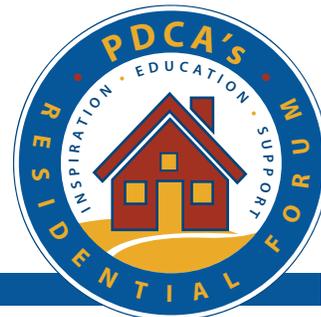


# The Painter's RAG



PDCARESIDENTIALFORUM.ORG

## In this Issue...

From the President

Editor's Note

Endings & New Beginnings

PDCA Expo 2013 Education Sessions

Creativity & Destruction

Your Exit Strategy

Board of Directors

Sponsors

Painting & Decorating Expo 2013



## From THE PRESIDENT



I've never understood what all of the hoopla was surrounding the number thirteen, but growing up we always thought of it as a lucky number, not an unlucky one.

Thankfully, this meant there were no worries on my end when it came time to plan AST 13, and I'm glad to report that the two-day conference went off without a hitch.

Thanks again to the wonderful team who helped make it all happen, and to those of you who took the time out of your busy schedule to attend. For those who have attended—this year, or in the past—you know what I mean when I say there is truly nothing else like it. I always leave encouraged and inspired to go back to work and tackle that seemingly daunting project that I've been putting off, or to look at things from a new angle or perspective.

The world around us is constantly changing, and being able to take two days to step back, look at the big picture, share experiences, ideas and suggestions with your peers, and relight the fire within can really make the difference in ending the year on a high note versus a low one.

Since I have agreed to a second year as your president, instead of saying farewell this fall, I get to say thank you. Thank you for the opportunity to step into this role and learn and grow

## December 2012

surrounded by my peers. I must admit that in the beginning I felt like the little kid at the grown ups table, but with a wonderful board and amazing members, I now feel more comfortable in my leadership role.

What I have discovered over the past few years is, while I am not a natural "step in and take charge" kind of leader, I am good in a leadership role if those around me are ok with me being there. So, thanks again for accepting me and allowing me to grow while serving you. Here's to a great fourth quarter and an amazing 2013 - there's that number again, but remember, let's make it a lucky one.

Yours Truly - **Suhaiba Neill**



**\*save THE DATE!** [more details inside...](#)

**PDCA Painting Decorating EXPO 2013** St. Louis, MARCH 3-6





## Editor's **NOTE:** "No possible way!"

By **Mike Kelly**, [mike@crestwoodpainting.com](mailto:mike@crestwoodpainting.com)

**There are things you expect in the Painters Rag and then things that are a complete surprise. Paint brushes? Yes. But Austrian economist Joseph Schumpeter? No possible way! Renaissance Man Doug Imhoff managed to pull it off in fine form.**

At each AST I have attended I'm struck by the vibrancy and innovation of the attendees. It generates its own buzz, to be sure, but many of those same people that take advantage of their PDCA membership also seek guidance from the business coaches that focus on the business of painting.

The Small Business Administration says 80% of new businesses never see their fifth birthday. The business owners that fail are often able technicians (an E-Myth Revisited term – you have read it, right?) that struggle on the business side. The other 20% (the successes) seem to be forward-thinking business owners that are comfortable with creative destruction. So, what are you going to tear down? And what will you build in its place?

**A Note From the Editor**

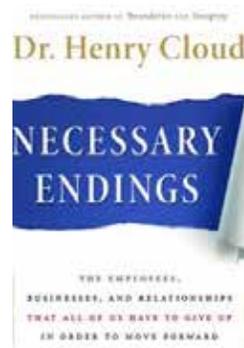
## Endings and **NEW BEGINNINGS**

By **Suhaiba Neill**, [sneill@johnneillpainting.com](mailto:sneill@johnneillpainting.com)

**While I absolutely loove to read, I have to admit that I am not a huge fan of business books. I have about half a dozen or so on a shelf at home that I have started, but just can't get into enough to finish.**

For lack of a better word, they all seem so monotone to me. When I came across Necessary Endings by Dr. Henry Cloud a few months ago, I purchased it with some trepidation, but was pleasantly surprised to discover that it was anything but the monotone book that I expected.

The premise of the book is that in order for something new to begin, at some point, something will first have to come to an end. And let me pause here and state that all endings are not bad, they are simply necessary for further growth – hence the title. Through well defined and digestible chapters and a myriad of examples (both personal and work related), Dr. Cloud uncovers and explains why we all fear end-



ings, what can be done about this, and why it's so important to be able to evaluate the present while looking towards the future. Some of us are more gifted at the art of letting go, while others hold on until the very last drop, but having the consciousness to step back and identify your style will go a long way in your future growth and development.

If you feel that you're in a place where certain aspects of your business could use some change, but you're not quite sure how to approach it and could use a fresh perspective, than this book is for you. I made a point to keep it on my desk at work and read one chapter a week at the end of my workday. My suggestion, choose a strategy that works best for you and go for it, but whatever you do make sure you finish the book. The last chapter really does bring it full circle and will leave you in a place where you're really ready to re-evaluate your business and personal relationships with the future in mind.





## PDCA Expo 2013 Education Sessions - PRESENTED BY THE RESIDENTIAL FORUM

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### Turning First Time Homebuyers into Customers for Life

**Presenter:** Debbie Zimmer, Paint Quality Institute

With the real estate market potentially turning around, the Paint Quality Institute investigated “First Time Homebuyers” and their attitudes around interior and exterior paints and painting. Where do they shop and what influences them to paint? When do they hire a professional painter? What is their motivation to begin a paint project, either as a do-it-yourselfer or when bringing in a pro? Learn about this important demographic, and take away tips to increase your business by gaining new clients.

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### Residential Forum Panel Discussion

**Facilitator:** Scott Lollar, Precision Painting & Decorating

This is an active and enlightening open discussion led by a panel of experienced residential painting contractors. Topics to include the overall sales process (from the initial phone call to the close of the completed project) with a focus on overcoming price objections. “Hot Topic” questions will also be taken from the floor and discussed as a group.

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### Is The Customer Always Right?

**Presenter:** Randy Fornoff, MTS Painting & Property Services

How do you handle disgruntled customers? In this workshop will we discuss how to develop company policies that ease the burden when dealing with unhappy customers. I will share successes and failures from my own experience, including issues that lead all the way to the courthouse. We will also discuss how the use of clear contract terms along with the PDCA’s standards and manufacturer’s instructions will aid you in boosting customer confidence and win you more jobs.

### Why Direct Mail Should Still Be A Part Of Your Marketing Strategy

**Presenter:** John Neubert, Neubert Painting, Inc.

With an onslaught of advertising and marketing options at our disposal, many small businesses are missing the heart of their market by “giving up” on direct mail because it’s either too expensive or too time consuming. In this workshop we will discuss why direct mail is still an important part of your marketing strategy, the many options for “direct mail”, how to use it in other areas of your business, and how to track your success rate. We will also touch upon the need for a comprehensive marketing plan to maximize your company brand.

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**Happy Holidays**  
 from  
**PDCA**  
**Residential**  
**Forum!**





## Creativity and Destruction - A Review of PDCA Residential Forum's Advanced Shop Talk

by Doug Imhoff, [imhoffpainting@msn.com](mailto:imhoffpainting@msn.com)

**Advanced Shop Talk in Chicago this past September was an unequivocal success. The representative mix of talent, experience, industry segments and personalities all contributed to making this year's AST the most informative and invigorating forum since its humble beginnings in 1999.**

A thousand thanks to our sponsors, the good people of Advisors on Target, Benjamin Moore, Masterchem, Pro Painting Net, PPG, Purdy, Sherwin Williams, Surtech, TriTech and Wooster; and of course to all the attendees who added the texture and life wisdom that makes the AST experience a singular, peerless event for us, our partners and colleagues.

While I found value in all the topics discussed during the roundtable sessions, and the presentations were all timely, informative and inspirational; what struck the bass chord with me was something familiar from my college days, the common thread that wove and crisscrossed its way in and out of text and tests, essays and conversations, on and on into the very fabric of life and of commerce: the idea of creative destruction. The economist Joseph Schumpeter was the first to write about it, and famously coined the term in his influential work entitled "Capitalism, Socialism and Democracy" (1942) to describe a "process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one." Schumpeter was perhaps the first to observe the obvious:

nothing economic remains in stasis, always evolving or devolving, growing or decaying - not stationary, but changing.

To be fair—and kind—much of the destruction that occurs in commerce

is a result of neglect or disuse; less by the hammer and tong of willful demolition and more by way of forgotten systems and ideas, and tools. It's the essential beauty of enterprise that a corporation or industry, city, area, region, neighborhood, one-man shop contractor or giant machine-painting company, all are subject to the laws of creative destruction.

### Out With The Old

At an early AST some years back I recall a shop tour, the owner guided a few of us through his shop, office and warehouse area - standard fare mostly, impressive in size and organization but conventional in scope.

thank  
you!



It was in the back under some heavy shelving full of cans and pails that I noticed a neat row of what looked like derelict equipment collecting dust. Machines once used in production now sitting idle, waiting their next iteration as productive tools for small startups, or to be sold to service shops for parts or rebuilding, whatever fate their owner chooses they will represent a reduction in equipment assets in exchange for the added capacity of an empty corner; a decrease in machines traded for an increase in potential. Although Schumpeter meant it on a larger scale, miniaturization does not dilute the principle as it relates to the physical tools of production.

Similarly, creative destruction governs soft systems within an enterprise as well. Perhaps even more important to capturing new market share is idea capital; new ideas and practices that catapult a business in front of its competitors. A simple reminder of this was provided in Chicago in the form of a binder from AST past (II or IV, I don't recall which) full of documents and ideas submitted by the owners for review and sharing with the other attendees. In the binder I found a section that my dad and I contributed, and it bore little resemblance to what either of us is using today. But I was proud of the gains these ideas and management tools helped us realize back then - even so, they look rather pedestrian to me now. The knowledge and experiences of the dozen years since this binder was compiled represent a constantly evolving company, my company.

For the many who have never attended AST, and a few who haven't been in a while, let me assure you that AST is not like showing off a personal trophy case of greatness to other business owners, or selective polishing of wood and brass to make the good ship look nice for review. AST is a conference of self-selected (volunteers) business owners who gather not for attaboys, but for intensive sharing of best practices, which invites personal review and analysis of current practices. The near universal result is change. It is like a drink of cold water, a scheduled and anticipated threshing and catharsis. For me it functions as a board of directors, standing in the role of a good first mate without whose calm advice my ship would slowly but steadily helm off-course.

Our businesses, no matter the origins and circumstances, are governed by the law of creative destruction. Believing we are maintaining or holding our ground is fallacy because it fails to account for what we cannot or will not see. I encourage all of you to come to AST next year, learn and share, grow and make friends - cultivate something new and let go of something old.





## Your Exit Strategy – Plan or Procrastinate, the Future is Yours

By Linnea Blair, AdvisorsOnTarget.com

Back in September I gave a talk at Advanced Shop Talk about Exit Strategies. Every business owner, no matter how long they have been in business, should give some consideration to how they ultimately want to exit the business. You may want to sell your business or you may want to pass the business on to your children at some point or maybe you just want to be able to take more time away from the business.

All of these scenarios require planning in order to create the outcome you desire for your business and your life. Even if you're not ready to make any plans for exiting your business now, at the very least you want to be able to mitigate risk in case something unforeseen happens to you or your business partner, if you have one.

Here is a checklist of some things you can do to increase the value of your business for potential future sale or transfer, to achieve shorter term goals to be able to take more time away from the business, and to mitigate current risks.

- Engage a competent accounting firm and have them review your financials periodically
- Put processes and procedures in place so less input is required from you on a daily basis
- Put a growth plan in place
- Use a budget to plan and measure progress
- Work towards growing your profitability to exceed industry norms
- Develop layers of management in your company
- Be able to be absent from your business for at least 2 weeks with out negative consequences
- Assemble an outside advisory board for your business
- Put a transition plan in place with measurable milestones
- Get a life insurance policy for yourself and key employees or managers
- Put a Buy Sell agreement in place if you have a partner in the business
- Make sure you have a Will or Trust in place that is up to date and adequately reflects your wishes for your estate including your business

While not an exhaustive list, this checklist should start you thinking (and taking action) about your longer term vision for yourself and your business.



# BLOG

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Session topics and titles subject to change.

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- Hiring and Firing - Legal Issues
- Healthcare Reform
- Hiring and Firing - The Make or Break of Your Company's Success
- Painting Fundamentals - Craftsmanship Training & Pathway to Profit
- Leveling the Playing Field: Decorative & Color 101
- Growing Pains of Growing Your Business
- Service Today, Success Tomorrow
- Expanding Your Job Size
- Avoiding Paint Failures
- Encountering Absestos
- OSHA Overview for Painting Contractors
- Ladder Safety
- Why Direct Mail Should Still Be A Part of Your Marketing
- Turning First Time Homebuyers Into Customers for Life
- Is The Customer Always Right?
- Residential Forum Panel Discussion
- Estimating for Profit
- Never Compete on Price Again - Sell Your Value
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- Using Advanced Social Media to Market Your Business
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