



Quarter 1, 2019 | Vol. 56 No. 1 | \$9.00

**CLEANING & RESTORATION**

A PUBLICATION OF THE RESTORATION INDUSTRY ASSOCIATION

A stylized white megaphone with a blue outline and radiating lines indicating sound, positioned to the left of the main headline.

# OUR **GREATEST** NEED

*Building a Case for Proactive Advocacy  
in the Restoration Industry*

**Time and Materials vs.  
Unit Cost Pricing Models  
for Water Losses**

**RIA 2019  
Convention Preview**



INTERNATIONAL  
**RESTORATION**  
CONVENTION + INDUSTRY EXPO

**April 30 - May 2, 2019**  
Phoenix, Arizona



## CLEANING & RESTORATION

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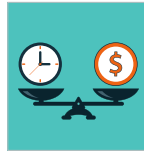
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CLEANING & RESTORATION (ISSN0886-9901) is published four times a year by the Restoration Industry Association (RIA), 2025 M St. NW, Ste. 800, Washington, D.C. 20036, USA. Forty-nine dollars of each \$875 of member dues is for a one-year subscription to CLEANING & RESTORATION. Additional member subscriptions are available at \$49 per year. Single copies \$7 each member/\$9 non-members. Non-member subscriptions \$69 per year. International subscriptions \$79/members and \$99/non-members. Rates for reprints of articles and multiple subscriptions available upon request. All rights reserved. The statements and opinions expressed herein are those of the individual authors and do not necessarily represent the views of CLEANING & RESTORATION or RIA. The publisher reserves the right to accept or reject any editorial or advertising matter. The publisher is not responsible for claims made by advertisers. Periodicals postage paid at Rockville, MD and at additional mailing offices. POSTMASTER: Send change of address to CLEANING & RESTORATION, 2025 M St. NW, Ste. 800, Washington, D.C. 20036, USA. Publications Mail Agreement No. 40624074, return undeliverable Canadian addresses to PO Box 503, RPO West Beaver Creek, Richmond Hill, ON L4B4R6. © 2019 RIA. All rights reserved.

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Restoration Industry Association

330 N Wabash Ave, Ste. 2000

Chicago, IL 60611

2025 M Street, NW, Ste. 800

Washington, DC 20036

Phone: (800) 272-7012 • Fax: (202) 367-2180

Email: info@restorationindustry.org

Website: www.restorationindustry.org

## On the Horizon

By Lee King, CR, RIA President



As the first quarter of 2019 comes to a close, I am proud of what RIA has accomplished in the past year — and what we have planned for the rest of this one. In June of last year, I laid out the association's plans for training and certification. Since then, we've held two new courses for Contents Loss Specialist™ (CLS) certification as part of the four pillars of RIA's enhanced Certified Restorer program.

The next step in the process is our Water Loss Specialist™ (WLS) prep course, which will be held in Phoenix prior to this year's convention. This is the inaugural class for the redesigned course. After that, we'll be launching the Fire Loss Specialist™ (FLS) and Environmental Restoration Specialist™ (ERS) certification courses.

Speaking of Phoenix, we're just about a month away from our premier event developed by restorers, for restorers. It's not too late to register and seize the opportunity to learn from our robust education, expand your connections and grow your network in the industry. Visit [restorationindustry.org/2019RIAConvention](http://restorationindustry.org/2019RIAConvention) for more details, or turn to page 34 to view the full schedule.

Later in the year, we have another big and exciting event: the Australasian Restoration Conference + Tradeshow. Join us at the Novotel Twin Waters in Queensland's Sunshine Coast on June 12–14. Art Johnson and Chuck Violand were recently announced as keynote speakers — you won't want to miss that.

I'm also proud of the issue our editorial team has put together for this quarter's *C&R* magazine. You might notice it's a little thicker than usual. We decided to put more content into each edition and distribute them quarterly. This gives us the ability to be more nimble with articles posted on the C&R Content Hub ([cr.restorationindustry.org](http://cr.restorationindustry.org)) while still providing our members with a tangible, smart-looking print piece.

In this issue, you'll find a follow-up article from Mark Springer on how the restoration industry can be more proactive in its advocacy. Mark's thought leadership and pulse for the issues restorers face is unmatched, and we'd love your feedback on the points he lays out starting on page 16. Also in this issue, on page 10, Parker Olsen offers his perspective on other industry movements and provides a call to action of his own.

Thank you for your help leading RIA and the restoration industry into a bright future.

“ It's not too late to register for the RIA convention and seize the opportunity to learn from our robust education, expand your connections and grow your network in the industry. ”



## Light a Candle

By Jan Van Deusen



I own a Rainbow International franchise in Bel Air, Maryland. Like any other franchise, they have awards for every level of sales, as well as recognition for salespeople and key people to your operations: technician of the year, production manager of the year, etc. Recently, I nominated my production manager, Kevin McShane, who after five or so years with me, had risen from a temporary employee to running all things production related on our water and contents side.

I'm proud of what he has accomplished and even more proud that other employees can see what you can achieve if you apply yourself and look for opportunities. I don't see that a lot in our industry, and while we all complain about how we can't find good people who want to work and earn a good wage in a hands-on industry, we do less than we should to reverse that trend. Signing bonuses and bigger ads for positions in more places are not giving anyone the payoffs they should. Complaints about how insurance carriers and TPAs are polluting the marketplace abound.

“I'm proud of what he has accomplished and even more proud that other employees can see what you can achieve if you apply yourself and look for opportunities.”

I think a lot of this is a culture that we establish and manage as entrepreneurs in an industry that, at times, isolates itself from neighbors in the same industry. Rainbow vs. ServePro vs. Service Master vs. PDR vs. whoever. When we hide our successes from others for fear of being copied or lending success to others in this same or related industry, we all lose. We lose the chance to learn, we lose the chance to teach, we lose the chance to make our success part of others' success. We lose the chance to lead — our employees and the companies we make up, the industry that we chose to be in.

Around 30 years ago, I had my arm twisted by a competitor I kept running into at venter events. My competitor, a builder named Dwight Griffith, kept peppering me with questions about my profit margins. He kept after me and irritated me to a point that I actually posted at a few Home Builders Association (HBA) meetings a full hour from my office. His persistence proved to me what I didn't know and showed me how long I would be in business if I kept up at the rate I was going. Dwight's nagging boosted my gross profit.

Fast-forward three years: Dwight gets me into the Remodelers Council (part of the HBA). I raised my hand at the wrong time, and I became president of the council. Over the next three years, we developed a new certification program for a master builder program, a standard for construction defects in residential construction and remodeling, and worked to get another 75 candidates certified in the Certified Graduate Remodeler program from the National Association of Home Builders. Along the way, we lent credence to an industry that badly needed help from a lack of professionalism that helped make our industry as trusted as used car salespeople.

What else happened? While I was taking on council duties, I mingled with other leaders in the industry. What did they do to get where they are? How can I apply these successes to my own businesses? What does my income statement look like in comparison to others in my business? How effective is my marketing in comparison to others?

This led to involvement in several peer-review groups that helped bridge the gap between what I knew, what I should know and what I had to do to emulate what many other companies were doing across the country to make their companies successful. Imagine attending a meeting where your peers are telling you how poorly you are performing against others in the group, and how you failed at previously targeted goals given to you by this group of peers. My company grew. The depth of my staff grew. The GP grew on my income statement. I developed lifelong friends at a time in my life when you make fewer friends because you are so busy.

Few things can sting you more than failing to make margins than a room full of folks who can call BS on you because they know the industry and the numbers. It takes a certain amount of fortitude to withstand attacks against your baby that you thought was so stellar and polished. Turns out it's not.

When I was active in construction, I got certified as a Certified Graduate Remodeler, Certified Aging in Place Specialist. Much like the RIA certification track, there were classes you needed to complete in order to get the designation. Moving into the restoration industry 10 years

ago, I began something of the same alphabet soup to get my IICRC credentials. We host 10-15 IICRC classes each year at our facility to anyone in the industry (especially our competitors) and open up our operation to anyone who wants more information or wants to see what we do differently.

Many of us as owners are certified because we have to/should be for the national programs we are on. Why bother getting your employees certified? You pay the money to get them certified and then they walk into another company down the street? We get them certified because we want people who want to get ahead and know enough that this is what they need to do to move up the ladder in the industry. Have I lost people who I paid for to get certified? Absolutely. Just like anything else, you have to roll through a certain number to arrive at the keepers. It's a process, and I end up with people who have paid thousands on those investments.

Once I made the decision to focus on contents, while keeping our toes in water and structure mitigation, I looked for sources about contents. Who does it? What paperwork do you have to have in place for contracts beyond our normal emergency service agreements? Do I need ultra-sonics? I knew enough to know that I didn't know what I didn't know.

I had heard of the RIA Contents Council and kept pestering a few key RIA people to see what I had to do to get into the council so I could get some of this information I so badly needed. It was a bit harder to get



in than I care to admit, but like most things, if it were easy, everybody would be doing it. A year into it, our chair asked if I'd like to join up and be a secretary. Sure. I met the rest of the council when we had our first contents summit in New York. I met other contents companies from across the country. I found someone who was willing to share a contents or personal property agreement as long as I would share the finished product with them. When I was traveling to Chicago, I asked that same person for an introduction to the owner of one of the largest contents facilities in the region so I could tour it. I was so impressed and thankful for the chance to learn more from such a high standard company in the industry.

This year, I am heading up the Contents Council as we get ready to kick off another Strictly Contents Summit in Detroit (it will be over when this is published). Through this event and involvement in the council, I have six or seven contacts with folks who have made a difference in how we process, store and pack contents, and to the income stream for my company. Where else could I have gotten that information?

What about the other certifications available, such as the WLS, CR, CMP and now the CLS (Contents Loss Specialist)? Certainly a wider funnel of available information and contemporary knowledge about the industry will put you and your key employees in an entirely different light than your competitors who choose to remain isolated. I'm proud of the new CLS program that the Contents Council has rolled out. Michael O'Donnell (O'Donnell Brothers in Mt. Clemens, Illinois) and vice chair of the Contents Council has done a yeoman's job in creating a 10-chapter guide that encompasses every step of contents in our industry today.

Prior to the Strictly Contents Summit, RIA also hosted a program on TPAs and their role and impact in our industry. It wasn't about conflict or blame; it was about getting information to everyone in the industry: contractors, insurers and the third-party administrators. What are the factors that affect us and our customers?

It reminded me about a proverb that JFK used in his speech after being nominated to be a candidate for president: "Do you want to complain about the darkness, or do you want to light a candle?" Things are changing in our industry. If you want to scream in the dark and bump into walls, keep doing what you are doing. Want to make a difference? Light a candle. Share your light with others in your neighborhood, your region, but most of all, your industry.

For those of us in the franchise environment, participation is important there also: Get involved in your council that

“Things are changing in our industry. If you want to scream in the dark and bump into walls, keep doing what you are doing. Want to make a difference? Light a candle.”

advocates for franchisees. Don't be afraid to talk truth to those in power who negotiate on your behalf. Be a constructive advocate for your fellow franchisees to let those in national leadership know the margins we should be working on and the strengths and weaknesses of our own systems and capabilities.

At the same awards program I was speaking about in the beginning, I scored some metal, too. One for sales, a couple for some other stuff. The one I liked most was for leadership in the franchise. I spend time with folks who ask questions, who want to visit our facility, peek at our paperwork and offer unsolicited opinions to the franchisor, and offer to train those new to the concept. Being the shy person that I am not, I took a picture of the award and posted it to Facebook and bragged to the folks at home about the team I have that make me look good and work at being professional and profitable. Another franchisee bragged that his team was certainly better than mine, because of the volume they do. Some of that might be true, but I know what I have gained by participating in the industry and what my employees have taken away by the investments we've made with them. While it's true that his volume is more, I know that my involvement in the industry has given me more than revenue. It's given me the education that I could not have gotten anywhere else, and, more than that, through service and participation, I've taken home more information than I've ever given out. [RIA](#)

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*Jay Van Deusen is chair of the Contents Council and board member for RIA. Additionally, he serves on the Franchise Advisory Council for Rainbow International. Van Deusen owns Rainbow International of Northeastern Maryland and can be reached at [jay.vandeusen@mail.rainbowintl.com](mailto:jay.vandeusen@mail.rainbowintl.com).*

# The Science of Customer Service

By Penny Tralau, CR, WLS, CMP



**A**s restorers, we have to be skilled at many functional and practical things, such as how to extract water, where to position equipment, how to put up effective containment, and how to interpret our industry standards and guidelines. However, what is often forgotten is the other side of the business, which is sometimes the most important: customer service.

What is the impact and importance of first impressions? It can be the difference between getting the job or not. It can be the difference between an easy-to-handle customer and a difficult customer, and it can also mean whether or not they will refer you. First impressions are important; make them count.

What is customer service to you? When you are engaged to inspect a home, or you are doing a remediation job, these things might be routine to you, but you must remember that you are in someone's home. It's where they live, where they raise their family and where they keep their worldly possessions. What might be inconsequential to you might be paramount to them, so your actions, demeanor and how you communicate play a significant role in customer service.

As restorers, we go into many homes and see how a variety of people live, but it's not our role to judge them. Sure, in our head we might be thinking, "That's not how I would live," but it's not about you.

How can you demonstrate excellent customer service when you are on the job or merely doing another routine inspection? It's the little things that make the difference. This can be anything from how you present yourself and if you're showing up on time to addressing your customer with respect, speaking clearly and not talking down to them or confusing them with industry jargon.

“What might be inconsequential to you might be paramount to them, so your actions, demeanor and how you communicate play a significant role in customer service.”

## THE THREE CS

The Greeks refer to ethos, logos and pathos. Simply explained (because it's not my intention to give you a complete history lesson), the ethos of communication is defined as the ethical part. Ethos revolves around the person you are and, more importantly, the person you are perceived to be. Logos refers to logic and reason, and pathos refers to the appeal to emotion. The ethos, pathos and logos that I have adopted in my company are: connect, commit and communicate. It's simple, but it works.

**Connect.** You can connect with your customer at any level. It doesn't need to be complicated, but the customer should feel like they can trust you. Every situation and customer is going to be different, so you need to find something that works, whether it's complimenting their home, patting the dog or looking them in the eye and just saying, "Thank you for allowing me to inspect your home today." Moreover, facial expressions and body language often speak louder than words, so keep those in check.



**Commit.** When you have secured the job, you need to commit to doing a good job. Commit to respecting their home; commit to respecting their possessions. Again, it's simple but extremely important.

**Communicate.** Talk to your customer and make sure they understand what you are doing during your inspection. Little things like asking if it's OK to open cupboards or go into rooms — don't assume. When quoting a job for mold or turning up in the middle of the night for an emergency escape of liquid, make sure they understand what you will be doing and what is going to happen in the coming days. There is nothing worse for you as the restorer or the homeowner than when there is a silly misunderstanding and they won't pay the bill because they thought you were going to do something that you had clearly stated you weren't. Write things down, talk to them about what you're doing, how you're doing it and what those things mean.

Clarity is essential; it shortens the war by years and saves millions of lives. This also applies to written

communication as well as oral. You must be articulate and clear.

Some of the things I do at Mold Rescue Pty Ltd include:

- Double check the time and date of the appointment.
- Put down a doormat and wipe my feet before entering the home.
- Ask permission to open cupboard doors or go into other areas of the house.
- Ask for permission to move furniture.
- If furniture is moved, I make the effort to put it back.
- Listen to the customer.
- Ask the customer about what's important to them.

To ensure an excellent customer service experience, figure out what customer service means to you and how you can continuously improve on it. [RIA](#)

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*Penny Tralau, CR, WLS, CMP, is the managing director of Mold Rescue Pty Ltd, based in Sydney.*



# Next-Generation Industry Movements

By Parker Olsen



*Editor's Note: The free exchange of ideas and opinions is essential to the well-being of any organization. RIA members are invited to share their views and opinions on industry issues in this column. Responses and submissions for future columns should be sent to: Alexa Schlosser, managing editor of C&R, at [aschlosser@restorationindustry.org](mailto:aschlosser@restorationindustry.org). The views and opinions expressed herein are those of the member and not necessarily endorsed by RIA.*

**H**ave you noticed how carriers and reviewers are telling you more frequently: “We don’t pay for that!”? Items that have been acceptable for decades now get scrutinized: emergency service calls, air scrubbers, PPE, travel time, cleaning and disinfectant application, containment, hardwood floor drying efforts, equipment decontamination and many more. They allege, “You’re the only contractor around here that charges me for that.” The list gets seemingly longer every few months, and one restorer has tiredly declared, “It has taken the wind out of my sails.”

Today, there are a number of groups in the industry with a similar mission or movement: to change the combative and frequently unfair dialogue found on many insurance claim settlement efforts. If you actively participate on social media, you may have even been wrapped up in one or more emotional online dialogues. These groups have only been around for about a year or so, and they have gained a relatively large and energetic base of restorers. Having been privileged to view the participation metrics on the Facebook pages of these groups, some threads attract between 1,000-2,000 people with topics related to restoration industry challenges.

## WHAT GAVE RISE TO THE INDUSTRY MOVEMENTS?

In my opinion, there are two reasons why these groups have formed. First, there are ever-increasing pressures from carriers to compromise in protocol and concede rightful revenue. These unrealistic

expectations that are based on individual carrier “guidelines” generally have no legitimate support. It is very difficult to work with their guidelines, especially as they are often enforced by dogmatic, undertrained claims representatives who do not possess the education and experience necessary to competently restore a water damage claim. Many feel these pains; they are getting worse, and it appears no one is doing anything about it.

Cue the social media groups and industry movement that is appearing online. Through these online groups — contractors who have felt alone against the insurance company giants — can receive the support and courage to stand up against them. The support and free exchange of information helps them realize they are not the only restorers who conduct responsible restoration in accord with industry standards and practices. I have seen

“In recent years, local competition has become less collaborative and more adversarial, especially as insurers pit us against each other in our own race to the bottom.”

many people say that involvement in these groups has enabled them to see improved increases in their bottom line. One restorer claimed that through the information learned in the networking group, they had been able to add more employee benefits, including health care, after struggling for years just to stay afloat.

Second, there seems to be an apparent void in the industry for practical contractor support in near real-time. Thousands of restorers have flocked to the quickly growing online movement with hundreds attending the group's conferences around the country because they were so excited that there was finally a means for them to communicate and network with other competent restorers.

### **BUT, WAIT, ISN'T THAT WHAT THE RESTORATION INDUSTRY ASSOCIATION IS — AND HAS BEEN FOR THE LAST 70+ YEARS?**

As readers of *C&R*, many of you probably knew that, but there is an entire assembly of restoration contractors out there who have no idea RIA exists or what it does. This may be partially due to RIA's poor visibility. To be brutally honest, some have expressed their negative stigma associated with the RIA membership, even using such phrases like "good-old boys club." There was a void in the industry — be it perceived or real — for these networks to form.

Yes, I said negative stigma. I have worked in this industry for many years, with the last four years owning my own restoration company. RIA's Strictly TPA Summit was the first RIA event I ever attended. First-time attendees to an RIA event were asked to raise their hands. Roughly one-third of the room identified themselves. Why did this event attract so many new attendees? The conference theme spoke to the largest pain point in the restoration industry, and the attendees needed solutions.

Months ago, I asked a simple question in one of the online groups: "What is your opinion of RIA and what they do?" I made it clear that there was no right or wrong answer, and I just wanted to know what the perception was of the restoration community within the group. Most were not only negatively associated, but just plain inaccurate. One response was, "I feel that RIA is more for the carriers and TPAs." If this is what the restoration industry's nonmember believe to be true, RIA clearly needs to work

on its public image, and we, as members, need to help our colleagues more accurately understand our industry's trade association.

Somewhere between pressures associated with the increasingly stringent and unfair insurer guidelines and the glaring lack of association felt by many within the industry, there was room for interest and rapid growth among mostly next-generation restorers. A movement emerged.

I have been asked the same question several times, typically from the older generation: What is "powering" this movement? I believe the answer is passion.

The strong, barely controlled and sometimes unbridled passion felt by the most active members of these groups is used to wrestle control back from the carriers that have unfairly manipulated the contractor's trade. Many in these groups feel the real battle is against the unrealistic carrier's "acceptable billing practices." They feel the best way to fight the insurers is to stand together. Whether enforced by TPA claims reps that have virtually no real-world understanding or a desk adjuster that was just hired a couple months ago and is blindly enforcing guidelines with no understanding of legitimate business practices, the outcome is the same. Restorers are spending more energy "negotiating" the final invoices for less profit than ever before.

For the passionate non-RIA member, it seems the best way to correct these industry challenges is with open communication among fellow restorers.



Social media offers up an unparalleled communication platform where a single post can reach thousands of people. It is not uncommon for a post to be made on an industry hot topic and have hundreds of responses pour in within hours. Replies can include how others have handled the same situation successfully or what further complications may arise. It is worth noting that the quality of the advice offered can range from brilliant to ridiculous. The reader must use lots of discretion.

Over the last year, it has been astounding to observe how social media's information exchange effectively speed positive company development. I have enjoyed several positive benefits through changes learned by the experiences of other who described their successes online.

## RIA AND ME

Admittedly, I am very new to RIA. I have attended two RIA conferences and ambitiously obtained my CR designation. I have met many individuals at these events who have already left lasting impressions on me.

Conversely, I have also attended three conferences hosted by a few of these online groups. I am of the opinion that RIA generally consists of a quality of members that is unrivaled. Many RIA members have been involved in the industry and running successful restoration companies for many decades. These same members have the largest ability to influence the industry positively with the knowledge they have acquired.

The demographic differences between RIA membership and those within these online movements is a striking contrast. I observed the average age of participants within these online groups is under 35 years of age according to Facebook demographic information. I would invite RIA members to notice the average age and experience at the next RIA conference. It is indeed impressive to associate with such a distinguished group of professionals.

In recent years, local competition has become less collaborative and more adversarial, especially as insurers pit us against each other in our own race to the bottom. Instead, we should adopt philosophies of cooperation that can help us stand our ground when we hear, "You're the only one who charges me for that!" I try to have good-natured relationships with nearly every restoration company in my area. In response to objections like the one above, I offer to coordinate a three-way call with any one of these various companies. They typically decline the offer and release payment in full without further argument.

In this information age, there are entire new avenues and expectations for an association. The next generation

demands availability, faster response and more opportunity for networking, community involvement and relationship building. It doesn't matter if you like it or not; it's the truth. Because of the slow adoption of these platforms and technologies coupled with a slow release of information, it has allowed other potentially competitive organizations to gain foothold. How does RIA capture this market full of the next generation of restorers?

One way is members need to reach out. The "exclusionist" undertone associated with the RIA needs to be reversed. This can be done through example — by showing others in the industry the quality of the RIA member by your interaction. They need to know what RIA has done for you and what it is doing to help improve the industry. This is then followed up with a sincere invitation to your competition to join RIA and get involved. This is a member call to action: Get involved in the industry community. [RIA](#)

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**Parker Olsen, CR**, is the president of Parker Restoration. He has served the industry on the Membership and Young Professional Restorers committees. Olsen is a leading contributor in many online forums to those looking to improve their knowledge in the industry. To reach him, visit [facebook.com/parker.b.olsen](https://facebook.com/parker.b.olsen) or call 509-331-9000.





## Fast Times in Adjuster Land

By Peter J. Crosa, AIC, RPA



**I** operate an adjusting company in a neighboring state targeted by Hurricane Florence. You wouldn't believe the campaigning, cajoling and general jockeying for my attention initiated by vendors of all kinds hoping to get work related to the storm.

Mind you, it was a week away and no one knew for sure exactly where that storm would hit. I was a thousand miles from the probable site, but I still received hundreds of phone calls and emails from roofers, contents handlers, restoration contractors, water mitigators, drone operators, satellite roof mappers, ladder assist, temporary housing folks, forensic engineers, other adjusters looking for work and more. One vendor offered access to 20,000 smartphone operators who could be on-site to send me photos or videos of the ravaged areas.

On one hand it was irritating, but on the other hand, I understand people wanting to make a living. I have an entrepreneurial perspective, as do many independent adjusters and, coincidentally, contractors. My parents were immigrants who came to this country because they knew a person could work hard and make something of themselves. How blessed are we to live in a country where you can do just that? So, I really don't mind the calls. Although I wish I had the time to explain to all of them that the time to start reaching out and building relationships with adjusters is before the big storm forms.

I have adjuster friends who are part of the very large adjusting industry. That is, they own or work for firms that can take on 50,000 assignments within a month after a storm. They can place 10,000 adjuster boots on the ground in a matter of days.

They started preparing and engineering new methods and procedures at the end of last year's catastrophic events — after hurricane season was over. That's when you, as a contractor, need to be sitting with them at the table. As a single-branch

company, national franchiser, network or an association of restoration contractors, you need to be a part of that post-hurricane season debriefing. What will they do differently next year, and how can you make a difference with your skills, personnel and assets?

If you're hoping to cash in on the restoration opportunities after a catastrophic event, you need to figure out how many jobs you can take on within a specific time period. Further, you need to know specifically how much of the work you can finance while incorporating an allowance for risk of nonpayment — or at least delayed payment — into the equation.

Once you clearly have a handle on your financial position, then you'll know how many adjusters you can have a working relationship with. A working relationship is absolutely necessary. There is a danger to working with adjusters you don't know or have no relationship with. I dread the contractor who takes on 20 jobs (just because they were easy pickings) that are being handled by 20 different adjusters with whom they had no pre-loss relationship with. You will get burned.

Of course, it is possible to develop a relationship with an adjuster that you meet for the first time at a loss site if you prepare for that. It may require patience and restraint. There is a certain tact you can employ that involves a measure of humility up until that point where you've earned the adjuster's trust. You can learn how to do that. Or you can lock horns, go to war with the adjuster and fight your way to high blood pressure.

One average adjuster can impact your bottom line by millions during a catastrophic event. But there has to be a relationship. There has to be mutual respect and consideration of each other's professional and financial needs. **RIA**

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***Peter J. Crosa** is an independent adjuster who writes and speaks to the restoration industry on building relationships with the insurance claims community. You can write to him at [peter@petercrosa.net](mailto:peter@petercrosa.net).*

# An Exercise in Frustration: Hiring Talent in a Tight Labor Market

By Claudia St. John, SPHR, SHRM-SCP



From trucking to construction to car care to restoration, across all sectors in which we work, there is one common trend that our recruiting team has noticed: There's a shortage of skilled and unskilled workers to fill available jobs. And this shortage significantly impacts our clients, particularly the small businesses with whom we work.

"I've really never seen it like this," says Lisa Ritchie, our vice president for recruiting and talent selection. "We have more recruiting work than we have ever had, but this tight labor market is tough. We're having to prepare our clients for the fact that filling these positions in this market is challenging." Lisa's not kidding. If you're looking to hire someone in 2019, you're in for a bit of a bumpy ride. Consider the following:

- **Low Unemployment Rate.** The national unemployment rate fell to a near historic low of 3.9 percent last year. Many states, such as Maine, Nebraska, North Dakota, Vermont and Wisconsin, have unemployment rates of less than 3 percent.
- **Wages on the Rise.** The tightening unemployment rate is beginning to drive up wages as workers demand higher salaries and current employers are increasingly counteroffering more money to keep from losing their talent.
- **Too Many Jobs, Too Few Candidates.** Job openings hit record highs in last year as job seekers dwindle. In July 2009, just after the Great Recession, there were 6.7 unemployed people on average for each available job. In March 2018, it fell to just 1.
- **Average Time to Fill On the Rise.** The average time to fill positions continues to creep up, particularly for skilled, experienced workers. Our current average time to fill is

approximately 60 days, up from 45 days just a couple of years ago.

Although these are national trends, we see their impact on our clients in all of the industries in which we work, for skilled and unskilled positions, and in all regions of the country. In fact, nearly every day we get inquiries from new clients who have tried to fill their open position on their own and are baffled by the lack of response to their job posting. The reason? Job postings aren't drawing enough candidates because there aren't enough candidates actively looking for new jobs. The vast majority of positions we fill for our clients are the result of actively headhunting passive candidates — those candidates who are currently employed, not looking for new jobs but are open and willing to consider a new position if the opportunity is presented to them.

Clearly, these are frustrating times to try to fill open positions. But before you give up and hire a recruiting firm to help you, here are some tips for you to consider:

1. **Be creative about marketing your position.** Remember, you are in a stiff competitive battle with both other employers and with the candidates' current employers. Be creative about how you structure the position and, more importantly, how you market the position.
2. **Get real about pay.** There is nothing more frustrating than losing a solid candidate because an employer is unwilling to increase their new hire's pay. Our advice: These are tough times and businesses just got the gift of a huge corporate tax break. Put it to good use and don't low-ball your offer to a qualified candidate.
3. **Don't dawdle!** We know you're busy, but this is a worker's market. If you don't have the bandwidth to move quickly on your candidate selection, don't bother starting the project. We've lost a number



WE'RE  
HIRING

of excellent candidates because the employer took two to three weeks to make a decision on the candidate. There's no time to waste. Be prepared to move decisively and to move quickly.

4. **Headhunt, headhunt, headhunt.** More than 80 percent of the positions we fill are with passive candidates that we headhunted. Yes, it takes time and energy. But the good news is that there are plenty of resume databases you can purchase access to. Quite frankly, you have to go find your talent, because it's not coming to you. In fact, on a recent client project in Dallas, our professional job posting netted just three applicants. Three! If you are planning on posting the position and waiting for qualified candidates to roll in, I'm afraid you'll be waiting a long time.
5. **Start early.** Many clients contact us when they are primed and ready for their new talent, only to find themselves frustrated that it takes so long to fill a position. If you know you need to fill a position by Q3 2019, start now because it will take time to find the perfect candidate, particularly the one who is currently

gainfully employed  
and not looking for a job.

6. **Do everything in your power not to lose your existing talent.** There are many employers out there that are more than happy to recruit away your top talent. Make it impossible for them to do that. If you sense your pay is below scale for the industry, now's the time to fix that. If you're unsure whether your employees are happy and engaged, focus your energy on finding out how they feel and what you can do to improve their overall satisfaction. Listen to them. Conduct a focus group. Conduct an employee satisfaction survey. Buy them lunch. Show them you appreciate them. If you don't have a strategic plan in 2019 to improve employee engagement, now is the time to come up with one.

Yes, the tight labor market is a significant challenge for our clients, but we see dramatic differences in the recruiting success between those employers who are well-prepared and aggressive in their recruiting efforts and those who take a more laissez-faire approach. Remember: Your talent are your most valuable asset. Now is the time to make the investments necessary to attract, hire and retain them. [RIA](#)

“Job postings aren't drawing enough candidates because there aren't enough candidates actively looking for new jobs.”

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*Claudia St. John, SPHR, SHRM-SCP, is president of Affinity HR Group LLC, a national management consulting firm providing human resources, recruiting, compensation and training support to small- to mid-sized companies. They are a one-stop shop for all of your challenging “people issues.” Affinity HR Group offers a free “HR Minute” every Monday with quick tips on how your organization can strengthen its human resources practices. To have it delivered to your inbox, sign up at [www.AffinityHRGroup.com](http://www.AffinityHRGroup.com), email [contact@affinityhrgroup.com](mailto:contact@affinityhrgroup.com) or call 877-660-6400.*





# OUR GREATEST NEED

The case for, and path to, industry  
advocacy for the restoration industry.

*By Mark Springer, CR*

It doesn't matter where you go, it doesn't matter who you are talking to, wherever two or more restorers are gathered, the tone will likely be a bit terse. Some of the "old-timers" are becoming resigned to the fact that things are changing quickly and it might be time to cash in their chips and sell their business. A leading business consultant who works with some of the largest corporate firms in the world, Donald Cooper, says, "The human brain is wired for negativity." While this condition might explain some of the nervousness, it is clear that more significant changes are on the horizon, and a restorer in the 21st century is facing a landscape that is evolving quickly.

As restorers, this juncture presents a couple of options. The first would be to reactively accept the conditions, evolve with the industry, recalibrate and refocus our efforts toward adaptation to these trends. Many of us have been doing this for years with less-than-satisfying results. The second option is to take a more proactive approach. This entails identifying the issues and their root causes, building a strategy to address the issues, and then uniting as an industry to speak to the issues and drive positive change.

As the reader of this article may surmise, I am firmly in favor of the latter approach. The purpose of this article is to build a case for proactive advocacy for the best interests of restoration companies. This won't be an easy task to implement. Hard work will be required, and the engagement of RIA contractor members will be critical to its success. I hope in this piece to detail a vision for a path that we can all embrace for the good of our businesses and the strength and sustainability of the property repair industry.

## WHAT IS THE PROBLEM?

In a previous *C&R* article, ("Contractors: It's Time to Take a Stand," November/December 2018), I described a situation where an insurance carrier refused any payment on a water mitigation claim due to a technicality in document upload. It is not my intent to relitigate that argument but rather to expand on some of the issues that restoration contractors face. In that article, I stated a thesis that poses a somewhat grim outlook for the restoration industry. However, with each passing month, I continue to see challenges emerge that reinforce this position. The thesis is this:

"If restoration companies are unwilling to unite, advocate for sustainable claims practices and take a proactive approach with insurance carrier claims policies, then the restoration industry as we know it will cease to exist within a decade."

“Hard work will be required, and the engagement of RIA contractor members will be critical to its success.”

"Claims policies" go much deeper than the specific policies that a carrier dictates to issue payment. The issues we face are many, and they all impact the entire claims process that a property restoration company must navigate in the course of their day-to-day operations. What follows are some examples of the challenges and threats we face. Realistically, each of these areas, or sectors of concern, are not only necessary but essential in the claims environment. However, there are some key questions that each restorer, and the industry at large, should be examining if we are going to be able to operate our businesses sustainably. These questions are not rhetorical; they are not intended to be presented sarcastically or with bias. This isn't a time for conspiracy theories, but we would be exceptionally naive if we were to think that the largest fiduciaries in the world, who incidentally are the repositories of the largest quantities of data in the world, were looking out for any interest other than their own and that of their shareholders.

**Example 1 – Pricing/Scoping Platforms:** I'm not going to beat around the bush: Xactware and its parent Verisk are massive companies. Xactware's main platform Xactimate is an incredible estimating and scoping tool, and when used as such, can benefit the restorer in many ways. In fact, Xactimate was developed by contractors several decades ago. But how much do you know about Verisk? Here are details for your consideration: Verisk is a publicly traded company with a market capitalization, at the time of this writing, of a little more than \$19 billion dollars. Verisk reports \$2.1 billion in revenue per year, and their adjusted net earnings in 2017 were \$630 million dollars. That is a 29 percent net margin income. Keep this number in mind when you are having to defend a "10 and 10" overhead and profit argument.

Before they went public, Verisk Analytics Inc. was owned primarily by American International Group (AIG), Travelers Insurance and the Hartford. When Verisk went public in 2009, it was the largest initial public offering (IPO) since Visa had gone public a year earlier in 2008. These insurance carriers were able to divest

their ownership after the IPO. Verisk's stock ownership is now largely diversified between mutual funds, insurance companies, exchange traded funds, as well as individual investors.

What is Verisk's mission? Their website, [www.verisk.com](http://www.verisk.com), proclaims, "Verisk provides data analytic insights to customers in insurance, energy and specialized markets, and financial services to help them make better, faster, and more focused decisions that minimize risk and maximize value."

While the published pricing methodology of Xactimate suggests a unique and scientific approach, many contractors (such as myself) have experienced long-term stagnation of pricing. This all while experience in the marketplace is the opposite, with labor rates increasing rapidly. This reality should prompt restorers should grapple with these questions:

1. Does Verisk's mission create an environment whereby pricing is suppressed unfairly for contractors?
2. If we are comfortable with this environment, are we collectively comfortable with the methodology whereby this company sets pricing?
3. Who is speaking to Verisk on behalf of contractors about their methodology, and is their approach fundamentally fair in its assumptions and calculations?
4. What level of transparency does this company provide with respect to how it gathers data and sets pricing?
5. What is Xactware hearing from contractors? Is it consistent? What are the repercussions for ignoring this voice?

#### **Example 2 – Consultant Involvement for Claim**

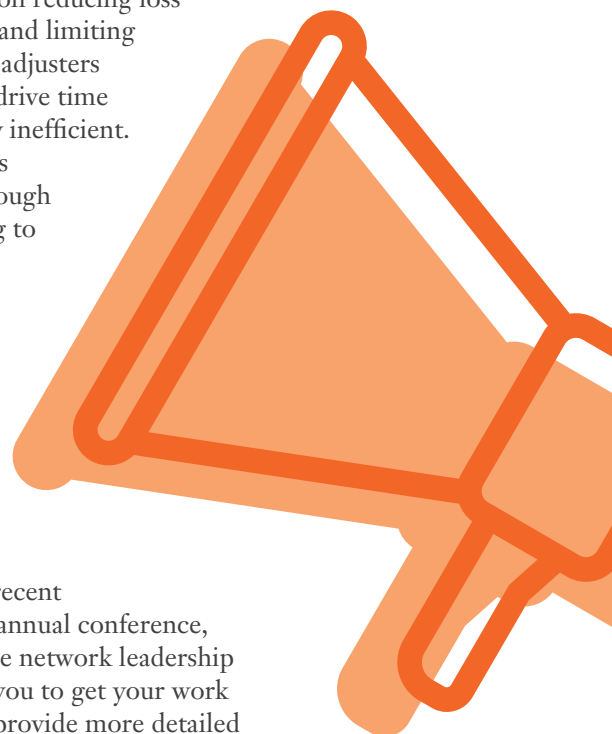
**Resolution:** If you are working on a "large loss," the trend that is en vogue is the assignment of a claims consultant. In a good scenario, this consultant is assigned on the front end of the claim. The restorer, the carrier and the consultant are able to agree to parameters that will help ensure that the claim is handled efficiently. However, this ideal situation is often not the case. In many situations, a consultant is assigned to the claim after the mitigation is completed. The consultant is often dispatched from an area far from the location of the claim where market conditions may be very different from those where the damage has occurred. Sometimes the approach of the consultant is immediately hostile, and sometimes it is belittling and demeaning. An endless cascade of requests for documentation, records and other information soon follows. Many of these requests are well outside the scope of what any reputable business would offer their clients. In some cases, a consultant may demand that the contractor use a different billing style that is in direct conflict

with the contract agreement with the customer. To add additional frustration, when one task is completed, many other requests immediately materialize. At some point, the contractor often taps out and accepts a settlement at a fraction of the original invoice, whether that be a unit cost scope or a time and material estimate. In either case, the documentation can be excellent, the transparency exceptional, and yet the settlement offer continues to be a fraction of the fully justifiable total that was earned by the restoration contractor.

1. Are these unscheduled administrative requests as "the cost of doing business," or are they billable expenses to the expense of the project?
2. Should there be established ground rules for these interactions?
3. Should consultants be expected to provide evidence of their qualifications to serve in any capacity on an insurance claim?
4. Should a consultant be required to disclose their financial interest in successfully reducing the cost of the claim?

#### **Example 3 – Third Party Administrator (TPA)**

**Involvement and Expanded Influence:** Technically, what we call a "TPA" should more accurately be referred to as a contractor network. But for the sake of maintaining clarity, we'll refer to these as TPAs. The expansion of TPAs continues at an incredible rate, and the reason for this is logical and predictable: Insurance carriers are focused on reducing loss adjustment expense and limiting claim severity. Field adjusters are costly, and with drive time between claims, very inefficient. The trend of carriers assigning claims through a TPA is likely going to expand significantly over the coming years. However, this expansion is bringing more pressure to restoration contractors disproportionate to the "opportunity." At a recent contractor network annual conference, the message from the network leadership was clear: We need you to get your work done more quickly, provide more detailed



documentation, increase customer Net Promoter Scores and do all of this for less money.

1. What are TPAs hearing from contractors prior to negotiating contracts with carriers?
2. Are TPAs conveying contractor concerns to carriers with good faith or any sense of urgency?
3. How can claim disputes be resolved in way that honors the contractor's integrity while still protecting the interests of the client, as the insured?
4. Are TPA programs in alignment with accepted restoration industry best practices and published guidelines that have been established as the Standard of Care?

#### **Example 4 – Government Regulations and Rules, EPA**

**Lead-Based Paint Requirements:** On April 22, 2010, the EPA required firms handling renovation in homes, child care facilities and kindergartens that were built prior to 1978 to have either state or EPA certification. The implementation of these rules heavily impacted the disaster repair industry, particularly in the arena of water mitigation where rapid response and often invasive demolition are required to prevent collateral damage from subsurface moisture. Restoration companies run by sound operators took these changes seriously, acquired certifications, retained records and followed the required protocols. Unfortunately, many poor operators fly under the radar.

1. When the EPA made these changes, as arguably the most impacted industry in the country, was our voice heard?
2. What exceptions are made for contractors in emergency mitigation efforts?
3. Should the costs of implementing these programs be borne by the restorer who is unable to recoup the cost within the current claims programs and carrier guidelines?

#### **WHAT IS ADVOCACY?**

In all of these cases, whether it be a pricing software, a claim consultant, a third-party claim administrator or a government entity, I respect and understand the need for their place in our

industry. Some restorers just want TPAs to go away. This is extremely unlikely in the near future. All these market forces are here to stay. In fact, they are likely going to increase in their significance and influence on the industry. What I am not comfortable with, and I don't think any contractor in the property claims industry should be comfortable with, is the fact that we have virtually zero collective representation to any of these claim resolution stakeholders. Our voice is not heard and, lamentably, in many cases, it isn't valued. Somewhat embarrassingly, we are part of the reason why this voice isn't appreciated. This, again, is because our voice is inconsistent and fragmented.

Some of these individual entities may have a group of contractors on their advisory boards who counsel them on best practices. Sadly, this voice is often fragmented and inconsistent. It could be argued that the worst voice for contractors is a single or small group of contractors. They often state, "I just can't tell my contractor services network that this new policy is harmful because they might stop sending me claims." Realistically, contractors have abdicated their voice to the TPA networks, which essentially speak on behalf of restorers to the insurance carrier community. Is this improving the landscape for the restorer? Are claims running smoother, more efficiently and more profitably? While this may happen in some isolated cases, in most cases, it is not. Increasingly, contractors are reducing territory, seeking other claims sources or trying to get out of TPA work entirely.

## WHAT IS ADVOCACY?



“Trade associations typically advocate for their trade and their members. This is what we should be doing now and what we should have been doing for the past 74 years.”

It's time the restoration industry start to speak for itself. As the restoration industry's premier trade association, RIA should be the conduit for this voice. RIA is an association with an impressive history and pedigree. Trade associations typically advocate for their trade and their members. This is what we should be doing now and what we should have been doing for the past 74 years. It is counterproductive to have a discussion about why we haven't done this. What we can focus on at this point is the future — a future that can be better if we unite around this common goal and move forward in a thoughtful and strategic manner.

#### HOW DO WE ACCOMPLISH THIS? HOW IS OUR VOICE HEARD?

As restoration contractors, let's stop wringing our hands in anxiety, fretting and talking about the existential threats we face. For a minute, let's imagine that our industry, after carefully considering the most significant threats, were able to deploy its own lobbyist to speak in protest of laws and regulations that are detrimental to our businesses. What if we had representation who was able to convey our concerns about the aforementioned questions that we have asked ourselves about pricing methodologies, repair “guidelines” or hostile claim consultants? This wouldn't stop with merely conveying our concerns. The other players in the property repair ecosystem need to see that we understand our position, that we are mobilized to affect change, and that we will stand united for our collective rights as contractors under the law, to uphold equitable policies and practices.

The property insurance repair industry faces many unique challenges. These challenges are not necessarily common among non-insurance related general contractors, specialty trades or the general service industry. Many of these other industries don't face the sort of challenges that are described above. However, we don't have to reinvent the wheel when it comes to advocacy for our trade. Many other industries demonstrate examples where effective advocacy and government affairs, including lobbying elected officials, has been tremendously effective. In researching the subject for this article, I spoke with representatives from the auto repair industry (which has many parallels to the property

repair industry), local contractor associations, the National Demolition Association (NDA), the Window and Door Manufacturer Association (WDMA), and others.

Each of these industries share a similar playbook. Elements of this are described later in this article. The entire plan has not yet been approved by the RIA Board of Directors. However, our board directs its actions in alignment with the needs and wishes of our membership. If our membership is compelled to consider this course of action, or one similar to it, I expect that this could become a reality in the short term.

#### • STEP ONE: CREATE AN RIA ADVOCACY AND GOVERNMENT AFFAIRS COMMITTEE (AGA)

Trade associations are driven by volunteers. Volunteers are busy running their businesses in addition to their volunteer work. I try always to be sensitive to being critical of the work of volunteers, the work they have accomplished in the past or the decisions they have made in their tenure. With that qualification in place, I think that we as an industry are fighting an uphill battle, partially because our voice has been absent for such a long period of time. It's unfortunate that, in 2019, we are just now taking steps to implement a committee of such importance and bearing on our association work.

I am pleased to inform our members that attorney Ed Cross has agreed to serve as chairman of the initial Advocacy and Government Affairs (AGA) Committee. Many of our members, and certainly the industry at large, are familiar with Cross and hold his restoration acumen and successes in defending restoration contractors in high regard. We will be populating this committee with successful restorers from regions across the United States who are willing to dedicate some of their time to the critical work on which this committee will embark.

The work will start with the committee internally determining its mission and goals. They will need to have a crystal clear shared vision for what will constitute success and how success is measured. In the restoration business,

the lack of a budget and a schedule can decimate the success of any project. The same will be true of the work of the committee.

### • STEP TWO: PRIORITIZATION OF ISSUES AND SOLICITATION OF MEMBER FEEDBACK

In our initial phases, we will have to focus our efforts with laser-like precision. It would be exciting to start speaking and advocating the positions of restorers on the myriad issues that impact us. As impressive as this would be, the sugar rush of this effort would likely be short-lived and the results superficial at best.

Once they determine their mission and goals, the first order of business for the AGA Committee will be to identify the top issues affecting contractors in the restoration industry. This curated inventory will then be submitted to all of the RIA membership for feedback and a vote as to which issues will receive focused attention at the outset. If you are reading this article, take a quick mental note of this and be on the lookout for the survey. Traditionally, surveys get little feedback and response. This is a big one, folks, because here you have a meaningful way to impact the future of your industry and your very livelihood if you respond thoughtfully to the survey.

### • STEP THREE: DEVELOP POSITION PAPERS AND POSITION STATEMENTS

The purpose of a position paper is to succinctly organize an argument or opinion on a matter that can then be utilized to generate support or a specified course of action. When we have clear direction from the AGA Committee and our members as to the most pressing issues that have bearing on our future, we will develop position papers to unequivocally state where we stand and what

we see as a path to resolution for a specific issue. While the committee may seek industry experts and various stakeholders for input on the work of these position statements, it will be their ultimate responsibility to ensure that the positions taken are strongly aligned with the best interests of RIA's contractor members.

It's essential that all our members understand that RIA's constituents represent a wide base of contractors who obtain their customers and execute their businesses in a variety of fashions. The official RIA position statements will necessarily incorporate the comprehensive needs of our membership based on the direction of our contractor members who are engaged with the committee.

### • STEP FOUR: HIRE A RESTORATION ADVOCATE

In the isolated cases where RIA is currently advocating for contractors, this role is often relegated to a volunteer who is either a restoration company owner or high-level employee in a larger company. This individual might be then put into a bit of a predicament if they speak candidly to the issues they are facing. There would probably be a fear of retaliation, especially if the contractor is advocating on an issue relating to an insurance carrier or TPA.

This, I submit, is why RIA must have a non-contractor representative to speak on our behalf. What we need is a tough-as-nails diplomat who understands our industry and has the oratory skills to articulate and advocate for our position. This is not an administrative wallflower or a policy wonk. Perhaps this person would have a background in lobbying at the state or federal level, or perhaps they have executive experience or a background in law. This person would be hired by, and report to, RIA Executive Director Chris Mundschenk with input from the AGA Committee.

### • STEP FIVE: MONITOR ISSUES, ADVOCATE FOR POSITIONS, BUILD COALITIONS

Our restoration advocate would report on a day-to-day basis to the RIA executive director. However, this person would also have a key level of involvement with the AGA Committee and their work. They would monitor issues based on our position statements and then speak, argue and lobby on behalf of our members for these positions wherever there is an opportunity to do so. This may include venues such as the Property Insurance and Restoration Conference (PIRC) meetings. It may also include setting meetings with leaders in companies or organizations where our voice is needed such as Xactware, individual contractor networks such as Crawford and

“What we need is a tough-as-nails diplomat who understands our industry and has the oratory skills to articulate and advocate for our position.”

Alacrity, or with significant consulting companies such as JS Held or Young & Associates.

The challenges that restorers face are not always unique to our industry. There are often allies that we can engage with specific areas where we have common ground. Our advocate will also be tasked with identifying and potentially forming coalitions where a larger group can impact the outcome.

#### • STEP SIX: INFORM AND ENGAGE MEMBERSHIP

The engagement of our membership is key to our success. Again, due to the challenges and headwinds that restorers face, this is not a time wherein successful restorers can sit on the sidelines and do nothing. If we alert our members to specific threats, there will likely be an accompanying call to action that may include response to surveys, letter-writing campaigns, outreach to congressional representatives or other actions that further the cause.

As we proceed, we will need your feedback; we will need your time in helping to craft policies and positions; and we will need your financial commitment to execute this plan.

#### • STEP SEVEN: HIRE A RESTORATION LOBBYIST

Just because this step is last in this proposed plan does not mean that it is least important. Hiring a lobbyist will be a monumental step for RIA. It will be costly, and the results will likely only be evident over a period of time. Initially, we will need to decide where to focus our efforts: federal or at the state level? Here, coalitions will be vital.

#### WHAT'S NEXT?

It is very clear that the restoration industry currently faces immense challenges. It is my hope that this plea for advocacy is received enthusiastically. Anecdotally, the discussions I have had about the need for advocacy with numerous restorers across the various spectrums of revenue size, location and service demographics have been met with a great deal of positive feedback. We are at a point where we need much more than platitudes about the need for change. We need a strategic and operational path forward. This plan would require consensus and a strong mandate, not only from RIA contractor members, but it should also be driven by other potential partners who have a stake in our industry to help us in this massive task. These partners may include other restoration industry organizations such as the IICRC or IAQA, and potentially a significant level of involvement from the franchise groups and national restoration providers.

“Without the talented thinkers, strategists and individuals who are gifted with execution skills, nothing will change.”

While a focused strategy is important, I also believe that time is of the essence in this effort. Associations can tend to get mired in the details and encumbered by the availability of volunteers' available time. I would suggest that we don't have three to five years to get this figured out. And, as General George Patton said, "A good plan violently executed today is better than a perfect plan next week."

This effort will require significant quantities of three resources; time, talent and treasure. Without the time investment of restorers at all levels, we will not be able to move in a direction that impacts key issues. Without the talented thinkers, strategists and individuals who are gifted with execution skills, nothing will change. Without financial resources, we won't be able to hire staff, monitor issues or travel to the locations where our voice is needed. The initial cost isn't staggering; about \$100 per year per RIA member would provide the catalyst to move forward and get started. We need you if we're going to make a difference and positively change our industry.

I encourage all restorers to join this conversation at RIA's 2019 Restoration Convention + Industry Expo in Phoenix on April 30 through May 2. In our Town Hall session, we will further explore these concepts and proposed actions. It is important that your voice is heard in this venue. Join with your fellow restorers to meet our greatest need.

*Author's note: I am very grateful to the many restoration colleagues and thought leaders who have reviewed this document and provided helpful criticism. These suggestions have improved this message and will hopefully further its effectiveness. RIA*



**Mark Springer, CR**, is the CEO of Montana-based Dayspring Restoration. He is an RIA board member, serves on the Executive Committee and chairs the Education Committee. Mark welcomes your thoughts, feedback and suggestions on this article. He can be reached via email at [mark@dayspringrestoration.com](mailto:mark@dayspringrestoration.com).

# A COMPARISON OF TIME AND MATERIALS

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# UNIT COST PRICING MODELS FOR WATER LOSSES



This report compares the two dominant estimating systems in the restoration industry today: unit pricing and time and material pricing. It provides a general overview of each system and their designed use, the pros and cons of each platform, and examines the risks associated with using the various systems. The purpose of this article is to provide the average user with key decision-making information and cautions about applying the estimating models to their business.

*By Kris Rzesnoski, CR, WLS*



There are several unit pricing systems available for use within the North American restoration industry. However, two systems have emerged as leaders, capturing 90 percent of the total market share. One digital system is the dominant player, capturing more than 80 percent market share. Time and materials is one of the oldest systems of costing and charging for restoration work and has many variations, including manual systems and manual digital systems using Excel spreadsheets to fully commercialized digital systems. It is arguably the most used system in the industry.

Both systems have a place in the industry. However, the average contractor may not fully comprehend when to use each system properly or how interchanging the systems can both hurt and help their business. In this article, I will discuss the systems and the challenges involved in using them. For the purposes of this article, I will assume that both systems have a properly completed contract that outlines the pricing agreement and the terms are negotiated before the job commences.

## TIME AND MATERIALS

Time and materials estimating is the method of tracking the labor rates, material rates and applying an additional markup

on trades costs and expenses with pre-negotiated rates. This system of estimating is more appropriately called rate and materials because the rates and cost structures are negotiated before work commences.

Time and materials require the contractor to be very thorough and accurate with their record keeping, notes and accounting for their costs. Having

to record and account for every hour worked, every item consumed/used and every receipt for costs can be tedious and burdensome to the contractor who

must have specialized resources to effectively deliver on this system.

“There are limits to time and materials, and those weaknesses were exploited by the unit pricing systems in the past and, to a large extent, by today’s marketplace.”

To deliver an effective time and materials invoice, the contractor must be transparent and efficient in providing that information to the customer. This allows them to provide a visual representation of the incurred costs in nearly real-time.

Due to the administrative nature of the system and requirement to provide accurate records, the cost of acquiring and preparing information will add cost to the job for the project management, administrative assistants and financial accounting oversight.

This documentation process, when done manually, is administratively cumbersome. In a manual time and materials system, countless hours are spent finding and compiling the documentation from the field and then entering the data to create a record of expense. As technology has evolved, the time and materials system has entered a revolution: a contractor can now eliminate the burdens and the cumbersome processes associated with manual processes.

Technology has evolved further with specialized digital programs that are custom built to deal with the challenges.

Time and materials is a very effective and fair system, for both the client and the contractor, when dealing with unforeseen problems when a job demands additional time and resources. From a perspective of equality, the client pays for the time required to do the job properly, an audit and direct costs that are charged for the job.

Time and materials is a very good system to determine the contractor’s compensation based on their incurred costs to a certain point. Progress payments are typically paid out to the contractor in stages of completion, but there can also be up-front money that is forwarded to the contractor to ensure the job gets started and progresses properly. Additional money may be forwarded based on the

percentage of completion. It is good practice to provide the contractor with 30 percent of the money up-front to ensure that cash flow is available when required. When the job reaches 30 percent of completion, another advance for an additional amount, in this example another 30 percent, will be provided. The work will continue until 60 percent of completion is reached. An additional 30 percent is forwarded to the contractor to finish the job. When the job reaches the 90 percent of completion, the contractor should continue through with the job and allow the 10 percent to be retained to ensure that any deficiencies are dealt with before final payment of the 10 percent is made to the contractor.

The holdback of the 10 percent allows the insured to retain control of the job until completed to ensure that they are satisfied. It allows the contractor to engage in work without the concern about getting too far into a job and running out of money.

There are limits to time and materials, and those weaknesses were exploited by the unit pricing systems in the past and, to a large extent, by today's marketplace.

In the 1980s, 1990s and even today, one of the biggest complaints about using time and materials is the fact that contractors estimate costs lower than their actual invoice. The failure to properly estimate the job leads to a major distrust between the customer and the contractor. The perception is that the contractor lowers the initial estimate budget and then takes advantage of the work needing completion and will increase the time to inflate the budget.

The reality is that there is no good way to estimate the cost of a time and materials job. The basis for the estimate is the project managers' experience in performing that type of work in the past. If they are unfamiliar with the job or the process they are working with, the ability to estimate the job is very difficult. The estimator needs to know the past job cost to predict the future cost and profit margins.

As the degree of difficulty increases, it becomes more difficult for the project manager to manage the job. This difficulty and complexity tend to slow down decisions and the application of resources. This is, in fact, a normal and precautionary process that must be factored into complex jobs. This efficiency reduction is not normally calculated and impacts the projections of cost overruns. Running low or out of consumables, equipment and labor can delay the job and add to the cost that may not be visible at the beginning of the job. The insurance industry is very aware that the longer a job takes to complete, the higher the

chance that inefficiencies will compound and drive the budgets further out of alignment with the initial reserves.

Another factor that is hard to control is that contractors have no incentive to be efficient. The basis for the time and materials system ensures that the contractor gets paid for all the resources they are allocating to the job. The customer has to realize that not all staff will be required every day. However, the ability to complete the job may depend on that staff being compensated to keep them around and paid to use those resources when on the job for other days when work is required. The cost of this process is normally justified to ensure the job is completed as quickly as possible.

Years ago, these costs and delays made room in the marketplace for unit pricing systems to enter the market and gain traction. Currently, delays in collecting and sharing information and the failure to calculate and collaborate these records in an expedited manner are the downfall of the system.

## UNIT PRICING

Unit pricing systems offer a unique value to the industry by allowing the user to identify the specific scope items that need to be completed and associating a price to complete the work. The unit price model addresses some of the main weaknesses of the time and materials model. However, when the user fails to adjust for site conditions, the system fails.

The benefit to the contractor using unit pricing is that a contractor can easily scope out the job and build the detailed itemization for the scope of work. Unit pricing systems do three things for the contractor. First, it allows the contractor to understand the budget and potential cost associated with that job. Second, it eliminates the scope creep that can happen during a job. Finally, it allows all parties to speak to the work completed compared to work in the scope.



“ A true restoration contractor must know how to estimate the potential severity of the risk, how to keep track and administrate the costs of the job, and how to bid a job based on their costs and charge out needs. ”

Digital unit pricing systems for estimating and scoping are very effective. The estimator has full control over using the program flexibility and the ability to change efficiency factors, the degree of difficulty of work, working requirements of the customer, and the access or accessibility of the job location. The unit pricing program allows an estimator to start with an average number and increase or decrease their estimate based on actual site conditions.

Unit pricing systems also allows the estimator to create various systems and pricing models of their own to simplify the estimating process. They can easily build their units to account for custom work that they do. Unit pricing systems are a great method of organizing the price list for specific work done by the contractor and allow the development of an individual pricing strategy within the marketplace.

Many challenges with this system are based on the factors in today's insurance/restoration marketplace. The current marketplace is using digital unit pricing tools improperly and without the flexibility to allow for circumstantial changes. The failure to add in new line items, increased demands to limit the use of various line items already in the system, and many arbitrary rules and restrictions have led to adversarial conversations and relationship breakdowns. There is conflict about not following program rules using the unit pricing as a pricing tool. The misuse of the tools is a combination of gaming a system and looking for ways to drive efficiency without the full knowledge and understanding of the impact on the ecosystem.

In the insurance restoration world, only a qualified professional, with knowledge of the restoration processes, should write the scope of work to complete a job. This scope of work must provide the client with a detailed itemization of the scope of work to be completed to prevent

any misunderstandings of what is and isn't going to be completed. The detailed scope allows discussions to happen about what is and is not covered by insurance so that the customer understands their potential risk and cost of the job.

The scope of work should not deviate from the work needed to complete the job properly or be influenced by price (except in exceptional circumstances where all factors have been considered). Price can factor into the equation when multiple solutions result in the same end means. At that point, an economic approach may be a reasonable option if it does not drive delays in getting the job completed. Only the standards of care and professional opinion on restoration process should impact the scope of work. The contractor who is willing to stand behind the price of the work is the only one who can responsibly create a price for the job and provide such a number. The practice of writing a "fair market" number is not appropriate because the writer is not performing the work and does not have any consequences for making a mistake. In many cases, this third party does not know the specific restoration contractors' business, the value of the work to be completed, have the expertise required to complete the work or the liabilities associated with the job. It is not reasonable to put a blanket charge on the work without this knowledge.

Line-item pricing is also marred by some regional challenges and assumptions that are inaccurate and need to be addressed at the time of writing the scope. In some programs, job factors like traffic, drive time and resource acquisition are improperly accounted for. The estimator has to pre-estimate the tasks of the job and the downtime associated with the process. These additional costs must be added in before the job starts to be accounted for properly at the time of invoicing.

## CONCLUSION

It is my opinion that there are only two systems that should apply for invoicing. Time and materials (rate and materials) and bids. The use of digital unit pricing can only act as a tool to help an estimator determine an estimated amount of the loss. After this estimated amount is calculated, the job is charged based on actual consumption of time, materials and equipment or the estimates become a bid value.

This industry does not have the consistency of construction and building sciences that allow for standardized pricing that one line item fits all. Detailed construction work, hoarders, custom homes and commercial structures are just some of the variables that an estimator will run into. One must also factor in the quality of work, the difficulty of access and challenges with the insured. Each factor can

compound and add to the overall cost. This in itself creates various challenges and differences that no unit pricing system will be able to build in without modifications.

The reality is that the systems and customs of the industry are deeply entrenched, and many restorers today forget, or do not possess the knowledge, of the art of pricing their jobs. The culture of the industry has changed. Many restorers are under the false impression that their business can only charge what others tell them is acceptable rates.

A true restoration contractor must know how to estimate the potential severity of the risk, how to keep track and administrate the costs of the job, and how to bid a job based on their costs and charge out needs.

For the restoration industry to go forward, it must go back to the basics. The industry requires digital analytical analysis to build a system of efficiency and profitability in the estimating process. When the insurance industry gets out of the way of the restorer pricing model, the result will be higher efficiency, more transparency and less cycle time at a fair market cost. **RIA**

## RESOURCES

Xactware Solutions (2009) – Xactware Pricing Research Methodology – White Paper – Orem, Utah

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Restoration Industry Association (2014) – Accounting and Financial Management Guidelines

ANSI/IICRC S500 – 2015 – Standard and Reference Guide For Professional Water Damage Restoration – Fourth Edition – Las Vegas, Nevada



**Kris Rzesnoski, CR, WLS**, is the vice president of business development at Encircle. Rzesnoski guides the technical development of Encircle's solutions to ensure they exceed industry expectations. With over 15 of years of experience in the restoration industry, Rzesnoski is committed to driving Encircle's delivery of intuitive, easy-to-use solutions that allow contractors to improve productivity and profitability. Rzesnoski is a Certified Restorer and Water Loss Specialist. Additionally, he sits on the RIA's Restoration Council, Canadian Education Committee and is the chairman of the Estimating Committee. In 2013, Rzesnoski was the main consultant on Deloitte's review of pricing software in Canada that impacted \$11.9B of restoration revenue.

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# RIISING FROM THE **EMBERS**

The Cleanup at Oaks  
Christian School

*By Jeff Moore*









Since American Technologies Inc. (ATI) was established in 1989, we have made it our mission to help our clients recover from the most devastating natural and man-made disasters. When we were asked to come to the aid of Oaks Christian School in the aftermath of one of the largest conflagrations in California history, we knew we could rise to the challenge.

The Woolsey Fire ignited on Nov. 8, 2018. By the time it was brought under control, it had burned an incredible 96,949 acres and destroyed 1,643 structures — and it was only one of the fires that afflicted Los Angeles and Ventura County in November.

Thankfully, the fire did not reach the buildings at Oaks Christian School, located across the mountains from Malibu in Westlake Village, but the entire campus was

affected by ash deposits scattered inland by the Santa Ana winds. The campus covers 500,000 square feet among five large buildings. It was clear that this was going to be a task of Herculean proportions.

### TIME WAITS FOR NO ONE

The project started before the Thanksgiving break, a few days after the Woolsey Fire took hold, when the school was closed under mandatory evacuation by the fire authority. School officials did not want to place students, staff and administration in hazardous conditions due to poor air quality and fallout from the nearby smoke and fire zones.

We were working against the clock to ensure that the campus was clean and safe in time for staff and students to return to school after the holiday. The first step was to try to estimate the cost in time and materials, while bearing in mind that these figures would have to be amended as the project progressed.

The industrial hygienist took air samples and tape-lift samples so that he could compile a protocol, but there was no time to waste, so we started cleaning the administration building surface areas while we waited for his report.

All of the exterior walkways, roof, and interior and exterior walls had to be washed and cleaned. The turf on the playing fields had to be raked and cleared, and the water and filters in the outdoor swimming pool were cleaned and disinfected. The entire campus is powered by a massive solar array on the roof of one of the main buildings. It was vital that we ensured that no dust was lurking under the panels waiting to be released by the wind. We power washed the walls and hosed and squeegeed every solar panel.

### STRIVING FOR A SAFE ENVIRONMENT

Cleaning the inside of each building brought its own challenges. We had to vacuum all the surfaces using HEPA vacuums, shampoo all the carpets, wipe down walls and clean all the desks. Hundreds of hydroxyl deodorizers

## SCOPE OF WORK

- Performed work with HEPA vacs, dry sponges and wet cleaning.
- Installed HEPA air scrubbers. The air was continuously cleaned with air exchanges combined with standard & charcoal filters.
- Installed hydroxyl units for deodorization.
- Cleaned walls and outlets.
- Cleaned floors and baseboards.
- Cleaned elevator and shaft.
- Wiped hard surfaces.

## LABOR

- 130-140 remediation workers
- 12-hour work shifts
- 7 days a week
- 3 weeks, plus additional 4 weeks cleaning HVAC ducts afterschool

and negative air machines (NAM) worked round the clock to clear the air of potentially toxic fine particles. Hydroxyl units attempt to eliminate odor molecules, bacteria, viruses, mold, VOCs and other chemicals. We laid about 300 sticky mats and 100 NAMs at all door thresholds and limited entranceways to better control the environment and ensure that dust, soot or ash were minimized for re-entering the buildings.

One of the main logistical problems was that we couldn't get independent access to every part of the school. In many cases, members of staff from the school needed to be present to ensure that contents could be safeguarded. Student lockers had to be cleaned, and many rooms held expensive electronic or scientific equipment that had to be given special care and attention. We also had to be cognizant of the need to ensure that the personal belongings of staff and students were preserved and protected.

Sadly, the cleanup was also affected by the tragic shooting in the nearby Borderline Bar. There was a funeral service at the Cavalry Community Church, whose campus is immediately adjacent to Oaks Christian School, for a police officer who lost his life. There was a lot of press attention, and security was tight. Hundreds of people attended the service, which made the logistics of moving ATI workers a challenge. The sense of loss was palpable, and we tried our best to maintain a respectful distance while the community mourned.



“ School officials did not want to place students, staff and administration in hazardous conditions due to poor air quality and fallout from the nearby smoke and fire zones. ”

One of the most difficult parts of the job was restoring the industrial roof-mounted HVAC system to curtail the amount of airborne contaminants inside the facilities. Every one of the 40 large air handlers had to be cleaned and all filters changed before the students returned to school after Thanksgiving. Then the HVAC air ducts had to be inspected and cleaned to ensure good air quality.

#### COMMITMENT TO A FULL RECOVERY

In total, we had between 130 and 140 remediation technicians working for 12 hours a day, seven days a week for three weeks to restore the school to working order. Then we had 15 professionals work through the night for an additional five weeks on the vast network of air ducts.

Pre- and post-testing included random sampling of the structures to ensure safe indoor air quality. At the close of the project, the industrial hygienist made a follow-up visit and declared that the buildings were free of ash and that the air quality was high.

We are very proud of the achievements made by our remediation team whose dedication and hard work enabled the staff and students of Oaks Christian School to put this distressing event behind them and get on with the business of learning. **RIA**



*Jeff Moore is the executive vice president at American Technologies Inc., a national leader in restoration, environmental remediation and reconstruction. ATI is the nation's largest family-owned restoration contractor with about 1,400 employees in 20 offices. Moore has over 20 years of experience in contents restoration, environmental remediation (asbestos and mold) and construction related to fire, water and insurance-related damages in the residential and commercial fields.*





INTERNATIONAL  
**RESTORATION**  
CONVENTION + INDUSTRY EXPO  
**April 30 - May 2, 2019** | Phoenix, Arizona

The International Restoration Convention + Industry Expo is coming to Phoenix on April 30 through May 2. Join us for the premier event developed by contractors, for contractors. This event will feature an array of education sessions focused on relevant issues and trends facing the restoration industry. You will have an opportunity to meet fellow restoration and cleaning industry professionals to expand your connections and grow your network in the industry. With robust education, valuable networking and an innovative expo all in one place, this event is not to be missed.

**Register at: [restorationindustry.org/2019RIAConvention](http://restorationindustry.org/2019RIAConvention)**

## Schedule

# OVERVIEW

### Sunday, April 28

8:30 am – 5:00 pm Water Loss Specialist Prep Course & Exam

### Monday, April 29

8:30 am – 5:00 pm Water Loss Specialist Prep Course & Exam

### Tuesday, April 30

8:30 am – 5:00 pm Water Loss Specialist Prep Course & Exam

1:00 pm – 4:00 pm Young Professional Restorers' Committee Site Visit

4:00 pm – 5:00 pm First-time Attendee and New Member Reception

5:30 pm – 7:30 pm Opening Reception in Expo Hall

### Wednesday, May 1

7:00 am – 7:45 am Breakfast

8:00 am – 9:30 am Opening Remarks and Keynote Session: Rick Rigsby

9:30 am – 10:30 am General Session

10:30 am – 1:30 pm Expo Hall Open and Lunch

1:35 pm – 2:35 pm Breakout Sessions

2:35 pm – 2:50 pm Refreshment Break

2:50 pm – 3:50 pm Breakout Sessions

3:50 pm – 4:00 pm Break

4:00 pm – 5:00 pm Breakout Sessions

5:00 pm – 6:00 pm Young Professional Restorers' Committee Networking Reception

6:30 pm – 10:00 pm Awards Banquet and Celebration

### Thursday, May 2

7:30 am – 8:30 am Breakfast

8:30 am – 9:30 am Day Two Keynote Session: Eric Chester

9:30 am – 10:30 am Day Two Keynote Session: Mike Michalowicz

10:30 am – 2:30 pm Expo Hall Open and Lunch

2:00 pm – 2:15 pm RIA Annual Business Meeting

2:30 pm – 3:30 pm Breakout Sessions

3:45 pm – 4:45 pm Town Hall Session

4:45 pm Conclusion

# Don't Miss These Inspirational SESSIONS

The International Restoration Convention + Industry Expo will feature three keynote speakers. See what to expect from two of them, Eric Chester and Mike Michalowicz, both of whom will be speaking on Thursday, May 2, at 8:30 a.m. and 9:30 a.m., respectively.

Register for the 2019 International Restoration Convention and Industry Expo to see their presentations before March 1 to receive the early-bird rate.



As a leading voice on the topic of the emerging workforce since 1998, Eric Chester is an in-the-trenches workplace research and thought leader. Learn about what Chester will share in his presentation "How to Win the War for Talent in a Fully Deployed Workforce Economy."

**C&R: Can you give us a brief overview of what your presentation will be about when it comes to talent in the workforce economy?**

**Eric Chester:** Business owners and operators in the restoration industry are challenged by the current state of this fully deployed workforce, where anyone who really wants a job has one. Thus, it's harder than ever to maintain a fully staffed business, especially when it comes to filling non-sexy front-line jobs. My presentation will shed light on why the workforce situation is in the state it's in, and I'll present actionable ideas and tactics for finding, developing and retaining workers.

**C&R: What do you think are the biggest challenges when it comes to hiring talent in the workforce right now? Has it shifted over the years?**

**EC:** The emerging workforce has been exposed to a very different employment landscape than their parents and grandparents. Thus, they have a very different view of work-life balance, success and what a job and/or a career means. They're playing by a different set of rules, and employers are still using yesterday's hiring and management tactics on this new labor force, which leads to morale issues, poor performance, lost productivity problems and tumultuous turnover.

**C&R: Who should attend your presentation?**

**EC:** Only those business owners, leaders and managers who have ever uttered the phrase, "I can't find any good people who want to do this job!" In other words, everyone who somebody else calls "boss."

**C&R: What will attendees get out of your presentation?**

**EC:** Insight, perspective and proven takeaway strategies that will help them recruit, train, hire, onboard, manage, motivate and retain workers for jobs in the restoration industry.

**C&R: What do you see for the future of finding and keeping skilled workers?**

**EC:** It's going to get harder, not easier to maintain a loyal productive workforce. The labor wars will be won by employers that consistently strive to create the best possible culture and are relentless in their recruiting efforts. This is not something that can be dumped on human resource departments, but rather a challenge for leaders at the highest levels.



As the second keynote on May 2, Mike Michalowicz founded and sold two multimillion dollar companies by 35, and now is finding better ways to grow health and strong companies using his "Profit First Formula." Get a preview of Michalowicz's session "Profit First: How to Make Any Business Highly Profitable by the Very Next Deposit" and how it could help your restoration business thrive.

**C&R: Can you give us a brief overview of what your presentation will be about?**

**Mike Michalowicz:** There is an established belief that sales minus expenses equals profit. Yet the vast majority of businesses are not profitable; they are surviving check by check. In my presentation, I challenge the notion that putting profit last works and teach a new method of taking profit first.

**C&R: Who should attend your presentation? Is it applicable to folks at all levels of the restoration industry or more focused for owners?**

**MM:** This presentation is designed for any businesses from start-up to under \$25M in revenue. If you, as the owner of a restoration business, check your bank account with any frequency — once a month, once a week, daily or are even checking your accounts as you listen to this — this presentation is meant for you. The method I teach actually encourages you to keep doing what you do and use a simple system that will channel your habit to drive profit permanently in your business.

**C&R: What do you hope attendees will get out of your presentation?**

**MM:** My hope is that people will walk out armed with a simple process to immediately drive profit. If they implement what I teach, these businesses will be experiencing profit by their very next profit. The system is simple, but it is all about doing it. I hope I can inspire people to do it.

**C&R: What pushback or challenges have you encountered when sharing the "Profit First Formula" with business owners?**

**MM:** Some people think it is too easy to work and therefore never try it. Others think that they need to first change other things about their business to "ready themselves" for profit first. And others hear from their accountants that it won't work. The thing is, we are blessed to have over 100,000 companies that have implemented Profit First. The key understanding here is that Profit First is not an accounting system. It is a cash management system, and it works with any accounting system that you currently use. Nothing needs to change with how you do your accounting, we simply need to set up some new bank accounts and follow the process.

**C&R: What do you see for the future of the "Profit First Formula?" Do you think it will continue to be applicable as human behavior inevitably changes?**

**MM:** I think Profit First has a long-term future. It surely will be replaced at some point as people change or as artificial intelligence becomes more prevalent. The nice thing is Profit First can be implemented and utilized within hours, and it can be disabled just as quickly. So when the time comes to stop using it, it can be turned off. And when people are committed to permanent profit, Profit First can be turned on immediately.



## Don't Miss the Third Keynote: Dr. Rick Rigsby

Although we weren't able to chat with him directly, we are excited to hear from the opening keynote speaker Dr. Rick Rigsby on Wednesday, May 1. Rigsby is president and CEO of Rick Rigsby Communications. He is an award-winning journalist who also spent two decades as a college professor — mostly at Texas A&M University, where he also served as character coach and chaplain for the Aggies football team.

Rigsby's dynamic presentations motivate, empower and inspire worldwide. We invite you to rediscover what is really important and meaningful — not only in your professional career but in your personal life, as well. Join Rigsby as he shares the wisdom of past generations — wisdom that will inspire you to make an impact rather than an impression.




# MY MOST CHALLENGING PROJECT

with Brian Willcut



My Most Challenging Project is a series in which we ask members to share their most difficult projects and lend advice on how others can solve similar challenges. Brian Willcut, branch manager of Restoration Management Company (RMC) in Seattle, recounts the contents recovery and museum artifact restoration project at a local historical preservation site in Washington State.

## WHAT WAS THE PROJECT?



In the summer of 2018, the City of Aberdeen's Museum of History experienced a catastrophic fire that affected the entire museum structure. This historic building had been used to exhibit and archive many rare and irreplaceable historical artifacts unique to the area.

Approximately 41,000 square feet of valuable antiques were being stored or currently on exhibit at the museum. Two tenant spaces were also affected. The concrete and heavy timber structure was significantly compromised by the fire, and some areas remained at risk of imminent collapse.

Restoration Management Company (RMC) was selected by the city of Aberdeen to engage the project. Selective demolition and temporary shoring were needed before any debris removal or contents and artifact recovery efforts could be undertaken. This work was required on the front end in order to provide safe access to the facility by RMC's highly trained

restoration technicians performing the contents and artifact recovery efforts.

Priority services for the city included:

- Meet with key personnel associated with the project.
- Work closely with the structural engineer retained by the city to establish safe access and egress points.
- Remove overhead hazards and install shoring as needed to guarantee safe passage for all workers.
- Involve an independent third-party certified industrial hygienist (CIH) to evaluate potential







environmental concerns and establish the final artifact recovery protocol.

- Provide recovery and restoration solutions for the contents of the affected parties.
- Provide asbestos, lead and mold testing, securing safe access to the structure.
- Provide air sampling and clearance results as well as any other environmental reports requested by the affected parties.
- Inventory and catalogue all contents as well as provide recommendations for salvage versus non-salvageable museum artifacts for consideration by the museum curator and/or other interested parties.
- Perform hazardous material abatement, cleaning and remediation services as warranted by the nature of the loss.
- Provide ongoing safe and secure storage of museum artifacts and other contents in a climate-controlled and conditioned environment.

- Meet regularly and work closely with all parties associated with the loss, from city managers, insurance companies and the community.
- Publish daily written updates to those affected or other interested parties.
- Provide up-to-date and ongoing cost analysis and comprehensive reports for the consideration of the financially responsible parties, including detailed breakdowns of the individual costs associated with each entity.





### *WHAT WERE THE UNIQUE CHALLENGE(S) THAT HAD TO BE OVERCOME?*

With any restoration project, workplace safety is paramount. Any time a structure is damaged by fire, there are potential environmental concerns due to potential contaminants and/or pollutants that may be released during the fire. Another consequence of the fire, such as the one that the museum experienced, is that there was a

considerable risk of collapse remaining due to the massive damage to the structure.

The sheer volume of debris from the roof collapse presented a logistical challenge mandating a careful sifting and sorting project in order to recover potential valuable and salvageable artifacts. Additionally, a record of the non-salvageable items needed to be generated for the city of Aberdeen's insurance carrier.

### *HOW WERE THOSE CHALLENGES ADDRESSED TO SUCCESSFULLY COMPLETE THE PROJECT?*

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RMC's national construction team, working in tandem with its environmental and emergency response teams, partnered with an independent certified industrial hygienist and engaged the loss in a methodical, step-by-step approach. Our team assessed and secured specific areas one by one in order to isolate and eliminate potential environmental, health and life safety hazards.

- Structural shoring was added in key areas in accordance with a local engineer's design specifications.
- Cranes, reach forklifts and other heavy equipment were used to safely remove the remaining roof structure and overhead hazards.
- Debris was carefully removed and sorted in a forensic process.
- Temporary cleaning and drying facilities were constructed on-site to process, clean, restore and catalogue the smaller museum artifacts.
- A warehouse facility was secured nearby and was used to engage some of the larger artifacts.
- Some of the largest and/or most sensitive artifacts were returned to RMC's regional facility in Kent, Washington, for final cleaning, archiving and storage in a heated and conditioned facility until such time it will be returned to the city.

### *HOW DID THE PROJECT TURN OUT?*

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The city of Aberdeen went to great lengths to protect what historical artifacts survived the fire of 2018. In

partnering with RMC, the city achieved its initial goals of salvaging and restoring a great deal of regional history. The city, its tenants and the community benefited from RMC's vast experience and utilization of industry leading technology, means and methods specific to museum artifact restoration.

Restoration Management Company is honored to have been allowed to partner with the city of Aberdeen on these recovery efforts and looks forward to any opportunity to work with the city and its associates in the future.

### *WHAT LESSONS DID YOU LEARN THAT COULD BE APPLIED TO CHALLENGING PROJECTS FELLOW RIA MEMBERS MAY ENCOUNTER?*

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As with any remediation project, a prompt and expeditious response is crucial. Involving key players early on and developing a comprehensive and holistic recovery plan are equally significant. Most importantly, communicating plans, progress and potential encumbrances — as well as solutions — always streamlines a project and affords the client a level of comfort and assurance that their needs are being addressed in a timely and professional manner.

#### **SOURCES**

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# WELCOME TO THE NEW WLS

By WLS Taskforce Chair Ben Yanker, CSDF, WLS, CR

At a time of continued growth and change in our industry, RIA is pleased to share that a revamped Water Loss Specialist (WLS) course will be held in Phoenix prior to this year's convention. This will be the third iteration of a program with 20 years of rich history that has driven our industry forward.

At the program's inception, the unique and valuable design of the class provided the candidate exposure to a wide variety of concepts and disciplines taught by subject matter experts. Think of it like an early day series of in-depth TED talks over several days followed by a written exam. It was more akin to a boot camp experience than a laid-back afternoon at Starbucks surfing the internet.

The supporting materials for the inaugural class held in Kansas City in 1999 were binders of loosely assembled articles and reference documents the presenter based his instruction on. These binders became an invaluable source of reference material that had not been previously assembled in the water damage industry.

By 2004, it became apparent that our association could do better and selected subject matter experts to compose cohesive chapters regarding their disciplines. The foundation for each chapter was based on learning objectives developed by a Water Loss Institute (WLI) Task Force, of which I was a proud member. The task force provided the chapter authors' guidance on what the candidate should learn or be able to demonstrate after studying the chapter and attending the class.

It is time for our industry to revisit the WLS program again. Starting in May 2018, a new task force reconvened to once again consider the question: How do we move the water restoration industry forward? The task force has meticulously reviewed the manual, gauging relevancy and updating the learning objectives so they continue to prepare WLS candidates for competence in today's marketplace. We identified, contacted and convinced individual subject matter experts to review, revise or rewrite the chapters. The revised WLS will contain new and engaging content on our industry's most pressing challenges:

- Building Structures and Dynamics
- Chemicals
- Drying Equipment and Instruments
- Drying of Contents
- Legal and Ethical Issues
- Microbial and IAQ Issues
- Operations
- Psychrometry and Drying Science
- Safety
- Specialty Drying of Materials
- Standards and Regulations

The task force has also carefully revised the final examination, writing new questions that mirror the updated class blueprint, confirming that each question is clear and derived directly from the written material. Careful attention was given so that the exam did not turn out to be a "gotcha" exercise, but rather test and measure what we truly value so that the WLS continues to be a distinguishing mark of excellence in our industry.

We hope that those who are already WLS certificants are proud of the revised program. The task force has put in innumerable hours of conference calls and individual preparation to prepare for discussion and debate. The WLS community is looking forward to welcoming a new generation in April at the program's relaunch.

The revised WLS course will launch April 28-30, 2019, in Mesa, Arizona. Visit [www.restorationindustry.org/event/WLS2019](http://www.restorationindustry.org/event/WLS2019) to learn more and register.



## Upcoming Education

**March 11-12: Contents, Science & Theory** – Fountain Valley, California

**March 13-15: CMP Prep Course & Exam** – Fountain Valley, California

**April 28-30: Water Loss Specialist Prep Course & Exam** – Mesa, Arizona

(Note: This is the inaugural class for the redesigned course)

**Oct. 1-2: Contents, Science & Theory** – Roselle, Illinois

**Oct. 3-4: Project & Risk Management** – Roselle, Illinois

Register here: [https://www.restorationindustry.org/events/event\\_list.asp](https://www.restorationindustry.org/events/event_list.asp)

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