

Renewal 2020

Recommendations for the National Association of the Remodeling Industry



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Introduction

The National Association of the Remodeling Association (NARI) initiated a process during July 2013 to review the role of the association within the remodeling industry and determine how the association can be more valuable to members, consumers and industry stakeholders.

This project was titled *NARI Strategic Renewal 2020*.

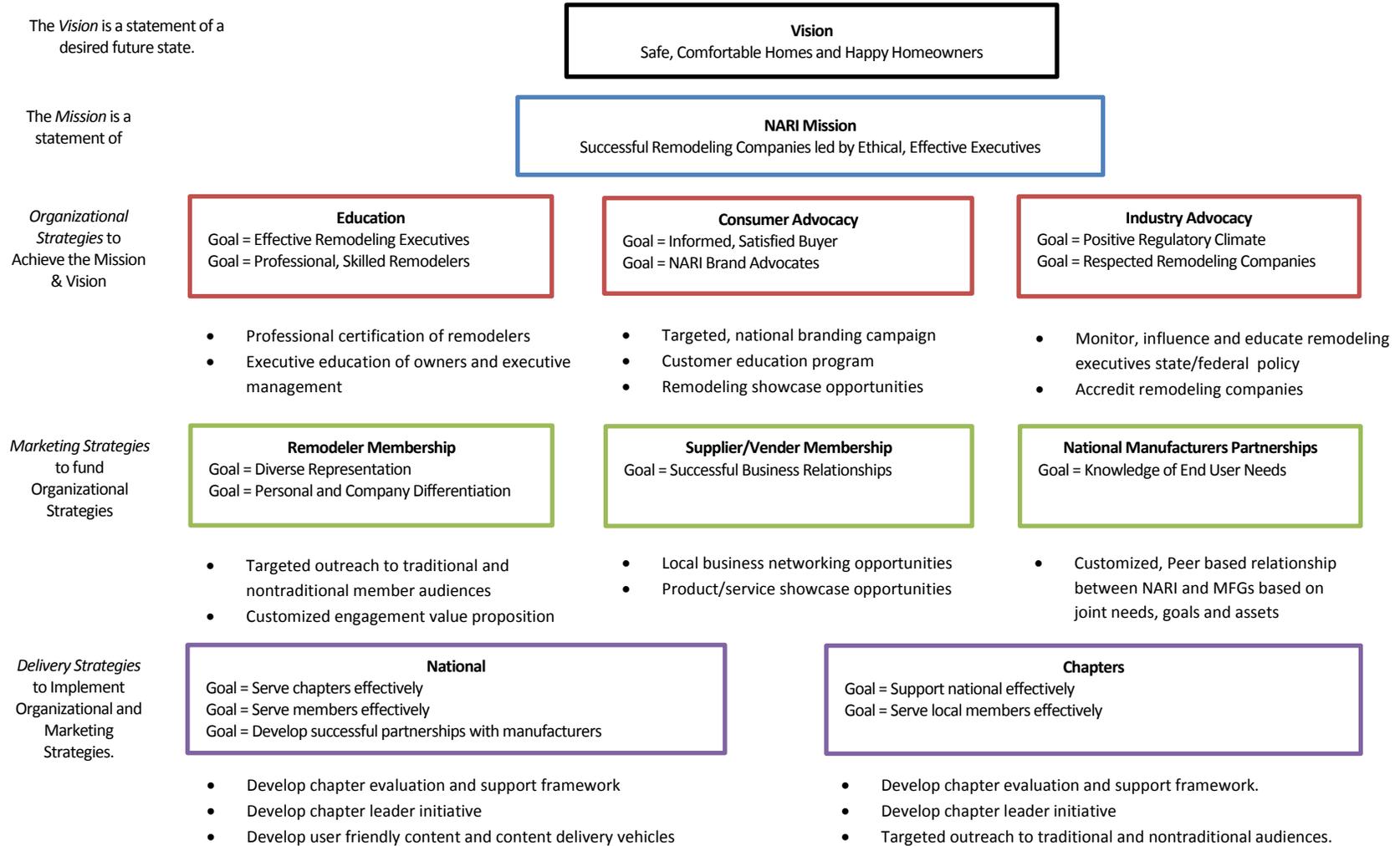
Since that summer, the association has investigated remodeling customers, remodeling companies and stakeholders involved with NARI and the remodeling industry.

Representatives from more than 1,100 remodeling companies participated in qualitative and quantitative research designed to inform NARI renewal discussions.

In December 2014, a Steering Committee of NARI volunteer and staff leaders and a diverse group of industry opinion leaders met in Chicago, IL to develop recommendations for the NARI Board of Directors. The research and discussions were led by Association Laboratory Inc., an independent, objective research and strategy consulting firm.

This report represents the first iteration of recommendations for review by the NARI Board of Directors and other groups with an interest in the long term success of NARI and a robust remodeling marketplace designed to serve homeowners effectively and ethically.

Strategy Overview



Strategic Recommendations

The following briefly describes in more detail the specific strategy goals and recommendations of the NARI Renewal 2020 Steering Committee.

Strategic Outcomes

Vision Statement

The Steering Committee concluded that a successful remodeling industry would result in positive interactions with homeowners. The process of identifying and selecting a remodeler and using the services of a remodeling company should be easy and productive for homeowners. Both parties should be happy with the process and final project outcomes.

If the homeowner is aware of NARI, makes informed choices that result in the selection of a NARI company and is satisfied to the point that they become advocates on behalf of NARI and NARI members, the association will be successful.

Modern *Vision* Statements articulate a desired future state.

Based on the conversations of the Steering Committee the following is a [draft](#) Vision Statement.

NARI's Vision is Safe, Comfortable Homes and Happy Homeowners

Mission Statement

The Steering Committee also discussed NARI's role in achieving this Vision. Conversations focused on the ability of NARI to help remodeling organizations and the professionals that work within these organizations be more successful.

Modern *Mission* Statements articulate how the association plays a role in achieving the Vision Statement.

Based on the conversations of the Steering Committee the following is a [draft](#) Mission Statement

NARI's Mission is to Create and Sustain Successful Remodeling Companies led by Ethical, Effective Executives

Organizational Strategies

Organizational strategies are long term strategic initiatives designed to directly support the *Vision* and *Mission*. The following briefly describes in more detail the specific strategic goals and strategy recommendations of the NARI Renewal 2020 Steering Committee.

Education

NARI is interested in achieving the following goals.

- Professional remodelers will have advanced knowledge of remodeling and other relevant construction practices.
- Professional remodelers will be clearly recognized in the marketplace as superior, ethical craftsmen.
- NARI remodeling companies will be led by ethical, effective executives.

In order to achieve these goals, NARI will develop and/or sustain the following.

- **Professional Certification** – NARI will continue to support the professional certification of remodelers.

The Steering Committee concluded from the research that certification represents an educational strategy for improved competency and a marketing strategy helping NARI members and their staff differentiate themselves from low cost competitors.

- **Executive Education** – NARI will develop a program designed to educate NARI company leaders on effective business management, customer relationship and leadership practices.

The Steering Committee concluded from the research that mentoring executives and owners of remodeling companies through peer to peer interaction and executive education would allow member companies to be more successful than their competitors and provide positive business and personal outcomes to NARI member companies and their representatives.

Consumer Advocacy

NARI is interested in achieving the following goals.

- High awareness and positive perceptions of NARI members and NARI certified remodelers.
- Educated buyers familiar with the unique nature of remodeling projects.
- Vocal advocates of NARI member companies and NARI certified remodelers.

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In order to achieve these goals, NARI will develop and sustain the following.

- **Targeted National Branding Campaign** – NARI will create and sustain a national branding campaign to inform homeowners in targeted urban areas about NARI member companies, the value of certified remodelers and how these NARI members and certified professionals represent a superior option for their remodeling needs.

The Steering Committee concluded from the research that homeowner awareness of NARI members and how NARI member companies and certified remodelers were a superior option was extremely low. As a result, NARI members struggled to differentiate themselves in the marketplace from other providers. Helping NARI member companies and certified professionals differentiate themselves was considered a critical component of the value proposition.

- **Homeowner Education Initiative** - NARI will produce an education initiative designed to create more informed buyers within key target markets which enable potential remodeling customers to make more effective choices when seeking remodeling assistance.

The Steering Committee concluded from the research that the relationship between the homeowner and remodeler was one of the most challenges aspects of the remodeling business. Homeowners frequently did not understand the unique challenges prevalent in remodeling or had inaccurate expectations of a remodeling project based on information received from consumer remodeling television shows.

- **Local Home Tours** – NARI will produce local home tours to build awareness of NARI member companies and showcase the quality of work produced by certified remodelers.

The Steering Committee concluded from the research that Local Home Tours were an effective means of creating market awareness and competitive differentiation of remodeling companies and certified remodelers. The use of these Home Tours also created opportunities for vendors/suppliers and manufacturers to develop strategic relationships with customer and end users. Finally they provided a mechanism for NARI Chapters to demonstrate local leadership within the construction and remodeling industry.

Industry Advocacy

NARI is interested in achieving the following goals.

- Reduced local, state and federal regulatory and compliance burden.
- Remodeling executives knowledgeable of regulatory and compliance requirements
- Remodeling companies in compliance with relevant local, state and federal laws

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In order to achieve these goals, NARI will develop and sustain the following.

- **State and Federal Monitoring, Advocacy and Education** – NARI will continue to monitor relevant state legislative and regulatory activity, attempt to positively influence potential change and inform and educate remodeling executives on the implications of legislative and regulatory activity.

The Steering Committee concluded from the data that NARI member companies operate in a dynamic regulatory climate. Local, state and federal jurisdictions all influence what companies do and how they can do it. The risks of poor policy or lack of compliance with policy can be substantial. A robust monitoring, lobbying and educational strategy was thus a critical component of remodeling executives ability to effectively manage their company.

- **Accredit NARI Remodeling Companies** – NARI will create an accreditation program designed to identify practices consistent with effective leadership of a remodeling company and accredit organizations that successfully model these practices.

The Steering Committee concluded from the research that an important role of NARI was to help remodeling executives lead their companies more effectively. In addition, effectively led companies would be able to differentiate themselves more successfully in the market. As a result, the identification and validation of successful management practices is critical to successful executives and companies who can successfully compete in the marketplace against low cost providers.

Marketing Strategies

Marketing strategies are primarily designed to generate revenue to fund the *organizational strategies*.

The following briefly describes in more detail the specific strategy goals and recommendations of the NARI Renewal 2020 Steering Committee.

Membership

The following summarizes key membership strategies for NARI.

Remodeler

- **Customized Remodeler Membership and Engagement Value Proposition** – NARI will create tiered membership categories allowing prospective and current members to customize their membership to their needs.

The Steering Committee concluded from the research that owners are interested in building their personal credibility and their company's credibility so that they can differentiate themselves and their organizations more successfully in the marketplace. Different companies and individuals though have different needs. A customized engagement and membership model providing more options allows these individuals to select and pay for the NARI programs/services that most effectively help them achieve their personal and company goals.

- **Outreach to Non-Traditional Audiences** – NARI will create an educational program designed to identify and educate nontraditional audiences about opportunities in the remodeling industry designed to encourage owners who may not have been traditionally represented to join the association.

The Steering Committee concluded that because of immigration or the lack of association activity in distinct neighborhoods, many individuals active in remodeling may not be aware of NARI or the value NARI may have for their businesses. In addition, some individuals may be resistant to engaging with the association because of language difficulties. By creating a specific program targeting these audiences, NARI identifies a new member audience and helps them become more successful owners through their engagement with the association.

Supplier/Vendor

- Create Opportunities for Strategic Sales Relationships – NARI will create local opportunities for suppliers and vendors to the remodeling industry to interact with remodeling executives to build strategic relationship and showcase new or improved products or services.

The Steering Committee concluded from the research that suppliers and vendors play an important role providing services to remodeling companies, helping remodeling companies serve their customers and educating remodeling executives and staff on new innovations or ideas in small business management and remodeling practices. As a result, NARI should needs to create local opportunities for remodeling companies to appropriately access these individuals and, in turn, allow vendors and suppliers to create strategic sales relationships.

National Partnerships

- **Develop Custom Partnerships with Interested National Manufacturers** – NARI will investigate how to identify interested national manufacturers with shared goals and interests to create partnerships designed to educate consumers, educate remodelers or influence the policy environment.

While the Renewal 2020 research did not focus on the NARI national members or the needs of national manufacturing firms, anecdotal evidence provided to the Steering Committee indicated that there was interest from manufacturing firms in working with NARI. In addition, the current national membership structure may not be the optimal means of entering into and managing these partnerships for either party. The Steering Committee concluded that these relationships with manufacturers were important and that NARI should investigate further how to successfully create effective NARI – Manufacturer partnerships.

Delivery Strategies

Delivery strategies define more specifically how the *marketing* and *organizational* strategies will be implemented or delivered to the market or other stakeholder groups.

The following briefly describes in more detail the specific strategy goals and recommendations of the NARI Renewal 2020 Steering Committee.

NARI National – Chapter Partnership

- **Create NARI Chapter Framework** – NARI will develop a common framework for the evaluation and support of chapters designed to create a high quality and consistent member experience based on member needs and chapter best practices.

The Steering Committee concluded from the research that the NARI National – Chapter Partnership was critical to success but the lack of consistent quality across chapters and the inability to objectively evaluate which chapters to support or the specific support that was needed limited to the value of this partnership. The Framework would represent a consensus agreement on how to identify, evaluate and measure the success of chapters and educate chapter leaders on the most effective chapter strategies.

- **Chapter Leadership Outreach** – NARI will develop a chapter leadership outreach program designed to identify emerging leaders and create an engaging and personally rewarding leadership development path.

The Steering Committee concluded from the research that the success of chapters correlated to the abilities of chapter leaders. In addition, chapters represented a critical funnel for leaders at the national level. NARI's leadership outreach strategy will be an intentional strategy designed to create a rewarding leadership experience that funnels the most able and interested individuals into key chapter and national leadership roles.

- **Direct to Member Outreach** – NARI will develop mechanisms to serve prospective members who are not currently served by a local chapter.

The Steering Committee concluded from the research that chapters are essential to locally delivered value, in many key urban markets, no chapter exists to serve prospective members. In addition, there are remodeling companies in areas of the country in which the establishment of a chapter would not be a viable investment. As a result, NARI National will develop a custom membership or service model designed to provide the key benefits of NARI to companies not effectively served by a chapter.

- **Accessible, Relevant and User Friendly Content** – NARI will provide relevant, accessible communication designed to improve the usefulness and accessibility of NARI information.

The Steering Committee concluded from the research that, while NARI produces a variety of information for members the focus of content and the ease of accessibility needs to be improved. NARI needs to eliminate information not specifically relevant to member needs and provide it through mechanisms, in particular mobile, allowing easier access.

Next Steps

The following summarizes potential next steps.

- **Review and Modification of the NARI Renewal 2020 Recommendations** – the draft recommendations need to be reviewed for clarity and any additional additions or deletions need to be made prior to final validation and the incorporation of the recommendations into association operations.
 1. **January** - Review of the draft Renewal 2020 Recommendations by the Steering Committee with corresponding modifications as needed.
 2. **February** - Distribution of draft recommendations to other stakeholder groups within NARI for additional comment with corresponding modifications as needed.
 3. **February** – Specific discussion of Chapter – National Partnership.
 4. **March/April** - Final recommendations discussed and approved at NARI Spring Leadership Meeting.
 5. **June** - Ratification by the NARI Board of Directors.
 6. **July** - Staff and leadership develop specific plans to guide development of specific metrics for success for each strategy and implementation plan to guide action and corresponding budgets.
 7. **Ongoing** – NARI incorporates implementation into the normal budget and project management systems of the association with corresponding monitoring by volunteer leadership.

In addition to specific process for vetting and approving the Steering Committee 2020 Renewal Recommendations, the Steering Committee also identified some specific areas of Future investigation that should be considered by NARI.

- **Manufacturer Research** – conduct research into the goals and needs of manufacturers.

The Steering Committee concluded they had limited knowledge of the goals and needs of manufacturers and current NARI national members. The research conducted in 2013 and 2014 did not explore this areas and has resulted in limited objective knowledge regarding the desires of manufacturers and other large companies currently organized as national members.

Preliminary anecdotal evidence suggests that the current national membership is not properly organized to meet the strategic needs of manufacturers. In addition, there is evidence that national manufacturing companies have substantial assets related to market access, subject matter expertise as well as financial resources that could provide NARI with greatly expanded capabilities and opportunities. The result is a relationship between NARI and these organizations which is less successful for both parties.

Closing

The strategic renewal of an association is not a project or engagement. It is a continuous process of research, reflection and improvement that never stops. In this way, the National Association of the Remodeling Industry constantly considers its role within the industry, its relationship to other stakeholders and how to translate this knowledge into effective strategy that results in a vibrant, successful organization.

The preliminary recommendations in this report are a continuation of NARI's efforts to focus on continual improvement designed to support sustainable growth in support of the Vision and Mission.