



*“Preserving the Past while Building the Future.”*



*Celebrating 132 Years of Service*

*A note from the Siewers Family...*

Get ready to do some traveling when you read this month’s newsletter as we announce the winners of our “Siewers Selfie Contest”. We had 2 (different) customers submit pictures from Sicily, Italy – now that is a small world! We also had pictures from Jamaica at Bob Marley’s House and as far north as Minnesota!

This contest was sooo much fun that we are planning a similar contest with our Siewers Hats! See the upcoming March newsletter for details on how you can participate.

Thank you again for your continued patronage and please know how much we value your business! Also, please keep the date of June 17<sup>th</sup> open on your calendar for The Katz Road Show, it is an event you do not want to miss!

Please keep in touch with us and let us know how we can continue to better serve you!

*-The Siewers Family*

## Contractor News

### **When You're Drowning in Work, Get Out of the Pool** By Judith Miller

How do you make hay while the sun shines? How do you take advantage of the tremendous surge in remodeling activity over the past two years, as well as the continued growth forecast for 2016? It's essential that you double down now to FOCUS on the following five strategies for success:

- A reasonable budget for 2016
- Increased customer satisfaction
- Strong production practices
- A well-defined target market and sufficient spending to reach it
- A healthy and motivated strong leader in the driver's seat!

You can FOCUS on these five strategies for success in 2016 only if there's NO RUNNING ALLOWED: not from you as owner, nor from your production people, nor the people in the office, nor the clients. You, as owner, must set the example to prioritize all work done in a given period and then lead/teach and mentor all other employees to do the same, being sure to maintain customer satisfaction and quality control.

It might surprise you that more construction companies fail during upturns than during downturns. Don't be one of them. Slow down, prioritize and focus on those priorities as you make hay while the sun shines. Just remember: NO RUNNING ALLOWED.

EXTRA: In this month's Entrepreneur, Matt Villano stated the following notes that also relate to this story.

One of the best ways to ensure that work doesn't overwhelm you and that you're operating at peak performance, is to fiercely protect the time you devote to personal activities. That means planning and prioritizing vacations, regular exercise and some form of mental recharging.

When you are overtired and overworked, it's easy to get wrapped up in the dramas of your own world. To combat this, outsource tasks that aren't fulfilling to you and turn to friends and people in your professional network for guidance and support.

### **Before Selling the Job, Sell Yourself First** By Paul Winans

In my work with Remodelers Advantage Roundtables, I hear some interesting things.

At one of the meetings I ran recently, Andy Wells was present. Andy is an owner of Normandy Remodeling, located in the Chicago area. Normandy is a big company, with a lot of employees, doing kitchen and bath remodels, among other things.

Andy said he coaches his salespeople that potential clients buy for following reasons, in this order:

1. You, the salesperson
2. The design
3. The price

This is so elegantly put that it's possible to miss the power of what Andy is saying. Imagine a salesperson who is in love with the design or who tends to talk too much about how the company does business. Those practices get in the way of the potential client actually bonding with you.

How to promote that bonding?

- **Slow down, ask questions and listen.** Then ask followup questions so you get very clear about the potential client's pains—the emotional drivers behind the buying decision.
- **Avoid focusing on solutions for now.** Wait. Let the clients get to know that you are completely interested in them, not just getting their job.
- **Set price aside.** And be 100% convinced personally that your price is the right price. If you don't think your price is right, how will you ever convince a potential client that it is?

I emailed Andy after the meeting, asking him if I could write about what he had said. Here is part of his reply.

*“The other part of the story is that the order reverses if the salesperson does not get the customer to envision working with them. I mean, when they don't love you then the order becomes:*

1. *Price*
2. *Design*
3. *You*

*When this happens, we rarely get the job because we can't compete with the low price provider. We provide too much value to be cheap.*

*The price becomes most important and we become a commodity. We are not the commodity, we are the expert and we need to convey that from the beginning.”*

Amen Andy!

Whether you are your company's lone salesperson or your company has multiple salespeople these simple points, once grasped, will open the door to more sales success.

Want more business? Help your potential clients provide it by selling yourself first.

## **Tips for Contractors Ball Park Pricing & Charging for Estimates** By Shawn McCadden

**Any contractor who has been in business for any length of time has probably had to deal with Ball Park pricing and charging for estimates.** Home owners always seem to want one but not the other. Rather than risk letting a Ball Park price make them look bad, savvy contractors can use the request for one to help cause the other to happen. **If interested in how to do this, read on.**

### **Let's start with Ball Park Pricing**



How many times in your career has a homeowners asked you for a "Ball Park" price for their project. **And, how many times did your Ball Park price end up being nowhere close to the actual price of the project?**

I find the whole idea of Ball Park pricing comical. I'm not saying it doesn't have value in some selling scenarios. I am saying however that **when contractors offer a Ball Park price more times than not they strike out** rather than hit a home run.

So, when I was selling remodeling and a prospect asked me for a ball park number, I would respond by asking them which ball park they preferred; Fenway Park or Yankee Stadium. That usually stopped them right there in their tracks and **helped them think about what they just asked for.** And, by asking that question, I was able to get them into a much more meaningful conversation about their project. Let's face it; **a "ball park number" really doesn't have much value unless there are some specifications to help give it any relevance.**

Try asking them about which Ball Park they are looking for. Feel free to substitute the parks you use. I think you will find doing so to be **a great conversation starter.**

Then there's the whole idea about charging for estimates

**As contractors we know estimates are not free.** Somehow the cost of creating an estimate must be recouped by the contractor.

Some contractors may say they don't charge for estimating. If that is true **they are working for free** and the cost of estimating is not included in the price quoted to the prospect. I don't know about you, but in my opinion **if you do estimates for free you are undervaluing your worth** and might also be putting your professionalism in doubt. If you are not charging for estimates, and you also are not accumulating enough money to someday retire, working for free might be a good part of why. And, contractors who do so are making things challenging for those who do charge by **helping consumers think they should get estimates for free.**

On the other hand many contractors who tell their prospects they do not charge for estimates are actually not charging for the estimate in advance, **they recoup the cost of estimating through their markup; but only if they sell the job.**

**It's OK if they don't want to pay, but why get offended?**



**So why do prospects get offended when you tell them you charge for estimates?** Did they expect you to work for free? Do they work for free at their jobs? I doubt it.

When I was selling remodeling and homeowners asked if I would do free estimates I would say yes and **give them an estimate right then and there.** I would say something like "I estimate the bathroom project will cost somewhere between \$15 and \$25, 000".

Then I would just wait. When they asked why such a big range I would simply ask them why they thought I had to give such a big range. **It usually led to meaningful conversations about the fact that an estimate is really just a guess** and may not have any relevance to the true cost of what they would actually want to buy. And, as a result, having this conversation helped them discover the need for plans and or specification so I could give them a fixed price in place of the "estimate".

**After all, that's what most remodeling consumers really want; a fixed price for what they actually want.**

One option you can try if the Home Owner can't understand why you charge for estimates

Next time a homeowner wants a free estimate, or is upset about charging for one, **why not suggest bartering?**

*"If I spend the time to collect all the info about your project, seek pricing from my vendors, meet with my subs to get accurate pricing for their work, and then assemble an accurate cost and proposal; how about we do a trade? Maybe while I'm doing that stuff you could either babysit my kids or cut my lawn? What to do think Mr. Home Owner, would that be a fair trade?"*

**A point of clarification which should already be obvious**

If you choose to go down the "Which Ball Park" or "Let's barter" path, **make sure you do it in a respectful manner** and your purpose for using this analogy is appreciated by your prospect.

**How you say it can make the difference between being the contractor of choice and being shown the door!**

### **Use This 3-Part Plan to Make 2016 Better than 2015** By Paul Winans

A new year is just around the corner. What are you going to do with it? I suggest you look at it this way:

#### **Start by Getting Personal**

What do you want to do this year? What do you want to accomplish personally? What do you want to do with and/or for your family? How much money and time will you need to make these things happen?

The clearer you get about all this the more likely it is to happen. Write it down. Putting dates next to each item also helps take this from the theoretical to the real. Get as much into your schedule as you can.

#### **Fit Your Business Goals Around Your Personal Ones**

How much time are you willing to give your business? How many hours a week? How many weeks do you want to *not* be working?

Fit your work life around the scheduled items from your personal list. You will be more effective working less if you have a rich, active life outside of your business.

What do you want to be doing in your business? What don't you want to do? How can the business bring on the needed employee(s) to reduce your workload?

What amount of income does your personal plan require? How can your business provide that?

Owning a business comes with a lot of burdens and responsibilities. Don't forget that you are the owner, not a slave. Make your business work for you instead of you simply working for the business.

#### **Update Your Business Plan**

Take all that you have written and use it to update your business plan. This exercise does not need to take a long time. Remember to schedule the time to work on the plan and then schedule other activities/tasks around those times.

It is best done sooner than later. Going into the New Year with a clear sense of goals and purpose will help you become more and more successful.

#### **The Project**

After all, your life is the biggest project you will ever work on. Yes, it will always be a work-in-progress. That is fine.

Notice what you accomplish, what you get done. Give yourself a pat on the back once in a while.

By doing what I am suggesting, you will inspire those you live with and those you work with, while achieving more than you would just bopping along. What a great thing to do this year!

### **Diverse Surface Styles** By Elizabeth Richards

Kitchen countertops are where work gets done – from cooking to eating to homework and more. These surfaces must be able to withstand consistent use and incorporate unique features that enhance the functionality of the space.

The most prominent visual in the kitchen is the countertop, requiring an aesthetic that is balanced in the overall design while helping to tie the whole area together.

“Consumers want their countertops and design style to be a reflection of their experiences, memories and personalities, but more importantly, they want durable, long lasting and live-able options that are also timelessly beautiful,” says Sally Chavez, senior designer at Wilsonart in Temple, TX. She adds that since countertops are one of the most frequently used surfaces in a space, consumers are more likely to splurge on these surfaces than any other item in a remodel.

Lorenzo Marquez, V.P./marketing for Stafford, TX based Consentino North America says that, as one of the most utilized elements of a kitchen, counters need to withstand all varieties of usage demands. “With this in mind, homeowners continue to demand that the highest-performing surfacing materials be used in counter applications. Beyond performance, color and visual interest continue to be key drivers for selecting counter surfacing.” He notes.

Though stone looks are still popular, other materials are also on the rise. Homeowners are looking for these alternatives in order to express themselves in a unique way. Wood, concrete and other stone alternatives are desirable for young and/or urban consumers, as they want to use their own eclectic style and individuality to make a statement in their home.



Check in with Kellene, Siewers Counter Intelligence, to help with new designs.



The perfect storm is hitting our industry. We're suffering from the first damaging waves. Jobsite apprenticeship programs have long disappeared, public schools rarely teach courses in the manual arts, and the permanent loss of valuable construction skills is at risk. Profit margins suffer more and more from errors in material ordering, incorrect installation practices, and callbacks. Poor building practices undermine the respect our profession demands.

Simultaneously, new technologies continue to create revolutionary products in the construction industry, often requiring specialized installation tools and techniques: new building materials create an even greater urgency for education. We can no longer rely on tradition for training. The shortage of serious hands-on educational programs erodes the reputation of our industry. The Katz Roadshow, a unique strategic partnership of leading manufacturers and installation specialists, provides hands-on training clinics for professionals at lumberyards across America. Take your craft and your profession seriously, attend an educational event. **Gary M. Katz**

Mark your calendars for June 17<sup>th</sup>, which is the date when we will be hosting ***The Katz Roadshow***.

More specifics will be coming in the next few months. If you would like to familiarize yourself with Gary M. Katz, visit [www.thisiscarpentry.com](http://www.thisiscarpentry.com) and/or [www.garymkatz.com](http://www.garymkatz.com).

# Siewers “Selfie” Contest Winners

## Best “Far Far Away”

“TIE” Both From Sicily, Italy - \$50

Cory Smith w/Portico Classic Homes

Rob Wright w/Cabinetry and Construction

Runner Up - \$25

Ray Praught w/ R.A. Praught Construction

## Best “Creative”

Steve Moore w/ Apple Grove Construction - \$50

Darren Trenbath w/ Millennium Building Services - \$25

## Honorable Mentions

Don Schultz w/D.R. Schultz Renovations

Kat Meade w/Cabinetry & Construction

Marcus Waterman w/MD Waterman Construction LLC

Barbara Ledford w/ T.A. Ledford Contracting, LLC

## Quick Contractor Tip

### Use this formula to order framing materials

You don't need a math degree to estimate framing materials for walls. Here's a formula that works every time, no matter how many doors, windows or corners your walls have:

- One stud per linear foot of wall.
- Five linear feet of plate material (bottoms, tops and ties) per linear foot of wall.

Five linear feet of plate material (bottoms, tops and ties) per linear foot of wall.

It'll look like too much lumber when it arrives, but you'll need the extra stuff for corners, window and door frames, blocking and braces. Set aside the crooked stuff for short pieces. (This was found on the [www.familyhandyman.com](http://www.familyhandyman.com)).

### 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 me at [laurenf@siewers.com](mailto:laurenf@siewers.com) or in person.

**NOTE FROM THE EDITOR:** *If for any reason you cannot open any of our links, please contact me at 358-2103 or [laurenf@siewers.com](mailto:laurenf@siewers.com), and I will resend or copy the link information. Thank You!*



**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 David Chalkley our February winner!*



*”Spring Forward” with Daylight Savings Time March 13<sup>th</sup>!*





**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>
Jan. 2016	4.9%	98.1	1,099,000
Prior Month – Dec. 2015	5.0%	96.5	1,143,000
Prior Year – Jan. 2014	5.7%	103.0	1,080,000

	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>	<u>National Avg. Mortgage Rate</u>
Jan. 31, 2016	\$1.76	N/A	3.87
Prior Month – Dec. 2015	\$2.00	5,460,000	3.96
Prior Year – Jan. 2015	\$2.05	4,820,000	3.67

**Market Summary**

	<u>February 17, 2016</u>	<u>1/01/16</u>	<u>1/31/15</u>
DOW	16,196	17,823	17,165
NASDAQ	4,104	4,736	4,635
S&P 500	1,895	2,058	1,999

**Long & Foster Market Minute / Jan. 2016**

<b>New Listings</b>	<b>1,950</b>	<b>Median Sales Price</b>	<b>\$199,900</b>
<b>Current Contracts</b>	<b>1,291</b>	<b>Days on Market</b>	<b>67</b>
<b>Sold vs. List</b>	<b>97.9%</b>	<b>Months of Supply</b>	<b>6.3</b>

Company Mission

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



**“Being open and observant of people and the world around you is really important. People have the same desires and needs online as they do offline. The way that people are stays constant. You can change the format, make it easier for them to communicate or use photos instead of words, but human necessities never change.”  
Catherine Fake**

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**....Next issue March 17th**