



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



*Celebrating 132 Years of Service*

*A note from the Siewers Family...*

The hot and muggy weather serves a reminder that we are in the prime of summer and half-way through the calendar year. We sincerely hope you and your family had a wonderful and relaxing 4<sup>th</sup> of July Holiday!

As the days become busier and the temperatures continue to rise, please remember to stay hydrated – all throughout the day. Already, we’ve heard of 2 cases of heatstroke over the past few weeks! They say by the time you feel thirsty that you are already dehydrated! Please see the newsletter for more information about heat related illness.

We have more important information for you in this month’s newsletter and we hope you enjoy it! Be sure to read the article “What’s Your Markup?” It is packed full of information to help you better sell your services to your clients!

We hope you have the opportunity to take a little down-time over the summer! The summer months seem to provide us with longer days and we often are busiest during these months. Please rely on Siewers Lumber to help you with all of your building needs. We continue to thank you for your business!

*-The Siewers Family*

## Contractor News

### **8 Unique Ways Mobile Technology Helps Contractors on the Job** *By Shawn McCadden*

Contractors are joining the ranks of workers who bring their own devices to the workplace. A Texas A&M survey found that 72 percent of professional contractors now use smartphones such as the Samsung Galaxy S7 Edge at work, while 53.9 percent use laptops and 50.1 percent use tablets.

Mobile devices are assisting contractors in virtually every phase of construction, from finding clients and managing projects to making estimates and bookkeeping. Here are some of the top ways mobile technology is helping contractors on the job.

#### **Customer Relationship Management**

Any construction job starts with a client, and customer relationship management tools such as Improveit 360 make it easier to find and manage clients. The Improveit 360 app is especially designed with the needs of contractors, remodelers and home pros in mind. It includes tools for:

- Phone and email marketing
- Centralizing your incoming lead database
- Tracking and managing leads
- Preventing duplicate leads
- Appointment scheduling
- Sales

#### **Invitations to Bid**

The bidding process is a big part of landing clients, and bid invitation apps like SmartBidNet are designed to make it easier for you to win projects. SmartBidNet provides a communications dashboard, where you can send, receive and monitor your invitations to bid. The app includes templates to help you:

- Formulate and start the draft bid process
- Customize subcontractor access options
- Share calendars to manage bid deadlines

#### **Estimating**

Estimating is one of the most important and time-consuming parts of the bidding process. Construction calculator apps like BuildCalc make estimating easier by providing a spreadsheet-style layout, where you can enter and calculate bid data. BuildCalc comes with design layouts for different parts of a building to help you develop details of your

estimate, material estimation tools and quick conversion tools for distance, area, volume, weight and angles.

### **Building Information Modeling**

With today's technology, digital building information modeling is the most efficient and least expensive way to plan projects. The Autodesk app allows you to do BIM from your mobile device. The app also helps you build more efficiently and cost-effectively by letting you create 3-D models of your building projects that you can rotate and even animate.

### **Project Management**

Once you start a construction project, use your smartphone to manage it through an app like Fieldwire, which is designed to assist construction managers and workers in the field. Fieldwire enables you to:

- Pull up blueprints
- Share files with your crew
- Create and assign tasks
- Track issues using photos from the field
- Receive notifications when tasks are updated

### **Safety**

Safety comes first on any project. From a technology standpoint, the Safety Meeting app makes it easier for contractors to comply with OSHA safety meeting regulations. Safety Meeting allows you to:

- Schedule meetings
- Pull up safety meeting topics
- Document meetings
- Receive incident and near miss reports

### **Field Data Collection**

The success of any construction project depends on accurate data collection, and field data apps like Canvas make it easier for you to collect the information you need. In addition, Canvas lets you:

- Create and fill out forms
- Capture photos
- Obtain GPS coordinates
- Perform calculations
- Send emails and files to crew members

## Accounting

Bookkeeping is a necessary chore for any contractor, and accounting apps like QuickBooks Online take much of the labor out of bookkeeping by letting you automate the most repetitive and tedious bookkeeping tasks. Use your mobile device and let QuickBooks Online:

- Manage your cash flow
- Send invoices
- Accept payments
- Scan receipts
- Make and record deposits
- Pay bills and expenses
- Create monthly statements
- Print or email reports
- Export data into tax preparation software

## **HEAT ILLNESS CAN BE DEADLY** – OSHA Report

The body normally cools itself by sweating. During hot weather, especially with high humidity, sweating isn't enough. Body temperature can rise to dangerous levels if you don't drink enough water and rest in the shade. You can suffer from **heat exhaustion** or **heat stroke**.

In 2014 alone, **2,630** workers suffered from heat illness and **18 died** from heat stroke and related causes on the job. **Heat illnesses and deaths are preventable.**

### **Employers must protect workers from excessive heat.**

Under OSHA law, employers are responsible for providing workplaces free of known safety hazards. This includes protecting workers from extreme heat. An employer with workers exposed to high temperatures should establish a complete heat illness prevention program.

- Provide workers with water, rest and shade.
- Allow new or returning workers to gradually increase workloads and take more frequent breaks as they acclimatize or build a tolerance for working in the heat.
- Plan for emergencies and train workers on prevention.
- Monitor workers for signs of illness.

### **To prevent heat related illness and fatalities:**

- Drink water every 15 minutes, even if you are not thirsty.
- Rest in the shade to cool down.
- Wear a hat and light-colored clothing.

- Learn the signs of heat illness and what to do in an emergency.
- Keep an eye on fellow workers.
- "Easy does it" on your first days of work in the heat. You need to get used to it.

Working in full sunlight can increase heat index values by 15 degrees Fahrenheit. Keep this in mind and plan additional precautions for working in these conditions.

### **Who is affected?**

Any worker exposed to hot and humid conditions is at risk of heat illness, especially those doing heavy work tasks or using bulky protective clothing and equipment. Some workers might be at greater risk than others if they have not built up a tolerance to hot conditions, *including new workers, temporary workers, or those returning to work after a week or more off*. All workers are at risk during a heat wave.

Industries most affected by heat-related illness are: construction; trade, transportation and utilities; agriculture; building, grounds maintenance; landscaping services; and support activities for oil and gas operations.

### **What to do if a worker becomes ill?**

- Call a supervisor for help. If a supervisor is not available, call 911.
- Have someone stay with the worker until help arrives.

### **When Clients Ask: 'What's Your Markup?'** *By Paul Winans*

One of the questions I would hear periodically when selling remodeling services was "What's your markup?" Here are some thoughts and suggestions about how to handle that question, which I learned and/or developed over time.

#### **Be Clear With Yourself First**

To respond with confidence to the question, you must be clear with yourself that you, your family, and your company are worth what you have decided to charge. If you aren't confident about this, you will not be taken seriously by potential clients when talking about it.

#### **Reverse the Question**

A remodeling contractor typically will answer any question a potential client asks him. By doing so the remodeling contractor gets in his own way and loses control of the sales interaction. The best thing to do when asked a question by a potential client is to respond with a softening statement, such as "Several of our potential clients have asked me that question," followed by a reverse, such as "Why are you asking that question?"

You have to find out the question behind the question the potential client has asked you, because otherwise you will likely put your foot in your mouth responding to the initial question. For example, they might simply be asking about your markup because a good

friend told them to do so. Your potential clients might not even care at all what your mark-up is. You just need to walk them through the conversation so they can go to their friends and say they did ask.

### **What Step Did You Miss in the Sales Process?**

If you have been interacting with a potential client for the early parts of a sales call, one of your goals was to learn about the client's pains, the emotional reasons, for going through the hassle and distractions that are inevitably part of having a remodel planned and done. If a potential client is asking about markup late in the sales interaction, it means it is likely an earlier part of the sales interaction was not addressed as completely as it should have been.

If that is the case, go backward. Ask about the problems the potential client had brought up to you earlier in the conversation, what he or she thinks about your understanding of them and why that client believes you and your company might be the right partner to help get those problems solved. Without helping the client remember what was told you earlier, it is very likely that client will stay stuck on the markup question.

### **The Answer to the Question**

After doing all the above, here is some of what I would say:

“We do only a certain amount of business a year, because we want to be able to deliver a consistently good experience and product to those valued clients who chose to have us work with them. This means we do not expand and contract our business as opportunities present themselves, as doing so would not allow us to be what we are telling our prospective clients what we truly want to be, one of the best partners when having your home remodeled.

“At the same time,” I then would add, “we know what our costs of being in business are, what we have to spend even if we have no work going on. This is our overhead, which includes things like phones, rent, stationary, training and so on. We know what these expenses will cost for our business year.

“Additionally we have expected return [otherwise known as “profit”] which we hope, truly hope, we will generate as a result of taking on all the risk we do by providing a fixed total price for our clients’ remodels. That expected return also is to help us with the fact that we can only truly accurately estimate the cost of a project after the project is done and that we need some security to cover the inevitable inaccuracies in any estimate. The expected return will also allow us to continue to improve our systems and tools, all of which help make any project we do more likely to be successful.”

I conclude with: “What do you think of what I have said so far?”

### **The Second Response**

However, the client answers, respond with something like “I have heard that from some

of our clients. Why are you bringing that up?" or the like. Always probe before responding.

If the potential client is still interested in our markup, here is what I would say: "To cover our overhead, the costs of simply keeping our business open and improving, we charge 30% of the sales price. To provide for the possibility of an expected return we charge 10% of the sales price."

Notice I am NOT telling them what we are "marking up" the costs of goods sold. Instead I am telling them what portion of the sales price includes the overhead and profit, or, in other words, the margin (which in the example I am giving is 40%).

Now if they say that is higher than what they have heard from others, go back to asking them why they were interested in your company in the first place, and are those characteristics and qualities worth paying the difference? If they don't think so, wish them well and ask if you can check back with them in a month or two to see how their project is unfolding. You never know.

The main point I hope you take from all the above is that you MUST make money when running a business and to do so you cannot let your potential clients tell you how much to make. After all, you are the expert about running a remodeling business, not them!

### **Product of the Month**

**Primed Paulownia**: A rot resistant wood that is good for the exterior, plus many customers like to use it inside because it is primed. Paulownia is very lightweight and easy to cut. The price is between yellow pine and fir. It is available in 1x4, 1x6, 1x8, 5/4x4 and 5/4x6, in 16' lengths only.

Siewers has whatever you need to fit your project and budget. Other woods and products that are stocked by Siewers and work well for exterior uses:

Paulownia  
Fir  
Cedar  
Redwood  
Pressure Treated  
Boral Tru Exterior  
PVC  
Miratec



**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 Steve Sykes our  
July winner!*



**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 2016	4.9%	93.0	1,189,000
Prior Month – May 2016	4.7%	92.6	1,135,000
Prior Year - June 2015	5.3%	99.0	1,213,000

	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>	<u>National Avg. Mortgage Rate</u>
June 31, 2016	\$2.28	N/A	3.57
Prior Month – May 2016	\$2.32	5,530,000	3.60
Prior Year – June 2015	\$2.76	5,480,000	3.98

**Market Summary**

	<u>July 19, 2016</u>	<u>1/01/16</u>	<u>6/30/16</u>
DOW	18,533	17,425	17,929
NASDAQ	5,055	5,027	4,842
S&P 500	2,166	2,047	2,098

**Long & Foster Market Minute / June 2016**

<b>New Listings</b>	<b>2,525</b>	<b>Median Sales Price</b>	<b>\$233,500</b>
<b>Current Contracts</b>	<b>1,925</b>	<b>Days on Market</b>	<b>42</b>
<b>Sold vs. List</b>	<b>99.2%</b>	<b>Months of Supply</b>	<b>2.9</b>

Company Mission

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



**“If you aren’t making a difference in other people’s lives, you shouldn’t be in business- - it’s that simple. Companies have a responsibility to make a difference in the world: They owe this to their community, their staff, their customers, everyone. The amazing part is that doing good is also good for business - - what are you waiting for?” Richard Branson, founder of the Virgin Group**

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distribution list.***

**....Next issue August 17th**

