



**Busting
Through the
Million Dollar
Sales Wall**



**2018 ICAA Convention
& Trade Show**

DISNEY'S CONTEMPORARY RESORT
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Course Presenter



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- **Chairman of SPFA Consultant's Committee**
- **Former Chairman of ASTM Task Group for the spray polyurethane foam standard specification**
- **Accredited SPF Inspector**
- **SPFA Certified Field Examiner**
- **Former Insulation Contractor**

Only Two Ways to Grow

- **Get More Work**

- **Or Charge More**

- It takes 100 jobs at \$10,000 per job to hit a million
- But, only 50 jobs at \$20,000

Topics and Presentation Structure



1. Examples of Different Strategies and Results
2. Increasing Sales
3. Increasing Job Efficiency
4. Strategies to Increase Revenue Per Job
5. Getting a Bigger Piece of the Pie
6. Making the Pie Bigger
7. What if It Doesn't Work?

Valley Insulation



Goal	Challenges	Strategy	Results	Comments
Double sales from 1980 to 1983	<ul style="list-style-type: none">• Low bid competition• Fragile economy	Open branch office, purchase equipment, hire addition sales & crew	Folded business in 1983	<ul style="list-style-type: none">• Failed to anticipate economic downturn in various industries,• Did not maintain adequate cash reserves• Match low bid to get contract

Gusmer Corporation 1999



Goals	Challenges	Strategy	Results	Comments
Increase sales 25% from \$20 million to over \$25 million	<ul style="list-style-type: none">• Already have 65% of worldwide market• Severe recession in Asia (35% of sales)	<ul style="list-style-type: none">• Identify & Develop new markets• Maintain current position in all regions• Strengthen relationship with existing distributors	Achieved 25% sales increase	<ul style="list-style-type: none">• Identified & developed equipment for polyurea market• Maintained Asia market presence• Added 4 new distributors in South America and Canada

Impro Inc. 1990



Goal	Challenges	Strategy	Results	Comments
Increase Profits	<ul style="list-style-type: none">• Heavy reliance on public work• Severe backlog of very small jobs & low margin large jobs• Poor equipment maintenance	<ul style="list-style-type: none">• Increase efficiency• Restructure bid process• Develop maintenance program for equipment	Increased profits in 2 years from \$20,000 to Over \$200,000	Bid restructuring eliminated low margin low profit jobs (decreased sales from \$2 million to \$1.6 million) Equipment maintenance program increased efficiency by 25%

Determining How to Increase Sales



- **Perform a SWOT Analysis**
 - What do you do best?
 - What needs improvement?

How?

- Conduct surveys
- Obtain customer feedback
- Review your call backs and complaints
- Conduct in house skill sessions with your employees
- Review your job records to determine what jobs made the most money and why

Reviewing a Job's Profitability



- Total hours installing insulation vs
 - Loading equipment and fueling trucks and equipment
 - Driving to jobsite
 - Set-up and cleaning
 - Inspection and check list items

Materials, fuel, equipment, overhead, travel costs, rentals, etc.

- Estimated vs actual
- Estimated profit vs actual
- Margins

Large Jobs Don't Necessarily Make Money



- It's better to have 5 extremely profitable jobs that take 1-2 days to complete over a large job where the profit is marginal and takes 3-4 weeks.
- Bid competition may lower your margins
- Money may be tied up for a long time, small job typically gets paid when work is complete
- 3rd party inspections can hinder final payment
- Can be more complex with multiple set-ups, working around other trades, restaging, etc.
- Equipment & crew can be tied up from performing smaller but perhaps more profitable jobs.

Develop a Plan from the SWOT Analysis



- Address weaknesses & maximize strengths
 - Provide employee training across the board including
 - ✦ Sales staff, applicators, office staff, project managers, mechanics, etc.
 - Upgrade or provide better maintenance of equipment
 - Provide better customer service
 - Faster response time
 - Better quality control procedures
 - Greater job efficiency
 - More profitable bids

Perform a Market Survey



- Determine the overall size of the insulation market
- What industries use your type of services and products
- How many competitors and their market share
- Their strengths and weaknesses

Strategies to Increase Revenue Per Job



- Provide better service to your customers.
- Establish a reputation for quality
- Obtain and advertise certifications and awards for your company and employees
- Establish your company as the expert in your field
- Provide services other companies can't match
- Be more visible
- Get more work done per day

Provide Better Service



- Provide quicker response time to Customer's inquiries & needs
- Become more efficient; Get to job sooner and finish quicker
- Institute procedures to ensure better quality
- Leave the job clean & neat

Become Super Efficient



Maximize each crew's potential to get more work done each day

- Reduce Breakdowns
- Start and finish jobs sooner
- Reduce call backs

Increasing Job Efficiency



Shop Foreman/Mechanic

- Keeps all equipment in good working condition
 - Maintenance on compressors, generators, trucks, trailers, forklifts, etc.
 - Maintains spare parts inventory for insulation equipment
 - Rebuilds or performs maintenance on insulation equipment
 - Maintains inventory of materials and keeps it stored properly
 - Has materials, parts and equipment ready to load when crews arrive

Increasing Job Efficiency



Project Manager and/or Job Foreman

- Compile correct paperwork
 - ✦ SDS
 - ✦ daily job reports
 - ✦ safety plan
 - ✦ daily work schedule
 - ✦ job plan
- Daily schedule
 - ✦ Determine staging area
 - ✦ Review safety plan
 - ✦ Work anticipated to be completed that day
 - ✦ Anticipated amount of material to be used & where
 - ✦ Time expected to complete task

Increasing Job Efficiency



Foreman

- Supervises application equipment in staging area
- Verifies set up is properly done
- Verifies substrate and climate is suitable for application
- Notifies other trades and building occupants of work to be performed
- Notifies neighbors (if they may be affected by noise or overspray)
- Assigns work to crew for that day

Increasing Job Efficiency



- Set up crew
- At the jobsite prior to application crew
 - Mask off items that require it
 - Isolate and contain application area and set up warning signs & barricades (if required)
 - Set up lights, ventilation fans, etc.
 - Verify substrate conditions
 - Can be the day before application

Note: Job Foreman can use this opportunity to review safety plan and daily work schedule with building owners/occupants and other trades and verify climate & substrate conditions are suitable for application

Increasing Job Efficiency



Review Directions to Job Site!!!!

- Have someone navigating who has been to the jobsite before
- Have directions in GPS before leaving shop
- Work around heavy traffic patterns
- Learn alternate routes that would save time
- Fuel up ahead of time, don't waste time fueling up during application windows

Increasing Job Efficiency



- Application Crew
- Minimum 3 man application crew (more for complex jobs)
- At least 2 sprayers per rig SPF or cellulose application
 - Can stagger shifts so application doesn't stop
 - Reduces fatigue
 - Inspires competition for better quality and yield
 - Keeps the application going in tight areas

Increasing Job Efficiency



- **Anticipate moves to another area**
 - Have area masked off ahead of time
 - Start in area so that there is an easy flow from one area to another
 - Minimize number of new staging areas
 - Do your detail work, get the hard spots first

Clean-up Crew



- Typically same personnel as set up crew
- Comes in the next day (same day on small jobs)
- Trimming and unmasking
- Taking down warning signs, ventilation equipment, etc. (only after fumes and mists have dissipated)
- Can touch up voids, gaps and other areas with foam kits or sealant foam
- Project Manager performs final inspection

Post Job Analysis



- **Project Manager & Job Foreman review**
 - Total hours to complete each phase of the job
 - Material yield
 - Amount installed per day
 - Down time (when insulation rig is not installing material) and why
 - Quality of the job
 - Call backs
 - Customer satisfaction

 - Develop check list for improvement in all job tasks, provide to Sales person

Getting a Bigger Piece of the Pie



- Provide better service to your customers.
- Establish a reputation for quality
- Obtain and advertise certifications and awards for your company and employees
- Establish your company as the expert in your field
- Provide services other companies can't match
- Provide professional presentations and bid packages to your prospective clients.
- Respond quickly to inquiries and bid

You Need Information



- Who is your competition?
- What is their size and area they cover?
- What resources do they have?
- What is their quality & customer service?
- What do they specialize in?
- How do they train employees?
- How much of the market do they have?
- What is their reputation?

Getting a Bigger Piece of the Pie



- Prepare a point by point comparison of your company's strengths to the competition's weaknesses
- Develop talking points of your company's services and advantages over the competition to be used in:
 - Brochures
 - Ads
 - Sales calls
 - Interviews w/media
 - Seminars
 - Trade shows

Getting a Bigger Piece of the Pie



Expand your territory

- What are the costs?
- How far do you need to go?
- What are the resources available to expand?
- What is the market like in those areas?

Getting a Bigger Piece of the Pie



- Acquisitions/Mergers
- Considerations for buying another business
 - Business is healthy but owner wants to retire
 - Company has good quality equipment and well trained crew
 - Financials are good
 - Buyout price is reasonable
 - Market focus of company complements your business plan

Establishing A Branch Office/Shop



- Regional sales guy first
- If work develops then look at opening an office/shop
- New Hires
 - Hire for character
 - Train for competence
 - Train employees to be able to perform multiple jobs and tasks
 - Find the right job for your employee, don't put a round peg in a square hole
 - Provide incentives both monetary and inspirational
 - Buy uniforms, shirts, hats, etc. to encourage pride in the company and esprit de corps.

Build a Bigger Pie



Grow the Overall Business in Your Area

- Identify industries that could use your products & services from your market survey
- Identify specific companies within those industries, How do they bid out work?
- Who are the key decision makers?
- Do they have financial resources?
- Work with trade groups to collectively market and expand business in your region
- Are there regulatory issues and special issues that can help grow the market?
- What about construction trends?

Build a Bigger Pie



- Subscribe to Target Industry periodicals, newsletters, etc.
- Watch for opportunities
- **Example: Northeast Offshore Fisheries Act**
 - Government backed initiative to build off shore processing plants
 - Required insulating dozens of off shore facilities, ships and trucks
 - Limited number of vendors

Build a Bigger Pie



- Obtain information of companies within targeted industries
 - Contact information of principle decision makers
 - Background information of each company
 - How the company/industry identifies and qualifies vendors

 - Key questions:
 - ✦ Can they benefit from my services?
 - ✦ Can they afford it?

Advertising



- Local Trade Shows
- Local seminars
- Luncheons (particularly good for architects & engineers)
- TV, radio, newspapers
- Direct mail or email
- High Profile jobs (HGTV, DIY, Habitat for Humanity)
- Excellent website

Presentational Tools



- **Audio-visuals**
 - Videos on applications, successful jobs and testimonials
 - Custom trade show booth w/ photos, testimonials, descriptions of company and services

- **Product demos**
- **Brochures**
- **Assembly mock-ups**
- **Samples**
- **Project lists and testimonials**

What if It Doesn't Work?



- Keep adequate cash and credit
- Monitor progress frequently
- Be ready to pull the plug if necessary