

Commentary **Mark Richardson**

Make Change a Priority — Now

Today's economic climate demands new ways of going to market.

No one will argue that the country is experiencing an economic crisis. But the bad news itself is less important than how you react to it.

Try this exercise: Write down a few words or phrases that describe today's business environment, your company's positioning, and how you feel about both. Now ask others on your team to do the same, then compare lists. You will discover that some people are fearful and reluctant to stray too far outside their comfort zone, while others (maybe most) want to do something but are confused about what to do and who should do it.

A third response comes from those who are more energized than ever. I include myself in this group because I believe that opportunities are on the rise at the same time that the risks are greater than ever.

REMEMBERING WHEN

I haven't seen this dichotomy for many years, but it is by no means unfamiliar. Those with some gray hair will remember the "stagflation" of the early '80s, when interest rates climbed to 15% or more, and remodeling was just beginning to gain respectability as a professional activity. At Case in 1981, our annual business was about \$500,000, but we saw the opportunity in design/build, which was still an untested way to take remodeling services to market. It took some time, but as a direct result of our acting on that opportunity, by 1988 total revenue had grown to \$8 million.

Similarly, the early '90s were a time when home values in many areas of the country went from double-digit appreciation to double-digit depreciation. During this period at Case, our design/build business dropped from \$8 million in 1988 to \$4 million in 1991. But again, we saw an opportunity to diversify. We launched the handyman division, which ultimately gave us the engine to grow to nearly \$100 million today.

HOMEOWNERS STILL NEED HELP

The economic circumstances are different today, but times of great crisis also present great opportunities. Homeowners need you more than ever. They are stressed out, lacking the time or skills to tackle projects themselves. Product proliferation, regulatory issues, and fast-changing design trends have made remodeling a complex and confusing proposition. But remodeling is still

attractive — even to homeowners who are trying to break the spending habit they developed in boom times.

For one thing, the simple house of the past is now very complex, both in design and in required maintenance (compare a modern home with those from developments built in the 1960s and you'll see the difference). Plus, although the recent stock market fluctuation has affected the ability to borrow money, it has also created a huge lack of confidence among homeowners about planting their money in the stock market.

A home is still the biggest investment most people ever make, and they want to protect it, position it, and enjoy it. If you embrace the changing business environment with a sense of urgency, you can see positive results today and prepare for explosive growth and increased market share in the future.

CHANGE NOW

The flip side to this story is the risky nature of this environment. If you cannot change, you will probably not make it. Many remodeling experts and industry gurus are singing the same song today that they did five years ago, but the old recipes don't work now. Change is incompatible with dogmatic and rigid thinking. Change requires new ways of marketing and selling. One of the best times to institute change and get a healthy buy-in from your team is in markets like the one we are in today.

It's time to make change a priority and give it a sense of urgency. I believe that now is an ideal time to embrace new opportunities, see unprecedented growth, and position your company for the future. The risks of standing still and not changing are greater than ever. —*Mark Richardson is president of Case Design/Remodel and author of the book How Fit Is Your Business? A Complete Checkup and Prescription for Better Business Health.*



Photos: Mark Robert Halper