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The Shake Guys

Heidi Ellsworth:

Welcome everyone, and welcome to this Month's Read, Listen, Watch from RoofersCoffeeShop. My name is Heidi Ellsworth, and we are here today with our friends from DaVinci. DaVinci is sponsoring this RLW today and has brought some of their top contractors to visit about how you can think about adding composite roofing products to your business. I'm really excited about this. I think it's going to be something in this day and age with what we're dealing, with all the different types of material shortages, all the things that are happening, there's nothing more important than to be able to arm your business with very good solutions for your homeowners and building owner.

And that's what we're going to talk about today. Before we get started, once again, I want to thank DaVinci. They are our sponsor, and they are doing some great things out there. We are so excited to have them on the coffee shop. They bring interesting articles, information, you name it on how to really grow your business. We're going to hear a lot about that today. As you know, this is being recorded. So, it will be on demand. You'll be able to get it within the 24 hours on RoofersCoffeeShop. Please feel free to share that with everybody you know. This is going to be great information that can help any business, or anybody in the roofing industry, even homeowners.

I mean this is a great, great topic to really share, and we will have Q and A. We'll have questions at the end. We would ask that you chat those during this webinar. Megan Ellsworth, our producer is in the back end. If you want to visit with her or have questions or have any comments, please share those, and we will share those at the end of the webinar. Again, you can always find all of our RLW webinars under the Read, Listen, Watch navigation on RoofersCoffeeShop. Welcome. Again, My name is Heidi Ellsworth, president of RoofersCoffeeShop and we're ready to get going. We have three amazing gentlemen here today to talk about building your business in spite of challenges.

And we know we've had a lot of those challenges recently. I'd like to first of all introduce Jeff Karo, who is a regional sales manager with DaVinci Roofscapes. As an experienced regional sales manager in the roofing industry, Jeff is used to working with sales teams, homeowners, architects. He has brought a whole level of experience and information to the DaVinci team leading them. Jeff, thank you for being here and for sharing your wisdom today.

Jeff Karo:

Thank you very much Heidi. I'm excited to be here.

Heidi Ellsworth:

It is great. We're going to have some fun this afternoon. I also want to introduce Scott Kim who launched his own business WGM Contracting just six months ago. Before that, he worked for LK Contracting and has installed many composite roofs. He's going to talk about how he's made the switch growing his business and using this type of specialty products to really make a difference for his business. Scott welcome to this RKW.

Scott Kim:

Thank you so much for having me.

**Heidi Ellsworth:**

Thank you for being here today. And last, but definitely not least, we have Chad Jansens or Janisch, sorry, with The Shake Guys. He's been in the roofing industry for over 20 years. We've already had some great conversations about cedar shake and the market out there. And he's really going to be able to share how he's increased his business taking whole new level by bringing in composite roofing products into that really that shake market. So, it's very, very interesting. Chad, welcome to the show.

**Chad Janisch:**

Thanks Heidi, happy to be her.

**Heidi Ellsworth:**

Thank you so much. Okay, so let's get down to this. Oh, and sorry We're going to start out with a poll question. I was ready to get to the first question Jeff. I was so excited, but we're going to start out with a poll question. And this is just we would love to have your feedback, so that we know how many composite roofing projects have you installed in the past 10 years. Just to give our gentleman here idea of the audience. We're going to just take a few minutes. I have to tell you, Jeff as you well know, there are a lot of composite roofs out there.

**Jeff Karo:**

Oh, absolutely. I mean the composite sector has been growing year over year. We've had consistent growth. I mean DaVinci itself has been around for over 20, and you've just seen the acceptance and the willingness and contracts being more comfortable to present it in the home and install it.

**Heidi Ellsworth:**

Yeah, I've seen the same thing, been around for a while, have watched it, and it's growing in market share constantly. It's amazing. Especially when you have contractors like Scott and Chad, you can really see how that is changing their businesses too. Megan, why don't we show some of this? Oh, great. Okay. We have 46% at who have not. So great, thank you for being here today. That's awesome. Eight percent from one to five and 46% more than 10. That's nice. Thank you. We have a great range in the audience today. Thank you for being here. Okay. For those who have not installed it before who are out there, and maybe even some of those who have a lot more experience, Jeff, let's just start out with what is composite roofing products, what's the differences?

And as we see here on this side, we hear a lot of between virgin versus recycled resins. What's this all about?

**Jeff Karo:**

Absolutely. Composite material has been around... basically, it was invented to mimic the look of wood shake and natural slate. And basically, it's a combination of high density and low density polymers. Some manufacturers make them with virgin material Others make them with non-virgin material or recycled material. And what they are is they're durable, they're wind resistant, fire resistant, lightweight, easy to install, much easier than our natural competitors in the natural cedar and the natural slate. You see here, you see virgin versus recycled resin. Now, this is a big difference when you're manufacturing a composite shingle tile. Virgin resin is resin that's never been used, resin that is pure, it's of the highest quality, it's in its strongest form.

When you're looking at all polymers, all resins are made of polymers, and think of polymers as like a strand. And in virgin material, all those strands are intact. There's no breakage, they're intact. From that, you get the highest quality product. And the life cycle of a virgin resin is basically you get the resin, it goes into our compounding. It goes into the injection molded machine, and then it splits out your final product. And there, you have the highest quality, purest product you can have. Recycled resin is resin that was previously used to manufacture some product. And when that product's useful life came to an end, it was collected, washed, ground up, put back into compounding, injection molded.

And then the second final product has been produced. Now, when we talk about the recycled content, when we talk about the polymers that were in the virgin resin that they were intact, polymers in the recycled resin as soon as they are washed, they begin to break down. And then when they're ground down, they begin to break down even more. You're not getting the highest equality product that you can add the end result. That result, you could receive a less quality product due to the resin that goes into the product. I always think back to the Papa Johns, or I guess it's still out there, it's better ingredients, better pizza. And you look at that, and we firmly believe that the virgin resin is the purest, the highest quality you could get.

And you know you're going to put the highest quality product out there on your roof.

**Heidi Ellsworth:**

Well, and I think that especially as contractors are talking to their homeowners or building owners about this, sometimes there's just a lot of confusion out in the market. Is it environmental? Is it not? If it uses recycled, it's better, but really it's all about the performance of the product and how long it's going to last on the roof and the sustainability of that product. And that's really what you're talking about with the virgin resonance, right?

**Jeff Karo:**

Absolutely, and this roof is going to be protecting everything that's important to an individual, their house, their home, their family, their possessions. And it's going to battle the climate every day. It's going to battle the sun every day, the weather events. You want to make sure you're putting the highest quality product out there. With the virgin resin, you're getting the highest quality, the purest out there. And then with the recycled, the big issue is the consistency. It's you don't know what was that resin prior to it being in this final product. Was it a milk carton? Was it a detergent bottle? Was it post-industrial plastic waste.

**Heidi Ellsworth:**

Right.

**Jeff Karo:**

And the consistency, or the inconsistency of that could affect the quality of that final product.

**Heidi Ellsworth:**

I think this is really important for everybody who's watching, as you're looking at bringing these kind of products, composite or any specialty product, but especially the composite roofing products like DaVinci,

and you want to know where the roof came from, what's up there and how long it's going to last, and it's going to be because as you start promoting these to your homeowners and your building owners, you want to have a lot of confidence and know exactly what's happening there And I think that is really a trick. And one of the things that we really wanted to talk about was... So, I'm going to go to Chad. Chad, you did this.

You as a contractor with a huge history, and I'd like you to share a little bit about that, your history with wood products and cedar shakes, but then also bringing in this new product. You really needed to know what you were able to offer to your homeowners, right?

**Chad Janisch:**

Yeah, correct. I think with any roofing product, it starts with educating the homeowner on the product. Whether it's DaVinci or another product, flat roof, architectural, shingle, it's knowing the product. And I think that's how a contractor can really stand out amongst the competition. With us, wood shakes, we're dealing with very high end, very expensive roofs. And homeowners have issues with these wood shake roofs over time if they don't maintain them or they forget to maintain them. And the house gets sold, they forget to maintain them. It becomes an expensive roof that's 65, \$100,000. And now they're thinking, what is the alternative?

And there hasn't been really any leaders in the market for over a decade of me being in this industry. And DaVinci has really stood out by providing a product that is a virgin resin, that will basically test time. And they've done a great job of marketing. So, any contractor that's thinking about pushing a product, the help is tremendous from them, the brand is tremendous from them. They provide assistance, and I think they could help anybody launch into this industry as far as synthetic and composite roofing.

**Heidi Ellsworth:**

Yeah, because you really want to know... I mean when you have a reputation like you do with the Shake Guys of bringing these quality roofs and really explaining the differences to the home owners, that makes a big difference that you have that confidence.

**Chad Janisch:**

Yeah, it's important that again, we don't deal as much with asphalt as wood. With wood shakes, we deal much more with that product. And when you're spending 65, a hundred grand, \$120,000, you want to know what's going up on your roof.

**Heidi Ellsworth:**

Yeah.

**Chad Janisch:**

And yes, a lot of times, we'll say, "What is the option? I want something that's going to be maintenance free, has a fire rating." As much as we like wood shake, we like DaVinci synthetic shake and synthetic slate, versus a class C. You have a class a with DaVinci. You have a high hail rating. It doesn't cup and curl, and get infested with insects. These are what people are looking for. And the biggest thing that homers are concerned with is even if I put on the highest grade wood shake, which we can do, it still requires some maintenance. And if they forget to maintain it and they attempt to sell their home and it becomes

an objection, it could be a huge, huge expense or a huge, huge objection. And that's their biggest concern.

What happens in five years, 10 years, 15 years? And DaVinci has really stood up in that matter.

Heidi Ellsworth:

Yeah, yeah, wow. Well, and it's the same really Scott, when you're looking at what you're doing in asphalt. You were with another company. You just started your business now for the last six months. What have you been seeing with creating this nice offering between asphalt and the composite, the DaVinci to slate?

Scott Kim:

Yes. Just like you mentioned, when I was with the previous company, they were so focused in commercial and commercial market. But at the same time, we did focus a little bit on the residential side, working on the asphalt roofing. But until I discovered that there was untapped market, especially residential and composite, I was stunned. And that pretty much made me stop what I was doing and then open up my own business.

Heidi Ellsworth:

Wow.

Scott Kim:

And thank you for that DaVinci, right? From that point on, I was being an evangelist. I was telling people the good news, right? I was driving around and then I would go see the leaders of the HOA committee and then tell them, "Hey, look, there's an alternative, right?" Did not go back to cedar because 15, 20 years, max 20 years, but some of the homeowners that I've helped out, just 11, 12, years of what they have invest, and they got to do that again. And for me to actually deliver that good news and that we're not selling anything right here. We're actually delivering the good news and being the evangelist, and that was huge upside for me. Especially in my area, there's a lot of problem with the hell.

And for me to actually introduce a DaVinci product which has a impact full rating and class A fire rating product, it was huge. It was huge for me, and then the homeowner were actually stunned. There was such product out there to replace their cedar shake. Well, not only Cedar shake, but if they had a asphalt roofing and if they wanted to advance their roofing, they were more than happy to hear what I could have offered to them. There's a lot of benefit to it. The 50-year plus and that's the warranty that actually DaVinci offers. And by getting the composite... well DaVinci roofing specifically, a few call your insurance company and tell them that you have impact four rating, class A fire rating roof, they will hand you this kind certificate, which you'll fill it out, right?

Yourself, myself will fill it out and confirm that it is class four and it is class A, the fire rating. Then they will give you pretty much... I'm going to read off what they're saying right here. Completing this certificate may entitle you the reduction in your residential insurance premium. How awesome is that, right? I mean they have no option, but to look for other product. And again, they're so happy to hear this and I'm also excited about it.

Heidi Ellsworth:



And I know Scott when we were talking before, in that transition, when you started your own business and you were starting, I know you offer also asphalt shingles, but also the DaVinci. And you said, "In that transition, you need to be aware of pricing differences, and how you go to market with that pricing." Can you share that a little bit, because I thought that was really interesting for everyone who's looking at adding DaVinci, or a composite to their offering.

Scott Kim:

Right, right, right. I think lot of contractors are actually fixated by the margin, the percentage that they must make, because some contractors are actually working with the GCs or builders. Some are just homeowner base. Me and myself, we are I would say 70% homeowner pipeline, and rest of them 30% will be a GC or the builders. Dealing with the homeowners, depending on the city and depending the product that I am offering, there's a variation. And I don't set my profit margin percentage. And for me, to do that, I mean it's a strategy that you got to come up with. And I'm sure a lot of contractors are aware of and they have that strategy within them.

But since we're dealing with a high end product, and this brand DaVinci that I'm offering, a lot of people have already researched and they know about the product. I would say about 50% of it before I show up, and another 50%, it's my job to actually introduce when I actually show up to their homes. For me, actually being very creative with your profit margin percentage, I think that's the way to actually win a market, at the same time, you're competitors. So, don't get fixated try to go low on your profit margin, but not to the point where you're not going to make any money. You will make money because the product itself is about three to four times more than the 30-year architecture shingle.

If you do, if you factor in I would say 5% to 10% lower of your regular profit margin, for instance, homeowner, what is your profit margin, right? Let's say 30%, isn't that a good profit margin? I would say about, right? If you drop 10% with 20% profit margin, you are still doing good because the price of a asphalt shingle with 40 squares, that is equal to DaVinci product 15 squares about. So, don't get fixated, be flexible, at the same time depending on which city. At the same time where you are actually betting, that's going to play a factor, but again I'm sure you guys know, but just be flexible. That is the main key, and already the product itself, it's branded and it's high end product. And the cost itself is already high, and you don't have to factor in that high profit margin, right?

Heidi Ellsworth:

Because I think that's interesting because Chad, I saw you nodding too, and we talked about this a little bit beforehand, is that what you've been seeing is people are coming to you, because they want this product. I think that really goes right into what Scott is saying.

Chad Janisch:

No doubt. And Scott, he's seeing an opportunity. So, I've been in the opportunity for a while. Meaning, we do a tremendous amount of DaVinci and composite because we're Shake Guys. If you're thinking of wood shakes and you don't live in a house with a wood shake roof, it doesn't make sense. But if you do, Shake Guys make sense. So, homeowner's going to call us for wood shake roof. And like Scott said, when we get to the table, I would love to say it's all on us and presenting DaVinci and making it happen, but DaVinci's done such a great job educating the consumer. They're bringing it to our attention before we even bring it to them, because they do want an alternative. They just don't want one option.

And having that alternative like what Scott did, he saw an opportunity, and this isn't a trend that's going to go away. It's going to continue to blossom and flourish. And five, six years ago, maybe 5%, 10% of our business was synthetic. Go three, four years ago, 30%. Now half of what we do is now composite roofing.

Heidi Ellsworth:

Wow.

Chad Janisch:

And basically, I'd say composite DaVinci for the most part, 99% of what we do is DaVinci. If half my business is on composite and that's what I think Scott is seeing a little bit, it's an opportunity. And if you're in a big sea of asphalt roofing and you're looking for a niche and an opportunity, why would you not entertain this? And even if it's not a wood shake community, if it's a high end asphalt community, the roofs are starting to fail and you're new to DaVinci, I think DaVinci offers some great programs. They could probably offer pictures of DaVinci roofs that have been replaced that a contractor could use, create a marketing piece, and be direct.

Just like wood shakes, we're direct and we go after the consumer, the specific consumer, the specific client. If you're going to go after a high end clientele, go after the large roofs, go after large composite roofs, the designer shingles, the wood shakes, and cater a marketing plan to that with the help of DaVinci, and use their marketing tools and test it out. Maybe spend \$10 a day on Facebook and test it out to that demographic. Maybe send a couple, I don't know, a hundred, 200 homes a direct mail piece just to DaVinci. And then I think the contract will find is that you know what, some of these homeowners might know more than me if you're getting into it, but that'll inspire you to learn more about it.

And once you learn about synthetic roofing, how it performs compared to an asphalt roof, a wood shake roof, snow retention, should they have it, should they not have it, how it's made with virgin resins versus post-consumer resins that are recyclable. These are the things that are going to lead you in this campaign like Scott is doing to win these customers, because then they're going to sit down to another guy that's saying, "Hey here's an estimate," and they have no experience with DaVinci or composite. And you're just going to shine, and that's where Scott's shining is because he's capturing the niche, he's learning the product, he's learning the pros. And I would assume it's serving him well.

Heidi Ellsworth:

That's excellent, that's excellent. Well, okay, so we're going to go to a poll question next, and I do want to say we have a lot of questions coming in. So, don't worry, we're going to get to all of them at the end of this presentation because there's some great questions that we're seeing coming in through the chat. We would like to know from all of you, how much of your yearly business do you believe could be transitioned from the roofing materials you're currently using to composites. We'd love to hear a little bit more about what you think about adding that to your business with this question and putting that out there.

So, one of the things that's happening as you all are answering this question, one of the things that we're seeing happening Jeff is as everyone knows, material shortages and a lot of changes in the market this last year. So, we're going to talk about that next. There's a lot going on in that realm, isn't there?

Jeff Karo:



Is there? I didn't take notice.

Heidi Ellsworth:

Just a little.

Jeff Karo:

Yeah. Yeah, there absolutely is. There's backlogs lead times. Over the past two years, they've really extended much further than what they've been previously. DaVinci isn't shielded from those by any means. Historically, our lead times have been two to three weeks. It was someone placed an order. They knew they would have it 90% of the time within two weeks, three weeks if we were back logged on that. We currently are running roughly seven to 10 weeks, product dependent that. So, it's not terrible, it's not horrible, but it's not where we'd like to be. And it's just we're trying to keep up, trying to build inventory, we're selling a ton as Chad and Scott alluded to. The composite roofing market is growing.

We had very strong growth last year. We were expecting it again this year. The demand is up, so we have to keep up with that. And that's we'd like to eventually get back to two to three weeks, but right now, we're seven to 10.

Heidi Ellsworth:

Okay, so let's see how many people... Megan, why don't we go ahead and show the results here? And wow. So, how much are yearly business? Five to 15%, is at 91%. Wow, and 15 to 30. So, there's a lot of people out here who are looking to bring in this product and help diversify their offerings to home and building owners. That is awesome, that's great. I love the transparency that you're talking about Jeff, and I think that is so important. It's all about planning, right?

Jeff Karo:

Absolutely.

Heidi Ellsworth:

And making sure... but you're also doing a lot of things to expand production.

Jeff Karo:

Absolutely, and one of the hardest things that Chad and Scott could attest to is when you sell a job, planning it, getting it, scheduled with a homeowner, with the distributor and your crews, when you're going to schedule them to be out of them job. And we are working on, we're adding capacity in order to deal with the increase of volume, and to again bring those lead times from seven to 10 weeks back down two to three weeks which is our end goal. We've been investing money in that. We've been investing money in new trucking systems, different to help alleviate any delivery issues that have come about over the past year, year and a half.

Heidi Ellsworth:

Yeah, and keeping that idea of having the relationship like Scott and Chad do with Jeff, with their manufacturer, we all know that's so key, along with the planning portion of it. And as we're looking at that, one of the things I wanted to check in again too is as you're making this change, what are some of the benefits for your business? Because it's always hard to make changes, and it's a little bit scary. Chad, I

want to start with you. Like you said, you've been doing this for a long time. Fifty percent of your business now is DaVinci or composites. How was it making that change, and how has it changed your business?

**Chad Janisch:**

Yeah, I think as any contractor can contest to is it can be challenging, even from wood shake and wood shake can be similar to a multi with DaVinci as far as installation, but even our crew, were hesitant, right? Anything new, you become a little hesitant, and you want to try to get it, but you become scared of it because am I going to lose money, am I going to make a mistake and things like that. And the points that Scott mentioned that profit margins to get into this business, maybe you don't have to lower your profit margins forever, but there might be a point that you lowered a little bit because these are 60,000, 40,000, 100,000 on a roof.

You can lower a profit margin and secure these jobs, but I mean it's really done us well. And our crews really were hesitant about what to do. But once they started doing it and they paid attention to the details and once they got it, it really wasn't a problem. I think it's just a roofing company or contractor saying, "Okay, what's one of my workable crews that listens to good, they're reasonable to work with. Maybe you do have to spend a little bit more on labor to get things going, so that they can feel comfortable about installing the roof." But once they get it, it's just like a puzzle. It'll just snap in.

The sizes are the same, except the multi width are a little bit different, but they're just courses that go straight across. Then you just got to pay attention to the detail. And once a crew gets comfortable with it, just like an asphalt crew that gets comfortable and we train them on wood shakes, once they do it, they actually prefer it because asphalt's heavy. Asphalt's hot in the summer times. There's all these factors, and they actually start to like it. And most of our wood shake crews don't even want to do asphalt. No offense Scott, they just don't want to do it. They're spoiled now like DaVinci or wood.

**Scott Kim:**

Agree, agree.

**Chad Janisch:**

So, they're really accustomed to it, and it's just getting over that first couple jobs like Scott's done four or five already this year. And then you'll find out everything will open up, but I think take advantage of the opportunity now that it exists before everyone gets on the bandwagon, because it's not going away. I've just explained to you the past five, six years what it's done to us, and it's not going to reverse. So, it's only going to get stronger.

**Heidi Ellsworth:**

Yeah. And Scott, and I know we talked about this a little bit, but just to re... You saw it at the untapped tomorrow market and the customer demand that they are coming. So, that shift within your sales force, I mean even when you're starting, you had to shift the mentality. I'm sure that's not always easy from asphalt to, "Hey, let's talk about what they're demanding with this DaVinci product."

**Scott Kim:**

Yes, yes. Well, I try to emphasize that the composite materials are exceptional. Like I mentioned earlier, the class four impact rating and class A fire rating, which are the highest rating out in the market. And

from UL, underwriters laboratory and telling people what kind of benefit the material can bring them to the homeowners and they're shocked. And to actually showcase the durability of this, what I do, I take this to a homeowner, the hand torch. And what I do is I literally show them how this thing perform, set a fire. It's all trick, right? It doesn't [inaudible 00:32:40], this is how impact four, class A rating does, right? And I also take this, right? I show and then showing is believing, right? Believing is showing, right? Pack them, show how strong this thing is.

Heidi Ellsworth:

Yeah, wow.

Scott Kim:

I literally physically just show them. I don't talk much. I just let them see how strong this thing performs, and they're shocked.

Heidi Ellsworth:

Yeah.

Scott Kim:

And this is how passionate and how fanatic I am. And this is what I want to show to the homeowner, and they get very surprised what lifting can do.

Heidi Ellsworth:

That is awesome, that is awesome. Well, we're getting a lot of questions about that durability and about how it works against the weather. I'm going to hold on to that because we're going to come back to that here at the end, because there's a lot of questions. Before we go to that, this is our last poll. I appreciate all of you taking the time to do this, a little interactive during our lunch times here, but what is the most enticing aspect that would get you to push your clients towards composite roofing soon? After seeing Scott's demonstration, we should have had on here hammer and a torch, but please answer those full questions. And we're going to from here to follow up on exactly what Scott was just talking about.

And Chad, is Jeff, I want you to talk just a little bit about the DaVinci engineering and why, because a lot of the questions we have coming in right now are weather durability on cold weather, how does it react? Hold the thought one second. We're going to see what the answer to the poll questions were. Go ahead Megan. Wow, this is very cool right across. Product availability, of course just talked about material shortages, product resistance to hail, severe fire, weather and fire, Scott nice, authentic look of real cedar and natural slate to Chad's point earlier, and impressive long-term product warranty. Awesome, across the board. Thank you for that feedback.

That means a lot to be able to see the things that are the most important. With that in mind, let's talk about that. Let's talk about that engineering and really why is the DaVinci in composite, but why is the DaVinci products hold up like they do Jeff?

Jeff Karo:

Well, to reiterate just briefly what I said earlier is that the combination when it's made, there's a ton of engineering went into manufacturing this product, a ton of testing. And it's a combination of the high

density and low density polymers, which gives it the strength to have the class four impact rating, but also the flexibility to be able to be installed in 15-degree temperatures, I mean I know you don't want to install a roof at 15 degrees, but if you had to, you could install DaVinci down to zero degrees, as long as you're hand nailing. It gives you the flex flexibility. It's going to withstand all type up to climate. As Chad mentioned, Scott mentioned, as a class a fire rating, it will withstand pretty much anything and it's built to last.

We engineered a waffle backing on the back of the tile to make it... it's more light, it makes it more flexible, but also limits on the expansion and contraction of the product. When you install it, you're not going to have a lot of movement on the roof. So, that benefits everybody on the contractor, I mean the homeowner and the contractor. And one of the biggest just not harp on the virgin resin, but one of the other benefits of virgin resin that I forgot mentioned before is that, and this is big for contractors, if they order a job today and they install it. But when they get to the end of the job, they're running two or three square short.

They could order it, and they could know be a hundred percent confident that that color that they're getting is going to match the material that's on the roof. Now not everybody has that, but that is possible with the pure, the virgin resin that we use to manufacture our product.

**Heidi Ellsworth:**

Wow, wow. And I know masterpiece of engineering, this is exactly what I've heard from both Chad and Scott, is that baffle on the back and really how that works. Chad, can you just talk to for one second on how that's worked in your installation?

**Chad Janisch:**

Yeah, we're in Chicago here. So, we see extreme hot weather and extreme cold weather. And we have contraction expansion that can occur in many products When we get temperatures that are 25, 28 degrees. They jump up to 50, 55, and we haven't had any issues with Vinci products, whatsoever, which shakes can be installed in cold weather. But if you install them correctly and the keyways are too tight, contraction expansion will start to buckle. There's human air in that. With DaVinci, you don't have that issue. It's puzzled in if you will, and there's no issues with. And as far as the engineering with the baffle system, no, I agree.

It does make it lighter, but what we found if we use that product with a synthetic breathable felt, and I don't know how Scott feels about that, there's some felts that are designed that can basically absorb that backing. And Scott's making me feel left out here with these DaVinci products, but the baffling in the back of this product and Bellaforte has a similar backing, but its square. And once it presses into the felt itself, all these basically press against that felt paper itself if you use a good... I'm not going to name the brand of the felt, but there's certain products that we like to use, that each one of these almost become a chamber, almost like in a ship if you will.

A big cargo has chambers and once it starts to flood, the chamber you shut the door, and then you lock the chamber and the rest of it's okay. So, what we found when the product's installed and used correctly, installed correctly, if water was to zig over because people are trying to think well does it perform against ice damming and leaks and water shedding off the roof, because it's going to come off faster on this than a wood shake roof. Again, this goes back to a contractor saying, "Okay, if I have a homeowner and a designer roof, asphalt architectural shingle, or a wood shake roof, what's the pros and the cons?"

Water will come off faster, but DaVinci has thought about how do we make this a more product that water will not get in. And from my experience, when we combine the two together with that baffling, it just locks all these chambers where water can't shoot over and get into the roof system. We found it to work really well. Contraction and expansion haven't had any issues in Chicago, and we coldest weather and the warmest weather, so no complaints here.

Heidi Ellsworth:

Yeah, wow. Scott, I'm going to take this to the next one too is because you really talked about this using the DaVinci product and being the expert because people are actually out there looking for this product, and you need to be that expert. What have you've been doing working with your high end clientele, but also all of your clientele to promote that what you just showed us?

Scott Kim:

Right, right. Just to chime in what Chad said, the masterpiece engineering that DaVinci has to offer, the back of the shingles, how it's engineered to the point where it looks like a spider web. I tell my homeowner customers that it's a vertical webbing about three eight of an inch or half inch stick. It's that engineering aspect that is actually preventing, avoiding those curl and splitting, and that is tremendous. A lot of the other competitors are mimicking this. I'm seeing this lately, and DaVinci has done a tremendous job. And again, because of that aspect, five, 10, 20, 30, 50 years later down the road, this thing will not curl, will not split.

I'll tell you what, some of the roofs that I've been onto because I work in a townhouse complexes, and when my guys are working, I go well to inspect and to assess. And I look over, and then the roof that has been installed with DaVinci, sometimes I get confused. Is that a roof that I installed three months ago, but no, it was installed three years ago by me, right? Looks like it was installed three weeks ago, correction, three months ago. Again, it can't go wrong, and that's what I share with the homeowner. And again, when I get a feedback from my crews, my mechanics because they're the actual personnel who have hands on, right? They form it, they mold it, they touch it, they handle it and to the point where they have to cut it, right?

And they tell me that it feels different. Although it's lighter, but because of the thickness and because of the density of the material, they say it feels really tough. And if it's tough, they don't like it because it's just more energy and more work involved, but that tells me whoa, hold up, it's lighter, but tougher to cut. It tells me something. It tells me that this product's a little different than ordinary product out there.

Heidi Ellsworth:

And really sharing that product there, I love that because on this slide, that's promote the product difference. That's what you're doing. You're really showing and being able to take that, and put it in the hands of the homeowners. That's pretty impressive to be able to go through all that. I would really love Jeff too if you would go through, and then I'd like Chad and Scott to talk about this too, but I know we've talked about a lot of this already. But as a regional manager talking to contractors out there on the call or on this webinar right now, these are some of the key educational points for customers to understand. Can you walk through those?

Jeff Karo:

Sure, yeah, absolutely. These are all just benefits of what composites as a whole bring when we're going up against high-end asphalt, real wood shake, natural slate. The durability and weather resistance, Scott showed it perfectly when he was hammering the product, I believe that was a select shake board. He was hammering it. I mean it's strong. When we see the class four impact ratings, ideally that's the highest you could get. We would love if there was higher rating that you could get, but you can't, but it just performs. The waffle backing as we spoke about, it provides so much strength to that tile itself, the class A fire ratings. A lot of our products, you just need standard felt paper to get a class A fire rating, with a lot of our slate products.

High wind resistance, you get standard 110 mile. We could go as high as 180 in a high velocity wind zone if needed. Obviously, there's special install with that, but we could do that and durability for 50 years and beyond. Yeah, we say 50 years. We've tested it beyond 50 years. And we expect this if you want to go high end, you only want to buy one roof in your lifetime, you want to go with something that's going to sustain itself. You want to go with a composite, you want preferably DaVinci. And then just to look, contractors say one of the big reasons when they talk to homeowners is the homeowners say, "I don't want what my neighbor has. I want something different."

So, they're looking at whether it's a high-end asphalt that's transitioning over to a composite or if it's natural wood shake that they don't want to do the maintenance on as they're supposed to. They want something that people are going to walk by their houses and be like, "Wow, look at how beautiful that roof is."

**Heidi Ellsworth:**

Yeah, it's...

**Chad Janisch:**

That's exactly what happens. I mean that's exactly what happens. And I think that's what Scott's doing is you get one or two in the neighborhood asphalt or wood shake neighborhood, and a lot of these associations as Scott can probably agree with are now allowing. So, that's a big thing too I think sometimes, is these gated communities or large associations five, six years ago, especially in our market, they want nothing, but wood shake. They're fixated with wood shake, wood shake for the prestigious curb appeal. Then a couple got installed, and then a couple associations said, "You know, we do want an alternative. We got enough people that are really concerned about this. They're trying to sell their homes."

They have \$50,000, \$100,000 price objections because the wood shake group is failing." So, between the branding of DaVinci and the homeowners pressing these associations, you'll find that lies associations are now allowing it to happen. And wouldn't it be great if they're thinking about it, and you'll find out, you'll call them that they're just starting to think about it and some untapped markets, and you put the first one or two of these roofs on. They're going to be, "Wait, look, what is that? It looks like wood shake, but there's something that's just a little bit different." And then they're going to ask the questions, and then that's just going to inspire an avalanche of homeowners, "What did the Joneses do? That looks so much better? It's not fading over time."

I think that's the thing is get a couple of these roofs installed, be the first guy or two in the neighborhood and the community, and the business is going to come in. Send out a marketing piece, make them aware



of it. You'll be surprised that the homeowners have done a lot of research before they even get to you, and I think that's a good way to start.

**Heidi Ellsworth:**

That's definite. And it goes right into the benefits for the roofing contractors, what benefits you've seen and being able to differentiate yourself. Scott, what are some of the things, I mean that you've seen that have benefited you working with DaVinci and the things that they've done to help you to make this transition?

**Scott Kim:**

Yeah. Before I answer that, let me just chime in what Chad said. I've ran into a homeowner, I would say about two or three of them. And my pitch was they were debating whether to get a new roof or not because they wanted to sell their property with a year or two. What DaVinci does is, the limited lifetime warranty can be transfer. So, for them to actually tell well, if they were to get a new roof a year or two later to the buyer, if they tell them that, "Hey, look, once you buy the property, you're getting a lifetime, the roof warranty as well," then that's something beyond what they have expected, because they look at left and right.

And all the cedar shake roofs are just... it's going down, but they already have a new roof, which is called composite and for 50 or plus lifetime warranty comes with it. So, that was a good pitch for me to actually deliver. To answer your question, just I want the contractors and just everyone out there to ask you just think outside the box. And the question I want to throw out there is, when was the last time that your body produce a dopamine by looking at the project that you have just completed? That picture that you see, that's the one project that I completed about two months ago.

When that was done, well even during, but after the fact, I was standing in front of the house, I was looking at it and my heart was just pounding because again, you don't get that feeling. Chad, please agree. You don't get that feeling with asphalt shingle roofing. You don't...

**Chad Janisch:**

No, it's a sense of accomplishment and nothing against asphalt, but when you put it on and it's similar in a similar color, it's like it's another asphalt roof, but yeah. So, there's a pride in workmanship, a pride when you have this aha moment of what you've accomplished and the crews accomplished. Yeah, and there's no doubt, it resonates, absolutely.

**Scott Kim:**

Right, and that sets you apart. And not only that the reputation of the product, but your reputation, your company's reputation, it goes up at the same time simultaneously. And that makes me even more motivated, more fanatic about it. And associating my business with DaVinci, I've helped out business credibility just skyrocketed because of what I just shared. And what DaVinci has done for me is that there was number of times the DaVinci sales rep actually came out to the job site, not just to check on us, but to actually tell us and share with us the new method of installing such the shakes and such accessories, because there's different method and different ways of installing it.

And they come out, they share with our installers. And when homeowner sees that, they see something different because not many manufacturers and the contracting company they work side by side. And for

them to see, for us to show them that picture, something unusual that they're seeing. And there was a number of times that we had concern about the product itself because of discoloration and so forth and on. And it could be I wouldn't say a defect, but just questions are out there. I would call DaVinci, and then they would send out a technician, have them come out and do a inspection. And they would tell us what the actual or resolution to it.

And we would follow, and one of them is to use the hand torch to actually... no, no, to torch the scratched area, and that scratch actually goes away. And oftentimes, we create the scratch by walking on the surface. Sometimes, we think that it's the defect, but it's by us, right? Those are the stuff that the technician actually comes out and share with us. And that's a huge support, and that's something that we can actually show a team attitude. And homeowners are actually... they're very pleased and they're happy about what we do as a team.

**Heidi Ellsworth:**

I love it, I love it. Guys, we could just keep going, but I want to make sure we get to some of these questions, because you are inspiring the audience here. So, a couple questions that we have. A couple of them came in from Brandy Jones. How much do companies charge per square to install DaVinci? Chad, you want to start that?

**Chad Janisch:**

Well, as what you would pay a subcontract or a company's? Trying to clarify. What would companies charge...

**Heidi Ellsworth:**

How much do companies charge per square to install DaVinci? So, I'm not sure if that... Brandy, if you want to chat that, you can clarify.

**Chad Janisch:**

Yeah. Different companies are structured differently. Every market's different too. You have subcontractors that roofers will work with and they'll charge a certain fee, and that could vary like a wood shake roof. And you have employees, so everyone's a little bit different. But if I'm understanding the question correctly on subcontractors, I mean I think a base price for subcontractors could probably range from 200 to 250 a square base price for the installation of a DaVinci roof that a sub might charge, and that range. It really depends on the difficulty. As far as what you'd get in the market, I mean that would just depend on the market. Every market's a little bit different, so it's really hard to specify.

**Heidi Ellsworth:**

Yeah, because Brandy had said homeowners. She was curious about homeowners, but I think she also want to know like what you already answered, how much does labor typically run for stalling DaVinci so for subs.

**Chad Janisch:**

For homeowners, again, it depends on the market, your profit margins. There's a lot of variables in that. I mean you could be anywhere from 950 to 1300 to square, if not more depending on the product. You have entry levels like Bellaforte, multi width shake, select shake, multi width slate. And I think there's a

lot of variables, so those are the two... It's hard to answer that question based on the market. Scott, maybe you have some feedback on that a little bit?

Scott Kim:

Right. It varies, right? Chad's from Illinois and I'm from Virginia east coast. And again, even within my sector, my region, so I deal with four different cities. There's HOA clusters that I'm in charge with I would say, and those four different cities, Alexandria, Arlington, Reston, and Fairfax. Those clusters, I go in with a different rate. It seems to be very funny, but again, there's that variable, but I think Chad made a very good range, where 900 to 1300. Yeah, that is about right as a whole material and labor, plus your margin profit, but again 9 to 13, so there's about \$400 to \$500 range, right? But that's going to vary on your area, and east coast where I'm at, our installers are asking about \$300 to \$400.

That's what installers are asking for. As a contractor, I have to factor the material costs which I would say in general \$500, again depending on Bellaforte, multi width, single wood select. But in general, I would say \$500 and then factoring about \$300 to \$400 labor, and then rest is your profit margin.

Heidi Ellsworth:

I love it, that's perfect. And Brandy was clarifying, and you answered her question. Brandy, you can always get a hold of us and we can connect you too to Chad or Scott or to your regional manager at DaVinci, which is good. And she had already asked and you actually already answered this Scott, was can we have a DaVinci rep show our crew the correct installation at DaVinci roof systems. And Jeff is nodding, that's a yes.

Jeff Karo:

Absolutely.

Heidi Ellsworth:

Absolutely.

Jeff Karo:

Absolutely. Not only do we have territory managers, but we also have a tech team and they fly all over the country. They do full crew trainings. They will be on a job site if you need them to be, a job start. They will help you get it started. They will train your crews. They will do whatever you need. Just reach out to me or reach out through Heidi to get in touch with me. And I'll make sure you get to who you need to speak to get that scheduled. That's no problem.

Heidi Ellsworth:

Yes, definitely. And we have two more questions that I definitely want to get to, and Jeff I'm going to put this towards you. This is from [Sean Bellas 00:56:59], and he said, "I thought DaVinci is class C fire rated, until you install a class A fire rated underlayment in conjunction as a system."

Jeff Karo:

Depends on what product you're using. If you're using a slate product like a single width slate, if you just use a felt underneath that single width slate, you're going to get a class A fire rating. Some shake

products will need a certain underlayment underneath it in order to get that class A fire rating. So, it's product dependent.

**Chad Janisch:**

And Jeff sometimes, and you can maybe clarify, as we present it, I mean you have a class A roofing product and there's a difference between the product and a full system, right? So, there are underlayments that will create it a full system. So, maybe Scott has dealt with this too, when you're dealing with commercial properties or townhomes. They may want a class A system which might be the component itself and the underlayment to make up that whole system.

**Jeff Karo:**

Absolutely.

**Chad Janisch:**

But pure a class A product, which is the burning ratios that you're considering.

**Jeff Karo:**

Absolutely, absolutely. Yeah, exactly. If they want a system then, that all those part come together, but yes, it's still a class A product.

**Heidi Ellsworth:**

Great. And then Ed Stone had a question that says, and you answered this, but just to make sure. He says, "Will DaVinci hold up under harsh winter conditions, such as ice storms and heavy snow?"

**Jeff Karo:**

Chad?

**Chad Janisch:**

Yeah, I get Chicago, right? Kind of like Minnesota. Yes, it will hold up. I think the one thing that in the Midwest, you have to be conscious of which isn't really a DaVinci thing, it's a snow guard thing which is snow guard retention. And I think this goes down again to educating yourself on the product, depending on the region that you're in like what Scott's been doing. It sounds like he's done the hammer, he's done the blow torch, we have the baffling on the back of the product. Now, we talk about snow retention. So, it's a good product, but it's going to perform differently than the roof that they have, whether it's asphalt or whether it's wood shake.

And depending on the market that you're in, you want to talk about snow guards which are not snow stops, it's snow retention. And then you have to learn more about staggering them, how is going to perform. Ice and snow is going to come off a little bit faster. So, we don't have issues with it, but you have to build awareness to the homeowner that the roof will react differently. Snow may come off a little bit faster and if you're concerned with that, there's no retention that we can actually put in place to help with that. Again, the more you know, the better you can sell the product.

**Jeff Karo:**

That's good, perfect. Well gentlemen, I can't believe we're at the end of our hour, but there were a couple more questions. And we'll get back to you if we didn't answer them. I think most of them actually did get answered, but we can definitely put it there. There was one question about maintenance around wood shake, so we'll probably get that over to you Chad. And I have to say thank you. I have learned so much today. This has just been a great... the passion, Chad and Scott, the passion for you and your roofs, when you said just sitting there and looking at this roof and how much pride, I mean that was just a highlight for me today. Thank you so much for sharing that with us.

Chad Janisch:

Thank you.

Jeff Karo:

Thank you.

Heidi Ellsworth:

And Jeff, thank you and thanks to DaVinci for sponsoring this and for being a big part of RoofersCoffeeShop. For all of you out there, you can find all this information about DaVinci on the DaVinci directory. And you can also find it in all the great articles and all the educational pieces, plus obviously this RLW. Jeff, thank you again for being here today.

Jeff Karo:

Thank you very much. Thank you very much for having me, that was fantastic.

Heidi Ellsworth:

Thank you, and thank you all for attending. This is our monthly RLW. We want it to be here, where you can read it, you can listen to it, you can watch it, however it's best for you. Please share it out to everyone in your company, homeowners. I just think there's some great information here, and we are looking forward to our next RLW, which will be on January 26th, and it's going to be about estimating, training, and certification. If you have estimator and you're looking to get them trained and certified, this is the RLW you need to be in. It will be hosted by Cotney Consulting with John Kenney. This is revolutionary in the industry right now, and they are just doing some amazing things.

So, be sure to join us, same bedtime, same bed channel on January 26th here our RoofersCoffeeShop. And I hope all of you have a wonderful day. Thank you for being here today, and we'll see you next time, RoofersCoffeeShop, RKW. Have a great day.

Jeff Karo:

Take care.