With March Madness in the rearview mirror, for me, it was all about the high school league games. Twenty nine years ago I transferred to a new, K-12 Christian academy as a junior in high school. I joined the basketball team as a seasoned guard and found I was the only player with experience. We won all of our games but managed to lose the championship game and take second place amongst our peer schools. We were not in the official high school league. This year, the same academy made its first appearance in the state tournament and I was in the stands. Seems like it took them a while, but there were only 11 students in my graduating class, so they've come a long way considering there were not enough interested girls to form a team my senior year.

The experience of winning and losing has a way of requiring us to put things in perspective, and yet, I was and unapologetically continue to be a sore loser. As is the case with self-pity, and my other short-comings, I blame my gene pool. But it's also because I understand what it takes to win and it makes me mad when that formula does not avail itself to me. I believe that a win comes through a combination of best practices and talent, in the perfect ratio, at the perfect moment in time.

Case in point: My kids Class AAAA high school girl’s basketball team lost the section final this year. The winner proceeded to the state tournament. At their core, our team knew how to move the ball around the taller, undefeated competition. When our team had possession, the guards looked to the coach to call every play. They were down two points with eight minutes left in the game. The coach directed them to hold the ball beyond the point and let the clock tick. The guards were in constant eye contact with the sidelines waiting for the signal to allow them to play ball while at the same time, the other team had widened their lead by six points. In the end, the coaches strategy didn't leave enough actual playing time for our girls to make a come back. And my take-away was that the girls were not empowered to call the plays for themselves and use their own talents.

How do you win? You educate yourself in the best practices - think AST 11 in Charleston this summer where there will be something for everyone, from technical to business to putting it all in a healthy perspective. Then it’s up to talent and timing. Above all, make sure you call the shots. Win or lose, the trophy is wisdom, which you can always put to good use.

Sincerely,
Julie Gehrke
Be Ready to Rock and Roll in the New Economy!

By Linnea Blair lblair@advisorsontarget.com

What is your business outlook for 2010? Most painting contractors have felt the uncertainty and anxiety of the recent economic climate, and most businesses have been negatively affected in some way. How you and your company are choosing to deal with life in this economy is a different matter!

Have you been in strategic planning mode or in hunker down until it’s over mode? The strategic planners have been using the slower times to implement systems, fine-tune their marketing strategies and train their core group of employees so that they can run a scaled back but profitable business in the short-term while developing the capability to grow the business in the long term.

Back in October I wrote an article on my blog about staying on top of business forecasting. Anyone who knows me is well aware that I place a huge emphasis on planning, forecasting and monitoring your company’s progress toward your plan. While it’s been necessary for most painting contractors to run a smaller, leaner operation, business owners who are continuing to strategize, take action and watch their Key Performance Indicators (KPIs) closely are going to be in the best position to take advantage of increased business as consumers start to spend again.

I recommend that you have a Budget or Profit Plan for 2010 in place and continuously monitor your progress towards your plan. This will help you to determine whether sales are trending in the direction needed to keep up with your forecast. If this is the case, you want to make sure you are taking action steps to bring back laid-off employees or to hire and train new ones to meet your increasing revenue goals. Even in a good economy, having a good plan and watching your numbers closely is important. You don’t want to miss opportunities to do business when the seasonal demand for your services rises.

Some KPIs to watch: Lead flow – keep track of your leads and track them against projected leads and last year’s leads over the same period to pinpoint trends that indicate that business is picking up. Also, a trending increase in your sales close ratio may indicate that people are ready to move more quickly on projects, or...

Continued on page 4...
A good lesson in keeping your perspective is: Take your job seriously but don’t take yourself seriously. — Thomas P. O’Neill

Editor’s Note: We asked residential forum members how they are keeping their perspective in these trying times and four of our fine members responded.

BUSINESS SATISFACTION USED TO COME IN THE FORM OF GROWTH AND/OR INCREASING PROFITS. WHERE DOES ONE LOOK FOR SATISFACTION IN TIMES WHEN NEITHER GROWTH NOR PROFIT IS IN THE MIX?

Business satisfaction comes for me at this economic time in the form of client satisfaction, keeping on schedule, and working on systems.

Robert Emery, Mecca Painting OH

Profit is still important, but cash flow is the most important element in looking at business satisfaction. In order to keep cash flow positive I make sure to stay in communication with Peak’s team members on the importance of our cash position. We have adapted to become a team with a financial IQ. Additionally we have found satisfaction in developing ways that improve our organization. One of those ways has been repairing our equipment internally. Our warehouse manager mentioned that he had some mechanical experience. He wanted to try and repair a few of our pumps. After a few trial runs we determined that he has the skill set to complete our repairs. With over 40 spray rigs this process will save thousands per year. We also determined economies of scale that help to open up transparency to our costs associated to spread rates and sundry usage. We have been forced to make changes in these economic times and with the change came improvement and a great deal of TEAM satisfaction.

Todd Sickels, GM, Peak Painting, AZ

My business satisfaction comes from making a connection with a prospect and building a relationship with them. Also hearing things like: “I was really impressed with your proposal” or, a few have said, “You were about two thousand more than the next highest bid but we still decided to use your services because you seem like a more competent and knowledgeable company.”

John Speridakos, General Manager, Cosmos Painting Company, Inc. MA

First off, if you are not making any profit there is a problem. In these times, the profit may be small but we must strive to stay in the black. For me business satisfaction comes from seeing growth in my employees, and customer loyalty/satisfaction. Our crew leaders have stepped up like never before. In the first quarter of 2010 they have sold more AWO’s (additional work orders), than in all of 2009. They are excited about the opportunity to be part of the solution. We are working our past customers like never before, and going out of our way to make sure they are customers for life.

Jeremy Brooks, Owner of Brooks Painting Inc. CA

IT IS EASY TO FEEL THE PRESSURE OF LOW LEADS, SMALLER JOB SIZES AND A PRICE DRIVEN MARKET. WHAT ARE YOU DOING TO FIND THE RIGHT PERSPECTIVE REGARDING THE PRESENT ISSUES?

I’m really going to push the RRP (Renovate, Repair and Painting Lead Rule) certification. I hope it will help us distinguish between professionals and other painters who low ball.

Robert Emery, Mecca Painting

Staying positive helps, but stay away from those that always think the sky is falling. We focus on procuring tangible opportunities that make an impact to our bottom line. We have been able to partner with other complimentary service providers that do not offer painting. Ad-
ditionally we have been able to grow outside of our home market. Expanding to other markets had some challenges, but as a team, we were able to look at our goals and find solutions that met our strategic objectives.

*Todd Sickels*

To find the right perspective, I think of some of the guys that I see who are out of work and tell me of the slow season they’ve been having. Although things are not booming for me, I am grateful for all of the work that has come my way, even the smallest of jobs.

*John Speridakos*

I am still spending time with family and friends. Coaching little league, skiing, and getting ready for boating season. We are all working harder than ever, and the pressure will take over if we let it. So we must play or it will all explode. It is very easy for men to associate who they are with their jobs/business, but that is not really who we are. Separate yourself from work, and do your best to leave it at the office.

*Jeremy Brooks*

**PLEASE SHARE ONE OF THE BEST “OUT OF THE BOX” MARKETING OR SALES APPROACHES YOU ARE HAVING SUCCESS WITH**

Most of our business is word-of-mouth but we recently started a monthly newsletter.

*Robert Emery*

We contracted with a business development consultant. She has a great network in our geographic area and was able to open up some doors for us. She focused on a vertical that we did very little procurement in. She will always be a partner of ours and bring value to our organization. We would have never looked at this type of resource if the market had not changed. Contracting provided us an opportunity to expand without encumbering the full cost of taking on a full time employee.

*Todd Sickels*

I don’t know how “out of the box” this is, but I offer a free color consultation with a local designer if the homeowner decides to use our services.

Also, in my cover letter I make a brief mention of my PDCA membership and how I am actively involved, the fact that I research new products, and try to tour paint manufacturing facilities as often as possible. This lets the homeowner know that I really do have a passion for what I do. I know when I’m in the market for something, I always respect the guy who has extensive knowledge in his field and is passionate about it.

*John Speridakos*

We are knocking on doors, just like I did 16 years ago when I started. It works! We have gotten close to $100,000 in business in 2009.

*Jeremy Brooks*

Be Ready to Rock and Roll in the New Economy! continued from page 2...

that they are less price sensitive than they may have been earlier.

Stay in touch with your customers and referral partners. The fact that you are in communication with your past customers and the other businesses that have referred you in the past keeps your company top of mind – and they don’t have to wonder if you are still in business! Keeping the communication open with your best customers and referral partners also puts you in the position of being one of the first to hear when their business is picking up – an indication that they might be in a position to purchase your services.

Once business does pick up, and your days are full with bids and projects, don’t stop marketing and networking or watching your key metrics! It’s easy to get so caught up with day to day work in a busy period, that your lead flow can start to slow down or your profitability slip before you realize it. Make sure that your key performance indicators, such as sales targets for each week, and job profitability are in place. Analyze each month’s financial and sales metrics comparing the actual with your budget/profit plan to see where you are performing well and where there are shortfalls. This consistent review will help you to take action in a timely way, giving you the best opportunity to make sure your business stays profitable.

*Linnea Blair is a business coach and consultant with Advisors On Target. She works with contractors to develop best practice business management and marketing strategies for a sustainable business. Linnea can be found at AdvisorsOnTarget.com and her Twitter handle is AdvisorOnTarget.*
Six Steps To Becoming More Resilient

by Suhaiba Neill sneill@johnneillpainting.com

Resiliency. This word was used quite often over the course of the school year with reference to what my five year old daughter’s generation will need to survive in our fast paced and ever-changing world. To keep myself ahead of the game, I read a highly recommended book about raising resilient children, and also attended a seminar given by a world-renowned adolescent pediatrician about promoting resiliency in teenagers. In both instances, the doctors gave a definition of resiliency as it related to their own research, so to get to the actual root of the word, I decided to look up the definition for myself.

**Resilient – noun**

Definition #1 – the power or ability to return to the original form or position after being bent, compressed, or stretched.

Definition #2 – an ability to recover from or adjust easily to misfortune or change.

Wow! Don’t we all feel bent, or compressed, or stretched to the limit after experiencing the economic crisis last year? Couldn’t we all use the tools and power right about now to bounce back with ease? So I asked myself, what would that take? What would we have to do to become more resilient?

Seems to be a pretty well established truth that change and stress are inevitable. It is how we choose to respond that defines how successful we are as business owners, and ultimately, as people. If our natural response is to panic when something bad or unplanned happens, making us want to crawl under our desk and hide until it has passed us by, we will very quickly find ourselves left in the dust. If, however, we can step back, take a deep breath, and say to ourselves, “Well, I sure didn’t see this one coming, but how can I deal with it efficiently and effectively, move on, and be better prepared in the future?” then we stand a better chance of surviving the ordeal. Learning to repeat this process will also help us to deal with future issues more confidently and competently. Ultimately, it all comes down to how we choose to cope.

Following are six steps to consider (and tweak to fit your own personal style) in a conscious effort to build resiliency one stress inducing event at a time.

1. Identify your natural reaction to stress so that you can recognize it immediately and stop it before it starts.

2. Develop an alternative and positive coping mechanism to counteract your natural reaction. Focusing on controlling your breathing is the easiest and most effective way to control your emotions and calm your brain so you can think clearly.

3. Respond to the situation at hand calmly and confidently. No reacting – it’s emotionally driven, usually negative, and will not help facilitate the solving of the problem.
4. If your conscious brain just can’t seem to find a solution, move onto something else and let the subconscious side of your brain work on it for a while.

5. If you are completely overwhelmed and just can’t seem to focus on anything, go and get some exercise. You’ll burn off that extra steam, and while your body heats up, it will allow your brain to cool down.

6. At the end of your day, find a way to quiet your brain from all the stresses you encountered (or anticipate encountering tomorrow) so you can get a good night’s sleep. Reading for pleasure has been proven to be one of the most effective ways to completely change your focus and let your brain rest.

Ironically, I actually found writing this piece to be a bit stressful. Not so much because I wasn’t sure of what I wanted to say (the idea has been mulling around in my head for a while now), but because of a sudden necessity to get it done on a super short deadline, while working on several other personal and work related projects with looming deadlines as well. Maybe the stress is what actually helped my brain pull it all together, utilizing many of the six steps myself as this article finally came together. It was a good reminder for me, that when faced with what seems like a never ending to-do-list, to breathe, prioritize, then focus on one task at a time (and no worrying or thinking about the next item until the task at hand is completed). There came a moment when making the transition from the introduction to the point I was trying to make seemed impossible, so as recommended, I walked away from the task. I cleaned my kitchen, and then afterwards, during a nice hot shower, I experienced that subconscious ‘light bulb moment’ – break it down into small manageable steps! I also make sure to take at least twenty minutes to read each night (no matter how late it is) and find that it truly does redirect my thoughts, which then allows me to get a better night’s sleep.

If we can all just take an extra moment now to identify our triggers and begin re-training our brains, than these suggestions may prove helpful in making the transition less stressful as the busy season gets underway. And hopefully, with continued repetition, we can all establish more positive coping strategies to deal with the inevitable stresses that go along with owning your own business. So, here’s to becoming more resilient one challenge at a time.
I will not rehash what you already have heard regarding the new EPA regulations taking effect on April 22, 2010. The RRP Rule was enacted in 2008. What has changed is EPA’s resolve to protect children under the age of six years old and pregnant women from exposure to lead as a consequence of remodeling projects.

Part of the EPA’s resolve is shown by the size of the fines involved for infractions: $37,500 per day, per violation! You might say: “There is no way EPA has the personnel to enforce these new regulations.” You would be right about that! However, local governments are expected to play the role of “informants”, which opens the door for the angry neighbor, the “busy bodies” or the scorned competitor to become “whistle-blowers” when they see infractions, not to mention your own client. For reasons of self-protection alone, we as painting contractors, ought to take the new EPA regulations very seriously and adjust our work practices to meet the new standards. Protecting our clients, employees and the environment from lead dust is good business!

Well, you might say: “This thing will just blow over. I will wait.” The EPA has already indicated that they will not let up on the issue and intend to ratchet up the pressure. For example, there is currently an “Opt Out” option in the new regulations for the owners of non-child-occupied housing. The EPA has already indicated its intent to terminate that option in the near future.

I have mentioned self-protection already. In my opinion, here is a more powerful motivation: self-interest! The new EPA regulations are a blessing in disguise for the painting industry! Anything that helps painting to be perceived as something that “not everybody can do” is a good thing! Pre-1978 housing is a marketing opportunity for painting contractors. By being ahead of the curve, we can gain a competitive advantage with prospective clients who value safety, doing the right thing and being good to the environment. Are those not the clients we all want anyway? Additionally, we can get paid for doing the additional work. Lead-safe practices help us further justify the higher prices we already charge our customers!

What you need to do is act quickly to take advantage of this window of opportunity. You need to become certified as a “Lead-Safe Firm”. You then need to get some of your people certified as “Renovators” and you need to train the rest of you employees in lead-safe practices. You will also need to invest in some new supplies and a few pieces of new equipment. The expected return well justifies the investment.
Under the general category of feckless pecking about the barnyard for useful kernels I was steered toward a book called Growing a Business, by Paul Hawken – co-founder of Smith & Hawken, the now defunct (thanks to a big assist from Scotts – the Miracle Grow & fertilizer giant) mail order & boutique garden supply house. Having grown weary and bored of the ritual winter hand-wringing I tore through the book, dog-eared the relevant pages and scribbled liberally in the margins. The result was a book report, seriously. Here goes... paraphrased and editorialized, of course.

1. When your business encounters problems and messes, don’t just get past them, stay with them. Embrace them and work with them until you know that mess so well it will never show up again - as a mess, but instead a friend and a strength. Shaaa! I like the crime-boss proverb: keep your friends close and your enemies closer. Find the biggest stone in your shoe and make it your pet rock, put it in your pocket and rub it smooth – soon it’ll be a friend.

2. A good business has interesting problems, a bad business boring ones. But all businesses have problems. Oh…very interesting indeed, it’s tempting to conclude otherwise in casual conversation with colleagues, isn’t it? Wouldn’t a bit of candor be refreshing? Within Resfor (Residential Forum) I count on candor – it’s the balm that heals chafing from too much friction. Some businesses are more frictionless than others, learning how another greased the skids on his friction is an experience multiplier – it collapses the time and pain known as: ‘learning the hard way’.

3. Raise the ante: when going into a business or market, examine it closely and make a detailed list of all the qualities that could improve it in your customer’s eyes. Every year the stakes get higher, you want to be the one moving the stick, not the one playing catch-up. Go your own way, set the standards and keep looking forward, the majority of your creative energy goes into ideas that promote new growth. Fortune favors the bold.

4. Make it fun. I think this is important so I’ve been trying to make more of the mundane things fun, this has the unintended effect of making them less mundane. For example, when walking an ongoing project for the first time on a given day, I find ways to observe positive and negative points with humor, being careful to finish each interaction on a teaching “note to future self”; as I’m fond of saying. Or this: “if Wednesday could talk to Tuesday, what would it ask for?” This encourages looking ahead in a novel way and is a funner (I tip my hat to modernity) than: “you gotta have the primer on today if we’re going to caulk tomorrow, grrr.”
5. The Art of the Incremental; the founders job is not to lead the troops to new heights but to draw out and moderate the changes that will be required of everyone as the business grows. Japanese accountants have a saying: “over is the beginning of under”. Useful and clever. The most perilous period in a company’s development is when it is succeeding wildly, enjoying high earnings and shows rapid sales growth. These 3 key elements can breed mistakes that are masked by outward prosperity. When a recession or other external factor causes sales and profits to decrease, latent errors in judgment and execution are revealed. The time to be expansive is at the bottom of a recession. The time to be conservative and highly cost conscious is when profits and sales are soaring. This passage had particular relevance to me. As you may recall, I too was recently ‘the blur’, which quickly became ‘the smudge’ when the asset bubble popped.

6. Rapid growth is anathema. Nature abhors it; in our own bodies the fastest growth is usually cancerous. Relax; slow growth in a company is good. Are commercial systems so sacrosanct that they have exemption from the laws of nature? No.

7. Be hands-on. There is simply no reason that the founder should not be in touch with all aspects of the business, learning from experience rather than by memo…unless the business is one you’ve done before, anything less than total attention to all aspects of the company foretells problems. Bear in mind that we cannot delegate what we do not understand. We probably can’t sell it either…

8. Try to be authentic in your presentations to the marketplace. In a way, the junk ads are a boon to the honest, no-nonsense marketer. Honest copy and ads come across as refreshing change; we immediately recognize the authenticity and are disarmed. In my cartoon bubble I see a work in progress, photographed at lunch time when the guys all look like hibernating bears lolling about in the shade and the tools, trash and ladders are all amid-day stride – nice picture, eh? Put that one on a postcard… I dare you.

9. When you are dealing with customer problems you have to discard the idea of profit. If you start to see a problem as red ink, you may avoid the best resolution to the problem. And without knowing at the time you’ve dropped a pointy little stone in your shoe.

10. When in doubt, ask. When not in doubt, ask. Ooooooh, I really like that one!

11. One manages rangeland, a disease, herds, file systems. You don’t ever manage people, you work with them. For good business to succeed you must take exceedingly good care of your people. This one comes off a bit platitudinous; did Paul forget this when he sold to Scotts? Personally, I look for loyalty in people too, but recognize that each person will do what his needs compel; that at days’ end each of us fall asleep in our solitary thoughts. Learning to work with people who may be with us for only a short time is a top shelf skill. How difficult is it to treat a 10 year employee like family? How about a 10 week guy?

12. Don’t grow faster than your employees can; there are two main obstacles to solid growth, one is usually economic/financial, the other is usually overlooked – businesses that grow too fast or in the wrong way overwhelm the adaptive energy & capacity of the people who operate the levers of that company. When this happens, people go on overload and slowly withdraw- perhaps without being aware of it- so they can maintain their personal equilibrium. Just as a business can outstrip its ability to raise capital, so too can you outstrip your employee’s ability to adapt.

Conclusion: A thoughtful and useful book; odd that I should have researched the current position of Smith & Hawken after finishing the book – a stroke of luck, lest the reading be jaded with knowledge of the future - unwritten at the book’s writing.
CONFERENCEx SCHEDULE
Thursday, July 15
3:00 pm – 5:00 pm Registration open
6:00 pm – 9:00 pm Welcome to Charleston Party

Friday, July 16
7:00 am – 8:00 am Continental Breakfast and Check-in
8:00 am – 11:30 am AST 11
11:30 am – 1:00 pm Lunch with Keynote Address – guests welcome for $25 each
1:00 pm – 4:30 pm AST 11
6:00 pm - Dinner on your own. Explore downtown historic Charleston

Saturday, July 17
8:00 am – 9:00 am Continental Breakfast
9:00 am – 12:00 noon AST 11
12:00 noon – 1:00 pm Lunch
1:00 pm – 4:00 pm AST 11
4:00 pm – 4:30 pm Wrap Up

Bring sample business forms, marketing materials, and training materials to share.

HOTEL RESERVATIONS
The Doubletree Guest Suites Hotel, charlestowndoubletree.com, 181 Church Street, Charleston, SC 29401. Room rate is $139 single or double room plus local taxes of 12.5%. Call the Doubletree directly at (877) 408-8733 and ask for the PDCA Shop Talk group rate. Deadline for the special discounted group rate is June 15, 2010. You can also book your hotel room online at http://bit.ly/9LfiiB

Getting to Doubletree from the Airport
A taxi from the airport will run $25 - $30. There is a shuttle service for downtown Charleston and area hotels. The rate is $12 per person and departs within 15 minutes. Check the service counter at baggage claim for additional shuttle information.

Explore Historic Charleston
Come early – stay late – bring a guest and visit historic Charleston. For complete visitor information contact the Charleston CVB at (800) 774-0006 or at www.charlestoncvb.com.

Web Resources
Get the latest information about AST 11 on our website:
http://www.pdcaresidentialforum.org/ast/

WHEN July 15 – 17, 2010
WHERE Double Tree Guest Suites Charleston, South Carolina
WHAT
• Generating Leads & Sales in the ‘New’ Economy
• Understanding your Breakeven Point
• Finding Balance & Perspective in Turbulent Times
• Project Management Strategies for Maximum Profits
• Welcome to Charleston Party
And much more!

ATTENDEES SAY
“If you can only attend one PDCA event a year, make it AST. It is awesome and a priceless value to your business.” – John Neil, John Neil Painting

“Anyone not attending is missing out. Such a jewel for PDCA” – Ken Ritland, Ritland Painting LLC

“People in this room are the best of the best.”
– Tony Severino, Professional Painters
PDCA RESIDENTIAL FORUM PRESENTS

Advanced Shop Talk 11 Registration Form

1

PDCA Forum Company Name

First Person Attending

Additional Person Attending

Additional Person Attending

Street Address

City, State, Zip

Telephone & Fax

Email

REGISTRATION COSTS
Includes all materials, paperwork, breakfast, lunch and snacks Friday & Saturday

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TOTAL DUE

Please check if you plan to attend the following:

_____ YES, I will attend the Thursday evening Welcome Party (6 pm – 9 pm)

P A Y M E N T  O P T I O N S
Payment must be included with this reservation form to confirm your registration.

Visa/MC # _____________________________________
Exp ______/_______     Security Code ____________

Signature____________________________________

Fax to: 716-632-8437 or make check payable to PDCA Residential Forum and mail to: PDCA Residential Forum, 8560 Main St., Williamsville, NY 14221

WHEN    July 15 – 17, 2010
WHERE   Double Tree Guest Suites
        Charleston, South Carolina
WHAT    • Generating Leads & Sales in the ‘New’ Economy
        • Understanding your Breakeven Point
        • Finding Balance & Perspective in Turbulent Times
        • Project Management Strategies for Maximum Profits
        • Welcome to Charleston Party
        And much more!

Confirmation and further details will be emailed to all registrants.

QUESTIONS? Please call the office at
(800) 697-7322 – office hours 8:30 – 4:30 EST or email tony@pdcaresidentialforum.org
When I paint trim, sometimes there is grit in the surface when I am done. What could cause this?

Before applying paint, strain it. Then remove any dust left from sanding the trim. Ref. RI-PT-3

Is there a way to patch a hole in drywall without cutting all the way to the next support structure?

For small holes, you can use a square metal screen with an adhesive back that is commercially available. Another method is to install wood backing over the adjacent drywall that will be backing for both the new patch and the old adjacent drywall.

When I wash walls, there are streaks left from the washing. How can I avoid this?

When washing walls, it is important to wash from the bottom to the top since the cleaning solution will streak an unwashed area if it drips down onto it. When you clean the lower area first, the drip has no dirt left to cause the streak. Ref. RI-PR-8