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## Positioning your business for 2013

17 industry leaders share their secrets on the challenges and opportunities they expect to face in 2013. Also, they reveal how they are positioning their business for growth.

By Tim Gregorski, Editor in Chief  
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Will 2013 be another challenging year for remodelers? How should remodelers position their business for growth in 2013? Are there opportunities for remodelers, and if so, where do they exist? What other challenges will remodelers face in 2013?

We interviewed a number of top remodelers about how they are positioning their business in 2013, and the top challenges and opportunities they expect to face. We asked them to reveal their keys to a successful 2013.

Their answers just may surprise you.

### **Kelly Anderson** **General Manager** **Ironwood Custom Builders, Salt Lake City**

*Positioning for recovery:* We are refining systems and starting to hire again. We've already signed more work for 2013 than we did in all of 2012.

*Keys to 2013 success:* Consumer confidence. As long as people are confident that the economy will continue to improve, I believe they will continue to spend money to improve their home. This, of course, is assuming that we're not driven off the cliff.

*Top opportunities:* We are excited that new construction for custom homes is finally picking back up. We are looking forward to seeing how many new homes will be back in the mix for us this new year.

*Top challenge:* The economy and the cliff. We're only about half way back to our best year in regard to annual gross revenue, so we have the systems and the capacity. It's a matter of consumers being confident enough in their personal financial situations to feel comfortable investing in their current homes or building new.

## **Bob Peterson, CGR, CAPS, CGP**

### **President**

### **ABD Design Build, Ft. Collins, Colo.**

*Positioning for recovery:* As you already are aware, ABD does not rely heavily on tons of leads; we focus on quality leads and making sure our existing client base is very happy and satisfied. The majority of our marketing money is spent on them. We are also in the process of totally revising our already successful website. I have also been collecting résumés should we need to add staff.

*Keys to 2013 success:* Some semblance of economic stability must prove to be real and not just a reaction to short-term attitudes. The long-term fix to our country's economic problems must start to surface.

*Top opportunities:* There are many opportunities out there, some of which may be in the custom home arena. We are seeing a strong uptick in demand for custom homes in the \$500K-\$700K range. Also, we are seeing much stronger inquiry from larger remodel clients. Currently, we have three large projects in design stages, all of them over \$500K in size, and we are also working on some in the \$150K-\$200K range.

*Top challenge:* I am concerned about instability in the economy, assuming the worst coming out of Washington D.C., or worse, nothing coming out of D.C. I am concerned about available quality workers. Our area is picking up some serious steam in new construction, and I am certain some of our available workforce will be enticed to the easier life of new home building.

## **Dr. David Powers**

### **COO**

### **Ocean Breeze Remodeling, Surfside Beach, S.C.**

*Positioning for recovery:* We are using this time to reposition our company into our core market. Like many companies, when times were good, we moved into markets and invested in opportunities that weren't the best for our business. Sure, we made some money, but it expended resources that would've been better served invested into emergency funds for a downturn. We are now focused on a portion of our market that we can dominate and control and one that offers more opportunity for recovery than grasping at straws.

*Keys to 2013 success:* Key factors for us to achieve a successful year are intense focus on our core market, more strategic advertising instead of just doing what the competitors are doing, and handing off jobs that we're not the best at.

*Top opportunities:* The top opportunities for us next year will be refining our workforce, destroying or absorbing several small competitors, and exposing several of our crooked local building inspectors.

*Top challenge:* We believe our biggest challenges will be implementation of the new energy code, the ramifications of Obamacare, and any significant hurricane landfalls in our area.

## **Matt Hullander**

### **President**

### **Hullco Exteriors, Chattanooga, Tenn.**

*Positioning for recovery:* We have had steady growth each year and have doubled sales since 2007; however, we do need to position ourselves for growth. The economic climate is ever-changing and we hope to use the upcoming "recovery" period as an opportunity for a spike in growth.

*Keys to 2013 success:* Making sure we continue to market to our existing customer base, capitalizing on our referral business, and making sure we are doing the most we can with each

lead.

*Top opportunities:* Replacement windows and entry doors. We anticipate full recovery from the “tax credit hangover.”

*Top challenge:* As always, it is the competition. With new construction continuing to remain uncertain, we see many independent contractors fighting for exterior remodeling jobs.

**David Lloyd**  
**President**  
**Lloyd Construction, Ketchum, Idaho**

*Positioning for recovery:* In our small market, I would consider positioning for a market recovery by staying relevant and making the most from every opportunity. This includes chasing the leads and being active in the community, as opposed to waiting for the next good job to fall in your lap.

*Keys to 2013 success:* Past clients and referrals from past clients. We have completed projects for 37 returning clients this year, which is a new high. Many of these projects were small remodels, but we treated every one like it was the most important. We have built 35 years of trust in these clients, which helps us with a continued workload.

*Top opportunities:* The top opportunities will happen if there is optimism from our existing client base and architect base. Enough contractors have left the area that the remaining building professionals should feel comfortable with their workload if there is a slight improvement.

*Top challenge:* I am generally optimistic about 2013, as 2012 was very productive. The biggest uncertainty, which has proven to be a challenge, is the direction of the national tax rates. Some of my clients’ remodel goals are on hold until more is known.

**Paul Sullivan**  
**President**  
**The Sullivan Company Inc., Newton Highland, Mass.**

*Positioning for recovery:* We have conducted some interviews and made two recent hires for staff that may be harder to find as things pick up. We are expanding the subcontractor side of our business and no longer doing framing with our own staff. This enables us to increase volume and keep overhead consistent.

*Keys to 2013 success:* First of all, there actually has to be a recovery and not just a blip. Having a talented field staff supported by an experienced office staff is key. While the recovery may be on its way, we don’t anticipate the floodgates opening, and we will continue to see successful remodelers running very tight ships.

*Top opportunities:* We have moved into the vacation home market.

*Top challenge:* The challenge of operating two offices in different states. Also, the need to push our marketing as far as possible on a limited marketing budget.

**Matt Millsap**  
**Owner/Chief Manager**  
**Building Co. No. 7, Nashville, Tenn.**

*Positioning for recovery:* We are refining our policies and procedures to ensure world-class customer service and building relationships with “feeder relationships” in the home healthcare field and other non-traditional lead sources. Additionally, we are implementing technology whenever possible to encourage efficiency.

*Keys to 2013 success:* Having a “unique position” that is completely different than our competition. Lean project management and having the right employees in place.

*Top opportunities:* Aging-in-place remodeling and urban in-fill home construction and remodeling.

*Top challenge:* Cash flow and growth—our two biggest enemies. We have experienced over 575 percent growth over the past four years, and that has been a major struggle.

## **Neil Parsons**

### **Owner**

#### **Design Build Pros, Toms River, N.J.**

*Positioning for recovery:* We are focusing and targeting our marketing efforts on groups that have expressed a want and/or need, but are also in a demographic that can afford an upscale remodeling project and/or in a situation that makes home remodeling investment dollars highly practical.

*Keys to 2013 success:* Our own commitment to investing our time and attention for efforts that will offer a defined result and income. There are too many avenues available that consume time and historically return little or no financial reward.

*Top opportunities:* Added potential client base through expanded territory. We expect to gain revenue through product referrals and e-commerce being added to our site. This extra income is earmarked as bonus marketing money to increase opportunities and overall growth. Also larger, detailed projects focused on service and a pleasant experience as opposed to cookie-cutter, vanilla makeovers.

*Top challenge:* Understanding consumers’ buying habits—many want to stretch their budget and require a percentage of financing dollars above the liquid/disposable they have to achieve their wish list project. We have concerns about the availability, ease, and velocity of even credit-worthy clients with regard to financing.

## **Scott Sevon**

### **Partner**

#### **MAW Chicago, Palatine, Ill.**

*Positioning for recovery:* We had a great 2012 and we are investing in our firm’s future. We started a total website review and update. Our social media will greatly expand in 2013, and we again have partnered with a few large Chicago builders and developers to expand our market share. We also have added 24/7 onsite cameras for our use and our clients’ use. This is a great way to follow what is going on at each jobsite.

*Keys to 2013 success:* I have some concern for our government and the way they have not worked out our economic and tax issues at hand. I hope they do not reduce or remove our mortgage interest deduction, as we feel it could further halt the positive uptick in the American housing and remodeling markets. Possibly a loosening of the extensive regulations we face each year.

*Top opportunities:* To continue to surround our team with quality trades and employees. The industry labor pool keeps dwindling, and the remodeling industry requires the best of the trades as every job and project is unique. We feel with our existing crew and their full understanding and acceptance of our requirements that we will continue to be very successful in 2013.

*Top challenge:* Labor shortages, materials heading upwards, more regulations, and possible tax increases.

## **Eddie Casanave**

### **Manager**

## **Distinctive Remodeling, Garner, N.C.**

*Positioning for recovery:* We are spending more on strategic marketing as well as fine-tuning our systems and personnel to get more work done with fewer people.

*Keys to 2013 success:* Efficiency and maintaining customer service levels for more referrals.

*Top opportunities:* With more companies going out of business, and builders deciding not to remodel anymore (or going back to building homes), it is an opportunity for us to increase market share.

*Top challenge:* Taxes and sales in a market that is constantly hearing doom and gloom from the media.

## **Michael Klein**

### **CEO**

## **The Airoom Companies, LLC, Lincolnwood, Ill.**

*Positioning for recovery:* We are trying to maintain our staff at an even level in hopes of a 15 percent increase in volume in 2013.

*Keys to 2013 success:* Larger jobs coming back, inflation to build more equity, less sensationalism in the news, and more optimism.

*Top opportunities:* Teardowns as well as interior remodels.

*Top challenge:* Lendable equity, lead generation, cost per lead, staying up with technology, and the capital expense required to incorporate technology.

## **Andy Lindus**

### **COO**

## **Lindus Construction/Midwest LeafGuard, Baldwin, Wisc.**

*Positioning for recovery:* In 2013, we will increase our digital advertising budget. We will be expanding our current ad word campaigns and focusing more on search engine optimization. Our YouTube channel currently has over 132,000 views, and we want to continue to build this number by creating new and interesting content; the demand is clearly there.

*Keys to 2013 success:* We are increasing our digital spending and are planning to launch a new SEO-optimized website in the winter of 2013. We plan to expand our current ad word campaigns and create more educational videos.

*Top opportunities:* Because our portfolio of services is so diverse, we feel it will be imperative to maintain contact with previous customers to see how we can provide further services to them. Those customers can be a great referral source for us as well.

*Top challenge:* We recognize that happy employees perform the best work. In 2013, we'll continue to take steps to make sure employees are happy and that they stay with our company.

## **Heather Ferrier Laminack, CGP**

### **General Manager**

## **Ferrier Custom Homes, Ft. Worth, Texas**

*Positioning for recovery:* One big step we are taking is moving our office to where our clients are. We currently lease a space on the outskirts of town, and have decided to make the jump to purchase and restore a historical building in the middle of a residential neighborhood. As such, we are becoming more involved in our local community-building brand awareness all along the way.

*Keys to 2013 success:* A key ingredient to our survival, and continued success, is to constantly evolve. A big part of this is continuing education—we are big believers in attending both local and national conferences to further sharpen our minds and abilities. Also, we are constantly tweaking our service offerings. For instance, we have recently experienced an increased demand for handyman services, so we are looking at launching a new line of services specifically geared toward routine maintenance services.

*Top opportunities:* With the purchase of a new, centrally located office building, we look forward to the opportunity of increasing brand awareness in our community.

*Top challenge:* We see that people are still a bit hesitant to pull the trigger on larger remodeling projects, so uncertainty is still one of our biggest obstacles. We feel that it is up to us to become our clients' trusted adviser and nurture them through this process.

## **Troy Pavelka** **Design Manager/Architect** **Normandy Design Build Remodeling, Hinsdale, Ill.**

*Positioning for recovery:* We are hopeful that the recovery is here and improving even more so for 2013. However, it still feels like the recovery might be slower than people would like. Our positioning is based on a conservative outlook—we are ready for the growth with the right staffing in mind, but are also controlling spending because we have not fully rebounded from the recession.

*Keys to 2013 success:* Having the right staff in place with a recovering economy is key. We are positioned for growth and are getting our new hires up to speed for a busy spring.

*Top opportunities:* A recovering marketplace with stronger consumer confidence. The election is over so hopefully the budget crisis is over soon. With positive news the selling cycle can shorten rather than extend, as it has for the last few years. With home inventories dwindling and home values and new home starts increasing, it should allow for an increase in margins.

*Top challenge:* New International Energy Code going into effect after the first of the year. It's requiring us to update insulation costs and has framing and even kitchen and bath remodeling implications.

## **John Quarenga** **Founder** **Jay-Cue Construction, North Bergen, N.J.**

*Positioning for recovery:* We are in the process of hiring additional personal to be prepared to handle existing customers, new customers from the storm damage, and additional work we acquire from projects that were the result of Hurricane Sandy.

*Keys to 2013 success:* Being able to complete all the work we have on a timely basis and yet be able to handle our current customers.

*Top opportunities:* Our top opportunity will be to expand to new areas that have not been very active. We expect to triple our business in 2013 due to the amount of signed contracts we already have.

*Top challenge:* Our challenges would be: manpower—hiring and keeping enough people to keep up with all the work; finding the materials needed to match existing homes; and costs, as we already see some subcontractors increasing their fees due to the amount of work.

## **Mike Blank** **Owner** **MBC Building & Remodeling LLC, Millersville, Pa.**

*Positioning for recovery:* We have been doing everything we can to stay in contact with previous clients, SEO, social media, and strategic alliances to get our name in front of as many people as possible. We have also been taking on a lot of smaller jobs, which will lead to a larger client base and larger projects.

*Keys to 2013 success:* Continue the momentum from this year with more jobs, and finding a way to increase job size.

*Top opportunities:* We have partnered with a cleaning company to do insurance work, and the networking we have been pushing the last few years is starting to get us referrals for larger work with less competition.

*Top challenge:* People are still cautious with their money, and depending on what happens in Washington D.C., they may lose confidence and stop spending again. A close second is wondering what new regulations will come out. Overall, I'm expecting a good if not very good year, assuming things don't reverse course because of what happens in Washington D.C.

## Chris Kamis, CR President Absolute Roofing and Construction Inc.

*Positioning for recovery:* We have already started the process of hiring qualified workers to help with the anticipated increase in demand.

*Keys to 2013 success:* The continuing recovery of the real estate market is key.

*Top opportunities:* Because of the many failures of other small businesses in our market due to the economy, we anticipate to continue to pick up market share. This will lead to increased opportunities, which will fuel growth in sales.

*Top challenge:* Obviously Obamacare is a going to be a huge challenge to deal with, but others are the continuing saga of the EPA lead regulations—which is stepping up enforcement in our area— as well as increased OSHA regulations and enforcement of the fall-protection rules. **PR**



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