## Professional Remodeler

THE CRITICAL EDGE FOR HIGH-PERFORMANCE REMODELERS



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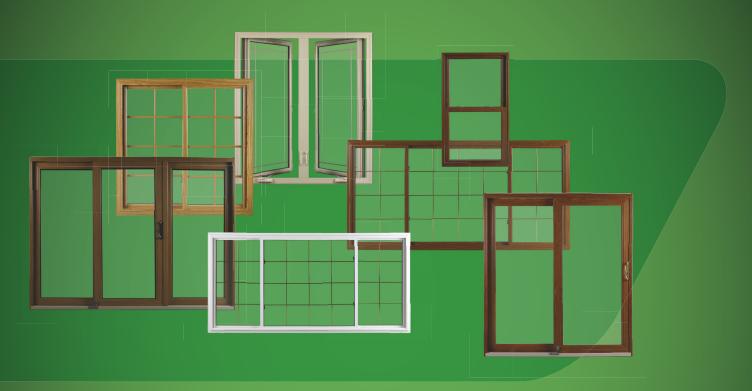
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By Jonathan Sweet, Editor in Chief

#### Professional Remodeler

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#### 'Insulation is sexy'

o let's be honest: "Insulation is sexy" isn't what we expected President Obama to say last month in promoting new tax credits for energy efficiency, but it was nice to hear a little love for the remodeling industry.

The program, called Home Star by its supporters and dubbed "Cash for Caulkers" by some, would provide billions in incentives for home weatherization projects. (By the way, can we all agree to stop using the annoyingly cute and exceedingly inac-

curate "Cash for Caulkers" name? I get the symmetry, but really, enough is enough.)

The program is a great idea: it generates business

for remodelers, creates jobs and makes homes more efficient. It would be funded out of uncommitted TARP funds, and I'd much rather see the money go to homeowners and remodelers than bankers. There are a lot of details still up in the air on the program, but we've got some answers for you on p. 9.

People like to talk about building more energy-efficient homes, but the reality

is that even constructing every one of the homes being built every year more efficiently will make only a tiny dent in energy usage compared to the potential of upgrading the millions of existing homes. New homes are the easy part — now we need to the heavy lifting.

Energy efficiency is where the action is right now in remodeling. In fact, for many remodelers, it's the only work that is selling, as I've heard from a countless number of you. Our monthly remodeler surveys this month and in previous issues back that up. If homeowners want a monetary return on their investment, this is the only way it's going to happen. Nobody's adding \$100,000 on to the price of their home by remodeling a kitchen anymore.

We can certainly argue about whether or not last year's stimulus and its included energy efficiency tax credits are a good idea in general. I've heard from plenty of you who think it's a huge boondoggle, and I've been

Home Star is a great idea: it generates business for remodelers, creates jobs and makes homes more efficient.

Read my blog at

www.HousingZone.com/Sweet



lukewarm at best about its long-term effect. At the same time, there's no denying it's had an impact on the remodeling market. I'll be the first to admit it's helped more than I thought it would.

Many remodelers are crediting it for their survival in 2009. Admittedly, its impact has

been felt mostly in smaller projects, but smaller work is better than no work. In our research this month (p. 32),

64 percent of remodelers reported that the existing tax credits are influencing their clients' remodeling decisions. That's a hopeful sign that Home Star or similar incentives could help out even more.

We're waiting on Congress to make the final call on the funding, so be sure to contact your senator and representative to let them know how important this is not only to the remodeling industry but to any effort to reduce our energy use. •

Contact me at jonathan.sweet@reedbusiness.com or 630/288-8170, or follow me on Twitter at www.twitter.com/sweetedit.

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#### Home Star: 5 answers about 'Cash for Caulkers'

he Home Star program — or "Cash for Caulkers" as some have dubbed it — could provide a big boost to home energy efficiency through billions in tax credits and other incentives over two years.

President Obama came out in favor of the program in December as part of the administration's plan to drive job creation, but the final approval has to come from Congress. The exact size of the program is uncertain, but Efficiency First, a trade association started in early 2009 for home energy-efficiency contractors that helped craft Home Star, put the price tag at about \$23 billion.

Here are five key things remodelers need to know about it.

WHAT WOULD THE MONEY GO FOR?

Here's how Efficiency First breaks it down:

- \$6 billion in funding for homeowner incentives for those who do at least two significant weatherization projects from a list of 10 eligible project types such as air sealing or insulation. Completing two projects would result in up to \$2,000 in subsidies and completing four could earn \$3,500, capped at 50 percent of project cost.
- \$12 billion for homeowners who undertake a weatherization project that reduces energy consumption by at least 20 percent. A 20 percent reduction would earn a \$4,000 subsidy and each additional 5 percent would result in another \$1,500 subsidy, with funding capped at 50 percent of project cost.
- \$2 billion for program administration, including audits of some projects to confirm they're meeting the energy improvements
  - \$3 billion in incentives to encourage

retailers to support the program to build awareness and educate consumers.

WHAT'S THE POTENTIAL IMPACT?
Efficiency First says the program would result in 5.9 million residential energy retrofits and create more than 500,000 jobs new jobs in construction and related industries.

"Unemployment in the construction industry is double the rest of the economy," says Matt Golden, founding president of Efficiency First. "Considering the underreporting in this industry, it's probably really up in the 20s. These really are smart jobs, because they're long-term."

NAHB estimates that 11,000 jobs; \$527 million in wages and salaries; and \$300 million in business income are generated by every \$1 billion in new remodeling and home improvement activity.

"That's a huge impact just in the short run. And in the long run, the energy savings for participating homeowners can be quite significant," says NAHB Chairman Joe Robson.

WHAT'S BEHIND THE PRO-POSAL?

Last fall, the Obama administration started looking for job-creation programs as part of further economic stimulus plans. John Doerr, a Silicon Valley venture capitalist who sits on a board of outside economic advisers to the President, worked with Efficiency First, the Building Performance Institute and other groups to bring the program to the administration.

"The administration is concerned that we're entering into a recovery without jobs and the

numbers seem to bear that out," says Building Performance Institute CEO Larry Zarker.

DOES THE PROPOSAL COM-PETE WITH THE AMERICAN CLEAN ENERGY AND SECU-RITY ACT?

Proponents say it's designed to complement the Retrofit for Energy and Environmental Performance (REEP) program that was rolled into the legislation last year, offering a more immediate benefit.

"The way that legislation would work, should it pass, is that the cap-and-trade provisions would ultimately pay for the conservation provisions, so there would be a couple of years before money goes out," Zarker says. "This would create what we call the 'bridge to REEP' — a near-term solution that would spark demand for home energy retrofits."

WHAT'S THE LIKELIHOOD OF HOME STAR GETTING PASSED?

Golden and Zarker believe the chances are good Home Star or something similar will make its way out of Washington.

"There's an awful lot of momentum behind it right now and Congress is looking at it pretty closely," Golden says. There has also been more bipartisan support for energy efficiency programs than the climate change provisions included in the American Clean Energy and Security Act, making this an easier sell in Congress, Zarker says.

"We're pretty encouraged that the White House is seriously interested in taking this idea out and getting legislative support for it in the near term," he says. •

- JONATHAN SWEET, EDITOR IN CHIEF

"[The Home Star benefits would be] a huge impact just in the short run. And in the long run, the energy savings for participating homeowners can be quite significant." – JOE ROBSON

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#### Still no definitive answers on 'Chinese drywall'

assachusetts-based Environmental Health & Engineering recently concluded a five-month indoor air quality study for the U.S. government and the Consumer Products Safety Commission. The study found a strong association between the presence of Chinese drywall, low-level concentrations of hydrogen sulfide and corrosion of metals in homes.

The EH&E study included 51 homes in five southern states. Of that group, 41 homes where property owners had reported corrosion of wiring or piping, and there were 10 similar homes about which no complaints had been filed. The findings were presented to a Congressional briefing at the U.S. Capitol just before Thanksgiving.

"Not all drywall is alike," says Jack Mc-Carthy, president of Environmental Health & Engineering. "Not all Chinese drywall is alike. It depends on what it's made of, not the country it came from."

To date, the CPSC has received more than 2,000 reports from residents in 32 states, the District of Columbia and Puerto Rico who believe their health symptoms or the corrosion of certain metal components are

#### **Chinese Drywall Symptoms**

In homes with suspect drywall, the EH&E study found the following conditions:

- · High rates of sulfur-based corrosion on copper and silver test coupons
- Visible corrosion of copper wires in electrical
- · Low-level concentrations of hydrogen sulfide
- · Low ventilation rates
- Associations of corrosion with hydrogen sulfide concentrations in air, temperature and
- A reliable real-time method of "fingerprinting" suspect drywall using state-of-the-art inspection equipment was developed and validated

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related to Chinese drywall. Most cases were reported by homeowners in Florida. No official remediation procedures for homes affected with the malodorous drywall have been approved by any governmental entity.

The head of the CPSC, Inez Tenenbaum, met with government officials in Hong Kong, Singapore and Vietnam. Only one company, Knauf Plasterboard Tianjian, has agreed to be served with a federal class-action lawsuit and not force plaintiffs to go through international legal channels.

The Associated Press reported potentially more than 500 million pounds of the problematic wallboard entered the U.S. between 2004 and 2008. To date, at least 12 class action lawsuits involving this material have been filed in 33 states against builders, suppliers and manufacturers. As many as 36,000 homes in Florida and 100,000 nationwide are thought to contain the imported wallboard.

Contractor Bob Fitzsimmons is a partner with the law firm Rumberger, Kirk & Caldwell in Florida. He is also a member of the MDL Chinese drywall committee that represents subcontractors who were named in various lawsuits across the nation. "We're still arguing over proper procedures, so it's a tough spot both the homeowners and insurance companies are in. I'm a subcontractor, so I look at it as what do we need to do to prevent cross-contamination and keep costs down," he says. "Will removing the drywall be enough or will we have to take everything down to the studs?"

- NICK BAJZEK, PRODUCTS EDITOR



#### A deeper look into the recession and recovery

or many remodelers, it has been some time since they have thought about challenges from the standpoint of business growth. Yet, there are remodelers in different regions of the country that are already in economic recovery. Although for most their sales are not what they were a few years ago, their volume is substantially better compared to a year ago.

As recovery occurs sporadically across our country, many are experiencing a roller coaster ride of ups and downs. The fortunate are having a more stable and consistent recovery, while

others are still waiting to see any signs. No matter which group you are part of, we all need to capitalize on the lessons learned the last couple of years.

The main lesson is to truly maximize our resources by doing more with less and eliminating waste. Doing more with less might mean utilizing trade partners and more fully leveraging lead carpenters. Eliminating waste might include preventing purchases of things that are nice, but not necessary — eliminating expenses that are done just because "that's the way we've always done it;" and avoiding wasteful spending out of ego or excess, rather than for a strategic purpose.

As the recession ends and we start to live through a recovery period, we must also start preparing for the next recession, which we hope will be much less severe. The best way to prepare for the next recession is during the recovery period when life is good again. This is the time to pay off

debts (lines of credit, trucks and equipment, to name a few) and build up your savings. We must apply more consistent and prudent business practices if we plan on experiencing strong, profitable and sustainable growth going forward. The days of extreme excess that we recently lived through are gone.

Here is some history that I think you

with personal and business credit cards becoming easily available and widely accepted for almost any kind of purchase. This created some unusual one-time growth, which was unsustainable long-term. In the early '90s, we started to see home loans available for up to 90 percent of the home's value, ultimately reaching as high as 120 percent. Lastly, credit require-



#### As the recession ends and we start to live through a recovery period, we must also start preparing for the next recession.

For more of Doug Dwyer's

columns visit.

www.HousingZone.com

might find beneficial as you watch for signs of recovery and plan your business accordingly:

In the 25 years between December 1982 and December 2007, our recession periods

lasted an average of only eight months and our recovery periods lasted approximately eight years on average. For the 34 years between November 1948

and November 1982, our recession periods averaged eleven months and our recovery periods lasted approximately four years — half of what we experienced with our most recent recovery periods.

Why did we experience recovery periods lasting twice as long from 1982 – 2007 as they did from 1948 – 1982? From my analysis in studying the history and data, it is pretty clear that the massive extension of credit is the main cause. It didn't start with housing, as we have most recently experienced; rather it first started

ments to purchase new homes were eased in the late '90s. This kept the unsustainable cycle moving forward.

Armed with these facts, I don't believe we are going to see the back to back un-

usually long recovery period of the 25 years ending in December 2007. Thank God there is good news. With the credit craze hopefully under control,

we should start to experience sustainable growth. Long-term, we should avoid another extreme recession like this one, once it has fully ended.

Prepare for growth and recovery. As you do, be very prudent and don't forget the lessons learned. •

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

#### Remodeling your mission statement

he turn of the year is a time when many companies engage in some type of structured reflection. Mission statements can be a part of that.

Ari Weinsweig is one of the partners of Zingerman's, a company featured in the book "Small Giants: Companies that Choose to Be Great Instead of Big" by Bo Burlingham. Zingerman's started as a deli in Ann Arbor, Mich. One of their businesses is ZingTrain, which takes the business lessons Weinsweig and his partner, Paul Saginaw, have learned and brings them to life for other business owners. Weinsweig offers a straight-forward recipe for crafting a mission statement. A mission statement answers four basic questions:

- What do we do?
- Who are we?
- Who are we doing it for?

• Why do we do it?

The outcome for Zingerman's was a very simple short clear statement that answers the four questions:

We share the Zingerman's Experience:

- Selling food that makes you happy.
- Giving service that makes you smile.
- $\bullet \ Passionate \ pursuit \ of \ our \ mission.$
- Showing love and caring in all our actions
- To enrich as many lives as we possibly can.

Per Weinsweig, the mission statement is the direction setter for the company. What is the business the company is in, and why is it in that business are incredibly important questions that many companies never address.

Secondly, the mission statement transcends any job description. When faced with a challenging client or a job gone sour the mission statement helps all involved make decisions that all can support.

Weinsweig suggests getting outside help. It is extremely rare that those who work in the company, particularly the owner, can do a mission statement on their own. An outside perspective provided by a person who is skilled at listening and facilitating can make all the difference. Strapped for funds? Contact Service Core of Retired Executives (SCORE) or your local university's business school for possible resources.

Involve as many of your people in the process as possible to create ownership. And don't bother with one unless you are planning on using the mission statement. It can be counterproductive.

- PAUL WINANS, CONTRIBUTING EDITOR



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Contributing Editor

#### The tough decisions behind cutting overhead

anaging overhead is increasingly important for firms in today's climate. *Professional Remodeler's* Tom Swartz talked to remodelers George Cleary and Bob DuBree about the challenges of cutting overhead but still delivering quality to employees and clients. Highlights of that conversation appear here. To listen to the full discussion, visit www.HousingZone.com/remex.

#### This month featuring:

#### George Cleary, Owner

The Cleary Co., Columbus, Ohio

The Cleary Co. has been in business for 16 years as a full-service remodeler. The company has six employees and does about \$1 million a year in business.



#### **Bob DuBree, President**

Creative Contracting, North Wales, Pa.

DuBree started Creative Contracting in 199

DuBree started Creative Contracting in 1988. The design/build firm has seven employees, with estimated 2009 revenues of \$1.4 million.



TOM SWARTZ: Bob, let's start with you. Define overhead.
What would you consider to be overhead?

BOB DUBREE: At Creative Contracting, we view overhead as anything that is not directly attributable to a job. Just to put things in perspective, in 2008, our overhead — January through November — was about \$450,000. In 2009, for the same time period, our overhead is about \$150,000. Nothing is considered overhead that can be related back to the project.

**SWARTZ:** Including labor burden?

**DUBREE:** We burden labor, obviously all the taxes and the benefits. We burden fuels, we burden truck expense. It's all job costs and not overhead.

**SWARTZ:** George, how do you

define overhead?

GEORGE CLEARY: Any labor burden that is directly related to a job would go to that job. Obviously company meetings, where we might be talking at a team meeting or taking about marketing or company growth, policies or procedures — anything of that nature would be overhead. Anything that has the guy's time or fuel time for a vehicle going to a job is allocated to that particular job and therefore is not overhead.

**SWARTZ:** George, do you know approximately the percentage of labor burden that you charge to a job?

**CLEARY:** I would say we're more along the lines of 40 percent.

**SWARTZ:** Bob, do you have a percentage of labor burden that

 $is\ charged\ to\ each\ job?$ 

**DUBREE:** I don't know it off the top of my head. I guesstimate that it's in the 30 percent range.

**SWARTZ:** What overhead is necessary and what decides what overhead can be eliminated or cut?

**CLEARY:** I guess it depends on the time of where we're at. In the current situation, we're really trying to dissect and look at where the monies are going, what overhead is needed and not. We go through the actual budget looking at anything obvious that would be easily taken out of it. Those would be simple things such as revising our cell phone usage charges; looking at deferring expenses on new trucks, tools and equipment; analyzing insurance and getting into revising our marketing; trying to do things that are more belly-to-belly and less promotional advertising; and things of that nature to try and reduce the general overhead.

SWARTZ: Bob, you took the overhead from \$450,000 in the first eight or nine months to \$150,000. How did you decide what was necessary in that and how did you determine what got eliminated?

**DUBREE:** We just went back to basics. I had a full-time office

manager and an almost-fulltime marketing person. We had two full-time designers; I had a production manager and a production coordinator. We had a part-time receptionist and a part-time selections person, plus myself. We just knew that there was no way that we could sustain all of that given the volume we were looking at doing. I mean, the phones for us just kind of shut off last October. We looked at the facilities. We had a really nice selection center. We had a really nice presentation room. We just felt that those were all things that were great and when times were great. But now people are in the bargainhunting mode and we couldn't afford to maintain those kinds of things. A lot of our reductions came from salaries, staff salaries. In marketing, we were probably in the 5 percent range. We dropped it down to 2 to 3 percent. We moved out of the big, nice office that we had into something small and cozy.

**SWARTZ:** Bob, is managing and controlling overhead just up to the owners?

**DUBREE:** It's got to be up to everybody. It's got to start with the owner who sets the example and sets the tone. You've got to get everyone to see why. We've been an open-book management company for at least 10 years. Our numbers have always been open; we share where the money goes all the time. Not as much as we used to, because we don't have the same resources to do it, but we still talk about it. We ask people to look for ways to save money, whether it's on the

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#### Remodelers' Exchange

production side of things or the office overhead side of things.

**SWARTZ:** George, how do you feel about that?

**CLEARY:** It's definitely more of a team acceptance. It can't be all on the owner's shoulders. I agree with Bob that the leadership has to come from the owners. What we try to do is to give each department some kind of idea of where they're going so they can dissect their area. They're not going to think like the company owner; they can't wear all those hats. They can at least dissect their division or their department and try and figure out ways that they can see more cost effective ways to cut their overhead or become more productive.

SWARTZ: George, you haven't been hit as hard, but you have re-evaluated a few things in your expenses. Where did you start?

**CLEARY:** Again, the budget and what's in there that's slush? Is there entertainment in there that we could take out and things of that nature? Copiers, new computer systems, hard costs that we could just defer and deal with at a later time? Buying a new vehicle and analyzing the insurance? Are we over-paying for something? Are we over-paying monthly for insurance because we're still set on our previous budget that might not be met? Analyzing things a little bit more monthly or quarterly rather than waiting until the end of the year to settle up things? We did have a health savings account, just to try and reduce some of our exposure. We wanted to be able to provide health insurance, but couldn't afford some of the rates that

our policies had gotten up into. I chose not to get rid of our nonproducing person, which was our office manager, to take the time to try and grow the business and to use her expertise to figure out how we could fine tune the business and keep from getting caught in an upside-down situation. We looked at what we could do to further enhance our marketing and to use our fewer marketing dollars more wisely. How can we better define and get back to the basics? How can we better define our job descriptions to make everyone just that much more productive and responsible?

**SWARTZ:** Do you assign the overhead to the whole company? How do you manage it?

**DUBREE:** We have a department setup. We'll look at the income for each department and put an equal percentage of the overhead to each department based on its income. It all gets lumped in together. Then we go back and look at the end of the year or midway through and re-evaluate.

swartz: You're specifically saying that where you were at \$2.4 million and you had a slightly negative percentage of profit. This year you've slashed expenses, albeit that you did cut your salary, but you cut the whole expenses by perhaps 1/3 for this eight month period we're talking about. And you're showing a percentage of profit. How do you explain that?

**DUBREE:** Just paying tighter attention to the numbers, paying attention to the job costing. Just being aware of everything is the most important thing I can say. When you get busy, you get fat. You get fat on the

overhead side. One of the things that has been hard, though, is it gets hard to offer the same level of service that we offered before. It's hard to have all of the ducks lined up and ready to go when you start that project so it's almost seamless.

SWARTZ: Has that hurt you?

DUBREE: It's psychological more than anything. I'm a non-confrontational type of person, so I try to go out of my way to make sure that we've got everything tight and squared away. We just don't have the same resources that we used to have

to do that. I'll go out and I'll get

frustrated when something's not going the way I'd like, but when I step back and

think about it, I know that the people that are still here are doing the best that they can with the resources they have, and I'm providing the best that I can with the resources I have. Frankly, what it costs to do a project today ... it would have cost more yesterday and a lot more last year. The consumer is getting what they pay for. They may not realize it, and you may not realize it when you're estimating it, but it is a fact.

SWARTZ: George, if you had any advice to give to a remodeling contractor out there when it comes to overhead and managing it and what to do about it and how to control it and how you decide what to do with it, what would you tell him?

**CLEARY:** I would say just start with your team of people. Make sure you've got the right people on there. What I tried to do forever was to do it all

myself. You just can't do it and wear all those hats. When you hire people, rather than hire them basically on their skills or their experience, hire them and train them to be the person for the position that you want. We've always hired people with remodeling experience versus trying to hire someone with a pretty resume. We want someone who has hands-on experience with the type of work we're going to ask them to do. Having somebody with the right attitude that has the owner's type of mentality. That's my first and foremost advice — just

> make sure you have the right people so that you're not trying to do it yourself

and everyone thinking along the same lines with the same goals in mind.

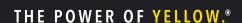
To listen to a podcast of the full

conversation, visit

www.HousingZone.com/remex.

SWARTZ: Bob, what would be your advice to a remodeling owner and company and manager out there who is struggling with what to do with expenses and overheard?

**DUBREE:** Just get back to basics: Do you really need it? Is it critical to the mission? And pay attention! It's easy to hang on to people far longer than you should. You need to watch that pipeline. We all know that once you go on that first sales call chances are it's at least two months before you're starting that work. What tends to happen is you keep people around longer than you should and that gets expensive. It's the hardest thing for a lot of people. It's really hard. In 21 years, last year was the first time I ever laid anybody off and I don't ever want to do it again.





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#### How to tell it's time to bring back workers

How do you know when it's the right time to hire back laid off employees?

— Design/build remodeler, Michigan

Steve Melman, an economist with the National Association of Home Builders, says this is "the question" facing businesses of every kind. Certainly you want a sufficient buildup of demand before bringing on employees. Melman warns against interpreting regional, taxcredit-induced "bubbles" as indicators of sustainable market recovery.

They're not. Keep in mind, too, that many companies, probably yours included, have been changed fundamentally by the recession. They have become smaller and more efficient, able to absorb considerably more work before needing to hire.

Over the past two years remodeler Dean Herriges of Urban Herriges & Sons in Mukwonago, Wis., laid off all nine nonfamily employees. Recently he has seen an uptick in calls from serious prospects, but he will wait for a steady backlog of six weeks of work before consider-

ing any rehiring. In Ann Arbor, Mich., Washtenaw Woodwrights owner

Bruce Curtis employs four carpenters and project managers, down from 10 a few years ago. He wants to book at least a couple of months of work before bringing back crews, partly to protect those former employees from the hassle of re-registering for unemployment if work slacks off again.

Albuquerque contractor Lonny Rutherford of Legacy Construction is down to one field worker plus himself. He'd have to have several good-size jobs scheduled before thinking about adding staff. "Carry [surplus] labor for very long and it eats up your profit past and future," he says.

If you are ready to hire, who will you choose? Don't assume that the people



you laid off are the ones to bring into the company. Martin Freeland is founder of the Atlanta-based Berke Group, a management consulting firm experienced in providing hiring training in the residential construction arena. His rule is short and sweet: "Don't confuse tenure and loyalty with talent and competence."

Rutherford has laid off three workers over the last several months. One was a 16year veteran of Legacy Construction. When Rutherford considered whom to retain, he faced the reality that this fellow had the bad

Send your Executive Insight question to

jonathan.sweet@reedbusiness.com.

habit of going away for two or three weeks at a time. Another worker had been with Legacy a shorter time

but showed up for work every day. Weighing longevity against dependability, Rutherford chose the newer employee. Now more than ever, says Rutherford, "We don't need any bad jobs," or unhappy clients.

Most remodeling companies are relatively small, and small companies can be like families. Friendships and emotional bonds develop. It's especially painful to lay off employees in this context and very tempting to bring back workers you have known for years. Industry consultant Beverly Koehn, of Beverly Koehn & Associates in San Antonio, urges remodelers to take the emotional element out of hiring choices. "Be objective. Look at the facts," she says.

"Just because you've gone through tough times and laid people off who are loyal doesn't mean those people are right for your company."

Recognize too, adds Koehn, that even if you do rehire people, their trust of and commitment to your company have suffered permanent damage.

One positive aspect of the recession is that hiring has become a buyer's market. There are lots of great workers out there. Some of them may have been employed by your competitors before the down-

turn. Others may have been self-employed or come from another area. Start recruiting now. Freeland says you should be networking, looking for the best eight or 10 potential employees and trade contractors you can find. When you are ready to hire, half of them may no longer be available, but you'll still have numerous A-1 candidates ready to come onboard.

Many remodelers are subcontracting more now and plan to keep doing this instead of hiring employees. Herriges has found another good option: skilled labor services. He works with two companies, a regional placement service called Skil-Tech that functions as a temp agency, and Tradesmen International, which provides construction workers at the skill level, price point, and number of hours needed for particular tasks. "We're going to use a combination of crew and labor service" going forward, says Herriges.

- WENDY A. JORDAN, CONTRIBUTING EDITOR

Wendy A. Jordan, CAPS, has more than 30 years of experience covering the residential remodeling industry as an award-winning writer and trade magazine editor. She's the author of many books on residential remodeling, most recently "Universal Design for the Home" and a 2009 edition of "The Paper Trail: Systems and Forms for a Well-Run Remodeling Company."

#### Best of the Blogs

#### **ENERGY CONSERVATION**

#### I LOOK FORWARD TO VENTURING TO THE INTERNATIONAL BUILD-ERS' SHOW in Vegas in a couple of weeks. In particular, I look for



to attending and giving the keynote at the EnergyValue Housing Awards dinner on Monday, Jan. 18. Partly to hear about the exploits of award winning home builders — what they're doing to integrate energy conservation into their design and building processes.

I'm sure to learn some invaluable tips and techniques, not to mention NAHB will extend this award to include remodelers in the future.

I believe that offering our clients energy-conserving design, services and products is and will continue to be critical from a business and a moral perspective. The paradox is that although there is clearly a need for energy conservation (for our clients and for the planet), there typically is not a demand from our clients.

In our East Coast market, there are two primary drivers to energy conserving initiatives. One is the passion of the designer on the project. If they are passionate about energy conservation, they inevitably incorporate that into their design and into the products. The second driver is government programs such as local building codes and tax incentives.

If Cash for Caulkers becomes reality, we can count on more of the later. But when will consumer need turn into true demand? It's important for us to know because it will be a powerful wave that we can either catch or have it pass us by.

— from Bruce Case's blog, "Case Studies"

#### "Offering our clients energy-conserving design will continue to be critical." - BRUCE CASE

#### **HOME PRICES**

#### ZILLOW.COM IS OUT WITH ITS LIST OF THE 10 CITIES that have seen the biggest



increases in home prices over the last year.

Charleston, W.V., led the way with a 17 percent increase in 2009, followed by

New Orleans (14.2 percent), Wilmington, DE (13.4 percent) and Amherst, N.Y. (12.5 percent).

The report also broke down the top performers by region, with Pasco, Wash., topping the West and Mequon, Wis., topping the Midwest.

The big thing most of the cities have in common is that they are not the major metros that benefited from the price run-ups earlier this decade, or are isolated suburbs in those metros.

— from Editor in Chief Jonathan Sweet's blog, "The Sweet Spot Remodeling Blog"

#### **MARKET TRENDS**

#### IT USED TO BE THAT THE AMERICAN DREAM INVOLVED A NICE SINGLE-FAMILY

**HOME** on a spacious lot in the suburbs, far



from the hustle and bustle and pollution of one's job in the city. Now the pendulum has shifted and increasing numbers of home buyers are

looking for a place closer to where they work — preferably near public transportation so they don't have to drive as much.

I can appreciate the desire to live close to work. My office is 40 miles from home, a 1-hour drive on a good day. Apparently, lots of Americans feel the same way. In the American Institute of Architects' Home Design Trends Survey for the third quarter of 2009, respondents reported that there is greater emphasis on integrating homes with public transportation and commercial and recreational uses. This is generating greater density in communities, and therefore infill locations are becoming more attractive to consumers.

My sources in the land-planning field tell me that we may never see anything like the suburban sprawl of the 1950s again. That would be a good thing.

— from Staff Writer Susan Bady's blog, "My Two Cents"

#### **BUILDING CODES**

#### GIVEN THE FACT THAT THE INTERNATIONAL CODE COUNCIL (ICC) voted in Novem-



ber to keep the language related to mandatory fire sprinklers installed in all new one- and two-family homes in the next edition of the Inter-

national Residential Code (IRC), I wonder how people in the industry are preparing for the change. After all, sprinklers will be mandatory in new buildings beginning on Jan. 1, 2011.

Some builders have already begun the process. I just got a press release saying modular home manufacturer Excel Homes has partnered with Illinois-based F.E. Moran to assist the builder with on-site testing and installation of each sprinkler system. Obviously a modular home manufacturer has to tailor its entire process to accommodate sprinkler installations, but what does it take for others to re-tool? Comments, please.

— from Products Editor Nick Bajzek's blog, "The Product Guy"

#### Green your trades

ou're a green remodeler. Your clients expect you care about building an energy-efficient home and other sustainable practices. All you have to do is live up to that standard – a possibility if your trade contractors are on board. So how do you green the trades? How do you make sure that they are upholding the standards you market – and promised?

"You can't assume that because you're a green remodeler, your contractors are, too," says David Scott, vice president at Fireside Hearth & Home, which sub-contracts some of its work in addition to working as a contractor for remodelers and builders.

To be confident the job gets done right and ensure your trade contractors are green, too, heed this advice.

#### 1) Identify your green remodeling standards.

If you're going to employ green building practices, be sure to identify and document your green remodeling standards and protocol. Whether it's choosing the most sustainable SEER rating for your projects, detailing green-oriented ductwork, determining the appropriate water pressure or the like, you have to go in with a plan — and communicate it. That's the approach Neal Fiske of TriplePoint Construction of St. Petersburg, Fla., takes. The company markets itself as a green remodeler, and it identifies the standard features it delivers. "We take a whole-systems approach to the house, and our trade partners have to be on board with it," Fiske says.

Scott recommends talking about the goals with trade partners, using the example, "I want to reduce costs by 30 percent, so what products and practices can help me achieve that goal?"

#### 2) Partner with the right trades

After you've identified the standards, make sure you're partnered with or that you choose the right trades. Scott says remodelers have to ask the questions to find out how they do business. "Align yourself with the trade partners that have a right way to do something

- and only the right way," he says.

Fiske agrees: "If they're not up to that type of industry standard ... it winds up being a problem down the road."

Both Fiske and Scott consider whether a trade has green certification. Fireside, says Scott, places high value on National Housing Quality Award certification, which stipulates trades adhere to smart building and management practices. Fiske, meanwhile, values certification but says, "I'd rather use companies that have the practices in place."

#### 3) Get 'em trained

"The only way to get the right activity on a job is through formal training and communication," says Scott. Fireside, for example, conducts training sessions twice a month with its subcontractors to ensure they're up to date on practices and green codes, which is particularly important for its California locations, he says. From waste reduction to communicating sustainable habits subcontractors should have, it's an ongoing process. The company also uses "hot spot" training, often with visual cues such as signs, to illustrate correct and incorrect behaviors.

TriplePoint, however, takes a different approach all together, holding its trade contractors responsible for their own training. "We don't want to be training them," Fiske says. "We select companies that already have the due diligence."

#### 4) Follow up

Even if you've chosen the right partners, identified your green standards and made sure contractors are trained properly, it's important to check their work. At TriplePoint, all clients receive written standards that will be applied to each portion of their home, and spot checks on job sites ensure they're being followed.

If you follow these steps and still have problems, ditch the trade partners that don't work. "There are so many contractors dying to get into green, which is a niche," Fiske says. "Don't stick with the bad ones because your reputation will go down."

- SARA ZAILSKAS, ASSISTANT MANAGING EDITOR

Housing Zone.com Every day there is a reason to visit. What is Green? Professional Professional Remodeler Custom Builder Glants VisibleCity





# Grabbing opportunities

Case Design/Remodeling, our 2010 Remodeler of the Year, uses the downturn as a chance to improve the company

By Jonathan Sweet, Editor in Chief

Case Design/Remodeling

Projected 2010 Revenue: \$25 million to

www.casedesign.com

Bethesda, Md.

\$30 million

Employees: 150

Years in business: 48

2009 Revenue: \$30 million

Most remodelers will never forget 2009. Good remodelers closed their doors across the country and previously sound market leaders found themselves in serious trouble as the market drastically changed. Those who have survived are facing financial challenges, smaller projects

and wary clients.

Case Design/Remodeling was certainly not immune to these challenges, as the company saw a more than 30 percent drop in revenue from 2008 to 2009. At the same time, the remodeling giant successfully navigated a change in company leadership.

Because of the way it has handled these challenges and the plan the company has for the future, Case is the 2010 *Professional Remodeler* Remodeler of the Year.

#### **Challenges present benefits**

Since Fred Case started the company almost 50 years ago, the company has seen plenty of ups and downs, booms and crashes in the residential industry. Every slow market is a

chance to improve the company, says Case, now the company's co-chairman and CEO.

"It's always been our philosophy that a downturn is a great time to increase our market share," he says. "We have now gotten to the point where we tweak this, that and the other things ... and we're going on the offensive, trying to do everything the tightest, best way."

The company's average project price tag

has dropped by 40 percent, but Case actually completed more projects over the last 12 months than the previous year.

#### **Grabbing opportunities**



"We feel like relationships, especially going forward, are critical to our success."

- BRUCE CASE

"Because we've had this broad breadth of services for many years, we could adjust quickly to the shrinking job size, but it obviously led to some shrinkage on the revenue side," says company President Bruce Case, who now runs the dayto-day operations of the firm. "We're optimistic because we feel like we're capturing market share by doing more jobs."

The leadership team was quick to realize that this downturn was going to be especially tough and required changes in the way the company approached its business.

"We discussed how long is this going to last, when do we think it's going to get better — that affects the type of changes we make," Bruce Case says. "So far, we've done a reasonably good job of that, so as a result we did make changes core to our business instead of saying, 'Oh, it'll be better in three months,' and not make changes."

#### **Built around the client**

One of the company's themes today is a "Focus on Excellence." While growth or market opportunity is a key part of that, it means managing to ensure Case delivers top quality to its clients.

"We're making decisions based more on excellence than growth," says co-chairman Mark Richardson, who served as the company president before Bruce Case took over in 2009. "They're not mutually exclusive, but if we're going to move forward, excellence is the right way rather than growth. That helps us make better decisions and be clearer about what those decisions should be."

In an effort to better respond to client needs, one of the most significant changes in 2009 was a reorganization of the company by region instead of by type of work.

In the past, certain designers/salespeople would work, for example, only on outdoor projects. Then, if a past client was happy with that experience and wanted to hire Case for a kitchen remodel, they'd end up working with a different set of people. Now, they'll get to work with the same team.

"We're now structured around the needs of the client because they can continue to deal with that same person," says Bruce Case. "We feel like relationships, especially going forward, are critical to our success."

As part of this change, the company is moving toward a day where design is a stand-alone part of the business rather than a subset of sales. It's part of a longer-term plan to make sure design offers the best quality and value to clients.

Demonstrating that value to homeowners is more important

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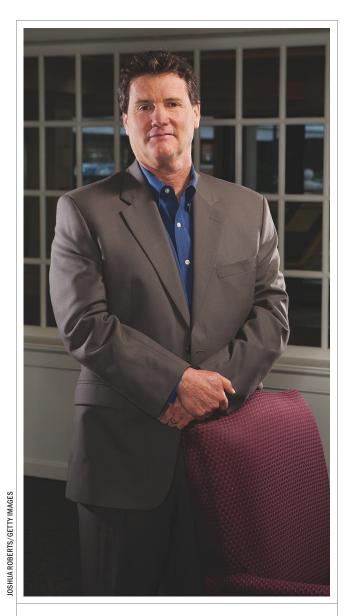


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#### **Grabbing opportunities**



"We're making decisions based more on excellence than growth."

- MARK RICHARDSON

today than ever before.

"The client has changed pretty dramatically over the course of the last three to five years," Richardson says. "Marketing has to respond to those changes and focus on relationships. That responds much more to what the client is looking for."

One of the most significant ways Case responded to that challenge in 2009 was by launching a line of value products: Express Kitchens by Case and Express Baths by Case.

The idea was to create a product that allowed for limited customization at an affordable price.

"It gets back to responding to the consumer and listening to the marketplace," Bruce Case says. "We feel like we've always been a great value, but we wanted quantifiable ways to show that."

The projects allow clients to make a limited number of selections from products that are readily available, don't have long lead times and the production teams are familiar with for ease of installation. There are dedicated field teams that actually produce the projects.

The salesperson, armed with a laptop, can make changes to the plan on site at the client's home and create a contract for the client to sign right there, but the limited potential for changes means pricing is relatively simple. The projects also require a shorter design and construction time.

"Now we're able to do branding campaigns around that that actually puts a price on the ad," Bruce Case says. "It

#### **Peer Review**

Case Design/Remodeling has been leading the industry for decades. Here's what some other industry leaders had to say about the company:

"It would be hard for me to envision a better choice. ... The Case commitment to industry improvement and education is without peer."  $\frac{1}{2} \int_{-\infty}^{\infty} \frac{1}{2} \int$ 

 Tom Kelly, president of Neil Kelly Co., the 2008 Professional Remodeler Remodeler of the Year

"Case has consistently been on the cutting edge of the industry as one of the leading full-service remodeling firms in the country."

 Kermit Baker, director of the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University

"In this current time of uncertainty, rather than turning all their resources toward their own achievement, they have invested much time and energy to moving the industry forward as a whole."

- Joy Kilgore, president of Executive Business Approach



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helps consumers understand they can get the excellence of Case at different price points. We can be Lexus, but we can also be Honda."

It addresses a key concern for Case as luxury projects have become sparser; many clients have assumed Case only builds high-price projects.

"It's not uncommon to bump into someone using a different company because they thought Case was not approachable," Richardson says. "It's not to take away from being able to do that custom higher-end piece, but introducing some of these other things sends a message that we're here to serve you."

Besides incorporating the Express projects as an important part of the company's marketing, Case has also changed the way it gets the message out.

"I don't want to get sold to right now," says Bruce Case. "I want to feel like I'm buying it. We're trying to reposition our marketing with that in mind."

Just a few years ago, Case spent 80 to 90 percent of its marketing budget on print advertising and marketing, such as direct mail. Now that makes up only 20 percent of the marketing plan, with the rest going toward "grassroots/guerilla marketing," Bruce Case says.

"Print still serves its purpose, but it's branding, not lead generation," he says.

Instead, the focus is on in-person opportunities, such as seminars, "project celebration" open houses, parades and neighborhood events.

"It's a shift from mass marketing to more of the boots-onthe-ground, neighborhood level, face-to-face marketing," Bruce Case says.

#### Time of transition

2009 was not only a time of turmoil in the industry but also a year of change at Case as the company navigated a change in leadership with Bruce Case's taking over day-to-day management of the company. Richardson, who had served as

president for 13 years, joined Fred Case as co-chairman in February.

It's a transition that many a remodeling company has failed to make successfully.

"The key word is company," says Fred Case "To me, a company is when you build a strong management team. Otherwise, you just have a practice."

Making a successful transition is all about planning and

### **Keeping employees informed**

ommunication is important in any company — especially in this economic climate — but with 150 employees making sure everybody is on the same page is crucial for Case Design/Remodeling.

"There's a tendency sometimes to get too busy with the 'stuff,' and communication is one of the areas that tend to drop off," says co-chairman Mark Richardson. "We have to communicate more to them, not less to them, given the times."

Something founder Fred Case has always believed in is operating as an open company and having employees involved in every level of the decision making process. That's true whether times are good or bad.

"They know what the sales have been, they know the budgets we're looking at and so forth," he says. "We all come from the same point of trusting each other."

The leadership has several formalized ways of communicating with employees, including department-specific weekly e-mails, a company-wide annual meeting and quarterly town halls. Employees also receive a recorded one-minute phone call every week — "Case in a Minute" — that updates them on what's going on at the company.

The most important method is still the old-fashioned "walk-around," says company President Bruce Case.

"Mark, Fred, myself just getting out of our offices and talking to people, visiting job sites, seeing how people are doing, asking if they have any questions," he says. "The one-to-many communication is good for certain types of communication, but looking people in the eye is what is really critical."

communication, Richardson says. In some ways, this one has been planned since Bruce Case joined the company in 1996.

"The time frame goes back to a philosophy that if you want to keep this thing sustainable, you've got to be looking at who's going to come in and push you forward," Richardson says.

"Some folks that aren't in the immediate family might find it a little disconcerting that Fred's son is here. I looked at it as who is the most capable person to come in and fire me — not literally, but in terms of pushing me forward and allowing me to do other things."

Despite having the Case name, it was never guaranteed that Bruce Case would take over the company.

Online: The Case that Keeps Giving

Giving back to the industry is another important

part of the Case philosophy. Hear more from the

Case leadership team in a podcast.

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#### **Grabbing opportunities**



"It's always been our philosophy that a downturn is a great time to increase our market share."

- FRED CASE

"It wasn't a matter of right, but earning it, not only with Fred and I, but also with the team," Richardson says.

Although he had worked in the company since he was 12 and loved working with his dad, Bruce Case also wanted to do something else after he graduated from Vanderbilt University. He spent six years working for a large insurance brokerage firm running large risk management programs, rising to the vice president level before the "sawdust in my blood" called him back to remodeling.

"I looked at the industry forces and the fragmentation of the industry and saw a lot of opportunity," he says.

Both Fred and Bruce felt he needed to work his way up through the company, so he started as a project coordinator in the handyman division, coordinating a team of 15 craftsmen in the field. After a year of doing that, he launched and led the bath division, which eventually grew to a \$9 million business before he moved on to head up the local handyman division and finally the national franchise operations.

Spending time in another business was an important part of his growth, Bruce Case says.

"I recommend it to anybody who I'm talking to who's looking at a succession plan," he says. "It gives them a chance to get their own confidences and have experiences other than working for Mom and Dad."

It's a sentiment that Fred Case echoes.

"That was a must-do," says Fred Case. "When he and his brother came out of college, I said go work somewhere else for 3 or 4 years and then we'll talk."

#### A gradual recovery

The Case team expects 2010 to be flat with 2009, but that the company's revenues will continue to grow as the economy improves in 2011 and beyond.

"I see American homeowners moving past this skittishness," Richardson says. "At some point, they can't let their house die. It's a question of what they do and when they do it, not if they do it."

The new programs the company has put in place, the tightening of its operations and breadth of services should position Case well to grab more market share and increased revenues as the market improves, Fred Case says.

"The economic drivers are so good in this business — the aging of the clients, the aging of the housing stock," he says. "It'll be gradual, but there will be more growth." •



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# The millenial market

Generational expert Neil Howe tells remodelers it is possible to woo young clients — if you earn their trust

By Pat Curry, Contributing Editor

oncepts of home and attitudes about the value of homeownership are deeply rooted in a person's life experience. Historian, economist and demographer Neil Howe is one of the nation's leading authorities on generations. With his colleague, William Strauss, he coined the term "millennial generation" to describe the wave of young people born since 1982 who are beginning to buy and remodel their homes. He recently spoke to *Professional Remodeler* about the three generations of today's homeowners and what their attitudes mean for remodelers.

Q. Let's start out with some good working definitions of the buyer demographics: baby boomers, Generation X and the millennials. Who are these buyers generationally?

**A.** Today's living generations actually start with the GI generation, who came of age in the Great Depression and World War II. They're now in their 80s and older. The silent generation came of age in the presidencies of Truman, Eisenhower and Kennedy. They're the young-old; they're in their 60s and 70s. The boomers we define as those born from 1943 to 1960; they're today in the end of their 40s to mid-60s. Generation X we define as 1961 to 1981; today, they're in their late 20s to late 40s. The millennials are from 1982 to 2004. They're all the young people.

Q. As a generation, what are some of the life experiences of millennials that impact their attitudes toward their houses? What are their expectations of a remodel's pay off?

**A.** They're long-term planners. A lot of them have 10- to 15-year plans, even if they can't find an employer. That long-term focus means they look at projects that will age with them.

They're into ownership and that has that long-term aspect to it. Ownership is no longer at all attached to a phase of life moment. That's an interesting shift. It used to be that marriage or moving in together and having a kid meant you needed to buy a home. Millennials just buy a home or find roommates. The idea of a single person buying a home was unusual earlier.

Their concept of finance is an extended family concept ... their family's budget. ... They're group oriented — they like the family room and kitchens that open up into entertaining spaces. Being sheltered is another big thing. They're not into risky lifestyles. They want their home to be safe.

#### Q. How does that compare with Gen Xers?

A. Gen Xers have a mix-and-match modular lifestyle. They have certain needs; they want their house to meet that need. They're apt to buy a place with a lot of unfinished space. They're an incredibly market-oriented, entrepreneurial generation; there are almost always some freelance or start-up aspects to their lives. They're either telecommuting or have some side business. They all have peculiar housing needs that are not at all defined by the suburban lifestyle.

... Their modular lifestyle is a huge opportunity. You need to show them as a remodeler that you're radically comfortable with anything they suggest. Don't go with an attitude that all you're going to do is accessorize a lifestyle home. Think that you can gut it and do anything. They're also very value-conscious, so you need to be able to document what they're getting. Because they're so market savvy, they want to know resale value.

Q. What do remodelers need to know about millennials



#### for the sales process?

**A.** Millennials' lives are defined by their specialness. They're doted over; they were raised with all these child protection devices. During their lives there was an increase in books and movies for children; there was just a tremendous fixation on kids. The millennials are aware of that. You have to make this customer feel they're important in your life. It's not just a transaction with them. It's an experience. An Xer could say, "We all know what's going on here. It's a transaction." The millennial will say, "I'm special. Make this about how it will improve my life. Show me some special care. I want to be able to trust you." They want to be given some reason to trust the seller.

They stay very close to their parents; family and parents will be an important part of their lives when you're selling to them. You need to develop special materials to sell to the parents and be able to justify the purchase to them.

# Q. How important are brands to millennials? Are they likely to use a remodeler because it's the same one their parents or their friends used?

**A.** This is a generation that is open to big brands and brand loyalty. Millennials want to bring back the middle class; they want to bring back a group center of gravity. What you want to do is to get on one of these blogs where people are reviewing you. You want to find interesting and creative ways to get good reviews and get linked up. They're very accustomed to going online and reading what people say.

Q. Speaking of going online, there's no question that millennials are extraordinarily comfortable with technology.

#### How can remodelers use that to their advantage?

**A.** At the very least, customers should be able to go on the remodeler's site and see photos and video. I like the idea of doing video with a customer — show people their own age who wanted something neat done. ... They'll respond favorably because it's like something on YouTube.

## Q. Is there anything that you'd say remodelers should never, ever do in their marketing to millennials?

**A.** The biggest mistake you can make is to try to be too X'y or too boomer-y. Avoid making the message too edgy, too bottom-lined focused or too survivalist. Millennials don't want that. Take a look at their Web sites; they're beautifully proportioned and balanced. All those damaged fonts and scattered random images are going out of fashion with the millennials. I'd have my look be like Target: clean, bright, happy and friendly. It says, "I think you're special; I want to win your trust."

#### Q. One of the most frequent comments about the millennial generation as consumers is that they really do their homework before they make a purchase. Is this a benefit to remodelers and, if so, how?

**A.** This generation is pretty structured. Life is a series of exams you prep for. They look things up, do the research, talk to Mom and talk to their friends. Before they buy, they already have ideas about how this purchase will work in their lives, how much they'll spend and what they'll use it for. This could be an advantage to remodelers who themselves do their homework. If there are credentials that would mean something, put those credentials on your Web site.

## Q. What impact do you see on the remodeling industry from the current generational attitudes?

A. I believe this is the start of a golden age of home remodeling, driven by boomers wanting to stay where they are. We're seeing the rise of the NORC — naturally occurring retirement communities. You just age in place. Boomers like that; it allows them to keep the connections they have. What suits them better is to be able to call a company to come out and customize their house to bring services to them. Gen Xers will create companies to do that for them. Even if the boomers don't want to go to new communities because of feeling financially pressed, I think they'll ignite a terrific growth in customized, high-end home remodeling. They'll take what they've always lived in and make it even more their own. ... As boomers get older, millennials won't have any problem taking care of them. This re-embracing of multi-generational families could have enormous impact. •

# Economy, lack of confidence drive project choices

Research shows clients are changing what they choose to remodel and how they do it

By Jonathan Sweet, Editor in Chief

dramatically changing the projects clients choose to do, according to the latest *Professional Remodeler* research.

More than 75 percent of remodelers have seen their average job price drop this year compared to their average from 2004 to 2008, with 11 percent seeing a drop of 50 percent or more (see chart opposite page). The majority of remodelers have seen a decrease of between 10 percent and 50 percent.

he weak economy is shrinking project sizes and

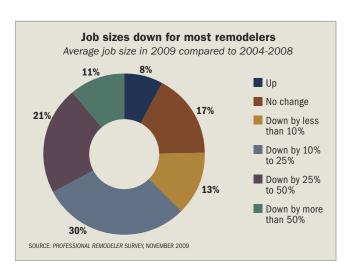
For those companies with more than \$2 million in annual revenue, though, the outlook isn't nearly as bad. Only 5 percent of those companies reported job size dropped by more than 50 percent. In fact, half reported their job size had not

decreased at all or had dropped less than 10 percent, with 16 percent actually reporting an increase in job size.

For those remodelers that had seen a decrease in job size, we asked them what was driving that. Consumer confidence was easily the No. 1 cause, with 70 percent of remodelers selecting it as one of the causes. More than 50 percent also said lack of financing was playing a role, while 38 percent cited decreasing home values and 34 percent noted higher unemployment. Twelve percent blamed other causes, including the government, unlicensed competition and the media.

There were differences by region (see table p. 34). In the Northeast, Midwest and South, consumer confidence was easily the No. 1 cause for decreasing job size, but in the West, remodelers cited financing challenges. Decreasing

Remodelers in the West cited financing challenges as the top cause of shrinking jobs, while those in the rest of the country chose consumer confidence as the No. 1 factor.



Three-quarters of remodelers have seen their job size drop this year, with a third seeing a decrease of more than 25 percent.

home values, much less of a factor in other regions, was nearly as important as consumer confidence to Western remodelers. That's not surprising, considering the plunging prices in states such as Arizona, California and Nevada.

With some of the nation's highest unemployment rates, remodelers in the Midwest said that was the No. 2 challenge in their region, second only to consumer confidence, while companies in the South and Northeast saw financing as the No. 2 challenge.

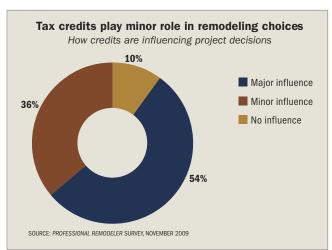
#### Project mix changing

The types of projects that remodelers are doing compared to the previous five years have also shifted. Clearly, homeowners are opting for the repairs they need or projects that provide immediate relief, such as window replacement to lower energy bills.

Kitchens continue to be the top job type, but not to the extent they have been in the past; 29 percent of remodelers

## Methodology

401 remodelers completed the survey via the Internet from Nov. 18 to Nov. 30, 2009. Participants were chosen from a random sample of subscribers to *Professional Remodeler* magazine and *Professional Remodeler* e-newsletters.



More than 60 percent of remodelers say the energy-efficiency tax credits are influencing clients' project decisions.

said it was their most popular project in 2009, compared with 39 percent in 2004 to 2008 who said it ranked there. After that, we see an even more dramatic shift. Bathrooms were the second-most popular project in 2009, chosen as the top project for 17 percent of remodelers, up from 5 percent from 2004 to 2008. Home repairs jumped from being the top project for barely 3 percent of remodelers the last five years to 16 percent for 2009.

Additions and whole-house remodels, with their larger price tags, also took a big hit this year. Nearly a quarter of remodelers said whole house remodels were their top project over the

Smaller projects more popular		
Top project types by number of jobs		
2009	2004-2008	
Kitchens	Kitchens	
Bathrooms	Whole House Remodels	
Home repairs/handyman	Additions	
Exterior replacement	Bathrooms	
Additions	Home repairs/handymar	
Whole house remodels	Exterior replacement	
Decks/outdoor living	Decks/outdoor living	

Smaller home repair and exterior replacement projects have replaced additions and whole-house remodels as popular job types.

#### **Economy, lack of confidence drive project choices**

Top causes of smaller jobs by region Reasons cited by remodelers as No. 1 cause			
Northeast		South	
Consumer confidence	37%	Consumer confidence	39%
Financing challenges	25%	Financing challenges	25%
Decreasing home values	17%	Decreasing home values	16%
Higher unemployment	17%	Higher unemployment	10%
Other	4%	Other	10%
Midwest		West	
Consumer confidence	36%	Financing challenges	29%
Higher unemployment	22%	Consumer confidence	25%
Financing challenges	21%	Decreasing home values	23%
Decreasing home values	16%	Higher unemployment	17%
Other	5%	Other	6%

Depending where they are in the country, remodelers are citing different reasons for the decrease in job sizes.

last five years; only 12 percent said that for this year. Additions, once the top project for 19 percent of companies, was such for only 9 percent of firms in 2009.

Exterior replacement projects, barely a factor for many companies during the boom years, also have seen great growth this year. While 77 percent of companies indicated it was one of their least popular project types from 2004 to 2008, 47 percent cited it as one of their top projects in 2009.

Besides representing more of a "need" than the typical remodel, exterior projects (especially window replacement) were probably also driven by the tax credits introduced as part of the stimulus early last year. Sixty-four percent of remodelers said the credits influenced their clients' choice of remodeling projects, although only 10 percent said it was a major influence.

Even with smaller, less complex projects, homeowners are taking longer to make remodeling decisions. Many remodelers said it was the biggest change in the way clients plan their projects (see sidebar.) Nearly 70 percent of remodelers reported that the time from initial client contact to signed contract has increased over the past year, with 40 percent saying it has increased significantly. •

# **Project Decisions:** Remodelers' Trends

e asked remodelers to tell us the biggest changes they've seen in the way clients make project decisions. Here is some of what they had to say:

- . "Holding off as long as possible."
- . "They are looking into lowest costs and ignoring quality."
- "Budget and energy are major concerns with less money to work with."
- "Clients seem to do a lot more research on the Internet concerning products and procedures prior to initial contact. Many times this requires explanation of why our way is different from what they saw or read."
- "More long-term contemplation. 'How is this going to increase the overall value of my home?'"
- "High-end has slowed because most of the time the improvements are not needed, only a change that is wanted."
- "Multiple bidders, low ball gets the job."
- "They inform me at the first meeting that 'the number is the number' and there is zero tolerance for missing their budget number or going over."
- "They shop price extensively, then many postpone the work to the future."
- "They simply are not doing projects! And if there is planning, it's for down the road — next year at best."
- "They are planning for staying more than fixing up to sell."
- "We hold hands more and need to assure the client they are making the right choice in the project they choose to do and the materials they choose to use."
- "They seem to want everything at half price."
- "Clients want more for less (much less), comparing new construction or remodeling to buying a foreclosure."
- "No planning. The only work we have is repairs that must be done."
- "We need to substantiate everything in our quotes to prove the value to our customers."
- "Cautious. Very cautious."

# 16 percent of firms with more than \$2 million in annual revenue reported an increase in average job size in 2009.



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# Effective social media strategy for remodelers

A solid social media campaign runs deeper than setting up Twitter and Facebook accounts. We dig into how a remodeler should get organized to get results.

By Nick Bajzek and Sara Zailskas, Staff Writers

witter, Facebook and other social media sites are the topic du jour for remodelers. But what's the strategy? How do remodelers execute it?

If you're going to jump into the social media fray, you've got to have a plan in place. Unfortunately, it's a new game for everyone, meaning many companies end up winging it — especially remodelers.

"They believe that a lot of clients are word-of-mouth, and



what they're missing is that social media is word of mouth," says Internet marketing specialist Mitch Levinson of mRelevance, which has been working with home builders and now remodelers on their social media strategies.

Because it is new to so many people, it's intimidating but can easily be overcome. Levinson breaks the approach into four sections — "same as Marketing 101" — for his clients: commit to the program; define your strategy; implement it well; and monitor and tweak your company's approach over time.

Here's advice from Levinson and mRelevance's sistercompany Flammer Relations using Bowen Family Homes as an example.

#### **Step 1: Commit to the program**

Sometimes social media efforts start from executives at the top who want to transition from traditional advertising to Internet marketing and social media. More often than not, however, the plan stems from a marketing department or active salespeople who make the social media pitch to executives, who might be reluctant to have their company dive in. Once Levinson's executive clients have a better understanding of the significance of building the right network, communicating the right way and using the right forums, they are more receptive, he says.

Mike Rieman, senior account manager with Flammer Relations, says Bowen Family Homes is an example of a company that has committed to a solid social media strategy. The move was a bottom-up initiative of sorts. Bowen's marketing director, Kelly Fink, pitched the social media program.

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#### Allison Iantosca

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After five years of intense involvement in the theater — acting, directing and coaching — Allison redirected her creative interests into her father's custom building company. Over the course of 10 years, she learned all aspects of the business, from client relations to brand development. She has since become one of three managing partners. Allison is proud to have worked with her partners to build and create a model of company leadership that involves joint ownership, collaborative decision making and sustainable business practices. Allison is a past director of the Builders Association of Greater Boston, serving as chair for the Sales and Marketing Council and the Remodelers Council. She has enjoyed writing for and serving on the Editorial Advisory Board of *Professional Remodeler* Magazine, is a newly appointed member of the Women's Network Advisory Board for the Boston Chamber of Commerce and is a past member of the Board of Trustees at Walnut Hill School a local arts high school.

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#### **Social media strategy**

#### Step 2: Establish goals and a strategy

A key step to employing social media tactics is to define what the goals are. Ultimately, Levinson says, the goal is sales and contracts, which occurs through word-of-mouth and branding. You'll need to figure out which social media outlets to use and be prepared to cross-promote them by linking to content. The content that you post shouldn't be decided on the fly; have a strategy in place that is connected with your marketing program and tied directly to your sales team, says Levinson.

#### Step 3: Execute the strategy

You know what you want to accomplish, and you've figured out which social media networks you'll use. The content you create is an extension of your brand, so it's critical to have a detailed plan in place to make sure your company understands who deploys messages, stays on message, promotes itself well on several channels and can interact with audiences cohesively.

#### Step 4: Measure success

Programs today allow account owners to track the number of site visits and click-throughs; who's coming; from where; etc. MRelevance gauges success by tracking the social media account analytically, especially with on-site traffic reports. But Levinson admits measuring success is difficult: "We know the search results, and we know what people are viewing. I wish I could say, for example, they sold 30 houses just based off of Facebook." •

A version of this article originally appeared in our sister publication, Professional Builder.

# **Social Media: Where should you start?**

An integrated social media campaign might seem overwhelming, especially if you're dealing with a small staff or will be handling all social media strategy on your own. The best way to get started is to set up a blog and keep it updated, says Internet marketing strategist says Mitch Levinson of mRelevance. It's easy to do and is the most likely to remain a constant force in social media. "Use a blog as your foundation because social media is so constantly evolving," Levinson says. After all, he adds, MySpace was once the most popular outlet and it's nearly moot now for many businesses. Twitter and Facebook have the reins, but with how quickly technology evolves, it will pay to invest in a constant, such as a blog.

# **Q&A with Emily Smith of AK Complete Home Renovations**

he AK Complete Home Renovations team has taken a comprehensive approach to social media. Marketing Communications Manager Emily Smith at the Marietta, Ga.-based company spoke to us about the social media plan there.

## 1. Who recognized the need for social media outreach? Was it a bottom-up or top-down decision?

It was a top-down decision, with collective input from all employees. Employees expressed enthusiasm to get involved in aspects of social media on behalf of the company before the decision was made to go ahead! The president of AK, Ed Cholfin, and I are equally involved in social media efforts. No one was hired specifically for the job — we both assumed varying roles in all the different outlets.

### 2. Which service (Twitter, Facebook, etc.) did you begin with first? Why?

It all started with LinkedIn. I first received an invitation to join from a former colleague and then all of AK jumped in! We then moved on to starting a blog; then Twitter, which Ed took on like a pro; and finally decided we needed to spread to Facebook as well. Decisions where we started were based on what we knew from others' experiences and our first-hand knowledge of the service's capabilities.

## 3. How does the company measure the benefits? Are you tracking page visits or noticing an uptick in leads?

We measure the benefits mostly by driving traffic to our Web site and blog. We are in an ongoing process of SEO. We honestly haven't seen leads from social media but have seen many opportunities for additional exposure. Twitter seems to be the best for getting people to click through to something. Ed has also used some very interesting tools at www.twittervalue.com and www.websitegrader.com to use as comparison tools.

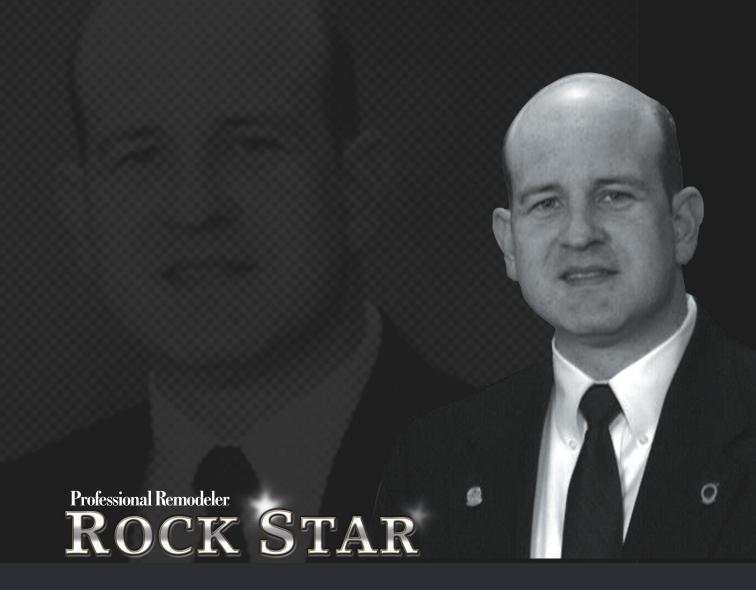
# 4. Describe a typical Twitter post: What approach do you take? What type of news do you share? Is it all business or do you throw in light-hearted fare?

We try to change it up so we're not too much one way or the other. The majority of our posts are business related, but we try to put an interesting spin on it. Like, "Watch this video at work - there's no sound!" to promote our YouTube items. We never post anything personal but sometimes might put up a viral video or fun Internet game to keep people wanting to read our posts. We don't want to bore them or sell them. We just want to engage them.

#### 5. Overall, how would you rate your social media experience?

As Ed said, "it has been rewarding and interesting to say the least."

Twitter can be incredibly overwhelming as we have 2,800 followers. Ed has dealt mostly with that and gotten a lot of attention for his feats. He also has 5,000 connections on LinkedIn. If he wanted to, he could do nothing but social media. I try to keep a little more distance from it and just keep posting to drive traffic. Ed's methods have yielded the most attention, however, which is ultimately what we were looking for.



#### Denis Leonard

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Denis Leonard brings to Business Excellence Consulting degrees in construction engineering and education in addition to a master's and doctorate in quality management. Denis is a fellow of the UK's Chartered Quality Institute and is a senior member of the American Society for Quality with whom he is a Certified Manager of Quality and Organizational Excellence, auditor and Six Sigma Black Belt. An ASQ Feigenbaum Medalist, he has won several international awards for research publications. He has been a judge and examiner for the Wisconsin Forward Award, Baldrige National Quality Award Board of Examiners, International Team Excellence Competition and the National Housing Quality Award. A former professor of quality at the University of Wisconsin, he has experience in management, engineering, training, auditing and consulting with expertise in strategic and operational quality improvement initiatives. He developed and implemented integrated quality, environmental and safety management systems at Veridian Homes in Madison, Wis., earning them the National Housing Quality Award, Energy Value Housing Award, Innovative Housing Technology Award, NAHB Safety Award for Excellence and *Professional Builder* magazine's Builder of the Year. In 2007, Denis won Big Builder magazine's APEX Award for his work in quality management.

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# 6 marketing tips for the new business climate

It's out with the old and in with the new ways of marketing if you're going to survive. These remodelers lead the way.

By Peter Fabris, Contributing Editor

he holiday season of 2008 was anything but jolly for Robin Burrill's remodeling business, Curb Appeal Renovations. Around Thanksgiving, prospects' phone inquiries to the Keller, Texas, company stopped cold. In December, the situation worsened.

"We had several hundred thousand dollars worth of work canceled just before Christmas," she recalls. "All of a sudden, "Hustle. Then hustle more. we had nothing on our books."

Burrill and her husband and business partner, Rob Mathews, realized that the economic meltdown impacting their business demanded an unprecedented response. To keep alive what had been a successful business just months before, the couple would have to change some of their business practices — particularly in sales and marketing. The new focus saved the business.

While not every situation is so dramatic, just about every home remodeling firm has had to weather difficult times over the past year. Most remodelers are also finding that familiar marketing efforts are not reaping the rewards of a couple of years ago. Many clients and prospects that have been accustomed to steadily rising home prices and were eager to invest in home remodeling projects question whether they can make

back these investments when they sell their homes. Homeowners have other motivations for remodeling post-recession, and remodelers have to adjust to this new business climate.

Several companies recently shared some of their revamped marketing strategies with Professional Remodeler. Here is some of their advice:

Most customers simply can't afford to spend what they could a few years ago on their homes. Those \$100,000 contracts are few and far between. The typical remodeler has no choice but to take on less lucrative assignments and make the most of their time. For most, that means rolling up the sleeves and

Working longer hours and making contact with more prospects sparked a turnaround for Curb Appeal. "Since the year started so poorly, we started doing more home visits," Burrill says. Some prospects that they would have weeded out in the past because the project would have been too small were now in play.

She and her husband hadn't previously made many home visits on weekends and nights, but that also changed. "We even met with a couple on New Year's Eve and again on New

#### 6 marketing tips for the new business climate

Year's Day," she says. The prospects appreciated the couple's willingness to meet during a holiday, and the effort paid off with a contract.

The amped up volume of sales calls got the company back on track. "By the end of January, we had about \$200,000 on the books," Burrill says.

#### Use new media

In remodeling, the objective of marketing is to stimulate people's interest in home projects, says small business consultant Dave Yoho (www.daveyoho.com). The Internet provides

of sales and marketing for Riggs Construction & Design of Kirkwood, Mo., pushed hard to get her family-owned business to spend money on a revamped Web site. With revenue down due to the dismal economy, it was a battle to get the OK.

"The Web is how people find things today," she says.
"When they sit down in front of the computer at 10 p.m. after they've gotten the kids to bed, they are not going to call Riggs Construction." That's why the site has a new feature, a contact form for people to request a call back from the company. "It's remarkable how many contact form submissions we are now getting at night," she says.

# In remodeling, the objective of marketing is to stimulate people's interest in home projects. The Internet provides multiple vehicles to do that. — раук уоно

multiple vehicles to do that. In addition to your own Web site, Yoho says social networking sites such as Facebook; the multimedia sharing site YouTube; and even publishing and distributing informational books electronically can be useful tools.

"If your prospects are between 25 and 45, chances are pretty good that they're computer savvy and are better informed about what you do than customers were 10 to 15 years ago," Yoho says. These prospects want to find out as much as they can about that home improvement project of their dreams

To help promote client firms that specialize in weatherization and window replacement, Yoho wrote a book, "Why buy replacement windows?" which is also available in e-book form and on CD as an audio book. The book is free, and the Web site (windowhelpbook.com) collects contact information from those who order it. Those leads are then distributed to a window replacement specialist closest to the person who made the order. Yoho has also created and posted a short video about replacement windows on YouTube to promote the Web site.

These new methods of reaching prospects make their appeals in ways in which people have become increasingly comfortable. "You have to appeal to people at their level, not your level," Yoho says.

That sentiment is why Amie Riggs Swarts, vice president

## Beef up your brand and exploit it

Reputation counts for a lot in the remodeling business. Some remodelers have moved ahead with plans to polish their image — even though money for such ef-

forts is tight — because it's a critical issue.

Riggs Construction & Design reached its 50th year in business in 2009 and flaunted this milestone in its marketing. The anniversary campaign included a redesigned logo featuring "50 years" and pushed its longevity and tradition of service in its promotional materials.

The highlight of the campaign was a lavish anniversary party that drew 150 guests, including local luminaries. "We even received a proclamation from the city of Kirkwood," says Riggs.

Another key component of the campaign was the creation of yard signs reading: "I said, 'Yes I can' to remodeling with Riggs." Many customers allowed the company to post them on their property.

"You couldn't drive around the area without seeing a Riggs sign," Riggs says. The signs cost about \$1,600 and were money well spent, she says. The objective to this type of marketing is brand building and does not usually translate into immediate sales, but is still worthwhile, she says.

Sun Design Remodeling Specialists of Burke, Va., decided that 2009 was the year to project a new image. The company didn't feel that it was strongly presenting a key strength: its staff of designers.

"We started a major re-branding to look more like a design/build company," says Bob Gallagher, Sun Design's COO. "That has helped a lot to keep up our project size."



### Stephen C. Moore

SENIOR PARTNER | BSB DESIGN

Steve joined BSB as marketing director during the depths of the recession of 1991 and helped grow BSB into one the nation's few truly national residential design firms in the country, now with six offices nationwide. With an architecture degree from University of Virginia, Moore has spent the past 32 years in the housing industry, serving as a staff member of NAHB, a construction superintendent, a home builder production manager and architectural firm manager. As an industry volunteer, Moore has held chair positions on NAHB committees for Design, Multifamily Pillars and the Sales and Marketing Council in addition to positions with the AIA, Multi-Housing World and ULI. He is a frequent speaker at national and regional building industry conventions, seminars and management conferences, speaking on design trends, innovation and construction efficiencies. While as an NAHB staff member, Steve was contributing author for the NAHB publication "Higher Density Housing: Planning Design Marketing" and founded the Best in American Living Awards (BALA), now co-sponsored with *Professional Builder* magazine. In January 2009, Steve was elected to the inaugural class of the BALA Hall of Fame.

READ HIS BLOG EXCLUSIVELY ON



#### 6 marketing tips for the new business climate

The effort includes a new logo that appears on all print materials, signs and the company's vehicle fleet. A redesigned Web site and print advertising will reflect a more artistic look, Gallagher says. The objective is to position the company to appeal to clientele that can afford Sun Design's full breadth of services.

Located near Washington, D.C., the company's customer base includes many federal government workers and contractors who have not felt the pain of the recession as acutely as have people in other parts of the country. That's why the company can continue to target higher-end projects.

ing one. She also recently joined the City of Keller Public Arts Council. All of these efforts raise the company's profile.

"If you are not branding and making sure the community knows who you are, in five to 10 years you're not going to be around," she explains.

## Sharpen your focus on the most promising market segments

Marketing strategies such as networking cast a wide net, and may take months or years to pay off. More targeted strategies such as homing in on your most promising market segments

can yield dividends faster.

"We've been focusing on homes that have been around for 25 to 35 years," Gallagher says. The firm's geographic area includes many newer homes, but owners of those are less likely to commit to a ma-

# Targeted strategies such as homing in on your most promising market segments can yield dividends faster.

#### Max out on your networking activities

Getting out into the business community and schmoozing is a time-honored way to boost visibility, meet new prospects and create more sales. Some firms let this productive marketing strategy slide when business was booming, but have re-embraced it over the past year.

"I try to do three networking events outside of the industry per week," says Ben Thompson, president of Thompson Remodeling in Grand Rapids, Mich. These events include local CEO roundtables, a family business group that has helped generate \$350,000 worth of leads in 2009 and a local "medical mile" resource group in the health care industry. Such an ambitious networking schedule demands effective time management, Thompson says. The pace he is setting leaves little time for NARI or other industry events that he used to attend in the past.

Thompson has also been networking through the local AIA chapter with a few select interior designers and architecture firms, and this effort is paying off. "We're now doing some \$150,000 to \$200,000 additions that we hadn't done before," he says.

Burrill also has the networking bug. "I'm going to every possible event that I can," she says. These include a local weekly group similar to Business Networking International (BNI) and not only her local chamber of commerce but also a neighbor-

jor remodeling project. The company makes sure that its marketing outreach — mailings, advertising and invitations to events — thoroughly covers neighborhoods with homes in the desired age range.

Much older homes are a promising segment for Riggs Construction, and the company has made a concerted effort to woo owners of the stately mid-19th Century structures found in its area. Riggs is touting its EPA certification to remove lead paint to this clientele.

#### **Provide lots of options**

Homeowners who are a little skittish about opening their checkbooks for a remodeling project can be persuaded to stretch their budgets, given the right approach. Presenting multiple options with graphic aids is invaluable.

"If you help people visualize what they want, they will up sell themselves," Thompson says. Many times, presenting an option on the low end of the price scale and showing what can be added to enhance this option will inspire the customer to say "yes" to additional choices.

This is a new approach for Thompson Remodeling. In the past, customers would often respond well to a single design within a desired price range, but the company, like many others, is finding that what used to work doesn't resonate as well with today's post-recession client. •



# Professional Remodeler ROCK STAR

#### Peter Feinmann

PRESIDENT | FEINMANN, INC.

Feinmann started his firm in 1987 from his home. Recognized as NARI's "Contractor of the Year" consistently, Peter has been a regular speaker for NARI, JLC, Build Boston and at the Remodelers Show. Feinmann received a Certificate in Carpentry from the North Bennet Street School in Boston where he continues to be involved in their Board of Advisors. In 1991, Peter received his CR designation through NARI. He is the recipient of an number of industry awards, and his company has been recognized by *Professional Remodeler* magazine as one of the 101 Best Companies To Work For and was named the 2008 Remodeler of the Year by the Builder's Association of Greater Boston. Peter was also noted as the Distinguished Alumni by the North Bennet Street School in 2008. Specializing in the design and construction of high-quality residential kitchens; bathrooms; additions; and whole-house and exterior renovations, Feinmann is a leader among a new generation of design/build contracting firms that revolutionized the industry for both contractors and consumers alike. Thoughtful management practices, honest communication, a team approach to every project and Peter's emphasis on client satisfaction are why Feinmann continues to be one of the most highly-regarded design/build firms in the industry today.

READ HIS BLOG EXCLUSIVELY ON



# 5 ways to maintain a work/life balance

Leaving the office can make you a more effective executive

By Erin Erickson, Contributing Editor

f you're reading this article between the hours of 7 a.m. and 5 p.m. in your office or break room and are uninterrupted while doing so, then congratulations — you're ahead of the pack of most remodeling executives.

With the U.S. Bureau of Labor Statistics' recent report that there were at least 27,000 construction jobs cut in the month of November, it's easy to feel the pinch of an evergrowing workload.

The unemployment rate's slow improvement offers little solace to the remodeling executives who have had to reduce staff to stay afloat this year. Not only were they tasked with saying goodbye to good people, but they also had to take on the workload of the people they let go.

Factoring in the stresses of fewer jobs, increased workload and the seemingly dull light at the end of the tunnel, it's no wonder remodelers are dealing with a serious case of burnout.

Victoria Downing, president of Remodelers Advantage, reports she's seeing about 75 percent of her clients experiencing burnout while 25 percent are "rocking and rolling."

"Job sizes have dropped, which has left remodelers needing to cover more jobs or wear more hats now than they used to," Downing says. "Where marketing or planning may have fallen on separate people in the past, due to resource reductions, it's falling on one person."

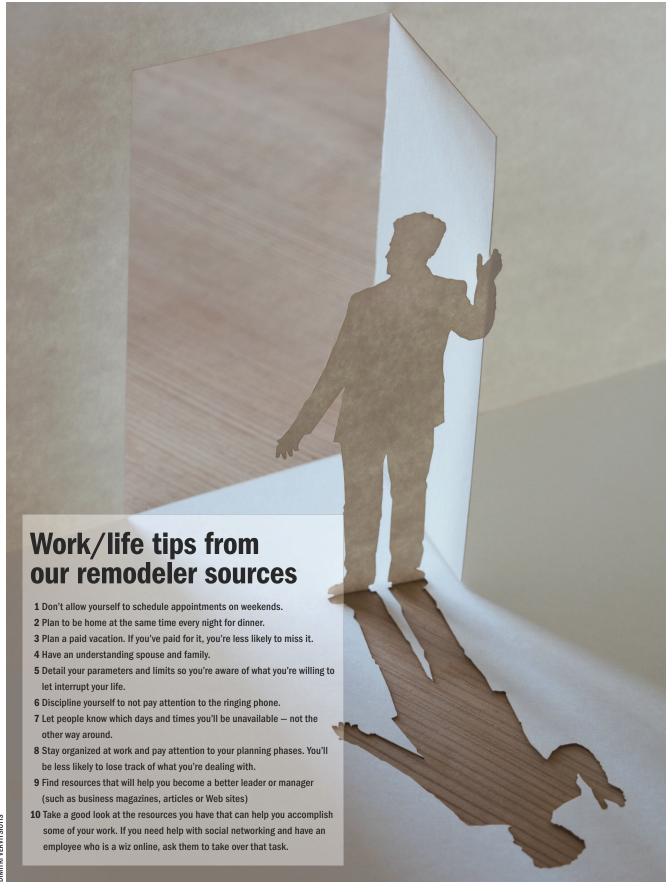
Adding insult to injury, budgetary constraints allow for very little to no back-up support, which leaves most remodeling executives in over their heads with work.

"When you're trying to be everything to everyone," Downing says, "You'll do anything you can when you see your livelihood being affected."

#### Finding balance

When your livelihood is at stake, it's easy to let work take over your life. Most efficiency experts agree, however, you must maintain a work/life balance to be productive.

Downing agrees: "It's important to give your brain a rest. It gives you the perspective and creativity you need to do your job well. It also gives you patience and tolerance. Make yourself get away."



#### 5 tips for maintaining a work/life balance

But how? If work is piling up at the office and you're unsure how you can fit in a life when you have so much work to do, then consider the following five tips for maintaining a work/life balance.

**Tip 1: Empower your employees and let them 'own' their jobs.** Both Downing and Dennis Allen, president of Santa Barbara, Calif.-based Allen Associates, agree that one of the most important things you can do for yourself and your company is to give your employees the opportunity to take ownership of their job.

Downing first recommends looking at all of the hats the executive is wearing. Then begin looking at your employees.

"If you have employees who aren't eager or ready to take on the necessary additional work then exchange those employees for 'A players' who will," says Downing.

Allen agrees. "Empower your employees, hold them accountable and get out of their way." His remodeling firm has also found that the advice has had a beneficial impact on the community as well. "We're giving them entrepreneurial skills which they in turn use in the community."

**Tip 2: Make work/life balance a priority.** Now that you've empowered your employees, it's time to take a look at your own priorities or those of your company. Dennis Gehman, president of Gehman Custom Remodeling in Harleysville, Pa., emphasizes work/life balance so much so that they talk about it during the interview process.

"We're not going to let you miss your son or daughter's Christmas recital," Gehman, who works about 55 hours per week and still makes it home for dinner at 6 p.m. every night, insists. His own company includes two of his family members — his wife and a son — and they are sure to let interviewees know they place a priority on family and work/life balance.

**Tip 3: Make technology more effective for your needs.** There are several ways a harried remodeling executive can make technology more effective for his or her own use. Downing recommends asking yourself: can you upgrade any of your

#### Online Employee Resources for the Busy Remodeling Executive

- New York Times 'You're the Boss' Blog http://boss.blogs.nytimes.com
- Harvard Business Blog http://blogs.harvardbusiness.org
- SmartBrief on Leadership www.smartbrief.com/leadership
- SmartBrief on Workforce www.smartbrief.com/workforce
- Know HR
  - www.knowhr.com
- All Things Workplace www.allthingsworkplace.com

systems — perhaps switch to integrated software or upgrade your contact management software? Equip your sales team (if you still have one) with technologies that make it possible for them to work in the field? Anything to automate your work equals a work/life solution.

Gehman uses technology to make sure he's getting some time to himself: He uses his Outlook calendar to block out an hour or two so that he won't "accidentally" schedule an appointment during that time.

**Tip 4: Leave work at work.** If your office is in your home, it's incredibly easy to forget you're at home when you're at work. Both Gehman and Allen had offices in their homes at one point and

found it stressful to try and seal themselves off from work when they were at home.

"When you go home," Downing says, "shut down the phone. Focus on your family; your family deserves your attention. There is very little that will be that much of an emergency that it can't wait until the next morning."

Although neither Gehman nor Allen shut off their phones, they both agree that letting clients and employees know what their phone policy allows them to keep work at work.

Allen suggests defining to your clients and employees what constitutes and an emergency while Gehman notes that most people respect his family time and rarely call after 6 p.m.

**Tip 5: Take time away from the office.** To really get the most out of your work/life balance, you'll want to be sure to actually get away from the office every once in a while. Whether you leave for the occasional three-day weekend or a two-week cruise, getting away from the daily grind will not only relieve stress, it will also give you a fresh outlook on things once you return to the office.

Allen rarely works on Fridays and hasn't for almost two years. His reasoning? In addition to work/life balance, he's trying to groom his company for his departure some day.

Gehman is partial to longer trips with his family which he schedules — and pays for — far in advance. "You're less likely to not go if it's already planned." •



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# Water efficiency to play bigger role in residential projects

Stormwater management plans and low-flow fixtures are among the top water conservation measures among residential contractors

By David Barista and Robert Cassidy, Contributing Editors

ven with the sluggish housing market and a more budget-conscious consumer base, residential construction professionals expect to see increased investment in water conservation measures in remodeling and home building projects through 2011, according to an exclusive survey of contractors, developers and residential architects by Reed Construction Media.

More than half (53 percent) of respondents to the September 2009 survey said they expect the majority of their firms' projects to employ water-saving technologies, products and systems in the next two years. In comparison, just 38 percent of respondents said their firm used water-efficient features on the majority of projects in the last 18 to 24 months (Table 1).

What's driving the increased demand for water conservation in projects? The desire to reduce water and energy costs,

## Methodology

In September 2009, *Professional Remodeler*'s sister publication, *Building Design+Construction*, conducted an online survey among 10,000 residential construction professionals to determine their opinions, perceptions and actions relative to water issues. The results were published in BD+C's November 2009 "Green Buildings + Water Performance" white paper (Download the full report at: www.BDCnetwork.com/contents/pdfs/bdc-090411whitepaper\_optimized.pdf).

including sewer and wastewater charges, is the biggest factor cited by survey respondents. Two-thirds mentioned water and energy cost reductions as reasons for employing water-saving measures, while 54 percent said environmental stewardship was a key driver. Other reasons cited by respondents include: code restrictions and requirements (38 percent); avoiding current/future water shortages (34 percent); green home

#### Table 1: Use of Water-Efficient Technologies in Projects

In the last 18-24 months, approximately what percentage of your firm's projects employed water-efficient technologies, products or systems? What percentage of your firm's projects will employ or plan to employ water-efficient technologies, products or systems?

	Used in last 18-24 months	Expect to use in next 18-24 months
None	17%	9%
Less than 10% of projects	17%	11%
10% to 25% of projects	10%	7%
26% to 50% of projects	14%	12%
51% to 75% of projects	5%	15%
More than 75% of projects	30%	38%
Don't know/can't estimate	8%	8%
BASE: 161 SOURCE: BD+C 2009 WHITE PAPER SURVEY		

Prospects are good for water-efficient residential construction. The majority (53 percent) of respondents said they expect more than half their firms' projects to be using water-saving systems in the next two years.

#### Water efficiency to play bigger role in residential projects

#### **Table 2: Interior Water-Efficient Systems Used**

Which of the following indoor products, technologies or services have your firm or company used in new projects or major renovations in the last 18-24 months? Which do you expect to use in the next 18-24 months?

	Used in last 18-24 months	Expect to use in next 18-24 months
High-efficiency showerheads (2.0 gal/min or less	) 70%	81%
High-efficiency dishwashers (10 gal or less/load)	55%	79%
Tankless water heaters	52%	71%
High-efficiency clothes washers		
(water factor of 7.5 or less)	49%	65%
Low-flow kitchen faucets (2.2 gal/min or less)	47%	68%
High-efficiency lavatory faucets (1.5 gal/min or less)	) 46%	67%
High-efficiency single-flush gravity toilets		
(1.28 gal/flush or less)	43%	64%
Water metering	42%	51%
High-efficiency pressure-assisted toilets	32%	39%
High-efficiency dual-flush toilets	29%	58%
Dual-flush flush valves	26%	48%
High-efficiency flushometer toilets		
(1.28 gal/flush or less)	26%	42%
Water submetering	19%	33%
Non-water fixtures (sanitizer dispensers, UV		
disinfectant, etc.)	16%	31%
Water use audits	11%	24%
Graywater reuse systems (for flushing toilets, etc.)	) 9%	24%
BASE: 139-140 SOURCE: BD+C 2009 WHITE PAPER SURVEY		

Survey respondents have strong adoption rates for high-efficiency showerheads (70 percent), dishwashers (55 percent), tankless water heaters (52 percent) and clothes washers (49 percent), with greater use expected in the next 18-24 months.

certification (33 percent); and government regulations and standards (30 percent).

"Green home building is here to stay," said one survey respondent. "High-performance houses help the environment as well as the end user of the home."

#### The sustainability effort

Other respondents said the demand for water-efficiency measures is being driven primarily by compliance requirements. Naturally, the added cost for implementing water conservation measures is a major concern among respondents. As one put it, "We are conscious of environmental factors when we develop, but we also must balance the costs of the projects with the costs of the green features we want to use. It ain't easy."

#### **Table 3: Exterior Water-Efficient Systems Used**

Which of the following exterior technologies or strategies has your firm or company used in new projects or major renovations in the last 18-24 months? Which do you intend to use in the next 18-24 months?

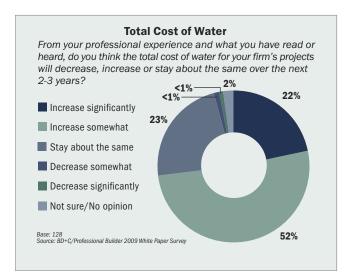
	Used in last	Expect to use in next 18-24 months
	18-24 months	18-24 MONUS
Stormwater management plans	73%	77%
Retention ponds	55%	58%
Drip irrigation systems	48%	55%
Low-water-use landscaping, indigenous planting	45%	60%
Pervious pavement (parking, walkways, etc.)	40%	56%
Automated irrigation systems (including		
evapotranspiration sensors, soil moisture sensor	ors,	
weather-based systems, etc.)	40%	55%
Pressure-reducing valves (for landscape irrigation	1) 36%	45%
High-efficiency irrigation systems	30%	49%
Rainwater harvesting/retention systems		
(for outdoor use, e.g., landscape irrigation)	26%	45%
Bioswales	23%	33%
Low-impact development ("LID")	23%	31%
Turf reduction programs	22%	37%
On-site wastewater treatments systems	22%	26%
Rain gardens	16%	33%
Green (vegetated) roofs	11%	20%
Artificial turf	9%	16%
Municipally provided recycled		
water systems ("purple pipe")	8%	19%
Rainwater reuse systems		
(for indoor use, e.g., flushing toilets)	5%	20%

BASE: 131-132 SOURCE: BD+C 2009 WHITE PAPER SURVEY

Among respondents to the survey, stormwater management plans (73 percent) and retention ponds (55 percent) scored highest; these are often mandated by local codes or permit requirements. Planting low-impact vegetation and using more-efficient landscape irrigation systems also scored well.

"People aren't very interested in anything that costs them more initially," said the president of a building company in Wyoming. "Almost all efforts at conservation or efficiency take a sales effort," said the CEO of a Missouri company. "Rarely have we found that people are motivated to 'do the right thing' unless it affects their pocketbook."

Another respondent said eventually builders (and buyers) won't have a choice of whether or not to go green. "While green building sounds great, ultimately local municipalities will remove the incentives and make the guidelines mandatory, thereby increasing the cost to developers and builders



The majority of respondents said they believe the total cost of water for their firms' projects will "increase somewhat," with more than one-fifth (22 percent) predicting it would "increase significantly."

and ultimately the homeowners," he said. "Ironically, they will be the same people who cry about the lack of affordable housing stock."

#### Hopping on the technology bandwagon

The majority of survey respondents said their firms are already implementing a broad array of water-efficiency measures on their projects to achieve water reduction goals — on average, between 10 and 11 water-efficiency strategies. Moreover, they expect their firms to employ a greater number of measures in the next two years (between 14 and 15 strategies, on average).

Low-flow showerheads, high-efficiency dishwashers and tankless water heaters are among the most commonly specified "interior" water-efficient technologies, followed by high-efficiency clothes washers, low-flow faucets and high-efficiency single-flush gravity toilets. Dual-flush toilets and water metering devices are among the interior technologies that are gaining popularity (Table 2).

Despite the widespread adoption of water-saving technologies and strategies, both builders and buyers are drowning in greenwash, according to several respondents, making it difficult to choose products that are both cost-effective and functional. "Due to our current economy, selling a home that

#### **Use of Green Building Certification Programs**

Which of the following green building certification or specification programs have you or your firm employed in building projects in the last 18-24 months? Which do you expect to use in the next 18-24 months?

	Used in last 18-24 months	Expect to use in next 18-24 months
National Green Building Standard (NAHB)	29%	66%
LEED for Homes (USGBC)	22%	46%
WaterSense Product Labeling Program (EPA)	17%	47%
Green Globes (Green Building Initiative)	10%	32%
LEED for Neighborhood Development	10%	29%
Environments for Living (Masco)	5%	16%
GreenPlumbers Accreditation	1%	11%
WaterSense Water-Efficient Single-Family New Home Specification (EPA)	-	45%
BASE: 156-158		

SOURCE: BD+C/PROFESSIONAL BUILDER 2009 WHITE PAPER SURVEY

NAHB's National Green Building Standard drew the largest response among respondents. At the time of this survey, the WaterSense New Home Specification had not been published, but 45 percent of respondents expressed interest in using it as it becomes available.

costs 20 percent [more] due to the implementation of socalled 'green' products is a difficult sale," said one respondent. "I strongly believe that some organization needs to honestly evaluate and certify all of these 'green' products." •

# Principle findings of the survey

- Nearly half of respondents said their companies had used water-efficient technologies, products or systems in 26 percent or more of their projects in the last two years, with 30 percent stating that their firms had done so in more than three-fourths of their projects.
- Nearly two-thirds said their firms plan to use water-efficient systems in the next couple of years, with 38 percent forecasting their companies would do so in more than three-fourths of projects.
- The majority of respondents said they expect water costs to increase somewhat over the next 2-3 years, with 22 percent expecting significant increases.
- More than a third of respondents reported problems in as many as onefourth of their companies' projects.



#### Keith Robinson

PRESIDENT | EXTRAORDINARY TALENT CONSULTING

Keith Robinson is a human resources executive and consultant with more than 24 years of global and domestic business experience. Currently he serves in a dual role as the director of leadership development for Northern Illinois University and as president and CEO of Extraordinary Talent Consulting, a human resources consulting firm focused on delivering human resource solutions to a wide range of businesses. Throughout his career he has helped leaders drive results in their business by providing human capital solutions, coaching and facilitation to a variety of executives and managers. Keith has provided them with valuable counsel in the areas of business and human capital strategies, leadership and personal development. One of his primary areas of strength has been his ability to translate complex business strategies and organizational objectives into pragmatic tactical solutions that get results. Keith's areas of expertise and experience have included: business strategy; organizational design; management and leadership development; team building; and facilitation.

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# Stat Sheet

The need-to-know on the latest products to hit the remodeling industry.

By Nick Baizek. **Products Editor** 



#### Laticrete

**Hydro Barrier** 

Applications: Interior/exterior antifracture membrane

Attributes: Load-bearing, self-curing liquid rubber polymer

Compliant: Building code compliant

for shower pan liner

Certification: Greenguard ANSI A118.10 and A118.2 for waterproofing and crack isolation

For more info, go to HousingZone. com/PRinfo and enter # 251

www.laticrete.com



#### RotoZip

RZ2000 Spiral Saw

Applications: Trades, maintenance crews, plumbers, electricians

Motor: Variable speed, 6-amp motor Can cut: Wood, metal, Plexiglas, drywall, tile and porcelain

Features: Integrated dust port, electronic feedback control, constant speed control circuitry

MSRP: \$159

For more info, go to HousingZone. com/PRinfo and enter # 252 www.rotozip.com

outdoor grills



Applications: Outdoor kitchens Models: 36-, 48- and 60-inch Features: Baffle filters are dishwasher safe, can cover most

32-inch Stainless Steel BBQ Hood

For more info, go to HousingZone. com/PRinfo and enter # 253 www.danver.com



#### Colorado vNet

**Vibe Touchscreens** 

www.coloradovnet.com

Description: New 4.7-inch and 7-inch Touchscreens

Options/Configurations: Integrated 50-watt digital amplifier (25 watts per channel), 100-watt digital amplifier (50 watts per channel), or no amplifier

Other: Includes microphone and speaker to support a future intercom For more info, go to HousingZone. com/PRinfo and enter # 254



#### Sakrete

Flo-Coat

**Description:** Flowable concrete resurfacing material

Applications: Worn or discolored concrete surface restoration

Directions: Mix, pour and spread with squeegee

For: Existing structurally sound slabs, walkways and driveways

For more info, go to HousingZone. com/PRinfo and enter # 255 www.sakrete.com



#### **Vantage**

**RP-Touch Keypads** 

Applications: Home automation Platform: Vantage InFusion

Features: True type font engraving

on buttons, ambient light sensor Colors: White, ivory, oil-rubbed bronze or black

For more info, go to HousingZone. com/PRinfo and enter # 256

www.vantagecontrols.com



#### **Price Pfister**

Velvet Aged Bronze

Applications: Bath faucets and accessories

Features: Bronze base, gradual color shading, low-gloss clear coat

Certification: EPA WaterSense Available: Exclusively at Lowe's Accessories: Roman tub faucet; tub and shower fixtures

For more info, go to HousingZone. com/PRinfo and enter # 257

www.pricepfister.com



#### Pasiode

**CapStapler Housewrap Stapling** System

Model CS150

Applications: Housewrap installation

Details: CapStapler, FasCap button cap reels, 18-gauge, 3/8" crown button cap staples in 1-inch lengths

Other: Large capacity, quick reload design

For more info, go to HousingZone. com/PRinfo and enter # 258

www.paslode.com



PRE 3 Rotating Laser

Applications: Precision site measuring and leveling readings

Range: 1,300-foot diameter Features: Self-leveling range of \*/- 5 degrees

Battery: 40 hours continuous run

Options: Tripod, self-locking

For more info, go to HousingZone. com/PRinfo and enter # 259 www.us.hilti.com



Architectural Synthetic Stone 7inch and 9-inch Balustrade System Composition: Mixture of resins and

crushed limestone Installation: Can be placed on

dimensional lumber without steel

Codes: Meets 4-inch sphere code Sizes: Balusters offered in heights of 37 and 43 inches

For more info, go to HousingZone. com/PRinfo and enter # 260 www.outwater.com



#### Zinsser

**Smart Prime** Water-based primer

Attributes: Offers great leveling, flow and adhesion

Green: Low-VOC and LEED-com-

Features: Can be used over enamel paints, paneling, laminates, ceramic tile, etc. Can also be used on wood

Dry to the touch: 30 minutes For more info, go to HousingZone. com/PRinfo and enter # 261 www.zinsser.com



#### Frog Tape

Frog Tape with PaintBlock Technology

**Applications:** Painting, interiors Features: Polymer material absorbs and traps liquid to prevent latex paint from bleeding under the tape Available: Lowe's, Sherwin-Williams store locations

MSRP: \$6 to \$12, priced on size For more info, go to HousingZone. com/PRinfo and enter # 262

www.frogtape.com



#### **Fanimation**

The Medford Ceiling Fan Airflow: 5501 cubic feet/minute

Power: 67 watts

Size: 52-inch blade sweep, 14 degree blade pitch

Green: Energy Star-rated

Finishes: Forged iron w/reversible dark cherry/teak wood blades

Installation: Can install on ceiling slopes up to 30 degrees

For more info, go to HousingZone. com/PRinfo and enter # 263

www.fanimation.com



#### Axor

Citterio Prep Kitchen Faucet Dimensions:  $15^3/_8$  inch H x  $6^7/_8$  inch D

Inch D

Flowrate: 2.2 GPM flow rate Accessories: Pull-down hand spray with two spray modes: full and needle; 360 degree swivel radius for spout

**MSRP:** Chrome, \$628; and Steel Optik, \$895

For more info, go to HousingZone. com/PRinfo and enter # 264 www.hansgrohe-usa.com





#### Mid Atlantic Supply SturdiMOUNT

Applications: Fiber cement siding Features: Nailing flange, pre-flashed Installation: Exterior penetrations, dryer vents, etc.

**Other:** Flashing uses water management to eliminate water penetration For more info, go to HousingZone.

com/PRinfo and enter # 265 www.midatlanticsupply.com

#### DaVinci Roofscapes

EcoBlend line

**Applications:** Cool roofs **Materials:** Polymer tiles, range of

0.26 to 0.34 for solar reflectance

LEED Points: LEED-NC 7.2 Heat

Island Effect
Warranty: 50-year

For more info, go to HousingZone. com/PRinfo and enter # 266

www.davinciroofscapes.com



#### Simpson Strong-Tie

Strong Drive screw

Applications: For use with structural connectors

Features: SD9 and SD10 load-rated

screws

**Coating:** Galvanized, good for interior/exterior

**Installation:** Easier to drive in overhead applications, removable

For more info, go to HousingZone. com/PRinfo and enter # 267

www.strongtie.com/fasten



#### Guardian

ClimaGuard SatinDeco
Applications: Acid-etched Privacy
glass

**Fabrication options:** Cut, heat treated, bent, laminated, V-grooved **Sizes:** 3-, 4-, 5-, and 6-mm thicknesses

**Options:** SatinDeco for shower enclosures, SunGuard for commercial facades

For more info, go to HousingZone. com/PRinfo and enter # 268 www.guardian.com



#### GreenFiber

LEED-H

GreenFiber Blow-in Insulation
Applications: Wall and attic retrofit
Formula: All-borate-based cellulose,
high level of dust suppressant
Available: Through special order
Green: Contributes to LEED and

For more info, go to HousingZone. com/PRinfo and enter # 269 www.greenfiber.com



#### Hybridhaus

**Modern Fence** 

**Applications:** Contemporary homes **Sizes:** 4'9" as armature or vertical garden element; long fences ship in 8-foot modules

Standard height: 7 feet

**Species:** Cedar, fir, mahogany or a combination

**Kit includes:** Wood, fasteners and fittings

For more info, go to HousingZone. com/PRinfo and enter # 270



#### **Pure-O-Flow**

Residential whole-house Reverse Osmosis (RO) water filtration system

**Description:** Series of membranes used to trap harmful particulates in water; softens water without salt **Connections/delivery:** Norly poly-

propylene plastic construction

MSRP: range \$1 500-\$5 000

For more info, go to HousingZone. com/PRinfo and enter # 271 www.pureoflow.com

MSRP: range \$1,500-\$5,000 For more info, go to Housing Zone.



#### **O**mnia

Stainless Steel Square Rose
Applications: Door hardware
Installation: Will cover a 2<sup>1</sup>/<sub>8</sub>-inch
hole

**Accessories:** Works with the company's 16 stainless steel lever styles

**Other:** Stainless steel square auxiliary deadbolt also available

For more info, go to HousingZone. com/PRinfo and enter # 272

www.omniaindustries.com



#### Trex

Transcend

Applications: Decking and railing Details: Integrated shell; square or grooved profiles; each board protected on three sides; board breathes to avoid surface separation; matching fascia boards

**Maintenance:** Soap and water **Warranty:** 25-year limited fade and stain

For more info, go to HousingZone. com/PRinfo and enter # 273 www.trex.com



#### Tiella

#### Satin Nickel Sola Kits

Kits: Several convenient all-in-one kits containing hand-bendable rail or cable; a low-voltage transformer; mounting hardware; heads or pendants; halogen bulbs

**Options:** Hand-bendable rail can be left straight or shaped by hand **Other:** Customer can add pendants or heads up to 150 watts

MSRP: Prices start at \$158
For more info, go to HousingZone.
com/PRinfo and enter # 274

www.tiella.com



#### WaterFurnace International Envision NSW Series Hydronic

Heating/Cooling

Capacities: 1.5-6 ton

**Applications:** Radiant heating; hot water; pool heating; snow and ice melting

**Details:** Features a microprocessorcontrolled load pump, source pump and compressor pump; controller enables the user to view all modes of operation

For more info, go to HousingZone. com/PRinfo and enter # 275

www.waterfurnace.com



#### Sugatsune America

LIN-X Lateral Opening Door Hinge Applications: Cabinets/doors

**Details:** Lateral swing mechanism for closed flush door

**Hardware:** Damper-equipped for soft closes; small radius openings

**Configurations:** Cabinets and kitchen islands

For more info, go to HousingZone. com/PRinfo and enter # 276 www.sugatsune.com



#### **InSpire Roofing Products**

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**Applications:** Composite slate roofing

Fire Protection: Class A or Class C Weather: Class 4 hail protection, 110-mph wind load

**Green:** Meets LEED cool roof standards

**Other:** A single color can be substituted or color ratios can be adjusted to exact custom preferences

For more info, go to HousingZone. com/PRinfo and enter # 277 www.lnSpireRoofing.com



#### **Clark Hall Iron Doors**

**Applications:** Custom doors **Details:** Hand-finished, custom designs

**Features:** Fully insulated panels, stiles, rails and jambs

**Other:** Qlon Kerf weatherstripping, ball-bearing hinges, automotive-grade paint with rust inhibitors

For more info, go to HousingZone. com/PRinfo and enter # 278

www.clarkhallirondoors.com

Lead time: 8 weeks



#### David Johnston

PRESIDENT | WHAT'S WORKING

David Johnston has been at the center of the green building movement for more than three decades. In the 1970s and '80s, Johnston established himself as a leader in passive solar design and construction. In 1980, Johnston founded the Passive Solar Industries Council and consulted with the U.S. Department of Energy. His award-winning Lightworks Construction for 10 years led the Washington, D.C., market in solar design and construction. In the early '90s, Johnston founded his international green building consulting and training firm, What's Working. Johnston's innovative theories about how to catalyze the transformation of the building industry became the blueprints for the Denver Built Green and California Build It Green programs. Particularly adept at generating green building guidelines, Johnston's work has guided master planned communities in Denver; Boulder, Colo.; Sacramento, Calif.; San Diego; Phoenix; and Durango, Colo. An authoritative source for green building education, Johnston

has trained thousands of builders and industry professionals. Johnston has written three books: "Building Green in a Black and White World" (2000), "Green Remodeling: Changing the World One Room at a Time" (2004) and "Green from the Ground Up (2008), which is a Taunton Press' best-seller since its release. His new book, "Zero Energy Homes" is in production.

Johnston's Awards include: Boulder Green Building Guild Lifetime Achievement Award (2009); International SAM/SPG European Sustainability Pioneer Award (2007); Nautilus Book Award (2005); Interiors and Sources Magazine Environmental Hero Award (2005); AIA Colorado Contribution to Built Environment (2004); Sustainable Buildings Industry Council Sustainable Community Development Award (2004); and Marquis Who's Who in the World (1991, 92, 99).



# Flooring

Statistics show hydronic systems can average 26% less air leakage and 40% less energy usage versus traditional forced heat.

# Hydronic heating takes a whole-system approach

By **Nick Bajzek** Products Editor

ydronic, or water-based, systems have become one of the most popular and often the most cost-effective whole-house radiant heating systems for heating-dominated zones.

According to the Department of Energy, hydronic systems average 26 percent less air leakage and a 40 percent reduction in energy usage versus forced air heating systems. Because the system heats from the ground-up, lower temperatures are found at ceiling height, resulting in lower heat loss through ceilings or ceiling penetrations.

Jason McKinnon, product trainer at Viega, says there are a variety of retrofit installation options for contractors to offer. These include panel, slab, thin-slab, snap-panel and heat transfer plates, all of which can deliver hot water via PEX tubing in either "wet-mass" (i.e. concrete) systems or non-concrete "dry-mass" installations.

"We're not out to say one is better than the other. It's not one method versus another. In most cases we're just looking to make installations faster and smarter. If that means we package the valve and a pump together to go with the PEX, then that's what we'll do," says McKinnon.

Thick concrete slab systems, which the DOE says are the most common, have a high heat capacity and are ideal for storing heat from solar energy systems, which have a fluctuating heat output. The downside of the thick slabs is the slow thermal response time. The DOE says most experts recommend maintaining a constant temperature in homes with these heating systems. "If I heat concrete all night long and shut it off during the day, it'll radiate heat all throughout the day. People don't realize that. (They) expect the heat to react quickly like a forced air system," says McKinnon.

Other installations, such as snap panels, are a dry-mass approach. Snap panels are aluminum panels heated by 3/8- or ½inch tubing. Most measure five to six inches wide and less than two feet in length. These offer a lower up-front material cost than some wet mass systems and allow contractors to profit a bit more on the labor side. "Every manufacturer has them," says McKinnon. "Again, each installation is different. Are you coming up through an unfinished basement? Are you going to have to tear the floor out anyway? If you're doing any sort



The ultimate goal of hydronic heating is to keep and maintain a constant core temperature in the home. Shown here is Viega's Climate Panel system.

of slab work, my advice is to put a wet mass system in and be done with it."

#### THE OTHER SIDE

While hydronic systems are mostly made for a whole-home approach, electric radiant heating methods can be an equally viable alternative in the right application. Electric radiant floors, also known as dry installations, typically consist of electric cables or mats built into the floor. Systems that feature mats of electrically conductive plastic are also available and are mounted onto the subfloor below a floor covering such as tile. These are pre-built like an electric blanket and are divided into sections, then wired to a central location. Many systems consume a mere 10-20 watts per square foot at full power consumption and can be set to pulse on and off to maintain the temperature the homeowner sets. Given the relatively high cost of electricity in the winter, the most common application for ERH is kitchens and master bathrooms.

John Rose, president of electronic radiant flooring manufacturer NuHeat, says, remodels are the most common application,

## Does it matter which type of floor you have?

Ceramic tile is the most common and effective floor covering for radiant floor heating, but you can also use vinyl, linoleum, carpeting or wood. But remember, any floor covering (say, a thick carpet) that helps to insulate the floor from the room will decrease the effectiveness of the heating system.

and the Midwest, including Minneapolis and Chicago, keep the most business.

#### COST/BENEFIT

No matter what option, hydronic radiant floor systems pump heated water from a boiler through PEX tubing laid in a pattern, whichever method chosen, underneath the floor or in the walls. The cost of installing a hydronic radiant floor includes the boiler, which will take the place of your gas-fired furnace. Though every installation is different, new residential boilers average around \$5,000, with whole-house systems often running from \$20,000 to \$25,000.



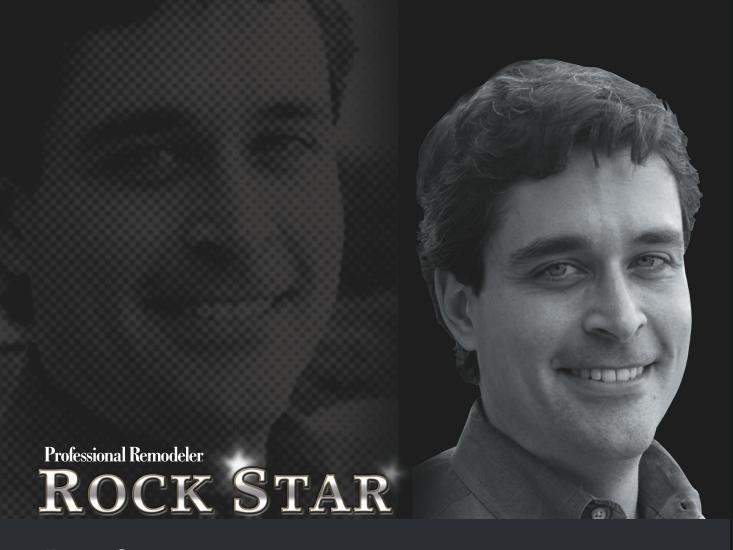
#### William Asdal

ASDAL BUILDERS, LLC

Asdal is a frequent speaker on building and remodeling issues. He has dedicated much of his time to industry research and the creation of better builder relationships that enhance supply chain successes. He has completed a number of industry research projects, including advocacy of the Rehab Code, energy efficiency in existing homes, new product testing, systems design and a number of demonstration projects for national trade press. Asdal co-authored "The Paper Trail: Systems and Forms for Professional Remodelers" and recently published "Defensive Estimating: Protecting your Profits." His accomplishments include: being a past officer of the Energy and Environmental Building Association; chairman of the Industry Committee of the Partnership for Advancing Technology Housing; chairman of the Foundation for Housing: treasurer of Efficiency First; president of the Community Builders Association of New Jersey; NAHB Remodelers' Council's Remodeler of the Year; chairman of the NAHB Remodelers Council; NAHB's Green Building Conference Green Remodeler of the Year; NAHB Remodeling Hall of Fame Inductee; Board Member of American Community Bank; and National Green Building Award winner.

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#### **Bruce Case**

PRESIDENT | CASE DESIGN/REMODELING, INC./CASE HANDYMAN & REMODELING SERVICES, LLC.

Sharing best practices and bringing professionalism to the business of home remodeling is a passion of Bruce's. As a national speaker to the remodeling industry, Bruce covers an array of subjects ranging from tactical (percentage of completion, cash flow and sales/production relations) to strategic (business planning, the future of the remodeling industry). To supplement his master's in business, Bruce contributes to Harvard University's Joint Center for Housing Studies and has obtained certifications in remodeling, green building practices, franchising and in risk management. Case Design began as and remains to this day a residential remodeling firm in the Washington, D.C., metro area. Over the last 10 years, Case has extended its reach across the U.S. Case offers educational opportunities through Case Institute of Remodeling as well as licensing and franchising opportunities through Case Handyman & Remodeling Services. Since its founding in 1961, Case Design/Remodeling has won more than 70 national design, remodeling and business awards; has completed more than 100,000 renovation projects for more than 60,000 clients; and currently has a 93 percent recommendation rate from past clients.

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# Crawlspaces

That smelly place can be turned into a full basement — if the soil is right and the plans are proper



Crawlspaces, though they require extensive site planning and proper drainage, can be converted into full basements.

# Crawlspace conversion could help space-strapped homeowners

By **Nick Bajzek** Products Editor

omeowners today are looking for inexpensive ways to add more space. Instead of building an addition, some homeowners may want to dig down and convert a crawlspace into a full basement. A crawlspace conversion is a relatively complex project, though, so contractors must take enormous care with site planning and proper drainage.

In most cases, says Vladimir Kochkin, director of applied engineering for the NAHB Research Center, the contractor would have to replace the existing foundation completely with a new one built per code. The existing structure would have to be temporarily supported either in parts or in its entirety while the foundation work is being done, and, says Kochkin, the new basement would have to comply with all local building code requirements for drainage, wall and footing construction. "To be honest, I am not sure it is a

good idea to try to convert a crawlspace into a full basement," Kochkin says.

Carl Seville, LEED AP Homes and owner of Seville Consulting, echoes Kochkin's concerns. Digging out a basement under an existing house raises serious safety challenges, he says, adding, "If the total excavation is less than four feet you can avoid shoring the area, if more it becomes very difficult to do it legally; it has to be dug out and new footings and walls poured in short sections to avoid endangering employees by having them work next to a tall cut dirt wall," he says. "People do this all the time, but it usually is contrary to OSHA regulations."

Seville says the first and foremost concern is the soil. Hard, stable soils such as some clays can be cut almost vertical with minimal chance of failure. Sandy and soft soils need much shallower slopes. Drainage, Seville says, is next.

"Where can you drain the foundation water? Can you install a gravity drain to grade or will you need a pump?"

Existing foundations also present some challenges. In all climates, it is critical to have the new walls water-proofed and install drain tile to daylight or a sump. There is often not enough room to waterproof on the outside of the new wall between it and the dirt, says Seville, so interior drainage — installing the type of waterproofing that is typically installed as a retrofit in an existing basement — may be most appropriate.

"If the idea is to attempt to preserve the existing foundation for any reason like a historic home, it would add another level of complexity and would require a special design effort," says Kochkin. Otherwise, he says, with proper planning and egress built in, the rest of the work is little different than a standard basement and many of the same building products can be used.

Proper HVAC equipment, particularly humidity management, is paramount. Depending on the climate it may be very damp but cool in a basement, which will require dehumidification much of the year," says Seville.

"I have seen plenty of crawlspaces built of double the brick. no footing, sitting on virgin soil. If there were no water problems, the foundations were perfectly stable 100 years later," says Seville. While he doesn't recommend under-building, he says that contractors do tend to overbuild. "I believe that all foundations should be designed to the minimum requirements taking into account the existing soil stability, lateral pressure and hydrostatic pressure. Too many buildings are designed using standards that basically are big enough to avoid lawsuits as opposed to right sizing them for the site," says Seville. •



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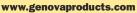
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