhangs into the home and designed a landscaping plan that reflects a natural Florida style.

"If you're going to have a small house in Florida, you can open up all these big sliders and feel like you're living outdoors when you're in," Ellis says. "The lines get blurred."

To meet modern storm codes, the home also had to be structurally strengthened. Ellis and Castilow did this by using accel-E wall panels, which are made of steel framing combined with expanded polystyrene foam. MyGreenBuildings then combined the panels with poured concrete and rebar on site to create a "hugely fortified structure" that was also energy-efficient, Ellis says.

## SOLID GREEN

Sustainability was considered in every aspect of the remodel. Beyond the fortified wall panels, the team upgraded the exterior with all Energy Star windows and doors and insulated the home with soy-based spray insulation with an R20 rating. The Jeld-Wen wood doors (both interior and exterior) were also FSC-certified. The "Florida-friendly" yard didn't require any potable water thanks to rain barrels.

The old-growth pine that had been used for the original framing was used for both structural and non-structural applications, such as framing outdoor and window openings. In total, Ellis estimates that the company salvaged 85 to 90 percent of what came from the original house.

"We deconstruct things very carefully," he says. "We recycled everything we could."



Materials that couldn't be reused by MyGreenBuildings were sent to others. Habitat for Humanity received the appliances and doors. Pieces of the original concrete roof went to a local aggregate company that ground it up and used it for road base. A local nursery used extra tiles from the new roof to shore up its irrigation ditches.

One of the biggest challenges of the project was getting the trade contractors to understand this approach to remodeling.

"We had to educate the subs and the trades, making sure they weren't wasting materials while they were working on our site,"



## COMPANY SNAPSHOT

### MyGreenBuildings

**Owners:** Steve Ellis & Grant Castilow

**Location:** Sarasota, Fla.

**2007 volume:** \$348,000

**Projected 2008 volume:** \$2.65 million

**Web site:** [www.mygreenbuildings.com](http://www.mygreenbuildings.com)

**Biggest challenge of the project:** Educating the trade contractors about the techniques and importance of green remodeling and resource conservation

Ellis says. "It was new for many of them to have to worry about taking extra care to carefully remove materials."

MyGreenBuildings put signs up around the job site in both English and Spanish that said it was a green project and reminded the field laborers to minimize waste and recycle materials.

The tight schedule — MyGreenBuildings was trying to complete the project in three months — also meant that trade contractors were stacked up on top of each other, making it all the more important that Ellis and Castilow kept a close eye on the project and communicated with the subcontractors frequently.

## MARKETING MASTERPIECE

Although not a success for Ellis financially (see "The Financials," p. 38) the project did result in a tremendous amount of attention for MyGreenBuildings. After completion, it achieved the highest Energy Star score to date in the state of Florida. It was the second-highest-rated green home under the Florida Green Building Coalition standards and the first ever to be certified as a green remodeled structure. It's also won several regional and national design awards and garnered extensive coverage from the local media.

Before the home was sold in late 2007, MyGreenBuildings opened it up for tours. Ellis also created a video tour and slide show that he presented to several community groups, as well as local trade associations.

"Everybody wanted to know about it," he says. "We were invited to a lot of conferences, and we became part of the local discussion. We were elevated to experts almost overnight."

That publicity has led to numerous jobs for the company, allowing MyGreenBuildings to increase its projected volume to more than \$2.5 million this year, only its second in business.

Ellis says: "This is our first masterpiece, but we're doing even better work now." **PR**

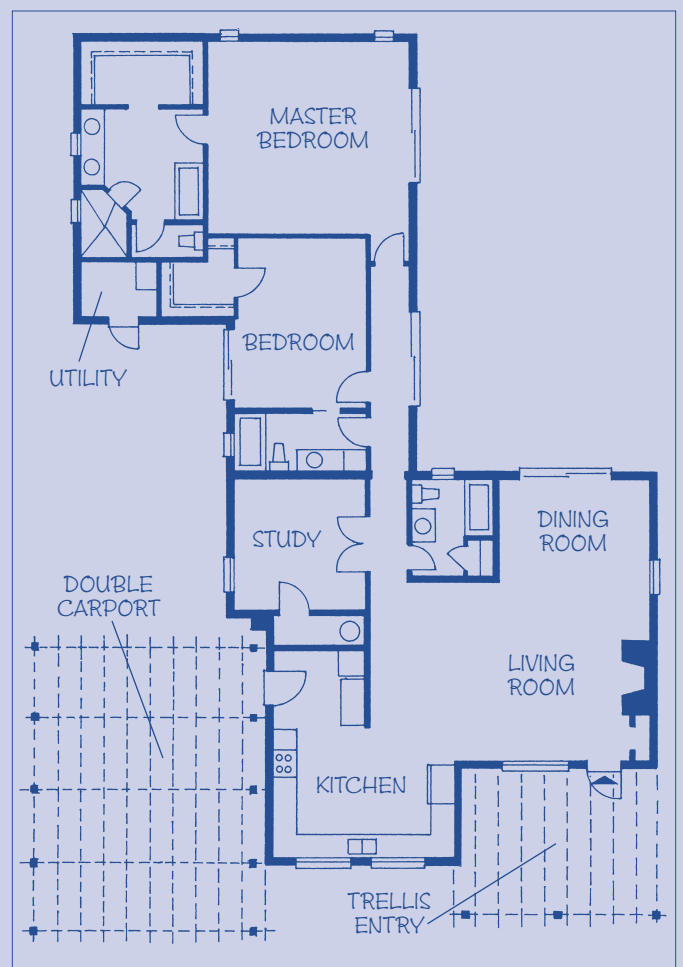
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Before



After





# young leaders

call for nominations

## ***Professional Remodeler* is looking for the next generation of leaders.**

The January issue of *Professional Remodeler* will feature the **Young Leaders** — those people **under 40** who will be setting the agenda for the remodeling industry for the next decade and beyond.

To submit your nomination, please complete the form at right and fax this page to 630-288-8145 or e-mail the information to Senior Editor Jonathan Sweet at [jonathan.sweet@reedbusiness.com](mailto:jonathan.sweet@reedbusiness.com).

**Deadline: November 17, 2008**

**Professional  
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Describe what makes the nominee a **Young Leader**:

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Nominated by: 

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Name of nominee: 

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Age of nominee: 

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Nominee's title: 

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Web site url: 

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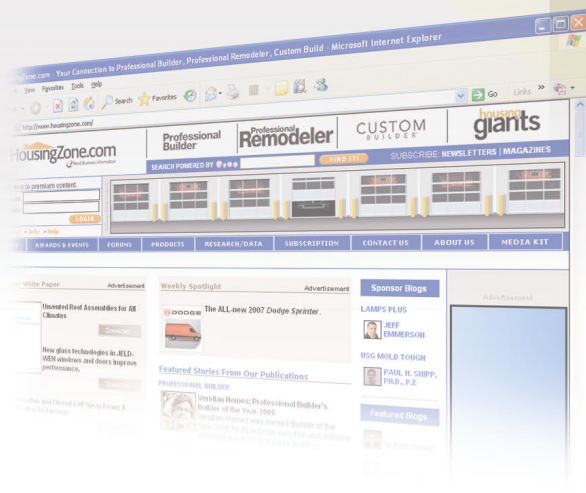


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# GREEN MARKETING

Neil Kelly Co. has strengthened its reputation with strategic advertising

**M**arketing to the environmentally conscious consumer in the Pacific Northwest is like trying to perform a magic show in front of an audience of magicians. With every company seemingly touting its green products and services, even an organization with as strong a green reputation as Neil Kelly Co.'s needs to make its message as relevant and

genuine as possible. (See our cover story on pages 20-26 for more on the firm's marketing strategy.)

Kelly's greatest challenge is conveying this message in a compelling and effective way to the savvy and increasingly skeptical homeowner in the Portland, Eugene and Bend, Ore., markets it serves. We think they've succeeded.

*Headline points out company's commitment to green.*

**Green is not a color.  
It's a philosophy.**

*Photo shows green can be beautiful and appeals to high-end target customer.*



*Main ad copy backs up company's green commitment from headline, pointing out its green expertise and range of services.*

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### MORE THAN INSULATION

The new Solace windows by Owens Corning combine the strength of a fiberglass-reinforced vinyl window with the company's famous Pink insulation. The windows have a larger viewing area than typical replacements and have a design pressure structural rating of 60. Designer glass, between-the-glass blinds and SDLs are available, too.

**For FREE info, visit <http://pr.hotims.com/20092-251>**



### DID YOU HEAR THAT?

Made under the WhisperWarm line, the FV-11VHL2 is available with a compact fluorescent light and night light feature. Both Panasonic models feature a new grille design. And these things are quiet beyond compare as they operate at some levels of 0.6 for FV-11VH2 and 0.7 for the FV-11VHL2 which is comparable to the sound of a rustling shrub.

**For FREE info, visit <http://pr.hotims.com/20092-252>**



### SUPER QUICK

DAP Products' Dynaflex 3.0 is an advanced all-purpose sealant specially formulated with the company's Kwik Dry Technology, allowing it to be exposed to water and moisture after only three hours, without washing out. The sealant works great on windows, door frames and other projects both indoors and outdoors.

**For FREE info, visit <http://pr.hotims.com/20092-253>**







## MAKE A SPLASH

Armstrong's new Metallaire line features 12 styles of decorative metal ceiling tiles, including small panels, fans and other designs. Metallaire also has stainless steel back-splash tiles for kitchens. The other products are offered in five finishes, including copper, chrome and paintable white.

**For FREE info, visit <http://pr.hotims.com/20092-254>**



## A DIFFERENT KIND OF TABLE

The Water Table, first made by Koma partner Intex Millwork, is a flat board with an integral 15-degree water shed (1¾-inch projection), that makes installation faster. These fabricated boards are manufactured using a mitre fold and weld technique, which creates a stiff board that installs easily and flat. It comes in two widths and is shipped in a two-board shrink-wrapped pack.

**For FREE info, visit <http://pr.hotims.com/20092-255>**

## DONE IN A DAY

Dry time is cut in half with Therma-Tru's Same-Day Stain. The stain was developed for fiberglass doors and comes in seven colors. The stain can be applied in the morning to be ready for a topcoat application by afternoon. The easy-to-apply stain can be rubbed on and blended with a cloth to bring out the grain and texture of the door.

**For FREE info, visit <http://pr.hotims.com/20092-256>**



## NOT REALLY RAINFOREST WOOD

Designed with the same performance characteristics as the company's decking product, A.E.R.T.'s Rainforest Collection railing simulates the look of rainforest hardwoods. The railings are made from recovered wood fibers mixed with recycled polyethylene plastic. They will be available in two colors, terracotta and desert sand.

**For FREE info, visit <http://pr.hotims.com/20092-257>**



## WHAT'S FOR SUPPER?

When you're tearing a kitchen apart your customers can't exactly use it, can they? You can put an end to that with the Dwyer Temp Kitchen. The kitchen unit allows the preparation of simple meals and snacks and offers ample storage for food and utensils. It also sports a fully functional dishwasher with easy to use plumbing hookups, and only one 15-amp circuit is needed to run it.

**For FREE info, visit <http://pr.hotims.com/20092-258>**





### RIGHT ON CUE

The newest addition to On-Q's Studio Collection is the Unity Home System. It combines multi-room audio, intercom and camera into one integrated home system that's easily controlled via an attractive user interface. The display works like a cell phone or iPod, with simple, menu-driven navigation.

**For FREE info, visit <http://pr.hotims.com/20092-260>**



### PAY TRIBUTE

You can add a new one to Tributaries' family of whole-house A/V hardware solutions. The new Model HDA140 is a one-in/four-out HDMI distribution amplifier that allows a single source to simultaneously supply video and digital audio to as many as four rooms, zones, systems or screens, each as far away as 100 feet.

**For FREE info, visit <http://pr.hotims.com/20092-262>**

### RIDE THE WAVE

You hear Wayne-Dalton and you think garage, doors right? Now you can think of thermostats. The Wayne-Dalton thermostat allows homeowners to manage their heating and cooling needs with the push of a button. Temperature control can be accessed through front-panel buttons on the unit itself or remotely from any Z-Wave-enabled remote control, computer or cell phone.

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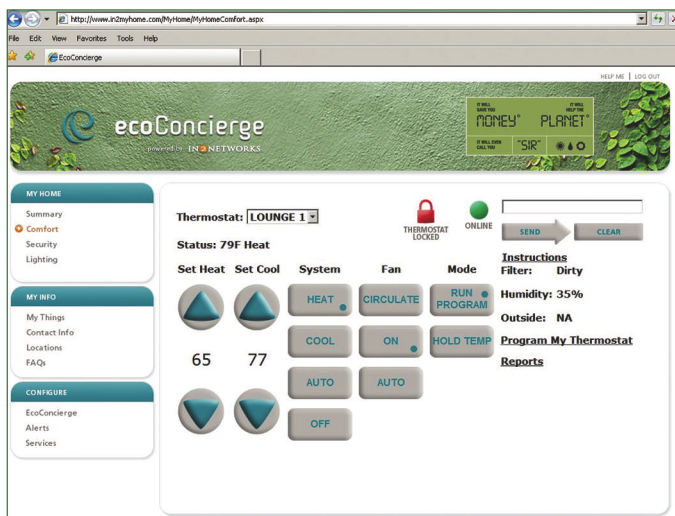


### ESSENTIALLY YOURS

ControlThink's ThinkEssentials v2.1 Professional Edition is a great installer tool for Z-Wave enabled homes. The new version adds advanced diagnostics features for Z-Wave networks and configuration tools for Vizia RF and Vizia RF + devices. ThinkEssentials lets you integrate Vizia RF + devices into HAI, Crestron and other third-party systems.

**For FREE info, visit <http://pr.hotims.com/20092-261>**





## KNOW WHAT YOU USE

Honeywell recently introduced the Energy Internet Connection Module (ICM), a device designed to help homeowners conserve energy use by managing their consumption online. Customers log into the company's secure Web site and can view energy expenses from HVAC systems. The system works with the company's VisionPRO IQ and FocusPRO thermostats; however, other thermostats can be used as well.

**For FREE info, visit <http://pr.hotims.com/20092-263>**



## DISTRIBUTED EVENLY

Are you a CAT-5e aficionado? You can distribute data over 12 zones and see up to 1080 p in eight component video inputs with Sony's CAV-CVS12ES high-definition component video switcher. Four composite video inputs and IR and RS232 controls are offered. The distributor can also add high-definition capabilities for multi-room A/V systems.

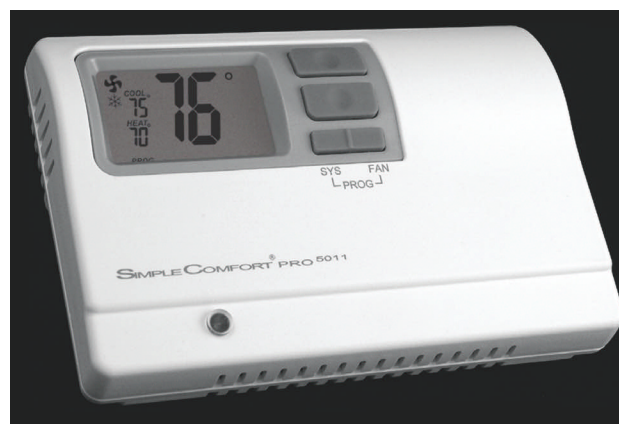
**For FREE info, visit <http://pr.hotims.com/20092-266>**



## SEE YOURSELF ON TV

You'll get a high-definition and highly capable TV and a mirror in one with Pantel's 20-, 32- and 42-inch Mirror TV line. Completely weatherproof, they are perfect for certain areas outdoors or in the bathroom over a tub or in the shower. When it's not in use it acts like a mirror.

**For FREE info, visit <http://pr.hotims.com/20092-264>**

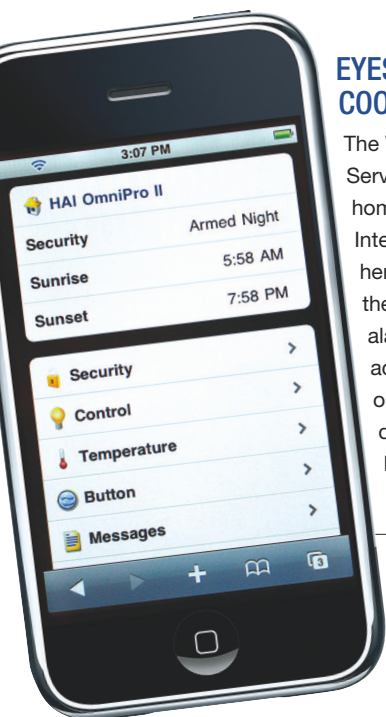


## COMFORT ON-DEMAND

The contractor-friendly SimpleComfort SC5011 by ICM Controls features the company's patented Thermal Intrusion Barrier to seal the wall opening, which is a source of thermal drift that affects thermostat accuracy. The SimpleSet Target Programming lets you transfer the program and configuration from one thermostat to another in seconds without the need for special tools.

**For FREE info, visit <http://pr.hotims.com/20092-265>**





### EYES ON THE COOKIE JAR

The WL3 software with Windows Home Server Add-In continually monitors the home and can be accessed from any Internet-capable system (iPhone shown here). Made by Home Automation Inc., the system alerts homeowners if the alarm system is being disarmed or activated; a car is entering the garage or driveway; or even if the wine cellar door or pool gate has been opened.

**For FREE info, visit <http://pr.hotims.com/20092-267>**



### RAISE THE ALARM

The market's first UL-listed, radio-frequency-based carbon monoxide detector is great for new or retrofit applications where pulling cable is a challenge. Made by Linear, model DXS-80 can be integrated into most alarm panels, and with the integration of the DX receiver can be added to the home security system.

**For FREE info, visit <http://pr.hotims.com/20092-268>**

### PIECE OF MIND WITHOUT THE CODES

Homeowners won't need to remember a string of codes with this key-tag and touchpad combo from ADT. The SafeWatch SafePass system can be activated or disarmed with the wave of the key-tag at the touch pad. The tags can be programmed to work only at specific times, allowing homeowners to restrict access.

**For FREE info, visit <http://pr.hotims.com/20092-269>**



### LIGHTING UP YOUR LIFE

The RH-250 is designed for applications requiring more than one switch, such as stairways, hallways, large spaces and rooms with multiple entrances. Made by Watt Stopper/Legrand, the RH-250 allows users to turn lighting on from any of the devices by pressing a button. When the space is empty, and the selected time delay has elapsed, the lights turn off automatically, saving energy and lowering bills.

**For FREE info, visit <http://pr.hotims.com/20092-270>**



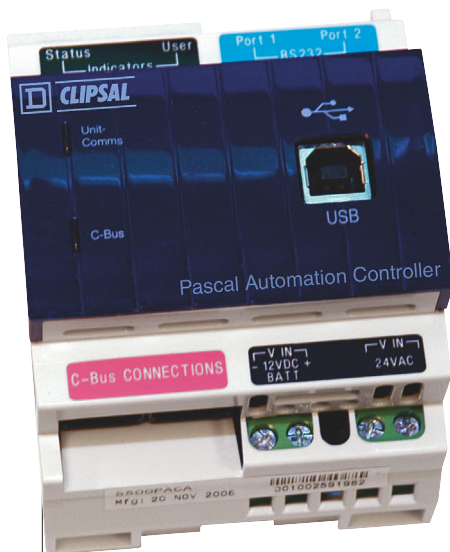




## BARELY THERE

Now you see it, now you don't. Kidde's Silhouette is a new UL-approved smoke alarm that protrudes less than half an inch from the ceiling. The alarms are powered by a sealed, rechargeable battery that lasts the life of the alarm. The hard-wired installation is easier thanks to the pre-stripped wiring harness with tinned strands.

**For FREE info, visit <http://pr.hotims.com/20092-271>**



## GET CONNECTED

Got a bunch of devices that you want to work together? Maybe you need the Pascal Automation Controllers. Made by the folks at Square D, the controller is easily installed by an electrical contractor using standard Cat-5 cable. Third-party products, such as a movie projector, screen and security or HVAC systems, are connected to the Pascal via its two RS232 ports.

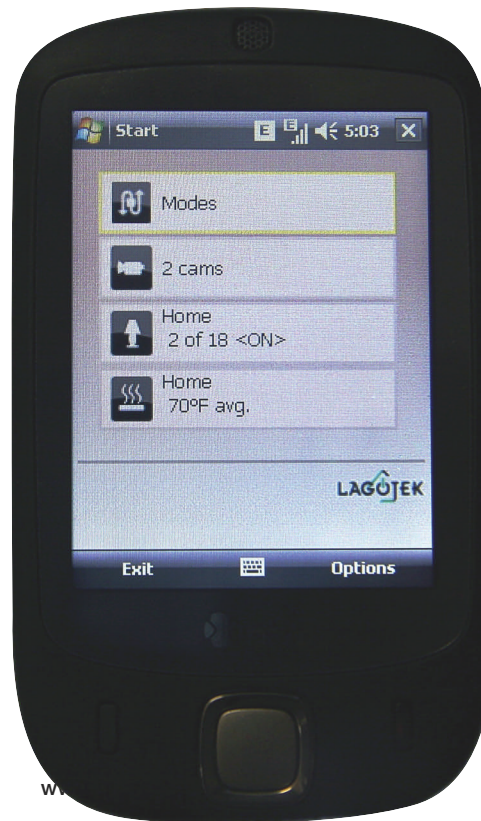
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## A LITTLE LEVITY

Leviton's new IP Quad Module lets homeowners view high-quality color output from their Leviton video monitoring system on any TV in their home or over the Internet. The video monitoring system consists of an indoor and outdoor camera that connects through a Leviton Structured Media Center.

**For FREE info, visit <http://pr.hotims.com/20092-272>**



## PEACE OF MIND, ANYTIME

Remodelers who really want to impress their customers should look to Lagotek's Home Intelligence Platform. HIP 3.4 now incorporates window controls. Also available is the PhoneView cell phone application, which works with most BlackBerrys and Windows Mobile smart phones. The system sends alerts and lets users execute modes, view live images and check the home's lighting and temperature.

**For FREE info, visit <http://pr.hotims.com/20092-274>**



# Product Showcase

## DOMES BY OUTWATER



Outwater's new lines of Shallow Decorative Polymer Domes, Fiberglass Round and Elliptical shaped Domes, and Domes with Integrated Light Coves were designed to accommodate otherwise insurmountable technological challenges often encountered when installing large, dimensional objects in new and existing residential and commercial ceiling applications. Outwater's new Domes are available in both "one step" surface mounted or recessed installation formats, and feature one-piece construction integrating the Domes with their peripheral Trim for a "seamless" clean finish.

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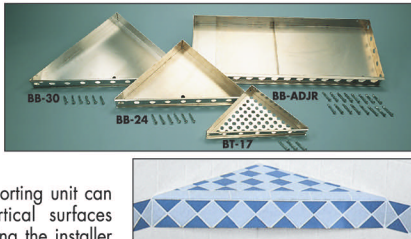
Products shown are produced of a corrosion resistant alloyed aluminum with an elastomeric-waterproofing and anti-fracture coating combined with an aggregate bonding base. Finished materials, ceramic tile, marble, granite, etc. can be applied immediately after product installation utilizing **standard** mastics or thin-set. No additional additives are required. Listed products are supplied with (4) multi-purpose wall fasteners which may be used with/without preinstalled wood blocking.

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## USE NETWORKING TO BOOST VISIBILITY

Like it or not, life is about relationships. Business works best when life is going well and vice versa.

It is next to impossible to live without having relationships with other people, and it's even harder to be in business without relationships. Those who are around me will hear me say, "You can never have too many friends." Now, not everyone needs to be your best friend, but the more people you know well enough to call by name — or at least remember their face in order to acknowledge them when you see them in your community — the better.

Networking events can work well, but many people are intimidated by them. You already have places where people can get to know you: family, friends, neighbors, church, little league, gym, stores, restaurants, civic activities, clubs, associations and social groups. Sadly, too often people we know aren't aware of all the services we provide. It won't work to barrage them with a speech or to list them all in a brochure; it's best to simply listen for opportunities in conversations to reinforce or tell them of a new service you offer.

One of the best compliments I ever had came a few years ago from my daughter when she was about 14 years old. We were going somewhere as a family, running a bit tight on time and needed to pick up something at Wal-Mart. While we pulled into the parking lot, my daughter said, "Dad, let Mom go in. You'll make a new friend and take

too long." She realized that I enjoy meeting new people everywhere I go.

Networking is the business version of making new and maintaining old friends. Friends should automatically be part of your networking, and some busi-

ness networking connections may well become your friends. Networking is about more than just meeting people; it's about having people remember you. People like to talk about themselves, so give them the opportunity by asking open-ended questions that relate to what they've already been telling you. Find a reason to get back to them with information, an answer to a question, etc. And then be sure to follow through. Put people into your "drip irrigation" system of networking. Make notes on their business card about what they told you — family, hobbies, birthday, anniversary, interests, non-profits they're involved with, upcoming projects, etc. Enter the

information into your contact management system or database, and set it up to remind you of reasons for you to contact them. Follow through on each reminder by calling them or sending a card, a hand-written note, copy of an article that mentions something about

their interests. With each reminder, open the person's contact file, read through your notes, add more if you can and set another reminder for 6 to 8 weeks out. Add these names to your mailing list for newsletters or holiday cards. These

reminders come up on my computer almost daily.

At the 2008 Remodeling Show in Baltimore I decided to attend mostly seminars about marketing. A common theme I heard is that we need to work at cultivating repeat work and referrals from our existing clients. I was reminded that, to be remembered, even by our existing clients, we need to do things differently than our competition.

If your circle of influence — people you know and socialize with — doesn't fit the demographics of your target audience, then you will need to find ways to rub shoulders with people who are your audience.

Most of the time networking won't provide leads tomorrow. It's a tool that will

bear fruit over time, but you never know when you'll make the right connection. **PR**

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By Dennis Gehman  
Advisory Board  
Columnist

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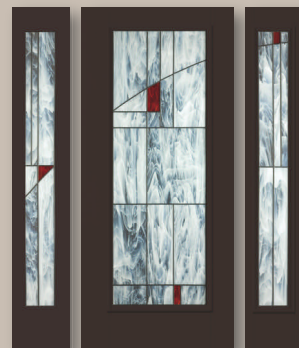
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