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PASSIONATE
PERFECT

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Master Edge Homes
Markham, Ontario



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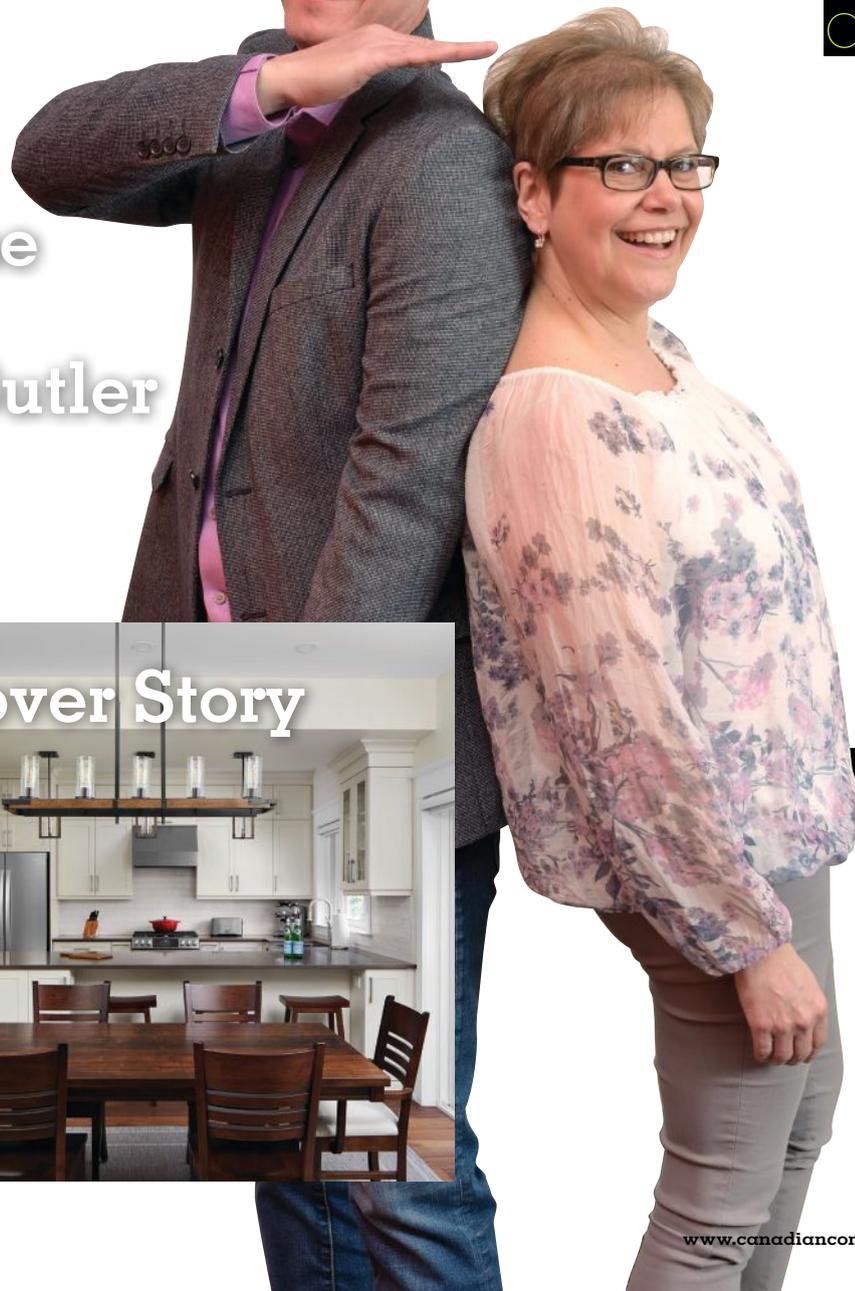
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Dwayne and Anne Butler

Cover Photo: Larry Arnal



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LIVING ON THE

EDGE

By Rob Koci



PHOTO: CJ SCHADE PHOTOGRAPHY



Dwayne and Anne Butler,
Master Edge Homes

Canadian Contractor sat down with Dwayne and Anne Butler, co-owners of Master Edge Homes, to talk about, among other things, how they started the business, the day-to-day issues of operating it efficiently, and the balancing act between passion and profits.

CC: Dwayne, can you tell us about how you arrived in construction and ultimately owning Master Edge Homes?

DB: Okay. Well, it's a long history because I am 50 years old, and I have been involved in the industry all of my life. From a father who was a builder/renovator to working summers for construction companies. I studied it in high school, and in college. I graduated from Fanshawe College and became a construction site supervisor, assistant for a builder. And two and a half years later, I decided to go back to school and did my apprenticeship, became a Red Seal carpenter. And then I moved to Toronto, moved around a bit in the Toronto area working for two companies; for one I was doing strictly framing and for the second company I was doing project management for 10 years for a production builder. And 14 years ago, I decided to jump into my own mess [laughter].

The original concept of me moving off job sites and not building 100 houses at a time was just to be by myself and do odd projects for people. It wasn't about growing a business or creating Master Edge Homes as it is today. It was just to keep me busy. Really, that's what it was.

Fast Facts

Company:
Master Edge Homes
Founded: 2005
Location:
Markham, Ont.
Employees: Eight
Specialty: Custom renovations
Geographical area served:
York Region
Annual revenue: \$2.5 million

CC: You were employing yourself so you could have a job?

DB: Yeah. And then it turned into more and more people recognizing that I was on my own, and the jobs became a little bit bigger. And I hired an apprentice, and then it became two employees and then more jobs. And then we hit one year, we had \$700,000 in revenue. It's like, "Oh my gosh [laughter]! How did that happen?" And then it became a point where here we are today and it's Master Edge Homes.

CC: So when do you come into the picture and become part of the story, Anne?

AB: We had one daughter. I was pregnant with our second child and his sales pitch to me was that he



wanted to improve the industry and give clients better product. So I helped him with bookkeeping. When I went back to work after my maternity leave I continued to do the books on a part-time basis. Seven years ago I quit my full time job and now work full time with Master Edge Homes.

CC: When he first started, was it scary for you? I mean you were pregnant at the time, this sounded like a leap of faith. It sounded like a very altruistic motive as well. So you're stepping into something that didn't necessarily have its roots in practicality.

AB: No it wasn't scary. He really struggled with the lack of quality and was never proud of the end product when he was in production. When you see someone kind of struggle with different aspects of their careers, and they have the ability to make a difference and improve their craft, how can you not support that? At the time there was a lot of untrustworthy renovators in the news and he wanted to be one of the good guys. He really did want to make the renovation industry a better place.

CC: What did you see in the renovation space that you thought you could improve?

DB: There were many reasons why I decided to do what I did. But that story of me wanting to make the industry better is true. In doing so, what did I want to make better was that there was no passion or professionalism in our industry. Subcontractors have

a lot of tradespeople that have no passion for their job, whether it be electrician or framer or roofer, nobody cared. And the product that was being delivered was just not to my standards. So my battle on the site all the time was to push the trades to do a much better job to meet my standard. And really, when you talk about a standard, you're talking about something that is a character issue, not necessarily a technical issue. They probably could have done a better job, technically.

CC: It's a matter of the passion, because you've used the word passion. It's a matter of not applying the kind of passion that makes you do a better job or the best job. So is that a fair characterization of the thing that you saw that was missing?

DB: Yeah. No one cared. That really kind of resonated with me. The passion, and the desire to put forth the best product, but yet it was also the professionalism that was really missing. It was frustrating. Very frustrating. Because I had no control.

CC: What was your reaction to that, Anne?

AB: I was in full support of it and was thankful that he also wanted to spend time with his family. Business hours were always from 8 in the morning until 5 at night, and didn't go on into the weekend. Evenings were sales calls and stuff like that, and it got to the point where the company grew. It would grow and then it would (scale back), so it's a little bit of a rollercoaster, actually

not even a little bit of a rollercoaster. It is a big rollercoaster ride. Some days it's great, and then other days, not good at all, and we didn't even know what the heck happened. We try to rebuild and then we fix the little nooks and crannies and there were points in time where we just thought "you know what, we're not doing this anymore" but we couldn't quit.

CC: So what have you learned about the intersection of the practicality and the technical issues surrounding building, and business and professionalism and passion? What have you learned about how they fit together, as you've grown this business?

DB: Well, I would actually put the passion and the professionalism at the top. The business side of it has been a complete learning curve for us all the way through. We don't come to this as people who know how to run a business or are business-orientated, so we are learning as we go. So that's been kind of the downside of business ownership, because we've got the technical and the professionalism all under control, and that's visual through our clients, and our trade partners who love working with us. It's beyond that, the business operations that Anne and I have learned from day one as ground zero up and have lived the



turbulence of money, cash flow, no money, no cash flow, and so all of the above. And so... if we could flip sides and... let the passion and the professionalism be as is and then put the business ownership on top of the pedestal, it would be a different company.

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CC: How so?

DB: I think that we would have more focus if I didn't start off in construction but started off in business and went into construction, the business would be running as a full-fledged business from day one. The passion and everything else would come afterward.

CC: What have you learned about the nature of people during the process of running a business?

AB: I don't think that being a business owner has changed my perception of people in general. I genuinely like people. I like hearing their stories. I care for their wellness whether it's someone on the street that I don't know from Adam or someone who's worked with us for 10 years. I care about them, I wouldn't say equally because obviously, there's a relationship that we've built with some people over others, but I do genuinely care about people. So that question doesn't really resonate with me as much as it would with someone who doesn't already have that characteristic instilled in them. I don't have a lot of interaction with our clients. I'm more kind of behind the scenes. I do more of the administrative functionalities of the business, so I don't have that relationship with them. Dwayne would have a very different perspective on that because he's frontline with our clients. He's frontline with our partners. He's frontline with our team internally.

Well, let me ask you that question. What have you learned about people as a result of being a business owner?

DB: I don't know whether it's any different than it would have been when I was a project manager for a company. You see the different challenges that people have, whether it be personal or technical or just doing their job. I don't see a difference.

CC: Anne said that at some points you've said you didn't want to do this anymore. What were some of the reasons why you might have said that?

DB: Well, we weren't closing deals. So my sales process wasn't refined. I wasn't confident in my sales process. Our competition was undercutting us so knowing I've got to meet these margins, I still had to drop my margins to make cash flow happen. And yet, I'm still losing jobs because of the different business models that they were creating or whatever it be. I haven't said it very often, but it was just more of a frustration point that, "I just don't know if I can handle this anymore." And every time we'd turn around and we'd get a good six months, and things are going well, all of the sudden, something happens that turns it around and makes it go the opposite direction. And so (it's the) frustrating points that really (cause) it.

CC: What stage are you at in the life of the company and in that experience? Are you beginning to develop a little bit more of a pragmatic approach to the ups and downs? Have you built strategies for being able to survive the ups and downs of running a business?

DB: Yeah. So I think the sales and confidence... which I'm the only one that does the sales for the company, I think it's very much refined and it's in a good position (thanks to) reading books and learning a little bit more things that I can do with that. But that's a good thing and sales are going very well. On the back end and the inside, there are many, many spreadsheets that we work with to try to manage the cash flow and different situations that come up through the projects and the timelines. It is efficiencies that we are working on as more of finer details. Making sure that the teams all work efficiently. And making sure that we manage our sales to match our needs. And working with the clients. We've got a lot of work going on for the fall, which carries right into March. And the phone's been ringing and we're getting leads. The leads are coming in and more work is coming up. So if we could take on this work now, would we want to? And can we? And are we going to try to push them off? And that's part of the thing that we're trying to manage. We're not taking on a project just because the client wants to do it now (which I am all about... because it pleases the client). But Anne's trying to push me through to say, "Let's not do it now. Let's push it into a section of our year where we can fit it in much better." And so it's managing things like that.

CC: What are your strategies of managing the ups and downs of running a business?

AB: I think... having a business is kind of like having a home. You start renovating it and... it's never done. By the time you've finished one project, you're onto something else. In the business, we're constantly evolving. We figure out what we need to fix today, and in six months we're changing something else. So just for instance, today, we were expecting a certain amount of expenses for the month of September. And they didn't have it. So I sat down with our project manager to ask, "Why didn't we get these invoices? Like, what happened on the jobs where these invoices that we were expecting haven't come in yet?" And they've been pushed off to our next quarter, so just kind of figuring out how to better manage that cash flow, right? So I know that when I do my payment schedules in the future, I will push off those expenses and expect them later on in the project rather than at the beginning, so just always kind of learning to see what's working, what's not working, and to plan for the unexpected. Anything that I can put in a spreadsheet, because I can see what happens. I can see where the jobs are going to be spread out over time. So if we're looking at signing up for a job today, I'll look at the spreadsheet and say, "Well, that means we're going to be at this many projects. And can our team work that many projects at the same time?" Sure, that would be great for cash flow. But in essence, something along the line is going to fail. So let's try to look after our team first and make sure that they're able to do their roles and responsibilities properly and efficiently to better suit our clients and our partners at the same time. So nobody's getting rushed. Everyone's doing the work that they're expected to do. And the jobs continue on time and on budget.

CC: So you extracted yourself from the production. You started on the tools. You were the only guy. And then one day you find yourself off the tools. How was that experience and how did you manage that internally as well as externally?

DB: Well, there are several different jumping points through business ownership. Starting out on my own to become an employer and having staff, to lead and mentor them on the job to work on their own, while I left the site for various meetings, was the first jump-off. The next jump point I think would be letting the project managers and project coordinators do their job. That's the point where I removed myself from the tools, but yet I was still going to the jobsites. Now I'm at the point where I'm not on the tools at all and I don't even go to the jobsites. It's purely trust in your employees to be able to do that. And I think it has a lot to do with having mentored and worked alongside of my team, having job descriptions that define their scope of work and what they're responsible for. The struggle I have in our office is that my office



is close to the production and design team so I always have an ear to the ground listening to what's going on. I'm very quick to jump in with a very quick, easy solution. The team is also quick to come to me for a solution. My request to them is don't come to me with a problem without a solution or two.

CC: How has giving your employees more responsibility affected you?

DB: I think that helped us grow, too, as owners, (because) before we took everything personally. If a client didn't sign with us, we took it personally. If there was a problem on-site and there was some conflict, whether it would be with a trade or a client, we took it personally. Now we can be a little more objective as we're not involved in the day to day.

It's interesting because we're always learning. Every time that we turn around there's always something new to learn, whether it's a technique on the site or a different thing that we've encountered because we've not taken business courses. So it's just something that we've learned along the way, and it may be something simple that someone has said to us where finally that light bulb has come on, and now I know what my true responsibility is.

CC: How would you describe it?

DB: Managing the business and sales are my responsibility. And, of course, to continue to lead our team so they continue to grow.