Sneak Peek - Chapters 1 & 2

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The BIZ-BUILDER BLUEPRINT For Contractors

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Get Your Construction Business To Always Make A Profit!
The BIZ-BUILDER BLUEPRINT For Contractors

Chapter 1 & 2
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Build A ‘Best In Class’ Construction BIZ!

Have you ever said to yourself?

• Help! I’m tired of doing all the important work myself.
• Help! I work way too hard for the money we make.
• Help! I can’t get my business organized & systemized.
• Help! I have to make all the decisions for everyone.
• Help! I’ve got to find a way to make more profit.
• Help! I must stop selling low price to win work.
• Help! I can’t find any responsible or accountable help.
• Help! I am the only one around here who cares.
• Help! I can’t get my crews to be productive!
• Help! I don’t think I’ll ever be able to stop working.
• Help! I need to find customers who don’t shop bids.
• Help! I wish I could find more free time and work less.
• Help! I know what I need to do but can’t get it done.
• HELP! I wish I could get my construction business to work for me!

BIZ-TEST - Does My Business Work?

Take this Biz-Test to see if your business is working the way you want it to. Answer TRUE OR FALSE to each statement:

___ We have a written strategic business plan with goals.
___ We have written systems for everyone to follow.
___ We have a detailed marketing plan and customer list.
___ We don’t sell low bid to get most of our contracts.
___ We have an organizational chart to allow for growth.
___ I delegate negotiating, pricing, estimating, & sales.
___ Customers don’t call me about most important issues.
___ I don’t do most hiring, contracts, and scheduling.
___ Key supervisors and foreman have specific results to hit.
___ We know and track our job costs weekly & monthly.
___ Our crews have a scorecard system to track production.
___ I take the time for regular weekly team meetings.
___ I have a good handle on our numbers and financials.
___ My business creates lots of profit, equity, and wealth.
___ I have lots of free time and my life is not out of balance.
___ My business works without me doing most of the work.

How were your BIZ-TEST results?
If you answered **FALSE** to more than one of the questions, you need to start rethinking things like how to:

- Run your construction business
- Get off the ‘work-work-work’ treadmill
- Take your business to the next level
- Get organized, systemized, and structured for growth
- Change your role and replace yourself with key people
- Find better customers at higher margins
- Stop selling low bid prices to win work
- Increase your profits and achieve the results you want
- Start building wealth and growing your equity
- **Draft a BIZ-BUILDER BLUEPRINT to get your business to work for you without you doing all the important work!**

The problem is simple—your BIZ isn’t working!

**You’re STUCK, going nowhere!**

*It may surprise you, but the answer is simple too:*

You need to create a solid business plan, organizational structure, management team, scorecards, and systems that work together to make your company’s performance both predictable and profitable, over and over again, without you having to micromanage everything and do all the work.

To find out how to fix your problems, find real solutions, draft a winning blueprint, and build a profitable growing construction business, keep reading......

Imagine you owned the perfect construction business. What would it be like? In my perfect business, I would come into the office two or three days a week. I’d check in with my managers. Review their numbers, accounts, operations, projects, and progress. Give them some coaching, encouragement, and direction. Call a few loyal customers and take them to lunch. Check on my other business ventures, real estate properties, and investments, and look at their financial statements. And, of course, make lots of money. Then I’d spend the rest of my time golfing, sailing, traveling with my wife, and doing all the other fun stuff I love to do! What do you think? Sound like a good life?

**Be a business owner, not a worker!**

The perfect business:

**Your BIZ Works For You!**

Instead of you working for your business.

When your business works for you and delivers the results you want, you have an ‘On-Purpose - On-Target’ BIZ! You’re an owner instead of a hands-on, make-every decision, over-worked, under-paid micro-manager, supervisor and worker who’s stuck on a treadmill not getting ahead and going nowhere fast.

**So, Why Are You in Business?**

When entrepreneurs start construction companies, they’re excited to be on their own, land some work, and start making money. They do a good job because they stay intimately involved in every aspect of their projects and business. Then they get busier, hire more employees, get more customers, increase their overhead, and win more jobs to manage and worry about. Then they get stressed-out, over-worked, and out of control because they’re constantly putting out multiple fires. They forget why they’re in business. They keep running in place faster and faster, working harder and harder to make
enough money to stay in business, scrambling to keep the doors open, keep their employees busy, and cash-flow coming in to cover the ever-increasing pile of bills and commitments.

After five, ten, or twenty years, many business owners finally wake up and start questioning their results, efforts and methods. They need HELP! Nothing seems to get better. Their repeat customers ask them to add more services, work cheaper, finish faster, do more, and accept slower pay. Their employees want more for doing the same or less. The government makes it tougher to make any money. They’ve been in business for years, but don’t have much to show for their efforts except negative attitudes, tired bodies, more wrinkles, lots of aches and pains, less hair, and more stress. In fact, they’ve lost their passion and enthusiasm, and have forgotten the real reason they went into business in the first place - to get paid for doing something they love - creating, growing, and building. Does this sound familiar?

Don’t You Want Wealth & Freedom?

Making money as a business owner is different from being wealthy. When you own a business that doesn’t work, you have lots of money some days, and others you can’t make ends meet. Being wealthy means having a steady inflow of cash to your bank account without having to spend a lot of time doing the work required to earn the money. Being wealthy gives you time, energy, freedom, and extra funds to use however you want: to build a better business, hire great employees, find the perfect customer, or to give back, help your family, improve the lives of others, or dedicate time and energy to charity or special causes.

To achieve wealth from the long-term cash-flow of your business, you have to work towards creating financial independence. When you continually struggle just to make enough money to stay alive or keep the doors open, you spend all your time worrying about paying next week’s bills, finding new customers, keeping your employees busy, and trying to survive.

“You shouldn’t be working for your business... it should be working for you!”

Wealth gives you choices! And allows you to enjoy both your business and personal life. Most construction business owners work too hard their entire life. My study of over 5,000 small to medium size construction company owners, show that only one out of twenty get their business to work for them, enjoy the benefits of business ownership, and become financially wealthy. The rest must keep working well into their retirement years, because they have to and never stopped to fix their business, look in the mirror, and do what they needed to do to reach their goals. I know, I was on that treadmill for a long time myself.

The BIZ-BUILDER’s Journey

After graduating with a degree in engineering, I worked for four years as a civil-structural engineer and then as a construction project manager. But, like my dad, I wanted to be my own boss. The problem was, as an engineer, I had no clue how to run a business. Nonetheless, in 1977 I had the opportunity to start a construction company, so I took the chance to make it big and work for myself. I figured it would be easy: bid cheap, work hard, and stay busy! At twenty-seven years old, I had four years of experience, $2,000 in the bank, I had just bought my first home, and the country was in a recession. It was the perfect time to start Hedley Construction!

I figured I already had all the tools required for success in the construction business: a contractor’s license, a used orange Datsun pickup truck with 92,000 miles on it, a metal toolbox and lumber rack, a golden Labrador retriever, a ten gallon ice chest, a big radio, a yellow pad and calculator, a new hard hat with my name engraved on it, and a thirty-foot contractor’s power lock tape measure. I’ll tell you from experience, it’s pretty easy to start a business with the wrong tools. Tools to build things are different than tools to build a successful business. The problems started soon after my business
began to “work” with me doing all the work! I realized I didn’t know what I actually wanted, apart from more work and the pursuit of more revenue.

**Why are you in business?**

**What's the PURPOSE for your business?**

Most business owners never become wealthy or get their business to work because they don’t take the time to plan out exactly what they want. They just know they want something different or more than what they’re getting now! So, in order to build a successful business, you must first figure out exactly what you want, and then design steps you need to take to fulfill your dreams.

**The purpose of every business is to give owners what they want.**

**What Do Business Owners Really Want?**

They want to own a "Best In Class" profitable business.

“Best In Class” means that our company is making the highest level of net profit margin in our market, has a great reputation for quality and performance, is run by productive professional team of people, and has a steady flow of great customers.

*I'll tell you what I want. I want my business to work for me and be "Best In Class" and profitable including:*

- High profit margins
- Grow at least 15% per year
- Achieving results we want to hit
- Run by accountable responsible management team
- Organized, systemized, and in-control
- A great place to work with great employees
- Lots of loyal customers who give us plenty of work
- Building equity and wealth
- Pursuing valuable investments
- Providing fulfilment, freedom, and fun

**Who wants to own a business that doesn't make much profit, is always out of control and unorganized, has to sell low price to win work, relies on the owner to make all the decisions, has cash-flow problems, doesn't allow you to take time off, and doesn't build your net worth?**

It took me nearly twenty years to understand that a business is a tool to create opportunities to give you what I want. The purpose of your business is NOT to make you stressed-out, miserable, consume all your time, force you to complain about employees, make you hate customers, pile on financial challenges, and not pay you enough.

**Stop Shooting For MORE!**

‘More’ is one of the problems that creates issues with your business. Most business owners shoot for MORE - more sales, more jobs, more customers, more profit, more tasks to handle yourself, or doing more of the same without positive results.

**MORE is what I call the “UN-TARGET!”**

**Wanting to be bigger, not better!**

When MORE is your goal, you just get busier and more unhappy. You get used to being over-worked, stressed-out, and out of control. You chase bad business to stay busy, continue to bid cheap jobs, work with bad customers, hire cheap subcontractors or suppliers, say “yes” to bad offers, keep bad employees, and become blind to the bad reality of your situation. You continually hope answers to your problems will just appear, and an elusive “big client” or “perfect manager” or
“magical solution” will materialize like a pot of gold at the end of a rainbow. If only you had a clear written plan with targets and goals...

Imagine you want to build your dream vacation lakefront home. You own the perfect two-acre waterfront lot free and clear. You have plenty of money in the bank for construction. You’ve hired a great architect and an excellent contractor. You’re ready to start building. At your first project meeting, you get asked the BIG questions:

What Do You WANT?

What would make your business PERFECT for you?

But you aren’t exactly sure what you want just yet. You can’t envision the finished house at this early stage. You figure you’ll just get started and see where the project goes. Kind of like building in the dark! So what should the workers do? The architect can’t design a house without input describing what his client wants. The contractor can’t build a house without a set of finished plans and blueprints. And what about the budget, schedule, finishes, materials, sizes, and everything else?

Think about your company.

What would make it perfect for you?

BIZ-BUILDER Worksheet

The BIZ-BUILDER Questions:

Looking back 5 years from today, describe your perfect business:

1. What do I want my BIZ to Become or Do Differently?
   - Size & Location
   - Management & Operations
   - Field & Equipment
   - Contracts, Customers & Projects
   - My Role

2. What BIZ-RESULTS do we want to achieve on an ongoing basis?
   - Profits
   - Sales & Growth
   - Equity
   - Investments & Wealth
   - Personal Freedom

3. What CHALLENGES, issues or problems do we need to FIX or eliminate to make my BIZ work for me?

4. What has happened PERSONALLY to be happy with the progress?
Do You Have Written Plans?

Most business owners operate their business without a written plan or blueprint. They don’t really know what they want, so they take whatever they can get and go wherever their customers take them. Kind of like building a business in the dark! Most contractors start companies without a clear vision of what they want or a written business plan specifying their targets and goals, a management team, enough capital, written systems, or knowledge of how to run a profitable business.

When I landed my first construction project, it went well because I did everything myself. It’s simple when you have no overhead, no employees, only one project, and only one customer. You make all decisions, supervise all the work, make all the purchases, prepare proposals, sign every contract, and deal personally with every customer.

The problems begin when you start to become successful.

As your business grows, you work more hours. Your overhead increases, cash-flow becomes tighter, and you have to do more work to make the same amount of money. You don’t have any extra time to check the details, make good decisions, plan ahead, or think. You start losing control, and quietly—or perhaps not so quietly—you panic as your business starts to control you.

You decide you have to find some good help. So you hire the most “experienced” people you can find - your family and friends. And of course, this never works out the way you want.

Next you hire a green assistant superintendent, or part time administrator without construction experience to help you get some work done. This only adds to your responsibilities finding work for them to do. Next you attempt to hire an experienced project manager or field superintendent to run part of your company, a professional who will relieve some of your problems and workload. Hopefully this will free up some of your time to concentrate on more important issues and priorities, and allow you to be far less hands-on.

But you can’t let go, can you?

Now you don’t trust your employees to make the right choices and therefore don’t let them make decisions without checking with you first. You complain you can’t find any good people who are accountable, responsible, or will work as hard as you. And you don’t have any extra time to train employees or create systems for them to follow. So your problems pile up and multiply. Everything still rests on your shoulders to get things done the way you want them done.

People are now your biggest problem, NOT the SOLUTION!

And your business still isn’t working......

Next, your finances begin to spiral out of control. You don’t know your job costs or have a clue if you’re making any money. So you hire a part time bookkeeper, another relative or friend, who used to pay the bills at a donut store or hair salon. But since you and your new bookkeeper don’t know anything about construction accounting, you trust her to figure it out. And you hope she doesn’t ask you any questions or bother you with numbers - you might have to face the awful truth that you’re running in circles faster and faster, working twice as hard for less and less and less money, and going nowhere. The challenges of business ownership continue to mount.

There are so many details and so much required to handle being a contractor. The more you do, the further behind you get. You get bogged down, stuck, inefficient, and ineffective. Things take longer to finish. Ever-increasing paperwork and demands get in the way of doing the tons of unfinished work in front of you. And you only have enough time to fix field problems and put out fires that are always flaring up. You have to make all the decisions for everyone and try to do all the important tasks yourself.
You continually ask yourself:

- How do I get it all done?
- How do I find better customers and jobs to bid?
- How do I deal with cheap competition?
- How do I make more money?
- How do I get paid faster?
- How do I get jobs finished on-time?
- How do I deal with unhappy customers?
- How do I find trained accountable employees?
- How do I quit working so hard?
- How do I ever get ahead?
- How do I stop running in circles?

You are now officially stressed-out, over-worked, under-paid, and have no life!

If your goal was to be busy, you’ve made it!

When you’re busy, you don’t have time to find or train employees, plan, be productive, find higher margin work, make good decisions, improve customer relationships, or offer more than your competitors. So you continue to run faster on the low-bid treadmill doing what you always done - selling low prices to compete, while knowing you’ll suffer the consequences later. Everyone likes you when you’re operating at overload capacity. You buy materials from the same suppliers without getting additional quotes, hire the same subcontractors over and over instead of getting more bids, and you keep your employees working overtime instead of hiring more workers. Everyone likes you, except for your family, children, friends, and yourself!

You’re totally stressed, frustrated, and don’t know what to do to fix it. Your life is out of balance, your business is out of control, your company consumes your every waking moment, and you aren’t making enough money to make it worthwhile. And even your spouse or family keeps telling you to do something different.

Your business is now ‘Off-Purpose…Off-Target.’

Have you ever said to yourself:

“I’m too busy working to make any money!”

While writing my first book, ‘On-Purpose . . . On-Target!’ - How To Balance Your Personal & Business Life To Get Everything You Want, I learned that all successful people have three things in common.

Successful Business Owners & Managers:

1. Know What They WANT - targets & goals
2. Have A Written PLAN - to achieve their targets & goals
3. Always TRACK & Make Progress - towards their goals

Before you can get your business to work, you’ve got to know what you want it to do for you.

- What do you Want?
- What’s the Purpose for owning your business?
- Why does your company Exist?
“Aim at nothing . . . Hit it every time!
Aim at specific targets, and you’ll be surprised at what you can accomplish!”

When I grew up, I watched my father as an entrepreneur and business owner. He built, developed, and managed mobile home parks. And like my Dad, I always wanted to be an entrepreneur and start my own company, have the freedom it allows, be my own boss, make it on my own, set my own hours, work for the customers I wanted to, hire and fire the people I wanted to work with, and live or die on the success I created myself.

Entrepreneurs Are BIZ-BUILDERS!

Entrepreneurs are different than most people. They have a burning desire to seek opportunities and build something bigger. They are bold, take risks, make things happen, and do whatever it takes to achieve the results they want. They are creators, constantly innovating, and looking for new better ways to build their businesses.

BIZ-BUILDERS are:

- Always GROWING
- Striving To Make HUGE PROFITS
- Seeking To Build A Business That WORKS

BIZ-BUILDERS also can’t stand to stay put, sit and wait for something to happen, do the same things over and over, and hope things get better. In order to grow, they’re always looking for creative ways to find new customers and win better work. To make more money, they’re willing to implement new ideas, systems, technology, techniques to improve, and hire new people.

Are you a BIZ-BUILDER?

Are you making huge profits, growing & improving?
Or are you content staying in the same place for the next 5, 10, or 20 years?

When I do presentations to construction business owners and managers at conventions, I ask the attendees WHY they’re in business.

They tell me their ideal company would allow them to have three or four weeks off every year to travel. They want their business run by a trusted management team that is accountable and empowered to make decisions and get things done. They want a differentiating factor and unique excellent service which allows them to charge more than their competitors. They want their company to have written systems in place that produce consistent results for their customers and bottom line year after year. They want 90% of their business to come from loyal repeat customers and clients who only buy from them. They want to make at least 25% annual net return on their equity. They want their business to allow them to expand and find additional business opportunities to grow their net worth. They want to be in control of their future and have time to enjoy the benefits of business ownership.

When I help companies draft their BIZ-PURPOSE Statements at their annual retreats, we first work with the owners to determine the purpose of their business and why they own their companies. The following are a few company statements:
Sample Construction Company
BIZ-PURPOSE Statements

The BIZ-Purpose of Smith Brothers Builders is to get a high return on investment, make a best in class net profit, and have the company value continue to grow. We want to have a healthy organized company with an impeccable reputation for building high quality construction projects. We want an accountable and responsible management team to run the business. We want to maintain loyal profitable customers.

The BIZ-Purpose of Complete Concrete Contractors is to have a management run systemized business that continues to grow at twenty percent per year with a minimum five percent net profit. We want to maintain the highest reputation for excellence, integrity and performance. The company will allow the owners to invest in real estate, enjoy extended time away, and provide a future for their sons to take over the company.

Now it’s your turn to draft your BIZ-PURPOSE Statement.

BIZ-Builder Worksheet

BIZ-PURPOSE - Why Our Company Exists

The purpose for owning our company and why we are in business:

• Personal / Lifestyle / Status / Stability / Perpetuity / Satisfaction

• Business / Growth / Operations / Structure / Service / Quality

• Financial / Profits / Cash-Flow

• Customers / Marketing / Sales / Estimating / Contracts

• Management / People / Employees / Leadership

• Equity / Wealth / Investments / Personal Income

• Freedom / Fun / Family / Contribution

• Other:
The BIZ-BUILDER’s Decision

It was simple when you did all the work yourself, but now you’re a business owner with contracts, customers, and employees. Managing people isn’t fun. And besides, you’re a lousy manager and you can’t get people to do what you want them to do. You have become the ‘complaint department’ listening to everyone’s excuses and reasons why they couldn’t get things done the way you expect them to.

**So what should you do next?**

*You have 3 choices:*

1. Go back to doing everything yourself
2. Sit and wait for things to change
3. Work differently

& Implement the BIZ-BUILDER BLUEPRINT

To build a ‘Best In Class’ profitable business, you can’t shrink your company to just you again. And you can’t sit and wait for something good to happen. Your only choice is to **change the way YOU work.** It might seem easier to change your employees, customers, suppliers, or subcontractors. But to get what you want, you’ve got to change yourself first. Change the way you think, do business, manage, prioritize, work, and lead.

**New Ways or No Way!**

In 1985 I finally made a decision to get my business to work for me without me, become highly profitable, and ‘Best In Class.’ I had to change, and that meant implementing new ways of running and operating my business. I dedicated four hours a week to improving my business, focusing on the numbers, installing systems, getting organized, writing operational procedures, hiring the right managers, and training my employees. **You can too!**

Commit to getting organized and in-control by replacing yourself with written systems. Work on setting goals, creating budgets, tracking production costs, and fixing things that always go wrong. Work with your key managers and make it your priority to delegate as much as you can to them. Set up checks, balances, and tracking systems for every department, and focus on helping your key people become the best they can be.

If you were looking to buy another construction company, what would you want to know about it? You would ask to see their financials, estimating results, project management systems, receivables, assets, and liabilities. You would want to meet their employees, look at their field operations, and study their competition. What would you have on your list? The first thing I would want to know before buying a company would be:

**Does my business work?**

OR

**Do I have to do the work?**

I wouldn’t want to buy a company where *I would become the company*, do lots of the work, make all the important decisions, control everything, and supervise every detail. I would only be interested in buying a company in which I would become the owner, it works, runs like a machine, makes a high return, and doesn’t require me to handle many hands-on duties, except to meet with my management team weekly, do a little business development, go to the bank, and count my money.

**Do You Own a Job Instead of a Business?**
The problem with most construction companies is that the owner plays too big a role in everyday operations. Without the owner’s constant attention and involvement, the company wouldn’t work and couldn’t continue to do business.

So ask yourself:

- Do you own a business that works... without you doing all the important work?

- Do you own a job instead of a company?

You want a business that works for you and meets your personal objectives. To achieve that goal, you’ll have to start working to improve your business so you can reap the ultimate benefits of business ownership: time, fun, freedom, profit, equity, and wealth. Perhaps you don’t know the difference between an income statement and a balance sheet. Perhaps your strengths aren’t managing people, finances, overhead, cash flow, or the bottom-line. Perhaps you don’t set goals or know how to run a business.

Perhaps you don’t think YOU are the problem!

Only YOU are responsible for YOU!

The profit and results YOU achieve are the results of YOUR leadership & how YOU run your business!

Only you are accountable for your daily decisions and actions. Only you can do what’s necessary and required to get what you want to meet your goals. Look in the mirror for a better view of the potential problem.

When’s Your Wake-Up Call?

Bill the Concrete Contractor’s Story.

Bill owns a successful concrete construction company he started seven years ago. His business grew quickly to $3.5 million in annual sales with fifteen employees. Then it stopped growing and his profits began to shrink. As work began to get more competitive in his marketplace, he had to lower prices to keep his crews and equipment busy. He had a hard time making people accountable and getting them to do what he wanted them to do when he wasn’t out on jobsites every day. When his company was smaller, it had been easy for him to act as the ring leader, schedule the crews, supervise the workers, order materials, meet with inspectors, and work with customers to keep them happy. But now he was getting tired of working harder and harder and getting a smaller and smaller return for the energy he expended.

Bill was frustrated and called to ask me for some BIZCOACH help and advice. After learning about his situation, I did a survey of his employees and discovered while he had a few managers and key employees, he didn’t trust them or delegate many decisions or responsibilities to them. He was still approving every field decision, purchase, equipment rental, trip to the hardware store, timecard, change order, and crew logistic and scheduling move. When he first started his company, he had been able to get plenty of new contracts from old customers and referrals. He had time to manage the work process and make sure everything went well. But now it wasn’t happening and customers were demanding more meetings, faster service, better prices, more paperwork, and more of his time.

Bill was stuck...

His old ways of running the business weren’t working and he wasn’t making much money. What could he do? His choices were to change how he did business to grow, shrink it down to a smaller company, or shut it down and go to work for a competitor. Unfortunately he didn’t make enough money to slow down or retire.
Draft Your BIZ-PLAN!

We setup two days to draft Bill’s BIZ-Builder Blueprint and create a working action plan to move forward. Bill decided he wanted to grow his company 20% per year with a 5% net profit. I suggested first he decide how and where he could find better work with higher margins against less competition.

Next he drafted an organizational chart for growth listing out every function and position needed to manage and expand his business into profitable project opportunities. Then decide which roles he was best at and wanted to perform himself. I encouraged him to focus on getting and winning work versus supervising, running, and doing the work. Bill decided he would be accountable for business development, marketing, sales, and be the chief estimator. And delegate all construction and field operations to his managers. Next I asked him to select or hire, and assign accountable key people who would be 100% responsible for all the other tasks required to operate a growing concrete business.

Bill’s next challenge?
Actually changing his hands-on controlling micro-management behavior. If he only delegated on paper, but continued to not trust his managers and continually micromanage every decision, his company would fail. He needed to spend all his time finding new or better customers and creating profitable revenue to get his company back on track towards meeting his sales and profit goals.

People tend to do what they’re most comfortable doing!
People know what they should do to achieve the results they want, but tend to do what they like to do first - scheduling crews, supervising work, ordering materials, running equipment, estimating work, negotiating contracts, or working out in the field. The bottom-line results your business achieves are the number 1 indicator of your effectiveness and priorities: how you spend your time and your ability to build a profitable company. Your priorities determine the importance you actually give to on-time schedules, safety, quality workmanship, finances, operational systems, motivating employees, sales, taking customers to lunch and your leadership. If you’re not getting the results you want, there’s something wrong! And chances are, it’s not your people, subcontractors, suppliers, competition, customers, or the economy.

It’s you!

Bottom-line RESULTS are the number 1 indicator of your abilities as the leader of your company, and that includes your ability to delegate and let go.

The answer is YOU!
You are accountable for how you spend your time, manage, lead, delegate, trust people, and train your employees. I finally realized to get the results I wanted in my company, I would have to make some big changes. But it’s hard to change the way you always work. Eventually I had to stop saying things like: “I’m sure it’ll get better!” or “Someday soon I’ll finally get it right!” or “I know my company will work when I get that new estimator, project manager, foreman, supervisor, or big job.”

Here’s a new way to look at your business:
- Not enough profitable sales? - Perhaps your sales plan stinks.
- Not enough loyal customers? - Perhaps your service is bad.
- Selling low price? - Are you really better than competitors?
- Not enough profit? - Perhaps you can’t manage a business.
- Can’t find any good help? - Perhaps you’re not a good boss.

The Owner is 100% Responsible for Results!
Complete this next worksheet to decide what roles and responsibilities you should handle and what you should delegate or create new positions for.
BIZ-Builder Worksheet

Roles, Responsibilities & Positions

1. What roles, responsibilities & results am I now responsible for?

2. What tasks, activities, roles & responsibilities do I handle best?

3. What do I really want my roles & responsibilities to be as our company grows and gets organized, systemized, and structured?

4. What roles and responsibilities should I let go of and delegate?

5. What new positions do I need to create to allow our company to grow, profit, and reach our goals?

6. What’s key positions should I fill over the next 3 to 6 months to get my business to work the way I want it to?

7. What existing people can I promote and train to fill these positions we need to fill now?

8. What’s key positions should we create and fill over the next year to get our business to eventually work the way I want it to?

Get in the Opportunity Business!

When I finally took a long hard look at my business, we were commercial general contractors selling construction services against too many competitors, at too low a profit margin. Why? We weren’t offering anything much different than the other reputable contractors qualified to build the same type of projects in our area. When you offer a bid or proposal based on providing the minimum required by the plans and specifications, you are a commodity. And since there was a large list of qualified contractors to choose from, it seemed all my repeat customers were hiring low-bidders more often and negotiating less and less.

What business are you in?

Are you in the construction, development, building, project management, subcontracting, service, engineering, consulting, supplier, or distribution business?

Are YOU in the “O” BIZ?

Are you constantly looking for opportunities to build and grow your business via finding new markets and customers who value expertise, extra services you offer, technical skills, faster project delivery methods, or special qualifications and certifications? Or are you providing the same service and quality as most of your competitors and competing on price?

What opportunities do you look for and seek to double your average profit margin, develop strategic alliances with suppliers or consultants, leverage your loyal customer relationships, get on very short pre-qualified contractor bid lists, engage in joint ventures, become the specialist in your niche, set your company apart from the competition, or get on high barrier to entry projects? And do you look for opportunities to find customers and projects where you can partner or develop wealth through investments to improve your equity over time?
Get Your BIZ To Deliver What You Want!

To get what you want and make ‘Best In Class’ profits, you must change the way you think about your business. The natural tendency is to continue doing things the same way: working hard on the same type of projects for the same customers, staying busy, hoping business changes for the better, and trying to keep waiting for it to happen. But let me tell you something important. The purpose of a donut shop is not to make donuts. The purpose of a printing business is not to print documents. The purpose of a plumbing contractor is not to install pipes. The purpose of an advertising agency is not to create ads. The purpose of a manufacturing company is not to make things.

The purpose of every business is to give the owners what they WANT!

To make this happen, you must decide to change your company into an opportunity business that seeks to accomplish three things:

1. Earn high profit margins
2. Build equity & wealth
3. Freedom & balance

What do you need to do to start seeking more than a meager positive cash-flow or income? Your current estimating and marketing plan, organizational structure, management team, and systems most likely will only allow you to make a small amount of profit. But if you define your vision and purpose and get focused on achieving what you want, your business will present opportunities to make lots of money and create wealth-building investments as well. This will allow you to enjoy freedom and balance in your life. Once I realized that the purpose of my business wasn’t to build buildings for our customers, my future became clear.

The purpose of my business is to give me what I want, generate profitable revenue, maintain loyal customers, make high profits, be organized and systemized, and have a management team run company. This allows for wealth-building opportunities and investments, and allows me to:

- Earn More & Work Less.
- Enjoy the Benefits of Owning a Business that Works.
- Live the Life I Want!

SEEK WEALTH BUILDING OPPORTUNITIES!

Being in the construction business, I started looking for ways to seek investment opportunities by leveraging our services with loyal customers. We were already building projects for real estate developers, so why couldn’t we also offer more services, invest our expertise and money, and joint-venture the ownership of these projects with customers? We would still be the contractor. To be a partner in their developments, we began offering to invest some of our profits back into these projects in exchange for ownership percentages. This allowed us to start small and learn the ropes while riding the coattails of these professional real estate developers. We slowly learned how to find good property, equity sources, and lenders so we could build and develop real estate projects on our own. Once we got a track record, experience, and felt comfortable, I brought on a real estate partner who was knowledgeable in banking, real estate transactions, and investments to help us grow that part of our business as well.

As a result of our new found financial strength, we made a business decision to fire our bad customers who shopped for low prices. We stopped doing projects we couldn’t make an excellent profit on. And we changed our overall company goal from growing our top-line sales volume to growing our bottom-line profits, focusing on loyal customers who we could build long time partnerships with, building
a strong management team, implementing business systems, growing our equity, creating wealth and investments, and finding more time to enjoy life and the benefits of business ownership.

What you need is a written plan....

...a BIZ-BUILDER BLUEPRINT

Building a great construction business isn’t easy. It’s not about working harder or smarter - it’s about working different and making money. It takes a burning desire to continually improve by setting clear targets, focusing on the numbers, finding loyal customers, trying new ideas, installing systems, and tracking your progress. You must enjoy what you do, love your customers, not be afraid to hire people better than yourself, and let go of making every decision.

To build a profitable business, you must know how to prepare accurate estimates, Mark-up your services profitably, track your job costs, manage your money like a pro, understand detailed contracts, do the required paperwork, finish on-time, maintain an excellent safety program, and get paid. To expand and grow, you have to pro-actively market and sell, get referrals, present winning proposals, offer unique delivery systems, and then provide great customer service. To take your business to the next level, you must learn how to hire great people, give them detailed job descriptions, make them accountable, and then trust and delegate decisions to them.

Your time is too precious to waste on the small stuff and details that don’t matter in the big picture. Your customers want your expertise, not your sweat. You need to work at a higher level and invest your valuable time on strategic things instead of micromanaging employees who should already know exactly what needs to be done and what your standards of excellence are. This means you need to get organized and install business structure and systems so your people can do what you want them to do on a consistent basis with little or no input.

What happened to Bill the Concrete Contractor?

After a two day strategic BIZCOACH planning session, he presented a draft of his new organizational chart to his management team and key employees. They were skeptical and weren’t sure he could really delegate or relinquish control. But he tried, and actually did a pretty good job in his new role as the management team leader plus director of sales, winning new work, and developing loyal customers. As the team began to get weaned off Bill making every decision for them, they started to see the potential of the company’s future, and they got excited about their new roles and responsibilities.

The first task as Bill’s management team was to organize a system for the field and project management operations. In the past, Bill had scheduled all the crews, approved every contract, and visited every jobsite every day while he acted as the general superintendent and chief project manager or inspector for everything everyone did. Now, using only a weekly management meeting, Bill put the managers in charge without his constant day to day input. If the company was to grow, the managers would have to get everyone trained to do things the same way. This would require systems, procedures, training, and regular meetings as they planned to add more employees in the future to handle more work.

As Bill’s managers began to install new systems, he gained more free time to meet with new potential customers and look for better ways to serve the existing ones. He discovered many customers owned
buildings that were aging and needed ongoing repairs. By offering concrete wall crack and deck repair services to them, he was able to stay in touch with customers on a more regular basis and build stronger relationships. He also began looking for opportunities to expand his company by providing construction services on specialty projects for utility companies that required strict security clearances for workers and companies who had and an impeccable safety training program. They also required an extreme amount of paperwork. These difficult customer requirements lowered the competition and allowed him to increase both his top and bottom lines at the same time.

Bill next applied to be a licensed installer of a light weight gypsum concrete product. This also gave him new ways to find new customers as he could offer more than one type of concrete service to them. He was now on a roll and enjoying his business more than ever. Profits began to rise, his equity and net worth grew, and free time became more available. And his management team was starting to run like a well-oiled machine. They were accountable and responsible to hit their goals and get work done right. The company was now working better than Bill could have ever imagined!

Seven years earlier, Bill was on a treadmill going nowhere and had hit a plateau. He was maxed-out and had built his business to the point where he couldn’t grow any more without changing how he managed his time and employees. He finally realized he needed to change.

Working harder isn’t the answer, doesn’t pay the bills & won’t grow your company.

Bill had to look at his choices and determine what he really wanted his business to become.

What’s holding your company back from reaching its’ potential?

Why Your BIZ Won’t Grow & Profit!

When you started your construction business it was simple and fun. You were in control of your own destiny, priced every estimate yourself, presented bids in person, signed every contract, made all the important decisions, negotiated subcontracts, ordered materials needed, supervised most jobs, handled all the paperwork, created invoices and paid the bills, met with customers, handled the problems, and got things finished. It was satisfying being the busy business owner doing everything it took to win work, build it, and get paid.

Because you were a good contractor, did excellent work, and provided great customer service at a fair price, you got more referrals and landed more projects to build. To handle the growing volume of work, you hired a few more field workers and a supervisor. All of your employees reported directly to you and were under your constant supervision and direction. You continued to get busier and busier and therefore had to hire even more people to handle the multiple jobs you had contracts to complete. As you grew, your cash flow was getting tighter and tighter and people you hired were not the most experienced and cheaper than employees you really needed to help you the most.

When YOU DO Work, You Don’t Grow Or Profit!

As your company grows, you eventually reach your personal limits and realize you can’t handle much more work than you already have going. Your calendar is full, your day is packed, you’re working twelve or more hours seven days a week, and it gets more stressful every day. You’re unable to keep up with all the tasks, orders, contracts, inspections, meetings, demands, employee questions, paperwork, and problems you have to take care of. Your ‘To-Do List’ is too big, and you have reached the level of what you control can and do yourself. The level at which you are about to explode.
When you spend all your time doing work, you can only do so much yourself. You get stuck and can’t grow beyond what you can do. Most companies stop growing when the business owner reaches their maximum level of what they can do themselves, micromanage, supervise, and control.

Has your company stopped growing?

Most companies stop growing at a certain size or level. Some stop at 10 employees, 3 crews, 25 people, or in some cases as many as 50 or 75 total workers. Whatever the level is, they get stuck at a size that’s determined by what the owner can control, manage, handle, and do. And when the company reaches this level, the owner is overworked, stressed-out, underpaid and has no life. And the company doesn’t make enough money for all the effort and stress it takes to keep all the balls in the air.

Another bad thing happens at the ‘stuck’ level. When all you have time for is to do work, you don’t have time to go out and get enough work to keep your company growing. This downward cycle eventually destroys a potentially great company. Obviously you can’t do more work yourself. You have to free yourself from day-to-day supervisory activities that bog you down and hold your company back. And you can’t continue to hire inexperienced managers and foreman to run your projects or cheap workers to do all the field tasks required.

What’s your profitable growth solution?

To get your business growing and making more money, you must realize the problem is likely you. You’re holding your company back with an overbearing controlling management style and your unwillingness to let go or delegate most decisions to key managers to run the DO part of your business.

What do successful companies do to grow and make lots of money that your company doesn’t?

Successful construction companies have a strong experienced management team of key leaders who know how to run a business, manage projects, and supervise productive crews efficiently. The owner of these top companies does not do the work, negotiate subcontracts, supervise work, schedule crews or equipment, order material, or get involved at the day to day project level. The owner however does manage the management team with a series of meetings, targets, and scorecards to keep the team accountable and responsible for achieving desired results needed to hit the overall company goals.

Get In The Profitable Growth BIZ!

When I coach construction company owners to help them grow and profit, one of the first steps is to determine the growth barrier or roadblock that exists in their business. They generally have a lack of the right people in the right positions problem.

It could be a weakness in accounting, estimating, office management, project management, supervision, or out in the field. Take a hard look at what you need to do to free you up and get you out of the DO role. Where do you need to delegate activities by handing them off to managers and supervisors who can get things done right without your constant supervision and micromanagement?

To get out of the DO role, you must delegate the DO work including responsibilities, tasks, and functions required to build projects from start to finish. Great companies have accountable project managers, detailed contract administrators, experienced supervisors, and take-charge foreman who get things done per the contract, on-time, safe, and under budget.
Where is your weakness? If you don’t fill the voids in your organizational chart, you can’t let go and stop DOING work!

Growing companies focus on Profitable Growth.

The best salesperson for most construction companies is the owner. After getting your company properly organized with the right people in place to handle the DO part of your work, the owner can then spend up to 50% of their time getting work and growing the business. What do you need to DO to get your company growing and making more money?

2

Get Your Construction BIZ To Work!

Is your construction business giving you what you wanted when you started your entrepreneurial journey? As business owners begin to grow, they hit challenges and roadblocks, including lack of time, energy, money, people, and customers. Many business owners get stuck at this point. They can’t let go. They feel they have to make every decision, big and small, and hold tight to the controls like a joystick in a video game. Some owners have organization and time management problems. Some don’t like paperwork or accounting and leave those tasks for others to handle. Others like to get their hands dirty and do the work, but don’t know how to run a business or make money.

Are you stuck? Are YOU Your Business?

The BIZ-BUILDER GROWTH CHART

Step 1 - Employee.
Before small business owners start their companies, they are usually very competent employees, trade-workers, superintendents, foreman, project managers, or estimators doing an excellent job for their bosses. See Step 1 on the following BIZ-Builder Growth Chart. They’re responsible and accountable, competent, work hard, and dream about the day they can start their own business. Then it finally happens. They get bit by the entrepreneurial bug and make a decision
to go into business for themselves. They go home one day and announce to their family and friends that they have quit their job and are going to start their own business.

This is what I call “E Day.”

E is for Entrepreneur, Exciting, Exceptional, Excellent, Erratic, or even Eccentric! After the initial shock, family members ask where the newborn entrepreneur will find money to get started, attract paying customers, hire trustworthy employees, and pay the bills. Without fear, the new entrepreneur says: “Don’t worry, I’ll figure it out!”

Entrepreneurs are never content working for others. They want to go out and make things happen and do things their way. They feel boxed in doing what their boss wants and following company rules and rituals. They need to go it alone, escape, and make their own decisions about how they want to do business, who they should hire, how many hours they should work, which customers they should do business with, and how much money they can make. So they eventually start their own company, grow, make a profit, and seek a better way to build a future. But most get stuck along the way.

Step 2 - Self Employed BIZ-Owner.
After an entrepreneur gets infected by the E bug, he or she starts his own business and moves to Step 2 as a startup self-employed small business owner. Here he is the supervisor in charge of every decision, contract, customer conversation, price, purchase, delivery, and what work gets done when. He is fully in control of every moving part of the business. He is out on the jobsites almost every day working, and performs a lot of the actual work himself with the help of a few other employees. He is the boss and calls all the shots. He is the business. Without him, there is no business and no company. He is:

“Stuck In A Truck Working For Low Bucks!”
Some business owners remain sole practitioners forever as a choice, and that’s OK. Others get stuck with two men and one truck, while some grow to one foreman with two or three crews. Eventually they have to make a decision: grow or stay put as a self-employed sole practitioner small business owner. The ones who decide to grow move on to Step 3.

**Step 3 - Stuck Small BIZ-Owner.**

As the small construction business owner gathers a few good customers and begins to do excellent work for them, he or she starts getting referrals. Therefore, their company continues to grow. Therefore, they decide to rent a small shop or office near their house. They hire a foremen or supervisor and some more field workers. Then they hire a part-time office assistant or bookkeeper to help with the paperwork and pay the bills. At this point he is still the estimator, salesman, project manager, general field superintendent, and part-time field foreman with everyone reporting to him. As the hands-on supervisor and manager, he makes every decision, signs every check, and still oversees each little item, transaction, customer, contact, purchase, proposal, invoice, subcontractor, and employee.

The work keeps coming. So the business owner next hires an assistant project manager and/or a full time secretary to take more of his workload from him so he can handle additional projects. As a micromanaging control freak, he still gets frustrated with employees not doing things the way he wants and all the paperwork required. He starts to get more and more stressed-out having to keep all the balls in the air, manage people, and get all the work done. He feels overworked and out of control without systems, structure, standards, accountable employees, or a handle on job costs. Cash-flow is tight, he spends lots of time chasing money, and he isn’t getting a very big paycheck for the effort and time he spends. Work is starting to drag him down and the pressure of owning and running a small business is getting to him. He isn’t achieving his entrepreneurial dream, and doesn’t see how he’ll ever get it to work, or get to the next level.

“**You can’t get rich with your head in a ditch!”**

Most small business owners get STUCK at Step 3.

Some grow to as many as twenty field employees, two superintendents, and a project manager. And others grow even bigger before they reach their limits and get stuck. When the company grows to the level where the business owner can’t control everything or make all the important decisions anymore, it gets stuck and stops growing. At this point, the small business owner is unable to manage, supervise, and be involved in everything. He or she knows they need to do something different, let go, hire better people, delegate, install systems, find better customers, improve service, get a better handle on costs, or find more hours in the day. He doesn’t know how to get it all done by himself. This is when he calls me for BIZCOACH advice and says:

“**HELP! I can’t get my business to work!”**

**The definition of an Entrepreneur:**

A BIZ-Owner who is GROWING their business in expectation of making a PROFIT.

**The key words are profit and growing.**

A business that doesn’t make a profit or grow will never meet the needs, wants, and desires of a driven entrepreneur business owner. When you get stuck at Step 3, you begin to hate going to work because of all the demands, stress, and pressure to get everything done for your customers, employees, bankers, bonding company, subcontractors, and suppliers. So what should a business owner do who is stuck at Step 3? Remember your dream of a growing profitable business to achieve your vision and goals? At Step 3 you realize in order to grow and be profitable, you need to install systems, structure,
scorecards, and a management team. Plus you must get re-focused on what you want to achieve. You are BIZ-Builder who wants to own a successful, thriving, **profitable, growing** company.

**Are you a business OWNER?**

**Are you a BIZ-BUILDER?**

**Step 4 – BIZ-BUILDER.**
BIZ-Builders continually stay focused on their vision of owning a company that always makes a profit, achieves results, and works like a machine. Focus on growing a profitable company and getting your people to perform instead of spending your time doing all the major work yourself, making all the decisions, and constantly telling everyone what to do.

**What do successful business owners have in common?**
How did they break through from Step 2 to Step 3 to Step 4, and then on to Step 5? The only way to become a ‘Best In Class’ profitable business and move up to **Step 5 or 6**, is to start implementing the **BIZ-BUILDER Blueprint** - a clear written strategic business action plan.

**To implement your BIZ-BUILDER BLUEPRINT, you must:**
- Write out a specific **VISION** of where you want your business to go and become over the next five years.
- Know and track job costs, numbers, and be **PROFITABLE**.
- Have the ability to **GROW**.
- Replace yourself with written operational **SYSTEMS**.
- Install a company **STRUCTURE** organized with the right people so it will operate without your constant supervision.
- Implement **SCORECARDS** to track progress towards achieving the results you want.
- Start building a **MANAGEMENT TEAM** who can run your company and is accountable and responsible for results.

**This is the only way you can get beyond YOU as the business.**

**Step 5 – Best In Class BIZ.**
As you implement and develop your vision, systems, structure, people, scorecards, and management team, your company will continually improve and get better. And the better it gets, combined with a written business development, sales and marketing action plan, the more profit you’ll make. Focus, planning, leadership, and diligence will eventually deliver a ‘Best In Class’ business run by your management team delivering high profits and steady growth.

**Step 6 – Your BIZ Works!**
Eventually you’ll graduate to **Step 6** and become a real **company owner** and **business leader**. When your role is primarily the owner instead of the head worker, you’ll have time to find better customers and project opportunities, seek wealth building investments, develop new business ventures, and enjoy the benefits of business ownership. Your business will work for you!

**Your Future Starts With You & Your Decisions!**
Not so long ago, I surveyed over 5,000 business owners while speaking at several large national trade shows and conventions. My research revealed the following:

**The top 2 reasons construction companies fail:**
- The owner controls everything!
- The owner is unwilling to change!
If the owner thinks he or she is irreplaceable and knows more than anyone else, you get a bad business because of a bad business owner. To be successful, business owners need to constantly re-examine how and why they do things. Most companies never get to the next step because the owner is unwilling to make necessary changes. They get stuck in their “un-comfort” zone, doing the same things over and over and never changing. The company gets stuck at the same level and can’t improve.

When I founded my company I had a pickup truck and a few thousand dollars in the bank. Within seven years my commercial construction business had 150 employees and was doing $50 million in annual volume. Along the way I struggled with the same problems all small contractors face:

· Not enough good help
· Not enough time in the day
· Not enough profit for the risk
· No organizational systems – everything’s in my head
· No freedom to do what I want to do

Take the Next Step Towards Building Your PERFECT Business...NOW!

What will you do differently to get your construction business to give you exactly what you want? Are you willing to do what you need to do. Envision your perfect company in five years, working without you and making lots of money. Decide what you’ll have to do to make this happen. Take a hard look at your managers, supervisors, crews, equipment, systems, software, finances, estimating, projects, customers, money, commitments, and how you spend your time.

Are You Stuck In A Truck DOING The Business?

The Downward Spiral Of A Stuck Business

· Too much work for owner to do alone
· Hire cheap or untrained help
· Work gets out of control & projects late
· Customers get unhappy
· Can’t make enough money
· Can’t afford to hire better people
· No time to know & track job cost or numbers
· No time for marketing or sales
· Owner spends time putting out fires
· Owner tries to fix everyone’s problems
· No referrals or repeat customers
· Have to sell low price to get more work
· Owner wants to let go & change but doesn’t
· Owner repeatedly complains about everything
· Can’t make enough profit to grow business
· No hope for the future – Give up?
· “Help! I can’t get my business to work!”
What’s Keeping your Company from Becoming the PERFECT BIZ for You?

Better Is Better!

When you do a good job for your customers by offering an excellent product or service, you will grow your business until you reach the point of your maximum control. This is both good and bad. It’s good, of course, because you create more revenue, but it’s bad because you get busier and busier. Then your customers, employees, and company demand all your time. You have no life away from work. You get consumed doing tasks you shouldn’t be doing. And you work too hard and too many hours for the money you actually make. But your business still grows because of your intense efforts, causing you to work even more and enjoying it even less.

Finally, at a crossroads, you start thinking maybe:

More Bigger Is NOT Better!

Your company isn’t working for you. You are working for your company and it controls all of your time. Perhaps you’ve been there and realized that different is better!

But how do you build a different, more effective business? You try to work differently or try delegating but you can’t change. So you continue to do things the same old way. When I wanted to fix my business I tried everything looking for the silver bullet or magic solution including reading trade magazines, attending seminars, getting active in industry associations, listening to tapes, and reading books. Eventually, by trial and error, through all these new ideas and a lot of grief, I discovered the step-by-step BIZ-Builder Blueprint to build an organized and systemized business that works for me, and can also work for you.

Take It Step by Step!

Most business owners start by trying to fix what’s broken or do what’s urgently needed. Business owners often e-mail me to ask for coaching advice on how to improve their business. They ask:

“How can I find accountable trained help?”
“Should I hire an office manager or bookkeeper?”
“How can I get my field crews to be more productive?”
“How much profit should I make?”
“What kind of proposals work best?”
“What’s the best way to give my employees a bonus?”
“What accounting software should I buy?”
“How can I assure I get paid?”

While all of these are good questions, I can’t answer them properly unless I understand what the business owner is ultimately trying to accomplish. Do they want a quick BIZ-FIX or do they want their companies to grow and make a profit? Are they trying to build for the future or just put out a fire? Are they looking for a band aid or a long term solution?
As a business owner, YOU have 2 clear choices:

1. **YOU Don’t Change & STAY STUCK**

2. **Change How YOU Do Business**

**YOU means YOU!**

Not them! When your business starts to grow, you can’t handle all the customer orders alone, so you need to hire some good help. But because you’re too busy to take the time to interview, screen, and hire the right people, your tendency is to hire anyone you can find, figuring you can train them later. So you hire the wrong people, put them to work without training, and expect perfect results.

To guarantee excellent results, you need to **install organizational structure** and **develop written operational systems** so your people can do excellent work the way you want it done on a consistent basis. Great people are an asset. But if each of your project managers, field superintendents, or foremen does things his or her own way, your product or service will not be consistent. You will end up with a business that’s disorganized and out of control. This will deliver poor bottom-line results and cause you to be stressed-out about hiring more people again.

**People are NOT your problem!**

**It’s the LACK of structure, systems and training that causes good people to do poor work and not be accountable or responsible.**

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### Sparky Electric’s Stuck Story.

Dave Spark owns Sparky Electric, a successful, growing electrical contracting company with one strong superintendent, a few lead electricians, ten field workers, and a part time bookkeeper who also helps out with office work. His business has grown to the point where he needs help. He can’t get all the bids and estimates completed. He doesn’t have time to update his job cost reports. He is always behind on his project management paperwork. He seems to order the materials for the field at the last minute causing his crews to not be as productive as they could be. And he doesn’t get out to the field as much as he should to supervise the quality of his crews workmanship.

Todd saw me speak at a national electrical association convention and asked for help with his business. We set a time to talk and start the BIZCOACH process to getting his business to work. He was struggling with fixing all his problems fast and NOW! **What should he fix and do first?** We looked at his challenges and problems. He was making some money and could afford to hire more people, so he could continue to grow. But he had issues with delegation and trusting others to make decisions for him without his input or approval. We determined that he was the biggest problem with his company. He wouldn’t hire because he didn’t like to manage people and couldn’t get them to do things the way he wanted them to.

### Should you hire cheap or experienced?

After a long BIZCOACH session, Dave finally decided to hire a construction administrator to assist him with project paperwork, organization, and coordination. He also agreed he needed another superintendent, two full charge foremen, and an assistant project manager. Before he hired anyone, I forced him to write out detailed job descriptions for each position describing what results they would be accountable for and the tasks they would be responsible to do every day, week, and month. Then he asked if it was better to hire younger, inexperienced employees he could train or experienced, fully
qualified people who could hit the ground running. He tried to convince me that younger applicants would work out and save him lots of money.

The tendency for most entrepreneurs is to hire cheap and figure you can train them in your spare time. But ask yourself: How much spare time do you actually have? When you are already overloaded and your company doesn’t have written systems and procedures in place, hiring inexperienced employees only makes your job more difficult. You have to do your job plus continually show employees how to do theirs. This takes away from your top priorities and makes you less productive. Hiring experienced professionals will free you up to do the tasks that give you the biggest return on your time. In addition, pros will be able to organize and systemize your operations for you.

I told Dave to hire the best applicants he could find, bite the bullet, pay the higher price, and free up his time to work with customers, win more work, and increase his bottom-line.

**Hire the RIGHT PLAYERS**

**For the RIGHT POSITIONS**

**Who Can Help You Get To the Next Level!**

After we redrafted his organizational chart to allow for growth, he took my advice and hired an office manager with ten years’ experience managing another subcontractor’s office. He also found a college construction management graduate willing to work for him as a project engineer doing estimating take-offs, project paperwork, managing material orders, and assisting Dave get his company organized and systemized using the latest software and technology. He even delegated hiring additional field supervisors and foreman to his strong superintendent.

In our next few sessions working together, Dave thanked me for helping him see the light, decide to let go of every decision, and change how he did business. His office was getting organized. The project engineer had created a spreadsheet to track all the work-flow items and requirements for every job. The field was starting to work more as a team with his senior superintendent in charge, utilizing standardized production tracking systems, and holding weekly foremen meetings. And Dave was finding more time to watch the numbers, manage his company, present more proposals, and even take Friday afternoons off to play golf with customers.

**Build a Better Business Slow & Steady!**

When I started the process of building a better business, there was so much to fix. I didn’t know where to start, and I didn’t have the time to do what I knew had to be done to get my company moving towards making more money and producing consistent results on every project. I finally committed to dedicate four hours per week to the task of working on and fixing my company.

My business had grown so out of control, I figured it would probably take five years to get it on track. But, much to my surprise, as I started to install organizational structure and operational systems, everything fell into place quickly, the managers got on board, and we were able to improve much faster than anticipated. We made fewer mistakes and had fewer emergencies, and as a result I found more time to work on important issues, manage the business, seek better customers, and look for opportunities to improve our profit margins.

**Cheap Band Aids Won’t Fix Your Problems!**

It’s important to follow and implement the complete BIZ-Builder Blueprint. When you just try to put a Band-Aid on problems, your progress will stop. For example, I often hear business owners say: “I need to hire a good project manager or estimator.” Hiring a good people is a great idea once you have standardized management systems in place, including accurate pricing systems to determine the actual costs of your overhead and field production. It’s a simple
process of cause and effect. If you hire an estimator who bids lots of new projects, but you don’t know your job costs, how can you make money? If you hire another foreman to run a crew and he does things his way different than the other foreman, how can you produce consistent results?

Systems first and people second or you’ll drown in efforts to stay in-control of a company without standards and procedures everyone follows. You can’t grow profitably by jumping ahead of your company’s ability to perform. Take things slow and steady, one step at a time and you’ll reach your long-term goals faster. Think before you hire. You need to get your structure, job cost tracking, project management, and field systems in order first. Then you’ll be ready for profitable growth.
Let’s Talk About Building Your BIZ

George Hedley is available to help your company grow and profit!

Contact George Hedley For Information To:

- **Speak** or present at your company or association.
- Attend 2 ½ day BIZ-BUILDER BLUEPRINT Boot Camp.
- Hire George as your construction BIZCOACH.
  - 90 Minute BIZ-FIX coaching sessions.
  - Ongoing phone BIZCOACH programs.
  - Face to face BIZCOACH sessions.
  - Management team retreats & workshops.
  - Facilitate your company Strategic Planning Retreat.
- Join a Construction Business Owner BIZGROUP.
  - Mastermind peer groups meet regularly
- Download courses at Hardhat BIZSCHOOL.
- Visit George’s online Hardhat BOOK-STORE.
- Sign up for George’s free monthly Hardhat Hedlines e-newsletter.

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