

# The Loose Screw

August 5, 2009

## Upcoming Ohio Valley NARI Events

This year Ohio Valley NARI's **Annual Golf Outing** promises to be bigger and better than ever before! We have partnered with NKBA to bring you an event of networking, camaraderie and excellent golfing enjoyment. There will be prizes, raffles and much, much more. Thursday, August 13th at the Glenview Golf Course is the place, 9:30am registration is the time. We will Tee Off at 10:00am. There will be Lunch, Drinks, Dinner and good old fashioned fun to be had by all. Bring a friend, a customer, a spouse or all 3; just don't miss out on the day! RSVP at [www.naricincinnati.org](http://www.naricincinnati.org) or call 1.800.498.NARI today. **Sponsorships are also still available!**

**CKBR Certification Class to Begin September 9, 2009.** Miami Valley NARI would like to invite Ohio Valley NARI Members to enroll in the upcoming Certified Kitchen and Bath Remodeler course beginning this September 9, 2009. The classes will be held every Wednesday from 6:00pm-9:00pm at the Ohio Valley NARI offices, 136 South Keowee Street, Dayton. They will conclude November 11, 2009 and the test will be conducted Saturday, November 14, 2009. The classes are being discounted this year until November 1, 2009. This is a great time to take advantage of the financial savings and achieve this highly desirable Certification. Please call 937.424.3303 for details or click [here](#) for application. There is limited space available so RSVP Today!

## The Ohio Valley NARI 2009-2010 CRG

**The deadline has been extended to August 14, 2009 at 5:00pm!** We are finalizing all changes and updates to the upcoming Consumer's Remodeling Guide. Be sure to get your profile updates and advertising requests in as soon as possible. **Don't miss out** on this year's **advertising opportunities!** Call 1.800.498.NARI for more information.

## Gain Client Appreciation Through Humor

*by Morgan Zenner, marketing and communications coordinator*

Greg Harth, CR, of A.E. Harth Inc. and president of NARI of Bucks-Mont, loves a good laugh. Among his favorite comedies are "The Money Pit," with Tom Hanks and the 1948 classic, "Mr. Blandings Builds His Dream House."

"If you haven't seen it yet, you have to!" Harth says about "The Money Pit." If not for the pure entertainment value, both movies do a good job of describing contractor/client relations and remodeling stereotypes in a light-hearted way to which everyone can relate.

"Most of my clients are fearful of contractors. They've all heard horror stories, and they all are scared to remodel in fear that horrible things are going to happen," Harth says.

To avoid these stereotypes, Harth considers it his job to ease his client's fears, which he does through humor. He creates a sense of comfort by talking about Hollywood's interpretation of the

horrors of a home remodeling project.

"There are a number of factors directing these fears," Harth says. "Hollywood is one, but also friends, families and neighbors perpetuate contracting horror stories. There's also a loss of insecurity for clients who are not accustomed to having strangers in their home."

Harth attributes most of actual contractor/client conflicts to different expectations. Many times client expectations are completely different than contractor expectations in terms of scheduling, cost and on-site conditions. Harth says that often these conflicts can be avoided if expectations are properly communicated in the beginning and throughout the project.

Harth uses humor to break down the barriers that most clients have with their contractors and open up the conversation. It is an easy way to address client fears and develop a level of trust and comfort.

### **Translate Your Mental Checklist on Paper**

When Harth joined the family business six years ago, there was no pre-construction checklist to speak of. "I noticed that all my clients have the same issues, so I began addressing all of these issues off the top of my head," he says.

However, as the business grew, so did the number of employees, and he found himself explaining the mental checklist to his new production coordinator. In order to ensure that no issue was left unturned, he felt it was necessary to write it down.

Today, Harth has developed several checklists. No job is too small when it comes to going through his full-proof system of checklists that cover the project from start to finish. He believes it is this system that gets him superior client satisfaction and referrals.

"Seventy percent of my business is repeat clients or referrals," Harth says.

And he sees this as a way to overcome obstacles on a day-to-day basis. For example, if the production coordinator cannot make it to work one day, someone else can pick up in his place at a moment's notice.

The checklist allows for two things to happen. First, it gives the client the impression that Harth's remodeling company is organized and structured. "I think clients appreciate the structure and feel more at ease when they realize that we are experts at what we do," Harth says.

It also provides a platform for the open communication that needs to be established in order for the project to succeed. "I think of all of my clients as my partner, not as a person to profit from," Harth says, "and they can tell by the way we communicate."

Harth's employees are familiar with this concept. He teaches them early on about the importance of contractor/client communication by weaving it into the entire company culture.

He lets his employees know what is agreed upon ahead of time in terms of clean up, scheduling and designated storage areas.

When Harth gives his clients the movie, "Mr. Blandings Builds His Dream House," he gets a mixed reaction. "I'll admit, they are usually either surprised, thankful or indifferent," he says with a chuckle. "But it still gets the point across that while we are a serious business; we also like to

have fun as we are doing the work."

### **Emergency Small Business Loans to the Rescue**

*by Emily Maltby, CNNMoney.com staff writer*

The Small Business Administration says that in the first week of the program, which kicked off last Monday, lenders approved 72 loans totaling \$2.4 million. While the SBA is pleased with the numbers, business owners who have been waiting months for the loans remain discouraged.

The program, called America's Recovery Capital (ARC), was authorized in February's stimulus bill. Businesses are eligible to apply for a loan worth up to \$35,000 to cover existing debt if they have been profitable in one of the past two years, and have been adversely impacted by the recession.

The ARC loans are interest-free to the business owner, who has up to 12 months to make the first payment and another five years to pay back the entire principal. They are administered by banks and other lenders and are 100% guaranteed by the SBA, meaning that if the borrower defaults, the government picks up the tab.

The SBA had estimated that these loans would reach 10,000 businesses by the time the program is slated to end on September 30, 2010. (it will shut down sooner if funding runs out.) But if things continue at the pace set in debut week, fewer than 5,000 businesses will end up receiving loans.

#### **Lender Participation**

Still, the SBA isn't worried. "We rolled out this program differently than other loan programs because of the urgency -- we needed to implement it as quickly as possible," said SBA spokesperson Jonathan Swain. "But we always knew there would be lenders who would need to take some time to look at the loans, the terms, their customers, and -- specifically with larger lenders -- how it would impact their system."

The SBA says that the loans were made by 42 lenders from 21 states, but Swain is confident that once larger lenders with greater geographic reach jump on board, the program will expand into more regions.

SBA doesn't know how many lenders are already on board; the majority of them were on the fence in May, when the SBA announced the program's June 15 start date. Many remained skeptical after receiving the guidelines for the program in early June.

"SBA is doing the best it can to implement the program, but the guidebook came out one week before [the program's start date], which is not a lot of lead time," says Tony Wilkinson, president of the National Association of Government Guaranteed Lenders (NAGGL). "It's been a slow start because lenders are either saying 'I have so many questions that I won't bother playing' or 'Give me time to have my questions answered and I'll decide.'"

Wilkinson says his organization has collected a list of questions from its constituency that it plans to submit to the SBA this week. "They want to know, for example, how fast will the SBA pay the interest on the loans," says Wilkinson. "And, with 60% default rate expected, [they will want to know] how and when can they collect on a guarantee, given that one of the biggest expenses is liquidating a loan."

Since the guidelines were released on June 8, the SBA has held in-person and virtual informational sessions aimed at addressing the lenders' questions. Thousands of lenders

representing 1,300 institutions have been in attendance, according to their tally.

"We fully expect that the participation numbers at those information sessions are an indicator. Of those 1,300 institutions, many of them are probably going to do the program," says Swain.

### **Favoring Existing Borrowers**

Although banks are allowed to administer ARC loans to cover debt issued by competing lenders, the SBA predicts that banks will primarily award these loans to their existing borrowers.

That puts small businesses owners like Mack Sullivan in a tricky situation. Due South Publishing, his tourism literature company based in St. Simons Island, Ga., has had a relationship with Bank of America (BAC, Fortune 500) for years. But when Sullivan tried to submit an ARC loan application, the bank responded that it had not decided whether it would participate in the program.

Sullivan has spent the last two weeks contacting banks and finally landed a lead; a BB&T (BBT, Fortune 500) branch in Georgia said it would be happy to entertain his application so long as he becomes a client. Sullivan wonders if leaving Bank of America is the right move for a \$35,000 loan.

"Is that the spirit of what ARC loans are going to be? Just leverage to force you to do business with a bank?" Sullivan asks.

Lenders have reported to NAGGL's Wilkinson that they have received hundreds of calls inquiring about the program. He says that even when the program ramps up, there will be issues in meeting the demand.

"Even if every question is answered by the SBA in one day, lenders still may not want to participate and there will be unhappy folks," he says. "The biggest problem with this program is that there will be unmet expectations."

### **Lead "Renovate Right" Pamphlet**

It has been brought to our attention that many members have run out of the "Renovate Right" booklets that the EPA has produced and required to be handed out at the beginning of each remodel. Ohio Valley NARI will be placing an order for these booklets and will have them available at a discounted rate. The EPA charges Business Owners \$1.75/book in groups of 50. Association members will have the publications available for the rate of \$1.00/each. Please forward all orders to: [info@narincincinnati.org](mailto:info@narincincinnati.org). This publication is also downloadable from the EPA site at: <http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf>.

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