

# Rooftop REPORTER

FEBRUARY 2009



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## Upcoming Events

February 2-5 IRE Show, Las Vegas

February 19th, RWC Spring Valley Product Show

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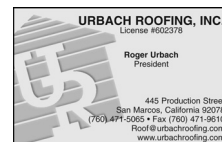
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## President's Message

In preparing to write this President's message, I was interrupted by an incoming email. The email follows below. It is a timely, and important message that all of us can use. So in the interest of bringing to you the best that I have to offer, my best this month are the words of another. I hope you find these tips helpful.

### **Creating Opportunities From Failures** By [Jay Forte](#), President of Humanetrics

Many times, regardless of how well we plan, some things just fail. Maybe it's a webinar or meeting presentation that was well prepared, but suffered technical difficulty. Or a disciplined savings plan lost nearly half of its value in today's recession. These challenging situations define our days, but our response to them determines our future success.

While some curse and yell, others see failures as opportunities. Poet Maya Angelou writes, "I've learned that you can tell a lot about a person by the way he or she handles these three things: a rainy day, lost luggage, and tangled Christmas tree lights." Failures can either destroy or advance our goals; but it's our response to them that really determines the outcome.

Thomas Edison experienced repeated failures. His true success was not his invention of the light bulb, but rather his tenacity to use failures as a means to gain new information and new perspectives. Our most successful employees are the ones who have the persistence and optimism to learn from difficulty and use what they learn to re-imagine, recreate and re-experiment. They are the ones who have learned to be positive and to constantly hunt for opportunities. As the economy struggles to recover, successful organizations will reinvent their futures by focusing on these opportunities.

Here are some tips on getting things right, when things start off wrong:

#### **Create and support a workplace culture that encourages employees to look for the opportunity in every event.**

While organizations value effort, innovation and intent, they should also celebrate non-conventional and non-conformist perspectives. Occasional failures show that employees are pushing performance to the edge. As management consultant Tom Peters states, "A day without a screw up is a day without enough reach." After failures, managers should encourage employees to focus on the positive; this creates a culture that is open, free thinking, and believes that "Yes, we can."

## President's Message Continued

2. **Focus on exponential, not incremental, opportunities.** Direct your discussions of opportunities toward significant, not average, results. Performance "lite" is unacceptable. Consider opportunities that have the potential to be "game changers." Successful organizations know nothing lasts forever, and they must continually reinvent themselves.

3. **Commit time and effort to help employees learn their strengths and use them to develop opportunity-thinking.** Each of your employees has the potential to be great at certain things. Encourage them to use their intrinsic talents and strengths to deliberately hunt for opportunities in areas in which they have the greatest insight.

4. **Actively solicit input from employees.** Leaders who ask "big" questions and take the time to listen to responses can discover new perspectives, facts, ideas and dreams from customers, employees and vendors. Try asking questions that begin with: "How about ...?" "What if ...?" or "Tell me about ...". Assess what you hear and then share it with your team to expand the hunt for opportunities.

5. **Share success with everyone.** While it's easy to openly share and celebrate successes, companies should also communicate failures in a way that inspires employees to rethink, redefine and reinvent. The more successes are shared with everyone, and failures are seen as a way to improve, the more idea-risks employees will take.

In an intellectual workplace, innovation, inventing and opportunity hunting must be core expectations of all employees.

Some people are discouraged or angered by failure and change. Others see it as an opportunity for greater success. Not only can the hunt for opportunities increase your success, but it may help you invent the next product that makes people's lives better.

David Susi

SDRCA President 2008-2009

SDRCA Value Partners To Date

More to be added soon

**A-1 Raingutters, Mark Richardson (760) 743-1665**

15% off, exclusive to SDRCA members.

**Batten Accountancy, Jere Batten (619) 501-6359**

Full service CPA firm, provides tax, accounting, financial statements, consultation and fraud prevention/detection services.

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Smoke testing of diesel trucks per new California law requirements, fleet assessments, and ARB rule consulting.

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**WRS Companies, Abe Lopez (800) 690-2134**

Offering 20% off roof loading and freight and one month free subscription to rooferslist.com for tools. This offer is exclusive to SDRCA members.

**Southwest Roof Tearoff, Eddie Clare (619) 990-3657**

3% off your bill if paid within five days. This discount is only available to SDRCA members.

## WSRCA Moves Location

Western States RCA and the Davis Memorial Foundation  
have moved to bigger headquarters!!  
Effective November 1, 2008

OLD: 1098 Foster City Blvd., Suite 204, Foster City, CA 94404  
Phone: 650-570-5441 Fax: 650-570-5460

NEW: 465 Fairchild Drive, Suite 210, Mountain View, CA 94043  
Phone: WSRCA 650-938-5441, Davis Foundation 650-938-5405  
Fax: 650-938-5407 and 650-938-5408  
(800-725-0333 remains the same)  
Email: [info@wsrca.com](mailto:info@wsrca.com) and [dmf@wsrca.com](mailto:dmf@wsrca.com)

All our staff emails have remained the same as follows:  
Arlene Lawson, Executive Director = [arlene@wsrca.com](mailto:arlene@wsrca.com)  
Chris Alberts, Graphic Design & Technology = [chris@wsrca.com](mailto:chris@wsrca.com)  
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### February Product Show

Roofing Wholesale Spring Valley is starting up the monthly product shows again including the famous Tacos & Gorditas lunch.

The February flier is attached.

## New General Liability Program for Members

The San Diego Roofing Contractors Association (SDRCA) and Coronado Insurance Wholesale Services are proud to present a new General Liability option for contractors who are members.

The construction industry is critical to any growing economy. The nation has experienced a decrease in the economic environment while at the same time the insurance industry has become more competitive. Insurance is now available and cost effective for many contractors in California. Competitive programs providing lower premiums, varied coverage limits, and financially stable carriers are the foundation for the current marketplace.

Through Coronado Insurance Wholesale Services, roofing contractors who are members of the SDRCA will have access to premium discounts, a loss control program and financially stable carrier.

At Coronado Insurance Wholesale Services, our fundamental goal is to provide a new, unique and stable market for contractors through profitable underwriting, superior claims service, and risk management programs through your local independent agents and brokers.

Risks Insured: Residential & Commercial Roofing Contractors

Program Features:

- Admitted, Rated Carrier
- \$1200 Minimum Premium
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Coverage: Limits of Coverage: Up to \$1 million per Occurrence  
\$2 million General Aggregate

- Deductibles: as low as \$2,500 per claim
- Rating Basis: Gross Receipts
- Maximum Policy Term: 1 (one) Year

Inspections: A telephone inspection is made on all accounts

- Completed & Executed applications only

Download application at [www.SDRCA.com](http://www.SDRCA.com)

Completed Jobs: Jobs completed prior to policy date are not covered



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**SDRCA January Dinner Meeting  
Bill Good, NRCA**



Our appreciation to Mr. Good for travelling from Chicago to speak to us on the status of the roofing industry today, and what we can expect for 2009. at our first dinner meeting of 2009.

Table Top Presenters on hand were ATAS Metals, CertainTeed, and MCA Clay Tile.

Wayne Sorensen of Top Line Roofing won the \$100.00 bill raffle.

Thank you to all in attendance.

I came across a very good article supplied to me by the NRCA titled “Managing Through A Crisis, The New Rules” by Emily Thornton of Businessweek Online.

It is a very good article and it is attched as a PDF at the end of the newsletter for you to review if you wish.

James Robyn, Executive Director, SDRCA

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## Managing Through a Crisis: The New Rules

***In times of turmoil, opportunities abound. All managers must do is keep their companies afloat, their eyes peeled for openings, and their bearings—as the old rules wash away***

By [Emily Thornton](#)

What do Carnegie Steel and Hewlett-Packard ([HPQ](#)) have in common? Both were born at a time when people thought the world was falling apart. Andrew Carnegie launched his first steel mill during the Panic of 1873, the start of a long depression. He took advantage of low costs to build an industrial giant that made him the world's richest man. Bill Hewlett and Dave Packard showed similar courage when they launched HP from a Palo Alto (Calif.) garage toward the end of the Great Depression.

History has shown that crisis breeds opportunity. Business leaders may have to cut costs to survive 2009, but the smart ones are also out there looking for prospects. They are willing to take the type of bold move that IBM ([IBM](#)) made during the recessionary days of 1981 when CEO John R. Opel aggressively rolled out the company's landmark personal computer just as PC demand soared. Even in the current downturn, there are companies like AT&T ([T](#)), which recently announced plans to buy two companies for a total of \$1.2 billion. "A recession creates winners and losers just like a boom," observes Mauro F. Guillen, a professor of international management at the University of Pennsylvania's Wharton School.

Managers are now dealing with everything from shattered consumer confidence to tighter credit, not to mention the likelihood of a tougher regulatory environment. Decisions that made sense two years ago may prove disastrous in this climate—from giving outsize rewards to those who take big risks to borrowing heavily just because interest rates are low. Years of excessive borrowing have taken a toll: An unprecedented two-thirds of nonfinancial American companies covered by Standard & Poor's have speculative-grade, or junk-rated, debt. (S&P, like *BusinessWeek*, is a unit of The McGraw-Hill Companies ([MHP](#).) On the whole, U.S. businesses face a \$238 billion wave of debt maturities that will come due by the end of 2009. "Many companies are questioning their survival," says Gerry Hansell, a senior partner at Boston Consulting Group.

Executives have to lead "their people out of a psychological funk and at the same time tailor their business to focus on a new reality," says management consultant Ram Charan. That's good advice during any business cycle but especially important today. Here are some new rules for managing through a tough 2009—and beyond:

### **CHANGE YOUR MINDSET**

Money is scarce. Markets are volatile. Morale is harder to boost in an atmosphere of anxiety. Acknowledge to yourself and your team that the world has changed. Dennis Carey, a senior partner at Korn Ferry International ([KFY](#)), argues that now is the time to question every technique that worked during boom years. "You can't rely on a peacetime general to fight a war," says Carey. "The wartime CEO prepares for the worst so that his or her company can take market share away from players who haven't."

Many of the best managers in 2008 were gearing up for battle during good times. Mark Hurd at Hewlett-Packard, for example, has made drastic cost cuts, shed marginal businesses, and focused on playing to HP's strengths over the last few years. Jamie Dimon of JPMorgan Chase ([JPM](#)) made substantial changes that shored up his bank's balance sheet and left him ready to pounce as rivals fell.

## **GET YOUR FINANCIAL HOUSE IN ORDER**

A key issue for many companies right now is getting the funds needed to help a business grow. Only those with strong balance sheets stand a chance. Everyone used to have easy access to capital. No more.

In just one year, the difference in the cost to borrow between a typical investment-grade company and a noninvestment-grade company has tripled.

Getting to financial health will require sacrifice, from selling off assets at bargain prices to issuing stock in a down market. "If your stock was at \$50, it may not feel good to issue stock when it is \$20," says Marc Zenner, managing director at J.P. Morgan's ([JPM](#)) Capital Structure Advisory & Solutions group. "But if you don't do it, the situation could be a lot worse."

Washington (D.C.)-based power utility Pepco Holdings ([POM](#)) chose to raise the nearly \$1.6 billion it needed for infrastructure spending this year by issuing shares and bonds three months ago when markets were in flux. Chief Financial Officer Paul Barry worried that raising money in 2009 could be even harder. "We just bit the bullet and went ahead and got it done," he says. Now Pepco is well positioned to improve its reliability by building transmission lines.

## **MAKE A MOVE FOR MARKET SHARE**

The pie is getting smaller, and less nimble rivals are getting weaker. Don't wait for your competitors to fall to the ground. Hire away their best people while taking steps to make sure they don't grab yours. Or buy assets from cash-strapped rivals on the cheap. Take steps to solicit new customers at a time when others are cutting back on service.

Abandon strategies or products that don't fit the core business. Wal-Mart ([WMT](#)) last year jettisoned its policy of stuffing a wide variety of products into stores to broaden its

appeal. Instead, the world's largest retailer focused on simplifying its mix and lowering prices of its most popular products, according to Chief Merchandising Officer John Fleming. The result: more share in hot-selling categories like flat-screen TVs.

## **RETHINK YOUR REWARD SYSTEM**

It's tempting to cut compensation across the board. Now is the time to differentiate more than ever and focus on rewarding your best. If you have to cut costs, start at the top. When FedEx ([FDX](#)) CEO Frederick W. Smith announced broad salary cuts last month, he took the largest hit, with a 20% pay cut. As New York-based organizational psychologist Ben Dattner says: "The last thing you want is for people to perceive that you're in it for yourself."

If you can't give staff more money, look for ways to give them more power. Shell Refining ([RDS](#)), for one, singled out top supervisors at its Port Arthur (Tex.) refinery last year and asked their advice on how to improve the plant's performance. The result was higher morale, according to refinery general manager Todd Monette, and a 30% reduction in unplanned maintenance work.

## **DARE TO INNOVATE**

Innovating now can leave you nicely situated for a turnaround. Pfizer broke apart both its research and business units last year to help spur new ideas. Corey Goodman, head of Pfizer's Biotherapeutics & Bioinnovation Center in San Francisco, says the move has made "Pfizer more efficient and more entrepreneurial."

For those who are willing to take some risks, 2009 can be a time of great possibilities. "A leader is someone who doesn't do what everyone else does," says Richard S. Tedlow, a professor of business administration at Harvard Business School. "If you have a product you believe in, now is the time to make a bigger investment—not a smaller one."

# SPRING VALLEY ROOFING WHOLESALE FEBRUARY PRODUCT SHOW

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