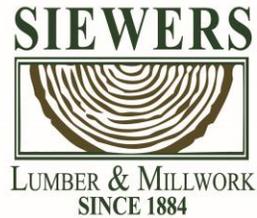


July 18, 2014



“Preserving the Past while Building the Future.”



Celebrating 129 Years of Service

A note from the Siewers Family...

We hope you and your family had a wonderful July 4th! Hopefully you were able to take a breather over the long weekend! We want to thank all of you who are veterans, currently serving or have family serving to protect all of our freedoms.

Siewers Lumber has added some new items to our inventory. In addition to our dressed 1” (3/4” net) Poplar Boards, we have added 5/4” Poplar (1” net) in 5/4 x 4, 5/4 x 6, 5/4 x 8 and 5/4 x 10. We are awaiting arrival of 5-1/4” Primed Finger Jointed Beaded Base and 4-5/8” Primed Finger Jointed Crown. Both mouldings will be available in 16’ lengths.

This month’s newsletter is packed full with some great articles to help make your business better. Make sure you check out the articles on communicating with your customer and the one on collecting deposits.

We hope you enjoy this edition of the newsletter. Thank you for reading and for your feedback on ways of making it better.

-The Siewers Family

July 18, 2014

Economic News

Long & Foster Market Minute / June 2014

New Listings	Current Contracts	Sold Vs. List Price	Months of Supply
2,433	1,732	97.7%	4.8

Contractor News

Less Is More: Why you're saying too much and getting ignored! By Lisa Evans

In a sales presentation, you can talk yourself out of a deal by over explaining rather than listening to the client across the table.

Try being BRIEF:

B (Background): Provide a quick context, what prompted the update?

R (Reason): Explain why you're speaking now, why should they pay attention?

I (Information): Provide 2 to 3 key nuggets of information you want to share. What are the bullet points of the conversation?

E (End): Decide on what note you want to leave the conversation. In this case, you may want to end by telling the client why you are the best choice.

F (Follow-up): Consider the questions you anticipate the client will ask when you are finished with your presentation and prepare answers in advance.

Being brief is hard, which is why it took McCormack 256 pages to explain it in his book, but it boils down to one thing, preparation.

How A Contractor's Web Site Marketing Can Speed Up The Sales Cycle

By Shawn McCadden (Click on title to see this article)

How to Take Over a Project From a Pro Who Quit or Was Fired- Use these steps to avoid falling into the same trap as your predecessor

By: REMODELING Staff

It was an excavator who works for Ron Wishneski who told the owner of Five Point Renovation and Remodel in Coatesville, Pa., about the potential clients. The couple had been taken advantage of by another contractor who left them high and dry on a whole-house remodel, Wishneski says. So he looked at the job and saw the work wasn't so great, mostly framing issues. The homeowner's explanation made sense. After several back-and-forth budget proposals, Wishneski took over the job.

July 18, 2014

Things went fine until the third payment came in late. Then the relationship got worse. Wishneski ended up in small claims court because the clients—who had signed off on every choice and change order—refused to turn over their \$4,000 final payment. Wishneski won in small claims court, but the clients appealed and countersued for \$10,000. Eventually they settled out of court: The clients paid Wishneski \$1,000. He paid his lawyer \$1,100.

Talk it Over

You certainly will hear enough horror stories to make you cautious. Rob Cuffe, owner of Nod-Art Design & Construction in Melbourne, Australia, walked off a job before completing it because it turned out that after the first few payments, the client was a problem gambler who lost all the money earmarked for the remodel. “It pained me greatly not to be able to finish the job,” he says. The real burn came when the clients spread the word that Cuffe had walked away.

“It ruined my reputation until the truth of the matter was revealed,” he says.

“When people get thrown off a job, I always ask them why,” says Michael Yelton, owner-member of MY Builder in Wolcott, Ind. “Their input into the homeowner is one piece of the information you need to know. It also helps you keep a good, professional relationship with your competitors and lets the homeowners know that you’re [on top of everything].”

Also contact trade partners who worked on the job. Find out if they got paid and see what insight they can give you.

Build Trust

Every client of a “rescue remodel,” as Scott refers to these jobs, “is angry. For all sorts of justified and unjustified reasons.” Once you take on this job, the clients will be both relieved that you’ve come to help but also leery of how this will turn out—and of your profession in general.

To set them at ease, use as much detail as you can when you talk budget and scope of work. Create clear expectations and maintain clear lines of communication. “Do whatever you can to reassure them,” says Andy McGill, owner of AG McGill Group in Toronto.

Check the Work

Walk through the project in its current state. Check to see if the work is up to code and find out if the proper permits were pulled. McGill discovered on one rescue job that an approval sticker on the electrical panel had actually been taken from a house on the other side of the city. “Even if inspections have been made and specs have been followed, are they up to your standards?” he asks. “If not, you will have to come in and redo those things.”

Price It Right

Because consumers often have a low opinion of the remodeling profession, they’re wary of contractors who might appear to charge them double for the work. “Homeowners feel taken advantage of by the industry as a whole,” Yelton says. Go over what has been done already on the job. If there’s shoddy workmanship, explain what’s wrong and how you’ll fix it before addressing the cost. “You have to make them understand that this [shoddy workmanship] is going to be a problem and not just an inconvenience,” he says. “I’ll charge them time and materials to fix what’s wrong.”

Many others in the LinkedIn chat concur: “Collect a retainer and work from that,” says Scott. “If they don’t keep the retainer funded, you can stop without getting hurt. If you do the work for a stipulated sum, make sure there’s a premium for a ‘difficult’ project.”

Contract Accordingly

July 18, 2014

Once you've determined that the level of completed work meets your standards, it's a good idea to make sure you tailor your contract to fit the project. "If you're coming in and minor work has been done—nothing substantial that has structural impact—then you're fine just picking up the job where it was left off," says industry attorney and REMODELING columnist D.S. Berenson. "But if you go into a job and structural and material work has been done that will impact the end result, then you need to be careful."

Document everything and get a waiver or release in regard to any prior work that was and wasn't done, suggests Berenson.

When It Comes to Asking Clients for a Deposit—Some Advice

By Jim Cory

Competitors are the biggest reason why Ryan Parsons, co-owner of The Brothers That Just Do Gutters, in Lagrangeville, New York, is adamant about collecting a 50% deposit on every job sold. Since those jobs are usually around \$2,000, that's not an enormous amount of money. But securing it—even some part of it—is a matter of principle because once the Brothers yard sign goes up, rivals may knock, offering to do that gutter job for less. "I've gone as low as \$50 on a job that cost several thousand," Parsons says. Once they've written a check, he says, customers don't change their minds.

When it comes to deposits, Parsons and others advise:

- **Know what you can legally ask for.** Some states regulate the amount of money, or the percentage of the job, that a contractor may request as a deposit. In Maryland, the contractor is allowed to ask for an amount up to a one-third of the job price. In California, "it's illegal to ask for or accept a down payment of more than 10% of the total home improvement contract price or \$1,000, whichever is less," according to the Contractor State License Board. Check on restrictions in your state. If you can find out, so can homeowners. (*According to the Virginia Department of Professional and Occupational Regulation, it is recommending that the deposit is limited to 30% of the total cost.*)
- **Be consistent and build the deposit into your sales model.** Asking for a deposit check may cause some stress. Understand why it's necessary. "Don't be afraid to talk about [the deposit] up front," he says. "I tell homeowners that this is what our policy is, and we can't put you on the schedule without a deposit." In addition, "nothing's really happened until money changes hands," says Kip Lee, a salesperson for New Bath Walk-In Tubs, in Savannah, Ga. "Sales with no deposit are not even sales." Lee recently drove a prospect an hour's distance so she could see installed work after she refused to give a 50% deposit. After that, she signed the contract and gave him a check.
- **Discuss the deposit as part of the overall payment plan.** It's much easier to ask for a deposit in the context of the overall project payment plan. That makes sense to homeowners. Salespeople for Mid-Atlantic Waterproofing, based in Maryland, ask for a third down, explaining that instead of asking for another third when the

July 18, 2014

job starts, the foreman will collect the balance when the project—average job size \$12,000—is completed.

- **Prepare to stand firm.** However much you ask for, be sure you can explain why you need that amount. Darryl Rose, of Get Dwell, a handyman company in the Chicago suburbs, asks for the cost of materials plus markup plus labor to get the job started. On one recent \$10,000 job, the homeowner balked at paying what amounted to 70% up front. “He said there’s no way I’m going to sign that.” Rose pointed out via email that there was a “huge material cost up front” and directed the homeowner to his company’s website with its many testimonials and awards. A moment later an email response gave the OK.
- **Be creative.** Commercial building managers budget for maintenance and repairs. Homeowners don’t. So not everyone who needs a new roof or gutters or basement waterproofing can write a check, let alone reach for their wallet. Often, says Joseph Tunney, president/CEO of American Design and Build, in Bel Air, Md., that deposit may be more than they thought it was going to be. If homeowners want the work done but hesitate, it’s up to salespeople to find out if the deposit is standing in the way. The company pulls permits and orders materials after the deposit has been received.
- **Choose your payment method.** Many companies take deposits via credit card payment. That’s convenient for homeowners but it costs businesses 2% to 3% in bank fees. State your preference. Last year The Brothers That Just Do Gutters paid \$38,000 in bank fees. So, Parsons says, it’s “cash or check preferred.” “[At Mid-Atlantic Waterproofing] we just say: would you rather pay cash or credit card?” Moulds says. Bank fees are “a cost of doing business,” he adds, at a time when more and more people pay by card.
- **Don’t assume that a written check is money.** To Rose, “its not real money until it has moved through the bank.” He won’t order materials or pay a subcontractor before the check has actually cleared.

Quick Contractor Tip

Repurposing old wall studs as stair treads and bookshelves shows off this house’s old bones in a modern way

By Shelley D. Hutchins



July 18, 2014

When rehabbing her 100-year-old house in Venice Beach, Calif., architect Isabelle Duvivier wanted to reuse as much of the materials as possible. “We started tearing out walls to update the wiring,” Duvivier says, “and we came across these pristine fir 2x4s.” All of those wall studs were saved, but strict building codes forbid repurposing the wood for anything structural.

The boards were all uniform, solid, and straight in addition to being gorgeous. Bookshelves and stair treads seemed a natural fit for the wood, especially because they are Douglas fir like the original floors. Given the house’s compact layout, combining the two functions in one space made even more sense. Code dictates stair treads be at least 3 feet wide. Duvivier added an extra foot to that so the shelves segue cleanly into every other tread. Several of the boards were intact at extreme lengths, which allowed most of the shelf spans to be crafted from a single board. The top bookshelf, for example, is one 13-foot-long piece of wood.

Existing plaster walls and ceilings meant lathing was nailed to the boards every 2 inches. Duvivier opted to leave the rust-stained nail holes alone as a sign of the wood’s age. Invisible dowels support the shelves for a light floating look to balance the dark wood. Stair treads are suspended from stainless steel cables and boat hardware with powder-coated steel brackets underneath. Duvivier adds that “even the railing was made from one of the reused boards cut in half.”

How would you like to be published in a future issue of Siewers Newsletter?

Be sure it is a quick tip that can help another contractor and one that is simple to understand (“Even I need to understand it!”) It also must be economical to create. Submit your tips to us at laurenf@siewers.com.

Feel Lucky!

Be sure and bring your business card next time you visit Siewers. Just drop it into the glass fish bowl on the counter to enter a monthly drawing.

Good Luck!!!

Congratulations to *Preston Montague* our July winner!

July 18, 2014

Health & Safety Tip

Drink at least 6 bottles of water (125 oz) a day to keep your body hydrated during the hot summer days.

Contractor Rebate

June 9th – Sept. 30, 2014

**Save \$6 per board on every purchase of Azek Decking
See our sales team for more details.**



Economy Snap Shot.....

	<u>Unemployment Rate – Entire U.S.</u>	<u>Consumer Confidence (Indexed to value of 100 in 1985)</u>	<u>Total Housing Starts/Seasonally Adjusted Annual Rate</u>
June 2014	6.1%	85.2	893,000
Prior Month – May 2014	6.3%	82.2	985,000
Prior Year – June 2013	7.5%	82.1	831,000

	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>
June 30, 2014	\$3.68	N/A
Prior Month – May 2014	\$3.63	4,890,000
Prior Year – June 2013	\$3.49	5,160,000

Market Summary

	<u>June 18, 2014</u>	<u>1/01/14</u>	<u>7/01/13</u>
DOW	17,138	16,576	14,909
NASDAQ	4,425	4,176	3,403
S&P 500	1,981	1,848	1,606

July 18, 2014

Company Mission

To serve the needs of contractors and do-it-yourselfers.



“Success seems to be connected to action. Successful people keep moving. They make mistakes, but they don’t quit.” Conrad Hilton

**Siewers Lumber & Millwork
1901 Ellen Road
Richmond, VA 23230**

**Visit our website for product and general information.
www.siewers.com**

Phone: (804) 358-2103 Fax: (804) 359-6986

**Hours:
Monday – Friday
7:30 a.m. – 4:30 p.m.**

Share with others.

***If you know someone that would like to receive our Newsletter,
have them email us at laurenf@siewers.com and we will add
them to our distribution list.***

....Next issue August 20th