

Growing out of business, Part III



Submitted by
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Do you want to be a contractor or a construction company?

Ask someone who owns a company that builds structures, "What do you do for a living?" The most likely answer is "I'm a contractor."

If his or her company is engaged in a trade or focused on a specific area of building, he may answer with the trade, as in "I'm a plumber." Or "I'm an electrician."

Construction is unusual in that most of the business owners are themselves technicians. They started out doing the same work that they now pay others to do. Unfortunately, their training did not include business systems, strategy, personnel management or financial analysis.

For many of those in the construction industry, it never goes very far beyond being a technician. They limit their company's potential by insisting on supervising every job, checking every task, or even doing much of the work themselves.

Do you want to be a contractor, or would you rather run a construction company?

The good news is that lawyers, doctors and engineers have the same problem. They too must develop their executive skills while plying their craft.

Some contractors have the vision and talent to create and run a successful construction company. They can direct others to do the work without having to watch over them at every turn. However, the construction company owner must develop systems and processes to assure quality so that the job is done the same way every time.

The key to developing a construction company is leadership. The technician-owner mistakes a superman complex for leadership. The technician-owner tries to lead by example. In our experience, we've found that employees far prefer working for someone who can clearly define what is expected on the job, rather than someone who can merely outwork them.

It's not necessary to go back to night school in order to develop the skills needed to properly lead and manage a construction company. Much of it is common sense, and simple documentation

of how you execute the most common tasks. You need to make sure that your technicians can perform tasks without your constant supervision.

One of the best books (it's a quick and simple read) on developing systems to run your company is *The E-Myth Revisited* by Michael Gerber. In it, Gerber discusses developing your "franchise system." He argues persuasively that the use of checklists and bullet points can go a long way toward helping your employees do the job right.

Look around your company and you will find scores, if not hundreds of processes that can or should be done the same way every time. How do you load a truck? How do you set up a job site in the morning? How do you maintain a piece of equipment? Process checklists need not be long or complicated, just accurate.

Of course, checking up on employees and reinforcing the need to follow a process until they do it automatically is as much of a challenge as developing those processes in the first place. It requires tenacity and patience to make them return to the checklist repeatedly (*without blowing your top*). A few days or weeks of extra effort, however, is well worth it if you create just one more area or one more set of tasks that you don't have to personally supervise in the future.

Review your processes and determine where you can document systems that employees can learn to follow whether you are watching over them or not. It's the first step to moving up the ladder from being a contractor to being the owner of a construction company.

Coming next month: When is it the right time to cut margins?

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