



A New Breed of Remodeler

by Les Cunningham

To run a business successfully, you must change from an artist and a dreamer to a business person and a team player. I run workshops and seminars for remodelers around the nation who are interested in analyzing their businesses and improving their performance. In the course of my work, I meet a lot of former carpenters who say they want to learn how to manage their business better. But too often these same folks won't accept the help that they so desperately need.

To compound the problem, the only financial numbers these would-be entrepreneurs have available aren't on paper, but in their heads. The "facts" they use to make business decisions are a blend of rumor, scuttlebutt, and intuition about the remodeling business. The truth is that they have no real factual basis to back up any of it.

To make intelligent business decisions, you must have real data available. Your business decisions should be aimed at making your firm more profitable on the bottom line — not aimed at adding more volume, hiring new people, renting bigger offices, or anything else. The name of the game is how much total compensation you get out of the business for the risk that you, your family, and your business must incur.

New breed. In the classic remodeling business scenario, experienced carpenters struggle to put down their field tools and pick up management tools. Too often, however, their egos get in the way of their vision. They usually reason that since they've been doing everything it takes to run a business for years while working for somebody else, they don't need help from anybody now.

After 23 years in the industry, however, I have noticed that this scenario is beginning to change as more and more people are leaving their jobs with

large companies to find "meaningful life experience" as remodelers. The movement includes all types of people, from teachers to police officers to architects, and in general has been good for the industry. The most important effect has been a rapid growth in professionalism that I believe has helped the industry improve its standing across the board.

What makes this new breed of remodeler so different — and so successful? Seven characteristics give them an edge:

1. They lack construction knowledge.

You might think this would be a hindrance, but it actually can be an asset. Too many remodelers believe there is an "industry standard" somewhere in the archives of remodeling that dictates what their overhead costs should be. They were told by someone about a certain number, and they believe that number rather than doing the hard work it takes to figure their own true cost of doing business. The new remodeling companies, on the other hand, are profitable precisely because they have no idea what their overhead cost *should* be — they know what their overhead *actually is*. The resulting freedom to charge whatever they have to in order to make a profit makes them successful.

2. They produce for the client.

Instead of showing off or creating something that pleases themselves, these remodelers are interested only in having their production crews build what the client wants.

3. They are willing to make changes.

Because they haven't "always done it this way," these business people don't stubbornly insist something will work until it is proven wrong. They analyze and check their systems regularly, and make changes whenever necessary.

4. They have honed their people skills. Coming from large offices, these remodelers usually are accustomed to dealing with a wide variety of people in their daily interactions. Most have developed their people skills to a much higher level than the typical carpenter, who may have had only as little contact as necessary with customers.

5. They know their goal. That goal is to build a business, not to create a monument to their genius or to fill their offices with expensive tools and equipment.

6. They're well organized. The new remodelers understand the need to do what I call S.O.S. — Standardize, Organize, and Systematize. Even small companies can't afford to work informally with files, phone calls, work orders, and other office tools.

7. They're team-oriented. The new remodelers know they can't run the business single-handedly, and they have no desire to do so. They are part of the team, and they constantly

work to refine the group that runs the company.

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Carpenters who spent years mastering their

craft need to invest the same amount of time and energy mastering the skills needed to run a business. And at the rate the remodeling industry is growing, there's no time to waste. If you have any doubts, keep the following story in mind.

Every morning in Africa, a gazelle wakes up knowing it must run faster than the fastest lion or it will be killed. And every morning a lion wakes up knowing it must outrun the slowest gazelle or it will starve to death. It doesn't matter whether you are a gazelle or a lion: When the sun comes up, you had better be running. ■

Les Cunningham spent 15 years running his own remodeling company. He now operates Business Networks, a consulting firm that conducts pier-review seminars with more than 100 remodeling companies nationwide.

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