

Transcript

Krystal Hobbs 0:04

Welcome to Beyond the Tools, the podcast that helps contractors attract more leads, grow their business and finally get off the tools. In each episode, you'll discover marketing tactics that work. You'll get actionable insights from other successful contractors, and connect with experts to help you grow. I'm your host Krystal Hobbs, owner of a social media agency that helps contractors attract and convert more leads. Get ready to take your business to the next level so you can finally enjoy the fruits of your hard labour. Ready, let's go.

Welcome back to Beyond the Tools. I had a brief hiatus there but now I'm back with some fantastic interviews from some of the biggest heavyweights in the residential construction industry. Today's guest is no stranger if you're in the Canadian home building industry. Bob Deeks is the president of RDC Fine Homes in Whistler, British Columbia in Canada. He founded the company in 1993. Since then they've seen some exponential growth. RDC Fine Homes is a multi-award winner. There are Homes Approved Homes builder, and Bob himself is very involved in the industry. He's the past president of CHPA BC and is now heavily involved at a national level with the Canadian Home Builders Association. And that's how I first got connected with Bob. Bob knows this industry inside and out. Also, he shares some really incredible insights that will really apply to anybody who's in the residential construction industry. So in this interview, we talk about the future of the sustainable building, and how Bob and his team keep innovating and staying ahead of the curve. We also talk about how RDC Fine Homes attract and retain players in the business and given the labor shortage. This is something that everybody needs to hear. And lastly, we also talk about the risk of relying on referrals, especially when it comes to retaining those employees. So Bob shares what he does instead to continuously attract new customers to his business. So without further ado, here's Bob Deeks. Hi, Bob, thanks so much for being on the show.

Bob Deeks 2:39

Oh, you're very welcome, Crystal. Thanks for having me.

Krystal Hobbs 2:41

So I know I've heard your name a lot in the Canadian Home Builders' Association in the residential construction space over the years. So I knew this episode was going to be a

lot of fun for our listeners. So, Bob, I know you started working in this industry or on your own in 1993. And we were just talking about how this industry can be a little slow to change at times. What do you consider to be the most significant change you've witnessed in your time in this industry?

Bob Deeks 3:18

I have to say that the most dramatic change has occurred in the last six years, particularly in British Columbia, where the provinces adopted the BC energy step code, which is requiring the industry to build more energy-efficient houses. And we see the national code following suit with its stepped approach to energy efficiency, in a somewhat similar manner. You know, up until 2010, you could look at how we built houses. We were essentially building houses in the same manner that we had for the previous 40 years. And, in the last five years, the industry in British Columbia, as in other parts of the United States and Canada, has undergone significant change. You know, how they build houses to be more energy efficient?

Krystal Hobbs 4:02

Yeah, and we've had in previous episodes, for example, I just interviewed Curtis Mercer from KMP contracting about energy efficiency and how important it is, but also that it's not always something that customers are looking for. So, what did you discover about selling energy efficiency?

Bob Deeks 4:25

That's an excellent point. Because it can be difficult for people to understand the significance of an energy-efficient home, they understand that it will save them money on their energy bills. However, in Canada, particularly in the majority of provinces, energy is relatively inexpensive. And sometimes people's real savings don't add up to a sense of great value. I learned a long time ago to sell the side but to some extent or the side benefits of building a more thermally efficient house. As a result, we really understand that when we build a thermally efficient house, we need to make sure that we have a balanced ventilation system because we need to maintain and control the humidity within the house. So, what effect does that have on people? It cleans the air inside the house, so it doesn't smell like an unpleasant smell that comes from living in an enclosed space; we get rid of all of those. At the same time, we exchange that energy and that conditioned air as it exits the building in order to precondition the air that comes in. So we get some thermal performance out of that, but some people call it a fresh air delivery system, whereas no one in the industry calls it a heat recovery ventilator or an energy recovery ventilator. When we build well-insulated airtight

buildings, we create an opportunity where we lose that stratification of air within the building that changes the temperature. As a result, the temperature on the bottom floor can be the same as it is on the top floor. Then, when we model houses, we can ensure that the heating system is properly sized for the individual rooms as well as the heat loss calculation of the house. I've heard heating contractors identify their strategy for sizing heating equipment as either based on square footage, that is, if you have a 2200 square foot house, you get a furnace this big, if you have a 3500 square foot house, you get a big heating system, which has no relation to the volume of the house, how high the ceilings are, the orientation of the windows, or how big the individual rooms might be. So, when we look to design and build an energy-efficient house, we're going to get better indoor air quality, the right size mechanical room, better thermal comfort, and we're going to put in really good windows. And my analogy is that if you're in St. John's in the middle of winter and there's a gale coming off the ocean, that's minus 20 outside, and you sit with your back to the window, chances are you'll feel a draft or a chill, but it's just the inside surface of that glass is going to be so cold, that it actually sucks the heat off. It also gives the impression that a draft is present. We spend a little more money and get a really good triple-glazed window, and suddenly the inside surface of that glass is a lot warmer, and you don't feel a chill when you sit up against it. As a result, those features of improved comfort, improved indoor air quality, and a more durable home are really selling. That is what attracts people to high-performance homes. The icing on the cake is that their energy bills are now slightly lower. We discussed the analogy with luxury automobiles and how people don't think twice about purchasing a luxury automobile that loses value the moment it's driven off the lot. Furthermore, there is no return on investment when purchasing a luxury vehicle. So, why would you use that metric when you have other options to achieve that level of performance?

Krystal Hobbs 8:12

So, do you find that you have to have a lot of those conversations and educate your customers? Or are the majority of the people who come to you already convinced of that concept?

Bob Deeks 8:27

We get a mix. Our brand is very focused on sustainable, energy-efficient, high-performance housing. And so we certainly have people approach us who are very knowledgeable about this, whether they're looking for NetZero or Passive House, they've done their research, and they understand some of the benefits. However, we also receive people who come to us based on the brand promise of customer service

and high-quality work, but who do not understand the benefits of high performance in any way. As a result, I'll go over why we would recommend certain things. Of course, that market niche is quickly disappearing as the province imposes stricter energy requirements through the BC energy step code. So explaining to people why you need an airtight house or triple pane windows is no longer my responsibility because when we model the house and know we have to meet in many places now on the quarter that we build in, we're being driven to step four of the BC energy step code, which for a lot of our projects is actually net-zero ready. But there is no pushback from clients; it's as if these are the most cost-effective solutions we can offer you in order for you to meet the newly codified energy standard.

Krystal Hobbs 9:48

Without a doubt. And I know we were talking about sustainable building a little bit. What do you think the future of green building will be?

Bob Deeks 10:01

Yes, that is an excellent question. As many people are aware, the Canadian government has set a goal of becoming carbon-neutral by 2050. And, as you may be aware, there is a great deal of emphasis right now on reducing carbon emissions through energy efficiency, but what we're really starting to realize is that the construction of houses generates a significant amount of carbon. So, what we really need to focus on is how to select materials for the construction process that are low in embodied carbon, or the number of carbon emissions that were used to fabricate that material before it was delivered to the site. So concrete and steel have very high embodied carbon, so wood locks in that carbon for the life cycle of that piece of wood, and can actually be used to offset the embodied carbon and other materials, whether it's steel, concrete, foam, with plastic for insulation, vinyl, windows, and all that sort of thing. And for us, it's all about looking at the materials we're using right now. And what are the alternative materials that we could consider that would help to reduce that embodied carbon in the buildings that we build, because the future is going to be, we're always going to have this focus on energy efficiency so that we can reduce the emissions from the buildings that we build. However, there will be a shift at the government level. And there will be regulation, whether it's a carbon budget, a carbon metric, or a carbon intensity metric. I believe that the industry must begin to recognize that this is the next evolution. And this will be codified in some way or another. So my advice to the industry is to start understanding this and thinking about how you might do things differently in

the future so that you're ready as regulations are rolled out because it's coming and there's no way around it.

Krystal Hobbs 12:06

Yes, that is correct. And it's pretty clear that you've stayed ahead of the curve at every stage of your business. How have you managed to keep innovating? And how do you keep up with everything that's going on?

Bob Deeks 12:28

That's an excellent question. So, when I first joined the homebuilders, I believe it was around 2003, there was a group of my colleagues locally here who were launching our home building chapter, and everyone was doing it. So I figured, if everyone else is doing it, I should as well. And understanding where I build is perhaps not so dissimilar to understanding where the builders on the rock are. We were entirely building at the time, and we had a small community that was really quite remote from the hub of residential construction in Canada. And because we were so isolated, it was difficult to learn new things. Then, when I joined the homebuilders, I quickly discovered that there was this wealth of information on housing, technology, building science, and everything else that would help me build a better house. And back then, when I was just starting my business, I was acutely aware of the importance of establishing our own market niche. I realized fairly quickly that competing on price was not a good way to build a business; instead, we needed to build a business model based on a better-built or better-renovated home. As a result, the Home Builders genuinely created this learning opportunity. And some of it was due to my natural sense of what was right. We began hand demolishing buildings very early on because I saw buildings being demolished that had a lot of good materials in them. And I couldn't figure out why we were dumping it in a landfill. So we started small, mobilizing buildings early on, and then expanded, thanks in part to the education I was receiving from my colleagues at CHPA. And, partly out of curiosity, we began to consider what we could do to set ourselves apart from the competition. Then, as a member of the homebuilders, the homebuilders open up a plethora of opportunities for you to take advantage of, if you're willing to put in the time. So I became president of my local chapter, which led to an opportunity to join the executive board of the provincial association, which led to opportunities to join the National Association through the committees. And every time I agreed to go and volunteer in these places. All of a sudden, I realized that some of my time, the education I was receiving as a result of those volunteer efforts, was exponential to the time I had given up, and so I've agreed to do a lot of things, and people sometimes wonder why I

spend so much time volunteering. If I hadn't had those opportunities, my business would not be what it is today. I was the provincial head of the technical research committee, the national head of the technical research committee, sat on national code development, and I've been at the table provincially to develop all kinds of new initiatives and codes, from seismic codes to the very first meeting for the BC energy step code. As a result, my company has remained at the forefront of all of these things, because I am always on the lookout for new opportunities. And so, a message to anyone listening to the podcast is that when there is an opportunity to join a professional association, it may be difficult to see what the upfront benefit could be in the short term, but there will be enormous benefits offered if you simply choose to take advantage of them. And any time you spend volunteering for your industry will pay you back in spades as a result of the learning experiences you gain from serving on those committees and councils. And just the interaction you get from meeting your peers from across the country, so that people in Whistler British Columbia, for us in Whistler, British Columbia, we easily get an opportunity to know, what are the struggles? And what are the lessons learned from St. John's, and what are the guys in Ontario doing, other than simply making us better builders? As a result, RDC's evolution was greatly aided. Because it introduced me to the bill green standard, the first labeling standard with which we worked. And the idea was that I could have a third party come in and actually measure what we did. So I'm not just going to tell you what I'm going to give you; I'm also going to tell you what we're going to build for you. Then I'm going to bring in a third party to confirm that we did what we said we were going to do. And that was critical not only for my customers, but also for my staff, because you're out there doing a bunch of things and never really know if they're working or not. But once you have that third-party validation, your staff can take real pride in knowing that they are building a better house because I had our energy advisor, Capital Home Energy, come in and do a blower test and say, Great job, you guys, you got down under 1.5 air changes, or awesome job, you guys, you have a house that is built to an energy efficiency standard that is in the top two percentile of the entire country. So there's a lot of pride in ownership, not just for me as the business owner, but I started to notice that pride of ownership extended all the way down to the apprentice carpenters who were working on site. And I guess as a side benefit, most of our current employees seek us out because they want to work for a company that is at the forefront of modern residential construction. That's exactly what they want to learn. So, you know, we have an easy time attracting players because they see us as an A player and marketplace.

Krystal Hobbs 18:01

Yeah, that's an interesting point, because I know from many contractors in the industry that attracting and retaining people is a major challenge. And I know that in Whistler, in particular, there is a severe shortage because it is difficult to find a place to live. So, yeah, I guess my question is, what are some other ways you've attracted and kept some of your Sarab?

Bob Deeks 18:29

So one of the things that we've been very committed to and focused on is jobsite safety. I believe it was sometime in the mid-2000s that British Columbia adopted the certificate of recognition standard for workplace safety. It was also made available to them. It started on the road building side; they were the first to bring this to the table in order to help drive a more engaged safety culture within that industry. So, the core certification was made available to construction around 2006. And I was like, "Wait a minute, this is a fantastic opportunity." So I had one of my guys who was concerned about his safety. So we dispatched him to educate and certify him as a core guy. And RDC was the first small residential construction industry to achieve core certification. And it was interesting when he was in those first seminars because he believes they are aware of the first course, which is a three-day course he had to attend in Vancouver to learn everything about core certification. As a result, the instructor asked everyone in the room to simply tell everyone who they were and who they worked for. There are representatives from Q-CON PCL and all of the major construction companies in the province, and then my guy, whose name has slipped my mind, says, "Well, I work for RDC Fine Homes in Whistler, British Columbia, and we have 15 employees." The instructor then turned to him and asked, "What are you doing here?" It doesn't make sense; this is a standard designed for much larger corporations. And his response was, "Well, my employer really believes in better site safety standards." As a result, he wishes for us to be corps certified. And they were like, "Okay, feel your boots." As a result, we've spent a lot of time and effort developing a safety culture over the years. So we're trying to build a team that believes in safety, because they understand how important it is for everyone to leave work in the same condition that they arrived.

The employees who are already present do not follow safety because it is mandated; rather, they follow safety because they believe in it. So, interestingly, in the last 14 months, we have avoided any COVID infection, there has not been a single sub-trade that has picked up a COVID infection from any of our sites, and all of our staff has remained healthy. That, I believe, has been a huge accomplishment for us. Because

we've seen our colleagues and sub-trades repeatedly dragged down by COVID infections. This brings us back to our safety culture. There was no pushback when we mandated mask-wearing; you could visit any of our sites at any time, unannounced. And if two guys were in close contact, they had their masks on, and if you go to one of our sites today, you'll see a guy working in a corner by himself, and I guarantee you, he's got his mask on. As a result, there is a safety culture at work. So, to answer your question, we have people who seek us out as a place to work because they know it is a safe environment. And that they will never be put in danger, whether it's working at heights, COVID, or coring concrete; all of these things can have serious consequences for your short and long-term health, and they know we'll manage it as best we can. We've kept our core certification. Now, we spent a lot of money on it for over 14 years. But it helps us engage players and keep them, and I believe that creating that safe workplace is one of the most important things for us, and it really ties our stuff to us.

Krystal Hobbs 22:31

Yes, that's fantastic. And I hope that any builders or contracting companies who are listening are also emphasizing safety, because it is the fundamental level of care for your employees and ensuring that they feel protected and valued.

Bob Deeks 22:52

Absolutely. And everyone discusses the cost of safety. And one of the things we were just talking about was how, when people are working in a risky environment, if they feel safe, their ability to work confidently and quickly improves dramatically. So, while people may perceive a saving, it is necessary to cut corners on safety because safety is costly. What I don't think people realize is that putting someone in a dangerous situation reduces their ability to work effectively. So I'd just like to encourage everyone to think about my experience with that. And, as my staff has told me when I was a young carpenter, we were putting a roof on a house in November, and he showed up one morning after it had rained and then gotten really cold. And we were working at great heights, as we were constructing this house overlooking a ravine. So the front end of the house was about 60 feet above the ground, and while everything was nicely covered, there was no fall protection on that site. I'd never worn a harness before. And the message we received from the foreman. Because I don't want anyone to get killed on my website today. Right? So safety was a threat, and they needed to be cautious because it would be inconvenient for them if one of us was killed. And I remember walking around on these big glulam purlins that were covered in ice as we manhandled these two by 12 rafters into place. Everything was covered in ice on a slippery surface

and 60 feet above the ground. I'll never forget that, and I was 28 at the time. You now have a sense of invincibility. You've got a chip on your shoulder, and someone challenges you. Yes, I can do that. That's what I'm going to do. I'm not going to be killed today. Right? I'm a highly skilled, competent individual, I'm athletic, I'm not going to fall off, nobody has ever fallen off. But my memory of that is that I will never, ever put any of my belongings in a position like that again. And no matter how much work we did, we got almost nothing done that day because we were so sure we'd go up and do it. But I think inherently we were terrified. Nobody is going to admit it. Yeah. But that still exists in some places today, where young men are being placed in dangerous situations because, unfortunately, their employer does not understand, is unwilling to pay for, and is not prepared to run a safe job. So, and we see it all the time, unfortunately. So, everyone, work safe.

Krystal Hobbs 25:54

Sure, absolutely. So now for RDC Fine Homes, you've clearly distinguished yourself in the market as leaders in high-performance homes, and you've built out and attracted this incredible team? What methods have you used to attract customers?

Bob Deeks 26:17

So that's an interesting question. I believe that word of mouth is responsible for a large portion of our industry's success, which is fantastic. My vision for RDC ten years ago was to grow the company and build a company with long-term value. And I recognize that relying solely on word of mouth was extremely risky. We have anywhere from 35 to 50 employees, and it is my responsibility to ensure that everyone receives a paycheck; we are not the type of company that hires you for six months and then fires you. If you come to work for us, we are making a long-term commitment to you to provide that paycheck on a regular basis; we try very hard not to put people on temporary layoffs, but it does happen from time to time. As a result, I realized that we needed a steady stream of leads to ensure our employees' long-term employment. And, in fact, our current goal, which we have yet to achieve, is to have our schedule filled 24 months in advance; we're currently at about 12 months. So that's a great place for us to be because four or five years ago, we were lucky if we could see a full schedule for all of our stuff six months in advance. So, right now, I believe we could commit to our employees and say, "Look, we've got contracts in place that will keep everyone gainfully employed for a year." That's fantastic. So how do you overcome the fact that word-of-mouth is insufficient to generate a consistent flow of jobs? As a result, I began dabbling. So one thing I realized is that you need a good website. As a result, we've been

constantly refreshing our website. I would have built in the late 1990s and early 2000s since the first website. I think that each website platform we built has gotten better and better, which is fantastic. But, around 2010, I became very interested in social media platforms such as Facebook and Twitter. So I recall one Sunday afternoon in 2010, when the economy was not doing well in this country. And whether or not there were a lot of leads on the horizon, and I was probably freaking out about where the next job was going to come from? How am I going to keep everybody employed? That used to be a huge source of stress for me: how am I going to keep everybody employed, all these people I spent a lot of money and time training and getting to know? So I created a Facebook account, a Twitter account, and began posting in order to build a following. And we went three or four years without much sophistication. We had some summer students who came in and we were like, "Oh, well, you're a young person, you understand social media." So I'll add this to your daily to-do list. And eventually, I had a great guy who worked for me for years, he was sort of an operations manager, and he was very interested in that. And he spent a portion of every day looking for interesting content to post. We began to expand our social media network. Then, about six years ago, I formally hired someone when my niece, who had been working for us for about a year and a half, decided to return to Ontario. And she'd been doing an excellent job on it, so I said, "There's no way we can replace Margaret internally." So I'll have to bite the bullet and hire someone. As a result, we hired a local company called custom fit communications. We also hired them to manage our social media platforms. As a result, they do some of the postings. They are in charge of our video production, as well as the optimization of our website. And we've set some pretty ambitious goals for ourselves in terms of building our online brand. We established goals for lead generation and conversion. It's an important part of my day-to-day responsibilities. And it's the first thing I check every day: how are we doing on our social media platforms? How are the posts coming along? We are constantly looking for better ways to do this, and we are a home's approved homes partner, part of Mike Holmes' pro builder network, and we receive tremendous support from them. As a result, they are constantly pushing us from behind in terms of the content that we provide. Surprisingly, I was in a Twitter conversation with them yesterday. And they're like rocket fuel for our Twitter account. This month, I haven't paid much attention to Twitter. And then there's social media. For example, if you consistently post and have good content, your network will grow. I've been extremely busy. I've been trying to devote more time to Instagram. As a result, Twitter has been largely ignored. And I noticed you were there on the 13th of the month, and I haven't been posting much on Twitter. So far this month, we have had around

4000 interactions on Twitter. And I thought to myself, "Man, I've got to put a little more effort into this." Then we had a Twitter chat about electrical safety because it was Electrical Safety Month yesterday, and I always take part in those. So our interactions increased from 4000 yesterday morning to 21,000 this morning in a single day, correct? And this is simply because it comes back to looking at what opportunities exist for you as a business. So I took about half an hour dedicated, was a one hour Twitter chat, I found half an hour and put 100 percent of my attention into that Twitter chat, and we increased our Twitter engagement by five times in half an hour. That is a fantastic opportunity. So those are the things that people should be on the lookout for. And you don't need to spend a lot of money or time driving your social media platforms. However, you must create engaging content. You mentioned watching our videos; the only thing I bought was a handheld gimbal stabilizer into which my phone clips because my employees complained that my videos made them seasick.

And so and so forth, because he can't, no matter how still you think your hands are, when you watch the video, they're always shifting around a little bit. Then there's the custom fit. I send them the raw footage. And custom fit spends some time putting in the voice to text and captions, but those are really low-cost videos that track really well. We boost them on YouTube and Facebook, and we spend \$100 boosting on YouTube, and we get anywhere from 1500 to 3000 views. And people watch about half of the video where we're getting started. I didn't pay attention to YouTube until about six months ago, and we're now seeing a significant increase in our YouTube followers and subscribers. So we're putting a lot of emphasis on those platforms in order to drive people back to the website and generate leads from people who don't know who we are. And we're getting leads like last month, when I had 21 leads that come through. And so it allows us to pick and choose a little bit as well. One thing I've learned is that when you get a new lead in the door, you have to be brutally honest about what you can do and what their budget is and know if this is a good fit right out of the gate, which can be difficult when you're only getting one lead a month. And it's like a fish on a very thin fishing line. And you're paying close attention to where that could lead, because that's the only lead you have, right? When you have 21 leads, everyone is in a better position because many of those clients are looking for something other than what RDC provides. So we can keep an eye on that. And that's what's allowed us to have a year's worth of work for nearly 40 people in place right now, which is a very secure thing for me. But it provides enormous security to the team because we message that every week, telling the team where we're at, what we're getting on the books, and what we're doing for lead

generation. Everyone is concerned about our conversion rate. So, when they go home, everyone has a lot of things to worry about today, but nobody on my team is concerned about whether they will have a job next week.

Krystal Hobbs 34:30

Yes, that's fantastic. Like Bob, I believe that many builders take it for granted that they must work hard to generate business. So it's amazing to hear about your experience and your focus on ensuring that those leads come in on a consistent basis.

Bob Deeks 34:51

Yeah, and one thing that keeps me awake at night is that the construction industry is always doing this. Right, and my experience has been that things really flatline every 10 years. And we're now at that ten-year mark. So I understand that for us, we want to work hard to be a leader online, so that when the industry shrinks, we're top of mind for anyone, because there are always people who want to build new houses, and there are always people who want to renovate, and, following some of the really successful builders in the US, at the depths of the 2009 and 2010 depression in the US, there were still builders down there who were doing quite well, right? So, for us, we want to aggressively position ourselves as the first choice because, if the economy flatlines, my commitment to my team is to keep everyone employed.

Krystal Hobbs 35:53

Awesome. Well, Bob, I feel like we packed a lot into this interview, and I can't wait for people to hear it, and I could talk to you all day. But our time here is up. So, for those who are listening, how can they get in touch with you and learn more about RDC Fine Homes?

Bob Deeks 36:13

They can easily connect with us via our website, my LinkedIn profile, or by direct messaging me on Twitter or Instagram. Facebook is not a good place to connect with me directly. But when I look at the other platforms, I just find them easier to interact with. So add me on LinkedIn and send me a direct message. Those two really stand out when it comes to direct messaging me on Twitter. People can also contact me directly at bob@rdcfinehomes.com. And I make every effort to respond to anyone who asks a question.

Krystal Hobbs 36:50

Perfect. Okay, and we'll include all of those links in our show notes as well. Awesome. Thank you so much for being on the show, Bob.

Bob Deeks 36:57

That was really fun. Thanks very much, Krystal.

Krystal Hobbs 37:04

Thank you so much for listening to this episode of Beyond the Tools. If you liked what you heard, please subscribe rate, and review wherever you get your podcast. I'd love it if you could also share this episode with a fellow contractor who is ready to get off the tools and grow their business. And if you want more leads, sign up for our email list at reflectivemarketing.com where we share weekly marketing insights that you can't get anywhere else. I'm Krystal Hobbs and I hope you'll join me on the next episode of Beyond the Tools. See you next time.