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# The Top 10 Reasons Contractors SUCCEED!

**TRAVELERS** 

Thursday, April 26, 2018  
Webinar

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# Disclaimer

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This material is for general informational purposes only and is not legal advice. It is not designed to be comprehensive and it may not apply to your particular facts and circumstances. Consult as needed with your own attorney or adviser.

# What We'll Discuss Today

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1. Success strategies – NOT anti-failure ones!
2. How to put it all together

# Family Business Institute

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Our mission is to facilitate lasting business  
success and family harmony

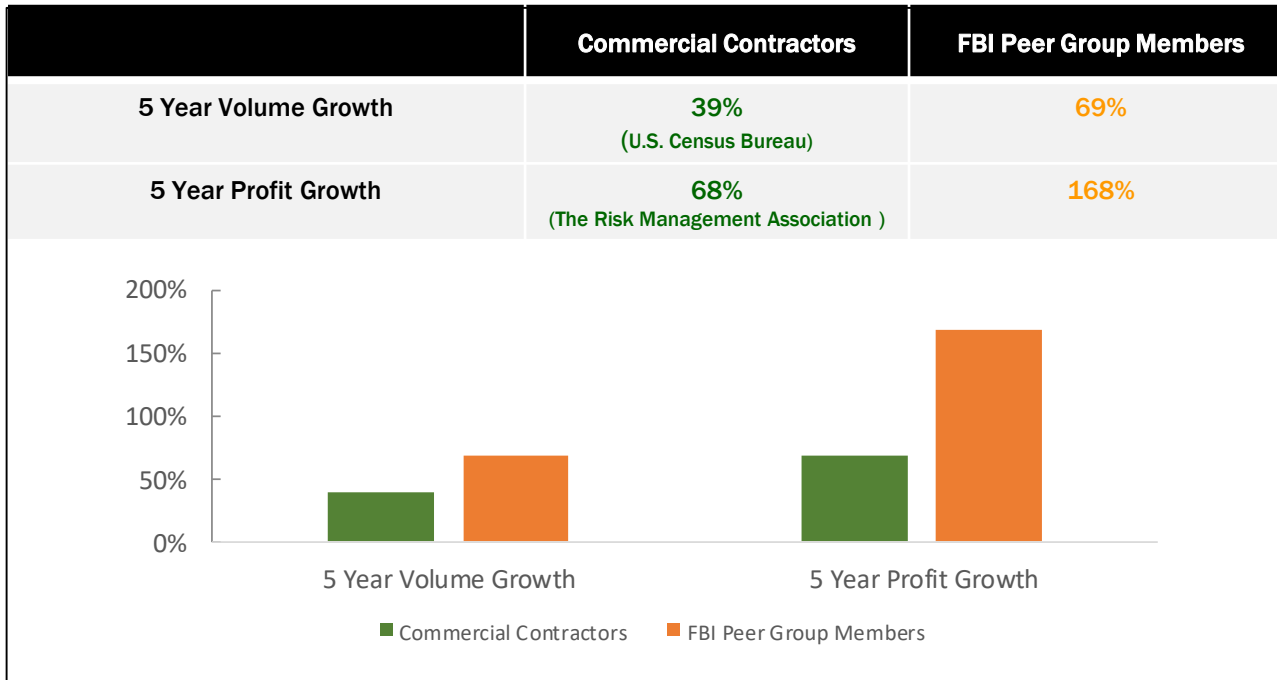
# How Define Success?

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1. Sustainability
2. Culture
3. Great people
4. Lifestyle balance
5. Performance

# CEO Performance Roundtable Member Results

5 years as of 12-31-17



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# The Top 10 Reasons Contractors SUCCEED!

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## 1. LEADERSHIP





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- Drive
- Servant leadership
- Focus on executive functions
- Psychological safety

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## 2. GREAT PLACE TO WORK

- Money is NOT the primary motivator!
- What do employees want?
  - Vision
  - Open and transparent culture
  - Clear role, responsibilities, and accountability
  - Impact
  - Team

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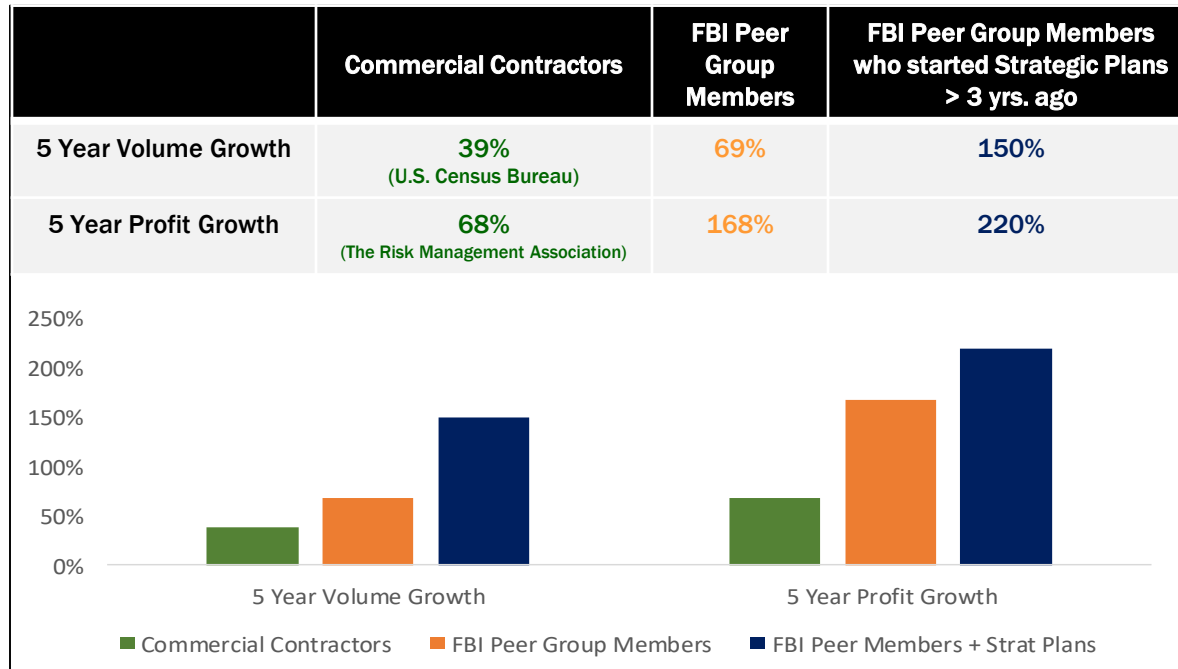
## 3. ATTRACT THE BEST PEOPLE

- Construction is a People Business!
  - “Slow to hire, quick to fire”
  - Grow from within
  - Internal referrals
  - Be an employer of choice

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## 4. EFFECTIVE BUSINESS PLANNING

➤ Strategic business planning is THE MAGIC BULLET!



# The Top 10 Reasons Contractors SUCCEED!

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➤ **Strategic business planning is THE MAGIC BULLET!**

*- continued -*

- **The PROCESS → VISION**
- **Specific goals and milestones**
- **Organizational growth**
- **Operations**

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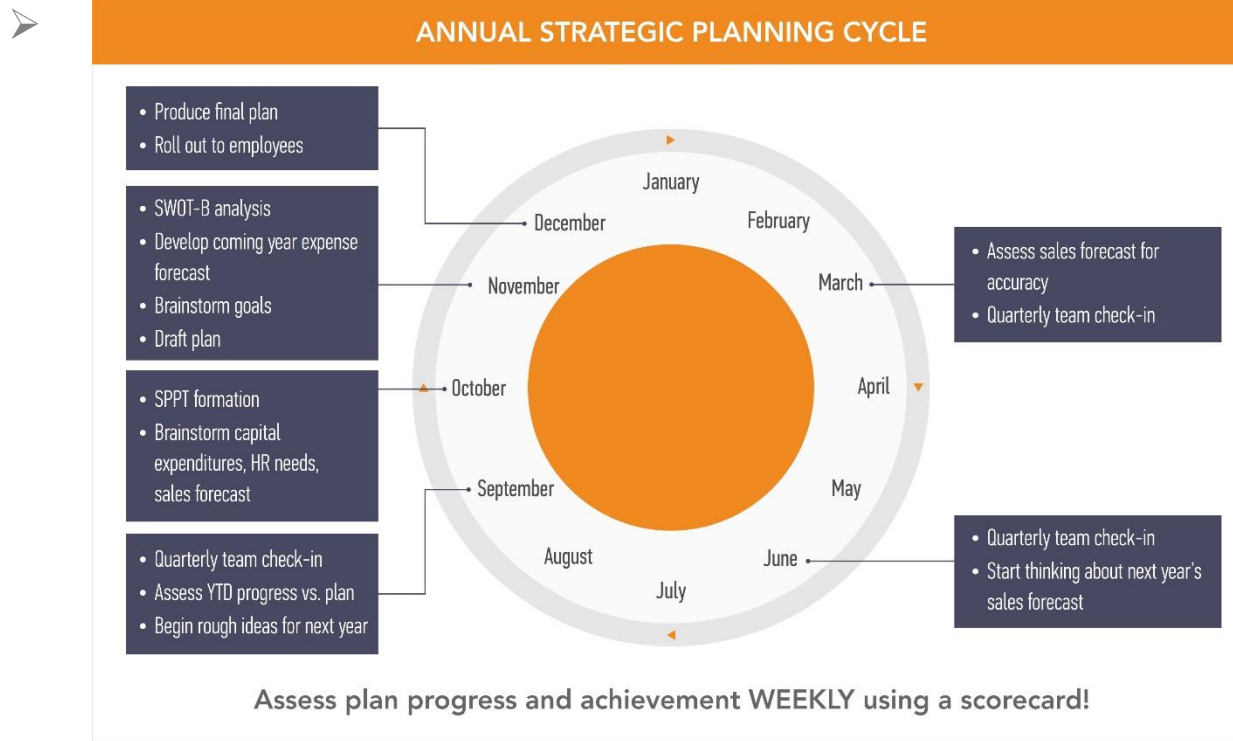
➤ **Strategic business planning is THE MAGIC BULLET!**

*- continued -*

- Lifetime Customer modeling
- Business Development acquisition strategy
- Budget and forecasts
- Implementation and accountability

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## 4. EFFECTIVE BUSINESS PLANNING



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## 5. EFFECTIVE AT NEW BUSINESS DEVELOPMENT

- Lifetime Customers
- Differentiators (are you a commodity?)
- Bid approaches
- Subcontractors
- Presentation training and prowess
- BD hires



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## 6. DIVERSIFIED AND PROFITABLE WORK MIX

- Multiple niches and capabilities
- Profit diversity
- Focus on gross margins – not volume
- GC self-performance trend

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## 7. OPERATIONAL STRENGTH

- Job cost reviews
- Tight and complete scopes
- Project launch
- Control time
- Solid SOPs
- Finish **STRONG!**

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## 8. PROPER CAPITALIZATION

- Delicate balance
  - Too little
  - Too much
- No one perfect answer
- Modest owner/leader lifestyles

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## 9. DATA SMART

- Track profitability by sector, division, PM, superintendents, etc.
- Success = Gross Profit – Overhead
- Control overhead – WISELY
- Dashboard
- Forecasting and tracking

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## 10. EFFECTIVE RISK MANAGEMENT

- Avoid disaster jobs
  - Job was a very large or a company's largest ever job
  - It was the first job of its kind
  - It was the first contract of its kind or type
  - The customer didn't have project financing in order
  - There was a lack of subcontractor performance or even failure

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## 10. EFFECTIVE RISK MANAGEMENT

- **Avoid disaster jobs** - *continued* -
  - Rapid growth added stress to already hard-working teams and systems
  - Company leaders developed an attitude that the company was bulletproof and could not fail which can blind even good contractors from obvious risk
  - Company leaders had achieved “enough” success and had become complacent
  - The company had inadequate capital to accomplish growth, succession, or other long-term strategies

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1. Leadership
2. Great Place to Work
3. Attract the Best People
4. Effective Business Planning
5. Effective New Business Development
6. Diversified and Profitable Work Mix
7. Operational Strength
8. Proper Capitalization
9. Data Smart
10. Effective Risk Management

# Steps to Take

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1. Define success in your own terms
2. Work ON your business rather than simply IN your business!
3. Develop – with your team – a comprehensive business plan for the next five years
4. Join a peer group
5. Create an environment where you and your team can ENJOY the journey!



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# Top Ten Reasons White Paper

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Here is the link to download the white paper on The Top Ten Reasons  
Contractors SUCCEED! –

[https://www.familybusinessinstitute.com/why-  
contractors-succeed-white-paper/](https://www.familybusinessinstitute.com/why-contractors-succeed-white-paper/)