

National Institute
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2009

OnSite

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MARKETING MATTERS

Focus on low-cost ways to build relationships

Everybody is looking for ways to keep marketing without spending much money. Terry Brock, an Orlando business consultant who owns Achievement

Systems, recommends putting your efforts into cultivating your loyal customers as one way to market with an investment of time rather than money.

Here are some suggestions he offers:

Create educational value. Let your customers know about trends in green building, minor projects they can undertake that will pay for themselves, or new trends in insurance restoration.

Keep up with products that are highly successful as well as those that don't pan out and share this information with your clients.

Offer a bonus for referrals that produce work for you. Treat this as a "thank you" to satisfied clients who want their friends and colleagues to know about your quality work.

Improve and promote your expertise. Learn new skills and re-energize your networking efforts.

Promote the training of your employees and your specialized knowledge. Create a webpage and company fact sheet that lists challenging jobs or unusual work you have completed on deadline and on budget. Send news releases about new services, employees or achievement to the local media, focusing on business reporters and publications.

Involve your best clients in your planning. Take a poll to find out which services they value most. Ask clients for their opinions or recommendations on plans to expand your offerings or coverage area.

Create an audio CD with a message from you that thanks clients for their previous business and offers them some advice or tips that might be helpful for this time of year. Whatever you

produce does not have to be fancy and, in fact, it will be more personal and meaningful if the client knows that you did it yourself rather than paying a marketing agency to do it.



Checklist for 2009

Have you done these things yet?

- **Registered or claimed your listing on Google maps?** Search for your business by name and city. If you are not there, make an entry. If someone else put you there, claim your listing by clicking on Claim Your Business under the EDIT button.
- **Created a profile using your company name** on Facebook, Twitter and MySpace. Even if you never use these social networking sites, by submitting your profile, you'll keep someone else from using your business name.
- **Registered with Google Alerts** for your name and your company name. You will probably not hear much but with all the free chatter about businesses on the internet, that is the easiest way to monitor your online reputation.
- **Registered with Google Analytics.** That will tell you how much traffic is going to your website and what sites are referring traffic to you.

Leadership in 2009

There's no doubt that the events of 2008 altered the business world dramatically. Wise business leaders will take note of the changes and make adjustments to account for the new environment we are all operating in.

Here are some factors observers say will characterize top leaders in 2009:

Accountability. Leaders are accountable to customers, investors, regulators and the people who work for them. Encourage communication and have systems in place that help others be informed and understand your decisions.

Being accessible. Real leaders have never sought refuge behind closed doors. All leaders should get out of their offices and get to know what their people are doing.

Becoming personally involved. Employees and customers alike are wary of their futures. Now is the time to find out what is not working from the perspective of your employees.

MANAGEMENT ISSUES

Managing cash flow critical

Since cash is the life blood of any business, it's more important than ever to know where your money is going and to conserve the cash going out. That advice

is from Barbara Weltman, author of *J.K. Lasser's Guide for Tough Times*.

As many in construction know, sales can be fantastic but if you don't manage your cash flow properly, you could be out of business tomorrow.

- Keep accounting up to date. This is not the time to let unwanted tasks pile up. Be sure your books and records are accurate and up to date. Review your QuickBooks or other accounting software regularly.
- Get a handle on collections. Unlike fine wine, receivables do not improve with age. Don't let 30 days slide into 60 days: bill immediately and follow up as soon as an invoice is overdue. If the bill gets too large, the customer may be unable to pay. And if your business has a great deal of outstanding debt, you might want to consider hiring

a collections person.

- Make it easy for people to pay. Now might be the time to start accepting credit cards or other options such as PayPal. While you will have a processing fee, paying that charge is far better than getting paid nothing.
- On the other hand, stretch your own bills out as long as you can so as to reserve cash. If you cannot pay all your bills, prioritize and contact those you cannot pay right away to explain your circumstances. You may be able to negotiate better terms. Whatever you do, don't just let bills slide and hope nobody will notice.
- Finally, watch your inventory closely to make sure you are not purchasing items unnecessarily.



HIGHLIGHTS

- Nuts & bolts
- Working smarter

NIR helps you boost your business

From networking to education to marketing assistance, the NIR supports restoration specialists. **434.973.4200**

NUTS AND BOLTS

Lower costs for materials likely to continue

The cost of many construction materials have dropped significantly since October and are expected to remain

relatively low through 2009 according to a survey by the American Institute of Architects (AIA). The decline comes primarily from a deflation in the price of commodities used in construction materials. Energy prices dropped more than 60 percent in the last two months of 2008 at the same time metals prices, especially steel, fell 14 percent.

The prices of diesel, asphalt and plastics will decline further this winter because they are slower to reflect the full impact of the drop in oil prices.

Short term: Bummer Don't shoot the messenger but the news is not good. . .
Long term: Bright

at least for the near future.

As anyone in this business knows, the construction industry lost more than 568,000 jobs in 2008 and it's hard to see where those people will find work in 2009.

According to the latest forecast by FMI, a construction consulting firm, the downturn will continue into 2010 except for transportation construction.

In the *Construction Outlook: Fourth Quarter 2008 Report*, FMI projects that 2009 will be the basement in terms of construction declines.

On the bright side, the long-term prospects for residential construction are good once we get

Recession making businesses vulnerable to computer attacks

As corporate spending on security software slows, job losses in the computer industry make hacking more alluring.

Therefore companies needing to cut costs during the recession should not reduce their spending on

computer security systems.

Markus Jacobsson, author of *Crimeware: Understanding New Attacks and Defenses*, says that criminals are constantly improving their technology, looking for new vulnerabilities and discovering ways to avoid detection.

through this downturn. With the U.S. population expected to increase by 100 million over the next 30 years, it will just be a matter of time before the demand for new housing starts to make construction a vibrant industry once again.

Military construction looking attractive As construction work and credit dry up, more and more contractors are looking to government projects as a way to find work.

Some community colleges that offer workshops for those interested in landing federal projects are finding full enrollments for their classes.

There are many opportunities for firms that want to provide services to those major contractors eligible to compete for government large projects.

The recession of 2001-2002 brought an increase in hacking

according to Jacobsson, but hackers then were mainly interested in the thrill of the challenge. The author said the incentive for hackers today is quite different: their primary motivation is identity theft and breaking through corporate firewalls to steal information or money.



2008 brought some amazing materials

Graphene, the strongest material ever tested, is also one of the thinnest. A single hydrocarbon atom thick, graphene is created by crushing graphite between two layers of tape to create microscopic sheets. While still under investigation, graphene holds great potential for use in wireless communications because its electrical properties hold potential for transmitting information.

Stretchy electronic circuits created by Japanese researchers may one day be in our homes and workplaces. The polymer material has potential for stretchable electronic displays and simple computers that wrap around furniture.

Caltech researchers developed a \$10 microscope in 2008 that uses the same light-sensing chips found in digital cameras. It's imaging quality equals that of conventional microscopes. If integrated into a PDA, it could bring sophisticated imaging technology to rural doctors.

Working Smarter

Web resources for going green

We'll admit it: all this talk about going green and reducing one's carbon footprint is becoming cliché. But anything that saves energy and is good for the environment will eventually be good for business.

If your business wants to do more to adopt environmentally friendly procedures, check the websites below. Just Google the terms and you'll get the URLs.

The Green Power Network (GPN)

This site run by the U.S. Dept of Energy provides information on green power news, renewable energy generation and green power solutions.

NERIC (National Electronics Recycling Infrastructure Clearinghouse)

This site focuses on how to recycle electronics including a list of electronics manufacturers and retail outlets that have adaptive reuse and recycling programs in place. The site also has a state-by-state guide to electronics recycling laws.

EnergyStar

EnergyStar was started in 1992 as a joint project of the Environmental Protection Agency and the U.S. Department of Energy. The website provides information about energy-efficient appliances and products. The Target Finder Tool helps business owners set realistic energy targets and also rate the estimated energy use of a building design. This site is particularly helpful for the business owner looking to reduce energy costs through smart appliance purchases.

GreenBiz.com

This site offers daily news and information on sustainable business practices and has a section where small business owners can find out how their energy investment can be best used. A companion site, GreenerBuildings.com, offers tips on green construction.

EPA Small Business Gateway

The EPA's website contains information on environmental assistance, technical help and ways to save and find money.

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