



## Building Business

**Construction Profit Management: The Secrets of Successful Contracting** by Leonard Brunotte; Prentice-Hall, Englewood Cliffs, N.J.; 1987; 317 pages; \$49.95 hardcover.

The jacket of *Construction Profit Management* bills it as "the first and only comprehensive guide to every aspect of building a successful and profitable construction business." I don't know if it's the first, and I hope it isn't the only one, since it falls far short of providing the amount of detailed advice and information you'll need to stay in business, or even the "secrets" promised in the subtitle.

Despite Mr. Brunotte's credentials, which include an MBA in marketing and finance and a 25-year career in the construction business, I found much of his book to be vague, repetitive, and lacking in practical examples. I also took issue with the author's assertions on several occasions. For instance, one of his most frequently repeated maxims is that "profit = full payment." While it is certainly desirable to get full payment for each job you do, it is conceivable that you could receive payment in full for a job and still lose money (or that a project could fall slightly short of full payment and still show a modest profit). Later the author strongly contends that you will sell more of your product or service by lowering your price, although he does modify this position, citing the case of OPEC oil prices as an example. OPEC aside, it can be a distinct disadvantage to underprice your work, and selling high quality for high pay may be a very effective marketing strategy.

However, some useful ideas are still to found in the book. For example, you'll learn how over-schedule pro-

jects adversely affect your breakeven point, how government intervention (for example, by the EPA) can severely affect the market, the difference between *technical* and *fundamental* market analysis, and why it is essential that you know your actual insurance costs for estimating and billing purposes. You'll also get an overview of how to control information flow and how to use balance sheets, income statements, cash-flow projections and budgeting for financial control. In most cases, however, you won't get very detailed advice, or examples. And in some instances you may actually be left puzzled by statements such as the author's definition on page 174 of both assets and liability as "things of value *owned* (my emphasis) by the company."

There are, however, two main exceptions to the foregoing criticisms. First is a list (oft-repeated) of 111 sources of impacted damages that will alert you to potentially costly problems that may arise on any job. The second real strength of the book is the chapters on to prepare an exhaustive 50-page documentation of all such losses when submitting a claim for payment beyond the original bid figure. This latter section may make the book worth reading, although you will have to wade through a lot of redundancy and fluff in the process. As a result, I'd suggest trying the library before buying *Construction Profit Management*.

— Paul Hanke

## FREE & CHEAP

**Acoustical Glass:** A 20-page technical manual covering acoustics, sound control, and sound transmission has been developed by the Sealed Insulating Glass Manufacturers Association (SIGMA). Available for \$6, (\$31 SIGMA members) from SIGMA headquarters, 111 East Wacker Drive, Chicago, IL 60601; 312/644-6610.

**Emergency Equipment:** Informanon is available on the products of two major emergency equipment manufacturers. Dual-lite has released a brochure on its new premium pure lead battery, and one on its Excalibur series of cast aluminum emergency exit signs. Contact Dual-lite, Simm Lane, Newton, CT 06470; 203/426-8011. Sentry Lite has released a catalog of its products, including a special section on UPS (uninterruptible power systems) that provide emergency power for computer, communications, and office equipment. Available from Jay Schneider, Sentry-Lite, Box 199, Rockville Centre, NY 11571.

**Special HVAC Manual:** A 360-page manual covering specialized HVAC systems in commercial and institutional structures, has been written by the Sheet Metal and Air Conditioning Contractors National Association. The manual covers variable-air-volume and multizone, induction-air, hydronic, steam, refrigerating, pneumatic, direct-digital-control, and clean-room systems.

Not cheap (\$46), but sounds like just the thing for advanced students or experienced technicians tackling unconventional HVAC work. Contact SMACNA publications: 703/790-9890.

**Custom-Built Greenhouse Supplies:** A 20-page detailed custom-build catalog of components for greenhouses, solariums, skylights, swimming pool enclosures, and various other sloped or vertical glazing projects. Includes details of various applications and framing specifications. For a copy, write to Bob Daley, Greenhouse Builders' Supply, Route 3, Box 80, Epping, NH 03042; 603/679-1208.

**Ceramic Granite:** Two brochures highlighting Fiandre Ceramic Granite are available from Trans Ceramica. The Standard Line 10-page brochure, provides specs on sizes and finishes of the flooring and wall product. The Designer Line 12-page brochure features special design aspects of the tile. Contact Trans Ceramica, P.O. Box 795, Elk Grove Village, IL 60009.