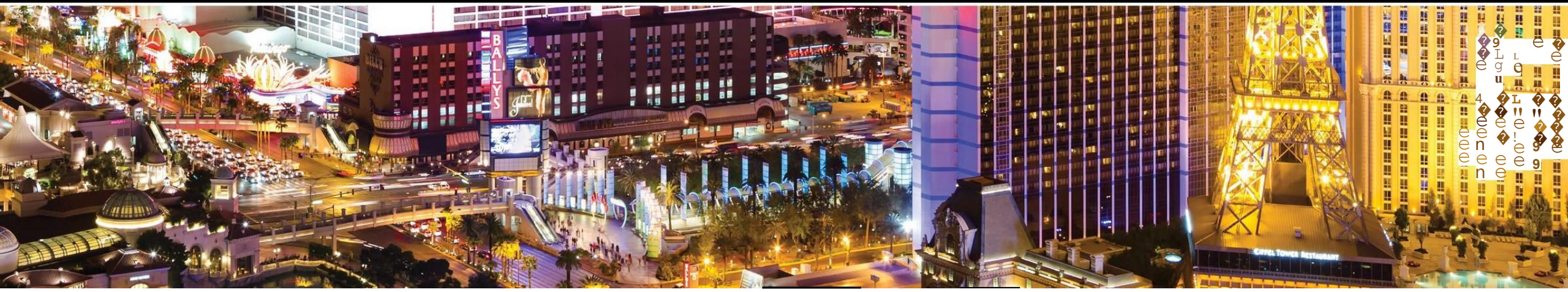




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THE EXPERIENCE 2026 | PARIS LAS VEGAS

IN THE MOMENT...

Thirty years in restoration — and what a slower market actually reveals about your company.

Mark W. Davis

PuroClean · Signal · RIA



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30 YEARS IN RESTORATION

1996 to right now.

Six chapters so far: Four successes, one bust, one just starting out — the "bust" taught me more than all the others combined.

1996

Rocky Mountain Catastrophe. My first year in restoration.

1999

Founded BELFOR in North America.

2009

The InStar turnaround — a \$16M swing in net profit in year one.

2012

Signal. And then Superstorm Sandy, including a \$133M restoration of five New York City hospitals.

2015

PuroClean. About 200 locations then — more than 500 in ten years.

2026

AccuGuard. The newest one.



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THE WHOLE SPEECH IN ONE SENTENCE

The market and the quality of your company are two different things.

Many people in the industry spent the last year confusing the two. In both directions.



WHERE WE'RE GOING

Three things I'd want to hear if I were you.

01

What hasn't changed in thirty years.

Five things that were true in 1996 and are still true in a down market. Everything else was noise.

02

You're not in one business. You're in six.

Operations, sales, marketing, finance, talent, technology — all at once. That is what actually changed.

03

Revenue hides a lot of sins.

What a slow year exposes, and why growth is the best place in the world to bury a problem.

Then the industry numbers, then the thing I care most about — ethics — and what I'd do next Monday morning.



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01

Thirty years in restoration. Here's what hasn't changed.

The five things that were true in 1996 and are still true in a down market in 2026.



FIVE THINGS

Everything else was noise.

- 1 Speed still wins.** Nothing has replaced being there first.
- 2 Relationships still compound.** The only asset that grows while you sleep.
- 3 Cash still matters more than revenue.** Opportunity arrives on short notice.
- 4 Reputation travels faster than marketing.** And it always did.
- 5 Execution wins when everyone else is overwhelmed.** Share moves in the worst week.



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ONE OF FIVE

Speed still wins.

In 1996 the company that got there first often won the job. Not the best marketing, not the best price — the first truck.

Thirty years, six companies and a whole lot of technology later, that has not changed much. And it is the only advantage in this industry that costs less than one extra employee and cannot be bought.

And it matters more now.

Assignments are down 15.8%. Severity is up 26%. Every lead that reaches you is worth more than it was three years ago — and there are three trucks in the parking lot competing for it.

Measure three things: time to answer, time on site, time to estimate delivered.

Nobody in this room lost a job this year because a competitor had better equipment.



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TWO OF FIVE

Relationships still compound.

Marketing is rented. Relationships are owned. Thirty years in, the same names keep coming back around — as referral sources, as partners, as the people who sold me a company or bought one from me.

It's the only asset in your company that appreciates while you sleep, and the only one you can't buy in a hurry the week you need it.

And it matters more now.

Traditional managed repair volume is down 21% since 2023. The work that grew — water and plumbing up 14%, water backup up 17% — is relationship work.

The channel that hands you work is shrinking. The channel that requires a relationship is growing.

“Every good thing that has happened in my restoration career is a direct result of a chance meeting, a connection, or an industry event where I wasn't merely present — I was engaged and CURIOUS.”



THREE OF FIVE

Cash still matters more than revenue.

In 2012 we bought Signal — a roughly \$10 million company. Within a year we were mobilizing on Superstorm Sandy, including a \$133 million project restoring five New York City hospitals.

Signal did not have the working capital at that time to finance a \$133 million project. But we were not afraid to ask for a weekly wire of 90% of our weekly billings.

The constraint was never desire and it was never talent. It was cash — and the nerve to go ask for it.

Opportunity does not wait for your receivables to clear.

And it matters more now.

The median deductible went from \$1,000 to \$1,700 in two years. More of every job is now collected from a human being instead of a carrier.

Reconstruction costs are up a third since 2021 — so you're floating more money per job, for longer, from harder payers.



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FOUR OF FIVE

Reputation travels faster than marketing.

We took PuroClean from about 200 locations to more than 500 locations in 10 years. Nobody ever bought a franchise because of a logo. They bought what other people said about the people wearing it.

Same thing on your street. Adjusters talk. Plumbers talk. Property managers talk. You cannot out-spend what people say about you after you leave the house.

And it matters more now.

Nearly a third of small wind and hail claims never clear the deductible. Over 40% of residential water claims are under \$5,000.

You are going to run a lot of inspections that never become jobs. How your people behave on those is your real marketing budget.

The no-job visit is the cheapest advertising you'll ever buy — or the most expensive.



FIVE OF FIVE

Whoever executes when everyone else is overwhelmed gets the work.

Everybody looks competent in a quiet February. This industry sorts itself out in the week when every phone in the market rings at the same time.

That is where I have watched market share actually change hands — not on price, not on marketing, but because one company could answer and the other one couldn't.

And it matters more now.

Freeze and winter losses more than doubled — 160,000 assignments in four months, in a category most of the industry wasn't staffed for.

The surge still came. It just came somewhere else, and it went to whoever could pick up the phone.

Capacity is not overhead. In this business, capacity is the product.



HERE'S WHY THAT LIST MATTERS

Not one of those five requires a good market.

Speed. Relationships. Cash. Reputation. Execution. Every one of them is column three — and every one of them is available to you 24/7.



02

Restoration is no longer a technical-competency business.

That's what changed. And it changed while most of us were busy drying buildings.



SAY THIS TO THE TECHNICIANS IN THE ROOM

Knowing how to dry a building is table stakes.

In 1996, technical competency was a differentiator. Today it's the price of a business license. Nobody has ever won a program, a portfolio or a \$2 million loss because they were better at psychrometry. For example: Munters.



WHAT YOU'RE ACTUALLY RUNNING

You are not in one business. You're in six.

Operations

Response, production, cycle time, documentation, compliance.

Sales

Referral relationships, pre-loss selling, closing ratio, commercial development.

Marketing

Demand, intake, attribution, and what happens to a lead in the first hour.

Finance

Job costing, margin by line, work in progress, collections, cash.

Talent

Recruiting, training, retention, and a second layer of leadership.

Technology

Systems that hold your process when your best person is out.

Which one would you least want an expert looking at inside your company tomorrow morning?



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Cycle time is now a cash number.

The tell

Jobs sit in a status nobody owns. “Waiting on” is not a status — it's an unassigned task with a customer attached to it.

The math

Fewer, bigger jobs means every day of cycle time carries a bigger number. Severity is up 26%. Your float went up with it.

The fix

One owner per job stage, a number attached to each stage, and a weekly review where somebody explains the outliers.

And documentation is an operations problem that shows up as a finance problem.

Nothing gets short-paid because the drying was bad. It gets short-paid because nobody photographed it, nobody noted it, and nobody can prove it eleven months later.



Your referral network is an asset. Almost nobody treats it like one.

What most independents have

A handful of people they occasionally take to lunch, and a salesperson who keeps the relationships in his or her own phone.

That's not a strategy. That's a habit with a food budget.

What an asset looks like

Mapped — plumbers, agents, adjusters, brokers, property managers, facilities, roofers, municipalities, PAs, consultants.

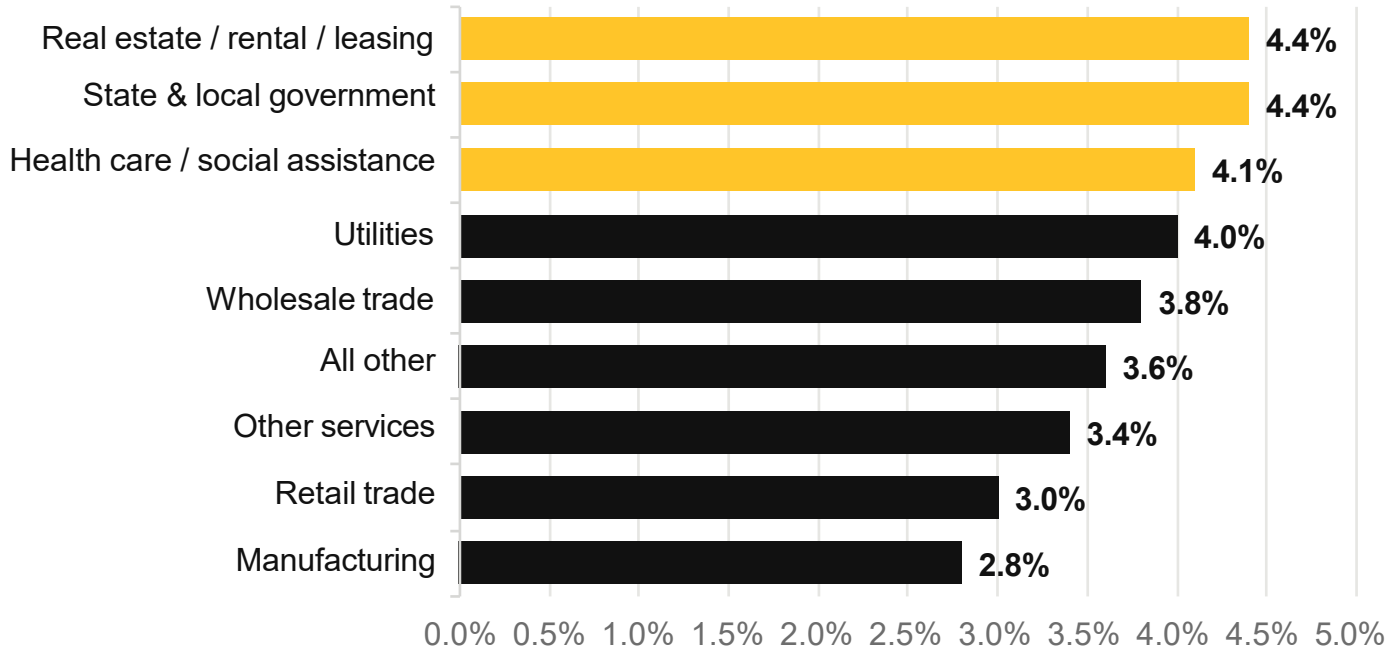
Owned by the company, not by a person. Measured by revenue and margin, not by visits. Developed on a cadence somebody is accountable for.

Managed repair volume is down 21% since 2023. For most of you, those relationships are no longer a nice supplement to program work — they are the business.



BUSINESS TWO, CONTINUED · WHERE THOSE RELATIONSHIPS SHOULD POINT

Residential is not the only pond.



**Multifamily. Healthcare. Education.
Hospitality. Manufacturing.
Municipal.**

Projected commercial premium growth is led by real estate, government and healthcare — more insured value, bigger buildings, more sophisticated buyers.

Residential severity: \$25K

Commercial severity: \$56K

Commercial fire: \$142K

Catastrophe fire: \$202K

Verisk 2026 Executive Insights: Commercial Property and Homeowners, 1st Edition. MarketStance projected premium CAGR, 2026-2028.



BUSINESS TWO, CONTINUED · PRE-LOSS WORK

The first \$1 million commercial loss you win started six months ago.

Emergency response plans

Written, walked, and on file — with your name on the cover.

Facility and property-manager relationships

The person who calls at 2 a.m. already has a name in their phone.

Broker and risk-manager relationships

They influence far more work than most restorers realize.

Pre-loss agreements

Terms, rates and scope agreed while nobody is panicking.

Site walks and documentation

You know the mechanicals before you're standing in six inches of water.

Demonstrated capacity

Crews, equipment, and the financial ability to float a large job.

You don't wake up one morning and decide you're a large-loss contractor. The fire is the trigger — it is not the beginning of the sale.



How are you generating leads?

100 leads arrive

55 contacted in the first hour

38 inspected

29 estimates sent

14 jobs

Now add 30% more leads.

Illustrative numbers — plug in your own.

You didn't fix the intake, the response time, the follow-up or the closing ratio. You just paid to push more volume through the same leak.

Before you spend another dollar generating demand, find out what happens to the demand you already have.

And know which leads were never jobs. Nearly a third of small wind and hail claims never clear the deductible — that's sales capacity spent on math that never worked.



BUSINESS FOUR · FINANCE

Numbers don't lie.

Job costing per job

Not per month. Cost jobs monthly and you learn you lost money nine weeks after you could have done anything about it.

Margin by service line

Water, fire, contents, reconstruction, commercial. One of them is carrying the others — and you may have it backwards.

Cash, WIP and collections

Money spent, money billed and money received are three different numbers. Only one of them pays people.

This is the one that ends companies — so we're spending the whole next section on it.



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Recruit before you're desperate.

When Frank and I bought Signal, the strategy wasn't buying trucks or adding territory. It was deliberately recruiting experienced restoration talent.

Great restoration companies are not collections of equipment. They're collections of people — and the people you want are never available in the week you finally need them.

A slow market is a hiring market.

The best estimator in your market is currently working somewhere that just had a bad year and told him about it.

It's also when your own org chart becomes visible — you can finally see who produces and who was carried by the phone ringing.

“What do most employers do? They hire fast and fire slow. It should be the opposite!”



BUSINESS SIX · TECHNOLOGY

AI isn't going to replace the restorer.

But the restorer using it may take work from the restorer who isn't.

Estimate QA

A second set of eyes on scope and line items before it goes out.

Documentation

Turning field notes and photos into a defensible file summary.

Sales research

Building a real commercial prospect list instead of a windshield tour.

SOPs and training

Getting the process out of your best employee's head and onto paper.

Customer updates

Fast, consistent communication that doesn't depend on who's on call.

It accelerates whatever process you give it.

Point it at a disciplined company and it compounds. Point it at a messy one and you get mess, faster.



FOR EVERYBODY IN HERE THINKING ABOUT GETTING INTO RESTORATION

Those six are the real price of entry.

What people buy

Air movers. A dehu. An extractor. A truck. A logo.

Total time required: about a week and a line of credit.

What the business actually requires

Training · Estimating · Documentation · Compliance
· Job costing · Insurance fluency · Collections ·
Referral relationships · Labor you can scale on a
Sunday night

Total time required: years — unless you buy it.

There are two ways to build all six. Build the infrastructure yourself, or join a system that already has it. Neither answer is right for everybody — but know which one you're actually signing up for.



03

Revenue hides a lot of sins.

This is the part I'd want to hear if I were sitting where you're sitting.



THIRTY YEARS OF WATCHING THIS HAPPEN

Growth can make a bad business look good for a very long time.

I have run companies that went from small to hundreds of millions. I promise you: revenue growth and company quality are not the same measurement.



AN UNCOMFORTABLE THOUGHT EXPERIMENT

If your revenue went up 30% tomorrow, would your company actually get better?

- Would your receivables explode?
- Would your project managers break?
- Would your documentation get worse?
- Would the owner go to 90-hour weeks?
- Would customer service decline?
- Would your gross margin quietly disappear?
- Would your cash position somehow get worse?

If you answered yes to three of those,

then growth is not your solution. Growth is your next crisis, arriving faster and with more zeros on it.



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A FINANCIAL REALITY OF THIS INDUSTRY

You spend the money before you collect the money.

Labor

Equipment

Subs

Materials

Travel & hotels

Mobilization

Management

Then you wait. 30 days. 60. 90. Sometimes a year.

So the P&L says you're having the best year of your life while the bank account is asking whether you're going to make payroll on Friday.

That is not a bookkeeping problem. In restoration, that is the business model — and it gets more dangerous the faster you grow.



CASH IS KING!

Revenue is important. Profit is necessary. Cash is KING!

Not EBITDA. Not backlog. Not the number you tell people at conferences. CASH.
PROFITABLE BUSINESSES RUN OUT OF CASH MORE OFTEN THAN YOU CAN IMAGINE!



BE HONEST WITH YOURSELF ON THIS ONE

Which company would you rather own?

\$20 million

Making almost nothing. Receivables out of control. Owner is exhausted. Everybody at the conference is impressed.

\$8 million

Generating real cash. Keeping its people. Predictable margins. The owner sleeps at night and takes a vacation.

Everybody in this room knows the right answer — and a shocking number of us chase the wrong one anyway, because a "twenty million dollar restoration company" sounds better than "eight."



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The eight things revenue can hide.

1

Bad gross margin

You're doing more work.
Are you making more money?

2

Bad collections

You don't have
receivables. You have
people who haven't paid
you.

3

Bad customers

Not all revenue deserves to
be revenue.

4

Customer concentration

That's not predictable
revenue. That's
dependency.

5

Owner dependency

You may not own a
business yet.

6

People problems

Volume lets you tolerate
what you shouldn't.

7

No process

Or worse — your best
employee has the process.

8

Weak employees

Revenue lets you keep the
person you already know
you should replace.



ONE OF EIGHT

Bad gross margin.

"We're doing more work than ever."

Great. Are you making more money than ever?

Reconstruction costs are up more than 33% since 2021 — and the driver is no longer materials. It's labor availability, schedule and local capacity. If your estimating discipline, your production rates and your job costing haven't changed in three years, your margin already has.

The test

Can you tell me your gross margin by service line — water, fire, reconstruction, contents, commercial — for last month?

If the answer is "my accountant could pull that," the answer is no.

Commercial reconstruction cost index +33.6% since January 2021. Verisk 360Value / 2026 Executive Insights.



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TWO OF EIGHT — BAD COLLECTIONS

**"You don't have \$4 million
in receivables.**

**You have \$4 million worth of
people who haven't paid you."**



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THREE OF EIGHT

Not all revenue deserves to be revenue.

Carrier and program work

Volume and predictability, at a price. Know exactly what that price is.

Commercial and large loss

Higher severity, longer cash cycle, real capital requirement.

Residential retail

Better margin, more marketing cost, more collection risk.

Reconstruction

Where the bigger dollars are — and where undisciplined companies bleed out.

I'm not going to argue with you about which of these is better. I've made money in all of them and lost money in all of them.

The companies that get hurt are the ones with strong opinions about their mix and no numbers underneath the opinion. Know your economics by segment, then argue.



FOUR OF EIGHT

That's not predictable revenue. That's dependency.

- One program or carrier controlling your schedule
- One plumber who sends a third of your water work
- One property manager who could sell the portfolio
- One salesperson who owns the relationships
- One geography with one weather pattern

Remember slide one of this talk.

Traditional managed repair volume is down more than a fifth since 2023.

Concentration is fine right up until the thing you're concentrated in has a bad three years.



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FIVE OF EIGHT — OWNER DEPENDENCY

If you disappeared for 30 days, what happens to your company?

If sales stop, estimates stop, collections stop and decisions stop — you don't own a business yet. You own a very demanding job that you can't quit.



SIX OF EIGHT

When volume slows, you can see the org chart.

Busy

Companies tolerate mediocre performers because there is too much work to deal with it. "We'll address that after the season." There is always a season.

Slow

Suddenly you can see exactly who produces, who follows up, who documents and who has been carried by the phone ringing.

Great restoration companies are not collections of equipment. They're collections of people.

"When Frank and I bought Signal, the strategy wasn't trucks or territory. It was recruiting experienced restoration talent."



SEVEN OF EIGHT — NO PROCESS

Does your company have a process — or does your best employee have a process?

Those are two completely different companies. One of them is an asset. The other one is a hostage situation.



EIGHT OF EIGHT

Weak employees.

What it costs you

Not their salary. The jobs they quietly lose you, the customers who don't call back, and the referral source who stops recommending you and never says why.

What it costs everyone else

Your best people know exactly who it is. Every month you carry that person, you are telling the rest of them what your standard actually is.

Why revenue hides it

When the phone won't stop, there is too much work to deal with it. "We'll address that after the season." There is always a season.

A slow year is the only time this ever gets fixed.

And in this market, the person you should have dealt with two years ago is now costing you jobs you cannot afford to lose.



SO WHAT DO YOU ACTUALLY WATCH INSTEAD?

Stop measuring revenue. Start measuring the machine.

Revenue is the output. It tells you what already happened. The machine tells you what is about to happen — and it's the only part you can still change.



“WHAT’S COUNTED...COUNTS!”

The machine, end to end. The dashboard.

Lead
volume

By source

Response
time

Inspection
rate

Estimate
delivered

Win rate

Average job
size

Gross
margin

Collections
& cash

Then three more that almost nobody tracks:

Labor utilization

What share of the hours you pay for are billable? This is where margin quietly leaves the building.

Cycle time

Days from first call to final invoice. Every extra day is your money sitting in somebody else's building.

Concentration

What percentage of revenue comes from your largest source, and from your top five?



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TAKE YOUR PHONE OUT. ONE POINT FOR EVERY YES.

How healthy is your business — really?

- 1 I know my gross margin by service line.
- 2 I know my closing ratio.
- 3 I know my average days to collect.
- 4 I know my top five referral sources by revenue.
- 5 I know what percentage of revenue my largest customer represents.
- 6 I know my average response time.
- 7 I know which marketing channels produce profitable jobs — not just leads.
- 8 My business could operate for 30 days without me.
- 9 My managers know these numbers too.
- 10 We review them together, consistently.



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SCORE YOURSELF

WHERE WOULD YOU RANK YOUR COMPANY ON A SCALE OF 1-10?

8–10

You're managing a company.

You may still have a bad year — but you'll know why, and you'll know it early enough to do something about it.

5–7

You have a company with leaks.

You are probably leaving real money on the table every month and calling it a market problem.

0–4

The market may not be your biggest problem.

That's not an insult. That's the best news in this room, because everything on that list is inside your control.

CONNECT WITH GOOD OPERATORS. NETWORK. BE CURIOUS. RIA IS ONE OPTION!



04

It's Not Just YOU and your company.

THE RESTORATION INDUSTRY...



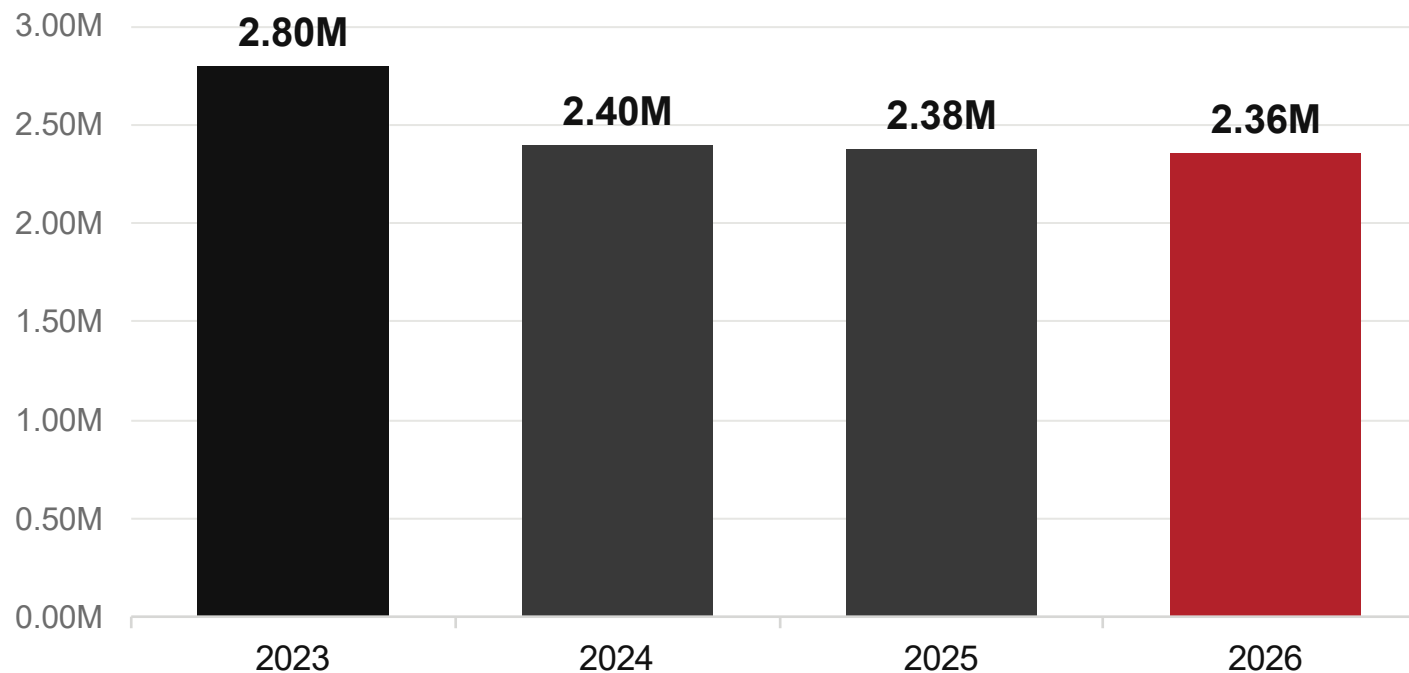
MANY OWNERS ARE ASKING THIS QUESTION:

"Why am I working harder for less?"

Some of you spent the last year wondering whether your estimator stopped producing, your salesperson stopped selling, your marketing stopped working — or whether you just forgot how to run a restoration company.



There is simply less work moving through the industry.



–15.8%

off the 2023 base

Roughly 440,000 fewer assignments in the same four months of the year.

It has not bounced back. 2024, 2025 and 2026 have simply settled at the lower number.

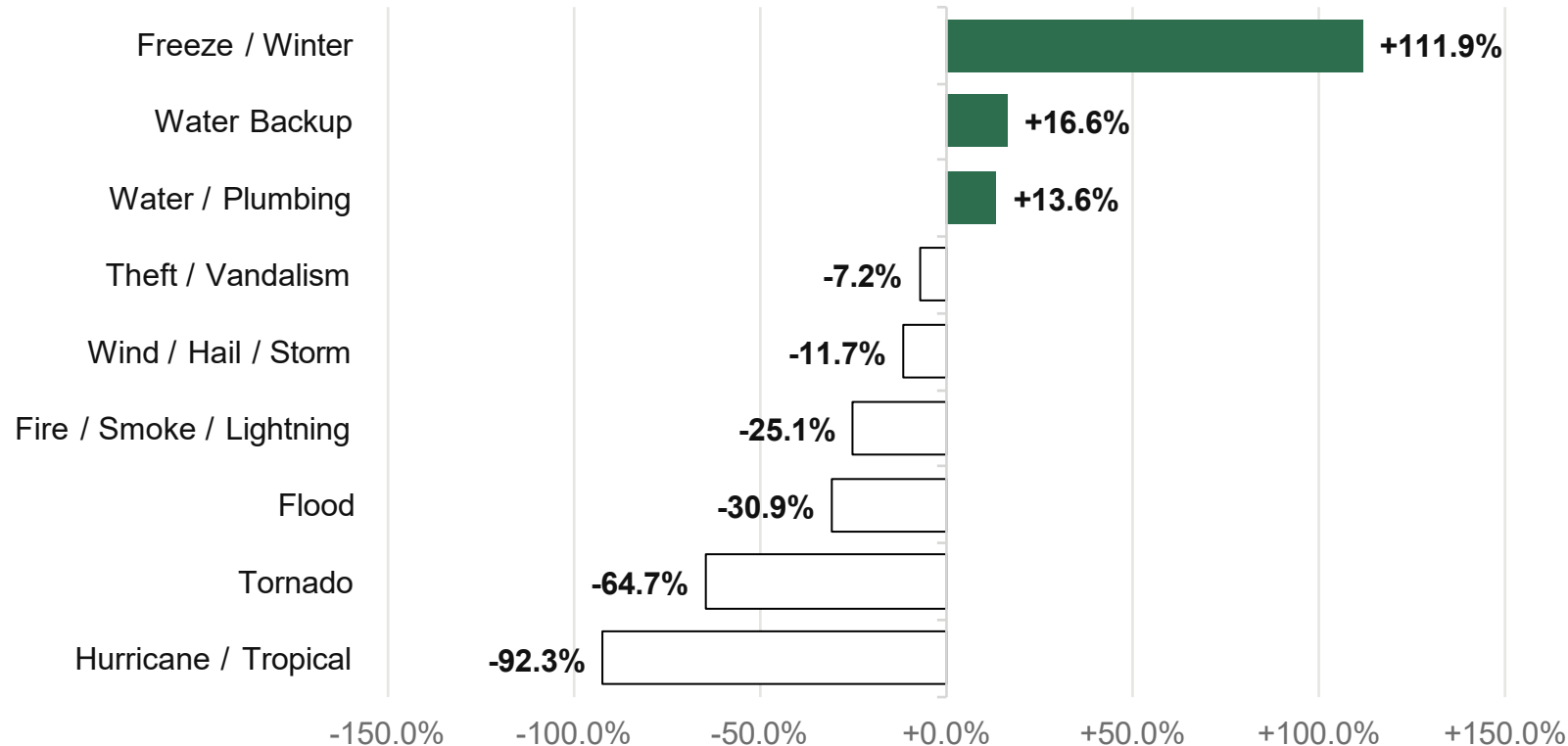
Source: industry routed-assignment data supplied for this presentation. January–April comparisons, 2023–2026.



YEAR-OVER-YEAR CHANGE BY PERIL · JANUARY–APRIL 2026

JAN–APR 2026 vs. 2025

And it did not fall evenly.



What grew

Freeze and winter losses more than doubled. Plumbing water and water backup both grew. That is 815,000 assignments of water work.

What collapsed

Fire, smoke and lightning down 25%. Tornado down 65%. Hurricane down 92%.

The big-ticket, high-severity, reputation-building work is the work that disappeared.

Source: industry routed-assignment data supplied for this presentation.



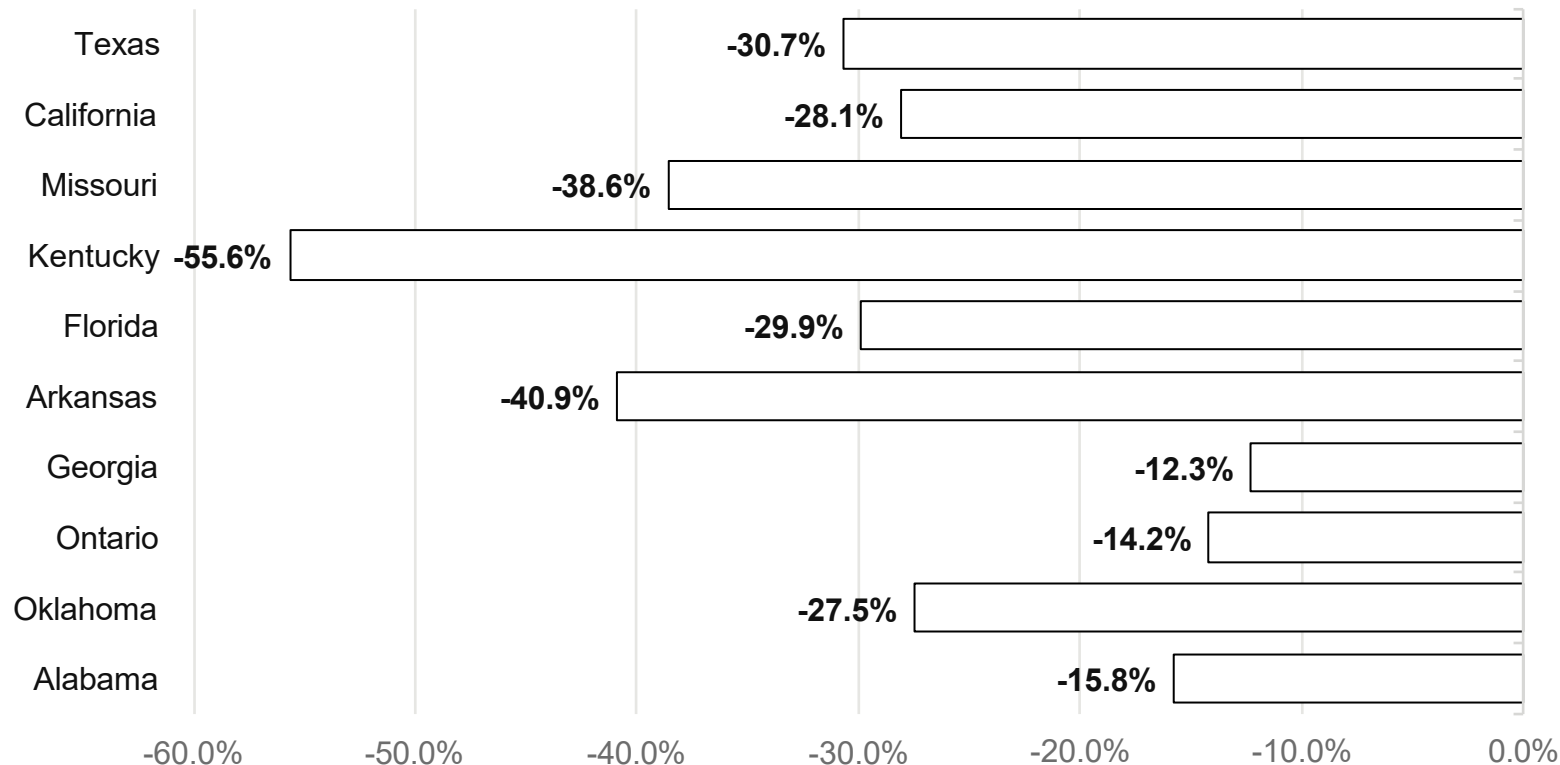
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LARGEST STATE-LEVEL DECLINES · JANUARY–APRIL 2026

JAN–APR 2026 vs. 2025

And it did not fall evenly by geography either.



Texas

94,000 fewer assignments.

California

52,000 fewer.

Kentucky

Down more than half.

If you operate in one of these states, your year was not a mystery. It was arithmetic.

Source: industry routed-assignment data supplied for this presentation.



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Property Insurers had one of the best years in a decade.

3.5%

Homeowners claim frequency in 2025

A five-year low, and 22% below 2024.
Driven by 18% less wind, 26% less hail,
and no hurricane claims at all.

49%

Homeowners loss ratio

The lowest of the five-year period —
higher premium, fewer weather losses.

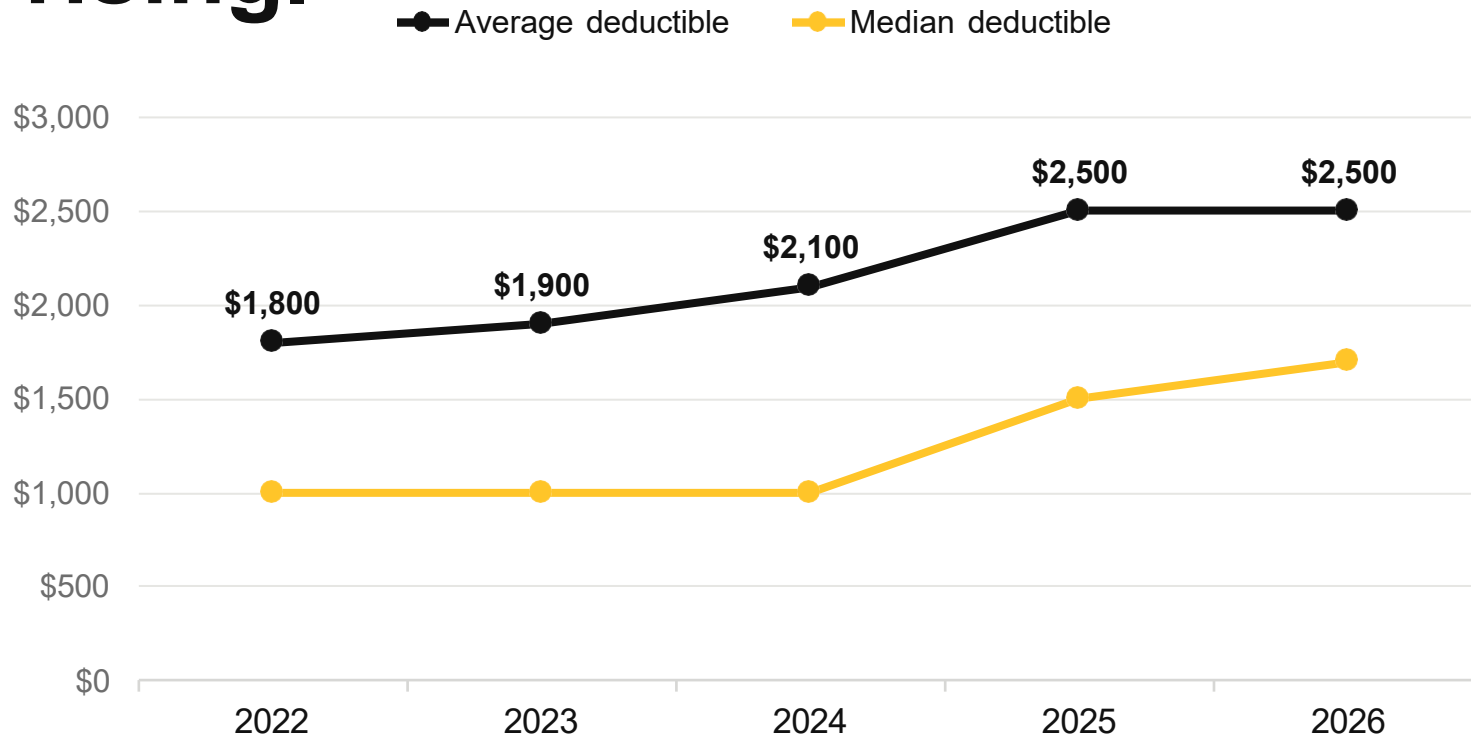
41%

Commercial property loss ratio

Also the lowest of the five-year period.
No hurricane losses, minimal freeze.



Meanwhile, the entry price of a claim keeps rising.



The median doubled.

\$1,000 in 2024. \$1,700 today.

That is not an insurance statistic.
That is the number a homeowner
has to swallow before you get
paid a dollar.

Industry deductible data on positive-estimate assignments, January–April, 2022–2026.



THE COMPETITOR YOU NEVER SEE

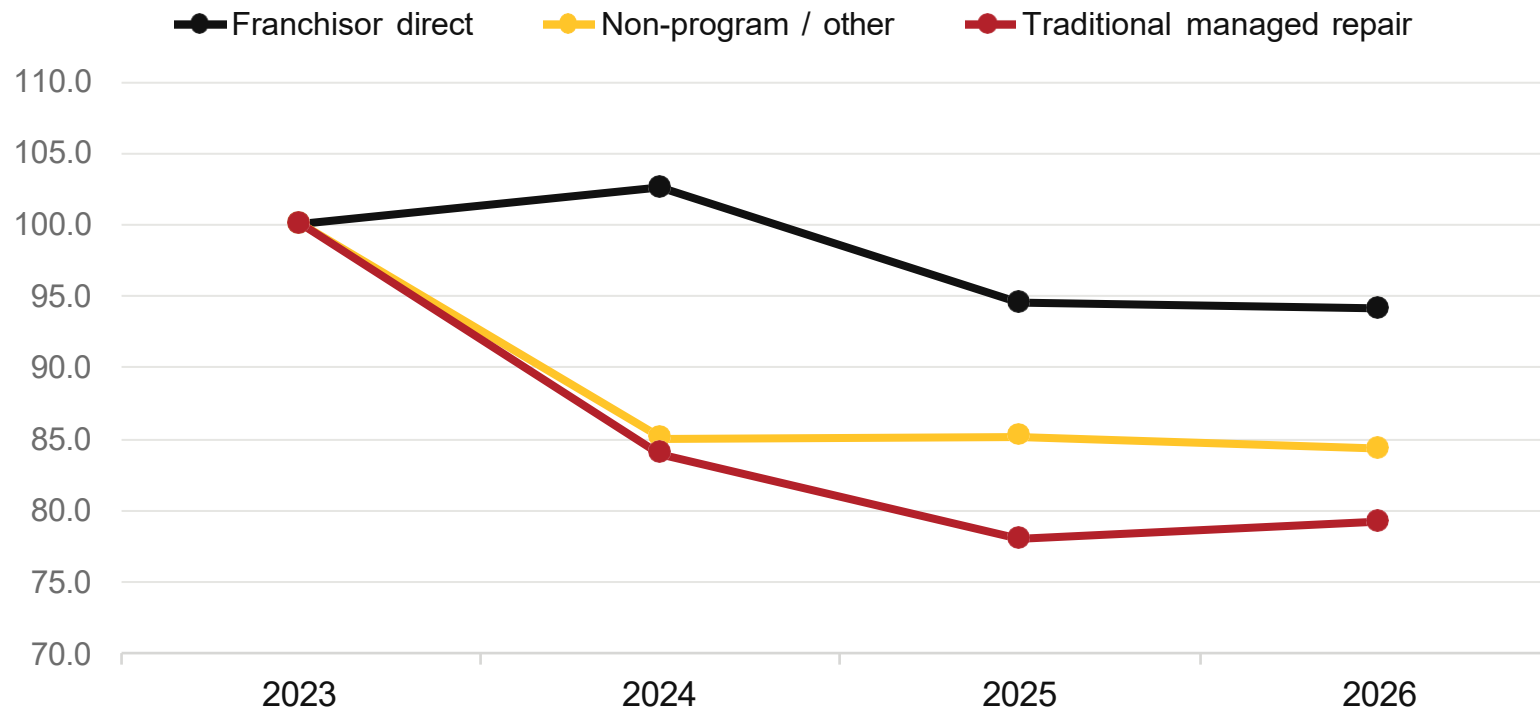
A rising deductible is a competitor that never shows up to the job site.

It takes work off the board before anybody gets a phone call. You cannot out-sell it, out-market it, or out-price it. You can only know it's there and plan around it.



ASSIGNMENT VOLUME BY MARKET-FACING CHANNEL · INDEXED, 2023 = 100

And the pipe you're plugged into is shrinking faster than the market.



-21%

Traditional managed repair volume, versus 2023.

If your entire business model is waiting for a program to feed you, you did not lose 16% of the market this year.

You lost a fifth of your source.

Industry assignment volume by market-facing channel, January–April, indexed to 2023.



SOMETHING I LEARNED AT AGE 19, IN SMALL TOWN NEBRASKA

"A person who wants milk ought not sit on a stool and wait for a cow to back up to them."

I first heard this quote when I was 19 years old. It helped shape my view of success very early on.



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THE PART NOBODY PUTS ON A CHART

When the pie gets smaller, everyone gets hungrier.

Fewer claims doesn't just mean fewer jobs. It changes the behavior of every competitor, every referral source and every carrier you deal with.



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WHAT ACTUALLY HAPPENED TO YOUR MARKET

The eight things a smaller pond does to you.

More contractors chasing every single job.

That job you used to win because you got there first now has three trucks in the parking lot.

More money chasing every referral source.

Your plumber is suddenly getting called by six restoration companies. He noticed.

Acquisition cost per job goes up. Quietly.

Same marketing spend, fewer jobs, and nobody recalculated cost per acquired job.

More pressure from programs and TPAs.

When you need the volume more, you accept terms you would have laughed at in 2022.

More temptation to take bad work.

The job you know you shouldn't take starts looking a lot more attractive in a slow quarter.

More discounting — usually invisible.

It rarely shows up as a discount. It shows up as concessions, write-offs and 'goodwill.'

Everybody expands geographically.

Home market isn't feeding them, so now they're in yours. And you're in somebody else's.

Everybody suddenly wants commercial.

People who never cared about commercial restoration just hired a commercial salesperson.



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MARKET REALITY

Market conditions explain performance. They do not determine performance.

Two companies can operate in the exact same declining market, on the same street, with the same carriers, and have completely different years. Everything I just showed you is real. None of it is an alibi.



TWO QUESTIONS THAT SHOULD BOTHER YOU

If the market explains everything, explain these.

If claims are down 10%,
**why are some companies
down 30%?**

Nobody's market got 30% worse. Something inside those companies multiplied the headwind.

If claims are down at all,
**how are some companies still
growing?**

Same states. Same carriers. Same deductibles.
They are doing something structurally different and it is knowable.

The gap between those two companies is not the market.



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SORT EVERYTHING INTO ONE OF THREE COLUMNS

Control what you can control.

Can't control

Weather · Claim frequency ·
Carrier behavior · Interest rates ·
Housing transactions ·
Catastrophe activity · The
economy

Can influence

Referral volume · Closing ratio ·
Average ticket · Commercial mix
· Customer experience ·
Collections · Recruiting ·
Retention

Absolutely control

Response time · Follow-up ·
Training · Job costing ·
Accountability · Your
relationships · Your standards ·
Whether you know your numbers

Many restorers talk about column one. Almost every company that grew was working on column three.



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ONE MORE THING YOU SHOULD BE THINKING ABOUT

Your next competitor may not look like you.

Consolidation

Regional platforms buying up the good independents in your market.

Private equity

Patient capital, professional finance, and a mandate to grow.

Franchise systems

Shared infrastructure and brand at a scale one shop can't match.

Sophisticated independents

The operator down the road who finally got serious about all six businesses.

Carrier procurement

Buying restoration the way they buy everything else — on data.

Technology-enabled entrants

People who understand the machine before they understand the trade.

What you still own: speed, local reputation, relationships, and the ability to decide today.



AND THIS IS HOW YOU KNOW YOU'RE WINNING

Build a business someone would want to buy — even if you never sell it.

- Could the company operate without you for 30 days?
- Is revenue diversified across sources, perils and segments?
- Are margins predictable — and do you know them by service line?
- Are the financials clean enough to hand somebody?
- Are relationships owned by the company or by one salesperson?
- Are your processes documented, or living in someone's head?
- Is there a second layer of leadership underneath you?

That's not an M&A lesson.

It's a business-quality test. Every yes on that list makes the company better to own, whether you sell it in two years or hand it to your kid in twenty.



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NOW THE GOOD NEWS, AND I MEAN THIS

A slower market is a chance to build the company you were too busy to build.

Every single thing you didn't have time for when the phone was ringing off the hook is available to you right now, at a discount, while your competitors panic.



YOU'RE NOT TOO BUSY ANYMORE

So do the things you kept postponing.

You didn't fix the CRM.

Fix it.

You didn't train the next estimator.

Train them.

You didn't build commercial relationships.

Build them.

You didn't learn job costing.

Learn it.

You didn't document your processes.

Document them.

You didn't deal with the person everybody knows about.

Deal with it.

You didn't diversify your referral sources.

Do it now.

You didn't get in a room with better operators.

You are hopefully in one now!



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TAKE A PICTURE OF THIS ONE

The restoration company of the future

Responds like an emergency company.

Operates like a construction company.

Sells like a professional services firm.

Measures like a technology company.

Manages cash like a bank.

Builds relationships before the loss.

Develops people before it needs them.



05

The next thing we build is trust.

This is the part of the job I care most about, and it's the one nobody puts on a slide.



1996 · AN OUTSIDER LOOKING IN

Pirates and cowboys.

When I first entered this industry thirty years ago, I was an outsider looking in — and I could see the fragments immediately.

There were plenty of talented, hardworking people. There was also what I'd call a pirate and cowboy mentality. Renegades. Storm chasers. Businesses operating without the level of professionalism we expect today.

Professionalizing this industry was stage one. It took us thirty years and it worked.

Look how far we came.

This industry has grown up. The professionalism in this room today is something we should be proud of.

Be proud of it. Then don't stop here.



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NOBODY IN THIS BUSINESS WORKS ALONE

We all depend on one another.

Homeowners

Business owners

Carriers

TPAs

Adjusters

Vendors

Subcontractors

Each other

We operate inside a complicated ecosystem, and every single relationship in it runs on the same fuel.

When that fuel runs out, communication suffers, relationships suffer, and disputes become the normal way business gets done. Everybody in this room has lived that in the last three years.



PRICING. RECEIVABLES. CYCLE TIMES.

It's a trust problem.

Every one of those arguments is a symptom. When trust breaks down between industry partners, everything else becomes a fight — and we have been fighting the symptoms for twenty years.



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AND HERE'S WHY THIS YEAR, SPECIFICALLY

A down market is exactly when ethics gets quietly negotiated.

Less work, more contractors

When there aren't enough jobs, the job you know you shouldn't take starts looking a lot more attractive.

Deductibles eating the small claims

The median deductible doubled. There is real pressure on scope when the customer's first \$1,700 is their own money.

More pressure from programs and TPAs

When you need the volume, you accept terms — and make promises — you would have laughed at in 2022.

Discounting that never looks like discounting

It shows up as concessions, write-offs and “goodwill,” and it teaches your people what the standard really is.

Every one of those pressures is real this year. Not one of them is a reason.



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THE PART I'D WANT EVERY OWNER IN HERE TO HEAR

Every person who works for you is carrying more than your logo.

They're carrying the reputation of this entire industry into somebody's worst day. The homeowner doesn't know your brand from the one down the street. To them, your technician is restoration.



THE RIA CODE OF ETHICS

So we reopened it — and turned it into something you can actually use.

The RIA does not want another pledge that gets published and put back on a shelf. We want a movement — ethics built into how restoration companies actually operate.

Confirm your commitment

Read the Code of Ethics and sign it — as a company, not as a framed certificate.



Take the new course

The RIA Code of Ethics course launched September 2nd — practical guidance for restoration professionals. Put your whole team through it.



Both of those codes work right now, from your seat.



WHAT ETHICS ACTUALLY IS, IN A RESTORATION COMPANY

It isn't a document. It's three decisions you make every week.

A hiring decision

Who you put in somebody's house — and who you keep after you know better.

A scope decision

What goes on the estimate when nobody would ever catch it, and what comes off when the customer is scared.

An invoice decision

What you bill for, what you don't, and whether the number matches what actually happened on that job.

Every one of them is being made this week, by somebody in your company, whether you've told them what you expect or not. ETHICS is a movement, not a one-time certification. It becomes part of your culture.



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RIA

Independence doesn't mean doing it alone.

"You cannot build a trusted industry one company at a time, in private. One of the biggest mistakes I see independents make is confusing independence with isolation."

Some of the smartest things I've learned in this business didn't come from me. They came from being in rooms with other restoration people who were willing to tell me what they had already screwed up, so I didn't have to screw it up myself.

Educate.

Advocate.

Elevate.

That's why I took the RIA role. Not because the industry needs another meeting — because the operators who share what they know are the ones who compound.



AND THIS IS WHAT THAT ASSOCIATION ACTUALLY DOES FOR YOU

Not a membership. A set of tools.

Advocacy

RIA advocates for you with carriers, TPAs and the entire claims ecosystem — the stuff no single independent can push on alone.

Position papers

Peer-reviewed, credible documents on how this work should actually be done and priced.

Education and CEC

Technical, leadership, business and advocacy training built by restorers, for restorers.

Member discounts

For a lot of companies the discounts alone cover the cost of belonging. Run the calculator and see.

“Now, when an adjuster says everyone does it this way, you can say — no, here's our peer-reviewed position paper.” — Phil Rosebrook



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IF YOU'VE NEVER BEEN A MEMBER

\$299 for your first year.

Who's eligible

Contractors whose primary business is restoration, mitigation, reconstruction, cleaning or related services, who have never been RIA members.

**Scan it now. Do it from your seat
before you talk yourself out of it on
the way to the airport.**



And then come find us.

RIA Convention & Expo

April 4–6, 2027

Phoenix, Arizona

Early bird registration closes
December 6th. Up to 13 CE credits,
and a room full of people running
better companies than yours who
will tell you exactly how they did it.

I'm not up here selling you a membership. I'm telling you where the conversations are.



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WHAT I'D DO MONDAY MORNING · A 30-DAY CHALLENGE

Eight ideas. None of them cost money.

1

Know your ten numbers.

The scorecard from twenty minutes ago. Put them on one page.

2

Call your top 25 referral relationships.

Not email. Call. Before somebody else does.

3

Identify your 10 best commercial prospects.

By name and by building, not by category.

4

Find one operational leak.

Response time, follow-up, or a margin you can't explain.

5

Document one process that lives in one head.

Pick the one that would hurt most to lose.

6

Train one person to do something only you can do.

That is how you buy back your own week.

7

Get in a room with better operators.

You're already in it. Don't waste the hallway.

8

Put your team through the ethics course.

Not because it looks good. Because they're the ones in the front line!



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THIRTY YEARS IN

In Summary:

- 1 Protect your reputation — yours and this industry's. It travels faster than marketing.
- 2 Know your numbers. All of them. Not most of them.
- 3 Invest in people before you're desperate for them.
- 4 Build relationships before you need them.
- 5 Never stop learning from people who are better than you.



THE CLOSE

You cannot control when the loss happens.

You cannot control the weather, the carrier, or the economy.

You can control whether you're building a company that's ready when opportunity shows up.

Claim counts will go down again. They'll go up again. None of us controls any of that. What you control is whether you're the company that's ready for whatever market shows up next — and what kind of industry we hand to the people who come after us.



NOW LET'S ACTUALLY USE THE REST OF THIS TIME

Questions.

Ask me anything — the market, the numbers, hiring, cash, commercial, franchising, selling a company, or the mistakes. There are plenty of those.

Control what you can control.

Mark Davis · Chairman & CEO, PuroClean · CEO, Signal Restoration Services · President-Elect, Restoration Industry Association



APPENDIX

Where these numbers come from.

Industry assignment data

Routed assignment volume, peril mix, state-level change, deductible trends, small-claim share and market-facing channel index. January–April comparisons, 2022–2026.

Verisk 2026 Executive Insights: Homeowners, 1st Edition (2021–2025)

Loss ratio, severity, frequency, peril detail, average premium per policy change, amount of insurance versus reconstruction cost index.

Verisk 2026 Executive Insights: Commercial Property, 1st Edition (2021–2025)

Loss ratio, severity by cause-of-loss group and coverage type, commercial reconstruction cost index, and MarketStance projected premium growth by business sector, 2026–2028.

