



November 1, 2010

Dear Client or Colleague:

According to a recent article in the Wall Street Journal, McGraw-Hill Construction forecasts a rebound of 8% in the value of new construction projects in 2011. There is expected to be an increase in new development of single-family houses, apartment buildings and commercial properties. Their forecast expects less building of new highways, bridges and other public works as federal stimulus money dries up. Whether your particular construction sector is expected to increase or not, it is vital for your company to secure profitable work in an environment where competition is fierce and margins are aggressively low in many cases.

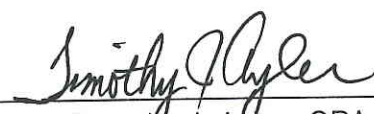
Two things that we would suggest you consider:

1. Do not stop marketing your company. The enclosed newsletter discusses Trade Shows as potential opportunities for your company to market its services. As an example, the Indiana Subcontractors Association annually hosts what they call "The Construction Networking Event of the Year." I have found that each February exhibitors are drawn to the booth space to spend quality time networking and showcasing their qualifications.
2. Do proper tax planning for your company as year end approaches. In addition to providing tax projections to many of our clients this time of year, we are also hosting monthly tax seminars. The next seminar is called "Ten Tax Savings Strategies for Businesses" and will be held on November 16th at 8:30 in our offices.

For more timely information, or to attend one of our seminars, please visit our website at www.greenwaltcpas.com. Please do not hesitate to contact Tim Ayler at (317) 260-4401 or tayler@greenwaltcpas.com.

Very truly yours,

GREENWALT CPAs, INC.

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Director of the Construction Services Group

Enclosure



Today's Contractor

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Expanding Business Opportunities at Trade Shows

If you are a contractor who relies mainly on business in your local area, you may wonder whether it is worthwhile to exhibit at a trade show. But when market conditions are challenging, exhibiting at a trade show, or even a county fair or local event that invites community businesses to present their products and services, can be a way to meet new customers. It can also be an opportunity to forge new relationships with suppliers and others in the industry whose work complements your own.

For smaller builders, local or regional shows can provide useful networking opportunities, often at more reasonable prices than large, national trade fairs. Before investing in a trade show exhibit, check with the organizers to find out who will be attending. As the date draws near, be sure to request a list of confirmed attendees. If potential customers or partners are on the list, consider contacting them beforehand to arrange a meeting or to ask them to stop by your booth.

Taking into account your company's marketing budget, hire a design firm to create an eye-catching display for your booth that clearly communicates the advantages of your products and services. If you expect to reuse the display, you may want to invest enough in the production to ensure that it can be dismantled and transported easily. Media presentations, such as a television monitor that displays images or videos of your firm's projects, can be especially attractive to visitors.

It is also essential to plan who will staff the booth while the owners and

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Ideas for Profitable Growth

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Your Marketing Strategy: What Women Want

Since construction tends to be a male-dominated industry, it can be easy for builders to overlook the fact that, when it comes to buying or renovating a home, women may make as many of the purchasing decisions as men. According to a poll conducted by Harris Interactive, women control 80% of every consumer dollar spent in the United States. By recognizing the buying power of women and catering to their preferences in your marketing strategies, your company may be able to gain a competitive edge in the current marketplace.

While it is important to avoid stereotyping, when house hunting, men tend to be more interested in technical details, such as square footage and building materials, while women may be more interested in the overall appearance of a new home. Rather than focusing on the product alone, companies marketing to women may have greater success by selling what it's like to live in the home, rather than the home itself. Consult magazines and websites aimed at women to get an idea of what they tend to look for in a new or renovated home. Strive to present attractively furnished and landscaped photographs and drawings of your homes that evoke the feeling of living there, while still providing important technical information.

Generally, women tend to be concerned with the features of certain rooms, especially the kitchen and the bathrooms, and prefer to be offered a choice of countertops, flooring, and fixtures. You may find that women tend to look more closely than men do at bedroom closets, linen closets, laundry rooms, mud rooms, and other storage areas in the home. Frequently, women also seek a casual dining area in the kitchen and a formal dining room for guests.

In addition to making many of the decisions about which house to buy or how to improve their current home, women are also frequently responsible

for paying the household bills. Because they are aware of the cost of electricity and gas, the energy-efficient and green features of a home can be very attractive to women. Many mothers, in particular, are increasingly concerned about the air quality of the home and may ask questions about the health effects of chemicals in the building materials. In your marketing materials, be sure to emphasize any energy-saving or environmentally-friendly features or options your company offers, along with the overall quality and durability of the materials used.

You may also find that women ask detailed questions about the home they are buying and may spend extra time selecting the features. Many builders have female customer service representatives who can take women clients through the process at their own pace. Clients will appreciate having access to a customer service contact who is prepared to answer questions by phone or online. Posting pictures of representatives on the website and on marketing materials can help foster a more personalized relationship with the client.

A growing number of homebuyers use the Internet to research home options. Women, in particular, are likely to browse real estate websites to examine floor plans and other features of the home. Companies are increasingly offering virtual tours of furnished homes, which include videos and photographs that "invite" the visitor into the home.

While marketing surveys can provide valuable information about women's purchasing preferences, your firm may want to conduct informal research, asking women to provide feedback on your company's website, marketing materials, and products and services. Consider asking female clients to fill out a questionnaire that can help your company better identify and accommodate their preferences. As the power of women consumers grows, the need for "a woman's touch" has never been more essential in creating an effective marketing strategy.

The Benefits of Xeriscaping

The combination of unusually hot weather across many parts of the country and rising concerns about the environment have awakened interest in finding ways to reduce water usage. Homeowners with wide expanses of lawn and flowering plants in their yards are also seeing their water bills surge to near-record levels, along with the mercury in the thermometer. In areas where droughts have been especially severe, homeowners may have witnessed their grass and gardens wither and die due to restrictions on outdoor watering. As these conditions show no sign of abating, many builders are encouraging homebuyers to landscape their yards with drought-resistant plants.

“Xeriscaping,” a term derived from “xeros,” the Greek word for *dry*, first became popular in the most arid parts of the country, such as Arizona, Nevada, and Southern California. The concept involves landscaping outdoor spaces using native plants that are naturally adapted to the local environment and can thrive on the average precipitation in the area, with minimal supplemental watering. These are the plants that can be seen growing wild in the fields and hillsides of the region.

In desert areas, “xeric” plants include not only cacti and pampas grasses, but also more colorful plants, such as bougainvillea and oleander. In less arid places, the choice of xeric plants can be greater and may include a wider variety of hearty perennials and trees. In addition to needing less water than many traditional garden plants, most drought-resistant plants thrive in lower-quality soil and require minimal fertilizing, pruning, or other forms of maintenance. Thus, xeriscaping can be especially attractive to homebuyers who do not enjoy mowing the lawn or gardening, or who travel frequently and do not have time to care for a yard regularly.

Because little or no fertilizers, pesticides, or other chemicals are needed to combat weeds and insects

or to enable the indigenous plants to grow, xeriscaped yards can provide a healthier, more natural environment. The elimination of lawnmowers or similar gas-powered machines can minimize air pollution and reduce noise. Owners of xeriscaped gardens have also reported that native wildlife are drawn to these natural habitats.

In some cases, homeowners have conserved water by decorating their front yards with drought-resistant plants, rocks, and gravel, while maintaining a limited amount of lawn and shade trees in the back. Ideally, the area of the yard devoted to turf should be minimal, as grass needs a substantial amount of water to stay green and fresh. When possible, lawns may be planted with newly formulated drought-resistant grass seed blends.

Even if mainly indigenous plants are selected for a yard, some supplemental water may be needed during dry periods. Especially in hotter climates, sprinkler systems may be inefficient, as much of the water evaporates before reaching the plant roots. Instead of relying on sprinklers, xeriscaped yards frequently rely on drip irrigation systems, which typically consist of a series of tubes buried underground with holes that open only where water is needed. Because the water is released directly into the soil at the roots of the plants, water wastage is minimal.

Xeriscaping often creates new possibilities for experimenting with innovative alternatives to conventional landscaping, many of which are based on the milder and wetter English climate and may not be suited to many parts of North America. Carefully selected indigenous plants, along with gravel and rocks native to the area, can be combined to create an eye-catching garden that will be especially appealing to homebuyers who are interested in saving money, while spending their Sunday afternoons relaxing, rather than mowing the lawn.

construction trend data

Driven by declines in both residential and non-building construction, new construction starts for June were down 3% from May. For the first six months of 2010, total construction starts amounted to \$199.6 billion, down 4% compared to 2009.

In June, the relative surge in nonresidential building was largely attributable to health care facilities (+59%) and amusement-related construction (+85%). Meanwhile, nonbuilding construction receded, especially in electric utility construction (-64%) and river/harbor development (-27%). However, gains were seen in highway and bridge construction (+3%) and water supply systems (+34%). Residential building decreased, with single-family housing falling 1% and multifamily housing down 24%.

“The improvement shown by single family housing over the past year has stalled, at least for the present,” said Robert A. Murray, vice president

of economic affairs for McGraw-Hill Construction. “With regard to nonbuilding construction, the dollar amount of new electric utility projects has retreated, and it appears that the lift provided to transportation public works from the stimulus funding is leveling off.”

Total new construction starts by region for the first six months of 2010 were as follows: Northeast, up 5%; South Central, up 2%; South Atlantic, down 6%; West, down 8%; and Midwest, down 8%.

Year-to-Date Construction Contract Value Unadjusted Totals, In Millions

	6 Mos. 2010	6 Mos. 2009	% Change
Nonresidential Building	\$72,408	\$84,996	-15
Residential Building	63,374	51,585	+23
Nonbuilding Construction	<u>63,831</u>	<u>70,586</u>	-10
Total Construction	\$199,613	\$207,167	-4

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managers are attending seminars or meetings. A knowledgeable employee with an understanding of your company’s goals and with strong interpersonal skills can be selected to talk to attendees and distribute novelty items that remind visitors of your brand. Ask this employee to also collect business cards or, when possible, scan the bar codes on the tags of attendees. At the end of the show, a list may be produced with the names and contact information of each attendee who expressed an interest in your company.

Keep in mind that, while exhibiting at a trade show may not generate instant sales, your company’s presence at a number of trade shows can build your firm’s brand profile and expand networking opportunities over time. Attending trade shows



can also allow you to interact more directly with suppliers and potential partners and get a better feel for the marketplace.