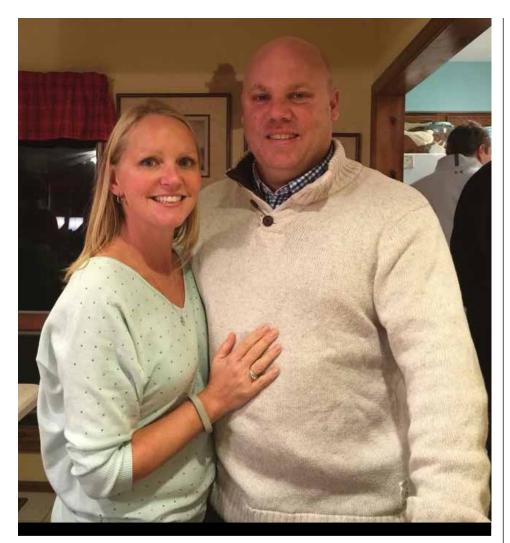


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PROBLEM SOLVING THROUGH PAVEMENT SOLUTIONS

No one will deny that the Great Recession was a difficult time for the construction industry. But some, like Steve Brahney of Brahney Paving and 1-877-FIX-ASPHALT, have a way of finding a solution in every problem.

"It was the recession that got me back to the original roots of why I started the business," Brahney said. Brahney Paving and 1-877-FIX-AS-PHALT, subsidiaries of Slurry Pavement Systems Inc., were founded in 2004 in Flemington, New Jersey. Brahney Paving focuses on national accounts, and 1-877-FIX-ASPHALT works on more regional accounts. Both companies offer asphalt and concrete paving, which account for 60 percent of the companies' business,

LEFT: Although many couples who run businesses together might experience some friction, Brahney said he and his wife, Kristina, make a great team. *All photos courtesy of Steve Brahney*.

and pavement maintenance, 40 percent. Prior to 2008, the companies had grown to operate in every state on the East Coast.

Brahney Paving and 1-877-FIX-ASPHALT use Cat paving equipment, skid steers and excavators; Leeboy pavers, Neal sealcoating equipment, Grace line striping equipment, Crafco crack sealing equipment, and strictly use only Gem Seal pavement products.

LOVE AT FIRST STRIPE

Brahney became interested in the paving industry when he was 12 years old. A family friend owned Traffic Lines Inc., one of the largest highway striping companies in the U.S.

"I just decided when I was 12 that I was interested when I saw the N.J.D.O.T striping Main Street in Asbury Park, New Jersey," Brahney said.

When Brahney started 1-877-FIX-AS-PHALT and Brahney Paving, he said the companies were 100 percent customer focused, so much so that national clients began asking for services spanning the region.

"It was the recession that got me back to the original roots of why I started the business," Brahney said.

Brahney had worked with a facility manager from Taco Bell and Extra Space Storage who asked if he could do work for them outside of New Jersey. Having just bought a second home in Florida, they began operating in southern Florida and slowly grew to work in every coastal state from Florida to Maine.

"When you develop a relationship with someone who's responsible for that many properties, it's a constant flow of work that comes in," Brahney said. "When you develop that level of trust, it's more of a



negotiated relationship versus being seen as a commodity pinned against everyone else."

Some days, Brahney recalls, they would have five different projects going on in five different states at the same time. In 2008 alone, Brahney drove more than 60,000 miles.

"Sometimes the crew would drive a couple hundred miles, get hit with bad weather, and then come back to another job site," Brahney said. To compensate for the logistical difficulties, Brahney provided different bonus structures based on job completion and quality. "That way, I was able to hire good people, pay them well, and they could work without much supervision."

But when the recession hit, many of the larger companies they'd worked with began searching for the lowest bid for large projects. Prior to the recession, Brahney said his companies would travel hundreds of miles for their clients just to repair potholes.

"We had always been losing \$3,000 on those jobs," Brahney said. "It's a lot easier to swallow that loss if you get a \$500,000 job from that company a week later." Without the larger jobs, the smaller national jobs didn't make financial sense.

"When we started seeing that downward price pressure, I started seeing myself as more of a commodity than the niche business I thought I was," Brahney ABOVE: Brahney was first exposed to the paving industry when he was 12 through a family friend, who owned Traffic Lines Inc.

said. He started becoming disenchanted with the business. "In the beginning, I used to love going to work and finding new challenges waiting on my desk."

After the recession, Brahney said the companies took a 180 degree turn. They began to downsize their national work, decreased their staff from 20 to 10 and began to operate in four eastern states: New Jersey, Pennsylvania, Delaware and Maryland.

Brahney saw the recession as a blessing in disguise—one that allowed him to spend



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Although Brahney Paving and 1-877-FIX-ASPHALT work on a variety of large projects, they also complete smaller pothole repair jobs.



Brahney said one of his company's advantages is the amount of resources available. For this 4,000-ton mill and pave project for an office building, they were able to bring three pavers, six rollers and more than 20 workers.

RIGHT: Brahney Paving and 1-877-FIX-ASPHALT work diligently to minimize impact to store sales during their projects.

more time on what he loved about the job, solving his clients' problems.

About a year ago, Brahney Paving and 1-877-FIX-ASPHALT began using drones to collect aerial video footage. "Alot of our customers are thousands of miles away," Brahney said. "They can't just come out and see what work needs to be done."

The aerial video allows their clients the opportunity to more easily see issues the companies notice, like drainage issues and underground water issues.

Brahney Paving never schedules more than one week in advance so he can accommodate time-sensitive projects. For example, the company completed two large, expensive and last-minute shopping center projects from mid-August to mid-September. 1-877-FIX-ASPHALT typically schedules out 4-6 weeks at a time with 2 floater days for make up for weather or other delays.

ON THE MENU

"Not everyone can afford a Mercedes. Some people can afford a Toyota and that's the way it is," Brahney explained. "We were going in and selling ourselves as a Mercedes, but during [the recession] clients who used to be able to afford a Mercedes couldn't anymore."

Rather than turn clients away, 1-877-FIX-ASPHALT and Brahney Paving began giving clients proposals that included a menu of options to match their budget.

"The number of options depends on the job," Brahney said. Some proposals may only have one option; others, like a recent \$2 million project, might have six. "It depends on the scope of work and what they want to get for their money."

For example, when Brahney talked to a commercial property manager with a building to sell, the company didn't have the budget to repair the cracked parking lot. So, the client wanted the the parking lot to be jet black in pictures for Loopnet to give the building curb appeal to potential buyers.

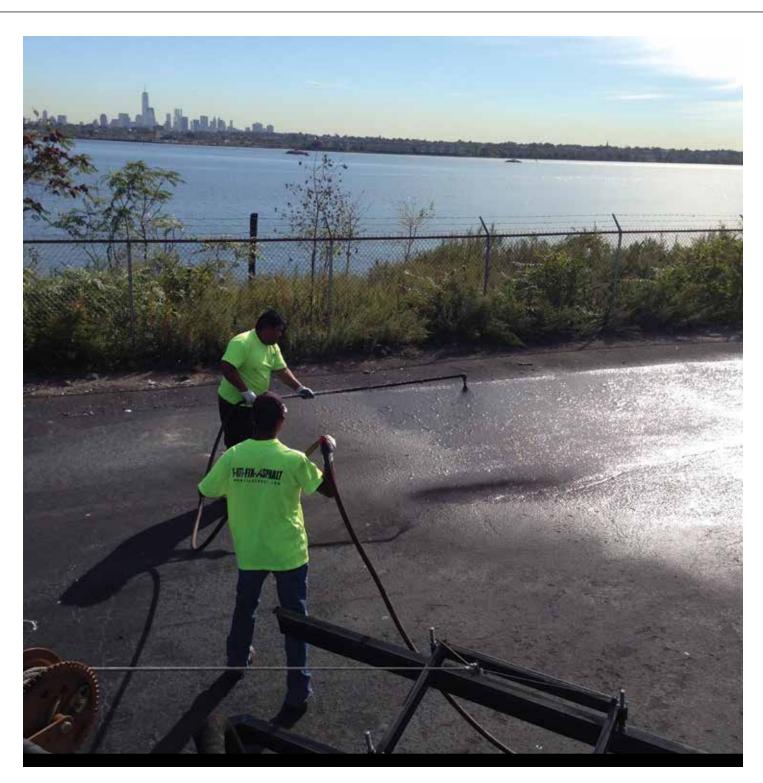








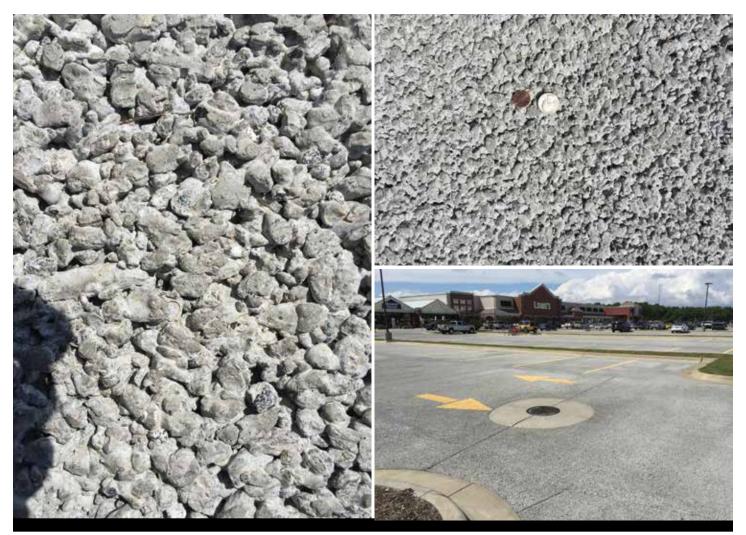
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ABOVE: Brahney's sealcoating crew trims out a squeegee application project with Freedom Tower in the background. Brahney's father was a bond broker for Cantor Fitzgerald, with an office on the 105th floor of the North Tower. "Luckily, he retired two years before 9/11," Brahney said.

"We could try to offer that property manager a paving scope of work until the cows come home, but if he doesn't have the budget for it there's no sense in offering that option," Brahney said. "If we give our clients a cost-effective option, we don't lose the sale."

"If someone comes into a Mercedes dealership and has the money to buy a Mercedes, that dealer is going to sell it to them," Brahney said. "But if someone comes in wanting a Mercedes, but can't quite afford it, they're going to direct them to the Mercedes



Brahney Paving and 1-877-FIX-ASPHALT aim to increase the use of environmentally sustainable products, like pervious asphalt, in 2016.

pre-owned lot. It gives them an option to have Mercedes quality they can afford."

Brahney Paving and 1-877-FIX-ASPHALT also use software that can deliver quotes instantaneously while the companies' estimators are still at the job site.

Brahney has a closing rate of 80 percent, and his sales staff, 50 percent. Brahney estimates the industry average to be around 20 or 30 percent.

"We can pull together the measurements, budgets and costs so we can give clients a quote immediately," Brahney said. That way, the estimators can talk to the client and work through any questions on the spot and get started on the project sooner.

FULL SPEED AHEAD

In 2016, Brahney hopes to increase the use of environmentally friendly products, including pervious asphalt and concrete, permeable pavers and solar reflective coatings. The pervious asphalt includes more aggregate and less fine material and allows water to filter through the ground rather than run off of the lot. Solar reflective coatings are also gaining popularity to decrease cooling costs of buildings adjacent to parking lots that usually retain a lot of heat.

"Environmental products are gaining popularity as people are facing tighter stormwater restrictions," Brahney said. When Brahney was in North Carolina on vacation, he witnessed a local Lowe's project that had been postponed for years be-

cause the city wasn't satisfied with the store's stormwater management plan until they used pervious concrete.

Brahney Paving just completed its first permeable asphalt job last year in Philadelphia. A doctor's office needed to expand its parking lot over a rip-rap swale, but the town wouldn't approve the construction.

"Every other contractor told them there was nothing they could do," Brahney said. So, Brahney proposed pervious asphalt, the town approved the plan and the doctor's office added a new lot.

"That's the perfect example of what makes us different," Brahney said. As Brahney says, every problem has a solution.

- BY SARAH REDOHL