

Loose Screws

September 23, 2009

Upcoming Ohio Valley NARI Events

Save the Date: October 8, 2009 will be the date for Ohio Valley NARI's **Feature Vendor Night!** Meet suppliers of building supplies and services. Enjoy a Deli Buffet Dinner, Free Beer and Sodas, Cookies and Door Prizes. The cost is just \$25.00 for NARI members and you can bring your whole crew! That's right, one cost of \$25.00 and your entire crew can attend! The event will begin at 6:30pm. and should "wrap-up" around 9:00pm. The location is the Holiday Inn on Hauck Road. RSVP today by calling 1-800-498-6274. Please click [here](#) for registration form.

Vendors Tables are still available! Click [here](#) for Vendor Table Application or call 1-800-498-6274 for details.

Notice: Building Value is currently in search of scaffolding material that can be utilized as lumber racks. Building Value LLC is a nonprofit building materials re-use enterprise that salvages quality building materials otherwise destined for the landfill and resells them in a public retail center. The enterprise provides on-the-job training opportunities in construction and retail, two of Ohio's highest growth sectors. Please contact Scott Beard at (513) 475-6783, or sbeard@buildingvalue-cincy.org.

Special Seminar: February 10, 2010, Ohio Valley NARI along with Roth & Associates will be presenting a Sandler Sales Training Program. Highlights: Why salespeople fail... and what to do about it. • How traditional sales practices turn salespeople into unpaid consultants. • How to get to the real decision maker. • How to touch 100% of your desirable opportunities, 100% of the time. • Why everyone looks busy, but sales remain low. • Do your salespeople have what it takes to succeed in today's volatile economy and marketplace? • Is your sales management strategy and structure optimized to produce the results YOU need to succeed? For more information or visit www.naricincinnati.org.

Energy Audits Create New Revenue Stream

by Morgan Zenner

Green is the new black when it comes to remodeling. With the government offering rebates to homeowners for increasing energy efficiency in homes, there is an opportunity for remodelers to provide services that help homeowners update their homes.

In this economy, Tom Weiher, CR, CKBR, president of Carmel Builders Inc. and president of Milwaukee NARI, found himself diversifying his business model to include an energy audit and improvement program.

“We were forced to look into other avenues of generating business,” Weiher says. “By providing homeowners with information on energy efficiency, they perceived it as added value to the project and considered us a leader in the industry.”

Weiher became an allied contractor within Focus on Energy, a government-sponsored program made up of organizations that help Wisconsin residents and businesses install cost-effective energy-efficient and renewable energy projects.

The program requires homeowners to receive an energy audit on their homes by a certified evaluator. Through the auditing process, a detailed report is given to the homeowner with an energy score that encompasses everything from insulation, air leakage and sealing, gas burning appliances or radon testing.

Once the evaluation is done, homeowners have one year to make most if not all of the recommended energy-efficient improvements. At the end of that year, the evaluator returns to the home and re-evaluates it. If the score is improved and reflects the state and federal efficiency standards, residents are eligible for the rebates.

To become an allied contractor, Weiher submitted an application, references, certificates of interest and other documents that were required.

Once accepted, Weiher teamed up with a certified energy auditor, Tom Krawczyk, also a NARI member, who is an allied professional in the program as well.

Together, Weiher and Krawczyk are able to provide clients an opportunity to improve their home’s energy efficiency by recommending each other to do the appropriate portions of the work.

For every new lead, Weiher mentions the program during the very first conversation: “I ask clients right away, ‘Did you know about the energy-efficiency rebates?’”

Typically, homeowners are interested in the rebates, but they are unsure about the process of receiving them and the costs involved. That is where Weiher is deemed an expert.

“Since they are doing the work anyways, they are appreciative and enthusiastic about the information I provide them. I explain what energy efficiency means

and the program that is available,” Weiher says.

Customers receive two free evaluations and detailed reports, which cost \$500 to \$700 depending on the size of the home, when they sign up via Weiher’s program.

There are several reasons homeowners are interested in energy efficiency. They enjoy the tax rebates, they are fearful of the rising energy costs and it increases value on their homes.

For Weiher, he sees a lot of positives for starting the green program in his company. He receives leads from his partner, the energy auditor, and he receives leads from his affiliation with Focus on Energy for being an allied contractor in his area. Also, Weiher’s energy program increases opportunities to have more work done in other areas of the home.

“The energy program added nearly \$50,000 of gross income of sales this year to extended projects and another \$25,000 worth of extra energy work,” Weiher says.

Weiher says that 35 to 40 percent of his clients have signed up for his program since initiating it in the beginning of 2009. Of those nearly 40% of clients who participated, most of them make 90 percent of the improvements recommended in the report.

He also has developed trusted relationships and a unique reputation among clients for being the company to turn to once homeowners decide to upgrade their home’s energy efficiency.

“There’s no doubt in my mind, that certain clients will turn to us in the future when they decide to make their homes energy efficient,” he says.

Subcontracting to Snag Stimulus Dollars

by VICTORIA E. KNIGHT

For small business owners trying to find a way into the lucrative market for federal contracts, subcontracting can provide a back door.

With billions of extra federal dollars being offered through the economic stimulus package, many small business owners have set their sights on winning contracts directly from federal agencies. For those with no previous experience, this may be aiming too high.

"It can be a challenge for an inexperienced company to do business with the government," says David I. Sonde, a managing partner with The Winvale Group LLC, a

government-contracts consultancy.

By subcontracting, business owners can boost their profits and learn about the many requirements of government work without the requirement to meet all of them. At the same time, they can provide the prime contractor with expertise and resources they may lack.

When bidding on big contracts, large businesses must submit subcontracting plans. "They need small businesses to meet their subcontracting goals," says Diana Dibble Kurcfeld, president of Design To Delivery Inc., a government-contracting consultancy firm.

To be sure, profit margins may be lower if you are a subcontractor rather than a prime contractor, and contracts can also fall through. But business owners who pick their partners carefully and do a good job can parlay the credibility they've built up into prime contracting roles as well as more collaboration in the future.

Sunny Kalsi, who was recently laid off from a job with a private company where he managed projects for various federal agencies, is looking to leverage the contacts he's built up into government work for Lorbus Inc., an IT management firm he's just set up.

"I am asking everyone I know or who they might know about opportunities," says Kalsi. After three weeks of outreach, he has several subcontracting opportunities in the pipeline.

Attending meet-and-greets held by federal agencies, trade shows, conferences and other networking events, such as those sponsored by the U.S. Small Business Administration and industry-related associations, can help get in front of prime contractors and decision makers at federal agencies.

Entrepreneurs can also post their profiles online and network with contractors through Web sites such as the Federal Contracting Network at www.tfcn.us and at www.mySBX.com. (Some charge fees, although basic services and listings are often free.) Small businesses can also sign up with large prime contractors through their corporate Web sites. Browsing sites, such as the SBA's Subcontracting Network (www.sba.gov/subnet), where prime contractors post opportunities, can be a way to identify key players.

When approaching prime contractors, business owners need to be able to succinctly explain what they do and show how they can add value.

Vistrionix Inc., a small business that has been providing IT and information support to various federal agencies for almost two decades, is looking for subcontractors. Melinda Warren, a vice president at Vistrionix, says she wants proof of past performance, information about present capabilities and insight into prospective subcontractors' business approach.

Business owners also need to vet prime contractors. Dibble Kurcfeld advises watching

out for prime contractors who fail to follow through on contractual commitments to use subcontractors after winning an award.

Of course a small business must fully understand the terms and conditions of its contract with the prime contractor before signing it. That includes the level of compensation and when it will be paid, the degree of support it will receive and how quality control will be conducted. Hiring a lawyer or other expert in this field may be prudent.

It may sound obvious, but business owners also need to ensure the contract is profitable or at least a break-even proposition. Entrepreneurs may be tempted to low-ball an offer to win it, with the hope of leveraging it into other business at higher rates. Experts say that's a mistake: That same price that will be expected in the future. And a business that defaults is one no one will want to deal with.

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