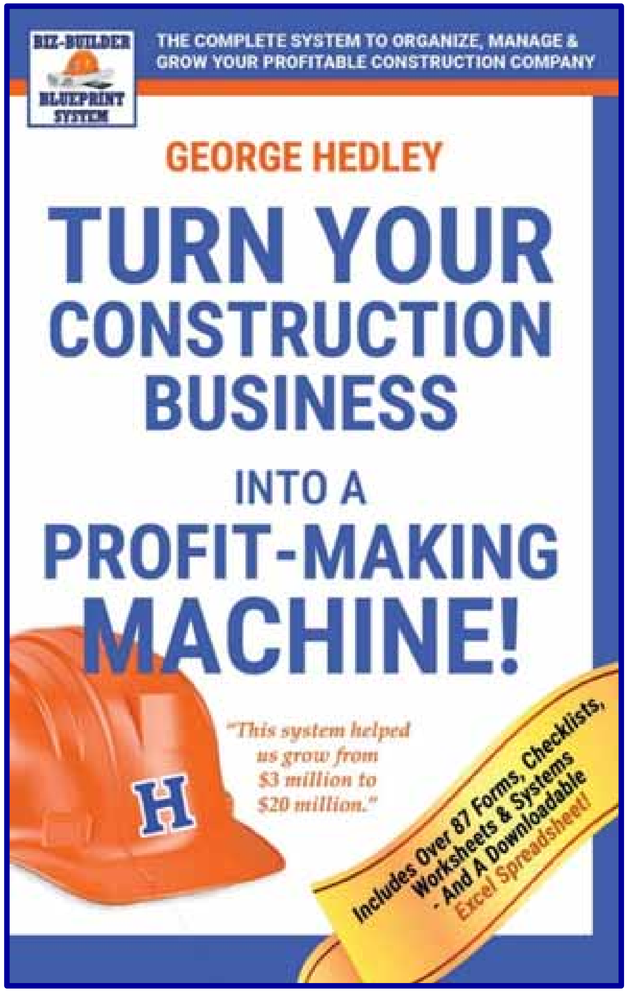
SNEAK PEEK!

CHAPTER 1 & Excerpts From Chapters 2 to 15



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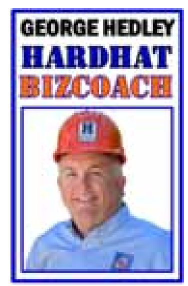


Over 40 years ago, George Hedley built his commercial construction company from $0 to $50 million in annual sales in only 7 years! For his accomplishments, George received the nationally recognized "Entrepreneur of the Year" award.

Hedley has built and developed over 3,500,000 square feet of commercial, retail, office, industrial and residential projects valued over $750 million.

Today, as a Certified Professional Business Coach, he helps construction business owners get their businesses to work, grow, get organized and always make a profit. He was named 'Business Coach Of The Year' by PBCA. As a Certified Speaking Professional, George has presented over 550 programs to over 175,000 contractors at conventions & company meetings.

Based on his hands-on construction experience & working closely with 1,000s of contractors, he developed the BIZ-BUILDER BLUEPRINT SYSTEM which is the step-by-step process to build, manage and grow a profitable construction company.

The BIZ-BUILDER BLUEPRINT SYSTEM
Will Help You:

1. **Implement Step-By-Step Strategies and Systems to Organize, Grow, Manage and Build a Highly Profitable Construction Company to Produce Results.**
2. **Get Organized and In-Control, Delegate, Let Go and Hold People Accountable.**
3. **Replace Yourself with Proven Standardized Systems, Processes, Checklists & Templates.**
4. **Stop the Stress & Chaos, Move Up to a Better Level, Make Money and Get Your Life Back.**
5. **Draft and Implement your 5- year Business and Financial Plan, Vision, Values & Goals.**
6. **Install Field and Project Management Systems to Finish Jobs On Time & Under Budget.**
7. **Improve Field Crew Production with Job Cost Scorecards and Proactive Schedules.**
8. **Design your Organizational Chart with Job Descriptions and Talent Development Plan.**
9. **Know and Manage your Numbers Including Markup, Overhead, Profit, Job Cost and Sales.**
10. **Design a Marketing and Sales Program to Win More High Margin Customers and Contracts.**
11. **Stop Selling Low Prices, Develop Accurate Estimates and Present Winning Bids & Proposals.**
12. **Develop a Plan to Build Wealth, Passive Investment income, Freedom and Fun.**

Table of Contents

1

Build, Grow, Own & Operate A 'Profit-Making' Construction Business Machine!

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? Sounds 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' Business! You're an owner instead of a hands-on, make-every decision, over-worked, underpaid micro-manager,
supervisor and worker who's stuck on a treadmill not getting ahead and going nowhere fast.

Does Your Business Work For You?

Or do you have to do most of the important work?

Attention Construction Business Owners:

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'm tired of all the chaos and fire drills I have to deal with.
- ❑ Help! I have to make all the decisions for everyone.
- ❑ Help! I've got to find a way to make more profit.
- ❑ Help! I can't figure out how to build equity and wealth.
- ❑ Help! I must stop selling low prices 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 better 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 want to get my construction BIZ to work!**

Business Evaluation Test

– *Does My Business Work*?

Take this TEST
to see if your business is working the way you want it to.

TRUE OR FALSE:

___ We have a written strategic business plan with goals.

___ We have written and enforced systems for everyone to follow.

___ We have a detailed marketing plan and customer list.

___ We don't sell low prices and low bids to win most of our contracts.

___ We have an organizational chart to allow for growth.

___ I delegate negotiating, pricing, estimating, & sales.

___ Customers rarely call me about project or important issues.

___ I don't do most hiring, contracts, and crew scheduling.

___ Key supervisors and foreman have specific measurable results to hit.

___ We know and track our job and labor costs weekly & monthly.

___ Our crews have a weekly scorecard system to track production.

___ I take the time for regular weekly team and manager 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 Business Evaluation Test Results?

If you answered <u>FALSE</u> to any of the questions, you need to start rethinking things like how to:

- Run, manage and organize your construction business.
- Get off the 'work-work-work' treadmill, delegate & let go.
- Grow and take your business to the next level.
- Get organized, systemized, and structured for growth.
- Change your role and replace yourself with a strong team.
- Start holding employees accountable to produce results.
- Replace poor performers and hire talented experienced 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.
- Implement **BIZ-BUILDER BLUEPRINT BIZ-PLAN System** to get your business **to work for you** without you doing all the work!

Are You STUCK? Going Nowhere?

It's Time To Face The Facts!

Your Business Is Currently Designed,
Organized & Managed
To Deliver The Results You Are Currently Achieving!

It may surprise you, but the answer is simple:

You need to create a solid business plan, organizational structure, management team, scorecards, systems, and estimating strategy which work together to make your company's performance both predictable and profitable, over and over again, without you having to micromanage everything or do all the important 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……

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, win more customers, increase their overhead, and land more jobs to manage and worry about. Then they get stressed out, over-worked, and out of control because they're constantly in chaos and 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 to do 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. Sound familiar?

Don't You Want To Have Wealth & Freedom?

Making money as a business owner is different from being wealthy. When you own a business that doesn't work well, 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 much time doing the work required to earn the money. Being wealthy comes because of owning a great business which gives you time, energy, freedom, and extra funds to use however you want: to build a better business, hire great employees, find the perfect customers, 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 cash-flow and long-term net profit from your business, you also must focus on **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 it 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 shows 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 keep working well into their retirement years, because they must, never stop to fix or improve their companies, or made commitments to change and 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 civil-structural engineering, I worked for four years as an engineer and then as a construction superintendent and project manager. But, like my dad, I always wanted to be my own boss. The problem was, as an engineer, I had no clue how to run a business. Nonetheless, five years later, in 1977, I had the opportunity to start my commercial 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 Builders!

I figured I already had all the tools required for success in the commercial construction business: a contractor's license, a used orange Datsun pickup truck with 92,000 miles, 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 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 wanted, apart from more work and the pursuit of more revenue.

What's the PURPOSE of 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, 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' Business!

- Profitable, Growing, Organized, Systemized & Works!

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

I want my business to work for me, be a Profit-Making Machine, grow, have a great reputation & be "Best In Class" including:

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

Who wants to own a business that doesn't make much profit, is always out of control and unorganized, must 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 20 years to understand that owning a business is a tool to create opportunities to give you what you want. The purpose of your business is NOT to make you stressed-out, grumpy, negative, miserable, consume all your time, force you to complain about employees, make you hate customers, pile on financial challenges, and not pay you enough for your hard work and responsibilities.

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 & Busier. But NOT Better!

When MORE is your goal, you just get busier and more unhappy. You get used to being overworked, stressed out, and out of control. You chase bad business to stay busy, continue to bid cheap jobs, work with bad customers, hire cheap unprofessional subcontractors or suppliers, say "yes" to bad deals, keep poor performing 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 employee" 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 & 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 question:

What Do You WANT?

What would make your business PERFECT for you?

But you aren't exactly sure what you want just yet. You don't have a plan. 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? Business owners can't build the perfect business without a plan either.

"When you aim at nothing . . . You hit it every time!
When you aim at specific measurable targets,
you'll be surprised at what you can accomplish!"

What Would A Perfect Construction Business Look Like To Me?

✓ ______________________________

✓ ______________________________

✓ ______________________________

✓ ______________________________

BIZ-Builder Worksheet

The BIZ-BUILDER Look-Ahead Questions:

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

1. What Do I Want my Business to Become, Be or Do?
   - Our Target Focus - Projects, Markets, Specialties, Size & Location
   - Management, Talent, Employees, Organization, Structure,
   - Operations, Systems & Strategies
   - Project Management, Field Production & Equipment
   - How We Win Work, Estimating, Contracts, Customers & Projects
   - My Role

2. What BIZ-RESULTS do we want to achieve on an ongoing basis?
   - Overhead, Mark-Up & Profits
   - Sales & Growth
   - Equity, Investments & Wealth
   - Personal Finances, Freedom, Family, Faith & Fun

3. What CHALLENGES, issues or problems do we need to FIX, improve or eliminate to get my BIZ to work for me over the next five years?

4. What has happened for me to be happy with our change and progress?

Do You Have A Written Plan?

Most business owners operate their business without a written plan or detailed 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 also 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, the cash flow becomes tighter, and you must do more work to make the same amount of money. You don't have any extra time to check all the details, make good decisions, plan ahead, or think. You start losing control, and quietly, or not so quietly, you panic as your business starts to control you. So, you decide you need to find some good help. So, you hire the most "experienced" people you can find - your family, friends, or low-priced inexperienced helpers. And of course, this never works out.

Next you hire a green assistant superintendent, or part time administrator without construction experience to help you get some of your work done. This only adds to your responsibilities keeping them busy and finding things 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 less hands-on.

But you can't let go, can you?

The problem - you don't trust 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 accountable and responsible people who you can afford or will work as hard as you. You don't have any extra time

to train employees or create systems for them to follow. You don't like to hold people accountable; you tolerate poor performers to avoid the pain of replacing them, and you miss meetings. 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 job costs and finances begin to spiral out of control. Your estimates aren't accurate, and items are left out and missed. You continually encounter job profit margin shrinkage. You don't track and 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 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 necessary 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 and still have a life?
- How do I find better customers and jobs to bid?
- How do I stop competing with cheap competition?
- How do I eliminate over budget jobs to 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, experienced & accountable talented employees?
- How do I quit working so hard and so many hours?
- How do I ever get ahead and stop running in circles?

You are now officially stressed-out, over-worked, underpaid 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 and 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 takes up your every waking moment, you can't sleep without thinking about all your problems, 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!"

When you are the business and in charge of most everything, you are the shut-off valve that controls the flow of your sales, growth, performance, operations, and profits. And your overloaded responsibilities continue to shut your valve and restrict your ability to improve or do better.

The More YOU Do, the LESS You Make!

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 and businesses have three things in common.

Successful Business Owners, Leaders & Managers:

1. Know What They WANT To Achieve - *Vision, Targets, Goals & Results*
2. Have Written Business PLANS - *To Achieve Their Targets & Goals & Results*
3. Always TRACK & Make Progress - *Towards Achieving Targets & Goals*
4. Achieve Consistent RESULTS

Before you can get your business to work, you've got to know how you want it to become, perform, and the results you want to achieve.

- *What Do you Want?*
- *What's the Purpose for Owning your Business?*
- *Why does your Company Exist?*

When I grew up, I watched my dad 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 and exciting inspirational VISION to seek opportunities and build something bigger and better. 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 and grow their businesses.

Successful BIZ-BUILDERS Are:

- **Always GROWING, Scaling Up & Moving To HIGHER Levels**
- **Implementing Their Energetic Exciting VISION**
- **RISK Takers - Hiring Top Talent**
- **Seeking Better Clients**
- **Striving To Make HUGE PROFITS & Results**
- **Continuously IMPROVING & Changing**
- **Regularly INNOVATING & Disrupting The Status-Quo**
- **Seeking To Build Their INVESTMENTS**
- **Doing What It Takes To Build A BIZ That WORKS For Them**

BIZ-BUILDERS and PROFIT-MAKERS 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. To grow, they're always looking for creative ways to find new customers and win higher margin work. To make more money, they're willing to implement new ideas, systems, technology, techniques to improve, hire new people, and invest in training and coaching.

Are You a BIZ-BUILDER?

- Growing, Risking, Improving, Building & Making Huge Profits?
- Or are you content staying in the same place for the next 5 years?

When I do presentations and workshops for construction business owners and managers at conventions or company meetings, I ask attendees:

"Why Are You In Business?"

They almost always say: "To make a profit." When I ask how much profit? - they typically answer, "As much as I can." They really don't know exactly how much they want to make or how they'll achieve their goal.

This more clearly describes what Owners really want:

When I sit down with them as their business coach to help draft their business plan, they tell me their ideal company would allow them to have three or four weeks off every year to travel. They want their business to be run by a trusted management team, accountable and empowered to make decisions and get things done. They want a differentiating factor and unique excellent service which allows them to win steady work and charge more than their competitors.

They want their company to have written systems in place which produce consistent results for their customers and bottom-line year after year. They want 75% of their business to come from loyal customers and clients who only buy from them. They want to make at least 25% annual return on their equity. They want their business to allow them to expand and find additional business opportunities to grow their net worth and create growing investments. They want to be in control of their future and have time to enjoy the benefits of business ownership.

When I help draft the company **PURPOSE (The Why?)** we first work with the owners to determine the purpose of their business, why they own their company and what they want it to do for them.

Sample Construction Company Owner's PURPOSE

The Purpose Of Acme Contractors Is To:

1. Produce steady growth with high net profit margins generating an excellent return on investment creating a highly valuable and sellable company.
2. Have an accountable management team run company which allows the owner to focus on vision, innovation, talent development, and sales versus day-to-day operations.
3. Build a well-organized company known as the leader in building high quality projects.
4. Maintain loyal profitable clients based on our reputation for excellence and performance.
5. Provide a great place to work for our talented employees with opportunities for them to grow, learn, maximize potential, prosper, and build a future.
6. Create opportunities to contribute to our industry, community, and employees.
7. The business will allow the owner to enjoy a personal lifestyle, freedom, family, friends, faith, finances, investments, and contribution.
8. Build wealth by owning, creating, and developing income producing investments.
9. Allow owner to slow down or retire at 65 with a valuable business & clear succession plan.

Now it's your turn to draft your
BUSINESS PURPOSE.

BIZ-Builder Worksheet

PURPOSE – *The Purpose for Owning your Business:*

The purpose for owning our company, why I'm in business & what I want it to do for me:

- Personal / Lifestyle / Status / Stability / Satisfaction / Contribution
- 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:

Visit: www.HardhatBizcoach.com/ProfitBookBlueprint
To get the BIZ-BUILDER BLUEPRINT BIZ-PLAN template
Includes: 5 Year Business & Financial Plan, Org Chart & Job Descriptions
And receive Hardhat Hedlines - monthly management e-newsletter.
To get a complete set of all 100 of our working templates,
Visit **www.HardhatBizcoach.com** & Click the TOOLS button.

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 and want them to.

As A BIZ-BUILDER – What Do You Want?

- ❑ Always Move To A Higher & Better Level
- ❑ Build A Bigger Better Highly Profitable BIZ
- ❑ Stop Running In Place & Get Unstuck
- ❑ Scale-Up, Grow & Make More $$
- ❑ Let Go, Delegate All Decisions
- ❑ Stop Being Overworked & Spread Too Thin
- ❑ Get Organized & In-Control
- ❑ Build A Strong Management Team Run BIZ
- ❑ Get Off The Low-Bid Treadmill
- ❑ Make "Best In Class" Margins & Profits
- ❑ Work Less, Get A Life & Enjoy Freedom
- ❑ Be A Wealthy Contractor With Investments

So, what should you do next to achieve what you want?

You have 3 choices:

1. Go back to doing everything yourself
2. Sit, wait and hope for things to change
3. Work differently, change, improve & implement the

BIZ-BUILDER BLUEPRINT SYSTEM

To build a Profit-Making Machine, you'll never hit your goals by shrinking your company to just you again. You can't sit, wait, and hope 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, lead, manage, prioritize, focus and work.

New Ways or No Way!

My Decision

In 1985 I finally decided 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 talent, holding people accountable, eliminating poor performers, delegating and letting go, training talent, and seeking high margin customers.

YOU can change yourself too!

Commit to getting organized and in-control by replacing yourself with written systems. Work on setting goals, creating budgets, tracking field 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 like to know before buying a company is:

Does The 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?

OR - 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 have enforced systems, job descriptions, written goals or know how to run a business.

Perhaps you don't think <u>YOU</u> are the problem!

Only YOU Are Responsible For YOU!

The profit and results YOU achieve are the RESULTS
of YOUR decisions, priorities, leadership, management
& how YOU run your business!

Only you are accountable for your daily decisions and actions. Only you can decide which type of jobs or customers you work with, which employees you should or shouldn't keep, what positions you need to hire for, or what you will or won't delegate or manage yourself. Only you can make a commitment to make the hard choices and do what your need to do. Only you can do what's necessary and required to get what you want to meet your goals. So, you must look in the mirror for answers and a better view of the potential problem.

When's Your Wake-Up Call?
Why Wait?

Bill, the Concrete Contractor's Story

Bill owns a successful concrete construction company he started seven years ago. Over the last two years, his business grew quickly to $7 million in annual sales with thirty 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 holding 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 ringleader, 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 me to ask for construction business coaching 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 most every field decision, purchase, equipment rental, trip to the hardware store, timecard, change order, and crew logistics and scheduling move. When he first started his company, he was 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 as he was overloaded, 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 as he had grown beyond his capacity to manage everything properly. He was experiencing profit margin fade, slow pay, missed bid items, schedule slippage, and several call-backs for rework on unsatisfactory concrete workmanship. Plus, he wasn't making much money and his cashflow was tight with the added retention payments growing with his new larger workload. What could he do? His choices were to change how he did business. Shrink it back down to a smaller company. Or shut it down and go to work for a competitor. Unfortunately, he hadn't made enough money to slow down or retire.

Draft Your Business Plan!

We scheduled two days to draft Bill's **BIZ-BUILDER BLUEPRINT** Action Plan and create action plans to move his company forward. Bill decided he wanted to grow his company 20% per year with a minimum 5% net profit. I suggested he first decide how and where he could find better work with higher margins against less competition.

Next, he drafted an organizational chart for growth with job descriptions listing out every function and position needed to manage and expand his business with profitable projects and great customers. Then he determined which roles he was best at and wanted to perform himself. I encouraged him to focus on getting and winning work versus supervising, running, managing, 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, hire, and assign top talent as the key accountable people who would be 100% responsible for all the other tasks required to operate his growing concrete business.

Bill's Next Challenge?

Bill struggled with changing his hands-on, controlling and micro-management behavior. Unfortunately, he continued to not trust his managers and continually micromanaged their every decision. Without a commitment to change, his company would not succeed and then go back to the old ways. To move to the next level, he would need to spend 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!

Most people avoid the pain of confrontation or change and therefore don't! People know what they should or need to do to achieve the results they want but tend to do what they are comfortable doing - 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 one 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 give to finances, profits, 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. Look in the mirror for the answer **- it's you!**

Bottom-line RESULTS are the # 1 indicator of your performance
as the leader of your company, including your ability to
delegate, let go, hold people accountable,
hire right, fire fast, and change.

The Answer Is YOU!

Responsibility for Achieving Results Is 100% on the Owner!

You are accountable for how you spend your time, manage, lead, delegate, let go, trust people, hold them accountable, hire the best talent, and train your employees. I finally realized to get the results I wanted in my company; I would have to make some really big changes starting with me. 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."

- Not enough profitable sales or enough loyal customers?

- Perhaps your sales plan and process stinks.
- Perhaps your service and performance is bad.

- Selling low price?

- Are you really offering anything different than others?

- Not enough profit?

- Perhaps you don't know your numbers.

- Can't find any good help?

- Perhaps you won't hire higher-priced talent.

- Projects continually finish over budget?

- Maybe your estimates aren't accurate.
- Perhaps your crews don't know their labor goal.

- People aren't accountable to achieve results or meet deadlines?

- Maybe you aren't holding them accountable.

- Are You out of control, unorganized and experience constant fire drills?

- Perhaps you haven't taken time to install systems or train your people.

BIZ-Builder Worksheet

Roles, Responsibilities & Positions

Complete this worksheet to decide what roles and responsibilities you should handle and what you should delegate, let go of, or create new positions for.

1. What roles, responsibilities & results am I currently responsible for?
2. What tasks, activities, roles & responsibilities do I handle best?
3. What activities, roles & responsibilities should be my top priorities?
4. What do I really want my roles & responsibilities to be as our company grows and gets organized, systemized, and structured?
5. What roles and responsibilities should I let go of and delegate?
6. What new positions will allow us to grow, profit, and reach our goals?
7. What key positions should we fill to get our BIZ to work?
8. What people can I promote and train to fill positions we need to fill now?
9. What key positions should we create and fill over the next year to get our business to eventually work the way I want it to?
10. Who is my personal executive assistant I use to assist my role as leader?
11. Who's my future senior manager who can run the BIZ when I'm not there?
12. What steps do we need to take to build a strong management team?

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 not negotiating much if ever.

What Business Are You In?

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

Are YOU in the "O" (opportunity) 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 therefore competing on price? And do you hope and wait for people to call you to bid projects?

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 lead, manage & 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

general contractor is not to build buildings. The purpose of a plumbing contractor is not to install pipes. The purpose of an architect not to draft plans. And the purpose of a structural engineering company is not to design the structure.

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. **Create Freedom & A Balanced Life**

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 for our business is to help business owners and developers meet their project goals, So We Can Meet Our Goals!

Your business purpose is to achieve the results you 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 you to:

- **Earn More & Work Less.**
- **Enjoy the Benefits of Owning a Business that Works.**
- **Live the Life You 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, I began offering to invest some of our profits back in 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 eventually 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 newfound financial strength, we made a business decision to fire our bad customers who shopped for low prices. We stopped doing projects on which we couldn't make an excellent profit. 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, hiring top talent, 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….

... the BIZ-BUILDER BLUEPRINT SYSTEM

Building a great construction business isn't easy.

It's not about working harder or smarter - *it's about working differently and making great money.* It takes focus and commitment to continually improve by setting clear targets, focusing on the numbers, finding loyal customers, trying new ideas, installing systems, tracking your progress, and getting some business advice from a professional. You must enjoy what you do, love 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 job costs, manage your money like a pro, understand detailed contracts, do the required paperwork, document, finish jobs on-time, maintain an excellent safety program, and get paid. To expand and grow, you have to proactively 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 top talent, give them detailed job descriptions, hold them accountable, and trust and delegate decisions to them.

Focus on the majors and delegate the minors!

Your time is too precious to waste on the small stuff and minor 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 major 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 must get organized and install business structure and systems!

This will allow your people to 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 planning session, we developed a draft of a new organizational chart with lines of command 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 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.

Bill's management team's first task was to develop written systems for the field and project management operations. In the past, Bill had scheduled all the crews, approved every contract, and visited every jobsite daily acting as the general superintendent and chief project manager for everything everyone did. Now, using only a weekly management meeting, Bill put his 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 impeccable safety training programs and 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 light-weight gypsum concrete floor fill products. 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. His company was now working better than Bill could have imagined! As a Profit-Maker contractor I asked him to join one of my Construction Business Owner Hardhat BIZGROUP mastermind peer groups He committed to joining the 18 other successful compatible contractors in our regular meetings working on best practices and results.

When Bill called me for help, he 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 improve, fix things and change. Bill had to look at his choices and determine what he really wanted his business to become. To make is happen he had to **COMMIT** to work on his business.

Working harder isn't the answer.
It doesn't pay the bills
& won't grow your company.

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.

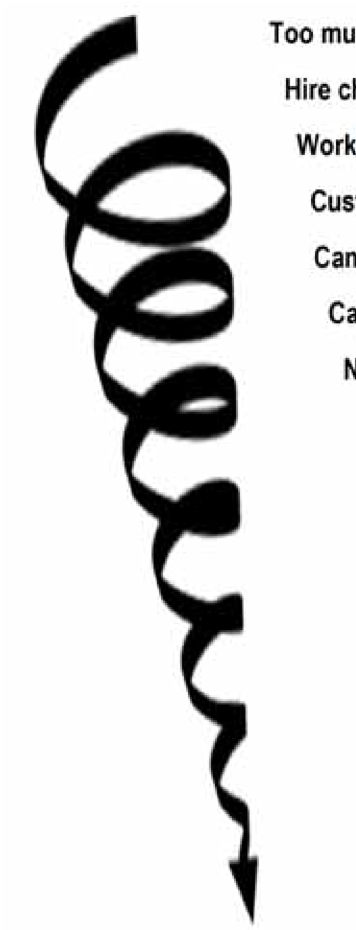
Because you were a good contractor, did excellent work, and provided great customer service at a fair price, you got more referrals and landed more projects to build. To handle the growing volume of work, you hired a few more field workers and a supervisor. All of your employees reported directly to 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 got tighter and tighter. And the people you hired were not the most experienced and cheaper than employees you really needed to help you the most or allow you to grow.

When YOU DO The Work, You Won'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're already doing. 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 must take care of and fix.
Your 'To-Do List' is too long, 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.

Downward Spiral Of A Business That's Stuck



Too much work for owner to do alone

Hire cheap or untrained help

Work gets out of control & projects are 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 win work

Owner wants to let go but doesn't

Owner repeatedly complains

Can't make enough profit to grow

No hope for the future - Give up?

"Help! I can't get my BIZ to work!

Are You STUCK?

Doing the same things over & over with the same results?

Has your company stopped growing?

Most companies stop growing at a certain size or level. Some stop growing at 5 employees, and some stop at 10, 25, or in some cases as many as 50, 75, or 100 people. I have a large tolerance for work and my company reached our growth barrier at 150 employees and $50 million in sales revenue. Whatever your growth barrier level is, companies 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. Plus, the company doesn't make enough money for all the effort and stress it takes to keep all the balls in the air.

Bad things happen 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 high profit work or loyal customers to keep your company growing. This downward cycle eventually destroys a potentially great company. Obviously, you can't **DO** more work yourself. You must 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 foremen 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 management team of key talented and experienced leaders who know how to run a business, manage projects, and supervise productive crews efficiently. The owner of these top companies don't **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 as the visionary leader oversees the management team with a series of accountability meetings, targets, and scorecards to keep the team responsible to achieve the desired results needed to hit 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 lack having the right people with the right talent, values and attitudes in the right positions. 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 an accountable operations and field manager, project managers, detailed contract administrators, experienced field supervisors, and take-charge crew foremen who get things done per the contract, on-time, safe, and under budget.

Where's Your Weakness?

You must make it a priority to hire strong high-priced experienced talent to move to a higher level. If you don't fill the voids in your organizational chart, you can't let go and stop DOING the work!

Growing Companies Focus On Growing & Building A Profit-Making Machine!

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?

BIZ-BUILDER TEST *- Does Our BIZ Work How I Want It To Work?*

Answer TRUE Or FALSE To The Following Statements:

1. ______ BIZ runs well without my constant supervision, scheduling & decisions.
2. ______ I hold people accountable, delegate, let go, and don't micro-manage.
3. ______ I'm a good coach who plans ahead, motivates, recognizes & praises.
4. ______ We have an updated business plan with a vision CORE values & goals.
5. ______ We have written enforced project management & field systems.
6. ______ We have a strong management team & managers who run our company.
7. ______ We have an organizational chart with right people in the right positions.
8. ______ We have detailed written enforced job descriptions & chain of command.
9. ______ We have great compensation to attract & retain the best people.
10. ______ Managers handle all job contracts, schedules & working with customers.
11. ______ Supervisors, foreman & crews review weekly job cost scorecards.
12. ______ We hold regular meetings - managers, sales, estimating, supts & crews.
13. ______ I know our numbers - P & L, revenue, overhead, mark-up & profit.
14. ______ We have a written marketing and sales plan with customer target lists.
15. ______ We spend quality time with customers to develop trust & relationships.
16. ______ We negotiate versus bid most contracts and don't sell low price often.
17. ______ My business allows me to have freedom, personal time, a balanced life.

T Or F - We Track & Meet Our BIZ-Goals In These Areas:

18. ______ Sales, Growth, Bid-Hit-Win Ratio & Manpower Requirements.
19. ______ Finding, Attracting & Keeping High Margin Target Customers.
20. ______ Overhead, Gross & Net Profit, WIP Schedule, Contracts & Backlog.
21. ______ Accurate Estimates, On-Time & On-Schedule Jobs & Field Production.
22. ______ Job Budget, Profit Margin Shrinkage, Quality, Call-Backs & Punch-List.
23. ______ Finding, Attracting, Recruiting, Hiring, Retaining & Training Top Talent.
24. ______ Safety Training, Safety Enforcement Program & Safety Results.
25. ______ Our COMPANY WORKS & Achieves The Bottom-Line Results We Want!

TOTALS: # TRUE ________ # FALSE ________

RESULTS - Does Our BIZ Work The Way I Want It To Work?

(0 - 5 True) _____ NOT REALLY! - Doesn't Work Well At All

(6 - 10 True) _____ SORTA WORKS! - Works Sometimes

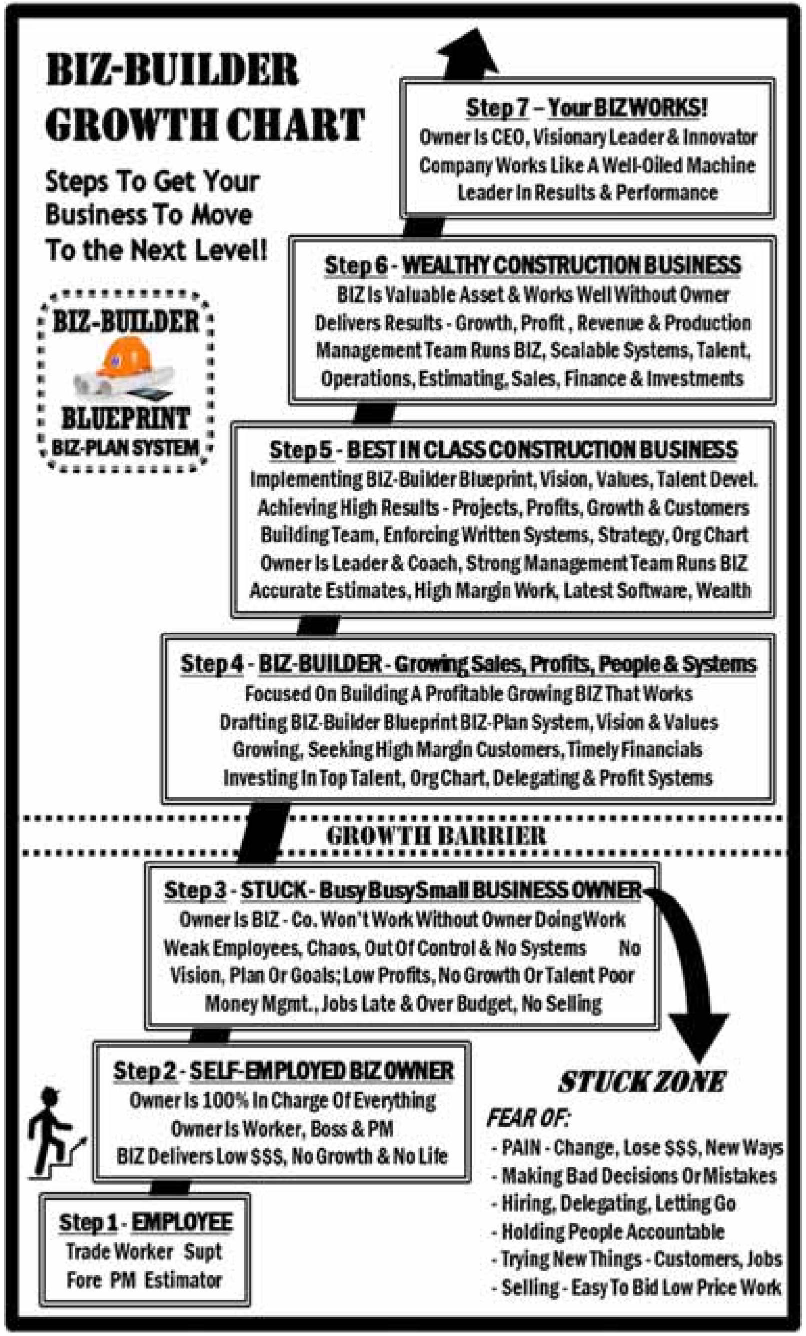
(11 - 15 True) _____ WORKS OK! - Works On Average

(16 - 20 True) _____ WORKS WELL! - Works Good To Excellent

(21 - 25 True) _____ YES! - Works Exactly How I Want It To Work!

Sample Excerpts
From Chapters 2 – 15

Book Includes Over 75 Sample Templates & Examples



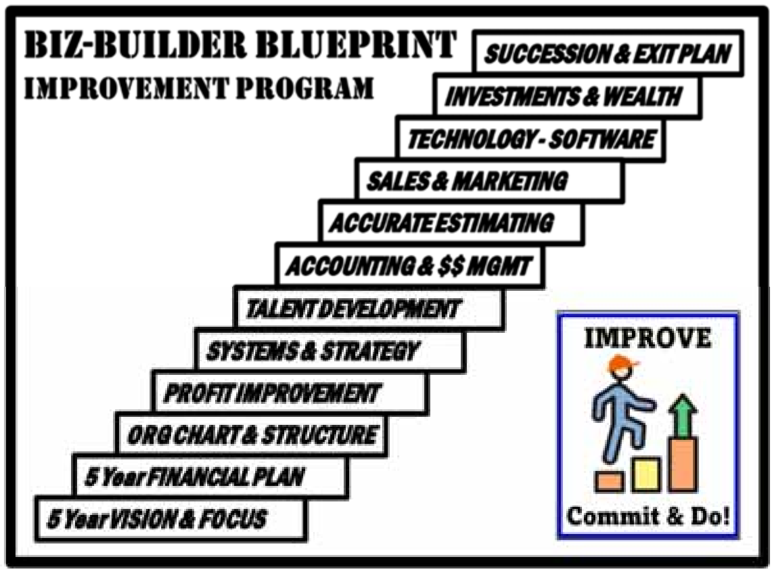
BIZ-BUILDERS and PROFIT-MAKERS continually stay focused on their vision of owning a company that grows, always makes a profit, achieves results, and works like a machine. Focus on growing a profitable company and getting your people to perform instead of spending your time doing all the major work yourself, 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 Profit-Making Machine and move up to **Step 5 or 6**, is to start implementing a clear written business plan:

BIZ-Builder Blueprint System - Improvement Program



The First Steps To Start Implementing Your BIZ-BUILDER BLUEPRINT Improvement Program:

1. Write out a specific VISION of where you want your business to go and become over the next five years.
2. Know and track job costs, numbers, and be PROFITABLE.
3. Develop the org chart structure and job descriptions to GROW.

4. Replace yourself with written operational SYSTEMS.
5. Draft and Install a company ORG STRUCTURE CHART with the right experienced talent so it will operate without your constant supervision.
6. Implement SCORECARDS to track progress, targets, and goals towards achieving the results you want.
7. Start building a MANAGEMENT TEAM who can run your company and is accountable and responsible for results.
8. The BIZ-BUILDER BLUEPRINT BIZ-PLAN System is a simple step by step tool and tracking system to draft, build, and document your business plan based on its current needs, areas for improvement, targets, goals, and where you want to go over the next five years. It follows standard strategic planning models but is specifically designed for construction companies. It will document your entire business and financial plan onto a few pages so you can keep it in front of you, revise, update, and refer to easily.

What's Your HUGE 5 Year VISION?

What do you want your business to become and do in the next five (or ten) years? Now let's get specific about your vision and then your targets and goals. Think about what you want, precise targets, results you want to shoot for and achieve. What's your vision for owning the perfect business you want to build and own?

Identify how you will do business, the perfect size of your company, the type of customers, where you'll do business, the number of employees, how you'll generate revenue, what your company will be known for, how much money you want to generate, the wealth and assets you want to acquire, and what your role as the owner will be. Think HUGE and be specific.

MARK-UP VS. SALES Required   OH + P GOAL = $1,500,000

OH + P MARK-UP	GP MARGIN	SALES REQUIRED
5.00%	4.76%	$ 31,500,000
10.00%	9.09%	$ 16,500,000
15.00%	13.04%	$ 11,500,000
17.64%	15.00%	$ 10,000,000
20.00%	16.67%	$ 9,000,000
25.00%	20.00%	$ 7,500,000

Start Drafting Your 5 Year VISION

A 'Profit-Maker' business meets both your business and personal goals. To build a 'profitable growing company,' first figure out exactly what you want - your **VISION**. Then you can make the changes necessary to make it happen. Without knowing what you want it to become, you can't draft and design your future business the way you want it to become.

BIZ-BUILDER BLUEPRINT Business Plan		Email: GH@HardhatBizcoach.com
Acme Siding Contractors	***EXAMPLE***	Date
BIZ-PURPOSE - Why In BIZ?	**TOP BIZ-PRIORITIES**	**BIZ-TARGETS - 1 Year Action Plans**
Produce Steady Profits & Build A Valuable	Implement Job Cost Tracking System	Implement Digital Timecard System
Management Team Run Organized Company	Accurate Estimating	Upgrade Accounting Software
Allowing For Income Producing Investments	Develop Training Program	Upgrade Estimating & PM Software
	Implement Customer Loyalty Program	Develop Crew Review & Performance Scorecards
5 Year BIZ-VISION - What We Want To Be	Develop 3 New Crews & Foremen	Obtain Bank Line Of Credit
Become Leading Siding Contractor In County.		Develop Crew Training Program
Make 10% Net Profit & Grow @ 20% / Year	**ORG CHART - Talent & Position Plans**	Standardize Project Management System
Management Team Accountable For Results	Develop Hiring System For Crews & Foremen	Implement Customer Relationship System
Loyal Ongoing High Margin Customers & No Bids	Develop Job Descriptions For Each Position	Find 5 New Loyal Customers Who Don't Shop Price
Great Place To Work With Responsible Team	Hire Project Administrator / Office Manager	Hire Office Manager & Full Charge Bookkeeper
Owner's Role - Leader & Sales Vs Jobs / Estimates	Establish Level Of Authority For PM & Foremen	Move Into New Office
Invest In 1 Income Producing Project / Year	Hire & Train Full Charge Project Manager	Stop Call-Backs, Re-Work & Punch-Lists
BIZ-MISSION STATEMENT	**SHORT TERM Improvement Plans**	**FIX-IT LIST - Improvement Areas**
Our Mission Is To Build Long Term Customer	Establish Sales & Profit Tracking Scorecard	Establish Crew Standards - Quality & Rules
Relationships & Provide Superior Workmanship	Develop Crew Manpower Tracking Schedule	Accounting System - Elominate Manual Entries
With Well-Trained Managers & Crews	Develop Crew Meeting Agendas	Estimating System - Need Cost History
In A Productive Manner	Hire Strong Supt To Manage Field Operations	Poor Supervision Of Field Crews
BIZ-MOTTO	Develop Crew Production Job Cost Weekly Scorecards	Timecard System - Need Online System
Our Promise Is To Meet Your Goals	Develop Job Start-Up & Close-Out Checklist	Standardize Job Start-Up & Close-Up Checklist
With Safety, Quality & Reliability!	Develop Job Material, Tool & Equipment Checklist	Standardize Job Material & Tools Checklist
	Verify MH Labor Rates & Update Change Order Rates	Need 2 New Crew Foreman & 1 PM
CORE VALUES & PRINCIPLES	Implement Online Timecard System Into Accounting	Hold Regular Crew Team Meetings
Motivated Team Player With Positive Attitude	Standardize Weekly Tasks For PMs & Foremen	Need Accountable Job Descriptions & Goals
Accountable To Achieve Expected Results		
Take Ownership, Find Solutions & Solve Problems	**INVESTMENT - Targets & Goals**	**PERSONAL - Targets & Goals**
Committed To Improvement, Change & Adapting	Purchase Rental Property Investment This Year	Take 3 Weeks Off / Year
Act With Integrity, Honesty & Respect	Develop 1 Investment Project Every 2 Years	Join A Peer Mentor Mastermind Group
		Hire A Business Coach

Financial Planning

Most construction companies should shoot for ROOH:

Minimum	**20% to 35% ROOH (Return On Overhead)**
Good	**40% to 50% ROOH**
Excellent	**50% to 60% ROOH**
Best In Class	**60% to 75% & Higher ROOH**

WHAT'S YOUR COMPANY'S LASER FOCUS?

You can't move your business forward profitably without focusing on the specific type of work you want to do and the customers or markets you want to attack. When you first start your company, you'll do anything or any job for anyone just to get going and generate some cashflow. But to grow and profit, you need to have a target to hit. It is easier to focus on medical construction opportunities when you focus on medical construction! But when you don't have a laser focus, it's hard to build a reputation as the best qualified contractor in a specific field or type of project.

It's OK to have more than one focus. As I grew my construction business, we landed a few self-storage mini-warehouse projects, multi-tenant industrial business parks, and manufacturing warehouses. Our reputation grew in these markets, and we subsequently grew our company fast from small to $50 million in revenue in only 7 years. Why? We only focused on these types of projects and the clients who built and developed them.

Qual-Con Interior's Numbers

Stanley is a coaching client who owns Qual-Con Interiors, a large commercial tenant improvement contracting company. He wants to grow his business and asked for some financial advice. His fixed annual overhead expenses are $2,000,000 including his salary, administration, and office costs. Like most of his competitors, the average OH + P Mark-Up he can get from developer customers on most projects is around 15% (13.04% Gross Margin). His goal is to make an annual net profit of $1,000,000. How much sales volume will he need to reach his goal?

Qual-Con Interiors Sales Required To Hit Net Profit Goals

Fixed Indirect Overhead Expenses	$ 2,000,000
Net Profit Goal @ 50% ROOH	$ 1,000,000
Gross Profit (OH + P)	$ 3,000,000
Average Total Mark-Up (OH + P)	15.00%
Average Gross Profit Margin	13.04%
Total Annual Sales Volume Needed	$ 23,006,000

OWNER-PRESIDENT'S ROLE

As you build and grow your company, it's important to determine what role will best allow you and your business to prosper and succeed. When your company is small, you'll likely be involved with all parts of the operations including estimating, project management, field supervision, scheduling crews, equipment, negotiating, customer relations, sales, and leadership. As you begin to grow you must focus on doing what you should do as the owner of your company. One of the first decisions is who and what to hire. Most construction company owners are best suited to be responsible for winning work including estimating. This leaves construction operations, project management, field management, financial management, and administration open for you to fill as you grow.

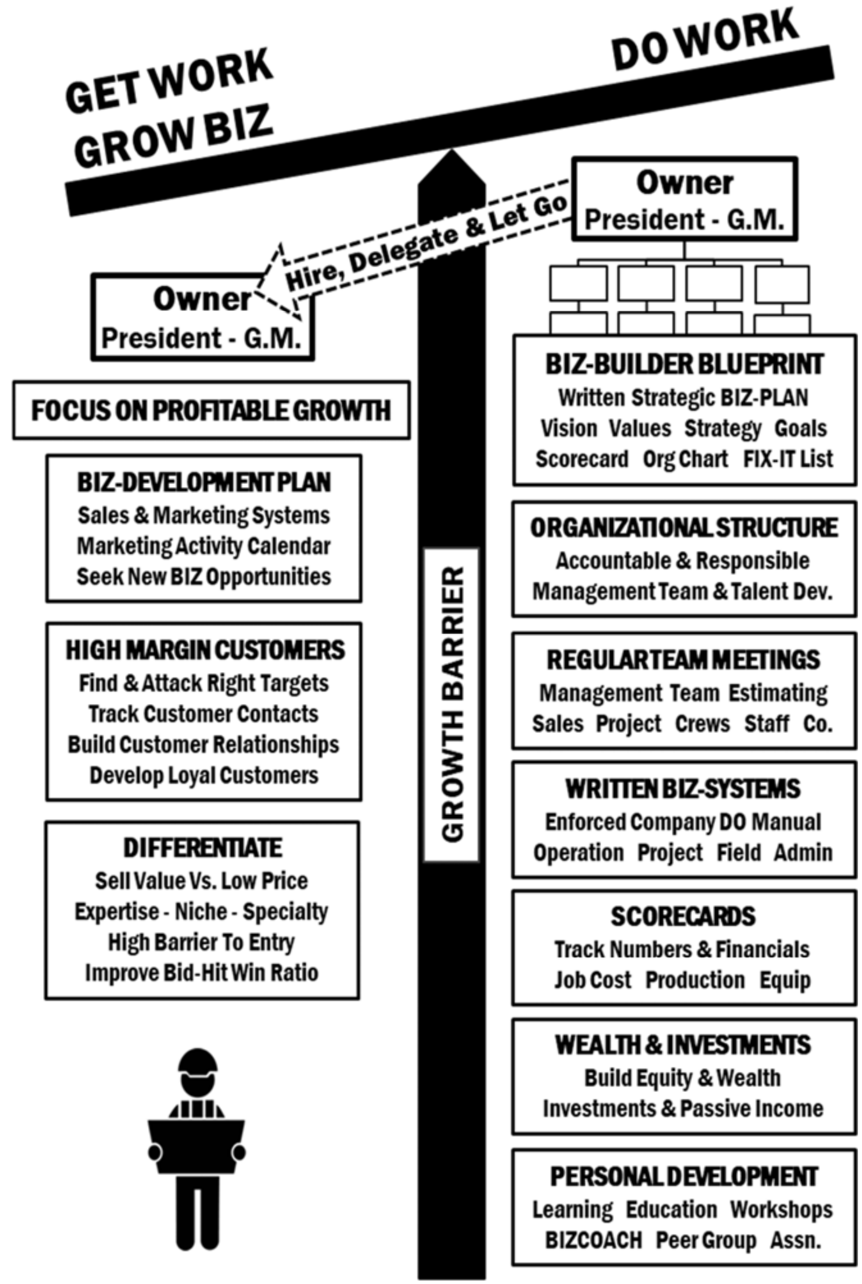
Steps To Get Your Construction Business To Grow & Always Make A Profit

Business owners start their companies with a long-term vision of what they think they can create and achieve. They usually have a few loose unwritten goals focused on customers, projects, markets, revenue, net income, growth, and how they will be able to control their own destiny. The problem is to achieve these goals, they need a plan to manage and handle people, problems, low profits, slim cash flow, and their time. They are good workers, but don't realize that running a successful construction business takes a completely different skillset and mindset than getting the work done.

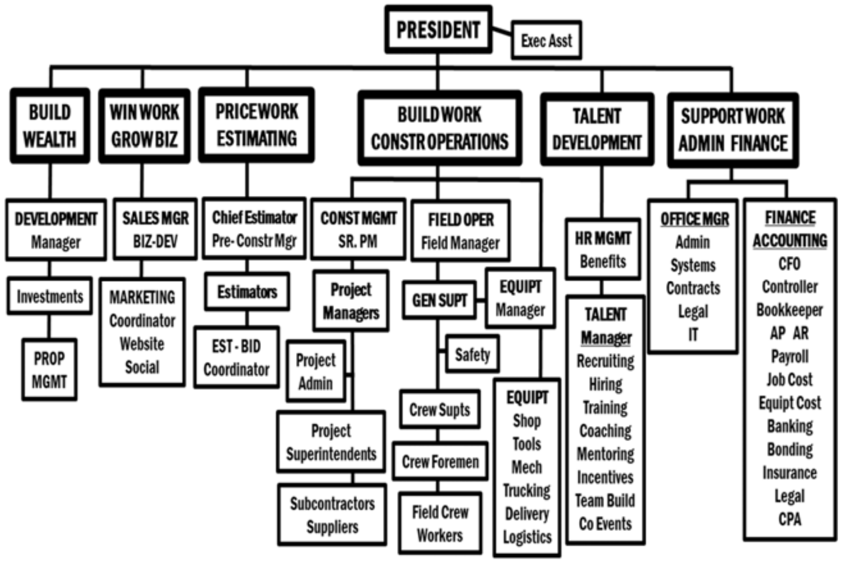
When business owners can't stop working, can't let go of control, don't trust people to make good decisions, won't hire more people, or continue to micromanage everything, they stay on the working man's treadmill running as fast as they can, stuck and going nowhere. The business owner has so much on his plate, he has no time to do much selling, spend time with good customers, or try to find better work opportunities. This business roadblock is no fun, especially when you make no money, work too many hours, have no life, and your business struggles with the same issues year after year.

To achieve the business owner's vision and goals, Your BIZ MUST GROW, Build CAPACITY, & Always MAKE A PROFIT!

Implement The The BIZ-BUILDER BLUEPRINT SYSTEM



Sample Company Function Flow Chart



WEEKLY JOB Cost Detailed Crew Labor SCORECARD Report - 1 Job

Company: PM: Report Date:
Job Name: Supt: Reviewed By:
Job #: Foreman: Date Reviewed:

WEEK ENDING: **CREW LABOR HOURS** From Payroll

CONCRETE SLAB						TO DATE		TO DATE	TO DATE	TO DATE		TO DATE
COST CODE	WORK TASK ACTIVITY	Estimated QUANTITY	UNIT	TOTAL BUDGET CREW HOURS	UNIT	QUANTITY INSTALLED TO DATE	UNIT	ESTIMATED ACTUAL % COMPLETE	BUDGETED CREW HOURS TO DATE	CREW HOURS ACTUALLY USED	HOURS REMAINING To FINISH JOB	+ OVER + <UNDER> BUDGET HOURS
32000	MOVE-IN	40,000	SF	32	Hours	40,000	SF	100%	32	30	-	(2)
32002	LAYOUT	40,000	SF	72	Hours	40,000	SF	100%	72	88	-	16
32005	FINE GRADE	40,000	SF	110	Hours	40,000	SF	100%	110	124	-	14
32006	SUB-SLAB SAND	40,000	SF	90	Hours	35,000	SF	88%	79	72	18	(7)
32007	VISQUEEN	40,000	SF	48	Hours	5,000	SF	13%	6	16	32	10
32010	FORM	800	LF	186	Hours	600	LF	75%	140	164	22	25
32015	REBAR & EMBEDS	40,000	SF	48	Hours	-	SF	0%	-	-	48	-
32020	POUR	300	CY	72	Hours	-	CY	0%	-	-	72	-
32030	SLAB FINISHING	40,000	SF	120	Hours	-	SF	0%	-	-	120	-
32050	CLEANUP & MOVE-OFF	40,000	SF	72	Hours	-	SF	0%	-	-	72	-
TOTAL				850	Hours			52%	438	494	356	56
										58%	$ 50.00	$ 2,788

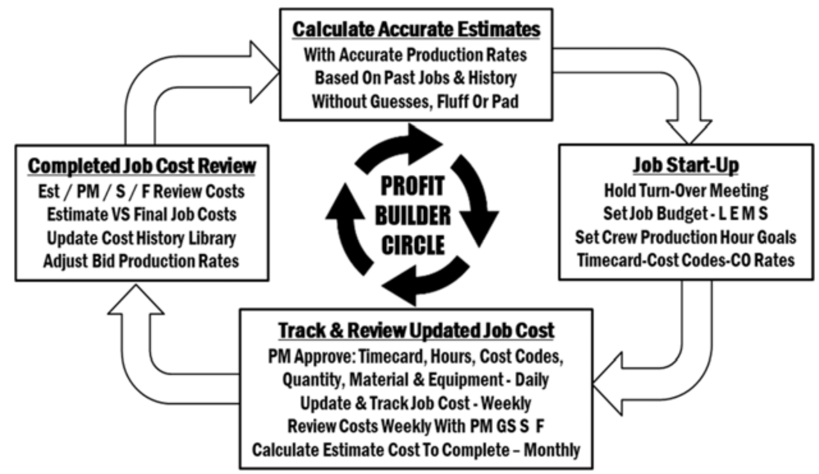
A BIZ Without a Profit is NOT a Business!

It's a place to go to work, a place to try to make some money, a place to try to cover expenses, and a place to try to have something left over to pay for the owner's lifestyle and truck payments. Ask yourself this question before you start doing the many day-to-day activities it takes to run your business: "Where's the money?" Is there something else you should be doing that will make you more money and give you a higher return on your time? If so, then someone else in your company should be doing what you're doing.

Profit-Maker or a Money-Saver?

What's Your Priority?

Do you spend your time trying to save every dollar possible? Or are you focused on building a profitable construction company by investing in experienced managers, supervisors, employees, systems, and perfect customers? Money-makers make more money. They do things to increase the value of their company, build their image, increase customer loyalty, train employees to become better, improve field productivity, and allow their company to make more money.



WORKING CAPITAL
= Current Assets - Current Liabilities

Working Capital is often called Net Quick. It is your current short-term assets (everything you can sell and collect in thirty days) minus your current liabilities (everything you currently owe now and for the next thirty days). In some instances, it is the amount of cash you have available to run your day-to-day operations.

ROOH – Return On Overhead
Formula To Always Make A Profit!

1.	Projected Annual Indirect Fixed OVERHEAD Expenses		$ 1,000,000
2.	Return On Overhead Goal (What You Want = 20% to 750%)	X	50%
3.	Projected Annual NET PROFIT (Before Taxes)	(1 x 2) =	$ 500,000
4.	Projected GROSS OH + PROFIT Margin (OH + P) (1 + 3)		$ 1,500,000
	Average Anticipated OH + P MARK-UP % On Cost		*17.64%*
5.	Average GROSS PROFIT MARGIN % (OH + P / Sales)		15.0%
6.	Projected Annual SALES Volume Required	(4 / 5)	$ 10,000,000

BID-HIT-WIN RATIO - Total # Jobs Bid To # Hit

Bid Date	Job Bidding	Bid $$$$$	% Markup	# Competitors	Sub Bid Coverage	Results
4/2	A	50,000	25.0%	6	2.5	5th
4/7	B	60,000	22.0%	3	3.2	3rd
4/12	C	40,000	28.5%	4	2.9	4th
4/22	D	90,000	20.0%	5	4.2	1st
4/27	E	80,000	21.5%	4	3.8	2nd

APRIL $320,000 / 5 = **$64,000 Ave.** = **20% = 5 : 1**

Total **$$ Bid To $$ Hit** = $90,000/$320,000 = **28%**

What's Your Estimator's Number 1 Priority?

When I speak at construction conferences and conventions, I get many responses to this question. They include:

1. Estimate jobs
2. Price jobs
3. Win work
4. Negotiate jobs
5. Be competitive
6. Make a profit
7. Don't miss anything
8. Good subcontractor & supplier coverage
9. Know what things cost
10. Accuracy What's The Right Answer? - see next page….

(accuracy)

Know Your Equipment Costs
Not Including Mark-Up

PICKUP TRUCK - Assume Life Of 4 YEARS

Purchase Cost	$ 50,000
Interest & Finance	$ 10,000
Insurance	$ 8,000
Maintenance & Tires @ $2,500 / Year	$ 10,000
Gas - 30,000 Miles/Year x 4 Years	$ 36,000
TOTAL COST Over 4 Years	$114,000 = $28,500 / Year

COST / Hour @ 2,000 Billable Hrs / Year = $ 14.25 / Hour = $ 570 / Week

Go Fishing For More Higher Margin Work!

To catch lots of fish it takes preparation, planning, tactics, time, money, and a winning strategy. It also takes knowing the right bait and the right place to fish. To win the best contracts and highly profitable jobs in construction, you also need the right bait and the right targets. Think of your bids or proposals as tempting bait customers will want to bite. Think of your target market as fishing holes with lots of big fish who want what you offer.

GENERAL CONDITIONS COSTS			BID RATES		
Quantity	Description		@ COST	UNIT	TOTAL COST
	Project Superintendent		$ 522.00	Day	$ -
	Superintendent Vehicle	100%	$ 114.00	Day	$ -
	Project Manager Pro-Rata Time	33%	$ 206.71	Day	$ -
	Project Manager Vehicle Pro-Rata Cost	33%	$ 37.62	Day	$ -
	Project Engineer Pro-Rata Time	20%	$ 69.60	Day	$ -
	PM & PE Vehicle Cost	33%	$ 37.62	Day	$ -
	Misc. & Clean-Up Labor		$ 240.00	Day	$ -
	Office Trailer		$ 30.00	Day	$ -
	Job Cell Phone, Fax, Internet & Computer		$ 10.00	Day	$ -
	Temporary Utilities, Toilets & Water		$ 20.00	Day	$ -
	Temp. Power Poles & Power Bill		$ 30.00	Day	$ -
	Temp. Power Boxes, Cords & Lights		$ 15.00	Day	$ -
	Temp. Fencing, Gates & Barrricades		$ 55.00	Day	$ -
	Trash & Storage Bins		$ 45.00	Day	$ -
	Erosion Control		$ 25.00	Day	$ -
	Miscellaneous Field Costs & Rentals		$ 25.00	Day	$ -
	Security Guard		$ 400.00	Day	$ -
	TOTAL General Conditions Cost		$ 1,882.55	Day	$ -

Transition Your Company To The Next Generation

As construction company founders and owners get older, they start thinking about slowing down, retiring, and getting out of the business. Business is stressful, demanding, risky, and takes a lot out of the owner with all the pressures and demands to keep things moving forward, dealing with people, trying to make customers happy, and running a profitable company. Their exit options include closing, selling, or transferring the company to their family. Over eighty percent of business owners prefer eventually transitioning their company to the next generation within their family.

Most Construction Companies Are NOT Sellable!

Every construction business owner will exit their company at some point in their life. They'll either sell, transfer to their children or employees, close it, or die and leave it to their heirs. Most owners don't like to think about ending, closing, or selling their company until they begin to see the end of their working life approaching. And by then, it's generally too late to make the necessary changes to create a highly valuable company which is strong enough to attract buyers who are willing to purchase it.

Know Your Investment Targets!

The goal of business is not to stay in business. The goal of business is to always make a profit, grow your equity and build wealth. A 'Best In Class' construction business does more than do work, collect money, and spend money, it also makes money to create wealth. To build a vibrant company, you must seek profitable accounts and customers, do quality work, collect all revenues earned, cover the actual job costs, and pay your overhead. Then make a profit and invest it wisely. As a business owner, your biggest and most exciting decision is what to do with your profit - spend or invest.

Get Started Building Wealth for Yourself!

Decide to do more than work in your business and start working on your future by creating equity and building wealth. Start by deciding which type of investment you are most comfortable with. I have built a lot of multi-tenant industrial parks for customers. My first large venture into wealth-building investments was to find an old industrial building and fix it up since I was comfortable and knew that type of property. **Most people I talk to never get around to doing it.** The best time to start working on your future and start an investment plan is now! Make a list of what you would like to own in your wealth-building portfolio over the next five to ten years.

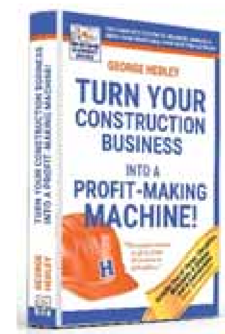
Let's Talk About Building Your BIZ

George Hedley is available to help your company always make a profit!

Contact George Hedley for Information to:

- Schedule a Complementary Coaching Session with George
    - Email Blueprint@HardhatBizcoach.com to Schedule.

- Hire George as your BIZCOACH.
    - 90 Minute Coaching sessions.
    - Ongoing BIZCOACH programs.
    - Face To Face programs.
    - Management team retreats & workshops.
    - Facilitate your company Strategic Planning Retreat.
- Join a Construction Business Owner BIZGROUP.
    - Mastermind peer groups meet regularly
- Get George's Templates & Tools Package @ https://hardhatbizcoach.com
- Download video courses & workbooks at HardhatBizcoach.com
- Sign up for George's free monthly Hardhat Hedlines e-newsletter.
- Speak or present at your company or association.
- Get George's Newest Book @ Amazon.com



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