

Energy & Store
Development Conference

2016
E+Sd



THE VOICE OF FOOD RETAIL 

Energy & Store
Development Conference

E+SD 2016

Roofing Your Way to Higher Profits
Without Raising the Price of Peas

Learning Objective

Maximize Your
Return on
Investment
and Lower
**Your Annual
Dollars Per
Square Foot**



It's Not Easy Being You.

Industry trends beyond your control.

- Razor thin margins of 1.5%
- Aging buildings with limited resources
- Critical to create a positive, innovative shopping experience
- Store aesthetics and safety are critical to branding and competitive advantage
- 24/7 operations

What you CAN control.

Planned, proactive facility asset management for roofs and building envelopes to:

- Reduce risk
- Improve building component performance
- Reduce long-term costs
- Improve customer and employee comfort, health and safety

Managing Grocery Store Assets

- Long-term retail establishments represent significant asset value
- Facilities represent 25% - 40% of corporate wealth*
- Less than 10% are managed as financial assets for a return on investment

*Harvard Business Review

Consider the price of peas.

You must sell 25,000 cans of peas to pay for 1 roof leak based upon average leak repair cost of \$1000.



\$2.19 retail

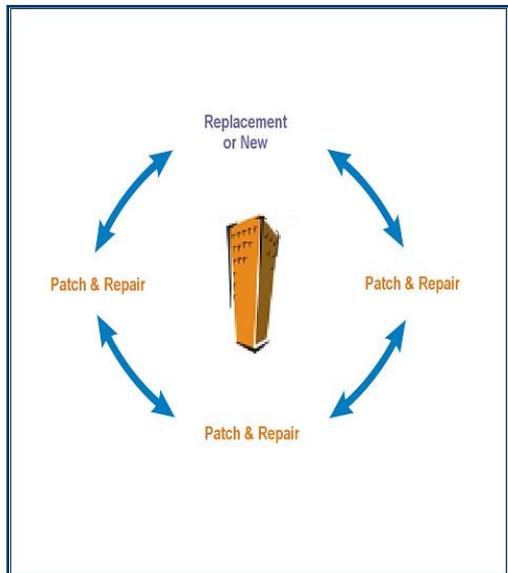
\$.04 profit

Proven Business Practices Meet 21st Century Roofing and Building Envelope Technology

*To Improve and Extend Building Performance
while meeting your sustainability
and financial goals.*

The Problem with Traditional Roofing

The Costly Cycle of Replace/Repair/Replace



- Premature deterioration of roof infrastructure
- Budget uncertainty
- Backlog of maintenance and repair
- No or limited preventative maintenance
- “20-Year” designs fail in 10 - 12 years.

Proactive Roof & BE Management

Managing Facility Assets for Return on Investment

- Increase roof life expectancy with maintenance and restoration
- Through preventive maintenance the service life of a roof is increased from 30% to 100% **
- With restoration, roof life can be extended even further
 - Over 50 years with preventive maintenance and restoration

*NRCA – National Roofing Contractors Association

**AIPE – American Institute of Plant Engineers (Now AFE)

The Proven Methodology

Step 1: Know what you have and manage it using a real-time database.

Step 2: Bring the facility asset up to “Startup Standard”

- ✓ Maintain the GOOD.
- ✓ Restore the MARGINAL (strategy alignment)
- ✓ Replace only the FAILED (strategy alignment)

Step 3: Protect what you have.

The Cost of Neglect

May 2015



Wet: 1,115 sf
\$8/sf = \$8,920

May 2016



Wet: 6,160 sf
\$8/sf = \$49,280

May 2017



Wet: 27,201 sf
\$8/sf = \$217,608

May 2019



Wet: 65,000 sf
\$8/sf = \$520,000

The Weis Markets

Roof Asset Management Experience



The Weis Markets Case Story

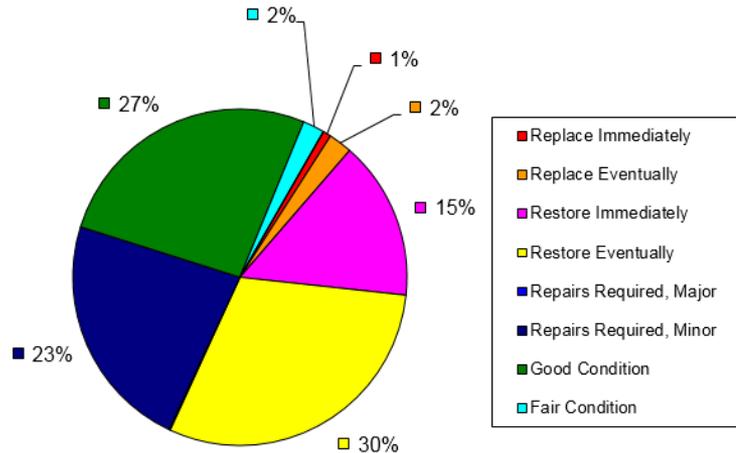
Roofing Asset Value: \$50,095,403

	# Sites	Roofing Square Foot
Owned	85	4,237,168
Leased with Roofing Responsibility	22	1,070,472
Leased with Partial Roofing Responsibility	8	453,526
Tenants	111	918,221
Total Roof Responsibility		6,679,387

Weis Markets Case Story

Cost Avoidance

Current Condition Assessment



- 71% of the roofs will require work in the next 5 years to maintain a leak-free environment
- Replacement cost for that 71% is estimated at \$22.75 Million (Traditional Method)
- Through systematic repairs and restoration, all but 3% of the roofs can be brought back to Good Condition at a cost of approx. \$7 Million
- Total capital project savings through repairs and restoration nearly \$15 Million over 5 years period.

Weis Markets Case Story

Leak Reduction Since December 2014

10%	Reduction in # of Calls
13%	Reduction in Costs

Please note that these reductions are based on implementation of preventive maintenance and a systematic leak response program only, with minimal roof restoration work completed (8 projects on less than 4% of overall square footage). Leak calls will decrease dramatically as roofs are systematically restored.

The Weis Markets Experience

“We’ve seen tangible, measurable benefits from our roof management program. By proactively taking control of our roofing inventory, we have reduced overall costs, reduced unexpected expenditures, reduced leaks and store disruptions.”

- David Klacik
Weis Markets, Inc.
Building Maintenance Manager

The Weis Market Case Story

The Current Situation / Results

- Reduced risk
- Improved staff productivity
- Significant annual cost savings per square foot
- Roof restoration delivers typically 33% to 50% of the cost of replacement
- On track for 50% restorable for \$10 million dollar savings.
- Less store disruptions – critical during 24/7 operations
 - Less noise, odor and debris

Paradigm Shift

Restoration vs Replacement

PAST

In the past, restoration (coatings) has been viewed as a short-term solution until money was available for the long-term replacement solution

PRESENT

Today's restoration technology provides service life and roof system warranty options previously only available through replacement

Roof Restoration / Sustainable Technologies

- Typically 33% to 50% less than replacement cost
- Less operations disturbance
- Faster project completion times = less time on site = lower open roof risk
- New highly reflective weathering surface – energy conservation
- Long term material and labor warranties (14- 20 years)



Which Roofs Can Be Restored?

- Nearly ALL Roof Types can be maintained and restored to extend their service life if they are reached at the right time.
- Critical to know what you have and **PROACTIVELY** maintain and restore good roofs before replacement is the only option.

Built-Up Restoration



Modified Bitumen Restoration



Metal Roof Restoration

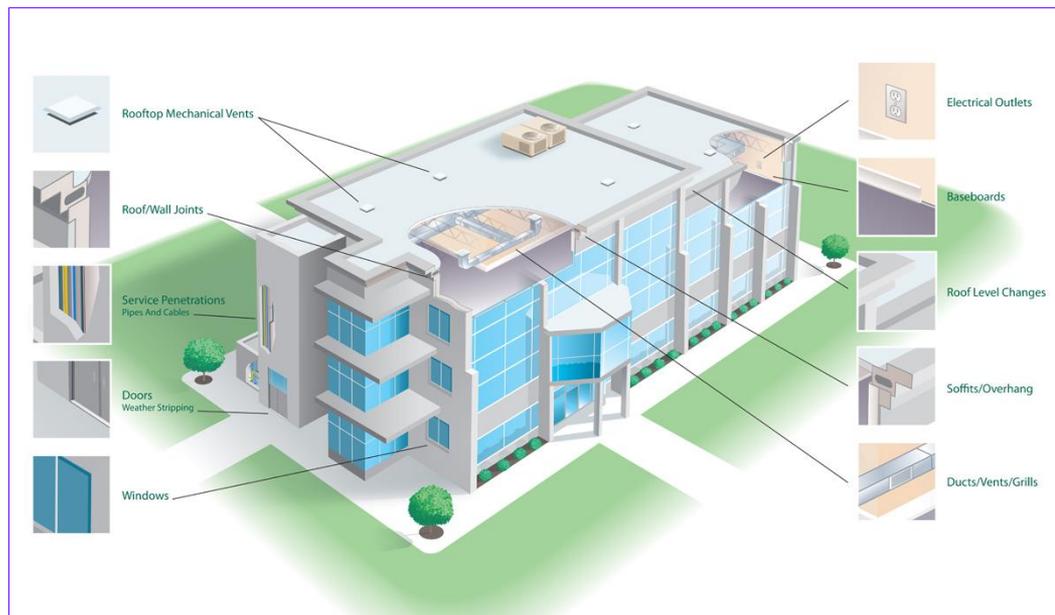


Technologies Evolving Every Day

- Zero landfill
- Monolithic roofing membranes
- Metal roofing
- Earth-friendly rooftop clean
- Drones for building diagnostics
- Improved Indoor Air Quality



Stopping Air Leakage



- Improve Indoor Air Quality
- Reduce Energy Loss
- Improve comfort, health and safety

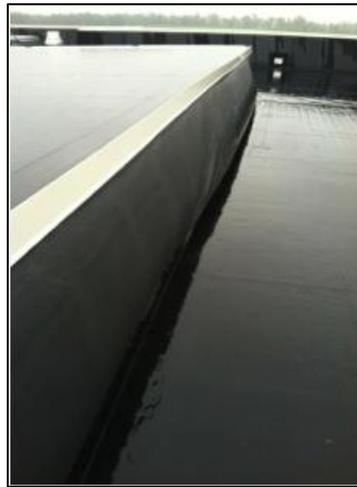
The Cold Storage Opportunity



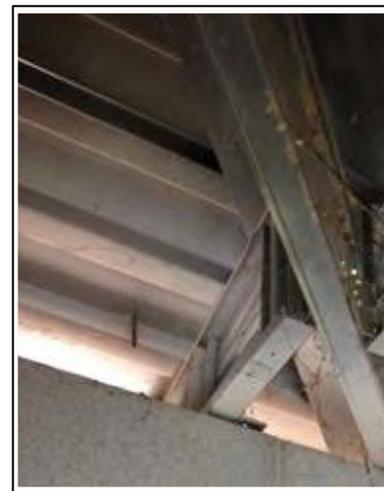
Cold storage issue during hot, humid temperatures



Mold / Mildew
Metal building in humid climate



1 Problem in warmer climates is the Roof / Wall Connection



Learning Objective

Understand the value of managing your roofing inventory as a financial asset.

How to Maximize Your Return on Investment
and Lower Your Dollars Per Square Foot Per Year