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INSIDE METAL ROOFING



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PANELIST
Matt Burke
Grosso



PANELIST
Mark MacDonald
Sherwin-Williams

Heidi Ellsworth:

Okay. Welcome. Welcome to the June RLW, from RoofersCoffeeShop. My name is Heidi Ellsworth. So happy to have you all here today. This RLW is going to be phenomenal. We are actually unveiling an initiative that has been many years in the works. And so there are going to be some top trends and some top initiatives, and a really good look at the future. So let's get started. I want to introduce the inside metal roofing by industry experts. Today, we have four gentlemen here who are going to be talking about what's happening in metal and what really is the future of metal out in the industry.

But before we get started, let's go through a few little housekeeping. So first of all, all attendees are muted. But if you have questions, please enter them into the chat or the Q and A boxes. We will be taking all the questions at the end of the RLW. Also, this is being recorded, and it will be on demand within 24 hours. So please, come back, watch it again, share it out. And not only is it going to be video, but you'll also be able to listen to it on your favorite podcast channel. And there's a transcript and several articles on the way afterwards. So lots of great information and content for you to share out to all of your customers, but also within your company. And finally, just once again, be sure to ask your questions. This is a conversation and we want to hear from you, and we'll be answering all of those towards the end of this webinar. So here we go.

First of all, I would like to introduce Christian Zimprich, the marketing manager for Sherwin-Williams Coil Coatings. Christian, welcome to the show.

Christian Zimprich:

Thanks Heidi. Thanks for having us.

Heidi Ellsworth:

Christian, can you tell everybody just a little bit about yourself, and about Sherwin-Williams Coil Coatings?

Christian Zimprich:

Sure. Absolutely. So I've been with the company for about 9 years, almost, coming up on, which is crazy. I had more hair back then, especially before the last few years. Surprisingly, that was when I was in supply chain, so I don't know what happened there. But like I said, I've been in a number of roles within the company. Been with the Coil Coatings division for about 6 years. And we specialize in coatings, specifically for metal substrates, of which metal roofing is one of our key and fastest growing market segments. So we're excited to talk to you more about it today.

Heidi Ellsworth:

Excellent. I'm really excited about this. And I'd also like to introduce Mark MacDonald, also with Sherwin-Williams. Mark, hello, welcome to the show.

Mark MacDonald:

Hi, glad to be back. It's always exciting to do these with you, Heidi.

Heidi Ellsworth:

Yeah. This is a repeat performance. Can you tell everybody a little bit about yourself?

Mark MacDonald:

Sure. I've been with Sherwin-Williams now about 10 years, after leaving Aerospace. Before that, I was in the Navy SEAL teams for a number of years, and which has really nothing to do with what I do now, which is sell paint. And I'm really lucky I get to work with Christian. And together, we look out into the market and determine what are the problems that are yet to be solved out there, and then reach out and create vendor relationships to solve those problems. That's what I do at Sherwin-Williams.

Heidi Ellsworth:

Excellent. Excellent. Thank you. And thank you again for being here. I'd also like to introduce Mark Raines, AVP of Eastern US and Canada for EagleView. Mark, welcome.

Mark Raines:

Thanks, Heidi. Thank you. I'm coming up on 9 years with EagleView, similar to Christian. In August 1st will be 9 years. Been in the construction industry for 15 plus. Worked with distribution, manufacturing in EagleView, the past 9. This is really exciting to talk about today, to really leverage accurate measurements. To get actual cut counts and cut lists for people looking to get into metal, and people that are already in it. So we're happy to be here, Heidi. Thanks so much for having us. And I love eagles, according to the picture.

Heidi Ellsworth:

The picture, yes. I can tell. Yeah. That must be your service award. Thank you so much, Mark, for being here. This is the first time EagleView has been on one of our RLWs, so I'm super excited to be able to really share a lot of the information today, and how important it is now to metal. Finally, but not... Last but not least, I want to introduce Matt Burke, who is the director of consulting services at Grosso University. Also a first time attendee on the show. Matt, welcome. Thank you so much for being here today.

Matt Burke:

Thanks, Heidi. It's an absolute pleasure. I'm excited. It's just a blessing to be a part of this awesome program. Grosso has kind of come into it in the fourth quarter. I've been with Grosso since August of 2019, where we really launched under our new model, which is our leadership who is active in the business with a couple of very elite companies. Grosso has become the consulting arch for them. So not only do we train on sales, but we're able to consult on all the business processes, from phone call to install. So we're excited to serve that up for the Sherwin metal roofing program. We've created a metal roofing academy that's online. And it comes complete with a full comprehensive curriculum on sales training, they get tested out. So it's an easy way for dealers to get reps trained up very quickly. So we support that piece.

Heidi Ellsworth:

That's awesome. And I mean, I have to let everybody know, where are you and Mark right now, since you're in the same room?

Matt Burke:

That's a great question. This room is pretty dull compared to what's outside the conference room. But we're at the annual Closer's Camp, which is the Grosso University sales training and business leadership

event. So we got about a couple hundred people in that room out there. All eating, I believe, Mexican lunch right now. We hear all the plates clattering, and we're in here talking to you guys. We prefer it that way. Yeah.

Heidi Ellsworth:

That's great. That's great.

Mark MacDonald:

Yeah. I think the things you're going to talk about, we're all going to talk about today, the years of work and how we all got here, but this is the launch point. So this event is the launch point that's basically going to change the metal roofing industry.

Heidi Ellsworth:

Yeah, it is. This is groundbreaking today, I'm telling you. Okay. But you know what? We always want to set the stage. So we want to know where we're at so we can really see where we're going. So Christian, I would love it if you would start us out. Just kind of talking a little bit about market share, the growth that's going on, and the things that are happening on insurance and restoration too, with metal. A lot of new stuff.

Christian Zimprich:

Yeah, for sure. So, I mean, again, metal historically has been, we've kind of started to get into the double digit numbers in terms of market share. But we really started to see that accelerate for a lot of reasons. There's a lot of secular trends that we'll talk about a little bit more detail here in a few minutes. But we're definitely starting to see it pick up. Our internal forecast call for continued growth and market share for metal roofs. That insight is shared by a number of industry participants and third parties too. So it's definitely an area of growth for our business and our value chain and our partners, and we're definitely excited to help support it in any way we can. And regardless of the trends is, like I said, a ton of great reasons to choose metal roofing or to choose as a homeowner or as a contractor interested in market, and how you can enter and really capitalize on the growth that's happening.

Heidi Ellsworth:

Yeah. And I want to point out too, when we're really looking at market share and staying on track with that, the Metal Roofing Alliance has been working with Dodge to provide this yearly. A new survey is coming out, or new report I should say, is coming out in July. We were just all at the Metal Construction Association meetings, and they reported that that'll be coming out in July. And I can't say anything, but Christian, you probably heard the same thing, that they're going to see those trends of growth and metal taking more market share, just continue to explode.

Christian Zimprich:

Yeah. I mean, that's certainly our expectation. And less so more important than whether the exact percentage, right? We're really looking at the trends in, again, depending on the source. Really, regardless of the source, it's pretty much universal that that growth is happening. And again, we don't see it slowing down anytime soon, certainly. And we also want to do whatever we can to help support it.

Heidi Ellsworth:

Yeah. And we're seeing it also in the insurance world and the restoration. We're seeing it on all sides, which is why today's program, what we're going to be talking about is so important. And it kind of goes right along with why. Why are we seeing this kind of year over year growth? So Christian, you can talk a little bit about that.

Christian Zimprich:

Yeah. So on the residential side, we're definitely seeing more homeowners choosing metal for a variety of reasons. There's a ton of advantages, and we'll talk about that here next. But it's definitely becoming a more chosen option for homeowners. Some of that comes with just availability, right? As the supply chain for metal roofing continues to grow, it opens up new market opportunities. Just how we're supporting that, is one way we're doing that. Also, it's taking off considerably in a lot of new commercial construction projects. Depending on the geography too, there's a lot of advantages for commercial real estate owners to choose metal and really have that confidence in the longevity of the roof, and make sure that their investments protected.

And then we see an increasing need for renovations and the ability to leveraging on the advantages of metal roof there. And last, is just the opportunity for differentiation, right? Bringing metal roofing as an option to homeowners or commercial real estate owners can, again, create additional value for those owners, and really leverage new growth opportunities for contractors.

Heidi Ellsworth:

Yeah. We see that all the time on RoofersCoffeeShop, that contractors, everybody who's on this webinar today, thank you, are really looking how to either grow their metal business or to start adding metal business into, and really differentiate themselves. Mark Raines, you are seeing that also, don't you? With a lot of your contractors at EagleView.

Mark Raines:

Yeah, absolutely. And where I live, I live in South Florida, you're driving around the neighborhoods and people are actually opting for metal roofs, which is really exciting to see. And it's a really attractive look as well too. So as we partnered with Sherwin, and we'll talk about it a little bit later, that we're allowing your everyday shingle roofing contractors to get them into metal, with just leveraging Sherwin and Grosso. So it's a really great partnership. And contractors that are taking advantage of it are selling higher ticket items, and it's positively affecting their business.

Heidi Ellsworth:

Yeah. And I mean, I just have to point this out too, because Mark and Matt, you are both right there at Closer's Camp. And you're hearing not just from roofing contractors, but overall, exterior contractors, and maybe even some interior contractors, that they want to get into metal roofing. So there's a lot of growth that way, and differentiation.

Matt Burke:

Yeah, no doubt. Everybody's interested in metal roofing. It's just, how do we make it happen? And that's why this is such a beautiful program, because it's as turnkey as it gets. So yeah, it's big, especially with the production support, as we'll get into in a little bit. But people are excited. Like Mark said, we were talking to a bath company yesterday. But the beautiful thing about roofing, the leads that you run,

whether it's a bath, flooring or anything inside the house, if they have a roof, then it's worth having the conversation, right? And at least we know what's available to them.

Heidi Ellsworth:

Yeah. And with the growing interest, I am going to say, roofing contractors should be jumping on this sooner than later, because there's a lot of people interested out there. And here's some of the reasons, right? I mean, we're probably going to go through this a little bit fast, but I'm telling you, there's so many good reasons that things that are happening. So Christian, maybe just talk a little bit about what is making those trends towards more metal.

Christian Zimprich:

Sure, absolutely. So one thing, one of the big advantages of metal, especially in warm weather climates is energy efficiency when it's combined with some of our coatings that can really incorporate solar reflectivity. So what that allows is the roof to actually reflect off the energy and actually keep the underlying structure cooler, especially again, in those hot climates. When it comes to solar, something that we've recognized, and I think is becoming a bigger and bigger trend as some of these legacy solar projects on residential start coming closer to their life cycle, is that a lot of the solar panels will actually outlast, particularly asphalt roofs, right? So once it's installed and you need to replace an asphalt roof, you actually have to take down the whole solar array, put on the new roof and then reinstall it. With metal, you don't really have that issue.

In addition to the fact that for certain types of metal roofs, especially like standing seam, it's easier to bracket onto those. So you can really combine the advantages of solar along with metal. We already talked about, a lot of that plays into sustainability. But again, I think one of the biggest areas of focus for us in sustainability is just that life cycle and that circularity, and metal is one of, regardless of roofing, but just when it comes to building products, one of the most recyclable materials that there is. And even outside of construction products, right? So the ability to know that the materials are being used efficiently and can be put back into circularity at the end of its useful life, is huge as well.

And then, again, Mark touched on this, but aesthetics is another huge thing. You can achieve a lot of different looks with metal roofing. And a lot of people are really gravitating towards metal because of the way it looks and how you can achieve certain aesthetics and designs, along with the rest of the profile of the structure. So again, all these are advantages that are kind of booming the market and seeing that market share shift. And we certainly are doing whatever we can to help maintain those advantages that are [inaudible 00:16:58].

Heidi Ellsworth:

I can definitely say, working with the folks over at METALCON, which is a huge metal conference in the fall, more architects are getting involved, they're coming in every day, they're spec'ing it. And so we're going to only can see this grow because of all of these things. And it's in high demand. But let's talk a little bit about how we're going to do this, right? Because there is a lot going on and a lot of demand, which we've already seen, we know the reasons why. But now, how are we going to get all this installed and how is this going to work? Mark MacDonald, I would love for you to... You've been working on this, you and I've been working on it together through a lot of joint committees, and working with different associations. Can you talk about this?

Mark MacDonald:

Yes. I think this is the real choke point for our entire market, basically. So this is where things get slowed down, things are very hard. Because it's not just having labor, you have to have the right labor, the right consistent labor. And metal does require a different skillset than a traditional asphalt roof. And so there's training, there's a lot of proprietary roofing systems that are out there that have quite a bit of different technical variation, that have to be taken into account. And so to stand that up, that's really been, I think, how do you feed that engine, right? So it gets into kind of a complicated conversation with the manufacturers, because what's the incentive to do that? Well, the incentives to grow their business, but how do you do that? Is it just organic growth? Do you try to go beyond organic growth. What does that look like? Those are things that we've been wrestling with. And I think we finally have answers for this at Sherwin-Williams and our participating manufacturers. I think we're starting to really have those good discussions.

But that said, you have to have a holistic plan as well, and that's what you and I have been talking about with the National Roofing Contracting Association, the NRCA. And they did a great job. We partnered with some of the leadership in the metal building and roofing industry. Came together, got a consensus and funded to pull in their ProCertification program, which I think is a huge win for the entire metal roofing industry. And that's in place, so that's getting done. Will be published. I don't know exactly what the date is, but I know they pulled it in by at least two years. And that's a huge advantage for us.

And then we also have some really good industry focused beyond that, right? So not just the NRCA, but really the Metal Roofing Alliance has been out there doing a tremendous job. Getting that education out to the homeowners. Pulling in the contractor base to help put them in touch with that homeowner base market, so those homeowners can get the information about what quality metal is. Emory is a tremendous resource, and they're obviously closely associated with the MCA, right? So you have these groups out there that have been advocating for metal, this isn't a new topic, right? And the only way that you get new labor is you have to grow the market. You have to figure out how to do that, as the incentive to grow the labor force. And you have to have a plan for that. So I think we're all working together. It's definitely a hard problem to solve, but I think we're starting to see the light at the end of the tunnel.

Heidi Ellsworth:

Yeah. I'm seeing the exact same thing. I mean, with the new training and the track program coming out from NRCA on metal. And they have more metal programs coming out. And then being able to get the certification. Plus they're also working more on the CTE, the career technology side of things. So we're seeing it across the board. It's just, there's a lot of demand and it's still happening to get everyone trained. But I think as we look through that, it's really important to start understanding that there's more training, there's insulation training, which we're going to continue to talk about. But there's just this overall need for training of understanding the metal industry. So, Matt, I know you're doing a lot with this. Can you talk a little bit about that?

Matt Burke:

Yeah, absolutely. So we're seeing the biggest pain point right now. We've quizzed the audience here, what is their biggest pain point they're experiencing now? And it's hiring not only on the back end, like we've talked about, but the front end too. And everybody is experiencing that. Obviously it's a labor crunch. So we found that if you can instill these training programs in your company, and get them dialed into a point where we can recruit character and work ethic and then train the skill set, then that puts you in a good spot to grow. So the sales training when it comes to metal roofing, a lot of the initial adopters of this program, they're asphalt dealers, right? They're contractors who are used to selling asphalt, and their sales reps are used to presenting asphalt in the house. And they're used to that price point.

And we're talking about a totally different price point here with metal roofing. Average tickets say \$40,000 compared to a \$20,000 asphalt roof for a lot of companies. So there's a gap there that we need to help the sales rep bridge in the house. How do we upsell to metal? What are the benefits? And how do we arm those sales reps with all the information so they can educate the homeowner to make an educated decision as quickly as possible, right? And efficiently as possible. So that's what we provided Grosso. And we're excited that Mark brought us in to this program, to leverage our strengths and then provide [inaudible 00:22:37].

Heidi Ellsworth:

And Matt, one of the things I'd love for you to highlight too, is there is a difference in selling, right? There's a difference in selling an asphalt [inaudible 00:22:48] roof, depending on what type, and a metal roof. And so it's not only is it important to have strong sales and really sales training, but it's also important for the company's ownership to really understand the business around metal, because it's different.

Matt Burke:

It is, 100%. And I didn't realize how different it was until we started working with this program. The production side is different. It's a different homeowner typically, that's in the market for metal. But that doesn't mean you can only sell metal on metal leads, right? I mean, you can upsell on an asphalt if it's a roof repair. And even if you're in a home. The thing about roofing is it's on every single home you go into, right? So yeah, it's important that the reps are able to harness that information and deliver it in the house. The business side of it, a lot of it's the same when it comes to lead inception and what do we do with the lead from there, from qualifying it to setting the appointment. But it's the sales rep's ability to upsell to that higher end ticket that we see the most needed for training.

Mark MacDonald:

I think that's one of the eye opening things that I've had in this program, is that when Grosso talks about sales, and we talk about sales in our industry, we're really talking two different things, right? So in the metal roofing industry, I would say what our industry is incredibly good at is B2B sales, right? So we know how to do that. We get it. A manufacturer knows how to sell all day long to a contract. That's what they do for a living, right? And as a paint company, we can talk to the manufacturers, and we're pretty good at that I think. Right?

What's interesting is when you start talking about doing homeowner sales, I think there's a massive gap, which means there's a massive opportunity in the metal roofing market to learn that to the consumer sale, that homeowner sale. Good news, that's what Grosso does for a living. And we're not breaking new ground here, right? The theme that you're going to hear over and over today, we're not doing anything new. EagleView didn't appear yesterday. Eagle has been doing this for many years. Grosso has been doing this for many years. We're just leveraging things that our competitors that have been selling premium products in the market for years, they've been doing this for 30 years. We just woke up and said, "Oh, that looks interesting. Maybe we should try those things." And so, [inaudible 00:25:38], that's kind of how I see it.

Heidi Ellsworth:

Yeah. No, I think that's 100%. And the thing that I have really appreciated too, is that you, in working with Grosso and really, and Mark, and with everybody talking through this, it's like, "Okay, what do we need next? Okay, we have sales. We have business training. What do we need next? We need installation." And so we've working with the associations. But also, we were just talking about it, there's

folks out there, and these [inaudible 00:26:05] are on both RoofersCoffeeShop and MetalCoffeeShop. John Sheridan, with Sheridan Consulting is teaching installations. We'll sit and do hands on. So there's a lot of people who are coming together in order to make all this happen. And so-

Mark MacDonald:

That's exciting. It's really exciting.

Heidi Ellsworth:

Yeah, it really is. So we want to give you a peak, and not more than a peak, we'll say a reveal, on what all of this is about. And so Mark Raines, I would love it if you could share and start talking about this concept, this idea of project compression.

Mark Raines:

Yeah. So there's many gaps in the industry that we work in. And Mark was spot on, talking about the B2C gap. And Grosso, who I've met with them plenty of times before, does a great job of creating processes and building confidence within these sales reps, to go out there and not just take orders, but go out there and get the business and help upsell. So working with EagleView for so long, it's really been beautiful to see the transition of our industry adopt technology. And EagleView, we've been around for close to 15 years, and one of the biggest misconceptions that people think is that we use satellite imagery. That's not the case. We actually have 140 planes, and we call them assets, strategically placed across the US and Canada. And we fly low altitude, Cessna 172, Aztecs to take high resolution photographs at all different angles, to create digital twins. To create accurate 3D measurements for contractors, to help create a better buyer's journey or homeowner's experience. That they know that they're getting the best accurate data and proposal out there.

And you talk about just like a lovely transition into this partnership, because metal, you have to be accurate. You have to be accurate. There's waste in asphalt, tile, flat roofs. But with metal, if you cut it too short, you're calling Mark or Christian saying, "Yeah, we need another panel here." Right? "Because we cut it too short." So ultimately, we want to alleviate that. And then Mark can talk about that more with the Roofing Passport. But this project compression is, what we want to do is, is we want to provide the contractors, and the industry is providing contractors, the ability to speed up the job life cycle. Right? So as your contractors are prospecting or creating proposals, you can leverage measurement services to show up to that sales call prepared. And that will reduce a lot of truck roles. It'll reduce a lot of time spent measuring the roof or evaluating the roof, when you have all the data at your fingertips, right?

So leveraging EagleView data per se, can help this sales rep or operations manager when it comes to planning the materials onsite, or creating purchase orders to send over to distribution, or metal cut counts. We provide them with a lot, a lot of time savings. And one thing that's very critical, that really coincides with what we're talking about today is a lot of people look at an EagleView PDF report and think that we just round up to the foot. The only reason why we do that on the PDF report is to make it more readable. So what we're doing with this Roofing Passport program is we're providing XML data. And this XML data measures it down to a fraction of an inch. So we're the first and only remote measurement service that's providing that detail of accuracy. And it's certainly needed when it comes to bidding and installing a metal roof. So it's really, really fascinating. And I've had Mark on some of my team's calls, and we're like, "Yeah, this is a disruptor, in a good way. And it's a game changer, in a good way as well, too."

So with that being said, if people are proposing or bidding accurately, they're ordering the correct amount of materials, they're installing more accurately, and that is just shortening the job life cycle that we're giving time back to that contractor, right? That they can go out and either grow their business or

spend time with their family, whatever they want to do. Right? Time is the only thing that we can't get back. And we want to provide people with a lot of saved time. And that's what we're looking at. And we want to help automate just processes. And that's done with a lot of the CRMs that are out there. It's certainly done with this Roofing Passport, the Sherwin Passport program.

And another nice thing too, is having this XML data, is we can really allow contractors to enter in the metal roofing market a lot easier than it has been in the past, where the barriers of entry, like we just spoke about, getting the skilled labors. Matt was talking about the sales experience, and Grosso can help with that. So if we're helping contractors out, everybody on this call certainly is, to provide their prospective client with options, the homeowners can be like, "Hey, that metal roof looks pretty. Why don't we go with that?" We just want to help the contractors make as much money as possible, and also save as much time as possible too.

Heidi Ellsworth:

And I really love what you're saying there. And it leads down to one of these bullet points of margin confidence. When you're going from asphalt to metal, there is a lot of nervousness and, "Am I going to bid it right? Is it going to be cut correctly? Are we going to lose our margins because the materials aren't right?" So to me, that's a huge game changer. And Mark, you know I couldn't stand it. I have to say, I remember I was there at EagleView, and we talked about this all the time. We talked about the ability to provide reports that they could use to cut metal from. And I don't know if everyone out there really knows what a big deal this is.

Mark MacDonald:

It's interesting that you said that, Heidi, because I think it ties back to your company directly. So we would not have a program in Sherwin-Williams, if it wasn't for you and the RoofersCoffeeShop. That's a fact, that is gravity. And why? Because of the metal community. Because you brought me in, Heidi. You brought me in to introduce me to peer's door [inaudible 00:33:51]. And without that meeting, we would not be sitting here having this conversation. So the reason I think the RoofersCoffeeShop and follow on MetalCoffeeShop is so important, is for that reason. Because to grow this market, to grow the business, you have to network, you have to have a community. And I want to thank you for providing that.

Heidi Ellsworth:

Thank you. This is what it's all about. It's about delivering this kind of innovation, this kind of opportunity to all of the industry out there, to all the contractors, that I think is just so important, and we strive for every day. And so I'm really excited to show this next slide. So for everyone out there, we've been leading up to this, you're kind of hearing a lot of terms of things that are happening, but this is a full new program being offered by Sherwin-Williams and all of their partners, which we are very proud to be one of. And here you go. This is the METALVUE program, but there's many parts to it. So Mark MacDonald, I would love for you to start out on this. And kind of walk people through this slide.

Mark MacDonald:

So this is a slide that's to a very specific type of contractor. And this is a contractor... So we did a proof of concept last year in Florida, Missouri, and Philadelphia, and we learned a lot from that. We learned what worked and what didn't work. And what we learned, I think the number one takeaway is, and if you look at the metal market as a whole, which we talked earlier about, we're really talking between, depending on who you talk to, depending on the report, between 10%, 14%, 15% or whatever the number is. And it's kind of been slow, organic growth, right? And there's been some more interest. And it's exciting, but that market is served, right? We have contractors, we have manufacturers who continue to organically

grow that market, right? The question is, how do you go beyond that? How do you disrupt and change the market, and take additional share and upsell asphalt into metal? How do you do that, right? And why hasn't it been done?

So this slide is to this new customer that is a contractor that does one thing, they sell. They sell. And when they're not selling, they're also selling to Closers. And those people are on the other side of that wall, getting taught by Grasso. They paid money to show up to this conference to sell even better. Right? And what does someone who sells stuff want? They want new products to sell. Well, great news, we have Sherwin-Williams coated metal roof, brought to you by our participating manufacturers. So the most important part of this entire slide is the centerpiece, the participating manufacturer. Without them, there is no program, period. We are flowing value to our manufacturers to enable them to take advantage of this huge market opportunity. So they are front and center to this program.

Why is that so important? Because the number one challenge, as we said earlier, is labor. Well, they're in the middle of that conversation. Without that conversation, there's no program. So our participating manufacturers are stepping up. And there's three scenarios. They go to a new customer and they say, "Hey, what do you need?" And they go, "Well, I don't have any labor. Do you know any labor?" "Yes, I know labor," because that's what they do for a living. And they align them with labor. Opportunity two, they come in and say, "Man, I've got crews and I want you to train them." And our participating manufacturers say, "No problem. Let me train you. And maybe even sell you equipment to help you do your job." "Great." Choice three, "I need both." Right? And it's a complicated, hard thing to do.

The reason this program has not been a reality, is because we really haven't put the manufacturers, the Sherwin-Williams participating manufacturers front and center. They are the focal point of this entire thing. Solving, not just the laborer challenge, but material confidence and material distribution. Right? So there's a huge difference between going into a store and buying some panels, and having a manufacturer step up and say, "Hey, let me align with confidence, how you're going to get panels to meet the demand that you've identified." That's a very different conversation. So that's step one. Get in the room with our participating manufacturers. You want to know who they are, we'll tell you. Get in the room. They're ready to talk to you and they're ready to grow their business, period. And grow your business. Right?

So then going on the left, the next piece is selling. So you got to sell. What does that all start with? It starts with homeowner leads. Right? The people we're talking to don't need a lot of education on leads. They know more about leads than I'll ever know in my entire life. But you have to have good leads, and we're lucky to be partnered with Predictive Sales AI who's been doing this for a long time, and they crush it. And we offer Sherwin-Williams branded metal roof leads. And typically, people use both of those, their organic lead program and then the branded lead, and they go, "We're off to the races."

Next, you have to have a product to sell. So Sherwin-Williams has created the first of its kind ever, in the history of metal roofing. Sales training for metal roofing brought to you by Grosso University. And that's provided to the contractors for free by all of our participating manufacturers, day one. Those sites are live up now. So please talk to our participating manufacturers and check it out.

Another great news. You're going to need to close that deal and up your close rate. How do you do that? Visualization. Rental Works. Rental Works is in the house. They're ready to do business. They're already doing business with our manufacturers. You sit down with that homeowner, boom, present that metal roof and show them what it looks like. And you're going to increase your close rate by X percent. Awesome. We've talked about it on this call, MetalCoffeeShop. Without a network of people to learn, it's hard to grow your business. So great news, MetalCoffeeShop has that covered. Right? For those of you, that's Heidi.

Heidi Ellsworth:

Yeah. Brand new.

Mark MacDonald:

Literally talking about her. So then the final parts here are a big deal. Every single customer that we talk to, every, without exception, says two things, "I don't understand the material and labor part of this, it's hard." And the next thing they tell is, "I have no confidence in my estimate that I'm going to make money." Right? "None." We present them with our EagleView based solution. So without EagleView, there is no Roofing Passport, period. Doesn't exist. So EagleView comes in, we're running jobs, we're putting roofs on houses every week with this tool, EagleView stuff. The final product, it's within a \$100 to \$500 of a final product order, every time. That is insane. So EagleView, it's incredible. So they fly out, they use crosshatch pattern. They produce a hyper accurate three dimensional rendering, wireframe. We ingest it via this XML file. And that's a lot of fancy words for saying, holy crap, it works. Right? It works.

And so we also realized that we needed more. Right? So we wanted to do blueprints, plans and drawings. So we partnered with another industry leader that frankly I'd never even heard of, called Roofing Works. You know who's heard of them? Almost every single one of our manufacturers, because they've been working with them for decades. Right? So when you combine that power of EagleView, the industry leader, bar none, exponentially in this space, everyone else is a footnote. A footnote. They hand out 10, 15, 20,000 reports a day, and now we're integrated with them. How can you not win with that? Right?

I move on to Roofing Works. Submit your blueprints, plans, drawings, done. And last but not least, there was a need out there from these new customers that said, "What about HOVER? What if I have a HOVER report? What if I have this report, and it's an XML?" Well, we'll ingest the raw XML. Instantly done. Instant material takeoff. Press a button, literally. We're doing that. So this is the team that gets it done. Sherwin-Williams as a company. We have people like Christian Zimprich looking at into that market. Thinking hard about it, that's what he does every day. And that's how solutions like this come about. Right? Smart people sitting down, building relationships. We're not just bringing you technology, we're bringing you a vendor network that you've never had, that's going to help you grow your business.

Heidi Ellsworth:

This is groundbreaking. And Christian, I would love for you to talk about this and how this all came about.

Christian Zimprich:

Well, yeah. I'll first thanks Mark for the glowing endorsement. But I think he's telling himself short a little bit there. I mean, really none of this is happening without him. But I guess the only thing I would add to what Mark said is looking at the slide a little bit, it can look pretty complex. But really, in my mind, this program, in addition to eliminating time killers and investing back in the business, is really about complexity reduction, right? We're trying to give tools, metal, just insulation and the whole process is going to be a little more complex than asphalt. It's just the nature of the beast. But with these tools and with these partnerships and integrating all this stuff together, we're trying to make it as simple as possible with one thing in mind, and that's creating growth for everyone in the value chain, right? And we're excited to be working with companies like Grosso to bring in more contractors who are interested, into the value chain. So we can all continue to grow and bring this great solution that is metal roofing to the market.

Mark Raines:

Yeah. Metal is no longer scary. Been in the roofing industry for 15 years, and it was, if I ran into somebody doing metal, I'm like, "Oh my God. You're like the king of the world." And these tools that Mark and Matt and Christian are talking about, and Heidi too, the barriers of entry right now are so low. And Christian nailed it, metal roofing is more intricate and it is more complex, but utilizing all of these assets here, it'll make your alls life easier. It'll save y'all a bunch of time. That margin confidence will be there because there is such a great foundation here for everybody that wants to move into metal roofing.

Heidi Ellsworth:

Yeah. When I look at this and I see how it goes through the entire process of the sale, from the sale to the warranty, with everything in the middle. I know as a salesperson myself, Matt, it's so much easier to sell when you have that confidence behind you. When you know that there is a whole system, it's simplified, it's compressed, as Mark had talked about. So Matt, what are you hearing, as you're talking to sales people and owners out there who are already starting to embrace this, because it's already happening? How's it helping their business?

Matt Burke:

Reps get excited immediately because it's a big ticket item, right? So they have an opportunity to make more money. We have a slogan at Grosso, that volume is for vanity, profit is for sanity. But to have a profit, you have to have differentiation. The less differentiated you are, the more commoditized you are, and then you're competing on price, right? So this is a differentiator for a lot of roofing companies in a very competitive market. So everybody gets excited when we talk about metal roofing. And it's a beautiful thing, because you can say, "Hey, we have metal roofing, the business solution in a box." And as Mark said, it's been awesome watching this industry adopt technology. Because it's very fragmented. There's some amazing technologies available to contractors out here, but it's on the owners at large to figure out what works for them, and then what works with each other, in a way that they can make it efficient and bring it to market and execute on it.

And that's what Mark has put together here. And it's amazing because he vetted a lot of these companies. And the components of this program have been around and they can play nicely with a lot of things that businesses may have in place. So if, depending on the CRM they're using, EagleView, Predictive Sales AI, obviously they'll be able to most likely work with them. And so this is not only a full solution, but it's also very adaptable. So yeah, it's exciting to talk about. And when you put the Sherwin-Williams stamp on anything, it gets your attention, right?

Heidi Ellsworth:

Yeah.

Matt Burke:

Yeah, very fun.

Heidi Ellsworth:

Very true. So I'm guessing there's a number of you out there, and we do have some questions coming in that we're going to ask at the end. So please, if you have any questions on this, start typing them in so that we have them. But you may be wondering, "Well, how? How do I do this?" And this is the exciting thing for us at... as I'm trying to get my screen to change, at RoofersCoffeeShop, and that is the launch of

MetalCoffeeShop. So how do you do it? You go onto MetalCoffeeShop and you look in the directory, and you look for these manufacturers. That's your first step. Find the manufacturers in there. If you're already doing metal, talk to your manufacturers who are involved. And we'll be adding. There's going to be a lot more going on there. So if you don't find your manufacturer, all you have to do is ask. And just, we will send that out to Mark and Christian, and they'll be growing this network like crazy.

But MetalCoffeeShop just launched, probably about two weeks ago. It is sponsored and brought to you by Sherwin-Williams. We are very proud. And we are a part of that METALVUE overall program, in that we provide the place where everyone can meet. Just like on RoofersCoffeeShop, where the industry meets, that's happening on MetalCoffeeShop. All the influencers, information, news, webinars, podcasts. And I have to say, looking at some of the people who are attending, we have some folks, John Kenny, John Sheridan, Rob Haddock, who are going to be influencers. All the gentlemen on this call who are going to be offering wisdom on all levels. And so that's going to be the type of information that you're going to have, along with the type of networking that you're going to be able to do to start talking to other successful metal contractors on what's going on.

And this is not just roofing, this is walls, this is metal farming. As Mark was saying, "What kind of equipment should I have? How does this all work?" All of this information is going to be available there. So I encourage everyone to visit metalcoffeeshop.com. Mark MacDonald is right there, I know you've heard some things and you've been talking to some folks and this was kind of a brain child that you, Christian and I put together with a lot of other folks. How are you seeing everybody coming together and really utilizing that?

Mark MacDonald:

I think one of the questions we get immediately from everyone is, after we finish talking about labor is, "Where can we connect? How can we get involved in this community?" I think that's one of the key elements to grow this thing, is just making connections. So we get people asking that question. And it's basically a standard part of our intro to the program, is we talk about the fact that this is offered by the manufacturer, and this is where they can connect. And I think that everyone is finding that exciting. Immediately, there's a place that they can go to.

Heidi Ellsworth:

Yeah. When you look back at that slide we had, if you're saying, "I've got the installation, I've got great metal crews, but I need to connect on the sales side," or, "I need to connect on the training side." All these things. Or, "I need to connect with EagleView. I haven't really been there yet." So Mark Raines, you have contractors, I mean, I know, I was there, thousands of contractors who are using this. And now all of a sudden they're wide open to metal.

Mark Raines:

It's always nice to talk about new stuff if you're revisiting existing clients. And we look at it as a consultative sale. And we want to just help them make as much money as possible. That's what a good partner does. And what Mark has done here, and metalcoffeeshop has done, you're giving these contractors all the tools to be successful and make more money and save time. And that's the whole gist of this thing, right? Like Matt was saying, the good sales reps look at metal roofing and their eyes are as big as cantaloupes, and they're smiling because it's a big ticket item. I think it's fun to sell as well too. I'm getting jazzed up over here. Maybe I go join Grasso or something like that.

Mark MacDonald:

[inaudible 00:51:15].

Mark Raines:

Our sales reps are going out there, and with the accuracy of our data, and now the XML data getting down to a fraction of an inch, we can propose these types of solutions for specific metal contractors or folks that are trying to get into it, and not be so worrisome about it.

Heidi Ellsworth:

I love it. So before we go to questions, because we have quite a few here. Christian, any last thoughts? Sharing the excitement of all this?

Christian Zimprich:

No, I mean, I think it's pretty well captured here. We're excited again about the network that this MetalCoffeeShop idea can help create. And like I said, we're all in on metal roofing. I know all the partners on this call and not on the call are all in too. And we see it as a huge opportunity for growth for everyone up and on the value chain. So we're extremely excited to be further partnered with you, Heidi, and the rest of the team. And we're looking forward to what the future holds.

Heidi Ellsworth:

I am too. This is very exciting. And we have some great questions here. So we're going to get to it. I'm going to start at the top, so don't think I'm going to forget you, because we won't. So we had a question here on, "What's the best underlayment." Now I know this is a little off topic, but I think it's important because this is all going to lead back to some good... where to go. "What's the best underlayment for a metal roof? Please name some brands, please."

Mark MacDonald:

So the underlayment can be in a lot of places, relatively simple. That's going to be a manufacturer question, right? Some of them are going to have specified in underlayment, that they use with specific roof systems. When you go a little bit, maybe wild side, when you're grabbing panels out of a distributor, maybe you can choose your own underlayment. You're going to have to look at the building codes and you're going to have to talk to your participating manufacturer to ask that question, to see what their guidelines are. An extreme example, what I'm talking about would be Florida, where have an incredibly challenging fire rating where there's really currently only one underlayment [inaudible 00:53:31] need there two. Put, or as I think, one. It's a great question. It's a complex answer. And the best person or people to answer that is your participating manufacturer.

Heidi Ellsworth:

Yeah. I agree. And I would also say do your research. So on RoofersCoffeeShop and on MetalCoffeeShop, we have a number of underlayment companies who do great work. High temp, that works under metal. So go out onto the site and look at that. And there was one person who said [inaudible 00:54:03] thing that they used Polystick XFR. We're not saying to do that. Check with your manufacturers, make sure you're within the specs, but do your research. It's all out there on the Coffee Shops for you to find that kind of... to see what you like upfront, before you talk to your manufacturers. The next question is, "How can I get a manual with the name of the parts used in a roof?"

Mark MacDonald:

There's a few different avenues to go down. I'm going to go back, it's going to sound like I'm a broken record, but your participating manufacturer, whose components you used is going to have that book that you want with all the parts of their specific profile. If you're looking for more generic information, there's a ton of resource with the Metal Construction Association. The MCA has got all the technical documents that you're talking about, very sophisticated. And then the MCA partnered with the NRCA, who now has training material as well, that's based on the MCA's data. So you can really go to a bunch of different... There's a bunch of resources out there. The MCA has that data, the NRCA has that data, and then your local participating manufacturer will obviously have exactly what you're asking for and need.

Heidi Ellsworth:

Yeah. And I would highly recommend if you're looking at joining associations. Once you join, that's all free to you. And being a member of MCA or NRCA can only help your business and get you those kind of answers. "Is there a special paint to fix accidental scratches during the panel seam installation?" Christian, I think you know the answer to this one.

Christian Zimprich:

I can take that one. Well, first, I'm again sound like a broken record like Mark. The first thing I would do is, again, point you at the manufacturer, because in a lot of cases they're going to have a specific brand or type of paint that they use with the coating or with their systems. The type of paint will depend on the coating that's on the metal substrate. But that being said, a lot of our manufacturers do use... Sherwin has a brand of touchup paint for metal roofing and other substrates... or, excuse me, other applications, called Ready Match. So we've had some of that information on RoofersCoffeeShop before. So again I would say, starting point, start with your manufacturer. And then if they don't have anything available or a preferred option, you can always come to Sherwin-Williams, and we have some options for you.

Heidi Ellsworth:

Yep. And if you want to get to Sherwin-Williams to find that, again, that's on both MetalCoffeeShop and RoofersCoffeeShop. Just go to the directories, there's a link there, it's easy. You can find that kind of touch up. And plus, all the manufacturers are there too, for your manufacturers. This is a really good question. "I was late to join the meeting, so it might have been covered, but..." And so, Mark Raines, this is to you, "But how can a production pet list be generated without field measurement verification, when EagleView has a measurement tolerance, plus-minus 6?"

Mark MacDonald:

So Mark Raines, this is Mark MacDonald. I'll let you take a stab at it and then I want to finish with the material. Because there's a lot to unpack there, but I'll let you go first.

Heidi Ellsworth:

Okay.

Mark Raines:

It really is. And it's, with the measurement tolerance, this is a great, great question. Legally speaking, it's within 4%, right? And you may have missed it, but with the XML data that we're providing through the

Passport program, like I said, I mentioned this earlier, is that it's down to a fraction of an inch. So when I first came on with EagleView, and I would go out and call on metal roofing contractors, my ultimate goal was to get them to purchase an EagleView report before they went to the job site. Because if we can give them close enough measurements, they can put a bid together.

And then if they close the job, we can limit that truck roll out to the job site, so that saves them some time there. But if they close the job, they could then put some tape measures up on some hips and ridges, and get some lineal footages for that structure. Now with the Roofing Passport program, and I'm a neophyte at this, right? And that's why Mark MacDonald is going to pick me up where I'm falling down here, is that the XML data can provide those cut lists, unless I'm wrong here.

Mark MacDonald:

Yeah. So let me jump in. So the person who asked the question, there's two parts and I'll answer them separately. The first part that you're asking or implying is, can you do an unverified... Whose liability? Who's liable for the roof? Well, the answer is the contractor is liable for the roof. If your question is, when can you put a roof on and not be liable for that roof, the answer is never. So we at Sherwin-Williams, nor EagleView, nor Roofing Works, nor anyone other than the roofing contractor will ever sign up for liability for that install. So it is a responsibility of the contractor to do field verification, period. So we're not taking that on, no one is taking that on other than the contractor.

And when you sign up for the Roofing Passport, those are terms and conditions that you log into. I mean, instantly. That's the first thing that you do. There shouldn't be any confusion on any user that uses our tool that that's the case. Separate from that, there's a talk about the plus or minus 6 inches. I can tell you, now that we're running thousands of jobs, the tolerance is much, much, much tighter with the XML. So like I said, we have real contractors putting real roofs on houses, and I can tell you for a fact that when you dial it in, dial it in means you're putting us into smart build. Smart build isn't like rocket science, in terms of, we don't know how you put a roof on. You have to tell the tool how you put a roof on. And when you tell it how to put a roof on, it relies on the EagleView data, which is incredibly accurate. So we're talking about putting final product orders in that are within \$80 of the material on the job site. That is a fact.

We have a lot of customers using the tool now, but one in particular in Florida banged this out and ran it and did comparative data on all of his jobs that went in on orders, and it was unreal. The variance is anywhere from a 100 to 500. But that's not an estimate, and that's insane. There is no one else in the world who's doing that ever. It's never happened. And this is the only way you can do it is with this system. That was an incredibly long answer to the person. That's your two or three part answer to your question.

Heidi Ellsworth:

Yeah. And I do want to say thank you for those questions. And we did have one gentleman who just wanted to say, "I use Sheffield Metal, and I have my own machines." Well, you know where to go. Go talk to Sheffield about this program. They are on the directory in MetalCoffeeShop. They're very active. And that will answer it. And gentlemen, I hardly ever do this, go over, but such interesting questions and topic. I want to thank you all for being here today. I so appreciate it. Great program. And thank you so much for having MetalCoffeeShop be a part of it.

Matt Burke:

Thanks, Heidi.

Mark MacDonald:

Thank you.

Heidi Ellsworth:

Thank you. And thank all of you for attending today. Remember, this is going to be on demand. You'll be able to share it out. I'm sure you're going to want to watch it again, there's a lot of great information there. And please join us next month when we have John Kenny with Cotney Consulting, and Eugene with Java, come and talk about service and technology. It's going to be really great. That'll be July 27th, and we will see you then on the next RLW. Have a great day.