



IAQ RADIO+

Show Number: 730 Blog

Mark Springer, CEPA, CR

The Life and Times of Mark Springer; Restorations Renaissance Man

Good day and welcome to the IAQ Radio+ episode 730 blog. This week we welcomed Mark Springer to talk about his life and times as a restoration “Renaissance Man”. Mark is moving into the next phase of his life after selling his business and discussed his thoughts and feelings on the restoration industry and where the Renaissance Man goes from here.

Mark Springer is a highly regarded and experienced President/CEO skilled in successfully expanding a multi-location residential and commercial services company across a broad geographical region. He grew his company from 1 to 7 profitable locations through several acquisitions and greenfield growth. He led the acquisition of the company by private equity in 2020, positioning it as the platform company for FLEET Response, which surged from \$20mm to over \$150mm in less than 18 months. Mark has been a central force in driving greater cohesion and collaboration across this challenging industry.

Nuggets mined from today’s episode:

How old are you? 45 years old, feeling blessed to be in midlife and looking forward to the opportunities and journey ahead.

Why and how did you enter the disaster restoration field? Mark’s parents decided to home school Mark and his 4 younger siblings. Mark’s parents started their home-based family water damage restoration business in 1989; when Mark was age 11. The business was run out of the basement office and 1 stall of a 3-car garage. Mark worked in the business, whether he liked it or not. Mark was the first kid in his high school to carry a cell phone so he could be summoned to help with work. Work negatively impacted his social life, causing Mark to wish the business and the restoration industry didn’t exist. To Mark it was just a job.

By age 15, he was leading crews, something that the older workers resented. He learned all of the facets of the business. During his later years of high school, Mark began to recognize the importance of professional drying services. He viewed mold hysteria and the “mold is gold” mentality as an opportunity to market prevention.

He looked forward to a career practicing law and had the opportunity to work an internship in a DC beltway-based law firm. While in DC, he realized that lawyering had limited earning potential based solely on the number of hours worked, he wanted to be an entrepreneur.

Mark returned home to the mountain city of Missoula, MT population 50K and a business that was grossing under \$100K. Mark told his father that the business needed a business plan and a marketing plan; his father told him to go for it!

Mark developed credibility with workers, as he grew from running 1 crew to leading a team of over 300.

What role did the preexisting "economic engine" play in your success? There really was no economic engine. Mark commented that on paper he was worth less the day after he bought into the business than he was worth the day before. Mark describes his father as a good man who earned a great reputation in their community. From his high school days onward, Mark attributes his work ethic to his father.

Was there competition? Yes, tons of competition. Timing and location is everything. Mark aggressively pursued the end-user through aggressive media (e.g. TV, billboard) advertising. He ran a 5-part TV commercial series where he flooded his home and restored it, followed by a 15-part series in which he set the home on fire and then restored it. With a chuckle, he commented on how hard it was to obtain legal permission to set fire to his home. Mark still has the Dri-Eaz Agent and Adjuster marketing program (35mm slides).

During your tenure as an owner, did you find the restoration business a series of increasingly higher plateaus of complexity? Mark remembered his father’s answer to the question of what the growth potential of the business is, large enough to support a couple of families.

\$1M, \$3M, \$10M were all plateaus. Mark credited business consultants Phil and David Rosebrook for helping him climb over the plateaus (2003) and business consultant Tim Miller for assisting him to change marketing strategy and tactics (2013). According to Mark, all business mistakes fall on the owner and the lessons learned help make them become a better man.

Tips on hiring a business consultant? Many restorers are good operators comfortable with the technical aspects of the business and struggle with finance or HR. Identify your weaknesses and hire consultants who will assist in those areas.

HR is not rules against running in the hall, HR is about attracting and retaining quality staff.

What is it about second generation restorers and you in particular that propelled your businesses vastly beyond the trail blazed by the first-generation business? Mark has many friendships with 2nd generation restorers who also have exponentially grown their family business. Commonalities include: parents setting a great example and being beneficiaries of their heritage. Other contributing factors are: opportunity to stand on the shoulders of industry pioneers and the maturation of restoration into a respected industry.

The biggest personal or business hurdles? Mark shared the family tragedy of losing a younger brother in a climbing accident. Mark told the tale of an electrical short from a waterbed causing \$350K to a home, and the agony of waiting to learn if their insurer would cover the loss. These were tests of faith and resolve.

Did you ever experience burnout? During his term as President of RIA, Mark had to deal with changing management firms and making tough decisions due to Covid. Quitting was never an option. Mark acknowledged the RIA volunteer team and staff who supported him.

He appreciates friends who will be honest. What matters is your family and the people in whom you've invested and who have invested in you. These are the people who can stop you from "navel gazing".

Understanding that neither your wealth nor your awards will pass on with you.

After substantial investment of time and money did you find yourself increasingly becoming risk adverse? Mark is comfortable with risk and averse to debt. He evaluates risk differently and requires more information now.

Why did you decide to sell the business? Jan. 1, 2021 was the predetermined exit date for buying out a partner and Mark would need to borrow money to do that. Mark was receiving 3-6 calls per week from potential buyers who were interested in buying the business. Significant industry consolidation was occurring and Mark thought it would be better to get involved early while he had the opportunity to shape the transaction.

When you sold the business were you the sole owner, or did you have a partner(s). At the time of the sale there were 4 partners. Mark was the majority shareholder, the former owner of an acquired business, the CFO and Mark's father.

Did you hire a business broker or other professional to market and sell your business? If so, how did you select them? Mark used the services of Alexander Hutton a Seattle investment banker. Had he not been President of RIA, he feels that he and his CFO who had prior investment merger & acquisition experience could have handled it internally. As interest rates were low; Mark received 13 offers. Mark's CFO was concerned about Mark being President of RIA at that time. While the CFO promised to be supportive, he was worried that something big like the ThemaPure litigation would happen on Mark's watch.

Do you believe that success in the restoration industry automatically transfers to your new profession? A friend of Mark's who is an executive in a global business told him that 95% of business skills are transferable; Mark feels that percentage is too high. Leadership, Back end of the business, Risk, and Operational Workflows are transferable.

Mark is committed to lifelong learning and avoidance of arrogance and hubris.

What did you learn from the sales process of your business that will help you help others? Eventually every business owner will exit. An exist ready business is a valuable business. Think of a business as a stool with 3 leg that must be balanced: the business leg, the personal leg and the financial leg. 75% of people who sell a business experience profound regret after the sale; because of dissatisfaction with 1 or more of the legs after the sale.

Looking at the restoration industry in the rear-view mirror: What was your greatest accomplishment? Integrity, going to bed each night with a clean conscience. Treating people with dignity. Paying taxes. Paying debts. Providing the services promised. Personal conviction; not accepting Federal Government PPP money to subsidize the business. Uncompromising.

What is your greatest regret? That the change of the RIA membership model wasn't done much sooner.

ROUNDUP

Whatley, Advancer of the interests of all parties that operate within the restoration ecosystem.

- Mark offered great insight.
- Mark had a romanticized career. People want to be more like Mark when they grow up.
- Mark is a stately statesman.
- Mark is the most well-spoken person of his generation.
- Mark is still learning.
- Restoration has become more complex.
- We will never achieve mastery.

Pete Consigli, Restoration Industry Global Watchdog

- The Dri-Eaz agent/adjuster marketing program took 1 year to develop. Dri-Eaz won a Baldrige Award and wanted to help the industry scale.
- Pete oversaw the development of the program.
- Pete intentionally flooded his home which acted as the set for flooded home photos.
- When waterbeds first came out the quality was so poor and failures so frequent, waterbeds were uninsurable.
- Plateauing was the subject of an RIA management seminar taught by Marty King. –
- Tim Miller labeled Mark Springer “the ideal client”.
- Every President of a nonprofit receives the credit for the work finished on his term that was begun by his predecessors and doesn’t receive credit for work started on his watch which will be completed on the watches of his successors.
- At an RIA Convention, Jackie Carpenter, Andy Goldberg, and Justin Woodard comprised a panel to discuss succession.
- The CR Body of Knowledge was completed on Mark’s watch.
- To paraphrase Butch Carpenter message to his daughter: just because you are my daughter you aren’t getting a deal; you need to pay for the blood, sweat and tears.
- Cliff Bar story- on the way to the closing on the sale of his business the owner of Cliff Bar had second thoughts, decided he wasn’t ready to sell and at the closing called off the sale.
- Hubris caused the fall of the Roman Empire
- According to Butch Carpenter: the 2 biggest costs to a business are: finding customers and finding employees.
- Butch Carpenter’s philosophies: Take care of the customer, hire people who will deliver the promise, the owner is always the last person to be paid.

Mark Springer's final comments:

- As a kid he was a dork, who preferred reading C&R Magazine over Sports Illustrated.
- Shout out to Gary Loiben, who taught his FSRT course at LPM
- The importance and value of education.
- RIA--Education, Advocacy, Elevate the Industry
- Appreciation of the opportunity to tell his story.

Z-Man signing off

TRIVIA

What is a polymath?

Answer: An individual whose knowledge spans a substantial number of subjects.

Answered by: Don Weekes, Ottawa, Ontario Canada