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“Preserving the Past while Building the Future.”



Celebrating 131 Years of Service

A note from the Siewers Family...

Hopefully you were able to attend Siewers Founder’s Day Celebration on May 7th! We would like to thank our sponsors, Simpson Strong Tie and Culpepper Wood Preservers for a wonderful lunch! Siewers Lumber Co. is celebrating its 131st Birthday this year! This annual celebrations is not just for the company but for you, our customer. Without the many past and present customers like yourself, we would not have made it to 131 years. We have come a long way since they were delivering lumber by horse and buggy and we thank you for all the wonderful years!

Our next big event will be on October 1st, when we hold our Architectural Products Show. We will be hosting Architects for lunch and Contractors for dinner. This year’s show will feature approximately 35 vendors with table-top displays and the knowledge to answer any questions you may have and showcase new products that are coming to market. Please mark your calendars for this event – it is one that you do not want to miss!

As we begin the busy season of the year, we want to again thank you for your continued patronage. We are here to serve you and would appreciate the opportunity to help you with any current or future project. Wishing you a safe and relaxing Memorial Day Weekend! We thank you all, those who have served our country and all the men and women who are currently serving to protect all of our freedoms!

-The Siewers Family

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Contractor News

EPA to Extend Lead-Paint Rule's Recertification Deadline *By Craig Webb*

Individuals who were among the first to abide by the federal government's lead-paint rule will get an extra year before they need to get recertified.

Renovators certified under the Lead Renovation, Repair and Painting (RRP) rule on or before March 31, 2010, now have until March 31, 2016 to get a renewed certification. In addition, renovators with RRP certificates issued between April 1, 2010 and March 31, 2011, will have one year added to their current five year certification.

The EPA is working to make it possible to do the entire recertification process online.

Companies that violate the work practice, training or administrative rules could face fines of up to \$37,500 per day.

Why We Need Business Goals *By Mark Harari*

A friend of mine started a handyman business many years ago. The only goal he had when he first "opened his doors" was to make enough money to live on for the following month. He didn't write it down either—he just kind of knew it was a goal.

Fortunately, I helped him get out of that mindset five short months later. We did some meaningful business planning that helped him forge strong short-term and long-term goals and projections.

Now I'm sure you've heard all the benefits before; goals keep you on track, they help with decision-making, they improve communication, they give clarity, etc., etc. And, of course, that's all true.

But do you know the biggest reason this goal-setting exercise helped Marc? It gave him control. And isn't that the fundamental reason people start their own business? To control their future?

Running a business without goals is like shooting a rifle in the fog. You know there's a target out there somewhere –but you certainly don't know where – nor do you know if you hit it. Successful business people don't operate like that and neither should you.

How to set goals:

There are various processes and techniques for determining your business goals. We here at Remodelers Advantage recommend our RoundtablesTM members to use the SMART criteria, attributed to Peter Drucker's management by objectives concept. SMART is a mnemonic acronym that stands for Specific, Measurable, Assignable, Realistic and Time-bound. So all of your goals should successfully meet these criteria:

- Specific: what *exactly* do you want to have happen?
- Measurable: what will success look like? How will you measure it?
- Assignable: who will be assigned the responsibility and be held accountable?
- Realistic: this is not the place for pie in the sky goals. Save that for your long term strategic planning sessions. (See BHAG).

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- Timely: set deadlines. Goals should *never* be open-ended. You must set an end date.

Some companies will replace criteria, such as Attainable instead of Assignable. However, we've found that this variation is the most effective way to determine goals that will drive your company forward.

Five Great Books for Remodeling Business Owners by Shawn McCadden

I have always loved reading to learn about new subjects. When I was first in business as a remodeler, I read a lot of articles in trade magazines. They offered great ideas, best practices and sample paperwork or forms I could put to use right away. However, right about the time I sold my business I also started reading books on business related topics. After reading a handful of titles, I came to the realization that the articles in the magazines were helpful and offered individual solutions for a variety of typical business challenges, but the books I was reading offered much broader and more comprehensive views about big picture business strategies and opportunities.

In many ways, the books I read helped me understand how I had grown my business, what made me and my business more successful than many other remodelers and their businesses, and they helped me better understand why my business had salable value beyond just the value of the hard assets. I quickly came to the realization that, had I read those books much earlier in my career, perhaps I could have increased the level of success I enjoyed. I also came to realize that I would have dramatically reduced the time it took to build my business had I read those same books when I first started my business.

The books in the list I offer below fall into the top five books I think remodelers should read if they want to grow a successful business and reduce the total time it takes to do so. More importantly, these books can help remodelers avoid the frustrations, wasted time and wasted money that come with the trial and error approach of going it alone as a business owner. Even if you still can't build the business you want on your own after reading these books, you will definitely know what help you will need to get there.

"The E-Myth Contractor" by Michael Gerber This is one of several E-Myth books by Gerber. They are all worth reading, but if you're a contractor, this one gets right to the point about what you need to do to build a contracting business that runs without you needing to do everything yourself and be there every minute of the day so things get done. If you ever want to sell your remodeling business, or at least be able to take an extended vacation, make sure you grab this book.

"Good to Great" by Jim Collins Many business owners are happy having good businesses. Others decide that their businesses, when compared to other businesses, fall into the good category; a term sometimes referred to as relative success. If you want more than just a good business, Collins and his team has done the research to figure out how it's done. He offers some great strategies to consider as well as some great

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examples of companies and their leaders who made the jump from good to great. He also shares the importance of and the type of leadership required to achieve greatness.

“The Great Game of Business” by Jack Stack If you would like to have an open books business that involves all employees in the creation of and sharing of company profits you should definitely read this book before you do so and well before you start creating your plan. Not only does Stack share strategies for doing so, he lets you know the challenges to expect, how to get ready for them and how to identify employees who will never go along with the changes. He also shares a process to use to help educate employees about business financials relative to their job positions, how profits are earned and how they can measure their individual contributions in ways that are real for them. As I mention in [my blog about profit sharing](#), businesses that share profits often earn more profit as a result!

“Selling the Invisible” by Harry Beckwith Back before the September 11th attacks my remodeling business was humming and qualified leads came in faster than we needed them. Then, after the attacks and up through February, we had only sold about \$15,000 worth of new work. I had to do something to get the business back on track. That’s when I found “Selling the Invisible” and it changed forever the way I looked at and did marketing. In his book, Beckwith discusses the difference between the “outside perception” people gain of your business from traditional marketing and the difference a business can enjoy if its marketing projects the “inside reality” customers who do business with you come to know. Customers spend way more money to get something they consider different. If your business has an inside reality that really differentiates your business from the competition you will not regret reading this book.

“Managing for Excellence” by David L. Bradford and Allan R. Cohen There are all kinds of books available on the subject of business leadership and I’ve read at least a handful of them during my career. In my opinion this is the best book on leadership that I know of. If you looking to not only be a great leader yourself, but also create a whole team of leaders at your remodeling business this is the book that best describes how. As a word of caution; if you’re afraid that one of your employees might become a better leader than you, don’t bother getting this book. As you will learn in the book, the only way you can become a great business leader and create a great business is to create other leaders who can replace you. If you want to sell your business someday you need to read this book.

6 Words That Will Destroy Your Business *By Mark Harari*

In the past ten days, I’ve spoken with three people that were looking for advice. They each were struggling with very different components of their marketing plan.

However, after hearing the problem at hand, the solution was very clear for each. So clear that I doubt any of them didn’t already know it. So why were they calling me?

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For two of them, I suspect, it's because their boss told them no and they were looking for an alternative. Since the third person was the owner, I suspect he convinced himself that the answer should be no.

Are you intrigued? Why on earth would everyone be saying no?

You may be thinking the solution is cost prohibitive, but consider the fact that these aren't small hiccups. We are talking about things that will have a huge impact on revenue (otherwise they wouldn't have reached out for help). The potential ROI (Return On Investment) far outweighs the cost.

So what would you do? Let's recap the facts.

1. We face a problem. We have a solution.
2. With a high relative ROI, cost should not be a concern.

Based on the facts laid out above would you say no?

What if I said the solution requires you abandoning the project management system you've used for the past eight years? Or the accounting software you've had since you opened the company? That changes everything doesn't it?

Do You Fear Change?

Yes, you do. Don't worry, it's not your fault. It's hardwired into your brain. But this isn't your biggest problem. It's that you genuinely believe (at least subconsciously) that longevity = quality

A [study published in the Journal of Experimental Social Psychology](#) shows that people have a very real and palpable preference for things that have been around longer.

In one example (of many), study participants were given a piece of European chocolate. Half were told its recipe originated 73 years ago, and others were told it originated three years ago. As you may have guessed the former group rated the chocolate as better-tasting.

So you see, change is more than simply accepting a different way of doing things. It's about giving up something "old-that-works-well," for something "new-and-therefore-lower-quality."

Change or Die

"What if you were given that choice? For real...We're talking actual life or death now."

So starts a powerful article on [fastcompany.com](#). The article continues, "Could you change...when it mattered most? Yes? You're probably deluding yourself. You wouldn't change. The scientifically studied odds: nine to one against you."

It turns out that "change or die" is the ultimatum given to heart patients by their doctors. And yet only 11% will change.

This underscores how resistant we are to change. But don't lose hope. You can choose to be in the 11%. And you must. Because if you don't allow change within your company, it will die.

We've Always Done it This Way: These six words will be the end of your business.

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If you have said this recently, it's time to take a hard look at your operations in today's rapidly changing environment.

By no means do I suggest you change for the sake of change. But you must work hard (and it is work) to always be open to new ideas

As the leader of the company, I suggest you write this phrase down on a piece of paper, "**if it 'aint broke, fix it.**" Keep it somewhere that you often see; on the dashboard of your truck, on your dresser or even in the bathroom.

Dos and Dont's to Keep You Out of Court Legal trouble can be costly, time-consuming, and damaging to the reputation of your business. Here's how to stay out of the courtroom. By Alex Barthet

Smart business practices can go a long way toward reducing, even eliminating, the chance of legal trouble. With that in mind, here are some key dos and don'ts that will go a long way in keeping you from being sued by unhappy customers or vendors.

Do get it in writing—always. Even a small job needs a formal written agreement. It should include scope, price, payment terms, and schedule. It should reference a complete set of plans and specs. And it should include language on insurance, indemnification, warranty, termination, dispute resolution, and recovery of legal fees and costs. After you have a signed contract, continue to get everything in writing, especially changes. Have customers and vendors acknowledge each agreement, promise or direction in an email or a written document of some sort. Memories fade in time.

Do review the plans, the specifications, and the site. Plans and specs are the roadmap for getting the job done with as few hiccups as possible. But plans and specs can be incomplete or unclear, leaving out key details—ingress or egress problems, for example—that you need in order to properly price and build the project.

Do manage expectations. Projects start off with the best of intentions but with different expectations. Review the scope of work and payment terms with your customer and vendors so that they know what you plan to do, when you plan to do it, and how you expect to be paid. Surprises on remodeling projects are seldom pleasant; this will help minimize them.

Don't start work without a deposit or assurance of adequate funding. In most cases you will want some money upfront—even if it's just 5% or 10% of the project sum. If it's not customary to obtain such a deposit, get documentation verifying the customer's ability to fund the entire project. An example would be a letter from the lender showing the value of the unused portion of the construction loan.

Don't work without insurance. Things can go wrong fast on a remodel, and a \$50,000 job can easily turn into a million-dollar liability. Proceeding without insurance coverage—be it for personal injuries, damage or loss to property, or mistakes—is simply not worth the risk. You also need to make sure your subcontractors are insured. They should provide you with a valid certificate of insurance, and should provide an

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endorsement that names you and the homeowner as additional insureds. (This is separate from the certificate.) And don't forget to get new certificates and endorsements from subs when their policies renew.

Don't walk off a job. Relationships with customers and vendors can sour. When that happens, it may be tempting to abandon the work, especially if the customer isn't paying you or a vendor isn't fulfilling its orders. But don't, at least not before you review your contract in detail with your legal counsel. Courts have historically not looked kindly at contractors who walk off jobs, especially without notice. Once you finish your work, you can put in the necessary effort to collect the money you earned.

Steering clear of legal trouble is both dollar-wise and business savvy. Underscoring each of these dos and don'ts in your communication and documentation will keep your customers and vendors well informed, and should keep you out of court.

Keeping up with new design trends:

This year's "Design & Construction Week" in Las Vegas reported some important numbers for the future of our industry. Millennials begin entering the home-buying market and knowing what trends are on the horizon can help.

"Social Kitchens" that incorporate a range of digital functions will become increasingly prevalent. For many people, the kitchen is where their electronic devices live. There is a growing design trend to have charging stations tucked into a cabinet or drawer that's fitted with docks and electrical outlets. Americans spend time in the kitchen beyond meal prep. They entertain, do their homework/paperwork and go online in the kitchen.

If you haven't stopped by and visited with Kellene Gordon in our cabinet department, you should. She can help you and/or your customers with a design that will keep everyone happy in their evolving lifestyle.



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TRY THIS IDEA: *Statistics show 40% of homeowners report they'd spend more money on the project if they had to do it over again. Position clients on remodeling projects to "think of the value they're getting". Ask them to think about a car purchase and ask them if they had to wait 30 years before they could change anything major, would you skimp or spend a little more.*

Quick Contractor Tip

A Better Post- Hole Tamper By Rich Blumer

No matter what method I use to dig a post hole, a significant amount of dirt at the bottom has to be compacted before I can place my concrete. But commercially available tampers fall short with this task, because of either their light weight or their small contact surfaces. I solved both of these shortcomings in my own design, which uses a 24-inch-long section of a treated 6x6 post and \$20 worth of 3/4-inch-diameter black gas pipe.

First, I cut about 1 inch off the post's edges at 45 degrees and applied waterproofer/preservative to all the cuts. The bevels prevent sharp corners from catching the sides of the hole, allowing the post to do a better job of tamping the dirt around the hole's bottom circumference. Then I centered a floor flange fitting on one end of the 6x6 and screwed it on with 2 1/2-inch #12 stainless screws. I fastened a 36-inch length of straight pipe to the flange and added a T-fitting to the other end. A pair of 6-inch-long pipes with end fittings completed the handles.

The weight and large contact surface of the 6x6 makes easy work of compacting any hole 8 inches in diameter or larger. The 63-inch finished height of the tamper places the handle at a comfortable working height in a 42-inch-deep hole. Finally, the T-style handle allows me to generate more downward compacting force, which conventional tampers costing twice as much can't match because they have straight handles.

Rich Blumer owns BREM Construction Co., in Streamwood, Ill.

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.

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1962 Exerpts from Johnny Siewers II

Remember the story of unloading a box car of sheetrock and watching John Prosser with my father unloading a truck load of lumber by hand, I suggested that we buy a fork lift. My father was hesitant about purchasing a used 8,000 lb. Hyster Fork Lift for \$5,000. It was after I told him that I would pay for it myself, that he gave in and we purchased our first fork lift.

The news spread among our suppliers that we had finally purchased a fork lift and if you could have only seen the smiles on the faces of the truck drivers who delivered the first load of lumber after the purchase. Where the drivers remained at our yard all day while we unloaded their truck, we now had them unloaded and on their way in about 30 minutes or less.

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 *Eric Gruber* our
May winner!**

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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>
April 2015	5.4%	95.2	1,135,000
Prior Month – March 2015	5.5%	101.3	944,000
Prior Year – April 2014	6.3%	81.7	1,039,000

	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>	<u>National Avg. Mortgage Rate</u>
April 30, 2015	\$2.60	N/A	3.67
Prior Month – March. 2015	\$2.40	5,190,000	3.77
Prior Year – April 2014	\$3.69	4,060,000	4.34

Market Summary

	<u>May 19, 2015</u>	<u>1/01/15</u>	<u>4/30/14</u>
DOW	18,275	17,823	16,580
NASDAQ	5,073	4,736	4,114
S&P 500	2,128	2,058	1,883

Long & Foster Market Minute / April 2015

New Listings	Current Contracts	Sold Vs. List Price	Months of Supply
3,080	2,202	98.5%	4.8
	Median Sales Price	Days on Market	
	\$203,422	64	

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Company Mission

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



“The brain is a wonderful organ; it starts working the moment you get up in the morning and does not stop until you get into the office.” Robert Frost

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