

Expand your offerings

New technology can help you gain additional business

by Caroline Maier and Richard Rast

According to feedback from customers of Centennial, Colo.-based Roof Express LLC, roof system service is the most profitable category of roofing work with gross margins of up to 50 percent for many firms. As a result, many progressive roofing contractors are focusing on building the service side of their businesses.

The tightening economy is reinforcing this trend as building owners throughout the U.S. are seeing the advantage of investing in maintenance and service as a way to extend the lives of their roof system assets.

DRI Commercial, Irvine, Calif., does a significant amount of service and maintenance work, and its vice president, Aaron Martin, agrees that the tightening economy is changing the way facility managers approach their roof system assets.

“Commercial roofing is a competitive market right now. Many companies are deferring major capital expenditures and instead are opting to have selective maintenance performed on their facilities,” Martin says.

“We view the current market conditions as an opportunity not only to secure high-margin repair and maintenance work now but to position ourselves as the contractor of choice when the economy improves,” he continues. “We will have developed relationships through proven work that will position DRI Commercial first in line to perform future roof system replacements.”

So now more than ever, a service program is a smart focus for any roofing contracting company.

Build a foundation

A typical roof system service program involves performing a baseline assessment of a roof system’s conditions, making recommendations for immediate repairs to extend the roof system’s life, and setting up a service contract for the repair work and periodic routine maintenance.

Although many roofing contractors offer baseline roof system assessments at no cost to building owners, there are roofing contractors who bill their initial baseline assessments at three to eight cents per square foot and follow up with inspections and routine maintenance once or twice per year.

According to feedback from Roof Express customers, baseline assessments result in an average of 50 cents per square foot of repair work for the roof systems assessed.

If a contractor were to win 75 percent of those jobs, that’s 42.5 cents per square foot of revenue. For Roof Express customers, gross margins on repair work commonly are in the 50 percent range, so the gross margin typically is about 25 cents per square foot.

The effect on the bottom line is considerable. For example, assume a company makes a modest sales effort and assigns two people to conduct roof system assessments part-time. Each person could inspect about three roof systems per week at an average of 20,000 square feet per roof, which becomes 24 roof systems per

month, or 480,000 square feet of roof per month.

If the assessors find 50 cents per square foot of repair work on each 20,000-square-foot roof system, that’s \$10,000 in revenue per building, which comes to \$240,000 per month. If the gross margin is 50 percent, that’s \$120,000 of gross profit each month and \$1.4 million in profit margin each year—a more focused, aggressive sales approach could yield substantially more profit.

Long-term customer relationships built through repair and maintenance work can be a major business driver because customer retention and long-term relationships lead to reduced sales expenses and higher profits. The ultimate goal is to secure a facility manager’s trust, and you can achieve that by providing professional assessments and recommendations to help him or her manage a roof system program while delivering premium customer service.

Becoming an expert on a building owner’s needs and roof system history leads to ownership of the life cycle of that roof system and—eventually—the reroofing project.

Challenges and barriers

The opportunity for additional business is out there, but for most commercial roofing contractors, growth is limited by the time it takes to gather information and document the results for a complete baseline condition assessment report.

Assessing three roof systems per week is reasonable, but preparing three professional roof assessment reports complete with roof plans, photos, identification of deficiencies, and suggested repair and maintenance budgets can be challenging. The breakdown of communication from service technicians who perform repair work is another barrier that can result in missed opportunities.

Another common concern contractors have is assuming liability for someone else’s work. Nearly every roof system that



leaks has other critical maintenance and repair needs. When you repair a leak, you potentially can be blamed the next time the roof system leaks. But this liability can be turned into an asset with thorough documentation of work performed, as well as the ability to capture other deficiencies and propose recommendations for additional repairs.

But timing is essential: Proposals submitted within a few days of an original leak call—when the pain associated with water intrusion is fresh—are significantly more likely to be accepted by a facility manager. That win rate declines dramatically the longer it takes to turn in a proposal for repairs. Contractors who are doing well in this profitable arena have figured out ways to streamline the proposal process and identify opportunities immediately after a leak call.

Finally, many contractors are wary of service work because of the feast or famine cycle. When there's lots of work following a major weather event, contractors can be flooded with hundreds of leak calls per day. Service crews scramble to handle all the leak repairs they can, and it may take weeks to report what was done on each roof system and deliver the invoices. There's barely enough time to produce proposals to cover immediate repairs and keep clients happy much less propose and win the more extensive permanent repairs all those roof systems need.

But inevitably, things slow down so much that roofing contractors face layoffs of valuable service crews. This is the downside of service work, and many contractors are tempted to give up this potentially lucrative side of their businesses because the weather and their customers come and go in such extreme swings. It's a business that can be difficult to manage in busy and slow times, and the potential for missed opportunities looms large.

Finding the sweet spot

Despite the challenges, you can find the service sweet spot when you organize around capturing qualified leads that yield high-profit projects on a steady work schedule. A proactive, streamlined approach to service sales is the key to attaining this success.

One of the best sources of leads for roof system repairs is your own service department.

Because nearly every leaking roof system has other critical maintenance and repair needs, each leak call can lead to an opportunity. It just takes rapid communication between service crews and sales managers, who can quickly send someone to do a broader assessment and make recommendations to the facility manager. These repairs, which are not immediate emergencies, can be scheduled into a manageable time frame. Such repairs also bring in the most profit while cultivating long-term relationships that eventually can lead to reroofing work.

Cutting-edge tools

Many successful contractors are adopting software and other technology tools to streamline their sales processes and help them tell compelling stories to their customers.

Global positioning satellite (GPS) roof mapping and digital field data collection allow businesses to send salespeople to

follow up immediately after a leak call to quickly and thoroughly document conditions and turn them into a winning proposal for repairs.

Web-based satellite imagery provides means to gather preliminary information about a roof before going on-site. Proposal-building software can create a consistent, professional image that helps a company accurately promote quality work and increase its win rate. Increasingly, facility managers are looking for online access to roof system information, particularly if they have national, multifacility portfolios.

Digital field data collection—using a hand-held computer and portable survey-grade GPS unit—lets contractors map roof systems during inspections. All roof conditions are documented, including inventory location, defects, and associated photos and notes.

The information collected can be viewed as an interactive map on a computer where a digital history of a customer's roof information can be kept and shared online. Software also can produce professional proposals and reports.

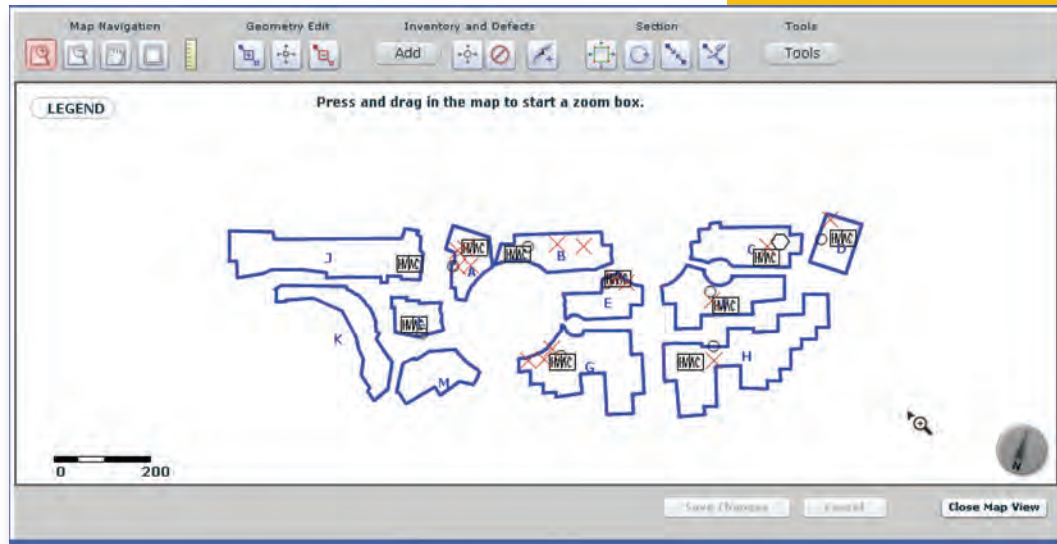
Doug Miller, vice president of commercial sales for Baker Roofing Co., Raleigh, N.C., says his company's use of GPS inspection software tools has streamlined the company's sales process.

"We adopted GPS roof mapping and proposal software in the spring of 2006," Miller says. "During the course of the year, we doubled the number of reroofing proposals we were able to submit because of increased efficiency. We also increased our win rate 30 percent because of the improved quality of our proposals."

Baker Roofing uses these tools to expand its service and maintenance departments, and Miller acknowledges the economy is driving this industry trend.

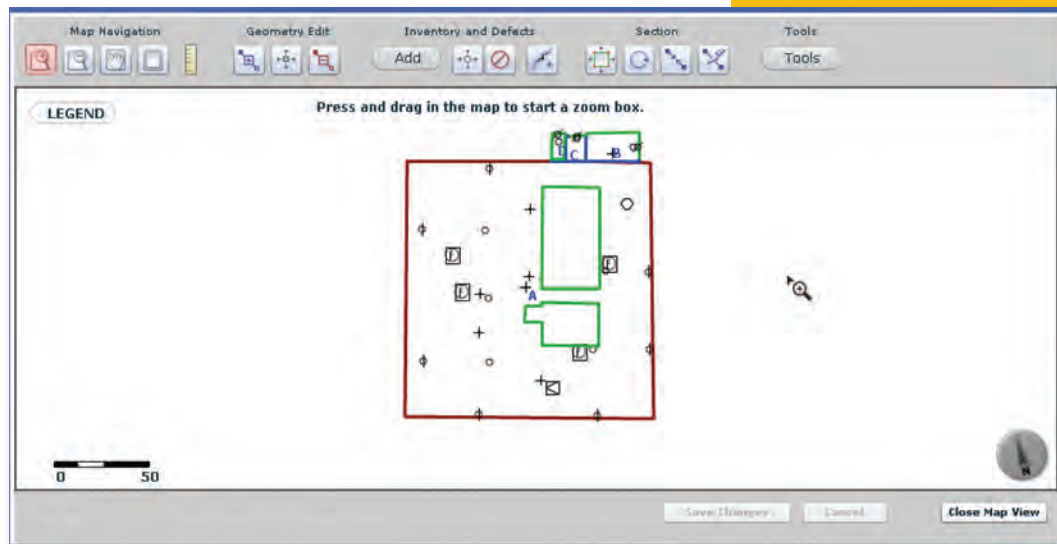
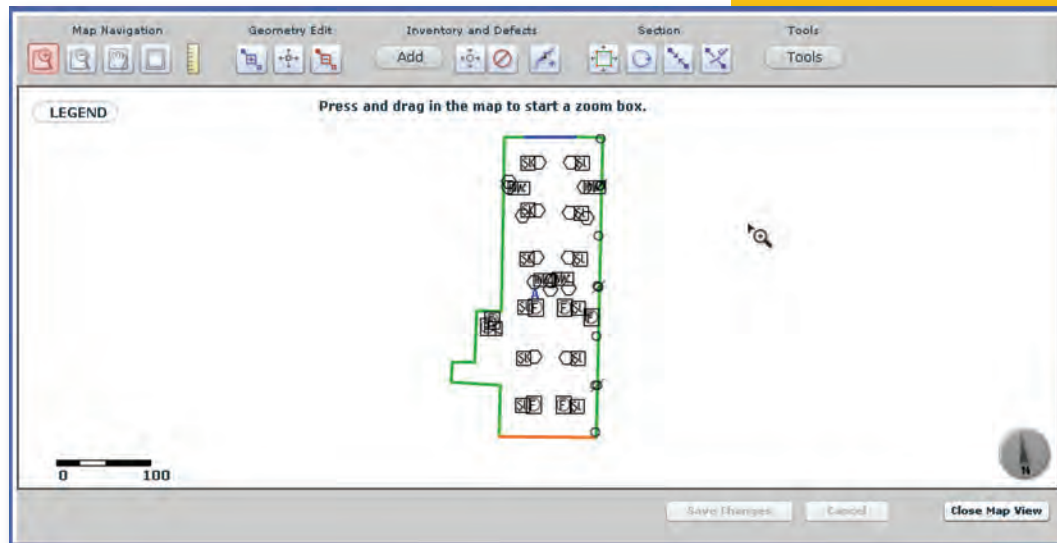
"Right now, people are trying to make the most of their investments in their roof system assets, and we can help them extend the service lives of those assets," Miller says. "Our [CONTINUES ON PAGE 32](#)

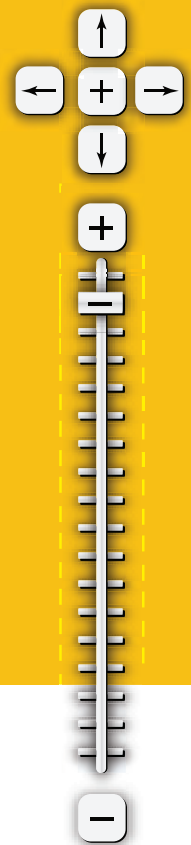
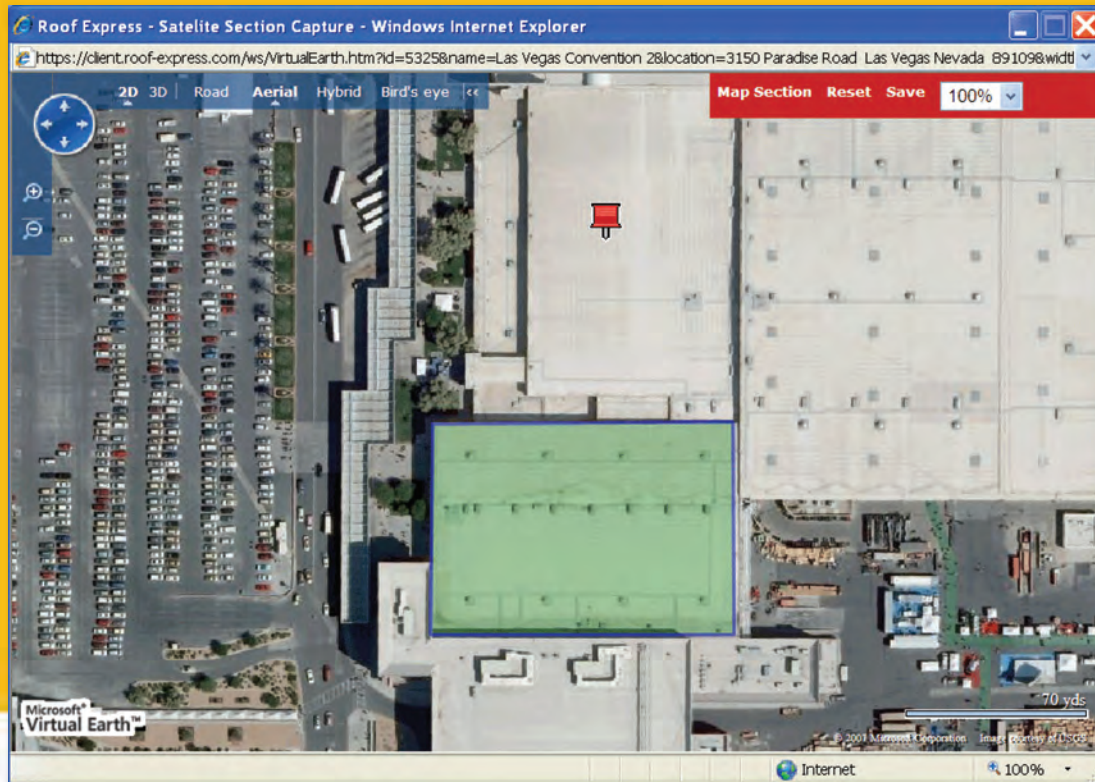
This is a sample of a digital roof map DRI Commercial, Irvine, Calif., built using GPS and a hand-held computer. This map and all the inspection and defect details and photos can be automatically integrated into a proposal format.



Figures courtesy of Roof Express LLC, Centennial, Colo.

Advanced Roofing Inc., Fort Lauderdale, Fla., created these digital roof maps, which can be shared online with the company's client.





Alumni Roofing Co. Inc., Lexington, Ohio, uses software that enables the company to select a section of a roof shown on satellite imagery to create a map that the company can then edit and incorporate into a proposal.

CONTINUED FROM PAGE 30 goal is to make people's lives easier so they can see critical information regarding their assets from the comfort of their offices and not have to worry about going on a roof—especially for multibuilding facilities. There's a lot of value in keeping people up to date—in real time—about what's going on with their roof systems."

Jim Loftus, service manager for Advanced Roofing Inc., Fort Lauderdale, Fla., agrees. Loftus has long realized that the optimum way for building owners to make the most of their roof system assets is to pursue a preventive maintenance program.

"The best way you can make sure a roof system is functioning properly is to perform semiannual inspections. This can ensure you'll stop roof problems before they start and fix problems before it's too late in addition to giving your roof system a longer service life," Loftus says.

To provide more value to its customers, Advanced Roofing recently adopted a GPS roof mapping and reporting tool

to document and present conditions for proposals for recommended repair work. The technology allows the company to build a roof map and proposal while an estimator is on a roof.

"The efficiencies really add up, especially on projects with complicated roofs and multiple buildings," Loftus says. "Facility managers also appreciate having online access to their roof information."

Alumni Roofing Co. Inc., Lexington, Ohio, uses a mobile GPS sensor and handheld computer to create a comprehensive survey. The data is stored on a Web site for easy access and is automatically integrated into complete proposals. The software integrates all the measurements, inventory, defects, maps and photos into proposals.

"People are so visual these days, they don't read much any more," says Bill Hope, Alumni Roofing's owner. "I like to use bullet points and lots of photos and images, including our thermal imagery, which makes the story of water intrusion even more compelling."

Alumni Roofing is targeting large, multiple-roof clients. Bringing information technology into the mix has cemented its relationship with a national property management owner. That client recommended Alumni Roofing to another property management company, and Alumni Roofing won that account, as well.

Another option

Even in a tight market, you remain profitable through roof system service work, especially with the tools available to help document work and propose additional repairs. Contractors who respond to lean times by innovating and investing in technology can improve their sales processes to see them through challenging times and position them to win great opportunities in the future. 🌀 🌐 ❄️

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