

# Rooftop REPORTER

JUNE 2008



SDRCA Contact Information  
1113 Adella Ave., Ste. 100  
Coronado, CA 92118  
888-825-0621 Phone/Fax  
ed@sdrc.com

## Upcoming Events

Wednesday, July 9th, K-1 Speed Event

Wednesday, July 23rd, Quarterly Dinner Meeting

## Our Advocate Sponsors

### Diamond



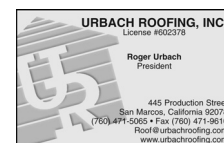
### Emerald



### Pearl



GLOBAL DEC-K-ING SYSTEMS



## President's Message

The economy and its effect on our businesses has been the number one topic among most people that I talk to .

You can't seem to go to any function be it a business meeting, or a wedding, where people don't ask about the economy and the effect that it is having on your business.

The one consistent theme that I hear from everyone, no matter what type of business they are in, is that even if sales are maintaining or are somewhat steady, it is profits that are hurting.

Everyone seems to be getting squeezed in the middle. From rising delivery charges to the cost of running their own fleet, to unexpected material cost increases, surprise increases in permit fees, all come together to squeeze the profit out of a job and squeeze the life out of our businesses.

As we discussed last month, raising your prices is the best way to assure a profitable job, but we all occasionally bow to the pressure of taking a job "short" just to keep working.

While this is one way of coping with the situation, I came across an article the other day which was designed to help business owners look at other ways to identify and cut costs, thereby limiting the profit drain in their businesses.

I hope that you find these as helpful as I did.

### **75 Ideas to Cut Costs and Increase Cash Flow**

When cash gets tight and you need to cut costs or find ways to increase cash flow. Here's a list of ideas to supplement what you might already be doing.

#### **Cost Cutting Measures**

1. Eliminate excess subscriptions.
2. Sub-lease unused office space.
3. Renegotiate your lease by asking for downward rental adjustments.
4. Cut down on entertainment expenses. For example, have meetings in the office rather than at a restaurant.
5. Take advantage of local seminars to reduce travel expenses.
6. Examine your telecom bill for billing errors.
7. Negotiate special terms and prices with suppliers to accommodate your cash flow requirements.
8. Sell idle assets.
9. If you do not receive significant price reductions for bulk purchases, order inventory on an as-needed basis.
10. Send a .pdf by email instead using a messenger or delivery service.

## President's Message Continued

11. Turn off lights when not in use.
12. Set back air conditioning and heating at night.
13. Use two-sided copies instead of single-sided copies.
14. Pay bills when due, not before.
15. Check postage scales for accuracy -- 9 pennies should show a weight of one ounce.

### **Taxes**

16. If you paid income taxes in prior years, remember that current year losses can be carried back three years to generate tax refunds.
17. If your income has decreased significantly from last year, check with your CPA to avoid over-paying estimated corporate taxes.
18. Meet with your CPA before your fiscal year end to consider tax planning opportunities.

### **Track and Measure**

19. Develop key ratios and key performance indicators for your business. Monitor them on a periodic basis. (Gross profit percent.; GP/SALES; inventory turnover, SALES/AVG INV; accounts receivable turnover, SALES/AVG AR; average collection period, AR/AVG DAILY CREDIT SALES; collection effectiveness rate, CR/BEG AR.)
20. Develop flash reports of critical financial items and monitor them weekly.
21. Identify profit centers by analyzing monthly financial statements; consider closing down unprofitable areas.
22. Set up and/or monitor departmental budgets.
23. For at least several months, sign all checks for expenses and eliminate unnecessary items.

### **Collections**

24. Send pre-addressed return envelopes with bills. In some cases this will expedite customer payments.
25. Closely monitor individual customer accounts' receivable balances. Contact customers immediately when their average collection period increases.
26. Save significant collection fees by using a dunning service before sending bad debts to a collection agency.
27. Use a collection agency or hire a collection manager to accelerate collections.

### **Insurance and Benefits**

28. Consult your life insurance agent for ways to reduce costs of life, disability and health insurance.
29. Consult your casualty insurance agent to reduce costs of all other insurance.
30. Consider using non-cash bonuses such as stock options, ESOPs, etc, as employee compensation.
31. Make use of tax advantaged "cash or deferred" fringes (cafeteria plan) to reduce payroll costs.

### **Credit and Billing Management**

32. Tighten credit policies for all customers.
33. Take advantage of purchase discounts, even if borrowing is necessary. For example, "2 percent/10" terms will save you 36 percent over 360 days.
34. Check references before extending credit to a new customer.
35. Be certain that customers understand your credit terms.

## President's Message Continued

36. Request customers to pay by invoice rather than by statement.
37. Consider sending out semi-monthly statements.
38. Charge customers interest on delinquent accounts.
39. Settle customer billing disputes promptly.

### **Banking**

40. Prepare monthly cash flow analysis to determine cash needs before borrowed funds are required.
41. Secure two lines of credit at different banks, before you need the funds. Be sure to shop for rate and pay back arrangements.
42. Set up an alternative financing arrangement.
43. Don't surprise your bankers -- keep them informed in good times and bad. Send them copies of your interim financial statements.
44. Take advantage of interest bearing-checking accounts.
45. If no other sources of financing are available, borrow against the cash-surrender values of life insurance policies.
46. Consider the use of outside investors to raise needed capital.
47. Consolidate loans to obtain a lower interest rate.
48. Look for ways to secure your personal assets. Do not sign for business debts personally, and never permit your spouse to sign on the obligation.
49. Shop banks for the best credit card processing fees and interest rates.
50. Make deposits daily to accelerate cash inflow.
51. Use extra cash to reduce debt.
52. Draw on your line of credit and place proceeds in a savings account at another bank. Otherwise, the bank may cancel your line of credit if you don't use it.
53. Consider using a lockbox system at your bank to accelerate cash inflow. Caution: instruct the bank to contact you before depositing any checks marked "Payment in Full."
54. Keep investments liquid to accommodate short-term cash needs.

### **Equipment and Vehicles**

55. When it's necessary to purchase equipment, use trade industry surveys that rate the equipment's performance.
56. Cancel insurance on vehicles and equipment that are not in use. Remember: some states require surrendering license plates when insurance is cancelled on automobiles.
57. Consider leasing equipment and real estate rather than purchasing.
58. Negotiate equipment lease terms to be paid during peak business cycles.
59. Discourage personal use of company autos.

### **Vendors**

60. Prepare comparative analysis of competitors' pricing.
61. Comparative-shop for supply prices.
62. Get bids on all any major expenditures.

## President's Message Continued

### Human Resource

63. Reduce your compensation to the level necessary to cover your living expenses. This shows your sincerity in tackling cash-flow problems.
64. Limit expense authorization to upper management.
65. Put a freeze on hiring and salary increases.
66. Use independent contractors instead of employees when possible.
67. Consider using part-time employees. This reduces the amount of benefit payments.
68. Utilize an administrative or part-time employee instead of a messenger service.
69. Set up a committee to create new cost-cutting measures and enforce existing measures.
70. Prepare a procedures manual to scale down training costs and make job transitions less costly.
71. Reduce unnecessary meetings; use an agenda to make meetings more efficient; table non-agenda items; set a time limit on meetings.
72. Cross-train staff to perform multiple functions, and combine job duties where possible.
73. Look closely at employees to determine their productivity. Non-productive employees should be terminated and replaced with productive personnel.
74. Send one person to a particular course (i.e. software training course) and make that person a resource to others on that subject.
75. Consider using an automated payroll service to reduce in-house costs.

David Susi, RSI Roofing

SDRCA President

### *NRCA Smart Brief*

NRCA's weekly free electronic newsletter, NRCA E-News, offers brief stories about events and issues in the roofing industry and involving NRCA. NRCA E-News subscribers obtain information about educational classes, industry meetings and conferences, current industry news, technical advancements, and environmental and legislative issues, among other topics.

To register for NRCA E-News go to <http://www.nrca.net/register.aspx>

### **ARCA Executive Director Passes Away**

Dan Cohen, Executive Director of the Arizona Roofing Contractors Association passed away in the early hours of Thursday, June 26th. Dan served the Arizona roofing industry for ten years and was instrumental in the growth and reputation of ARCA.

The SDRCA extends thoughts and prayers to his friends and family. In lieu of flowers, please send donations to Hospice of the Valley and mark in dedication of Dan Cohen. They are located at 340 East Coronado, Phoenix, AZ, 85004.

## July Dinner Meeting

### Craig Brightup, VP Government Relations, NRCA

The SDRCA is pleased to announce Mr. Brightup as our speaker for this meeting. Mr. Brightup will be speaking on upcoming legislation that may affect our industry and discuss the candidates for the upcoming elections.

Craig Brightup is Vice President of Government Relations for the Chicago-based National Roofing Contractors Association and joined the staff in 1990 to open its Washington, D.C., office. Previously he headed congressional relations for the Federal Trade Commission from 1987-1990, a position to which he was appointed by President Reagan.

From 1983-87, he was located in Dallas, TX, handling government relations for the S&A Restaurant Corp., proprietors of Steak & Ale and Bennigan's, and later managing the southwest regional political program for the U.S. Chamber of Commerce. Craig was also with the Chamber in Washington, D.C., from 1981-83 and now serves on its Labor Relations and Regulatory Affairs Committees.

He began his career working for the Federal Election Commission from 1976-81 after graduating from Penn State University, and in 2000 he was named to *Fortune Small Business* magazine's POWER 30 list of "influential insiders" in our Nation's Capital. Craig currently resides in Alexandria, VA.

The SDRCA will also feature a \$100.00 bill as a raffle prize. Must be present to win!

Flier attached to newsletter

## SDRCA at K-1 Speed, Carlsbad

The SDRCA has reserved K-1Speed in Carlsbad on Wednesday, July 9th from 5:30 PM to 8:30 PM. There will be qualifying rounds to make it to the final heat and prizes will be awarded to the top three finishers.

Food will be served and the event is limited to the first 50 to sign up. Make your reservations now.

Event flier attached to newsletter

## RSI Magazine Terminated

According to the NRCA, RSI Magazine will be closing it's doors after a long and solid history of positive contributions to the roofing industry.

## 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
- Tracts, Apartments, Condos & Town homes, & Hot Work available CG 20 10 11/85 available - Commercial Work only

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)

## California Lawmakers Debate Sick Pay

Lawmakers in Sacramento are debating legislation that would grant sick pay to all California workers. Backers believe it will create a healthier economy, but opponents warn of the loss of tens of thousands of jobs.

An estimated six million California workers do not get paid sick leave. A report out this week found California would lose 370,000 jobs within five years, if mandatory sick leave becomes law. They also say workers, as it is, already abuse their sick days.

Under the proposal, sick leave could also be used to care for a family member or recover from a domestic violence or sexual assault. The bill has enough momentum to get to the Governor's desk by the end of summer. He has concerns, though, it will slow job growth in this tough economic environment, and he has historically vetoed proposals that he thinks will kill jobs.

### HANDS FREE!

Just A Reminder

On July 1st, you may only use your cell phone while driving if it is hands free!

Also, if you are under 18, you may NOT use your cell phone at all while driving!

### David Mann New Vice President

With the resignation of the previous Vice President, the SDRCA BOD unanimously elected David Mann (Patriot Roofing) to fill the remainder of the term.

#### Board of Directors

**David Susi**, President  
RSI Roofing

**David Mann**, Vice President  
Patriot Roofing

**Scott Widdes**, Secretary/Treasurer  
CertainTeed

**Patricia Mosteller**, Director  
Gaslamp Insurance

**Kevin Shields**, Director  
ABC Supply

**Troy Parrott**, Director  
Structural Materials

**Jose Roldan**, Director  
Eagle Roofing Products

**Charlie Moreau**, Director  
Skyline Roofing

**Gary Martin**, Director  
GM Roofing & Maintenance

**Wayne Sorensen**, Director  
Top Line Roofing

**James Robyn**, Executive Director  
SDRCA



**INDOOR RACING  
EXCITEMENT!**

**July 9, 2008**



**San Diego Roofing Contractors Association**

**RESERVED**

**Where:** K1 Speed Carlsbad  
6212 Corte Del Abeto Carlsbad, CA 92011  
**When:** July 9, 2008  
**Time:** 5:30 Pm ~ 8:30 PM  
**What:** Food, Racing, Friends, & Rivals!



**Call James Robyn for your company  
and family reservations  
888-825-0621**

**Only \$50.00 per Person  
(Includes Food & Racing)  
Limited to the first 50 participants.  
Reserve Now!**

*A very special thanks to Dave Mann and Patriot Roofing for a generous donation to help make this event possible.*

**MINI GRAND PRIX**



**Who will be the Fastest?**

**Prizes for 1st, 2nd, & 3rd Place Winners of the final Heat!**

**K1SPEED.com**

**CORPORATE EVENTS • BIRTHDAYS • ARRIVE & DRIVE  
CARLSBAD IRVINE ONTARIO ANAHEIM SEATTLE**

# San Diego Roofing Contractors Association

Wednesday, July 23rd, 2008

The Butcher Shop Steakhouse  
5255 Kearny Villa Road  
San Diego, CA 92123  
858-565-2272

July Quarterly Dinner Meeting  
5:30 PM – 6:30 PM Social  
6:30 PM – Dinner & Program

## **Craig Brightup, VP Government Relations, NRCA**

The SDRCA is pleased to announce Mr. Brightup as our speaker for this meeting. Mr. Brightup will be speaking on upcoming legislation that may affect our industry and discuss the candidates for the upcoming elections.

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The SDRCA will also feature a \$100.00 bill as a raffle prize. Must be present to win!

-----Keep upper portion -----Send lower portion-----

**SDRCA Dinner Meeting Reservation**

**Due by Thursday, July 17, 2008**

Company: \_\_\_\_\_

Please fill in your amount

Attendee: \_\_\_\_\_

\_\_\_\_\_ Attendees at \$40.00 member price = \$\_\_\_\_\_

Attendee: \_\_\_\_\_

\_\_\_\_\_ Attendees at \$65.00 non-member price = \$\_\_\_\_\_

Attendee: \_\_\_\_\_

Total Price = \$\_\_\_\_\_

Attendee: \_\_\_\_\_

Check Enclosed     Credit Card listed below     Send me an Invoice     Use Advocate dinner credits

Card Number: \_\_\_\_\_ Exp: \_\_\_\_\_

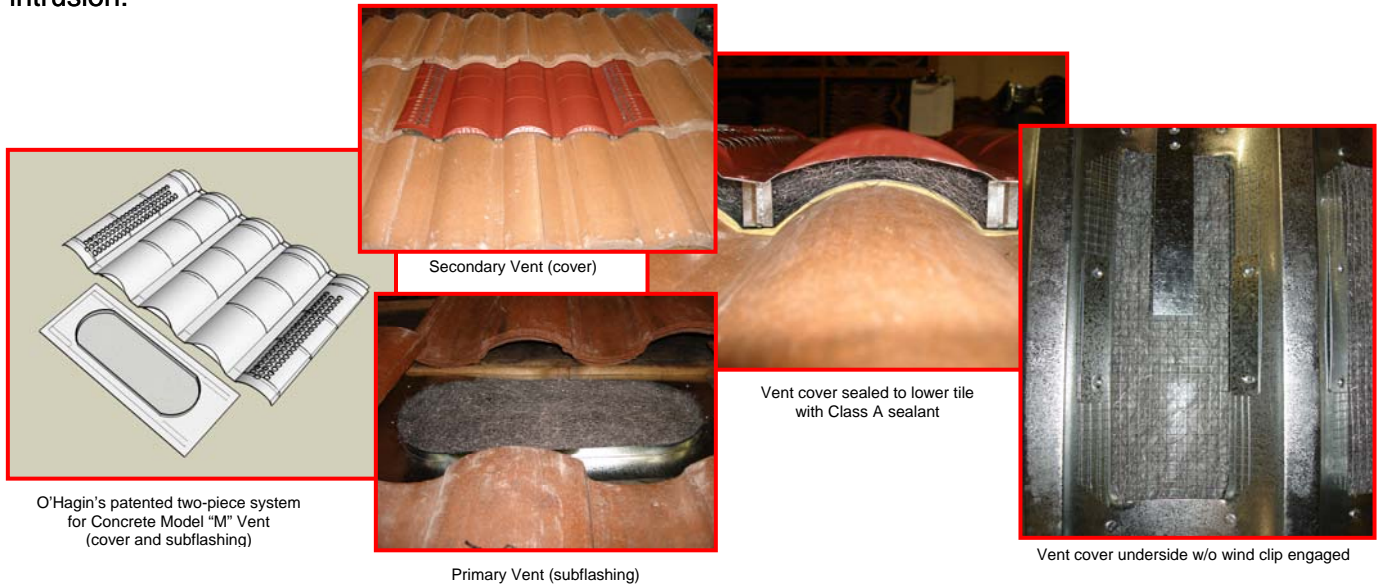
Name on Card: \_\_\_\_\_

SDRCA – 1113 Adella Ave., Ste. 100, Coronado, CA 92118

Phone/Fax: 888-825-0621

America's Leading Attic Ventilation Company is proud to announce a new line of Ember-Resistant vents – O'Hagin's ER Vent – for Models Flat, "S" and "M" clay and concrete tile.

O'Hagin's industry-leading technical design team has developed an ember-resistant vent to meet the requirements of 2007 California Building Code, Chapters 15 and 7a for resistance of flame and ember intrusion.



### Features Include:

- Class A Fire Rated Vent
- Patent-pending internal stainless steel ember-resistant filter media system
  - provides filter media to "trap" and resist ember intrusion into sub-tile area
  - allows superior airflow for net free ventilation area (NFVA) requirements
  - filter media withstands sustained temperatures of 700° C and peak temperatures of 800° C, exhaust acids and high vibration
- Easy retrofit for existing O'Hagin's or other field vent installations
- Patent-pending ember-resistant two-piece ventilation system design for all clay and concrete tile applications
- Optional 1/8-inch mesh throughout vent
- Installation does not require tile cutting like dormer-style vents
- Installation does not require use of lead flashings or other hazardous materials like dormer-style vents
- O'Hagin's vent system requires no under-eave or soffit vents to provide code-required amount of NFVA

In addition to following all Installation Instructions and Installation Bulletins for O'Hagin's patent-pending ember-resistant vents, we recommend using additional best practices in building design and construction as set forth by local ordinance, code and/or wildfire management plan. There are many causes of structural damage due to wildfire. O'Hagin's, Inc. does not guarantee, nor warrant that its products will prevent damage from wildfire.

O'Hagin's vents are manufactured and protected under one or more of the following patents: D456,531, D457,234, D458,391, D458,392, D469,889, D479,885, D504,172, D512,774, 6,050,039, 6,129,628, 6,354,051, 6,390,914, 6,447,390, 6,491,579, 7,101,279. Other U.S. and foreign patents are pending.

### Corporate Office & West Coast Manufacturing Facility

210 Classic Court, Suite 100 • Rohnert Park, CA 94928  
Phone: 800/394-3864 • Fax: 707/588-5772

### East Coast Manufacturing Facility • Lakeland, Florida

### Midwest Manufacturing Facility • Omaha, Nebraska

[www.ohaginvent.com](http://www.ohaginvent.com)

# SPRING VALLEY ROOFING WHOLESALE JULY PRODUCT SHOW

ON SITE THIS MONTH:



THURSDAY JULY 17<sup>TH</sup>  
11:00 A.M. – 2:00 P.M.