



Fire & Water - Cleanup & Restoration™

1-800-700-SERVPRO

LOSS CONTROL = COST CONTROL

Accidents Happen!

Are your vendors helping “YOU” or helping themselves?

Thom Hoge

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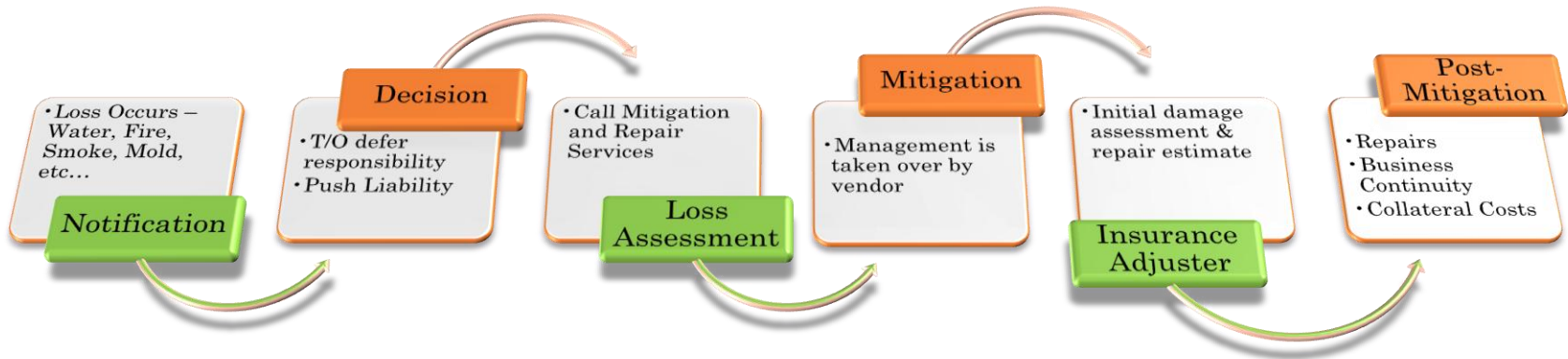
SERVPRO - Servicing ALL So Cal.
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IICRC Certified: WRT, ASD, AMRT
HAZWOPER
SERVPRO: ECTP, LLRT & DRT

EMERGENCY!!— WHAT HAPPENS NEXT?

COMMERCIAL PROPERTY PROCESS

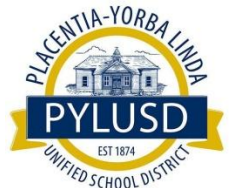
**EMERGENCY
HAPPENS**





EMERGENCY!! – WHAT HAPPENS NEXT?

CITIES & SCHOOLS PROCESS



EMERGENCY
Water, Fire,
Smoke, Mold,
etc...

Stakeholder Meeting
Vendor(s) are called out to stabilize and minimize secondary damage

Loss Assessment
Vendor determines scope w/
some input from stakeholders
on day #1

Invoice Paid
Minimal Review &
Little to No Cost Audit

Mitigation Services
Full control is taken by the
mitigation company
Continuity is not given a
second thought



CONTROL THE LOSS — HOW TO MANAGE THE SITUATION

- Use your **WORDS** - “Communication” is the key
 - Ask questions:
 - Why...?
 - What is the protocol?
 - Are there other options?
 - How long do you think this will take?
- Manage expectations **BEFORE, DURING & AFTER** the loss – This will save time and money
- Use your **EYES** - Visit the job site daily, if you can’t request daily updates with progress photos
- Don’t give up control even if you find out about the loss after the work is complete – Adjustments can still be made.



ARE YOU BEING OVERCHARGED??

- Absolutely!! ... Next Question...
- Let's look at some data...
 - Nearly 1700 Inspections have been performed by our office
 - 1.9% (32) were considered “fair & reasonable”. That means the 98.1% were not.
 - Equipment usage was validated
 - Scope was documented and justified
 - Pricing was within acceptable pricing guidelines (Within 20% of Xactimate pricing)
 - Projects \$30K or less were overcharged by an average 62.1%
 - 3 of those projects were over charged by more than 90%
 - Projects \$30K - \$100K were overcharged an average of 53.8%
 - Projects \$100K - \$400K were overcharged an average of 37.2%* (*limited data sample)
- **HERE IS THE REAL SHOCKER** – The real cost savings result when a mitigation company and its technician understand:
 - 1) The ‘science of drying’ – IICRC certification (i.e. WRT & ASD)
 - 2) Collateral costing factors: Business Continuity/Interruption, “repair vs replace”, repair process, etc...



LOSS CONTROL — GET THE DESIRED BEHAVIOR

A study conducted by the Police Foundation – “SELF-AWARENESS TO BEING WATCHED AND SOCIALLY-DESIRABLE BEHAVIOR: A FIELD EXPERIMENT ON THE EFFECT OF BODY-WORN CAMERAS ON POLICE USE-OF-FORCE”

“A voluminous body of research across various disciplines has shown that when humans become self-conscious about being watched, they often alter their conduct. Accumulated evidence further suggests that individuals who are aware that they being-observed often embrace submissive or commonly-accepted behavior, particularly when the observer is a rule-enforcing entity.”

A clients full participation and interest in the quality and honesty of the work performed by a vendor will significantly improve results and lower overall costs.



THINGS TO LOOK FOR TO TELL IF YOUR MITIGATION COMPANY IS DOING A GOOD JOB FOR “YOU”.

- Estimate accuracy – Do you expect change orders? Or unforeseen “problems”? Scope creep? Delays?
- What is their “Mitigation vs Repair” cost ratio?
 - Industry average is 3 to 4 times the cost of water mitigation
 - A project that has a mitigation costs of \$3,500 should have repair costs that are \$10,500 - \$14,000* *There are exceptions (i.e. After hours, cabinet fabrication, fire damage, etc...)
 - Does your vendor even know what their Mitigation vs Repair cost ratio is?
 - **SHAMELESS PLUG** – Our ratio for water damage is 1.6 – not totally shameless – We can do better
- Do they offer viable solutions that can reduce the overall scope and cost of the project?
 - Work collaboratively with your vendors so that they know your expectations
- Do they ‘fear-monger’? Do they offer free training to your crews?



7 THINGS YOUR MITIGATION COMPANY DOES NOT WANT YOU TO KNOW

- #1 – Mitigation services are science-based and therefore fairly predictable
 - For example: ANSI/IICRC S500 Standards have developed calculations that enable the dry-down services to be completed in 3-5 days.
 - Anything over 7 days is questionable and should be considered suspect.
 - **We've seen some mitigation companies charge for 10, 15, 20, even 30+ days!!**
- #2 – Drywall affected by a Category 1 (Clean) or 2 (Grey) water do not always require that it be cut. The same is true for carpet. – “In Place Drying” is practice that is taught as part IICRC’s ASD Certification



7 THINGS YOUR MITIGATION COMPANY DOES NOT WANT YOU TO KNOW -CONT-

- #3 – “For the love of everything good, please don’t learn how to calculate equipment placement. That’s where I make my most money!”
 - There are simple calculations for determining how many air movers and/or dehumidifiers are required. Factors include: Water Category (1,2 or 3), Water Class (1,2,3 &4) and air volume.

Dehumidifier Calculation Worksheet

Type of Dehumidifier	Class 1	Class 2	Class 3	Class 4
Conventional Refrigerant	100	40	30	N/R
Low grain Refrigerant	100	50	40	50
Desiccant	1 ACH	2 ACH	3 ACH	2 ACH

Step 1	Calculate the cubic footage of your drying environment. $L \times W \times H = CF$
Step 2	Define the class of water loss as described above.
Step 3	Determine how many pints per day your humidifier removes from air based on the American Home Appliance Manufacturers test condition of 80 degrees F / 60% RH.
Step 4	Using the chart above, calculate your total dehumidification needs. This can be calculated by dividing the factor into the total cubic footage of your drying area. This is based on the AHAM per 24 hours.



7 THINGS YOUR MITIGATION COMPANY DOES NOT WANT YOU TO KNOW -CONT-

- #4 – Stall Tactics – “This is another way we boost our profits, because it takes longer to dry – Can you say “Mo Money!!””
 - Waiting to remove baseboards
 - Waiting too long to drill or remove cabinet toe kicks
 - Waiting to remove the soaked carpet pad
 - Don’t block furniture
 - Leave cabinet and closet doors closed
 - When testing is required you call out a hygienist a day or two later and then tell him to take their time with the results
 - Set equipment, but don’t turn it on



7 THINGS YOUR MITIGATION COMPANY DOES NOT WANT YOU TO KNOW -CONT-

- #5 – Damage Tactics to increase project scope and costs
 - Intentional carpet backing delamination
 - **IMPACT:** - Carpet now has to be removed and replace
 - Content sitting on the carpet now need to be moved or packed out and stored
 - Cutting Drywall to a corner or ½ bay or near wall tile
 - **IMPACT:** Unaffected areas now require additional repairs (ceilings and/or other walls). Repairs take longer
 - Not scoring the top of a baseboard or rubber base cove
 - **IMPACT:** Paint is damaged when base is removed making it necessary to paint the walls



7 THINGS YOUR MITIGATION COMPANY DOES NOT WANT YOU TO KNOW -CONT-

- #6 – Loss Exaggeration – The walls are wet 4”, but we’re going to do a 4’ flood cut, even when the water loss is a Category 1 or 2.
 - Shhhh – I won’t tell you that I could have dried everything ‘in-place’. I also won’t tell you that I am going to use Xactimate software for my estimating and ‘double-dip’ by selecting the respective line items and then turn around and also charge additional man hours.
- #7 – “Yeah, all my guys are certified! They don’t know anything about psychrometry or what a hygrometer is, but they are experts.” (Internal monolog: God I hope they are buying this stuff.)
 - Mrs. Customer - I’m not sure why this job is taking more than 3-5 days to dry.... Uh, no I didn’t know that the IICRC gives guidance of 3-5 days...”



7+ THINGS YOUR MITIGATION COMPANY DOES NOT WANT YOU TO KNOW -BONUS-

- BONUS – I hope you don't know that there is an industry standard for equipment pricing. I also hope you never find out that I've been charging you for a "Large Dehu" when all I have are small ones.... I've been doing it for YEARS!!

Portable Dehumidifiers

Portable Desiccant Dehumidifiers

Capacity (PPD)	Capacity (cfm)	Price/Day
64		\$60.82/day
70		\$79.52/day
81		\$79.52/day
248		\$133/day
161		\$133/day
125		\$101.29/day
370	850	\$501.60/day



LOSS CONTROL = COST CONTROL

- We believe that educating our partners is important, but more important than that is making sure that YOUR interest is always put before our own.

Famous Quote:

*“We’re in business to help people;
If you’re people, we’re always here to help”.*

THANK YOU... Q&A??



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Servpro Inspection Service (SIS) Pilot Program Flow Chart

