



IAQ RADIO+

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Thomas McGuire

Large Loss Mastery

Good day, and welcome to the IAQ Radio+ episode 753 blog. Large losses can make or break companies. This week, we welcomed Tom McGuire of Large Loss Mastery for an interview on major disaster restoration projects.

Tom McGuire is the founder and owner of Large Loss Mastery—The Solutions Company, LLC. He is a Trainer, Teacher, Mentor, and Learner. Tom is a 39-year Large Loss and Disaster Recovery veteran specializing in structural damage restoration/decontamination, ambient control/stabilization, and vital document recovery. He has worked around the US and internationally in Kuwait City, Singapore, and Costa Rica.



Nuggets mined from today's episode:

Please tell our audience a little about your background and what got you into teaching Large Loss Mastery. While living in Nevada in 1986 and attending college in Las Vegas, Tom earned good money working summers doing asbestos abatement, which transitioned to working for a Minneapolis-based firm (M.F. BANK), which had diversified from asbestos abatement into fire and water damage restoration. His first restoration job was in Dallas, Texas, a fire job, where he learned, the hard way, about the chem sponge and other cleaning methods for cleaning fire-damaged facilities.

M.F. Bank was a salvor and restoration company focusing on commercial Large Loss. At that time, few national players were handling commercial Large Loss, so the talent level was high early on. Tom feels blessed to have worked with so many talented people at the beginning and throughout his career, many of whom are still involved in the restoration industry in one way or another.

In 1986, clients and insurance carriers often treated restoration firms handling significant losses successfully as heroes, even to the point when hand-delivering the final invoice for a project to the insurance carrier, they would often walk out of the office with a check. "The hero phase of restoration"

In 1993 M.F. Bank-The Restoration Company was awarded the restoration project following the World Trade Center explosion and fire, one of the largest fire restoration projects ever completed (8.8 million square feet completed in 16 days). Tom was one of the (11) senior managers on that project, along with over 180 crew supervisors who managed 4,000 workers per day during the 16-day recovery process.

In 1994, Mickey Lee (a well-known and respected authority in drying) hired Tom to work for Munters MCS, based out of Amesbury, MA and headquartered in Stockholm, Sweeden. At Munters MCS, Tom moved to Florida to become the Orlando District Manager for MCS and, later, the National Disaster and Large Loss Manager. While at Munters MCS, Tom learned the importance and value of expert training, building drying science, and complex project management. Tom has plugged components of what he learned at Munters into The Large Loss Training Program, which he created in 2016.

What is the hardest lesson that you've learned on a Large Loss? A University in Palo Alto, California, suffered water damage from flash flooding to 58 buildings on their campus. Tom set a goal to have all 58 buildings ready for drying in 48 hours. While his team accomplished his goal, he was notified that the university's chancellor wanted to see him. The chancellor was upset that the lawns were torn up and forklifts damaged a sidewalk. Tom's lesson learned was that through the customer's eyes, they were making the loss worse by making the campus look worse and that better communication at the beginning of the project was needed to guide the client through the restoration process. Setting clear expectations of how the project would look throughout the facility's recovery is vital. "It is very important to take the client on a journey of what the job will look like today, tomorrow, and when we are done." The restorer must be the "light at the end of the tunnel".

What basic foundational experience is needed to run Large Losses? Learning by doing, on the job, is the best teacher. Good communication skills, detailed documentation, accurately tracking production, and following the scope of work.

Typically, a Type A personality who asks listens, and provides, who is always asking what more we can do for the client.

Are you an advocate for chasing Large Losses? Personally, Tom was never a Large Loss chaser, mainly Large Loss operations. However, Tom commented that restoration companies that want to chase large losses must "hire hustle" motivated Large Loss salespeople who hustle and wake up every day wanting to sell something.

How would you advise those who aspire to successfully run Large Losses to obtain the needed experience and confidence? Commercial Large Losses are fun but challenging. Sometimes, the more complex, the better, and it's common to get hooked and seek more Commercial Large Losses upon getting your first taste of Large Loss action. The main difference between large and small losses is resources. Restorers must ask themselves: 1. Do I have the finances to do the work? 2. Do I have the knowledge to do the work? 3. Do I have the equipment to do the work? 4. Do I have the personnel to do the work? If you don't have all of the resources and you are looking to break into the Large Loss segment, consider becoming an emergency responder for national players who seek to expand their footprint into your area. Strategic alliances can bring smaller companies into the mix as subcontractors and into catastrophe event zones and CAT projects.

Professionalism is the key; always give the impression that you've done this before. This is not your first rodeo, and, at times, you might have to use smoke and mirrors while you are scrambling behind the scenes to keep everything on target, but don't panic or "freak out." That's the client's job.

What's more important, Certifications or Experience, and why? Certificates are a foundation, a starting point standard for restorers. The most important question to ask is, do you know what you are doing? Have you been there and done it? Experience trumps a certificate most of the time, but both are needed to be successful. When onboarding new technicians, supervisors, and project managers, having your certifications and/or getting your team certified is essential. Still, most employers hire you because of your experience, not your certifications. I guess you have to ask the following question: Does a certification give you experience?

What are the similarities and differences between estimating and project managing a Large Fire Loss and a Large Water Loss? What about wildfires? Methodologies are different for water and fire losses, but they are both losses, nonetheless, with more similarities than not. Priority number one is the client or homeowner. It is our job as restorers to keep the business open and the homeowners in their homes. Water losses tend to be more fun and equipment intensive with less labor needs. Fire losses are more labor intensive and can be messy and miserable due to smoke odors, irritants, and structural damage. On all labor-intensive losses, like fires, the daily labor production of the recovery crew is vital to the project's success and must be managed daily. Meanwhile, water losses require less labor and are guided by drying standards that determine the success of the project. Restorers need to pay close attention to equipment needs and usage as too much equipment on the job can be a budget blower. Fires result in dramatic before and after improvement and sometimes pose more challenges and complexities. Regarding wildfires where the fire is outside the building, the building's penetrations and HVAC system draw smoke in and circulate it throughout the building, creating light soot/smoke damage to the interior surfaces. Because the wildfire typically occurs outside the building, the resulting damage tends to be easier to clean up than typical structure fires, kitchen, and electronic fires.

Accelerate versus Celebrate? Tom advises that when you are having a good year, accelerate your business and put the pedal to the metal; there will be time and opportunity to celebrate later when the wave of work is over or slows down.

It seems inevitable that restoration road warriors will experience burnout. How have you successfully managed burnout? Being a road warrior isn't for everyone, as it is tough on family and personal relationships. Tom liked being on the road, meeting new people, having new experiences and challenges, and going to new places. During some heavy catastrophe years, Tom was on the road 280+ days a year, whereas Tom equated being a road warrior akin to being a carny- You show up and set up a tent with an elephant, and then days later, you are gone, off to the next city.

What is unique about your Edge estimating software? Is it geared primarily for water losses, or can it be used on complex fire losses? The software is a production-based estimating tool that utilizes labor production rates from projects dating back to the late 1990s and originating with a mentor and friend, Brad Key. The software is adaptable to different facility types, types of damage, the severity of the damage, and building complexities, providing a starting point for the expected production rate for each facility. Every facility has an expected production rate associated with it, and it will be different for each damage scenario, depending on the build-out, construction, and severity of the damage. Tom also mentioned that THE EDGE v3 estimating software is a companion tool for other software systems like Xactimate, especially in catastrophe situations where many jobs must be estimated quickly. Many restorers use THE EDGE v3 on the front end of the project to create the project budget and/or ROM costs; then, as time permits, they create their Xactimate estimate if needed. Many restorers, who are not under contract to use Xactimate use THE EDGE v3 to create the estimate, scope of work, and contract. A good damage assessment is the key to the success of any project; once the damage assessment is complete, the restorer will enter the necessary information into THE EDGE v3 and create an estimate in less than an hour.

Round Up-

Pete Consigli- Disaster Restoration Industry Global Watchdog & Historian

- This episode is a walk down memory lane.
- Martin King and Lee Pemberton were both dry cleaners before their involvement in restoration.
- Reminisced about an early disaster restoration event that was attended by Gene Mateson (founder of Mateson Chemical and inventor of the Bad Air Sponge, Soot Set, etc.) and staff from BMS Cat who wore beepers which sounded during the meeting and who were conspicuously absent the next day.
- Pete listed people he knew from Munters (Mickey Lee, Brad Key, etc.)
- Pete is an advocate for T&M billing.
- Pete guest lectured at Purdue University on methods of estimating used in the restoration industry. Cradle to Grave, in which the estimator remains closely involved with the project until it is completed. Estimate in which, after estimating the project is turned over to production.
- M.F. Bank—The Restoration Company and BMS Cat were training grounds for competitors who hired talent elsewhere.
- Is an advocate for Cradle to Grave, project sales, and management so everyone knows who is responsible. When estimating and project management are separated, when something goes wrong, they blame each other.
- Pete's first published article was titled "Lead Tech, the Heart and Soul of a Restoration Company

<u>Tom McGuire-</u>

- Doing large losses right is an art. Documentation is a key component to getting paid. Poorly documenting an excellent project is costly and can become "disaster after disaster."
- Different clients have different concerns. Hotels are concerned about "heads and beds." Hospitals are also worried about "heads and beds." Still, they have

additional issues such as infection control and cross-contamination; who are these people working in their building, and what are the workers' qualifications? Do they know what they are doing?

- The ROM of "Rough Order of Magnitude" is used as the initial job billable cost, the budget/estimate process and provides a budget range.
- When COVID-19 threatened his newly started business, he rescheduled most of the live in-person training courses to Florida, obtained face masks and hand sanitizer, and was open for business, keeping the momentum going for the upcoming year.
- Project Director (PD) is a relatively new title for someone who estimates, is a project manager, and project coordinator.
- Working on the World Trade Center project was an awesome, patriotic, mission-oriented experience.
- The art of estimating relies upon the human factor.
- Is an advocate for Cradle to Grave, sales and project management
- Legacy: Tom wants to leave an impression on the industry.

Z-Man Signing Off

Trivia: Who developed the theory of Type A / Type B Personality, and to what did they credit their insight,

Answer: Cardiologists Meter Friedman and Ray Rosenman credit their insight to an upholsterer who called to their attention the peculiar fact that the chairs in their waiting rooms were worn out on the arms and the front edge of the seat. This suggested to Friedman and Rosenman that their patients were frequently getting up from the chairs and waiting anxiously.