

Business Case Study

Adopting a Whole-House Approach

Cambria Glass & Insulation, Johnstown, PA
Barry Ritko, Sr., President

Barry Ritko, Sr., President of Cambria Glass & Insulation, has learned the importance of taking extra steps to make sure he delivers the highest quality service and results for customers. “Our motto is to get it done right the first time.” Working hard to solve problems, educate customers and deliver real solutions has driven Cambria to be a recognized leader in the insulation business.

Barry founded Cambria Glass & Insulation 25 years ago and initially focused on retrofit insulation and weatherization work. Cambria became an Owens Corning Certified Energy Professional[®] contractor and continues to take advantage of the many benefits that this relationship provides. The Owens Corning training programs have helped Cambria acquire the building science expertise to diagnose and solve problems in the home. Capitalizing on the Owens Corning name also helps add credibility and visibility.

When Pennsylvania’s residential new construction market took off, Cambria gradually shifted away from retrofit insulation to target this growing opportunity. Partnering with several large builders, Barry soon found that installing insulation in new homes was becoming the backbone of his company. In addition to providing insulation, builders increasingly asked for additional services including shelving and other specialty products.

Despite the growth in the new homes market in Pennsylvania, Cambria has recently expanded its business in the existing homes market. They now operate two crews and 4 to 5 salesman in the field, and typically receive over 30 calls each week from homeowners. It is not uncommon for Cambria to have 50 jobs in their backlog – a sign that the opportunity in the retrofit market is continuing to grow.

Barry has found that the existing homes segment of his business not only boasts the highest profit margins, but is also the most rewarding. “The challenge is to go out and solve a problem – that’s half the fun,” he says. Cambria’s objective is not to just go out and sell insulation, but to use their building science expertise to solve problems and provide value not offered by a typical insulation contractor. This approach translates to personal satisfaction on the job by maintaining the challenging and interesting work and making a difference for customers.

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In the diagnosis stage, contractors have the opportunity to use their building science expertise and devise creative solutions for a customer’s problem. Barry feels they have a “moral responsibility to educate customers about improving the home envelope.” Sales staff take the time to help homeowners understand more about the problems in their home and what are the best steps to fix them so they can make informed decisions. Cambria’s

contractors tell customers that they will “get the best bang for their buck” by air sealing and insulating their attics.

It is important for Cambria’s retrofit crews to have strong communication and people skills as they interact directly with customers through several stages of the home improvement process. Having such a close relationship allows contractors to gain a sense of how much they are really helping customers by correcting comfort problems in their homes. This is a sharp contrast to their work in new construction where the role of the insulation contractor is invisible to the ultimate homeowner.

The overwhelming satisfaction of Cambria’s customers is also rewarding, both personally for staff and for the business as a whole. Most of the calls coming into the office are generated by word-of-mouth from happy customers – in some cases it is even the same customers looking to make further improvements. In one instance, for example, a homeowner was experiencing significant comfort problems from drafts. Cambria discovered that her windows were not sealed properly, allowing large amounts of air to pass through the house. After improvements were completed, the comfort difference and lower energy bills were so remarkable that the homeowner proceeded to work with Cambria to address other problem areas identified in the initial inspection through additional work.

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In terms of profit, Cambria’s work on existing homes has a much greater profit margin than their new homes work. “Our profit margin for retrofits is approximately 40 percent, compared to eight or fourteen percent for new construction” Barry claims. This, coupled with the fact that existing homes with energy and comfort problems are so prevalent in Pennsylvania, suggests that expanding Cambria’s business to capitalize on the existing housing market was a wise move.

In addition to expanding their home improvement work, Barry’s vision for Cambria in the upcoming year includes launching a diagnostic testing arm. “I strongly believe in diagnostic testing,” Barry says, “these are the tools of the trade and it makes for an easy sale.” Cambria has owned a blower door for about four years, but are not yet able to use it on every house they work on. Currently, Cambria uses it mostly to help diagnose problems that they can’t identify through a visual inspection. Barry will soon have two employees that are certified HERS raters and is also planning to purchase an infrared camera. The infrared camera will help Cambria diagnose envelope problems and educate customers about how their homes are performing.

As codes and standards increase due to energy and health concerns, Barry recognizes that there will always be a need for superior building services. “It’s coming; it’s not going to get any easier to build houses,” he concedes. And, there will certainly never be a shortage of existing homes needing energy saving improvements. As times change, Barry is confident that Cambria can meet these higher standards and continue to provide valuable solutions to their customers.