

Employees are your greatest asset.
What makes the best ones stick around?

Staying Power

LEAH THAYER SENIOR EDITOR

If you think it's expensive to employ good people, consider the cost of losing them: the clients who go with them; the time spent finding, training, and cleaning up after their replacements; the jobs that fall behind; the opportunities that are missed; the burden that falls on the remaining employees; the morale that drops. And that's just for starters. "It's hard enough to find qualified employees who can do the work" of remodeling, says Mike Denker, co-founder and president of Hopkins & Porter Construction, Potomac, Md. "Even fewer people can do the work *and* communicate effectively. Remodeling needs people who care about other people," he says. "And once you find these people and train them in your way of doing things, you want to keep them."

How? Compensate them well, of course, but several people told us they've turned down higher-paying offers in order to stay put. One remodeler who knows this is Randy Foster, president of The Artisans Group, Olympia, Wash. "I can't be clear enough in my own mind that the money isn't what it's about," he says. "It's more about the whole package of creating an environment where people feel they can succeed, and then letting them take responsibility for their success."

Here are some ways to create that environment.



DOUG HORGAN
Customer Service Manager
Bowa Builders, McLean, Va.
Hired: 1989. Age: 38

At Bowa Builders, "anything you're any good at, they'll let you do," Doug Horgan says. In 1989, he had just graduated from college and took what he thought would be a summer job. On day one, he put his philosophy degree to work digging holes. A few days later, he says "I realized that I absolutely loved building, in part because there's so much to learn. I'm really motivated by learning."

And because Bowa is all for education, Horgan's "summer job" never ended. He

Illustrations: Barry Blitt

quickly gained on-the-job experience in framing, trim, drywall, roofing, and the trades. Within a year or so, the company was sending him to trade shows locally, then nationally, then to take certification classes. He later moved into management, where he continues to learn through a variety of formal and informal training opportunities.

"We try to invest in everyone's career," says Josh Baker, president and co-founder of the \$38 million company. For instance, Bowa is open-book about everything except individual compensation, and each of its 85 employees creates quarterly personal goals. It's all part of a strategic plan, Baker explains, "to help them become more valuable to the company, and also to get them interested in new parts of the business."

Culture also looms large at Bowa, and Horgan appreciates that this big company is still very personal. Co-founder Larry Weinstein hosts weekly jobsite lunches for field crews, and everyone attends quarterly companywide meetings. All share in Bowa's success as well; among other generous benefits, a profit-sharing plan divvies up a fifth of annual profits among all staff members.

KATHY SHERTZER
Office Manager

DuKate Fine Remodeling, Franklin, Ind.
Hired: 1999. Age: 53

The reasons that Kathy Shertzer loves her job at DuKate Fine Remodeling read like a laundry list of what was missing at her previous job, which she held for 15 years before leaving at a demoralized low. First, president Mike DuKate "is an incredibly good boss," Shertzer says. "He conducts himself with the utmost integrity, and is very good about saying 'this is tremendous, you are wonderful, we appreciate you.'"

DuKate is equally supportive of employee development; he pays for industry certifications and continuing education, including

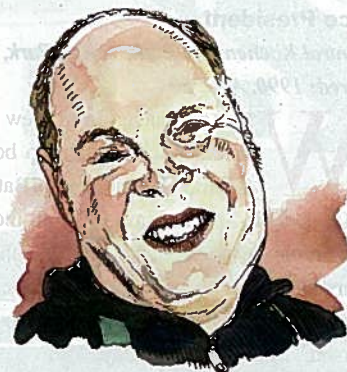
PAUL O'BRIEN
Finish Carpenter

Out of the Woods Construction, Arlington, Mass.
Hired: 1993. Age: 53

Relationships settle into a groove over time, and Greg Antonioli and Paul O'Brien largely keep each other at a respectful distance. "We're like a father and son who don't talk a lot but have an appreciation for each other," says Antonioli, president, who is 12 years younger than O'Brien.

That hands-off approach suits O'Brien fine. He has no desire to be top dog or even lead carpenter. "I like to work with wood," he says simply. Not being bogged down by paperwork frees him to exercise creative license, which ensures quality craftsmanship, interesting projects, and great relationships with clients, many of whom he considers friends.

Having worked for himself through the recession of the early '90s, O'Brien also appreciates his job security. Antonioli says he has never had layoffs — or even sent anyone home early — due to lack of work. "If someone commits to us, then we're



committed to providing them with steady work, year-round," he explains. Employees get generous benefits from day one, including 100% health and dental coverage, quarterly bonuses, and 19 paid days off (more with time), including holidays, personal days, and vacation.

"It's the most rewarding company," O'Brien says. "Greg even gave me a trip for my 10-year anniversary" — an all-expenses-paid ski trip that came as a complete surprise. "It pays to stay put and take your licks a bit," he says. For instance, the relatively new open-book policy "helps us all see what we have to do each quarter, and everybody strives for it," he says.

Shertzer also appreciates DuKate's generosity. She left behind big-company benefits when he hired her, knowing that "a whole lot of things are more important than money." Yet she now enjoys a simple IRA, a health plan, "far higher compensation" and more paid vacation than her last job, and bonuses in good years.

Shertzer's loyalty isn't unique; turnover has been nearly nonexistent in DuKate Fine Remodeling's 19 years. Yet if a valued employee wanted to take a year off, "I would absolutely support it," DuKate says, even though "it would put a knot in my stomach." Shertzer seems unlikely to put him in this position. "She really runs the company," he says. "She's here to make us more successful."



an eight-week "gatekeeper" course for Shertzer. Plus, his open-book management policy ensures everyone knows how the company is doing and feels welcome to suggest improvements. "I take real ownership in the company, and so does everyone else," she says.

Staying Power

DEBBIE SPENCER

Vice President

Central Kitchen and Bath, Winter Park, Fla.

Hired: 1990. Age: 50

When a stranger from New York named Rick Caccavello bought Central Kitchen and Bath in 2000, Debbie Spencer says, "We all thought we would lose our jobs; we thought the worst." But the new boss surprised them. "I have never met a nicer, more down-to-earth person," Spencer notes today.

Nice, yes; a pushover, no. On his first day as owner, Caccavello told his new staff that he respected them as professionals, but they shouldn't mistake his kindness for weakness, he remembers. Revenues increased 75% in a recent year with no increase in staffing.

KIP SUMMERS

Production Manager

The Artisans Group, Olympia, Wash.

Hired: 2000. Age: 41

Deskbound work, big egos, and feeling disconnected from the end product drove Kip Summers from his engineering career. Varied duties, genuinely nice people, and the satisfaction of seeing projects from beginning to end have kept him happy at The Artisans Group.

"Remodeling a home directly affects people every day," says Summers, who came on board as a carpenter. He adds that owners Randy Foster and Chris McDonald "want to do the job right, and they want to treat you fairly along the way." Benefits, for instance, are as good as anything he had in his white-collar career and include a 401(k) plan with matching, health and dental insurance, education, and a week of vacation for every year on the job, up to three weeks.

Less tangible is the company's deep spirit of autonomy and respect. Summers



"Everyone here works extremely hard," Spencer says. "We all love this company," for reasons like these:

Open-door policy.

"You can go to Rick with anything — any questions, any problems, any suggestions," Spencer says, adding that this approachability extends from drop-in chats to monthly companywide meetings.

Quality control. Each employee is set up to do what she or he does best, minimizing errors. Designers, for instance, focus on selling and design; back-office employees double-check their job folders, price jobs, and schedule work.

remembers a simple guideline his bosses used when he called from the field. "They'd ask: 'What would you do at your own house?' Not 'What's the budget?' or 'What's the timeline?'" Treating clients' homes like his own: "That's the image I want to be associated with," he says.

Summers estimates that 25% of his job satisfaction stems from what he does, and 75% comes from who he works with and for. Foster and McDonald "open the books and invite ideas," he says, both in biweekly all-staff meetings and one-on-ones. "It's not a hierarchy," he says. Nor is it meant to be. "We want to hire people who view themselves as our equals," Foster says. "We're fine with relinquishing control. We trust them to make the right decisions, and they respond."

There's also a deliberate "life outside work" policy including four-day workweeks and flexible scheduling. "If you have options, you tend to be happy where you are. If you *feel* like you're trapped, you are trapped," Summers says.



Team spirit.

Spencer says Caccavello nurtures a family atmosphere in which "anybody who is bossy or rude just sticks out like a sore thumb" and doesn't last, clearing the workplace of internal stress. He also shields employees from difficult clients, intervening personally and immediately to resolve grievances himself.

For his part, Caccavello believes that "a boss is only as good as his employees, and vice versa." He rewards them with ample praise, good benefits, and individual and companywide bonuses including a Caribbean cruise this year.



BRYAN BEACH

Job Supervisor

Farina & Sons, Orlando, Fla. Hired: 1994 (initially as subcontractor). Age: 39

The clients may not be aware of their homes' unusually sturdy framing and foundations. But Bryan Beach is, and he likes knowing that his projects are rock-solid, and that his employer is all about quality.

"I like to do it right, and I know Victor likes to do it right, too," says Beach of Victor Farina, who owns the award-winning company that his father started in 1950. It's not necessarily the things that people can see that Beach appreciates, but the "hidden stuff" that the company does to make things a bit better, such as the custom-made steel beam Beach

Staying Power

was ordering the day we spoke.

Besides emphasizing quality over quantity, Farina provides a well-rounded understanding of the construction process. "What used to frustrate me was the sense that the right hand didn't understand the left," says Farina, who worked in the field for years and still visits every job regularly. "I tell them, 'This isn't just about banging nails and doing trim work.'" He exposes employees to "a little of everything," he says, so they can work out solutions independently.

RAY HORNSBY Production Manager

Hopkins & Porter Construction, Potomac, Md. Hired: 1986. Age: 48

Like a lot of other construction professionals, Ray Hornsby and three of his carpenters flew to New Orleans after Hurricane Katrina to help with the cleanup and rebuilding effort. Unlike most of his peers, his employer covered their expenses, paid their salary for the week, and would do it again every year.

"We believe in volunteering," says Hopkins & Porter co-founder Mike Denker. He and Guy Semmes, with whom he launched the company in 1977, want to send the message that "we're members of a community and part of something bigger than ourselves." By volunteering on the company dime, their 30 employees can feel proud of their company and proud of themselves. "It's one more stick in the structure that says they have a good job and are going somewhere," Denker says.

The structure would be pretty solid even without that stick. Benefits have included health insurance since the 1980s — long before other remodelers caught on — along with performance bonuses, annual profit sharing, plenty of educational opportuni-

ties, team-building parties and trips, and annual reviews. Moreover, the owners "always do what they say, and they make you feel good about your work," Hornsby says. When he interviewed for the carpenter position 20 years ago, Semmes told him he would get a raise in 30 days if he met some basic goals. "I never had to go back and ask. It's been like that all along."

Hornsby also appreciates the common courtesies his bosses extend. "Mike is a real people-person and makes you feel good about your work," he says. "He gives credit where credit is due," and both he and Semmes "tell all the employees that they're the ones who make the company, not the two owners." Nor are the owners above doing dirty work. "They would do whatever they needed to do to help you," Hornsby says. "I used to see Mike driving the dump truck and picking up trash."

Several other Hopkins & Porter employees have also been with the company for 10 or more years. That continuity speaks volumes to the public, Denker says. "To have a company where clients call back five years later and really want so and so to do it and he's still there — that really makes them feel you're a solid company," he says.

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GARRETT LAHAR Lead Carpenter

Heartland Home Improvements, Wichita, Kan. Hired: 2001. Age: 25

Hired at an age when many people are more focused on happy hours than careers, Garrett Lahar's enthusiasm and (relative) longevity are attributes that most remodelers find elusive among his generation. But Michael Gatschet, the former social worker who owns Heartland Home Improvements, says a few basic practices can bring out the best in anyone:

The right fit. Gatschet seeks carpenters who consciously chose their career and are committed to client satisfaction. He asked his former carpentry school instructor to be on the lookout for these candidates. That's how he found Lahar and other employees.

Education. "I learned some basics at school, but I've learned everything else with Mike," Lahar says. This includes on-the-job training in trades from cabinetry to tiling; weekly reviews of job-cost reports and other key numbers; and company-paid education for certifications as well as an annual trade show.

Latitude. "Mike is always fair," Lahar says. "He listens to your point of view and is open to different ideas." Gatschet says he wants his employees to have "the leeway to make experienced decisions." The result is that the company is constantly finding better ways to do things. He also commends their work and passes on client compliments.

Competitive pay and benefits round out the picture, including health insurance, company vehicle, and cell phone. Some young workers might not care about these things, but "that kind of stuff shouldn't be taken lightly," Lahar says. **R**

