



Show Number: 720

Jeff, Ryan & Gary Moore

The ATI Story: The Moore Family's Restoration Journey!

Good day and welcome to the IAQ Radio+ episode 720 blog. This week we welcomed Jeff, Ryan and Gary Moore of ATI Restoration for a Fireside Chat about the Moore Family's Restoration Journey. A rags to riches story about the largest independently owned company in the industry.

Gary Moore is the founder and Chairman of ATI. As an accomplished entrepreneur and industry pioneer, Gary followed his passion and established his own restoration and reconstruction services company in 1989 after working in the insurance restoration industry for 15 years.

Jeff Moore is President and Chief Acquisitions Officer for ATI. His current role involves overseeing mergers and acquisitions and ensuring ATI's continued expansion. Jeff also serves as the Vice President for the Restoration Industry Association (RIA). Over the past 3 decades, he worked his way up through the ranks, serving as Executive Vice President from 2012-2019 and then as Co-President since 2019.

Ryan Moore is the President and Chief Growth Officer of ATI Restoration, where he has driven remarkable success and growth for the Company. Starting from the warehouse, Ryan's career journey exemplifies his dedication and deep understanding of the business.

Ryan's exceptional leadership and dedication have earned him the coveted EY Ernst and Young Entrepreneur of the Year award in 2023.

Nuggets mined from today's episode:

Gary, you didn't attend an Ivy League business school or work for a hedge fund, how did you learn to finance and operate a business which is approaching 1B in revenue? We began the business with meager financing which involved leveraging

our personal assets. We then arranged accounts receivable financing, then conventional bank financing and currently have private equity financing for acquisitions.

Gary, describe the original culture at ATI and has it changed or evolved? Gary inherited a strong work ethic from my father. He has a strong work ethic, is confident and has a strong desire for success, He has led the business by example working side-by-side with staff and never asking staff to perform a task that he wasn't willing to perform. ATI has hired the right people and treated them well, like family. We value our relationships with staff, vendors, and subcontractors. It was a goal to bring his children into the business. He is open to new approaches and new opportunities.

After they completed college, his eldest son Jeff wanted to join the business. Jeff asked Gary to make an employment offer. The offer included salary, and goals to attain bonuses. The offer came with the requirement that the son work in a different office achieve predetermined goals before they were allowed to move home. The same scenario was repeated with Ryan. Gary's sons started at the bottom and worked their way upwards. ATI now has 72 branches.

What are your leadership styles? Gary: Hard working, accountable, confident, self-motivated, a visionary who is open to new approaches and new opportunities. Jeff admits when younger he was a micromanager. Now when he assigns people roles, he has expectations of them and holds them accountable. Employees have earned Jeff's trust. Ryan describes himself as a servant leader. Ryan credits both his father and brother for mentoring him.

With different personalities and skill sets, how did you share responsibilities and determine/decide who was going to do what? According to Ryan, there are no egos. Jeff is ideally suited for mergers and acquisitions. Ryan's sports background has prepared him to lead the sales team.

Do all of your offices use the same systems, equipment, and products? Ryan: We are working on it. Through ATI University, our company invested in 100,000 training hours in diverse subject matter: from computer skills, personal relations, leadership, to tech training, etc. ATI has 3 in-house technical trainers and rely on

other educational resources including IICRC and RIA. Jeff: We provide 80% direction and allow 20% entrepreneurial leeway.

Jeff, what attracted you to mergers/acquisitions? What criteria do you look for in acquiring additional businesses? He asks them why they want to join or partner with ATI? While owners come and go, we strongly believe that the future success of the branch is centered on the employees who come along with the business. It's a turnoff when someone is trying to sell us their business and they only brag about the profit opportunities and don't acknowledge the importance and value-added of their employees. We only want to acquire business that are "in it-to win in"

As we know successful restoration contractors are often Type A personalities, after acquiring the businesses of Type A business What percentage of the time have you been successful in retaining the original owners in your work force? Jeff: We've done 15 acquisitions; 4 owners have retired and 11 remain with ATI. Ryan: While we dominate the west coast with our large branches, we have more offices on the east coast and south. The west coast offices specialize in commercial losses while the eastern offices with revenues in the \$5m-\$20m range are more residentially oriented.

Are California wildfires a big part of ATI's west coast business? Ryan: Changing weather patterns and weather events create business. California wildfires are not a significant revenue source.

Where was the first acquisition? Gary: Mark 1 and their 3 offices in eastern Pennsylvania and New Jersey. Mark 1 was a family business with many commonalities with ATI.

Ryan, are all of your branches full service? Yes, all branches provide full service. Some smaller branches subcontract environmental remediation.

35 years ago, when you first started business, were you involved with RIA? Gary: There was no RIA 35 years ago. Jeff: The RIA of 35 years ago was different than the RIA of today, today's business struggles are different. RIA's board tackles important issues that face all restorers. RIA strongly advocates for the restoration industry. My volunteer work at RIA is to give back to an industry which has blessed our family.

Ryan: Is ATI heavily engaged in CAT work and do you storm chase? We have 24 CAT trailers scattered throughout the US. Our CAT work is primarily performed for existing clients with whom ATI has Master Service Agreements. When catastrophic events occur, we dispatch personnel and equipment to local brick and mortar offices.

Are you risk taker? Gary: Yes, I'm a natural risk taker. I have confidence and contacts so I will take calculated financial risks.

Gary/Jeff: How have the disadvantages of TPA program work improved your business? Gary: With vision of an opportunity and realistic skepticism, ATI joined Prism the first vendor network. Jeff: TPAs account for 15%-20% of our revenue. With multiple points of contact, TPA business is the most challenging and demanding. If you can do TPA both well and profitably, you can do anything!

Jeff: There is an old saying that nothing lasts forever, tell our audience why you lost a major account, the impact on your business and how it made ATI stronger? We took the revenue for granted and took advantage. While we retained the business on a national basis, we lost this revenue in our legacy office. It took ten years to get the business back.

To do Government work must you be union shop? Government work is governed by the Davis-Bacon Act. The mandatory prevailing wage to be paid is generally the union wage. There is no category for restoration work. We do custodial and we do carpentry; prevailing wage is more appropriate for environmental projects.

Jeff and Ryan, what is your favorite restoration dad story?

Ryan: During Covid it was hard to operate on large losses due to fear of the unknown. We had an opportunity to work a large loss. Jeff asked for volunteers, it was crickets and no hands were raised. Dad was the first person to volunteer and told the client we would be there in 1.5 hours.

Jeff: When 911 happened, Jeff was working a large loss in museum in San Francisco. Dad called and said we were going to NYC to help, get some work, and figure things out. I left San Francisco on the first flight to NYC. Along with staff who

volunteered to go and locate temporary labor, we cold called, and brass knuckled it. We collected all the payments that were due.

Gary, what is your favorite restoration Jeff story and restoration Ryan story?

Jeff story: We unsuccessfully bid a large hospital mold project twice. Another company was awarded the project and didn't meet client expectations. Then, Jeff bid the job, was awarded the job and ATI successfully completed it; one of our largest jobs ever.

Ryan: After a devastating Hurricane struck Houston and Florida it was hard to get around. Ryan suggested that they rent a helicopter. Dad wasn't riding in a helicopter. Ryan grabbed some bottled water and protein bars and the helicopter dropped him off. Ryan survived for 4 days until he was picked up.

Round-Up

Gary Moore: Evolution of ATI

- Gary was focused on building his business, there was no RIA.
- In 1994 ATI began performing environmental restoration with limited construction.
- In 1995 due to litigation in the local marketplace, insurance carriers asked ATI to provide construction.
- Today, 60% of ATIs business is construction.
- Warning: Beware of major earthquakes as there may be no insurance coverage, be careful who you work for!

Jeff Moore

- Some advice for restoration contractors who want to operate in multiple markets. Don't use a shotgun approach where you are a "Jack of Nothing" who doesn't bring any value to table. Be especially good at one facet of the business and dominate the vertical market. One ATI acquisition is 60% commercial and 40% schools.

Ryan Moore:

- Trying to tackle the world without focus is expensive.

Pete Consigli, Restoration Global Watchdog:

- Pete recommends a mix of 50% insurance business and 50% from other sources.
- Following 911 there was a major “low profile” lawsuit regarding work at ground zero. After the work was completed, the government went after some RIA member companies seeking \$50 million in overtime pay. A difference existed between exempt and nonexempt supervisors and project managers over entitlement to overtime pay.
- After Katrina the government came after contractors for noncompliance with labor regulations.
- In 2014 Purdue University hosted an International Emergency Management Society conference (<https://www.tiems.info/>). One of the representatives from the National Demolition Association told the sad story of 4 large demolition contractors who were contracted to work on cleaning up the debris pile. After completing their work, the 4 demolition companies never got paid. Forcing 3 of the contractors out of business and only the largest contractor survived.
- Pete, echoed Z-Man’s comments on Jeff’s article adding a zero.
- A correction to Gary’s comment regarding RIA. What is now known as RIA began in 1946. During the 1970s, the National Institute of Fire Restoration (NIFR) under the leadership of Martin King provided education and networking opportunities. NIFR events often included a visit and tour of a successful local restoration firm. The host would allow guests *to look under the kimono*.
- The Northridge earthquake in 1994 was a monumental disaster restoration event. At that time, there were 7 large full-service construction companies in southern California diversified into disaster restoration.
- Pete, was trying to find a west coast RIA member willing to host an RIA event and plant tour. Multiple firms turned Pete down, before Gary immediately agreed. Pete, publicly thanked Gary for hosting a 2007 RIA event and facility tour. After being swamped with work, ATI kept their commitment and didn’t back out. Gary’s gracious agreement to host the event says and demonstrates everything about ATIs culture.

Z-Man signing off

Trivia Question:

The 4-part IAQradio radio dealt with the Davis-Bacon act. Sorry, Z-Man was too busy to post the question in the chat.

Part 1: In US government contracting identify the term defined as: the hourly wage, usual benefits and overtime, paid to the majority of workers, laborers, and mechanics within a particular area?

Part 2: What is the minimum financial size of a qualifying project?

Part 3: What must be displayed on the worksite?

Part 4: Name the Law requiring all of the above?

Answers: Prevailing wage, \$2,000, Davis-Bacon Compliance Poster WH-1321 and Davis-Bacon Act.