

CONSTRUCTION by Mark Gordon | Managing Editor

# Through the Roof

Despite flat revenue projections for 2007 — another condo market victim — a Gulf Coast roofing company is working on big expansion plans.

Just about every time Brian Wallace has led a growth period in his roofing business over the last 15 years, he was pretty sure he was going to bump his head into the proverbial ceiling.

But each time he's come to a ceiling, he's rammed through it, not into it.

First it was reaching \$1 million in revenues. Then it was getting enough sales calls where he needed another receptionist, someone in addition to his Aunt Cindy. Then it was realizing

his parking lot was too small for his employees. Then it was \$3 million in revenues. Then \$5 million. And most recently, in 2006, it was \$10 million.

It wasn't lack of confidence or ambition that stroked Wallace's worry. More likely it's the aw-shucks

attitude embedded in Wallace's DNA, strands derived from being a fifth-generation Bradenton resident, the son of lifelong roofer and the grandson of a self-described Florida cracker who only went to the beach twice in his life.

Wallace, for example, remembers when his company, Sarasota-based Florida Southern Roofing and Sheet Metal, outgrew its first facility in 1995, a 2,000-square-foot warehouse, and was going to move to a place four times as big. "I never believed we would outgrow that building," says Wallace, "but before we knew it we were bursting at the seams."

The latest potential ceiling Wallace is looking up at is flat growth. He's projecting no revenue increase in 2007 for the company, which makes sense, considering its niche is in condo roofs, and condos have



Mark Wemple  
Florida Southern Roofing President **Brian Wallace** has put an expansion project for the roofing company on hold, but he says the growth, possibly as much as 40,000 square feet of new workspace, will happen eventually.

spearheaded the Gulf Coast real estate slowdown.

"We've had to fight a little harder for the work that's out there," says Wallace, 37. "It has been tough to earn a profit."

## '200 bosses'

Wallace is approaching the slump, though, with a patience and learned approach belying the fact that he doesn't have any extensive or formal business training and he didn't go to college.

He's delayed a large companywide expansion project, for example, but says that's only until the market rebounds. The expansion will take place either behind Florida Southern's current property near an industrial park on the Sarasota-

Manatee county line or at another property Wallace owns on Fruitville road in Sarasota. It could involve building as much as four new facilities covering more than 40,000 square feet.

"The slowdown allows us to take our time...and figure out what's the best use of the properties," says Wallace. "We know we will continue to grow."

What's more, Wallace hasn't had to lay off any of his 100 employees, and he hopes he won't have to, by sticking with what's worked so far: Going to extreme lengths to please current customers and not turning down any job — literally, from a \$150 one-hour patch-up gig to a \$4 million ongoing condo project in Venice.

The mantra of pleasing every customer no matter the cost or sacri-

fice has been one of the more difficult concepts for Wallace to master, even before the market slump. Big condo projects, while lucrative, compound the difficulties, as the client tends to be everyone living in the building, not just the association or building developer.

"If there's 200 units, you end up with 200 bosses," says Wallace. "It's not like commercial or new construction, where you answer to a contractor."

Still, Wallace recognizes the importance of customer service, especially in a business such as roofing, where an overwhelming majority of work is from repeat customers. He's set up an intricate customer quality audit system to track each job, no matter how small.

If a response is negative, Wallace will call the client to see what he can do to fix the problem. "Sometimes you have to do something as a business owner you find unreasonable," says Wallace, "but you have to do it to keep the customer happy."

Wallace relearned that lesson and picked up a few new ones at a five-day business boot camp taught by a former contractor he attended earlier this year in California. In the new-lesson department, Wallace says he will begin breaking down a budget by months and weeks and through business units, as opposed to having just one yearly big-picture budget for the entire company.

Wallace was also reminded of another important business mantra at the boot camp: When to say no. He says even in a tough market, he has, and will continue, to turn down work he doesn't believe will be either profitable or meet customer service standards. Says Wallace: "That's one of the toughest lessons to learn — when to walk away."

## Youthful ambition

Wallace's father, Tim Wallace, walked away from running a full-service roofing business in 1992 after selling the commercial roofing part of the company, Gulf Roofing, to his partners. Brian Wallace, then 22, started Florida Southern a short time later, using his father's remaining residen-



The roofwork of the Tara Preserve Clubhouse in Bradenton.



Crews for Florida Southern Roofing recently completed work updating the roof on the clubhouse at the Oaks Country Club in Osprey, pictured here. Although the Sarasota-based roofing company grew revenues 16% in 2006, passing \$10 million in the process, president Brian Wallace expects this year to be one of flat growth due to the condo market slump.



Florida Southern Roofing President Brian Wallace says the company has developed a niche of working on condo roofs, both new construction and repairs and maintenance. Pictured here are roofs for condos at Club Long Boat, a recently completed project on Longboat Key.

**AT A GLANCE**

**FLORIDA SOUTHERN ROOFING**

Year	Revenue	% growth
2004	\$6.91 million	
2005	\$8.81 million	27%
2006	\$10.24 million	16%
Avg. Annual Growth:		22%

**Employees**

2004	100
2005	120
2006	140

(Company currently has 100 employees because it hasn't replaced people who left voluntarily over the last year; no employees have been laid off.)

Source: Florida Southern Roofing

tial clients to get him going.

Brian Wallace had the roofing side of the business covered: He essentially grew up on a roof, working summers and holidays through high school in various field jobs for his dad. The younger Wallace picked the name Florida Southern as both a signal of his ambition to eventually grow past the Manatee-Sarasota market and an ode to his heritage.

In 2002, Wallace opened Florida Southern's first satellite office, in St. Petersburg, starting with just a repairman and a general manager.

Today it has grown to 35 employees and has crews performing roofing work on single-family homes and condos, as well as maintenance and repair work on older projects.

Wallace, taking a long-ago learned lesson from his dad, has also tried to grow the business through other revenue lines, in addition to new locations and expan-

sions. Brian Wallace set up a new business line for metal roofing, for example, almost 10 years ago, long before the concept became as trendy as it is now.

Florida Southern now has crews producing and manufacturing six varieties of metal roofing panels, which are designed to last longer than traditional roofs, as well as reflect more heat during the day and retain less heat at night. Metal roofing now makes up about 20% of Florida Southern's annual revenues.

The Internet is another area Wallace is trying to utilize to find new customers, although he admits he's much later in getting in on the Internet than he was with metal roofing. The company's current Web site is just one page, with a few paragraphs about the company and phone numbers.

Wallace has been working on updating the site for the past year, a time consuming — and expensive — project. He paid one company \$10,000 last year to create a new site, but he ultimately didn't like it and trashed it. Since then, he's spent another \$25,000, this time to an Orlando-based marketing and Internet consulting firm, to create a comprehensive Web site, both with information about the company and the roofing industry.



**Mark Gordon** covers the Sarasota-Manatee region. He can be reached at [mgordon@review.net](mailto:mgordon@review.net), or 941-362-4848.



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