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JANUARY 2009

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REMODELERS WHO ARE
SHAPING THE FUTURE OF
THE INDUSTRY / 22**

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**Generation Next
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**Market Update:
Washington, D.C. / 15**

Ben Thompson, President
of Thompson Remodeling

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COVER PHOTOGRAPHY COURTESY OF BEN THOMPSON

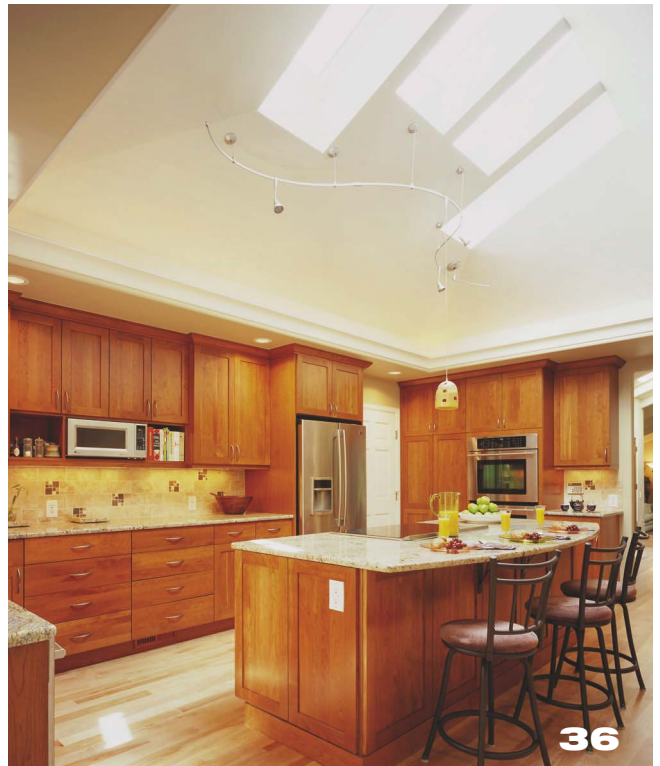


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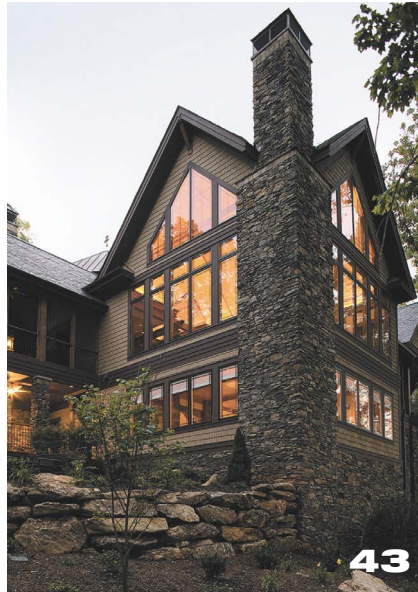
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ONLINE POLL

Are you offering incentives to earn referrals and repeat business?

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ARE YOU SOCIAL NETWORKING?

About two weeks ago, we launched a *Professional Remodeler* group page on LinkedIn, one of the fastest growing social networking sites geared specifically toward businesspeople.

I've personally been networking on LinkedIn for about a year, but recently I've noticed more and more remodeling contractors have been popping up on the site.

Although you can't hope to effectively generate direct sales through LinkedIn or myriad other sites that remodelers are beginning to use — YouTube, Facebook, MySpace, Plaxo and Twitter to name a few — those who are taking the plunge swear by the branding benefits.

I asked remodelers from our LinkedIn group in which we post articles, discuss business issues and share ideas, how social networking was working for them.

Greg Rittler, owner of the Kanon Group in Towson, Md., is a big proponent. He writes a blog on www.kanon-clarity.com; sends out monthly email

newsletters and updates to his client list; and has a presence on several social networking sites including Facebook, Twitter and LinkedIn. Since beginning

social networking, Greg has seen an increase in Web traffic to his site that comes from the social networking sites.

WELCOME, BRUCE!

Our magazine just got a whole lot smarter. Beginning with this issue, Bruce Case, chief operating officer at Case Design/Remodeling, will write a monthly column (see page 54) and blog based on his experience helping build Case Design/Remodeling into one of the country's leading professional remodeling firms. Not only is Bruce one of the brightest

people I've met in our industry, he's also a genuinely likable guy. I think you'll enjoy his knowledge and personable style. **PR**

Contact me at michael.morris@reedbusiness.com

or 630/288-8057

>> Read my blog at

www.HousingZone.com/morris



Michael R. Morris

Editor in Chief

Recently I've noticed more and more remodeling contractors have been popping up on the site. [LinkedIn]

Our Mission

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

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CREATE A SEPARATE BUSINESS FOR YOUR SPECIALTY

There are professional remodelers. And then there are those whose profession includes remodeling. The jobs they do could be the same. But the way they approach them is different. And, therefore, so is their success.

I recently corresponded with a reader in the Northeast who is both a builder and a remodeler. Judging from the outstanding new construction photos as well as the before and after remodeling pictures on his Web site, he has plenty to be proud of in terms of skills and results. However, like so many in today's economy, he battles an identity crisis.

TWO SPECIALTIES, ONE BUSINESS

Here is a professional who is extremely good at two things: new home construction and residential remodeling. But he is marketing only one business. And that business has successfully built a reputation as a custom home builder.

That was fine when new home construction was at its peak. He was making good money, charging a deserving price and offering a nice product. He was paid prior to releasing the house to the client. He didn't have to deal with the obstacles of doing his job while customers were living on the premises. He delivered as promised, and both parties were happy. He could hang his hat on that as long as the market allowed. And for a sideline business, he might even remodel a kitchen or bath.

THEN THE MARKET CHANGED

As credit has tightened and consumers have stayed put, remodeling has become more important to his company. At the same time, consumers do not see that as his core service. So, whatever his services can conform to in a changing market, the look and feel of his business is having a harder time.

He's booking jobs, but he admits it's a harder sales process. Here's why.

There are many builders who have migrated to remodeling in the current economy. And what was once relegated to a smaller number of jobs on the side has now become the life-line of their business. They're touting divisions within their companies to handle it, but they're also creating a common hurdle for themselves in the process. They are battling between experience and focus.

While my reader in the Northeast is capable, even exceptional, at very different kinds of projects, he still may have a harder time winning jobs because of that very same thing.

Meanwhile, there are competitors who are marketing their specialty to do just one thing. Remodeling.

THE EXPERT

Regardless of abilities, here's the more important point to consider. Consumers want an expert. And the specialists who only handle remodeling projects are doing a better job of communicating that expertise. Their brands are known for one primary service. Their Web sites and literature only discuss issues related to remodeling. Their photography and visuals are about transformations, not brand new creations. Their sales process is to sell that expertise. Remodelers never have to say, "We offer remodeling, too." With the right positioning, they can get a nice profit margin instead of fighting to be the

lowest bidder.

My advice to the reader from the Northeast was to come up with a completely separate name for his remodeling division. It needs to be marketed as a brand that specializes in remodeling

rather than an add-on service for his current company banner.

For his Web site as a custom home builder, he should delete the area devoted to his remodeling projects. Instead, he should put a small button on the home page that advertises that separate company name and hotlinks to those same visuals. With that, the company is now perceived as a remodeling company.

To be a good remodeler, one must sell that up front. If you are a builder who's trying to offer remodeling services, you may need to remodel your efforts and turn that division into a brand all its own. The inverse is true for a

remodeling company that also builds homes. The concept can also apply to a remodeling or design/build company when it adds a handyman; windows and doors; kitchens and baths; roofing or other division. **PR**

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



Doug Dwyer
Contributing Editor

If you are a builder who's trying to offer remodeling services, you may need to remodel your efforts and turn that division into a brand all its own.

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



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**KEEPING THINGS FROM
GOING THROUGH THE ROOF.**

IT'S TIME TO EVALUATE YOUR GAME PLAN

There is an old Chinese proverb: May you live in interesting times. The premise is that when things are going well and the living is easy, one tends to learn and grow less than when times are more uncertain. Well, I think it is fair to say most of us are being blessed with many opportunities to learn and grow, and we will be given even more through the New Year!

I want to share with you some thoughts about what you can do to take these interesting times and work in them without being destroyed. My perspective is a product of having run a remodeling company for 29 years and having worked with hundreds of remodeling contractors as a meeting facilitator and consultant for the last nine years. I try to find different ways of seeing the world.

What can you be responsible for?

As remodelers, we are very focused on results. After all, results are the reason why clients pay your company. Clients don't buy process.

In these times, it is very easy to get frustrated and depressed because the processes and actions that you have been taking for several years are not producing the same results. You cannot be responsible for results' not occurring. I can't stress that enough. Results are beyond your control.

You can only be responsible for what you decide to do and what processes and actions you decide to take — and for doing what you think will be effective.

The big challenge AND opportunity these interesting times give you is to examine thoroughly what you have been doing and to decide what you are going to do differently, with an eye toward the results you want. And I am serious that you regard this as an opportunity and not a curse. The only thing you can change is your attitude!

Marketing is a good example. Many remodelers spent money on different strategies that worked in the past. By "worked" I mean work was coming in and sales were being made. The question of whether or not the strategies were producing the work is a question that did not get asked as much or as often as it should have. When sales are happening who cares that much anyway?

Now the money to invest in the typical marketing strategies and their true effectiveness is becoming more apparent. Your choice is to keep doing the same thing or consider new strategies that are likely to be more effective and cost less to implement.

You likely already read about the power of face-to-face marketing. It is inexpensive and very good at creating relationships. Calling past clients, taking them to lunch, learning about them and simply letting them know you are interested in them is very powerful.

People buy from you if you have invested in creating a relationship with them. I believe what you can do for them is less important than how a potential client feels about you.

But, are you uncomfortable interacting with people? Does the whole idea of networking drives you nuts? And would you rather keep on doing what you were doing to generate business? OK, then be prepared to live with the same results! Instead, be the person you WANT to be, not the person you

can get away with being.

As a leader, you are always sending messages to those you work with and for. What is the message you are sending? Are you doing what you say or doing what will simply get you by for now?

The strong will survive is a saying that can be applied to these times. I think that the truth is the people who are disciplined will survive. Doing what you know needs to be done, and doing it over and over, will be the keys to success in 2009.

Whatever your strategy, plan when you'll do it. Be 100 percent present. Track the results. If it is effective, keep on doing it. If it is not, then come up with something different.

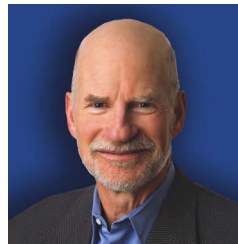
We are what we do, not what we say. Perspective is key to success.

You will be challenged in the coming days, weeks and months.

Embrace that fact, don't bemoan it. If you can make it here, you can make it anywhere.

A powerful saying is "You can't stop the waves but you can learn to surf." Never surfed before? In these interesting times it is time to learn! **PR**

Paul Winans, CR, works with Remodelers Advantage, the premiere peer group and consulting company serving the industry. 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

You likely already read about the power of face-to-face marketing. It is inexpensive and very good at creating relationships.

>> For more Paul Winans on Business Strategy, visit www.ProRemodeler.com

A man's profile is shown in a blue denim shirt, looking upwards. On his forehead, a small yellow excavator and a skid steer loader are perched, as if they are weighing down on his mind.

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D.C. MARKET DOWN BUT STRONGER THAN OTHERS

By Jonathan Sweet,
Senior Editor

With the eyes of the country on Washington, D.C., as President-elect

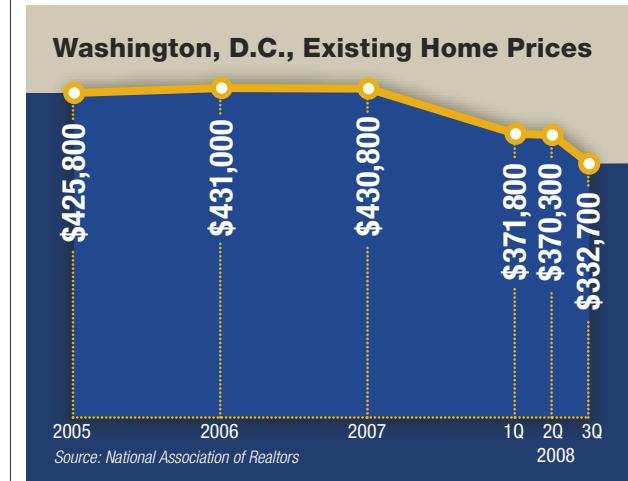
Barack Obama prepares to take office, we're taking a look at the remodeling market in the nation's capital.

The Washington, D.C., market has always been more recession-resistant because of the large government presence and wide variety of industries in the area. Even that, though, has not let the local remodeling market escape unscathed during this downturn.

The high gas prices last summer, followed by the implosion of the credit market in the fall rattled homeowners, says Principal Chris Landis of Landis Construction in Washington, D.C.

"There are still projects, but they're putting them on hold until they figure out what's going to happen," he says.

Sun Design Remodeling Specialists in Burke, Va., has seen a similar pattern, with those clients who signed design agreements



Prices for existing homes continue to decline in the Washington, D.C., area but are not suffering as much as in other cities.

before the financial crisis really took off taking much longer to pull the trigger on construction, says Vice President Bob Gallagher.

At the same time, those who have signed since then are much more serious and are committing to construction more readily, he says.

Both Gallagher and Landis say project sizes are decreasing as clients think more about how they spend their remodeling dollar.

"It's want-to-have versus need-to-have," Landis says. "All the want-to-haves are putting everything on hold."

While he expects the

market in the D.C. area to recover before other parts of the country, Gallagher says the current volatility in the economy makes it difficult to pinpoint when that would be. **PR**

Every month, The Market will examine one of the metro areas featured in our annual Market Leaders list. We'll talk to members of that city's Market Leaders list about the condition of that market and the challenges they're facing. The 2009 Market Leaders list will appear in the October issue. For more information on the Market Leaders, visit www.proremodeler.com.

Market Update

The need-to-know information about what's going on in the nation's capital.

Metro Area Population: 5,306,565 (10.6 percent increase since 2000)

Change in home values: Down 12.52 percent since 2007, up 43.74 percent over last five years

Existing home sales: Down 18.3 percent from 2007

Median household income: \$57,291

Unemployment rate: 4.1 percent (Up from 2.9 percent in 2007)

Sources: U.S. Bureau of Labor Statistics, U.S. Census Bureau, Greater Capital Area Association of Realtors, Office of Federal Housing Enterprise Oversight

"I expect a slower recovery, something similar to the '90s, but exactly when that occurs — when we achieve the bottom — I don't know when that is."

—Bob Gallagher, Sun Design Remodeling Specialists

Washington, D.C., Market Leaders

	Specialty	Installed Volume
Case Design/Remodeling	Full-service remodeler	\$49,145,943
BOWA Builders	Full-service remodeler	\$28,820,991
The Window Place	Exterior remodeler	\$9,739,696
Landis Construction Corp.	Design/build remodeler	\$9,200,000
Sun Design Remodeling Specialists	Full-service remodeler	\$8,720,000

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LEADERS

BUY OR LEASE YOUR BUILDING?

The answer depends on where you are in your life and business

CHOOSING WHETHER TO LEASE or buy your business space isn't an easy decision. Every business is different. Our Remodelers' Exchange participants offer advice on how to make the call.

Tom: Dave, tell us whether or not you own your buildings.

Dave: We own two 10,000-square-foot buildings. We call one of those buildings "corporate." It has the office, about 3,000 square feet of office space and 2,000 square feet of showroom space, and the remaining part of that building is a cabinet shop. Adjacent to us, about 50 feet away, is another 10,000-square-foot building we own. That is project management, shipping, receiving and warehousing, and a 4,000-square-foot countertop shop carved out in one of the corners.

Tom: You own both buildings?

Dave: We own both of these buildings,

and we lease the showroom space that we have up in Rocklin.

Tom: You also lease how many square feet for the showroom?

Dave: In Rocklin, which is about 27 miles from here. We have a 2,000-square-foot retail showroom space there.

Tom: Ken, tell us about your operation, as far as owning versus leasing and what you've done and how you're set up.

Ken: In our first 11 years, we worked out of our home. I had my shop in the basement, and we rented three rental spaces as we grew. We've decided we were spending a lot of time running back and forth between these places. We built our own 5,000-square-foot building in a really small town of 900 people! After 20 years of being in one space and one area, we decided to start leasing a smaller building for our trucks at remote sites, called our "satellite" division. Last year, we decided to switch our worldwide headquarters from our town of 900 and move to a town of 25,000 people. We leased a 7,200-square-foot building. It's actually in three sections. That's our worldwide headquarters now, and our old site is our satellite division. Our trucks come and go from the worldwide headquarters every day. We use the other site for storage and our woodshop is there now.

Tom: The 5,000 square feet that you built is currently your satellite site, and that's where your shop is?

Ken: Yes. We own that personally.

Tom: In other words, you, Ken Spears, own that building?

Ken: Correct.

Tom: In DeKalb, you lease a 7,200-square-foot building. What does that



PHOTO BY GARY LAUFMAN/GETTY IMAGES

DAVE: "Leasing the showroom up in Rocklin ... was a no-brainer. I guess if I really felt good about the economy over the last few years I might have looked for some space to buy."

building house?

Ken: That houses our office. We do not have a showroom. We're in a small area. We use our suppliers for our showrooms. Our office is here; our production team has it's own little section. We have a conference room and a selection room.

Tom: Let's talk about ownership. Ken

This month featuring:

Ken Spears, President

Ken Spears Construction, DeKalb, Ill.

Located just west of Chicago, the design/remodel firm has been in business for 33 years. The company has 15 employees: five in the office and 10 in the field. They're on track to finish the year at \$2.5 million.

Dave Hollars, Owner

Kitchen Mart, Sacramento, Calif.

Kitchen Mart is also celebrating 33 years in business as a turn-key kitchen/bath/remodeling company. With 65 to 70 employees based on work load, the firm expects to just miss its target of \$10 million this year.

KEN: “(Leasing) freed up the capital to invest in other things. ... I don’t have to worry about plowing snow, taking care of the lawn, building maintenance, property taxes.”



PHOTO BY PETER WYNN THOMPSON/GETTY IMAGES

said he personally owns the building. Do you have ownership of your warehouses?

Dave: My predecessor, Jim Bartol, who started Kitchen Mart in 1976, is my “operating landlord” so to speak. He owns the two buildings. He and I have a buy/sell agreement in place on the business end and on the buildings that we’re working out of. It’s a sweetheart deal for myself, and a good deal for him as well.

Tom: Ken, you personally own your 5,000-square-foot shop. How does that work?

Ken: It worked out really well for the first 20 years. It’s three blocks from my home, so I have no commuting. The income is nice; it comes through the business back to us in the form of income. It lets the community know you’re going to be here.

Tom: Ken, what are the financial benefits

to owning versus renting?

Ken: Owning, you still get that income rather than renting it. The commitment, again, is a tax angle.

Tom: Dave, the financial benefits of owning versus renting. You’re in a very unique situation. You are an owner; looks like you’re going to be an owner, you’re acting like an owner. Yet you’re set up to pay the rent. Do you have a formal lease, or is it just an understanding for rent? How did you do that?

Dave: We have a formal agreement. It’s part of the buy/sell. It looks as if it’s any other lease.

Tom: What would you say would be the financial benefits of the way you’re doing it? The main thing is, you didn’t have the capital to come up with buying the whole thing and still maintaining the 20,000 square feet of office.

Dave: The benefits to [Mr. Bartol] for owning the business and the buildings are quite obvious. He owns the buildings outright, so it’s a nice form of income for him. I look forward to someday to benefit from the same thing.

Tom: Ken, when you made your decision to lease, what were three reasons that caused you to make the choice to lease your 7,200-square-foot building rather than build or buy a building?

Ken: The major one would be lower capital investment. It freed up the capital to invest in other things. There’s no maintenance; I don’t have to worry about plowing snow, taking care of the lawn, building maintenance, property taxes. Those would be the really big reasons. If we’re still flexible after the end of three years, if this doesn’t work, if we don’t like it here, we can go somewhere else, or extend it, renegotiate our lease and continue on.

Tom: Is it flexible to own part of the building and lease out for other parts? In that case, you lease the whole 7,200 square feet?

Ken: Yes.

Dave: And, are you using the whole 7,200 square feet?

Ken: When it started out, we had about 5,000 square feet and the tenant moved out. We asked for an option to be the first one to get an opportunity on that, and we took it. It came up a year sooner than we thought. So, yes, we’re using it.

Tom: Do you see any advantage or disadvantage of leasing during a down market or a potentially down market?

Ken: Yes. We were very apprehensive on making an investment. It was going to be about \$750,000 to build the structure we were looking for. We think our clients would’ve said, “Whoa, where’d you get the money to build that now?” So we think it was a really good decision for us to lease. Our work is in our area so we don’t go very far away. Our clients are edu-

cated, we still have backlog, we’re still going along, we’re happy with what’s happening, although our job size has gone down a little bit.

Tom: Dave, do you see advantages or disadvantages as far as leasing or owning?

Dave: Leasing the showroom up in Rocklin, which is just a showroom with two designers in it, was a no-brainer. I guess if I really felt good about the economy over the last few years I might have looked for some space to buy. There’s a lot of retail space in the greater Sacramento area that’s for sale right now. But as things are pretty shaky, I was comfortable getting into a three-year lease up there. If things didn’t work out, I would just close the doors, take the displays out and leave. From a commitment level, I felt very comfortable with that. It’s not a giant commitment and it won’t hurt us. **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.

A man in a dark pinstripe suit and tie stands with his arms crossed on a wooden deck. In the background, there is a large house with a porch, a patio with a sofa and coffee table, and a tall outdoor heater. The scene is set in a lush, green environment.

**OUR MANUFACTURING PROCESS INVOLVES
A LOT OF HIGH-TECH LINGO. FOR EXAMPLE,
"ACCOUNTABILITY."**

Ronald Kaplan
Ronald Kaplan, CEO

WHEN I BECAME CEO OF TREX ONE YEAR AGO, I ACCEPTED TWO JOBS: MAKING OUR PRODUCTS THE BEST IN THE CATEGORY, AND PROVING TO YOU THAT I HAVE, EVERY DAY. AS A RESULT, WE'VE INVESTED \$24 MILLION REFINING OUR MANUFACTURING PROCESS, AND WILL SOON LAUNCH TREXPARTNERS.COM, FILLED WITH RESOURCES SUCH AS SIDE-BY-SIDE PRODUCT COMPARISONS THAT CLEARLY DEMONSTRATE OUR SUPERIORITY. AT TREX, WE HOLD EACH OTHER ACCOUNTABLE TO YOU AND YOUR CUSTOMERS. BECAUSE TREX® WAS FIRST IN THE CATEGORY. AND WE INTEND TO KEEP IT THAT WAY.



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For Free info go to <http://pr.hotims.com/23737-9>

Professional
Remodeler
Best of the
BEST
Design Awards

2009 Call for Entries

Professional remodeling contractors, architects and designers – here's your chance to gain national acclaim for your projects completed between January 1, 2008 and May 1, 2009

The **Professional Remodeler Best of the Best Design Awards** recognize the best construction quality, creativity, design and problem solving in 21 entry categories. Judging is conducted by an expert panel of remodeling professionals and the editors of *Professional Remodeler* magazine. Platinum, Gold, Silver and Bronze awards are awarded in each category.

Enter today at
www.ProRemodeler.com/designawards

Entry forms and fees are due June 15, 2009.
You will receive an official project notebook for each project you enter. Official project notebooks must be submitted no later than July 15, 2009. (Note: CotY Award binders will be accepted, as long as Best of the Best Design Award cover sheets, entry forms and project information sheets are inserted)

Winners will be honored at the **Professional Remodeler Best of the Best Design Awards Celebration** at the **October 2009 Remodeling Show™** in Indianapolis, featured in the December 2009 issue of *Professional Remodeler* magazine and in an expanded photo slideshow on www.ProRemodeler.com

Plus, we'll help you promote your achievement...
Winners will also receive a promotional package, including logos, press releases and a link to our online slideshow to help you market your company's design excellence!



Professional
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Event is brought to you by:

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Recognizing green efforts

Although you hope your employees embrace green for its own sake, it doesn't hurt to offer them a little incentive.

Every year, Allen Associates in Santa Barbara, Calif., gives out a Green Innovator Award to a project manager or assistant project manager who has gone above and beyond in incorporating green.

The winner is recognized with a gift certificate with a \$500 to \$600 value. One year an avid skier won and was rewarded with a weekend stay at Mammoth Mountain.

The winner is chosen based on how many projects he has submitted to certification programs, new green products brought to the company, the overall significance of those features and what he's done to



promote green to customers.

The program has emphasized the importance of green to the Allen team, says Karen Feeney, the company's green resources manager.

"Even though we've been known as a green builder for a long time, I think this has become an important part of our culture," she says. "Now we have numerous project managers that are researching

green products and systems on their own and bringing them back to the company."

The company also recognizes other employees that have taken steps to green the company. Every year, a member of the office staff receives a \$100 gift certificate. Last year, the award was given to an employee who had set up a worm composting program for the office. The year before that, Allen recognized the human resources manager for replacing the company's cotton shirts with ones made from bamboo.

"It's small things that have helped to push the envelope on green," Feeney says. "It's encouraged all the members of our staff to suggest things that would make our company stronger and greener."

Incentive plans reward loyal clients

Now more than ever, repeat and referral business is essential to success for remodeling companies.

Many companies are using various incentive programs to keep that business coming in during a down economy.

Long Island, N.Y., remodeler Alure Home Improvements has a PartnerPoints program that allows clients to earn points toward a Caribbean vacation. Homeowners earn a point for every dollar they spend on remodeling, plus a point for every dollar referred customers spend on their first project with the company.

Clients can also earn additional points by attending events at Alure. With 200,000 points, they get a free trip, this year to Puerto Vallarta. So far, the company has already sent 58 couples on vacation.

Omarica Builders in Oak Brook, Ill., offers cli-

ents miles in Delta's frequent flyer program.

Other companies use simpler plans. For example, Sun Design Remodeling Specialists in Burke, Va., and Kitchen Mart in Sacramento, Calif., reward clients for referrals with gift cards to local merchants and restaurants.

However you do it, a program can only go so far. In the end, it's the quality of the work that makes the difference in repeat and referral business. (Although it certainly doesn't hurt to throw a little free stuff their way.)

"The program's been somewhat successful, but nothing can make up for making that client happy," says Alure President and CEO Sal Ferro. "We have a very solid warranty department and we take care of our clients, and that's what's important."

(For more on Alure, see the Corner Office profile on p. 32.)

THE SWEET SPOT BLOG

ProRemodeler.com/sweet

Beyond Branding

One of the things we touched on in our December Corner Office article [*if you were reading this online, there'd be a link here*] on Mosby Building Arts [*another link*] is how branding is different than marketing. Because of his years hosting a home improvement show on KMOX radio, Scott Mosby had a great brand, but it wasn't until he started advertising a few years ago that business really took off.

That combination of branding and traditional marketing is the key to success, says branding success story Orren Pickell. There are few, if any, remodelers that have the brand recognition in their local market that Pickell does. Here's what we wrote in August [*another link – just go online already!*]:

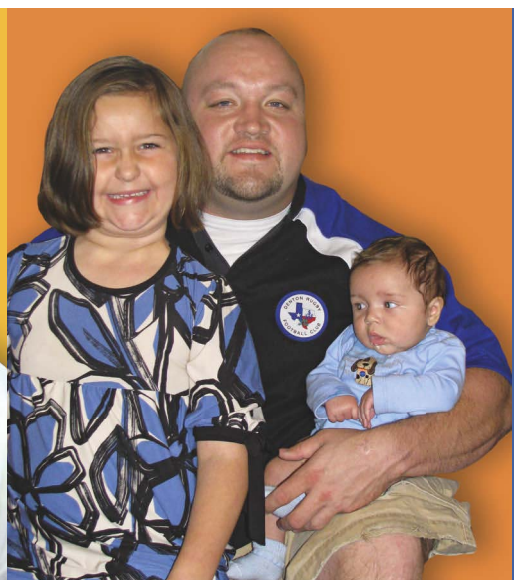
Bringing classic marketing (advertising, public relations, etc.) into the mix raises a company's profile. The idea is that that gets people to ask their friends and neighbors about Orren Pickell. If the grassroots marketing has done its job, then the response will be, "I hear they do good work," Pickell says.



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



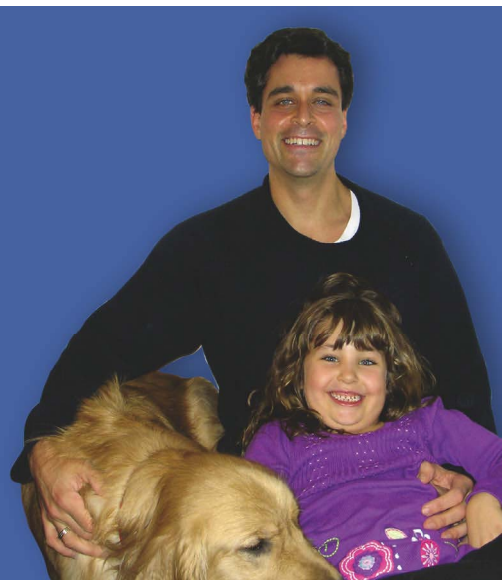
Young





Leaders

MEET TWELVE 40-AND-UNDER
REMODELERS WHO ARE SHAPING
THE FUTURE OF THE INDUSTRY





Michael Anschel, 34
Owner/Principal, Otagawa-Anschel
Design-Build, Minneapolis
EDUCATION AND CERTIFICATIONS

Ceramic and metal sculpture, University of Minnesota; Chinese, Capital Normal University, Beijing; CPC

WHY HE'S A YOUNG LEADER

Anschel was instrumental in developing the Minnesota GreenStar certification program and is widely recognized as one of the industry's leading experts on green.

BIGGEST ISSUE FACING THE INDUSTRY
General lack of business savvy. Stub-

bornness to adopt new practices and techniques. Unwillingness to professionalize the industry and take on the role of consumer advocate.

WHAT HE'S MOST PROUD OF

Building a design-build firm that has received more than 40 awards in five years and is recognized as a pioneering firm in both design and green practices

BEST ADVICE HE EVER RECEIVED

"If you hire those who are better than you, you will become a company of giants. If you hire those who are less able than you, you will become a company of midgets. And midgets have limited opportunities."

IF I WEREN'T A REMODELER, I'D BE ...

A teacher or marine biologist

OTHER ACTIVITIES

Volunteers with the Rotary Club and Project Success, an initiative that gives underprivileged youth the opportunity to experience art, theater and music

FAVORITE OFF-THE-CLOCK ACTIVITY

Rock climbing in the summer, skiing in the winter and kayaking in the fall

FAVORITE VACATION DESTINATION

Sichuan Province in China and Boracay in the Philippines



Amie Riggs Swarts, 33
Vice president, Riggs Construction &
Design, Kirkwood, Mo.
EDUCATION AND CERTIFICATIONS

CGR, CAPS

WHY SHE'S A YOUNG LEADER

Along with her brother Bill, she's the third generation to lead Riggs Construction & Design. Her award-winning "Yes I Can!" marketing campaign featuring podcasts, community events and more traditional methods increased business by more than 20 percent.

BIGGEST ISSUE FACING THE INDUSTRY
Home builders entering the remodeling

market. This has added to our industry a new set of challenges. First, we must work harder than ever to brand remodeling in general and educate that it should be a good experience if done properly by qualified and experienced contractors. Second, we must adjust our sales strategies and messages to address this new set of competitors.

BEST ADVICE SHE EVER RECEIVED

I once complained to my father that I would never work in the field as a carpenter, so how would I know what to do when I ran the business? He told me, "You won't know everything first-hand. Always do what you do best and hire the best people to surround you."

IF I WEREN'T A REMODELER, I'D BE ...

A race car driver or (in reality) a stay-at-home mom

PEOPLE WOULD BE SURPRISED ...

I've been a certified scuba diver for 20 years.

FAVORITE OFF-THE-CLOCK ACTIVITY

Hangin' with my husband and son.

FAVORITE VACATION DESTINATION

Toss-up: diving in Honduras or sailing the West Indies. Equally amazing!



Warner Cruz, 35
President, J.C. Restoration, Rolling
Meadows, Ill.
EDUCATION AND CERTIFICATIONS

International Business/Finance, Augustana College; Certified Restorer

WHY HE'S A YOUNG LEADER

Cruz has taken his father's small restoration firm and built it into a \$15 million national company in only eight years while improving employee benefits and devoting considerable time and resources to charity.

BIGGEST ISSUE FACING THE INDUSTRY
Times are very difficult now, and more

than ever before it is important for us to get educated on how to run our businesses in the most efficient manner using technology and human resources.

WHAT HE'S MOST PROUD OF

When I purchased this company from my father eight years ago, his only request was for me to figure out a way to afford providing health insurance to our employees. Today, I am proud to be able to offer all the benefits — health insurance, life insurance, company matching retirement program — everything a Fortune 500 firm would be able to offer to its employees.

BEST ADVICE HE EVER RECEIVED

When good things or bad things happen in my personal or business life everyday, learn to say, "Thank you, Lord."

IF I WEREN'T A REMODELER, I'D BE ...

A scuba instructor

OTHER ACTIVITIES

Active in church, Knights of Columbus and Public Action to Deliver Shelter

PEOPLE WOULD BE SURPRISED ...

That I minored in Japanese and lived in Japan for three years

FAVORITE VACATION DESTINATION

Phuket and Koh Samui, Thailand



Allison Iantosca, 36
Partner, F.H. Perry Builder, Hopkinton,
Mass.
EDUCATION AND CERTIFICATIONS

Theater, Skidmore College

WHY SHE'S A YOUNG LEADER

Iantosca is successfully managing the transition from one generation to the next, helping build the company into one of the largest in the Boston market. She has also served several leadership positions in her local NARI and NAHB chapters and was recognized as the Remodeler of the Year by the Builders Association of Greater Boston.

BIGGEST ISSUE FACING THE INDUSTRY

Stewardship. The faster the world moves, the less time people will afford to exceptional craft. It is a responsibility of our generation — the legacy we leave — to tell our story 100 years from now.

WHAT SHE'S MOST PROUD OF

To have worked with my partners to build and create a model of company leadership that involves joint ownership, collaborative decision making and sustainable business practices. To have made my Dad proud of us for this.

BEST ADVICE SHE EVER RECEIVED

Be brave three seconds at a time.

IF I WEREN'T A REMODELER, I'D BE ...

A ski bum in Colorado and Utah. If I needed a better paycheck, I think I'd be pursuing executive training or organizational development work.

PEOPLE WOULD BE SURPRISED ...

That I went to a performing arts high school and "acted ... well, waited tables ... in Seattle for two-and-a-half years."

FAVORITE OFF-THE-CLOCK ACTIVITY

Spending time with my family, walking my pup or devouring a Janet Evanovich or Robert B. Parker paperback in one sitting



Robert Birner, 38

Vice President, Amazing Siding Corp. and Renewal by Andersen, Houston
EDUCATION AND CERTIFICATIONS

CGR, CAPS

WHY HE'S A YOUNG LEADER

Birner has served many leadership roles with the NAHB Remodelers nationally and at the local level. He also hosts a weekly radio show in Houston that helps raise the profile of professional remodelers.

BIGGEST ISSUE FACING THE INDUSTRY

There is a shortage of new talent and new faces entering the industry. I'd like

to see more people from Generation Y enter the industry in all capacities.

WHAT HE'S MOST PROUD OF

Being half the father and husband that my father was and still is

BEST ADVICE HE EVER RECEIVED

"Always do what you know is right in your heart, even when no one is looking," and "If momma ain't happy, no one will be happy."

IF I WEREN'T A REMODELER, I'D BE ...

A coach

OTHER ACTIVITIES

Coaches children's sports teams and donates to the local Habitat for Humanity annually

PEOPLE WOULD BE SURPRISED ...

I host a call-in radio program targeted at consumers that promotes professionalism within the home building and remodeling industry

FAVORITE OFF-THE-CLOCK ACTIVITY

Spending time with family and good friends, having fun and making lifelong memories.

FAVORITE VACATION DESTINATION

Maui, Hawaii and Aspen, Colo.



Michael Tenhulzen, 34

President, Tenhulzen Remodeling, Redmond, Wash.

EDUCATION AND CERTIFICATIONS

CGR, CAPS

WHY HE'S A YOUNG LEADER

Tenhulzen has successfully led the transition of his company to the second generation while growing business and holding several leadership positions in his local business community and trade associations.

BIGGEST ISSUE FACING THE INDUSTRY

Unworthy competition that diminishes the consumer's perception of

the industry.

WHAT HE'S MOST PROUD OF

Excelled under scrutiny as son-of-the-boss and was the first second generation CGR in state of Washington

BEST ADVICE HE EVER RECEIVED

A book I didn't need to read because the title said it all: "Why Nice Guys Finish Last and Sons Of Bitches Succeed."

I've received a lot of good advice over the years from business owners and retirees, but none so persuasive as my father who could more clearly see than I the character of the woman who became my wife.

IF I WEREN'T A REMODELER, I'D BE ...

Turning customers' dreams into reality in some visually artistic/creative form. I've always enjoyed drawing, building and performing. Fortunately for me, building is the only one I would be likely to make any money at.

PEOPLE WOULD BE SURPRISED ...

I'm an adventure nut, which requires a lot of toys for land, water and sky.

FAVORITE OFF-THE-CLOCK ACTIVITY

Spending time doing the things I enjoy with the people I love.



Dr. David Powers, 33

COO, Ocean Breeze Awnings & More, Surfside Beach, S.C.

EDUCATION AND CERTIFICATIONS

Associate degrees, Horry-Georgetown Technical College and Greenville Technical College; bachelor's degree, theology, Christian Bible College; master's and doctorate, theology, Southern Indiana Bible College & Seminary; CGP

WHY HE'S A YOUNG LEADER

Since joining his father's company, Powers has increased profit margins and revenues by implementing systems and a comprehensive marketing plan.

He has raised the company's profile by getting the company featured in more than 40 publications and writing eight books and more than 300 articles.

BIGGEST ISSUE FACING THE INDUSTRY

Not having any idea what the potential changes of the new administration will be.

WHAT HE'S MOST PROUD OF

Making my grandfather proud before he passed away this past May. I followed in his footsteps in a number of ways with my own accomplishments in the military, creative pursuits and construction.

BEST ADVICE HE EVER RECEIVED

From Matthew 9:9, "Follow me." From Christ to the great leaders in other areas, you have to follow the right people.

IF I WEREN'T A REMODELER, I'D BE ...

A counselor

OTHER ACTIVITIES

Director of Christian Fight Club; conducts a weekly business and careers study group; volunteer ambassador for the Myrtle Beach Area Chamber of Commerce; and director of the Grand Strand Area Mensa Association

FAVORITE VACATION DESTINATION

Sydney, Australia



Andrew Wells, 39

Vice president/General manager, Normandy Builders, Hinsdale, Ill.

EDUCATION AND CERTIFICATIONS

Accounting, University of Illinois; CPA

WHY HE'S A YOUNG LEADER

Wells' training as a CPA has helped him lead the day-to-day operations of Normandy as it has grown to a \$30 million company.

BIGGEST ISSUE FACING THE INDUSTRY

The public's uncertainty regarding its own economic future. We are seeing people who would have contemplated remodeling in the past deciding not to

do anything right now and not spend any money — even if they need it and can afford it.

WHAT HE'S MOST PROUD OF

I think as a company our biggest accomplishment is to be celebrating 30 years in business in 2009. We are also very proud of being named the 2007 *Professional Remodeler* Remodeler of the Year.

BEST ADVICE HE EVER RECEIVED

Never make a business decision or investment that if wrong could sink the entire company.

IF I WEREN'T A REMODELER, I'D BE ...

Managing another business

OTHER ACTIVITIES

Involved in several church groups and helps run programs at his children's Christian school

PEOPLE WOULD BE SURPRISED ...

I met my wife in pre-school. I didn't start chasing her until high-school, though.

FAVORITE OFF-THE-CLOCK ACTIVITY

I love to hang out with my kids in the hot tub. We go in summer and winter. It is a great place to unwind from the day.

FAVORITE VACATION DESTINATION

Definitely the Caribbean — the warm sun, the hot sand.



Tyler Wood, 33

Owner, Home Artisan Authority
Design Build, Denton, Texas

EDUCATION AND CERTIFICATIONS

Emergency administration development and planning, University of North Texas

WHY HE'S A YOUNG LEADER

Started his own company only a few years ago, but has already become a Market Leader in Dallas. Besides financial success, the company has won several design awards and is a two-time Home Builders Association of Greater Dallas Remodeler of the Year.

BIGGEST ISSUE FACING THE INDUSTRY

The economy

WHAT HE'S MOST PROUD OF

Having the courage to actually open his own business.

BEST ADVICE HE EVER RECEIVED

Stop having a foot in yesterday, one in tomorrow and forgetting about today.

IF I WEREN'T A REMODELER, I'D BE ...

Selling medical supplies

OTHER ACTIVITIES

Cross Timbers Community Church, Rotary Club and Theta Chi Fraternity board of directors

PEOPLE WOULD BE SURPRISED ...

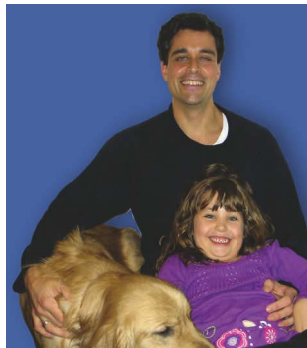
I was supposed to be 6 feet, 5 inches tall but I broke my leg in the growth plate. In 1992 they removed 2½ inches of bone from my femur to even my legs out.

FAVORITE OFF-THE-CLOCK ACTIVITY

Reading with my daughter and having life discussions with my wife

FAVORITE VACATION DESTINATION

Scotland



Bruce Case, 40

COO, Case Design/Remodeling and Case Handyman & Remodeling, Bethesda, Md.

EDUCATION AND CERTIFICATIONS

Double major in economics and psychology, Vanderbilt University; MBA, George Mason University; CLC, CFE, GAC

WHY HE'S A YOUNG LEADER

In 1997, he successfully started Case's Kitchen and Bath division, which today represents more than \$8 million in annual revenue. Since taking over Case's corporately owned Handyman & Remodeling Division, he grew both the

top and bottom lines of this division by 150 percent.

BIGGEST ISSUE FACING THE INDUSTRY

Overall distrust from consumers — and I feel this is fed primarily by the way cash flow works in remodeling. Except in California, remodelers get a lot of money before starting any work. This is contrary to most industries where money is paid after the service or product is completed.

WHAT HE'S MOST PROUD OF

Having a strong and fulfilling marriage; having a healthy and happy daughter; having a wonderful relationship with my mother, father and brother; seeing the growth of team members within Case and marveling at the quality of advice, design and craftsmanship we provide to homeowners

BEST ADVICE HE EVER RECEIVED

Keep your spotlight on two to three key issues at any given time. If you try to focus on more than that, nothing will get done.

IF I WEREN'T A REMODELER, I'D BE ...

A baker

FAVORITE VACATION DESTINATION

National parks and the beach



Dwight Sailer, 37

Co-owner, HighCraft Builders, Fort Collins, Colo.

EDUCATION AND CERTIFICATIONS

CGB

WHY HE'S A YOUNG LEADER

Co-founded his award-winning design/build firm 10 years ago and has held several leadership roles in his local HBA and Remodeler's Council.

BIGGEST ISSUE FACING THE INDUSTRY

The credit and lending crunch and the unstable market is the biggest challenge. We as remodelers are going to have to be very creative and leave no

stone unturned in the search to locate new projects.

WHAT HE'S MOST PROUD OF

Creating a successful partnership that we have sustained for 10 years. Having a partnership that allows each of us to capitalize on our individual strengths has been one of the largest contributions to our success.

BEST ADVICE HE EVER RECEIVED

The best advice I have ever received came from my father. He always said to "Stay focused. Don't get caught up in quick money or new job markets that seem hot at the time. Continual focused effort will always outlast the quick trends."

IF I WEREN'T A REMODELER, I'D BE ...

A cattle ranching, professional hunting-surfing-wine taster that spent a lot of time in my RV

OTHER ACTIVITIES

On the boards of Hospice of Larimer County and Open Stage Theater and building director of Homeless Resource Center of Loveland

FAVORITE OFF-THE-CLOCK ACTIVITY

Spending time experiencing the outdoors with my family.



Ben Thompson, 28

President/General manager, Thompson Remodeling, Grand Rapids, Mich.

EDUCATION AND CERTIFICATIONS

Literature with minor in psychology, Cornerstone University; CGR, GCP

WHY HE'S A YOUNG LEADER

Thompson not only runs a successful second-generation remodeling firm, he also has grown business through innovative marketing techniques, including social networking, radio, podcasts and extensive use of the Web.

BIGGEST ISSUE FACING THE INDUSTRY

Economic pressures on clients

WHAT HE'S MOST PROUD OF

Purchasing Thompson Remodeling to become a second-generation company

BEST ADVICE HE EVER RECEIVED

"The wave never gets smaller, so learn to ride the wave;" "We are the only one in the way of accomplishing great things;" "If for the next 12 months [in this temporary business climate] I only have energy to be with my immediate family and work — to work long, come home, repeat — then I need to accept it and stop beating myself up over what else I think I should be doing."

IF I WEREN'T A REMODELER, I'D BE ...

A small business owner or a youth camp speaker and writer

OTHER ACTIVITIES

Co-hosts the Thompson Remodeling Home Improvement radio show

FAVORITE OFF-THE-CLOCK ACTIVITY

Walking through the woods with my poorly trained dogs; talking and cooking with my wife; and watching my 1-year-old daughter figure out the world

FAVORITE VACATION DESTINATION

In the mountains in a room with a view, a wood-burning fireplace and a book, or on the beach with a book and shade

SECRETS OF THE YOUNG LEADERS

An inside look at the favorites, personalities and opinions of the 2009 *Professional Remodeler* Young Leaders

						
	Bruce Case	Ben Thompson	Michael Anschel	Allison Iantosca	Robert Birner	Michael Tenhulzen
Favorite movie	A Beautiful Mind	The Power of One	Amelie	The Thomas Crown Affair (remake)	Rudy	Tommy Boy
First car	Puke green Pontiac	Toyota Tacoma	Maroon 1976 Plymouth Volare	Toyota Celica hatchback	1968 MGB	1956 GMC step-side pick-up
PB&J or grilled cheese?	PB&J	Gourmet grilled cheese	Grilled cheese on rye	Grilled cheese, with mustard and mayo	PB&J	Grilled pepper jack with ham
Person I'd like to meet	Santa Claus	Lincoln	Joan Miro	Michelle Obama	My grandfather on my father's side	My guiding angel
Blackberry or iPhone?	Prefer iPhone, but have a Blackberry	Palm Centro	Blackberry for work, iPhone for fun	iPhone	iPhone	Blackberry
Coupon clipper or sky's the limit?	I'm cheap	Have a budget to reign in the sky's the limit in me	Sky's the limit	Sky's the limit!	Sky's the limit	Sky's the limit
Blue jeans or business suit	Blue jeans	Business suit	Blue jeans	Business suit	Blue jeans	Blue jeans
						
	David Powers	Dwight Sailer	Andrew Wells	Warner Cruz	Amie Riggs Swarts	Tyler Wood
Favorite movie	Fight Club	Lonesome Dove	Blazing Saddles	Crimson Tide	The Usual Suspects	Rudy
Favorite animal	African spiny mouse	Rocky mountain big game	My 4 lb. Maltese	Monkey	Dolphin	English bulldog
First car	A totally restored 1972 Camaro	1967 Chevy step-side pick-up	Olds Delta 88	1973 baby blue Chrysler LeBaron	Black 1987 Honda Prelude	1981 Chevy Citation
I was _____ in a former life	A philosopher	A New Brunswick salt-water fisherman	An accountant	Fighter jet pilot	Therapist	Rugby player
Early riser or night owl?	Night owl	Early riser	Both	Early riser	Early riser	Early riser
Person I'd like to meet	Samson	My great-grandfathers	Jesus	Elvis	Marilyn Monroe	My grandfather on my mother's side
I'd rather be Mother Theresa or Donald Trump	A more spiritually conscious Donald Trump	Heart of Mother Theresa, guts of Donald Trump	Neither	Mother Theresa	Mother Theresa	Mother Theresa

THE REMODELING INDUSTRY IS GOING TO CHANGE A LOT OVER THE NEXT DECADE. WE ASKED OUR YOUNG LEADERS WHAT THEY SEE AS THE BIGGEST CHANGES COMING DOWN THE LINE. THIS IS THEIR

Future Vision

MICHAEL ANSCHEL

It will become much more tightly regulated and liability issues will fall on the shoulders of remodelers. I have high hopes that the pressure that will be placed on the remodeling community will result in a massive and sweeping change in the way that work is performed and the operations of the businesses, requiring professionalism and solid business operations and accountability.

DWIGHT SAILER

I foresee the industry trending toward urban infill rather than mass development. In our community, this means a lot of the homes on the outskirts of our downtown area that were built in the '60s and '70s will be the decade's new hotbed of remodeling. Urban sprawl has begun to slow down, and new home construction will continue to decrease, opening the door to more widespread opportunities for remodelers.

BEN THOMPSON

Increased consolidation and green becoming mainstream

ANDREW WELLS

Two of them are tighter regulations (lead paint, permits, etc.) and more green building. These items coupled with a tighter economy are going to make it ever more difficult for unorganized companies or ones that charge too little to survive. The cost of doing business is going up, and you had better be efficient and prepared.

WARNER CRUZ

Dependence on advancements in technology and the green industry will require contractors to stay ahead of the curve. Constant research on new products and education for employees across the board will be a must to remain successful.

AMIE RIGGS SWARTS

Over the next decade, the new housing market will likely not see significant gain to reach the record high levels of the past few years. Therefore, remodeling will continue to increase as homeowners stay in their homes longer. This will also lead to the increase in spaces that are far more customized for the homeowners because they're not concerned about selling in three to five years as they have been in the past. Those who are in their homes for the long haul are willing to make these very specific, very unique changes that serve them and their families well.

TYLER WOOD

I would say that it is only going to get better as remodeling companies continue to educate themselves and partner with better suppliers.

ALLISON IANTOSCA

I expect more of a female presence in the industry over the next 10 years. I expect young women to aspire to be in this industry instead of fall into it. It's useful, if not necessary, to have women in the industry, but besides that, the secret will get out that the world of remodeling is exciting and challenging and filled with remarkably humble and passionate people.

DAVID POWERS

I expect that due to changes in government regulation, remodelers will band together more than ever before to present a stronger, more professional industry voice.

ROBERT BIRNER

I believe that new technologies will help produce greater efficiencies in all areas of business, but the same new technologies will also make the industry more competitive.

MICHAEL TENHULZEN

Consumers will have relevant information at their fingertips, forcing contractors to differentiate with service, methodology and technology.

BRUCE CASE

1. Increased consolidation for more efficiency, to leverage alliances with subcontractors and manufacturers and to keep up with changes. 2. An increase in full-service remodelers. Given the current economic climate, more remodelers are seeing the value of having a balanced portfolio to reduce their risk/dependence on good economic times. They will be adding handyman services, etc. 3. More focus on creating businesses. The size and potential of the remodeling industry is increasingly drawing business people and interest from outside of traditional remodeling channels.

CLICK HERE

The Web is the first place the Young Leaders and their generation go for information, and we've continued our coverage of the Young Leaders there as well. Go to www.proremodeler.com/youngleaders for exclusive online content including expanded bios, podcasts, video and blogs.

Generation Next

HOW TWO YOUNG LEADERS ARE MANAGING SUCCESSION



Ben Thompson, president of Thompson Remodeling, says open communication is the most important part of a successful transition.

By Jonathan Sweet, Senior Editor

ONE THING MOST OF OUR YOUNG LEADERS have in common is that they have taken over, or are getting ready to take over family businesses.

In that way, they're not different from many remodelers. In an industry dominated by family businesses, transitioning to the next generation can be one of the biggest challenges companies face. Those who have successfully made the transition say years of planning and preparation make the difference.

For Thompson Remodeling in Grand Rapids, Mich., the process started seven years ago when president and owner Ben Thompson was still in college. Thompson knew he wanted to own a small business, but hadn't planned on purchasing the company his parents had founded in 1980.

"I kept saying, 'I want to do that like Mom and Dad do it,' or, 'I want a business like Thompson Remodeling,' and it just kind of clicked with me that this would be a good fit," Thompson says.

Once he decided he wanted to take over, his parents had to decide when they wanted to leave the business. The first step, six years ago, was for his mother, Sandie, to pull back from her leadership role in the company. That allowed the company to focus on making the transition from only one leader: Ben's father, Pat.

"Clearly, the leaving generation has to know when they want to be out and put that timeline down," Thompson says. "They really had a desire to leave, so that made it very easy."

During the last several years, Ben has played a variety of

roles in the company, from working in the field to budgeting to sales and marketing. For the last two years before he took ownership a year ago, Ben served as general manager, making the major day-to-day decisions. His father moved away from management to focus exclusively on sales as the company made the transition. Pat spent 2008 as the company's sales manager and this year is working simply as a salesperson.

"We defined those roles, and we defined the compensation ahead of time," Thompson says. "We wrote down what I wanted to do and what he wanted to take away from the company. That was probably the most important part of making this succession work."

Communication is incredibly important to a successful transition, says Michael Tenhulzen, president of Tenhulzen Remodeling in Redmond, Wash. Tenhulzen and his brother, Brian, purchased the company from their parents in 2008.

"If there's something that's really burning, you need to talk about it," he says. "We have had so much success in these knockdown-drag out discussions where, in the end, we just end up hugging, and it's a big release."

For example, when the Tenhulzens were first discussing the transition, his parents envisioned a 50/50 split in ownership between Michael and Brian. Michael felt his years working in the business and his management role meant he should get a larger share.

"Those types of discussions become very difficult, but after talking it out and making sure we understood each other, we were able to agree," he says.

If they hadn't been able to discuss issues like that, the transition probably wouldn't have worked, Tenhulzen says.

5 SUCCESSION SECRETS

Making the transition from one generation to the next isn't always easy. Here are five tips for success.

- 1. Talk.** Before succession is the time to find out if somebody doesn't want to take over or give up control.
- 2. Identify roles.** If the departing generation is staying on, what's their job?
- 3. Decide compensation.** Will the former owners continue to draw a paycheck? How much, and is it commiserate with their new roles?
- 4. Put it in writing.** You can change it along the way, but a written plan guides the process.
- 5. Don't go it alone.** There are a ton of resources out there for planning succession. Visit www.proremodeler.com for links to several.

Like Thompson, Tenhulzen spent the last few years of his father's ownership running the company.

"It gave us the opportunity to actually run the company by ourselves for two years with the owner basically removed," he says. "That gave my father the validation that we were able to carry the reins without any major liabilities."

HELP IS OUT THERE

The most important thing to remember about succession is that you don't have to reinvent the wheel, Thompson says.

"The beautiful thing is that businesses are bought and sold everyday," he says. "There are plenty of people out there that have been through this."

Thompson Remodeling is a member of Remodelers Advantage and found the other members to be a tremendous resource. Thompson talked to other family business owners inside and outside of the industry about the challenges they faced.

In addition, Thompson worked with the Family Business Alliance, a local partnership between the Grand Rapid Chamber of Commerce and Grand Valley State University that is dedicated to making family businesses work. He also brought in an executive coaching team to help his personal development.

Tenhulzen also spent a lot of time talking to other remodelers. He considered hiring a family business transition coach and even went so far as to interview him, but opted not to bring him in.

"We decided there wasn't a whole lot of value that person was bringing to the table that we didn't already have," he says.

LESS-THAN-PERFECT TIMING

The downturn in the industry added another potential challenge to the transition, with both companies making the move in the midst of the worst economy in decades.

"The month that we bought the company we had only seven leads in the door and we were accustomed to getting about 30 a month," Tenhulzen says.

Before finalizing the purchase, the Tenhulzens did have a brief discussion about what the alternatives would be to Michael and Brian's taking over. To make sure the company had value to a potential buyer, they would probably have to continue to work for the company under somebody else's ownership.

"We just didn't feel comfortable with that, so that was a really short discussion about what that would mean for the legacy of the company and our work," Tenhulzen says. "Once we made that decision to move forward, everybody really stepped up, and we've been able to increase market share during this downturn." **PR**

>> For more **Succession Planning Resources**, visit www.ProRemodeler.com/

Smart & Flexible

DIVERSIFICATION
HAS KEPT ALURE
STRONG, BUT IT'S
NO QUICK FIX

By Jonathan Sweet, Senior Editor



THE BASEMENT FINISHING MARKET HAS been very good to Alure Home Improvements.

More than a decade ago the company, in partnership with Owens Corning, created the market for finished basements in the Long Island, N.Y., area when Alure became the first remodeler to offer them there on a large scale basis.

That division — making up more than 40 percent of Alure's business — has helped to drive the company to more than \$50 million in installed volume last year, putting the company on the top of *Professional Remodeler's* Market Leaders list for the second year in a row.

"It would have been easy to put everything into that, but if you're not diversified, you're not controlling your destiny," says Alure President/CEO Sal Ferro.

Staying diversified has been a key part of Ferro's strategy for the company since taking over as president seven years ago and becoming CEO in 2006. That plan has paid off this year, which has seen declines of more than 10 percent in the basement division, but 18 percent growth in the kitchen and bathroom business. The company is seeing declines in specialty areas such as sunrooms, but growth in other segments. Although Ferro is expecting a decline in 2008 volume to about \$46 million, things could have been worse without the better-performing divisions to cushion the drop.

"I think what we're seeing now is people focusing on wants versus needs," Ferro says. "Needs are playing a bigger role, and that's why some of the specialty business is off for us."

NO CURE-ALL

Although diversification has been important to Alure's ability to weather the downturn so far, Ferro is quick to caution that it may not be the answer for everyone, especially in the current climate.

Ferro says he expects many companies to try to diversify in 2009 as a way to make up for declining revenues in companies' core areas of expertise. It's easy to look at the current climate and figure that adding another division will make things easier, he says. He cautions that companies need to carefully consider the added costs of new divisions before making any decisions.

"To diversify, you need capital," he says. "You need to invest in advertising; you need to invest in whatever skill sets you need that your current employees don't have. You need to put some time and energy into it, and at a time when remodeling

Alure Home Improvements President/CEO Sal Ferro and his team have grown the company by making smart choices about diversification and growth.

demand is low, it's probably not the best time to do it." The mistake many companies make during a downturn is taking on more than they can handle. Diversifying is more difficult and more expensive than many companies realize, Ferro says. "It can be a money drain," he says. "Now is not the time to be draining money."

LONG-TERM STRATEGY

Diversification can still be an important part of a company's strategy, as long as it is part of a long-term growth plan and not a knee-jerk response to a slowing economy. Even in a down economy, diversification can help a business grab more market share for a company that has the resources to do it right.

"Diversification allows you to be balanced in a way that one particular industry, if it's running through a rough time, that one segment can't take you down," Ferro says.

Increasing Alure's product offering over the years has helped the company stay profitable by giving it a healthy mix of services. It also allows the firm to leverage its most important asset: a large base of satisfied customers. As long as a company is doing a good job, past clients of, for example, a roofing job can make a great future prospect for a bathroom or kitchen, Ferro says.

It's also helped the company keep good employees by giving them a chance to expand their responsibilities by working in and leading new divisions.

EXECUTIVE SUMMARY

Alure Home Improvements, Plainview, N.Y.
President/CEO: Sal Ferro
Owners: Ferro, Chairman Carl Hyman, Vice President Bob Hyman and other junior partners
Business model: Full-service remodeler
2008 projects: 1,750
2008 volume: \$46 million
Projected 2009 volume: \$47.5 million
Employees: 100-plus
Founded: 1946
Biggest challenge: Generating leads and business with declining consumer confidence. "Once you have the leads, you can overcome any other challenge," Ferro says.
Web site: www.alure.com

“So many people diversify just because they want to make more money, and that’s a huge mistake.”

“If we didn’t diversify, we would have lost some super talent,” Ferro says. “It’s been a great opportunity to give people some growing room.”

The expansion philosophy has also helped Alure attract more talented partners from outside the company by offering a chance for remodelers to come in and run a division and also get ownership in the company, something Alure has done with three people so far.

Choosing where to expand is just as important as deciding to grow services. Before making a decision to offer a new service, Ferro and his team carefully look at the market to see if there is a demand for the service or, as in the case of finished basements, if they can create a demand for the product.

“We determine if there’s a need, want or desire out there — if there’s a void in the marketplace — and we can put the skill set together to do it,” Ferro says. “It’s not just profit-based. So many people diversify just because they want to make more money, and that’s a huge mistake.”

Although profits are important in the short-term, that’s not the No. 1 goal. Instead, Ferro says his top goal is to “perpetuate” the business. He wants to make sure it doesn’t just make money this year but is around for years to come.

“If you’re interested in perpetuating the business, you know that a profit is needed, but you also know that the planning that takes place is not always in the best interest of today’s profit,” he says.

Thinking about short-term profits over long-term health can lead to making rash decisions such as quickly expanding or

getting rid of your best people when times are tough just because they’re the highest paid.

“If you’re just profit-minded, you’re not thinking about the big picture,” Ferro says.

Alure Home Performance, the newest division founded in 2008, is a good example of this. The division will focus not only on home “check-ups” on energy efficiency but also on safety issues, such as checking egress windows and smoke detectors. A report is produced at the end outlining suggested improvements.

Ferro added it with profit in mind, as well as the goal to create long-term opportunities for the company and employees. The Alure team was seeing more demand for green from its clients, plus there were a number of employees interested in doing more green work.

“I don’t see this as something that generates huge volume,” Ferro says. “The average ticket’s going to be very small, but I see it as an opportunity to connect with clients and part of our corporate social responsibility.”

SKILLED SPECIALISTS

Part of Alure’s marketing message is that while the company offers a variety of services, it has the benefits of a specialty remodeler. That’s because employees work in only one division. Basement salespeople just sell basements. The production team in the kitchen division isn’t installing siding. Project managers only manage jobs in their division.

Ferro likens the strategy to that of a medical practice — an analogy the company also uses to explain it to clients.

“The philosophy is this: When you go to a medical center, the last thing you want is a foot doctor to operate on your heart,” he says. “You have to be careful people don’t spread their focus too much. Everybody is a specialist focused on the specific trade they know and they’re excellent at.”

On the other hand, the company has also moved people from one division to another as the need arose this year for more work in areas such as kitchens and bathrooms. It’s designed to be a long-term move, not just for one or two projects — a redeployment, as Ferro calls it.

“When the balance of work changes, we don’t want to lose good people,” he says. “Redeployment has really been good for us because these people are already trained on the culture of the company. They know what we’re all about.” **PR**

A WEEK IN THE LIFE

How Alure Home Improvements President/CEO Sal Ferro spends his average 50- to 60-hour week

Coaching, planning, training and updates with management	25 percent
Analyzing numbers, reviewing results, budgeting, planning	25 percent
Marketing strategies	15 percent
Business development	15 percent
Work-related travel	10 percent
Various other work	10 percent

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Bang for the Buck

A LUXURIOUS
REMODELED
KITCHEN COST
SURPRISINGLY
LITTLE

By Wendy A. Jordan, Senior Contributing Editor

THE REMODELED KITCHEN IN THE FLETCHERS' 1967 Denver tri-level not only looks great, but "given all they did, it was a screaming bargain," says architect Doug Walter, AIA, of Doug Walter Architects in Denver. Even remodeler Micah Flenard says, "I was pretty surprised that they got it done for under \$100,000." The \$80,500 kitchen was rejected from consideration in the under-\$100,000 category of a design competition because the contest sponsor couldn't believe it cost so little.

How did Flenard and Walter deliver such bang for the buck?



The old kitchen was "cave-like," says Doug Walter — small, dark, ashen, and compressed by a drop ceiling. Flenard crafted a large, skylighted coffer that adds volume and fills the room with light. Up-lighting around the coffer, cans circling the room perimeter, under-cabinet lights and a serpentine fixture add task lighting and an overall glow. Warm cherry cabinets contrast nicely with the birch flooring.

BEFORE PHOTO: DOUG WALTER

Clever retooling of space, smart product choices and impressive problem solving.

Over the years, Walter had updated other rooms in the home, but except for a tunnel-like skylight and some new finishes the homeowners added when they bought the house in 1981, Stan and Lois Fletcher had left the kitchen as-is — cramped, dim and dated. When they became empty-nesters, they started looking for a house with a good kitchen. Soon they realized that any affordable house in an equally desirable in-town location would require remodeling anyway, so they decided to stay put and fix the problem kitchen.

PINPOINTING THE PROBLEMS

The Fletchers asked Doug Walter to make their kitchen feel bigger and function better; improve the traffic flow; upgrade the finishes; and add light. He used a six-page questionnaire to probe their lifestyle and kitchen preferences more deeply.

Walter spotted three design fixes right away. One was over-head. “The kitchen had an oppressively low ceiling” — 7 feet, 3 inches — says Walter. “You felt trapped.” A vaulted ceiling in the adjacent living room made the 15- by 20-foot kitchen seem all the more compressed. With no truss roof and nothing but unused attic space over the kitchen, the solution to create a vaulted ceiling in the kitchen was clear, Walter says. This would add volume and skylight opportunities without costing too much.

The second way to gain space was to remove the 6-by-6-foot pantry and laundry room, which took a big bite out of the kitchen and confined the workspace. Walter moved the laundry area upstairs to a closet by the master bedroom and replaced the pantry shelves with floor-to-ceiling cabinets along the kitchen wall.

Third, he suggested moving the wall between kitchen and garage, stealing a 15-inch strip of space from the garage to gain much-needed kitchen room and allow the proposed kitchen island to be a safe distance from the stairs.

Before fleshing out the kitchen design, Walter asked the Fletchers to select all the appliances so he could determine appliance placement and the cabinet supplier, BKC Kitchen and Bath of Englewood, Colo., could work up precise cabinet measurements. “I had a lot of pushback on this,” he says. Stan admits that “it seemed odd going to get the appliances” so early. He gets it now. “It probably would have slowed things considerably not to mention adding cost if the choices

PRODUCTS LIST

Cabinets: Crystal Cooktop and downdraft vent: Wolf Dishwasher and refrigerator: LG
Door and window: Weathershield Microwave oven: GE Ovens: Jenn Air Paint: Benjamin
Moore Recessed lighting: Halo Skylights: Velux

PROJECT TIMELINE

Initial meeting and bid	Nov. 6, 2006
2007	
Start demolition	Jan. 14
Rough plumbing	Feb. 5
Install skylights	Feb. 12
Begin installation of window and sliding door	Feb. 19
Begin drywall	Feb. 22
Rough electrical	Feb. 27
Frame vaulted ceiling	March 1
Install hardwood flooring	March 5
Begin cabinet and trim installation	March 15
Final plumbing and electrical	April 16
Install granite counter tops	April 23
Install appliances	April 26
Final cleanup	May 1
Payments	
Jan. 14	\$10,000
March 7	\$11,000
March 22	\$5,800
April 7	\$4,200
May 15	\$18,279

were done during the job.” The Fletchers chose complementary stainless steel appliances including a slim, space-saving microwave and elegant wall ovens with bowed front. They picked quality cherry cabinets in a simple, not-too-pricey Shaker style.

Walter and staff architect Eben Casperson gave the Fletchers seven design variations to consider. That’s standard for Walter. “You want to make your mistakes on paper,” he tells clients, before production starts. Taping out the plans on the backyard grass, the Fletchers narrowed it down to three. We were trying to figure out walking patterns between appliances and whether we wanted [a table-height] eating space on the island” Lois says. They opted for a separate breakfast table, a large island with cooktop, a generous sweep of cabinets and a repositioned garage door that channels traffic past, rather than through, the kitchen work center.

PRECISION PRICING

Armed with Walter’s detailed drawings and a rough cost estimate, the Fletchers interviewed three contractors in November 2006. Walter had recommended all three for remodeling urban houses. One — Micah Flenard of Flenard Construction in Littleton, Colo., — also was recommended by a friend of Stan’s. The friend had raved about him, says Stan, because of Flenard’s good

work, reliability, fairness and reasonable pricing. Flenard impressed the Fletchers too and his estimate was the lowest by a bit. “We were pretty open on what we were going to spend, but we didn’t want to totally out-price our house for the neighborhood,” says Lois.

The comprehensive plan and specs meant Flenard could estimate close to the bone. He was able “to run bid numbers off the plans,” while including allowances for items such as the structural beam that went in where the garage wall had been. “Doug Walter is a good customer advocate,” Flenard adds. It’s doubly important to bid accurately on his projects, he says, because “it’s not fun to go back and ask for more money if you missed something.”

Estimating that the job [including a few other projects around the house] would take 15 weeks, Flenard began demolition in mid January 2007. The Fletchers moved to a nearby apartment.

For Flenard’s clients, demolition is often a money-saving process: bad cuts are kept to a minimum, and finishes are salvaged to minimize a redo.

CHALLENGES AND CHOICES

Production challenges threatened to offset those economies. The coffered ceiling, for instance, became a giant geometry problem. The large coffer rises to the roof pitch, where Walter ganged four skylights, placing smaller ones in the center to clear the intersecting garage gable. Each side of the shaft, where the rafter links wall to ceiling, has a slight degree of difference, says Walter. Flenard says his crew had to create double-compound angles and bend drywall around them to connect everything smoothly, which took about eight hours.

A set of upper and lower cabinets arrived with mismatched frames. Rather than risk waiting for replacements, Flenard says, “We took a cabinet apart and reformed it.” The cabinet retooling took four hours.

THE FINANCIALS

To keep clients happy but protect his profit, Micah Flenard balances close estimating with flexibility when things happen. On the Fletcher project, he opted to charge cost for the backsplash and took care of small changes, such as trim color,

Budget History

Initial estimate for kitchen	\$78,436
Final estimate	\$78,436
Change orders	\$2,060
(Plane joists to flatten floor, crown in vaulted ceiling, power-vac duct lines, add 70-amp sub panel to carry extra load of a modern kitchen, add speaker wire, build television nook in wall)	
Final price of job	\$80,496
Cost to produce	\$68,905
Gross profit	\$11,591
Budgeted gross profit percentage	15%
Actual gross profit percentage	14.4%



The multipurpose island with cooktop and storage, marks the kitchen boundary and leaves a clear path from garage to stairway. Each side of the volume ceiling is unique; the ceiling came together in a challenging-to-construct parabola.

To correct an odd bulge in the floor, Flenard had to pull off the sub-floor, plane down the joists and install a new sub-floor. It was the biggest change order in the project. It took the framer 16 hours, but did not cause other delays, says Flenard.

Despite good intentions, the Fletchers had trouble with some product choices. “From the beginning,” says Lois, “Micah gave us a timeline for when decisions were needed. We stuck with it,” with a few bumps along the way. One involved the finish for the new birch flooring. After choosing a stain to contrast with the cabinets, Lois came home to discover that the chosen color

— by then covering most of the floor — looked wrong. The whole floor had to be sanded and re-stained, adding several days to the schedule. “My floor guy

without charge to get the job done efficiently. The allowance for the garage wall beam fell short, because the beam was “super beefy,” he says. Still, “I don’t think I lost money,” Flenard says of the project. “It was a wash.” Materials cost more but labor ran lean.

COMPANY SNAPSHOT

Flenard Construction

Owner: Micah Flenard

Location: Littleton, Colo.

2008 sales volume: \$650,000

Projected 2009 sales volume: \$650,000

Contact information: 303/905-1045

Biggest challenge of the project: Keeping design decisions from stretching the schedule

wanted to make them happy,” says Flenard, and didn’t charge for the change.

For the backsplash, the Fletchers chose large tiles set in a diamond pattern. When they saw the tiles in place they hated them. Flenard “had to tear off the tile and redo that wall,” says Stan. “It put the project on hold a couple of days.” To minimize lost time, Flenard drove Stan to the store one day to choose and buy tile.

Settling on light fixtures took time, too. “We were being particular,” says Stan. Flenard figures he put 20 hours into helping the Fletchers choose lighting.

Despite these hurdles, the job progressed remarkably efficiently. The crew stayed on task. Plus, Flenard says, “we ran all our questions through Doug and the clients, instead of making work for ourselves by making a call on our own.” In fact, the project was “ahead of schedule until the painters arrived,” he says. (They had a small crew and took twice as long as Flenard expected.)

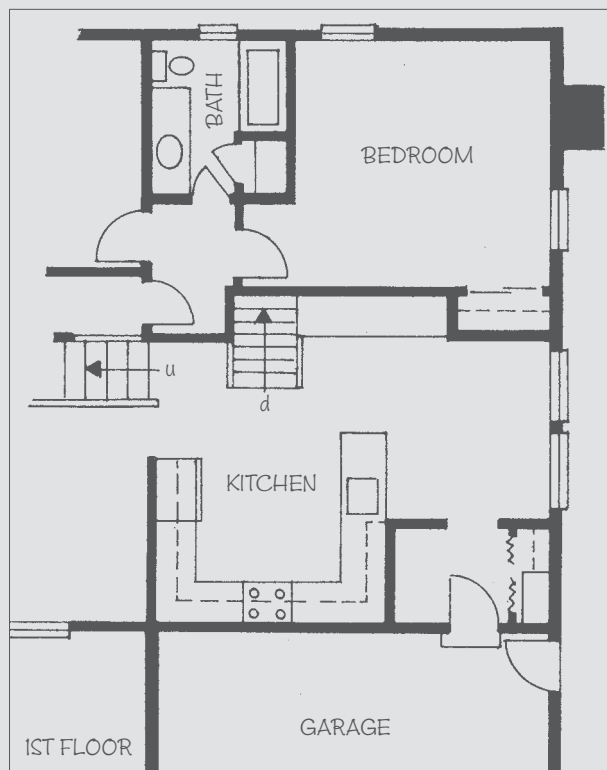
The entire project, including some add-ons around the house, was completed in early May, close to Flenard’s time estimate. “It was the fastest project I’ve ever had,” says Walter. “For Micah, decisions became critical path items.”

That’s true, says Flenard: “I’m a little bit of pressure, but if I’m lax, homeowners get upset later.” Indeed, the Fletchers have all good to say about Flenard Construction, pressure included. “They were great about making it all happen,” says Stan. **PR**

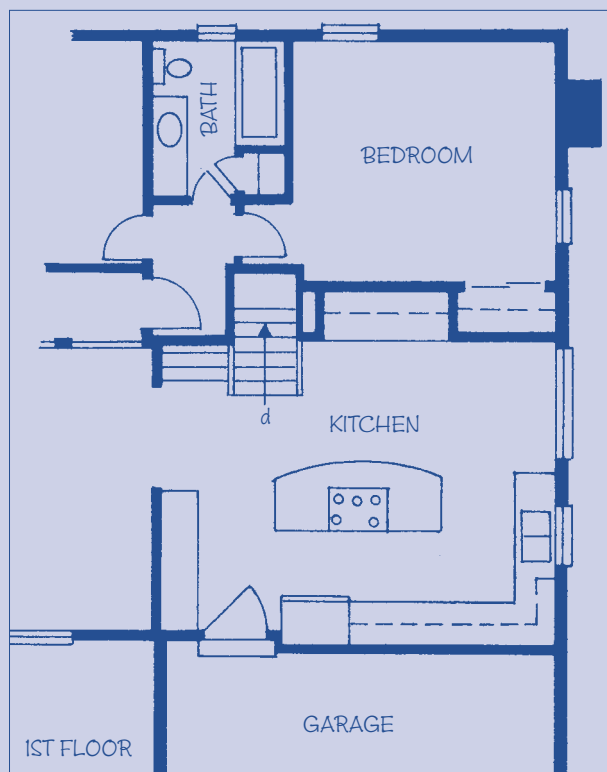
To gain space, Walter eliminated the pantry/laundry and pushed out the garage wall by a foot. The remodeled kitchen features a large central island that is a safe distance from the stairs, and floor-to-ceiling cabinets that yield more storage than the kitchen and pantry had before. Relocating the garage door keeps foot traffic out of the kitchen center.

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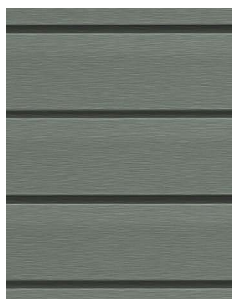
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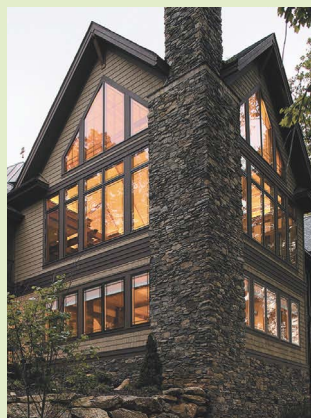
See our ad on pages 18-19

SEE-THRU ENERGY EFFICIENCY

We sat down with Scott Sevon, the president of green remodeling firm Sevvonco to discuss why he chooses Pella's Designer Series windows

Sometimes the best endorsement a product can have is when it's installed inside a professional remodeler's house. "We use 'em. We install 'em. And I use them in my own home. Why not put the best products in there?" says Scott Sevon, president of eco-friendly Sevvonco.

Sevon recommends Pella Designer Series windows, which feature both double- and triple-pane glazing options to reduce air infiltration and keep the home's shell intact. The windows allow room for both a treatment and a muntin between panes of glass for added protection and flexibility. The series, on the market since 2005, comes in several configurations; roughly ¾ of the windows Sevvonco installs are in casement form. Fabric shades open from the top down to allow natural light in from the top while covering the bottom. Shades and blinds extend to the inside edge of the win-



dow sash for extra privacy.

From a company standpoint, Sevon is perfectly happy with Pella's product line for its green characteristics. "We've been using Pella for 26 years. They educate us. They recycle or reuse all of the products that are involved in the manufacturing process," says Sevon. "They've been extensively tested; that's the truth. I've seen it done. A group of guys test air infiltration right there on the



factory floor. And they meet all the Energy Star requirements, too."

Outside factors, such as how the company uses and reuses energy resources and materials, matters a lot to Sevon. Are recycled and reclaimed wood products reused? You bet. Broken glass turned into reflective highway pavement? Yep. Surplus insect screens recycled into archery targets? Check.

But it's the inside that counts to Sevon. According to Pella, double-paned glass can reduce energy costs up to 17 percent and triple-paned glass can decrease energy bills by as much as 28 percent compared to a single-pane wood window. But, says Sevon, he's not as concerned with studies as he is with performance. "People want to save money. Obviously windows are a big, big source of energy loss. And old homes are the most inefficient monsters on the planet. There are 134

I Don't Do Windows ... or Blinds

Pella recently conducted a survey asking homeowners how they'd least like to spend their free time and found that consumers would rather clean the bathroom sink (12 percent), a closet (17 percent) or even clean out the refrigerator (28 percent) than clean their blinds or shades (39 percent).

million of them out there right now that are over 30 years old," he says.

"Unfortunately for a lot of greener products like this, the cost is higher," admits Sevon. But, he's quick to point out, you definitely get what you pay for when it comes to windows — needless to say he eschews lower-quality and lower-priced windows on principle. "You should be up-selling these products to your clients. And it's not just to make money. It's good for the environment, too." **PR**

Editor's Note: We've retooled and reintroduced our monthly "The Green Room" article to put the microscope on a single green product chosen by a green remodeling professional. We're after what's truly green; there's no room for hyperbole or 'green-washing' here. We start this series with Scott Sevon, president of eco-friendly remodelers Sevvonco.

The Specs That Count

- Pella's Designer Series carries the National Fenestration Rating Council U-Value (rate of non-solar heat loss or gain through a material or assembly) rating of .26-.49
- Pella's windows sport a Solar Heat Gain Coefficient (fraction of incident solar radiation admitted through a window) of .19-.55
- You can't forget the Design Pressure ratings. These include both positive and negative numbers. The positive number corresponds to pressure created by wind blowing at a window and door, and the negative number represents vacuum pressure on the opposite side (inside the home) of the product (it's measured in pounds per square foot). Although DP ratings are site-specific, the Designer Series is listed between 20-80 psf
- Keeping sound out is crucial and is just another added bonus when you have three panes of glass. The windows have a Sound Transmission Class (STC) Rating of 31-35

>> If you have ideas or comments, e-mail Nick Bajzek at nicholas.bajzek@reedbusiness.com.

NEW PRODUCTS

FINA'S SO FINE

Highlights of ShowHouse by Moen's Fina collection include the lavatory faucet, which features a high-arc spout and contemporary-style base. But it's also as versatile as it is stylish. The wall-mount lavatory faucets incorporate a flow-optimized aerator, allowing the faucet to flow at a rate of 1.5 gallons per minute. A Roman tub faucet, handshower, rain-shower and other accessories complete the suite.

For FREE info, visit <http://pr.hotims.com/23737-251>



VIBRANT DAMASK

Damask is the ultimate in luxury fabrics, but what if you put it on a sconce? Check out Besa Lighting's new hand-applied Damask Glass Decors. Both black and white Damask Glass Décors are featured on Amelia Pendants, which use 50-watt halogen or 40-watt xenon lamps. Find them in handsome bronze or satin nickel finishes.

For FREE info, visit <http://pr.hotims.com/23737-252>



TAKE A BITE OUTTA WIRES

The original Rapid Shark, made by Rapid Tools, was the first utility knife with a wire stripper (patents pending worldwide) for AWF 10-18 wires. It now has a bigger brother in the new Big Bite Rapid Shark, which has stripping holes for larger AWG 6-12 wires. You'll get the same precision bite with a big, bad appetite.

For FREE info, visit <http://pr.hotims.com/23737-253>



IT'S GOOD TO BE ABRASIVE SOMETIMES

You can't run hot when it comes to abrasive wheels. Rex-Cut's Sigma Screen Type 27 depressed center wheels are ideally suited for cleaning up weld splatter; light grinding; and paint and rust removal. Featuring a blend of zirconia-ceramic abrasive grains bonded to a flexible mesh, these wheels run cool and provide chatter-free performance.

For FREE info, visit <http://pr.hotims.com/23737-254>

I SEE IT!

If you are involved in plumbing or mechanical contracting, service or repair, a camera can be a powerful tool to help you grow. Ridgid's right there with several new SeeSnake models. In addition to being able to see in a wall, the SeeSnake comes with three little attachments that clip on the camera end. It sports a small magnet for metal objects, a mirror for seeing around corners Saving Private Ryan-style and a clip for pulling wires.

For FREE info, visit <http://pr.hotims.com/23737-255>



A GLOWING INSPECTION

The Lubrizol Corp. has partnered with the the IPS Corp. to introduce FlowGuard Glow. Applied in the same manner as FlowGuard Gold one-step solvent cement, FlowGuard Glow cPVC solvent cement is yellow when applied but glows fluorescent blue under ultraviolet light, allowing installers to inspect solvent cement joints easily and quickly with a UVA light kit.

For FREE info, visit <http://pr.hotims.com/23737-256>



DECKED-OUT VANITY

It made a splash at K/BIS, so maybe it'll work on your jobs, too. Decolav's Model 5243 is a multi-dimensional vanity that features a solid wood frame, a white marble top and built-in accessory shelves. An intricate weaving pattern on the front cabinets provides both texture and dimension to this 1950s-inspired design.

For FREE info, visit <http://pr.hotims.com/23737-257>

TIGHT AS A SNARE DRUM

It's targeted toward commercial jobs, but you should still try the Sta-Tite system for all your toilet installations. The single-piece fastener includes a glass-filled nylon nut and integrated washer that outperforms traditional stainless steel fasteners and allows installers to quickly achieve the exact amount of torque needed to keep seats tight.

For FREE info, visit <http://pr.hotims.com/23737-258>





FEELING WIRED

The new Wirescraped finish by Canadian hardwood manufacturer Preverco is offered on the company's Original Series and Ingenius Series of engineered hardwood. The textured flooring has colors ranging from gray and silver tones to brown and green. The Kilimanjaro finish, shown, features a bold, contrasting color scheme.

For FREE info, visit <http://pr.hotims.com/23737-259>



THE RETURN OF CLASS

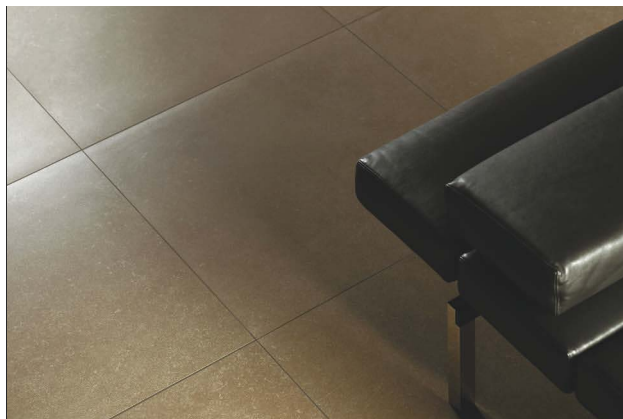
This is something different. Crafted in Italy, Summit International Flooring's Class line features leather-look rubber tiles. You can drape these on floors, walls or nearly any surface. The tiles are available in two versatile sizes and six colors. The rubber construction allows for simple trimming to create custom sizes and shapes.

For FREE info, visit <http://pr.hotims.com/23737-260>

SOLIDLY RIDGID

It isn't often you see a one-time sanding warranty. You'll have it with Bruce Hardwood Floors' Westchester Plank, a 3/4-inch engineered flooring product that boasts a variety of colors and finishes. The 4 1/2-inch hickory plank Country Natural, for example, provides great dimensional stability, even over subfloors with wide joist spacings.

For FREE info, visit <http://pr.hotims.com/23737-261>



SOMEBODY SAY WAFFLES?

Italian stone and tile manufacturer GranitiFiandre has expanded its NewStone product line with the addition of the Belgian Blue Collection. The porcelain flooring product offers conformity in sizing, easy maintenance, guaranteed frost-resistance and 100 percent UV stability. The line is suitable for interior and exterior applications.

For FREE info, visit <http://pr.hotims.com/23737-262>

SCORE BIG LEED POINTS

Polycrete's Big Block ICFs measure 2 by 8 with standard alternate wall thicknesses. The Big Block panels are bear-hugged together, with steel connecting the panels and a web of steel embedded and welded in the foam. Nothing's breaking that grip. You erect 16 square feet of wall in one motion. All it takes is some rebar fill with concrete for a strong green home.

For FREE info, visit <http://pr.hotims.com/23737-263>



CAUGHT IN THE MOMENT

You can't put a price on strength! Stronger than site-built or factory-built shearwalls, Simpson Strong-Tie's Moment Frames allow larger openings and smaller wall sections while offering the high load values that some additions need. This should help your guys in the field because moment frames always have been time- and labor-intensive to install.

For FREE info, visit <http://pr.hotims.com/23737-264>



SAY NO TO MOLD

USG will help remodelers stop mold growth with the new Securock glass-mat sheathing panels. A non-combustible, moisture- and mold-resistant gypsum core helps the panels achieve an ATSM 10 rating, the highest possible rating for mold resistance. Panels are encased in a double-sided, green-colored fiberglass facer and are easy to score and snap with no saws or special tools required.

For FREE info, visit <http://pr.hotims.com/23737-265>



OPENING UP

We hate working around floor joists. Installing plumbing, duct work and wiring normally requires cutting holes in the joists to complete the work. It takes time and, if done incorrectly, can result in red tag delays. Thanks to the open configuration of iLevel by Weyerhaeuser's iLevel Trus Joist TJO, you can run pipes, ducts and wires through the joist.

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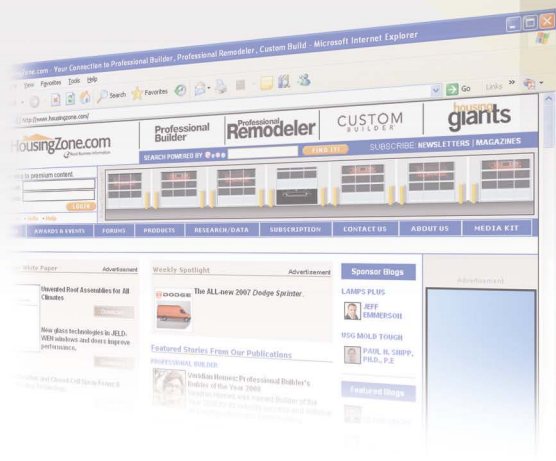
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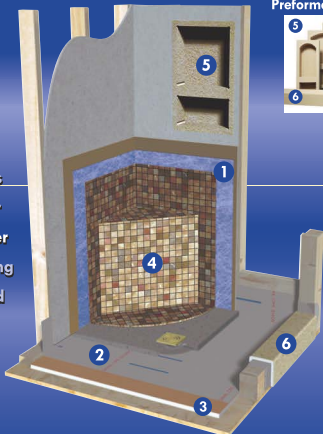


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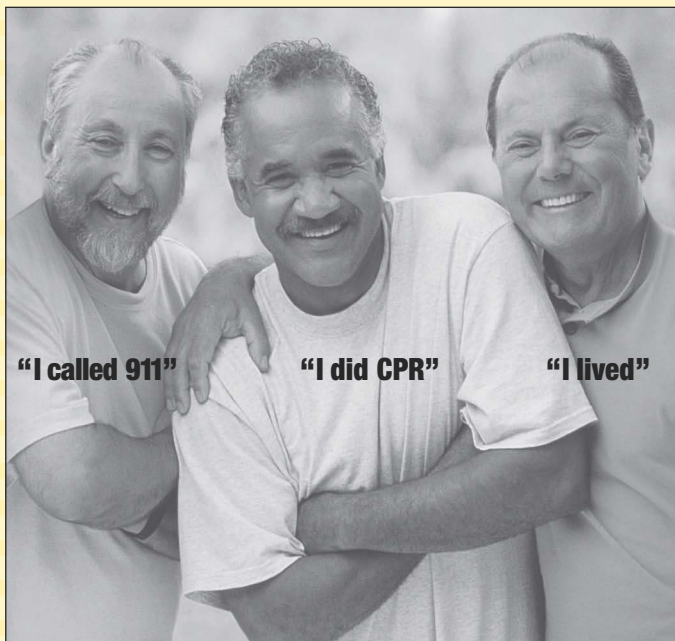
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Professional Remodeler (ISSN 1521-9135) (GST #123397457) Vol. 13, No. 1 is published monthly by Reed Business Information, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345. Reed Business Information, a division of Reed Elsevier, is located at 360 Park Avenue South, New York, NY 10010. Tad Smith, CEO; John Poulin, Chief Financial Officer; Jeff Greisch, President, Chicago Division; Circulation records are maintained at Reed Business Information, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345. Phone 303/470-4445. Periodicals Postage Paid at Littleton, CO 80126 and at additional mailing offices. POSTMASTER: Send address changes to Professional Remodeler, P.O. Box 7500, Highlands Ranch, CO 80163-7500. Rates for nonqualified subscriptions: U.S.A., \$86.99 1-year; Canada, \$107.99 1-year; Foreign surface, \$141.99 1-year. Single copies are available for \$10 US and \$15 foreign. Please address all subscription mail to Professional Remodeler, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345. Professional Remodeler is a registered trademark of Reed Elsevier Properties Inc., used under license. Printed in U.S.A. Reed Business Information does not assume and hereby disclaims any liability to any person for any loss or damage caused by errors or omissions in the material contained herein, regardless of whether such errors result from negligence, accident or any other cause whatsoever.

PLAN AHEAD FOR 2009

You can't blame anyone for being cautious and scared in today's economic environment. It's tough out there, and it's going to last a while. So what should we do: reach for a warm blanket and hide in a dark corner? Not quite.

As you take inventory of 2008 and start formulating a plan for 2009, here are some suggestions:

Analyze every penny you spend.

The bad news is that you likely have to sell and produce \$2.50 for every \$1 you spend in overhead. The good news is that for every \$1 you cut in overhead, you can afford to sell and produce \$2.50 less. Our team and our clients are the most vital elements of our remodeling business. Let's invest in them and not in other areas.

Proactively think through the tradeoff between sales and gross profit percentage. Don't just discount, give things away and chop your prices without first thinking through the holistic dynamics. Know your true costs and charge at least that amount. Without doing this, you are dying a slow death.

Aggressively capture market share. Market share pays the bills, but how do you capture more of it when you are "analyzing every penny?" First, hold on to the clients you do have — simply maintaining your volume in this down market means you are gaining market share. Second, every time you get in front of one of your core customers try to get something. It might be a two-hour project, it might be a design consultant, it might simply be a referral. But get something.

Monitor. You need a daily dashboard to monitor the key indicators of your business. Some of the "dials" on my dashboard include:

- **Cash:** Cash in the bank but also cash less committed costs for projects

under construction along with unavoidable/fixed overhead expenses (rent, insurance, etc.).

- **Actual versus projected leads:** Monitor leads daily. If you have a sales team, monitor how many leads are coming from their self-generated efforts versus more centralized marketing efforts.

- **Actual versus projected pipelines:** How many weeks out is my production team, how are sales tracking this month and how does the sales pipeline for next month look?

- **Gross Profit Percentage:** Sales are harder to come by these days, so keep a close eye on how much you can expect to make on each project. Sinking sales combined with sinking gross profit percentage is a lethal combination.

- **Average Job Size:** Expect it to shrink in this market. Arm your sales and production teams with tools to effectively cope with this.

- **Blend of subcontracted versus in-house labor:** Each of our businesses needs a healthy blend of subcontracted versus in-house labor to produce our projects. Expect your blend to shift (typically to more in-house labor) with time and as average job size shrinks. Make sure this shift doesn't put at risk the core of your business: client experience, the morale of your team, financials and quality of work.

Share some, if not all, of these key indicators with your team to ensure

that you are all pushing the same wheelbarrow in the same direction at the same time.

But above all else — regardless of what specific actions you take or how you plan for 2009 — do your

best to get your game face on. Attitude is where it all starts for me. My actions and behavior flow from there. I plan on being scrappy, positive and creative. I plan on dusting myself off at the end of every day and standing tall the next. I plan on choosing my attitude and limiting my focus on the negative.

Want to get some other perspectives?

The Corporate Executive Board has a wealth of information. For strategies and tactics in the current marketplace take a look at www.executiveboard.com/Responding_to_the_Credit_Market_Crisis.html

"Good to Great: Why Some Companies Make the Leap and Others Don't" by Jim Collins has a number of business epiphanies.

And, if a pick-me-up is what you need, Ken Blanchard has a number of books, but try "Gung Ho! Turn On the People in Any Organization!" **PR**

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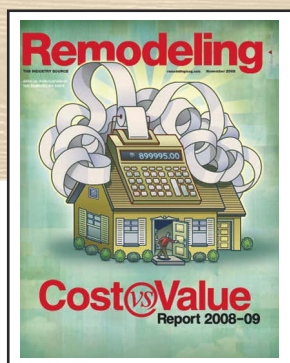
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