

## Is That Quiet Hiss The Sound of Air Coming Back Into the Construction Business?



**C'Mon Congress, get it together**

**Commentary** by Michael Lowe

As I write this newsletter, the House and Senate are wrangling over how much to cut from next year's federal budget. The House says cut \$61 billion. The Senate and the President say make the cuts more like \$6 billion. We're budgeted to spend about \$3.8 TRILLION in this budget, so just what do these budget cutting proposals mean, in a language that even I can understand?

I got my iPhone out and did some figuring, and then tried to relate it to a typical household budget. If the House gets its way and cuts \$61 billion, that would be like a family with a \$4000 per month household budget cutting \$64 out of it. Let's face it, it probably wouldn't be too tough find a way to cut \$64 out of a \$4000 budget. Now, let's say the Senate gets its way, and cuts only \$6 billion out of that \$3.8 trillion budget. That would be the equivalent of our sample household cutting \$6 a month out of its budget. Six bucks.

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Don't look now, but little green shoots could be showing themselves in selected markets across the country. Projects that have been on hold for years are now starting to get built. The rumble among contractors and distributors is a little less negative than it was a year or two ago. Is it possible that we've hit bottom and are now starting to turn back upwards? It's possible.

Conversations at the recent MCAA convention in Hawaii were decidedly more positive. While doom and gloom pervaded the meetings of previous years, this year things were a little different. While nobody expects a dramatic turnaround or a fast return to the boom times, there was less pessimism and more talk of a general improvement that could be coming in the near future.

While some of this optimism by convention goers may be attributable to the mai tais and good climate of Maui, there is also economic news that lends credence and support to this half-glass-full crowd. California just reported the

largest increase in private sector employment in more than 20 years. The merger and acquisition specialists on Wall Street are back in business, and many corporate bottom lines are doing just fine.

Governments are starting to trim costs and reduce payrolls. Interest rates remain low, and consumers are beginning to spend again, although cautiously and with a sharp

eye on finding the best deals.

In the construction world, the American Institute of Architects is looking for as much as a 5% increase in commercial activity next year. While they expect the balance of 2011 to remain sluggish, with activity remaining equal to or slightly better than 2010, this forecast is a little better than the prediction for this same time period made a year ago. Things are better today than many experts thought they would be.

If steady improvement is coming, the market should take note that not all areas of the country will share equally in the recovery. Some areas will remain weak, and some will experience a major turnaround.

No, it's not time to break out the bubbly or book that yacht charter in the Mediterranean just yet, but after the years the construction business has just had, any good news is welcome, indeed.



# How To Combat Bad Web PR

It wasn't that long ago that if you or one of your team members made a customer mad, the damage was pretty much confined to that customer. He might have told a few people about his experience with your company, but for the most part, the matter got put behind you pretty quickly.

Not today.

Make somebody mad now, and chances are he'll build a website, or go on Facebook, Twitter or whatever the current social network du jour is, and tell the whole bloody world. Justified or not, your customer's bad experience will be out there, ricocheting around the electronic universe at the speed of light, creating a bad impression of your company in the mind of anybody with a keyboard and an inquisitive nature.

And make no mistake about it; your customers are inquisitive. Many, if not most, buyers of your goods and services will do at least a cursory web search about you before giving you that first order. What comes up on Google can make or break the sale, and either begin a long and fruitful relationship, or dash it on the rocks before it even gets started. The hardest thing about it is there's nothing you can do to stop a disgruntled customer from damaging your business online. Or is there?

While it's true there's nothing we can do to suppress somebody's freedom of speech, there's plenty we can do to minimize the damage. Here are five strategies and tactics that should be employed to protect your reputation in the digital age:

**1) Know what's being said about you.** Create a Google Alert to keep close track of what might be said about you on websites and blogs. If somebody says something you don't like, contact them with a gentle offer to make things right, or at least explain why things went down the way they did. Don't



ignore it; take it as an opportunity to turn an enemy into a friend.

**2) Respond to bad blogs...on those blogs.** If the bad juju is coming from a blog, odds are that blog gives you an opportunity to chime in with your side of the story. Don't be bashful, but don't be overly defensive, either. State your case and invite the blogger to work things out. Remind him (and his readers) that you have hundreds of satisfied customers and that you value his business very highly.

**3) Fess up if you blew it.** We all make mistakes, and it's hard to stay mad at somebody who acknowledges their error and offers to make it right. Don't get caught in the trap of trying to defend the indefensible. Just give yourself a couple of lashes, admit the mistake, make good on the error, and call it good.

**4) Plan for bad press.** Work with an internal team, or outside consultants, to develop a plan of attack in the event of bad press or a disgruntled customer papering the search engines with "YourNameSucks.com" messages. Having a plan gives your team focus and a series of steps to take in the event of the corporate equivalent of a bad hair day. With a well thought-out plan, if something bad happens, nobody panics, everybody does what the plan says to do.

**5) Never miss an opportunity to look good.** White House Aide Rahm Emanuel has famously advised his team to never let a good crisis go to waste. What he was saying is that there is opportunity in every danger, and a chance to look graceful and right-minded in every seemingly-impossible challenge. So it is with bad press. Take unfavorable media exposure as the profile-raising opportunity that it is, and turn it around to your advantage. As in street brawls, the bigger man (or woman) almost always wins, so if you can appear larger and more magnanimous than your critic, while responding to his complaints, odds are good you'll change the dynamic and will emerge stronger for the experience.

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Economics 101

## Myth 1: Things Cost More Today Than They Did in the Good Ol' Days

We've all heard the complaints. Things today just cost too much. Back in the day, say the oldtimers, you could get a pack of gum for a nickel and a gallon of gas for a quarter (or less). While that may be true, what were the real costs back then, compared to wages and salaries? After all, that's really the only way to judge what the cost of living was then compared to now. The following table citing how much time the average worker had to work to pay for various products may surprise you:

	1920	1950	1980	Today
1/2 Gal Milk	37 min	16 mins	8.7 mins	7 mins
1lb. Loaf Bread	13 mins	6 mins	4 mins	3.5 mins
Gallon of Gasoline	32 mins	11 mins	10 mins	5.7 mins
100 Miles Air Travel	12 hrs 46 mins	4 hrs 7 mins	1 hr 27 mins	1 hr 2 mins
3-Minute Coast-to-Coast Telephone Call	30 hrs 3 mins	1 hr 44 mins	11 mins	2 mins
Pair of Levis	10 hrs 36 mins	4 hrs	2 hrs 48 mins	3 hrs 24 mins
3lb Chicken	2 hrs 27 mins	1 hr 11 mins	18 mins	14 mins
100 KWT Hrs of Electricity	13 hrs 36 mins	2 hrs	45 mins	38 mins

## Myth 2: The 80s Was A Decade of Greed

The common lore is that the go-go 80s were all about greed and selfishness, but the facts actually tell a totally different story. While incomes did climb during the 80s, so did charitable giving, by a whopping 127% for individuals.

	1955-1980 Annual Avg Increase	1980-1989 Annual Avg Increase	Percentage Change
Per-Capita Total Charitable Giving	2%	4%	+100%

### New AB&I Website Launched



If you haven't seen the new AB&I website, go to [www.abifoundry.com](http://www.abifoundry.com) and check it out. The new design features a simple, clean design that makes navigating to important documents, submittals and price lists easier than ever.

With the new design, you're never more than 2 clicks away from the information you need. Most documents are in convenient .pdf format for easy printing. Give us your feedback.

### Save a Tree: Get Your ITEMS Newsletter by Email



If you would prefer to get your monthly ITEMS newsletter electronically, just send a quick note to customer service at [dori.keenan@abifoundry.com](mailto:dori.keenan@abifoundry.com) and we'll put you on the email list. Want to receive both versions (print and electronic)?

No problem. Just specify how you want to receive the newsletter and we'll take it from there.

Commentary by Michael Lowe

**Congress, Get Real...**

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So, what are we arguing over? The bottom line is that both houses of Congress are threatening to shut the government down because they can't agree to cut ANYTHING out of the budget. Would you break up your family because you wanted to cut \$6 out of your \$4000 of monthly expenses, and your spouse wanted to cut \$64? I doubt it. You'd figure out what was most important and trim elsewhere. That's what grown-ups do. That's what our Congress and President *should* do.

Is there anybody out there who thinks the federal government is getting maximum bang out of every buck and that there is just no way to make any cuts? Anybody? I have a proposal; one that I think makes sense. What if we say that if Congress and the President can't agree on how much to cut and from where, we cut whatever it takes to balance the budget in 5 years, and cut all programs equally. No exceptions. If the lawmakers can't make a decision, we'll make it for them. You couldn't run a business with gigantic losses year after year without going belly up, and the government shouldn't be able to bankrupt the American people, either.

Some people are still asking why we need to make any cuts at all. They apparently haven't heard that we have a \$1.6 trillion budget deficit this year, with \$trillion+ deficits projected for every year as far as the budget wonks can see. In the words of those wonks, that is simply not sustainable. We're currently paying over \$300 billion a year in interest on previous deficits, causing each of the 138 million taxpayers in America to pay over \$2000 a year in taxes JUST TO PAY THE INTEREST ON PREVIOUS DEBT. What will happen to our kids and grandkids when the interest on that debt climbs to \$5000 or \$10,000 per taxpayer, as it is projected to do? Will they be able to pay it? Of course not. Something has got to give.

That something is Congress. They have to get their act together and begin spending responsibly. Our kids are depending on us to force the issue.



**The Monthly Chuckle...**

**The Best of Late Night Humor...**

Women who drink are less likely to be obese than women who do not drink. All this time, you've been on Jenny Craig while you should have been on Johnny Walker. ~Leno

Happy Birthday to President Obama's dog, Bo. Two years old. Here's the difference between Obama's dog and the economy: Obama fixed the dog.

~Letterman

Iranian President Mahmoud Ahmadi-najad has sold his 1977 Peugeot 504 for \$2.5 million at an auction. It even came with the phone books he has to sit on to drive it. ~Leno



So Donald Trump might run for president. I think it's true. He's not the kind of guy who'd stage something just for publicity. ~Letterman

First lady Michelle Obama told 'Regis & Kelly' she was expecting jewelry on Valentine's Day. She said it wouldn't be anything extravagant, because Barack is responsible when he's spending his own money.

~Leno



**Notable Tax Quotes from the Unknown**

I am proud to be paying taxes in the United States. The only thing is - I could be just as proud for half the money.



Like mothers, taxes are often misunderstood, but seldom forgotten.

The best measure of a man's honesty isn't his income tax return. It's the zero adjust on his bathroom scale.

A tax loophole is something that benefits the other guy. If it benefits you, it is tax reform.

Few of us ever test our powers of deduction, except when filling out an income tax form.

What's the difference between a mosquito and an IRS agent?

One is a bloodsucking parasite, the other is an insect.



It would be nice if we could all pay our taxes with a smile, but normally cash is required.

The government deficit is the difference between the amounts of money the government spends and the amount it has the nerve to collect.

**Quick Sales Contacts...**

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