

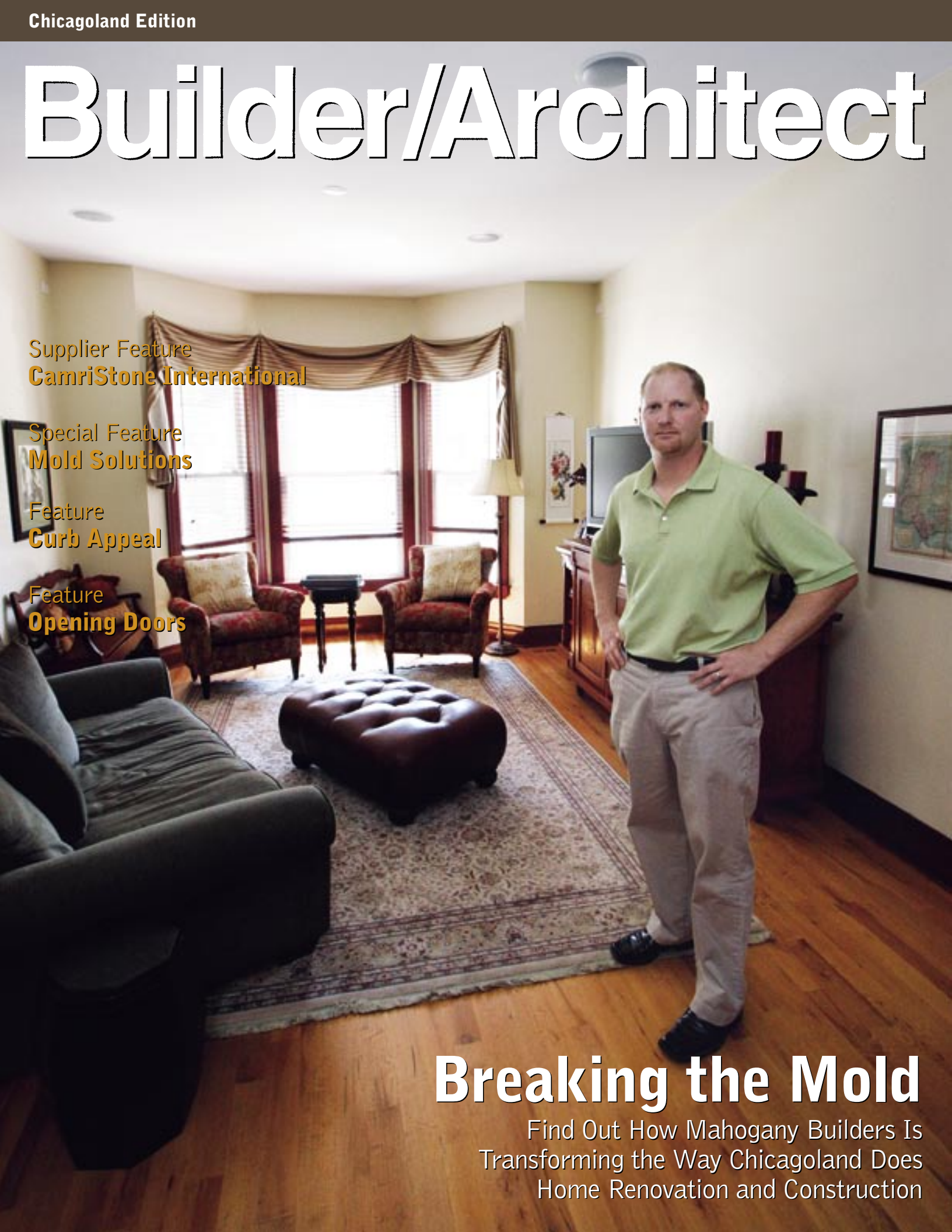
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Breaking the Mold

Find Out How Mahogany Builders Is
Transforming the Way Chicagoland Does
Home Renovation and Construction

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Find Out How Mahogany Builders Is Transforming the Way Chicagoland Does Home Renovation and Construction

By Tara Alexander

NECESSITY IS THE FATHER OF INVENTION

In 2002, Matt Lederer set out to do a home remodeling project and quickly learned that finding the right contractor was anything but simple. Instead of accepting the status quo, Lederer created his own team to finish the renovation project. The experience caused him to realize that there is a need for reliable customer service in the home remodeling industry. Based on the success of his personal renovation project, Lederer began Mahogany Builders, a custom renovation company. Under his direction, the company empowers customers by offering clear yet detailed estimates, charted progress reports and building solutions that are both creative and cost effective.

IT BEGAN AS A PERSONAL PROJECT

Five years ago, Lederer began extensive renovations to a vintage

flat he co-owned. Holding down a full-time job wasn't conducive to a major do-it-yourself renovation project and he reluctantly went looking for help. He quickly learned that pinning down the right contractor was going to be difficult. "Some contractors thought the job was too small, especially if I wanted to do some of it myself," he said. Each time Lederer thought he found the right contractor for the job, his expectations were met with disappointment. "A lot of the guys didn't return my calls or bother showing up for appointments," he said. "I even tried to enlist the help of the neighborhood handyman but he would disappear for days at a time." Adding to his frustration, the quotes he did receive priced the project in cost per square foot, which made it difficult to weigh his options and make budget decisions.

Eventually, he realized that if the renovation was going to

Guest bedroom remodel, featuring salvaged oak and fir flooring, custom mahogany frame and built-ins.





PHOTO COURTESY OF KURT GERBER; WWW.GERBERSCARPELLI.COM

Classic master bathroom, featuring salvaged clawfoot tub, open shower stall, wainscoting, vessel sinks, granite counters and ledges.

happen, he was going to have to be his own contractor. Lederer hired a team of skilled tradesmen and completed the renovation project. The results were so good that Lederer initiated a number of projects on other properties he owned. A year later, he and his fiancée purchased a single-family home in Lakeview and began a gut-rehab. “A year of condo renovations had given me enough confidence to tackle a major renovation project,” Lederer recalled. “The idea of designing and building my own space was too good to pass up.”

His friends and neighbors remarked at the quality and sophistication of the work and began asking for help with their own projects. Before he knew it, Lederer was laying the foundation for what would become Mahogany Builders.

A NEW MODEL IS BORN

As Mahogany Builders began to take shape, Lederer came up with a unique business plan. Mahogany Builders would not follow the cost-per-square-foot model other contractors were using. Instead, he fell back on his project management background and designed a system that breaks down projects into their basic components. Labor and materials are then calculated for each component then summed to get the total project cost. Lederer explains, “It takes more time and expertise to identify and account for everything,

but our quotes give customers unmatched insight and the ability to analyze and modify their projects.”

The process begins with Lederer gathering information about clients and their projects. He then meets with them to inspect the site and create a scope of work. Using a laptop and a program he created, Lederer enters data for each category such as electrical, plumbing, drywall and tile. The program generates labor, material and contingency costs for each category and formats the numbers in an easy to use format. Before leaving, Lederer burns the estimate along with pictures of past Mahogany projects on a CD for the client.

In addition to the initial estimate, clients receive a weekly update that charts progress and breaks down the cost to date and where those dollars were spent. “It shows the homeowner labor cost down to the man, day and time,” he said. The updates also log scope changes and circumstances that may impact the project. “It really empowers homeowners. The numbers give insight and control over the project. And when we tie them back to the original estimate, they act like a report card that holds my feet to the fire,” he said.

Mahogany Builders has become extremely successful with the estimate and weekly update model, but it took time to refine the process and the skills to use it. “Some of my first estimates were too low and I had to discount invoices. Those experiences taught me a lot about estimating and analyzing projects,” Lederer said.

RESULTS THAT SPEAK FOR THEMSELVES

Juanita Bell saw a lot of potential in her vintage 1920s Lakeview condo. She was ready to rehab her kitchen and also repair water damaged ceilings. But as a single woman, Bell was concerned that some contractors might be less than forthright with cost estimates. “I was mostly worried about being charged too much,” Bell said. “Or that they would lie to me about what could or couldn’t be done.” Bell had heard horror stories about contractors not having insurance, causing thousands of dollars in damage or ripping people off. After a friend referred her to Mahogany Builders, Lederer quickly put her at ease. “I appreciated that he was on time, listened carefully, then offered suggestions,” she said.

Bell also appreciated how easy it was to understand Mahogany’s cost estimates. She was able to see where the numbers came from and easily make decisions. It was common for Lederer to present as many as five or six materials options including full costs. He

understood how functionality, aesthetics and cost factored into the project, she said.

Lederer took a very hands-on approach to the renovation. “He was personally involved as if he was working on his own home,” she said. “He was here two or three times a day to make sure that everything was done properly.” Bell recalled the time that Lederer phoned her about an old wood door that he had stripped in preparation for re-painting. Lederer told her that the bare wood had potential to make a beautiful stained door. Even though it meant sending his crew home early, he stopped and waited for Bell to come home and see the exposed door. After seeing the door, Bell changed her mind and decided staining and varnishing would be better than painting. She appreciated the opportunity to make a choice on the door because many contractors wouldn’t have stopped to ask the question.

One of Bell’s favorite features is the tin ceiling that Mahogany Builders installed in her kitchen. Throughout the process, she was amazed at the crew’s attention to detail. She often felt that Lederer was more particular about getting everything right than she was. He would point out a barely visible seam and say his crew would take care of it, or present her with different colored outlet covers and then return the rest to the hardware store.

He was also a good problem solver on the job. Lederer added crown moldings to the kitchen cabinets to cover some unsightly ducts. When Bell wanted to install indirect lighting behind the molding, Lederer suggested inexpensive rope lights. The effect was not only beautiful, but also cost effective. “It’s a nice soft light,” she said.

Bell described the process as stress-free and the results as “phenomenal.” The project was such a success that she has gone on to refer friends and even fellow residents in her building to Mahogany Builders.

THE CREATIVE APPROACH

Mahogany Builders infuses creative problem solving into each of its projects. Perhaps one of the best examples of this creative approach can be seen in Lederer’s own home. His Lakeview residence feels like an immaculately preserved house from the early 20th century. Each room contains rich wood trims and a level of detail that is almost unheard of in today’s new construction.

When Lederer and his then fiancée purchased the home, it had virtually been abandoned. The drywall was molding, the

Matt on the stairs of his vintage Lakeview home.



kitchen had been ripped out and the foundation was crumbling. This should have been a teardown and we ended up taking it down to a shell and renovating it, Lederer said. Today, the home he shares with his wife and young son bares no resemblance to the once dilapidated house that they purchased. Each room contains creative surprises. What appears to be a massive Sub-Zero refrigerator in the kitchen is, in fact, two twin stainless steel refrigerator-freezers. He installed a custom-made frame along the top, which creates the illusion that they are a single unit. Lederer was able to create the look of a \$10,000 Sub-Zero for about \$2,500.

His resourcefulness is apparent elsewhere as well. When reconfigured walls left gaps in the original fir flooring, he used oak salvaged from another part of the house to create a decorative inlaid edge around each wall. Another instance of Lederer's creative streak can be seen in his refinished basement. Underneath the staircase, he built a small wine cellar that is paneled with sections of wine crates and showcased with oak and glass doors. Each creative touch is driven by functionality, but the results are both unique and beautiful. "We love custom work," Lederer said. "It allows us to blend functionality and creativity."

A PROBLEM SOLVER FROM THE START

Lederer has channeled his creativity into Mahogany Builders,



PHOTO COURTESY OF KURT GERBER; WWW.GERBERSCARPELLI.COM

Mahogany Builders

but his ability to think creatively existed long before he began the company. Raised in Chicago, Lederer comes from a family of entrepreneurs. "My father got tired of making other people successful and decided to go into business for himself. He and my mother bought a small manufacturing company that had a lot of

Classic dining room remodel, featuring custom oak trim, salvaged maple doors, refinished cherry table and chairs.



PHOTO COURTESY OF KURT GERBER; WWW.GERBERSCARPELLI.COM

potential,” he said. Within two years they had tripled sales and were on their way to creating the top selling brand of ice melter for driveways and sidewalks.

After graduating from Washington University, St. Louis, MO, with an engineering degree, Lederer joined the family business where he learned what it took to run a successful company. Two years later, they sold the company to a large conglomerate, and Lederer accepted a project manager position with a startup telecommunications company. The position required him to be a good communicator, organized and analytical. “I had to rely on information and resources that were controlled by other people. To be successful, I had to forge relationships with people in every department and at every level,” he said. After two years, Lederer joined a dot-com where he continued to hone his problem-solving and relationship-building skills. “Those skills translate directly to renovation and construction. Breaking down and managing a construction project is just as important as maintaining a working relationship with the customer,” he said.

BEYOND A GOOD BUSINESSMAN

“As time has gone on and he’s gotten more experience, it’s only heightened [his] creativity,” said Craig Knapp, a real estate developer who co-owns three rental properties with Lederer. “He’s always had that creative spirit and I think that shines through.”

Lederer’s creative streak and attention to detail are apparent in everything that he does, whether it’s cooking for friends and family or creating custom furniture to give as gifts, Knapp said. “He’s

Vintage to modern kitchen. Blending old and new with maple floors, oak trim, 3 levels of black granite, stainless appliances.



Total bathroom remodel. Whirlpool tub, glass shower enclosure, body jets and rainhead.

just a good, honest guy that works hard. Just a pleasant guy to be around,” he said.

Even as Lederer’s career has taken off, and his young family has started to grow, he still makes time to help other people. For the last six years, Lederer has volunteered as a child bereavement counselor for a group affiliated with Children’s Memorial Hospital. He credits his parents with instilling the view that volunteering is a privilege, not a responsibility. “Both of my parents made second careers out of volunteering. They taught me the value in giving something back,” he said.

A PLAN FOR THE FUTURE

The reputation of Mahogany Builders is growing in the Chicagoland area, and Lederer has found ways to meet the increasing demand. His company will soon begin its first new construction project. While Lederer is excited about the new venture, he is committed to growing the renovation component of Mahogany Builders. His business has found an important niche in the upscale remodeling market. There are plenty of contractors who can provide quality for a price, but it is rare to find a contractor who will become partners with the homeowner. Using creative solutions and straightforward pricing, Mahogany Builders is changing the way that people see home renovation, one project at a time.

For more information on Mahogany Building please call 312-804-9955 or visit us on the Web at www.mahoganybuilders.com ■