PRESIDENT'S MESSAGE

Good Springtime Greetings to you all!

I just read a great book “Why Employees Don't Do What They Are Supposed To Do And What To Do About It”….how is that for a long title? It is a New York Times business bestseller written by Ferdinand F. Fournies and published by McGraw Hill.

Most of the time the reason we, as owners or managers, get frustrated with our employees is that we do not clearly articulate what it is we expect from them in specific behaviors/performance and then measure and review those behaviors/performance to reinforce the good and manage/train the areas that did not hit the mark.

We all, at one time or another, have complained about not being able to find good people or that the people we have leave something to be desired. But really folks, have we done all we can to ensure the success of our employees? Probably not!

In this book, the author spells out exactly why we do not get the performance desired and lo and behold it is, most of the time, due to poor management (You and Me!). How is an employee supposed to perform to our expectations if we do not have very articulate job descriptions that include specific, well defined, measurable behaviors and technical abilities?

Lots of us do our “training” on the jobsite. It is in a very hit or miss process that does not insure that everyone is doing it “The Company Way”. How many of us actually measure quantifiable employee behaviors that we can review with the employee to be sure they are “getting it”?

Read the book! Doing so will motivate you to get the ball rolling toward a system to manage your employees for their and your success (a definite win/win). Develop a system to become a proactive manager of your most important asset….your employees!

Have a great Spring!
John Peek, Peek Brothers Inc.
Peekbros@simplyweb.net

IN THIS ISSUE...

| National Convention | 2 |
| Liability & Car Phones | 2 |
| Bonus Systems | 3–6 |
| Job Descriptions | 6 |
| Shop Hop | 7 |
| Calendar of Events | 7 |
| Selling...the Consultative Way | 8–9 |
| Spring Forward On Target | 9 |
| KMOTS | 10 |
| Having Employees | 10 |
| Forum Winners | 11 |
I recently returned from attending the PDCA National Convention held in Las Vegas, Nevada. I wanted to pass on my thoughts about the benefits to your company of attending such events.

Obviously there are costs associated with such an undertaking. It takes some advance planning and extra work to get away. Obviously it costs money to do such a thing and that seems to be the biggest hindrance to getting away. The biggest cost for most contractors is simply that of taking time off from your business and the ongoing concerns. Who is going to stoke the fires while you are gone? If you decide to include any other company personnel (as I did) in the trip there will be additional costs as well.

For me the time and money was well spent. Taking time off from the business is often just plain good for the soul. Getting away to work on your business is just plain refreshing. There are a number of good, instructional sessions to help you in particular areas of your business. The keynote speakers often encourage us to press on. This year's speaker was a real coup for PDCA: Small business guru Michael Gerber. This year we also had the luxury of an additional keynote speaker, Rand Stagen who spoke to us on Attention Management. By my own poll this was one of the most helpful and practical sessions in recent memory!

One of the best benefits is the relationships that are created and maintained. This networking between fellow business owners is so rewarding. I spoke with one fellow who gave me some ideas on reducing our workers comp premiums. In fact, the knowledge I gained from that one conversation may pay for my entire trip and perhaps the next few conventions as well! Another conversation with a fellow contractor may lead to some needed help in the area of Succession Planning. Simply renewing friendships built over the years is wonderful too. Some of these men have become genuine friends over the years. They have given me encouragement and help in running my business, men I can call on at times for help or support.

Lastly, bringing some employees can be beneficial too. They begin to see that the painting industry is bigger than our little business. They begin to make friends, talk about issues and it strengthens the bonds with the company and builds teamwork.

Whatever your current needs and desires are for your business, involvement in PDCA, the Residential Forum, and attendance at these types of business building events can be money well spent. Put the costs into your budget for next year, plan for it and enjoy.

Are You Liable If Employees Do Business By Car Phone?

You want your managers to stay productive, so you suggest they get wireless phones. You may even buy phones or reimburse for them. This is fine, as long as the employees don't drive carelessly.

In a Pennsylvania case, a Smith Barney broker who allegedly was talking on his cellular phone dropped it, bent down to get it, ran a red light and killed motorcyclist Michael Roberts.

Smith Barney agreed to pay $500,000 to Robert's family, who sued the firm for contributing to the accident.

Despite the company's big settlement, it argued that the accident occurred outside the scope of employment - at 9:30 p.m. on a Saturday night. And, the firm didn't own either the phone or the car. (Robert's v. Smith Barney, E.D. Pa. No 97-CV-2727)
I have had great success with this system, which I have used in my residential repaint company here in Northern Virginia, i.e. suburban Washington, D.C. for well over 15 years. It works great for a residential repaint company who does jobs averaging $5,000 to $10,000. This Bonus System is a great example of a system that Gerber refers to in his book the “E-Myth”. It is a system that manages people, because it is harder to directly manage people.

The system has some underlying principles. (1.) It is easier to manage something you can measure [numbers], (2.) employees are more likely to show up smart if you hire smart employees and you treat them smart, (3.) the bonus system forges a partnership between sales and production, (4.) it is win-win for the company and the painter, (5.) it requires a leader to run it and not a boss / 1st Sergeant, and (6.) makes the foreman do the job costing instead of just the office. All in all it creates more responsible and accountable painters.

Let's look at a simple overview of the system and see how some of the principles show up. I have attached a sample accrual form (insert), which is the backbone of the system. I attach this to each job with the customer's name / street in the upper right hand corner. This system for painters is based on the fact that our hourly charge to the customer is $60 / hour so if I give them a $6,000 job they can figure out real quick that it is a 100 hour job from a labor standpoint. The attached accrual job was $6,600, i.e. 110 hrs. We shoot for $600 / painter / day. I work mostly in teams of 2 so the painting teams realize that a good goal is $1,200 a day for a team of 2. Now you say, hey Lynn, painters only work 8 hours and your goal is 10 hrs. You’re right! This makes more of a game out of it. You say, but Lynn, you know they only really produce maybe 6.5 hours of work a day. You are right but hold that question.

So the team of 2 painters picks up the work order with the accrual form. Part of this system depends upon the painter’s reading and communicating skills. We work in very nice homes where communication skills are critical. Our customers, who are paying top dollar, do not feel comfortable with painters in their home who cannot communicate in English. [They say that, not me] I write my proposal thoroughly so I do not have to show up on the job, unless it is really complex or I want to impress my customer that I do look in periodically. I use Microsoft spreadsheets and Word documents to spell out the job. It is a great exercise in technical writing. Great example of “garbage in garbage out”. I take more time to write up my estimates and painting specifications so I do not have to run out to the job for every little detail. My Foremen have cell phones so they can reach me, if they have a question. When they do call I make sure to thank them for calling me, to reinforce communication.

Some people have said I abdicate, instead of delegate. Some of that is true, but the difference between a Leader and a Boss is that a Boss needs to be on the job frequently to get the job done well and a leader can delegate the job and get it done without being present. You know if the system works when you can take multiple 2-week vacations a year. Of course it doesn’t hurt to have an estimator on staff and a good office manager. Are you a leader or a boss? The army and large commercial jobs require a boss on site.

So my painters start the job on Monday, knowing they have a hundred hours to do the job or if their goal is 10 hours of production a day, i.e. a 25% pay raise, they should get the job done by the end of day on Friday. [$1,200 / day = 5 days i.e. 20 hrs / team day = 5 days. You need to sell jobs high or as it is said in the trade it is better to sell a job fat than short.

Yes, this system really challenges the relationship between sales and production. If the sales person has under sold the job you will hear it from the painters and like wise if the...
sales person estimated the job correctly the painters love the estimator. That is what I call win-win. My estimator asked me if he could just sell and never handle the production or a job? I said No! and I mean a big No! The sales person needs to feel responsible for his judgment call on hours and the production people. The painters need to trust the salesperson because their bonus hours will suffer or blossom. This makes for a team effort. The sales person wants to sell jobs short so he can please the customer, but he will hurt the production end. It really is exciting to see a real team effort with win-win as it's goal. Sales people need to learn if their estimate was good or bad. We only learn from feedback. Too many hourly people don't care because they get paid wages for the hours they show up. This system demands accountability. The painters / production people always like to say the job was good, because they worked hard, but if it is a looser job they want to blame it on the sales person. This is an exercise in productivity conscious raising.

You can see on the Accrual form (insert) on the lower 1/3 of the right side that the dollar is divided into percentages. It is a great exercise to break an hour down. We include material in the $60 / hour rate because it represents such a small portion of residential painting. Historically, we have kept track of the relationship between the total job and paint / material / sundries and our numbers show 5-6%. I know if you are doing new homes or vacant homes and spraying. There is more material and you need to adjust for that. I won’t explain that here because of time. Let’s just say it is a valuable exercise to figure out how your hourly rate breaks out.

In order to have this system work, you do need to understand cost accounting so you can come up with your hourly charge. Do not set your hourly rate based on your competition! Figure out what you need to charge based on your profit expectations and overhead. Irv Chasen from Richmond, Virginia teaches the best class on cost accounting. Do not confuse cost accounting with tax accounting. I have simplified his system down to estimating by hours and multiply by my hourly rate. My hourly rate is my average hourly labor rate marked up for taxes, vacation, etc. plus the hourly dollar amount I need to amortize my overhead and profit, based on the number of man hours I sell annually.

This accrual form I am sharing is a computer printed spread sheet, but the Foreman has his work copy where he daily enters his hours for the team, enters each charge toward the job when he charges it and attaches a receipt. At the end of the job he does the job costing by filling in the square on the middle of the right column. This is a great system to get your painters to realize that they are critical in impacting and making a pay raise happen for themselves. If they are more productive they will get more bonus hours and each hour represents $17 of actual pay. The Foreman does the paper work and figures out how many hours he actually works plus his bonus hours and with that total divides it by actual hours worked and the painter can then see what his effective hourly rate was for that job. You can see I do that only for the lead painter.

The assumption with the bonus system is that you are trying to control labor costs, but on the positive side it empowers your painters to be more conscious of the profitability of the job both for themselves and for the company. They need to see the Gross Profits you need to run a small business. 54.58% gross profits are necessary if you run a painting business of $1,000,000 or less. 30% Gross Profits will make you feel stressed out. 30% may be okay for a General Contractor, but not a painting subcontractor.

The commission I refer to on the form is for the foreman or as we call them, Lead painter. I assume the foreman is obviously worth more than his teammate who is in training to become a Foreman when a position opens up in the company. I figured out how much more per hour a foreman should be paid, i.e. $1.98/hour for each team member to include himself. So if a lead painter is working by himself his rate is $18.98,
but if he has another painter then it is $17 + $1.98 + $1.98 or $20.96 / hour before splitting any bonus hours. You can see where I figured out what the Lead painter got when you add the commission to his actual hours plus his bonus hours and divide by actual hours worked. Note: You have to divide .0417 commission by 1.25 markup to figure out what the Foreman’s receive as commission. I figure I need to mark my labor up 25%.

Do you let your foreman or painters go to the paint store a couple times a day? Everywhere I go in PDCA I hear this obsession to make sure their production people never step foot in a paint store for fear of loosing productive hours. I am 180 degrees the other way. I want a system that manages labor and material. I want my foreman to have a relationship with every store so they know who is behind the counter, and can match colors. Also, if he needs to call a paint store he already has a relationship with the store. This bonus system manages this issue, because the less productive the painting team the less the bonus hours. Let the painters or foreman come to the realization themselves that they are hurting themselves and the company, if they spend too much time in the store. Let the system reinforce that. Let’s not kid ourselves. Painters do not work a continuous 8 hours. They need breaks, but more important, you have seen motivated productive painters vs. the un-motivated hourly painter who needs a boss standing over them. Not everyone on the hour is a company man and is productive 100% of a day. Another incentive the system has built-in is for oversight on material costs. Each job has a paint / sundry item. To create a consciousness on the part of the foreman he is allowed to take the team members out to lunch or buy them a pair of painter pants if the job’s total of lunches and material is within the budget. It is fascinating to see the foreman come around to the obvious conclusion that they have a choice. If they spend too much on material and lunches, it comes out of the labor not the company’s gross profit which is fixed. This is the way it works. The foreman can visually see if he keeps a running subtotal of the material, if he is within the team’s material budget of 5.8%. At the end of the job the foreman total up the material and enters it into the little box to the right side of the accrual form and takes the total as a percentage of the total job dollars. Next, he pulls out the 54.5% Gross profit and enters the dollar amount. Next he calculates the commission by multiplying the 4.17% times the dollar amount of the job above. Now to figure out labor he takes the total $ of the job and subtracts the Gross Profit in dollars he as entered, subtracts the material, subtracts the commission and what is left over is the dollar amount that goes in the dollar labor cell. The foreman needs to add up the dollars on the right side to see if it totals the job total above. Then he adds up the percentages on the right side to see if he has the percentages totaling 100%. Double check.

Now to figure out bonus hours! Up on the accrual form where he entered actual hours he calculates the hourly rate marked up at the top of each painter’s column and enters the actual dollars worked. Now he adds all the labor dollars and then subtracts that from the dollar amount allotted for labor in that cell. We just figured on the lower 1/3 of the right side of the form. Voila! The difference between the budgeted labor dollars and actual labor dollars is the bonus dollar. Now we need to figure out how to split the bonus dollars. If both team members have worked the same number of actual hours then that is easy, i.e. 50% 50%, but buried in my spread sheet are simple formulas to figure out how to split the bonus $ based on number of hours actually worked. This system divides bonus dollars by number of hours worked, not arbitrarily by the foreman. After you figure out the $ split then the form divides the dollars by the painters hourly dollars marked up and Voila you have the number of bonus hours. We go through all of this, because most new team members do not go directly on to the bonus system and may have a different negotiated hourly rate. This way the foreman benefits until the new painter becomes more productive. Some painters do not want on the system, because there is the negative side, i.e. if the salesperson under estimates the job or production screws up. This is probably enough explanation. I hope you get the gist.

ARTICLE CONTINUES ON PAGE SIX.
One other thing, which is the most criti-
cized side of “Piece Work”, is the possible loss
of quality control. Oops, there go the Nay
Sayers! My men get to do the corrections on
their own time and not till the customer pays do
the commissions get paid to the foreman. This
encourages the team to do the job right the first
time. Catchy cliché, but the system does work, if
the leader will hold the team’s feet to the fire.
My men are very conditioned to see a request for
a touch-up in their mailbox and to handle it
within a week. Here is the answer to all the Nay
Sayers who say you can’t do that - you have to
pay your people for hours work. Hold on here is
the simple answer. Tell the men to do the touch-
up at the end of the next job when 90% of time
they get done early. We always sell jobs at
$1,200 / day for a team of 2, so, when you round
up the days, the painters usually get off early and
with bonus hours. Makes for a real smooth op-
eration. Once in a while my estimator or myself
will go out and do the touchup, if we missed or
underestimated something.

I have intentionally named this article
“Bonus System”, because most contractors who
see the words “piece work” think I am trying to
avoid the matching FICA / Social Security cost
for an employee by doing 1099’s instead of W-
2s. My bonus system looks a lot like “piece
work”, but what I actually did was try to utilize
the best of “hourly wages”, “salaried”,
“commission”, etc.

It should be obvious from all my clichés
that I am not sole author of the system. I have
been fine tuning it for 15+ years, but the basic
characteristics have not changed. It does require
a lot of elements: Leadership is probably the big-
gest.

SEE SAMPLE EXCEL FORM INSERTED.

WISE WORDS
“What we do belongs to what we are; and
what we are is what becomes of us.”

Henry Van Dyke
DO YOU KNOW WHAT A SHOP HOP IS?
By Joshua Abramson  A. Allbright Painting
Josh@aallbright.com

Hello, everyone. Greetings to all my fellow tireless, hardworking, over-involved in every aspect of your business, painting contractors. As Spring is upon us, I hope this year is starting to look to be a fantastic year as the weather changes and people are starting to look at the paint on the inside and the outside of their homes. I wanted to tell you about an interesting little thing we did here in California.

A painting contractor/friend from Northern California called me up and said, “I would like to come down and see your shop because I’m getting ready to buy a shop myself and I would like to see how yours is set up.” After talking about this more, we decided it would be a good idea while he was down here to take a drive to go see a couple other painting contractor’s shops in California. At this point the idea snowballed into who else we can go see and who else would like to be a part of the now named “California Shop Hop.” We ended up with 5 shops to visit in 3 days. We would go to one shop at a time and watch a typical day on how this certain painting contractor ran his business. It was awesome and very hands on! We saw one guy go through his day-to-day routine. We were able to sit in on another guy’s company meeting and see how it was structured, meet his guys and watch the dynamics of his company. At other shops, we saw how the office ran with all the procedures from sales to office manager to field. We watched as they worked on certain computer programs and how they use them in their business. We saw how their warehouse are set up and we even went out to jobsites to see their men at work and how they are set up with vans or trailers, tools, equipment and even what brands of paint they are using. Each shop had a variety of eye-opening ideas that I never thought of and it was powerful to see it in person. I learn faster and better when I actually see someone do it or when I get some hands-on experience.

This idea came from a couple of guys who are in a business financial / consulting group called “On Target.” You might have heard of it. It’s a group of about 3 to 4 core groups of about 8 to 10 painting contractors who get together on a conference call once a month from all around the United States and share business ideas and all the details of our financial statements with accountants and advisors who are on line to guide us. So because we are sharing so much sensitive information, this “Shop Hop” was a natural thing to evolve. “The California Shop Hop” was so popular that we have another one planned for Boston in May around our twice-annual “On Target” hotel conference. This is just another reason why it is good to be a part of these networks of businessmen who happen to sell painting services.

MARK YOUR CALENDARS
For PDCA Residential Forum Events

On Target Spring Conference May 21-22
Boston, MA

Advanced Shop Talk V July 23-24
Philadelphia, PA

On Target Fall Conference Nov 12-13
San Diego, CA

Call the Forum office for more information
Toll Free 877-722-5050
"Consultative Selling" is based on trust nurtured between you and a prospective customer. The concept is simple and honest, and it's very effective for closing the sale today and positioning yourself to be there for your prospect's future purchases.

The first and most important decision you must make is: Do I want this job?

When purchasing your services, prospects face many uncertainties. These "unknowns" can be frightening, and they can spook people when it comes to new ideas or suggestions. But if you've built trust and understanding with your prospect, he or she will be open, honest and relaxed.

You'll soon learn that it's easy to put your prospect at ease. Once you've established trust, it will be easier to understand what he or she needs and wants. Once you understand that, you'll be able to provide a higher level of service, which translates into more sales today, higher prospect satisfaction tomorrow, and more repeat and referral business in the future.

Consultative Selling is a system of scripted steps to help prospects become customers by getting what they want, and this helps you get what you want. The object is to position you and the customer as teammates, with you as captain of the team. As captain, you need to establish the team's goals. Let's call this the first of the "Three P's".

The first "P" stands for your team's PURPOSE: Finding the best painting contractor for the project.

The second "P" stands for the PROCESS: How you will find the best contractor.

The third "P" (no, it's not "price") is the PAYOFF for the customer: Peace of mind in having a proven system that will get them the best results on their project.

As a member of the team, you reflect neutrality. Using a "script" for the PROCESS allows you to define and measure the value of your services to the customer. To stay on track, I suggest using a simple folder as a presentation piece. This is an inexpensive yet foolproof way to leave the customer with a tangible, written decision making system.

At this point in your presentation, remember that it doesn't matter what you know about the painting business; it's what you do with what you know. Many contractors prattle on about how they do things because they believe this benefits the customer. It does. But it tends to knock things off-track at this point.

Open the presentation folder with a checklist page. The checklist should read like your company "value statement".

- Is the contractor insured and licensed?
- Does he or she carry workers' compensation insurance?
- Does the contractor belong to PDCA?
- Is there safety training for employees?
- Are employees drug-tested, and do they have current background checks?
- How long has the contractor been in business? Remember, there's a huge failure rate during the first five years.
- Will the work be performed with full-time supervision of employees?

As you cover each item, the message must reflect loudly that these things "reduce the risk to the customer". Ask questions like, "Do you agree that this is important and reduces your risk?"

ARTICLES CONTIUES ON PAGE NINE
SELLING CONTINUED.....

This is a great time to tell motivating stories about what PDCA membership has meant to you, and to relate stories about low-priced contractors who seldom carry the proper insurance, putting the customer's own home at risk.

Other pages in the folder should include articles that highlight the importance of how you do your work, of taking the time to properly clean and prep all surfaces to be painted. I also include the PDCA flyers Code of Ethics and Why Hire a Professional Contractor?

Now it's time to shift gears by offering some testimonial letters, a list of referrals, and any other "value based" information. In the customer's mind, this now becomes the standard that all contractors will be judged by, and it's what separates you from all the others.

By using you PDCA membership and resources, you keep the customer's focus on "value added", not price, as the determining factor in who wins the job. Yes, an honest price is necessary to secure the work, but having a repeatable and effective selling tool will give you the confidence, commitment and power to stay as busy as you want to be.

ON TARGET GROUPS
Your membership investment for a full year in the On Target program is $3,995* and includes the following and more:

♦ Two 2-day conferences—May 21-22, 2004 in Boston and November 12-13, 2004 (tentative dates) in San Diego.

♦ Monthly conference calls with your On Target Group.

♦ Twelve hours of individual consulting time with our consultants.

♦ Board of Directs made up of your peer group members.

♦ Friendship and Fun

*A portion of your membership fee goes back to the PDCA Residential Forum to create more programs and benefits.

Spring Forward for Business Success in 2004!

By Linnea Blair

Do your numbers paint the picture of business success you envisioned for your business? Participating members of the On Target program are seeing an upward trend in the profitability and productivity of their businesses! Benchmarking data provided by On Target members shows that companies participating in the program, on average, are showing improvement over the previous year in sales, gross profit and net profit.

By joining an On Target group and working together with your company, your On Target peers, and our consultants, you too can take action to improve your business in 2004! We work together on many aspects of your business, beginning with Financial Management. This is a great time to get started! Starting this spring to understand your numbers, and create a profit plan for 2004, you will be on your way to implement your plan right now as you head into the most potentially profitable time of the year for painting contractors.

This month is your last opportunity to join an On Target Group before our Spring Success at the Seaport Conference! Held in historic Boston, Massachusetts on May 21-22, 2004, our Spring conference is just the place to jump start your plan for success.

Linnea Blair is the Director of the On Target for Painting Contractors program. Call Linnea today at (858) 320-8996 or email Lblair@AdvisorsOnTarget.com for more information on how you can get your business on target for increased profitability in 2004!
This has been one of our Company’s sayings. How many times have you finished a painting project and your labor cost was higher than you estimated? You feel that you’re giving a liberal amount of time to accomplish all the tasks, but your labor cost was still high. Everything took too long. You talk to your team Leaders and men and they say everyone was always working. What went wrong? Then you find out that when the job started they did not have all of the equipment they needed so they had to go back to the shop and get it. You also find that 4 men watch 1 man pour paint into 5 buckets. This takes about 15 minutes because it’s a good time to catch up on what went on last night. Almost every morning at about 8:30 a.m. someone went to the paint store to buy more paint or other sundry items. Then everyday at 9:40 a.m. the slowest painter goes out to buy coffee for all the other workers. The crew takes a 20-minute break. At 11:40 a.m. this same painter goes out again to buy lunch for the crew. He arrives back at noon and everyone on the crew takes lunch until 12:40 p.m. It is now about 1:30 p.m. and someone notices that there is no thinner to clean brushes at the end of the day and the crew is out of caulk. So the slow guy goes out again to buy those items. The men felt that they worked hard so they decided to take a break every day at 2:30 p.m. for about 15 minutes. Now its 2:45 p.m. and the crew works for another 15 minutes before the team leader says to clean up. Clean up takes until 3:20 p.m. and the day is over. Everyone felt that they worked hard!

HELLO! KEEP MEN OFF THE STREET. At Fitzgerald Painting Inc. we get all of our paint and sundry products delivered at the shop so the men do not go to the store. What you save by doing do this, depending on how many crews you have, can pay the rent for a shop. Our first year savings after implementing this was about $30,000.00. Add up all the other time wasted. You could cut your labor cost by 10-15%. And since the job takes less hours your crew or crews are now available to bring in more work. Cut down on time wasters. KMOTS also stands for "Keep Me On The Street". I should be out hunting for work, selling, not going to the job site to deliver roller covers or coffee. We do not leave the job site for lunch, coffee and we also do not take afternoon breaks.

Remember, Work Smarter not harder!
Plan the Work, Work the Plan!

K.M.O.T.S.
Keep Men OFF The Street.
Chuck Fitzgerald, Jr.
President, Fitzgerald Painting
Cfitzgeraldjr@email.msn.com

Documentation is King. Signatures, signatures, signatures – I’d say it again but I only get a little space to write. Have your employees sign lots of important written policies to save yourself unemployment claim headaches when you fire them for breaking the rules. My personal favorite is the Absence Reporting Policy. It spells out in excruciating detail the guidelines and timeframes for reporting an absence or tardiness. Don’t leave anything to assumption. My policy states that if you are sick on Monday and Tuesday, you must call in each morning to report your status. As astonishing as this may seem to you or me, my experience has been that the employee assumes I know he is sick all week without a single phone call. Our policy states that violating any of the guidelines is grounds for employment termination. Every employee signs a copy and receives a copy. Twice last year I removed a couple bad eggs when they made their final error by pulling the “no show, and call in too late” policy violation. Both were fired - they both filed unemployment claims, and they both were denied unemployment compensation due to misconduct – thanks to the documentation!

The Cream Rises. But it has the potential to become tomorrow’s sour milk. This is why you need to read number three.

Be Friendly but not a Friend. Okay, I have broken this rule! I admit it. Especially with key people in the company it is easy to cross the line. But even though I don’t practice what I preach I have learned the hard way to practice it at least 95% of the time and here is the sermon: You are not a marriage counselor or a financial advisor (or a loan officer for that matter.) People have other resources but if you become the resource, then you have made yourself their lifeline and you will have a hard time breaking the habit once it begins.
PDCA RESIDENTIAL FORUM
MEMBERS ARE WINNERS!!
NATIONAL PDCA
WORK TRUCK CONTEST

A. Allbright Truck—from left to right, Don Ross (judge), Josh Abramson (owner), Richard Liddeke (President) and John Hone (judge)

ON-SITE CONTEST WINNER

A. ALLBRIGHT PAINTING
Josh Abramson showed his truck at the PDCA National Convention Work Truck contest in March. Josh was presented with an award by President Richard Liddeke. The judges, including our own Don Ross and John Hone, were very impressed with Josh’s truck set-up. It is an amazing truck to see.

PHOTO CONTEST WINNERS

DONALD R. ROSS & SONS (trailer interior pictured above)
Don Ross of Donald R. Ross & Son submitted truck and trailer, full outfitted with workbench, vise and shelving systems.

MAJOR PAINTING (trucks pictured below)
Steve DeRousse of Major Painting submitted two of his fleet of six trucks. “Our trucks make a much bigger impact on sales leads than any direct mail or yellow pages advertisement”.

AST V * ADVANCED SHOP TALK V
All the details are enclosed in the flyer enclosed!! This year’s topic will focus on the Business “T” “Teamwork, Training, Technology”? AND MORE

2003-2004 BOARD OF DIRECTORS

PRESIDENT
John Peek, Peek Brothers, Inc.
858-505-1361
Email peekbros@simplyweb.net

DIRECTOR & “On Target” Committee
Mike Chism, Chism Brothers Painting
858-571-0676
Email michael@chismbrothers.com

DIRECTOR & Business Systems Workbook Committee
Mark Lewis, Pro Craft Painting & Decorating Inc.
847-247-0101
Email mark@pccontracting.com

DIRECTOR & Newsletter Committee
Joshua Abramson, A.Allbright Inc.
661-294-1159
Email josh@aallbright.com

DIRECTOR & Membership Committee
Michael O’Brien, PaintTek Quality Painting, Inc.
908-713-6811
Email mobrien@painttek.com

EXECUTIVE DIRECTOR
Barbara Bivens, Bivens Management
877-722-5050
Email pdca@bivenssurfside.net
### ACCRUAL FORM

**LABOR -36.36%**

<table>
<thead>
<tr>
<th>JOB:</th>
<th>Burger / S. Woodstock St; Arlington</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOURLY WAGE</td>
<td>$17.00</td>
</tr>
<tr>
<td>HRLY WAGE X 1.25</td>
<td>$21.25</td>
</tr>
</tbody>
</table>

**PAINTER**

<table>
<thead>
<tr>
<th>DAY/DATE</th>
<th>Bill Osenfort</th>
<th>Dennis Lindsay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon 11/10/03</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Tue 11/11/03</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Wed 11/12/03</td>
<td>8.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Thu 11/13/03</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Fri 11/14/03</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Mon 11/17/03</td>
<td>10.5</td>
<td>10.5</td>
</tr>
</tbody>
</table>

**Actual hours**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td>47.5</td>
<td>43.5</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>$1,933.75</td>
</tr>
<tr>
<td>Wed</td>
<td>59.8</td>
<td>54.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>$2,121.50</td>
</tr>
<tr>
<td>Fri</td>
<td>60.0</td>
<td>57.5</td>
<td>114.8</td>
<td>Paid Hrs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>60.0</td>
<td>72.5</td>
<td>91.0</td>
<td>Actual Hrs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Bonus**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td>$261.76</td>
<td>$239.72</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$501.48</td>
</tr>
<tr>
<td>Wed</td>
<td>12.3</td>
<td>11.3</td>
<td>23.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td>54.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>$2,435.23</td>
</tr>
<tr>
<td>Mon</td>
<td>$1,271.14</td>
<td>$1,164.08</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$6,600.00</td>
</tr>
</tbody>
</table>

**Commish volume**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td>$6,600.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$6,600</td>
</tr>
<tr>
<td>Wed</td>
<td>$6,600.00</td>
<td>$72.53</td>
<td>91.0</td>
<td>Actual Hrs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Actual Hours**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td>$1,009.38</td>
<td>$924.38</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$1,933.75</td>
</tr>
<tr>
<td>Wed</td>
<td>59.8</td>
<td>54.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>$2,121.50</td>
</tr>
<tr>
<td>Fri</td>
<td>60.0</td>
<td>57.5</td>
<td>114.8</td>
<td>Paid Hrs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>60.0</td>
<td>72.5</td>
<td>91.0</td>
<td>Actual Hrs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Company**

<table>
<thead>
<tr>
<th>DATE</th>
<th>COMPANY</th>
<th>AMOUNT SUB-TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sat 11/06/99</td>
<td>Duron Paint</td>
<td>$277.62</td>
</tr>
<tr>
<td>Wed 11/10/99</td>
<td>Duron Paint</td>
<td>$46.19</td>
</tr>
<tr>
<td>Sun 11/14/99</td>
<td>Duron Paint</td>
<td>Refund ($367.72)</td>
</tr>
</tbody>
</table>

**Dollars**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td>$2,435.23</td>
<td>LABOR, 35.42%</td>
<td>36.90%</td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td>$275.22</td>
<td>COMMISSION 4.17%</td>
<td>4.17%</td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td>$267.27</td>
<td>PAINT 5.83%</td>
<td>4.35%</td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$3,602.28</td>
<td>GROSS PROFIT 54.58%</td>
<td>54.58%</td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600.00</td>
<td>TOTAL - 100%</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Should have been**

- Other Income Explained
- Other Income
- OTHER LABOR
- OTHER COSTS

**Proposal**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td>$287.27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon</td>
<td>$6,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**
Reserve your spot for the Fifth Annual Advanced Shop Talk event for the PDCA Residential Forum. This year's event will be held at the Sheraton Suites Philadelphia Airport on Friday July 23 and Saturday July 24, 2004. Starting with a Welcome party on Thursday evening, July 22, expect two days of intensive "knowledge".

THE BIG BUSINESS "T"

KEYNOTE SPEAKER
SHAWN KERSHAW
FRIDAY, JULY 23 10:00 A.M.

Professional organizing is the perfect vehicle for Shawn to bring all the facets of her work experience into play, including her experience as a teacher and years in the investment banking industry. Her strengths include not only her skilled teaching techniques, but also the passion, energy and humor she brings to her working sessions.

TECHNIQUES OF ORGANIZATION

"Five Basic Principles of Organizing"

Did you ever say to yourself, "If only I could get just a few things under control, my life would be so much simpler?" This keynote address will help you reach that goal. In a lively, fun, and interactive presentation, Shawn will introduce you to the five basic "rules" of organizing. You will leave this discussion energized and ready to take action, equipped with time-tested techniques to make your life more workable.

RESERVE TODAY – FAX IN ENCLOSED FORM

DOWNLOAD FROM WEBSITE
www.PDCAResidentialForum.org

THANKS TO OUR KEYNOTE SPEAKER SPONSOR
SCHEDULE OF EVENTS

Thursday, July 22, 2004 WELCOME DINNER & SHOP TOUR OF NOLAN PAINTING
5:15 p.m. Buses loading at Sheraton Suites
5:30 p.m. Buses leave for Nolan Painting
6:00 p.m. Welcome Dinner & Shop Tour hosted by Nolan Painting
7:45 p.m. Buses loading to return to Sheraton Suites
8:15 p.m. Buses leave for Sheraton Suites
Cost - $10 per person for bus - guests welcome

Pre-registration required – for bus and tour and dinner - see registration form

Friday, July 23, 2004 DAY ONE – ADVANCED SHOP TALK V
9:30 a.m. Check-in registration
10:00 a.m. Welcome & Introductions
10:15 a.m. KEYNOTE SPEAKER – TECHNIQUES OF ORGANIZATION
11:00 a.m. Roundtable discussions on Techniques for Organization applied to the paint contracting business and shared forms and ideas.
11:30 a.m. Working lunch & open topic roundtable discussions
12:30 p.m. SHOP TALK – SESSION ONE – TECHNOLOGY
  1. Estimating spreadsheets
  2. Tablets, laptops & PDA’s
  3. Printing in the field
  4. Digital photography and picture it painted programs
  5. Phone systems and answering services
  6. Websites
  7. Electronic timecards - job clocks / Nextel phone Airput time cards
  8. Sprayers
3:20 p.m. Refreshment Break
4:00 p.m. SHARED WISDOM – TRACKING JOBS & TOOLS
5:00 p.m. Adjourn
5:30 p.m. EVENING EVENT – PHILADELPHIA “RIVER TO RIVER” HISTORIC TOUR AND DINNER
Optional tour. Tour the Philadelphia downtown historical district with professional tour guides and stops at the major historical sites. Stop for dinner in South Philly. $85.00 per person includes bus, tour and dinner.

Pre-registration required – see registration form.
9:30 p.m. Buses return from evening event.

Saturday, July 24, 2004 DAY TWO - ADVANCED SHOP TALK V
6:45 a.m. Breakfast and informal roundtable discussions
7:20 a.m. SHOP TALK – SESSION TWO – TRAINING
  1. Developing a training system of any type
  2. Teaching technical skills in the field
  3. Personal growth...how are you continuing to train your brain?
  4. Telephone skills training
  5. Professional sales training
  6. Character training
  7. Customer service training
  8. Safety training
10:10 a.m. Refreshment Break
10:30 a.m.  ROLE PLAYING
Terminations
Turning customers into referrals
TQM – Total Quality Management – Meetings

11:40 a.m.  Lunch – guests are welcome to join the group for lunch.
$30.00 for guests, pre-reserved. See registration form.

12:30 p.m.  SHOP TALK – SESSION THREE – TEAMBUILDING
1. Communicating company objectives to your team
2. The team meeting
3. Motivating your team and building loyalty
4. Building discipline and a strong work ethic
5. Setting standards of excellence
6. Building internal team leadership and communication
7. Promoting healthy competition among team members
Recognizing individual accomplishments and contributions to the team

3:20 p.m.  Refreshment Break
3:30 p.m.  SHARED WISDOM
Two Topics – to be determined

5:00 p.m.  TESTIMONIALS – CLOSING
Saturday Evening is on your own. Reservations for restaurants are strongly recommended in advance of your trip to Philadelphia. You can cancel, add or subtract numbers as long as you have reservations. Check out websites www.phila.gov or www.ushistory.org/tour or www.gophila.com.

LIMITED ATTENDANCE - RESERVE EARLY
Cost: $300 first person from company
$250 for additional people from the same company
Includes all meeting supplies, Friday lunch, Saturday breakfast, Lunch & Breaks, handouts and copies of all shared forms.
Additional (optional ) costs:
Complimentary Welcome Party Thursday evening - $10.00 bus cost per person
Friday evening tour & dinner $85.00 per person
Saturday lunch – extra tickets $30.00.

SHERATON SUITES PHILADELPHIA AIRPORT
(Note: There are two Sheratons by the airport – PDCA is at the Suites, not the Four Points Sheraton)
4101 Island B Avenue, Philadelphia 19153

RESERVE BY JULY 1, 2004 – CALL 800-325-3535
Ask for the Painting and Decorating Contractors of America rate.
Hotel costs – special room rate of $109 plus 14% occupancy tax = $124
FREE SHUTTLE FROM THE AIRPORT

CONFIRMATIONS AND DETAILED INFORMATION ON FORMS TO BRING AND SHARE WILL BE SENT TO ALL REGISTERED ATTENDEES ON JULY 1, 2004. THE BEST OF AST IS THE FORMS AND BUSINESS SYSTEMS SHARED AMONG PARTICIPANTS.

Questions?? Please call Barbara or Tracy at the
PDCA Residential Forum office at 877-722-5050 (Pacific Time)
REGISTRATION FORM
YES, I WILL ATTEND ADVANCED SHOP TALK V – JULY 23 & 24, 2004

Company _________________________________________________

Name(s) of people attending _______________________________________________________
________________________________________________________________________________

Street Address _____________________________________________________________

City________________________ State _______ Zip _______

Email ____________________________ @ _______________________

Phone (____)________________________ Fax (____)___________________________

COSTS:

$300.00 First person from company

$250 for additional person from company

$250 for ___ more from company

$10.00 per person ___ for bus trip Thursday evening from the Sheraton
Suites to Nolan Painting and back.

__ We are driving but count us in for dinner. ___ attending. Nolan
Painting street address is 181 West Hillcrest Avenue, Havertown, PA.

$85.00 per person Friday Night optional tour and dinner.

$30.00 per person ___ additional lunches on Saturday.

TOTAL DUE

PAYMENT OPTIONS

___ Visa/MC # __________________________ Exp__/____

Authorized signature _____________________________________________

___ Check in the mail payable to PDCA Residential Forum

PDCA RESIDENTIAL FORUM
15564 Producer Lane, Huntington Beach, CA 92649 or email pdca@bivenssurfside.net or fax to 714-890-5865. Open to PDCA Residential Forum Members only.