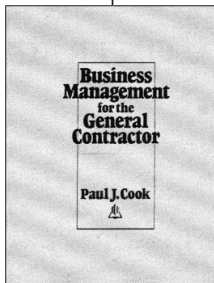


# GC Management Tips

**Business Management for the General Contractor** by Paul J. Cook. R.S. Means Co. 100 Construction Plaza, Kingston, MA 02364, 1988, 219 pages: \$46.95, hardcover

As many builder-turned-entrepreneurs have found, being skilled at your trade doesn't mean you're instantly qualified to run a construction company. You need management ability and know-how. Now, there are three ways you can pick up business skills: the hard way, trial and error, or reading what others have to say on the subject. *Business Management for the General Contractor*, by Paul J. Cook, endeavors to provide the information you need to take the easy path. The book covers quite a bit of material, ranging from bid-related decision making to labor relations. The downside is that the book lacks depth on most of the subjects it covers.



Mr. Cook has organized his material clearly and forthrightly into four general sections: organization, procuring (not "winning") contracts, fulfilling your contracts (getting the job done), and managing for future growth. This is strongly reinforced by the book's layout and graphic format: a boldface headlines, big, easy-to-read type, and lots of white space. The charts, diagrams, and sample forms are awfully lackluster, but easy to comprehend.

The book is written, says Cook, for managers of small-to medium-size, existing (not new) companies. The goal of Mr. Cook's management style is to enable the manager to keep both physical plant and staff fully busy and productive while avoiding strain due to too much work.

According to Cook, a manager needs to be able to delegate some but not all authority to key employees. He or she needs the ability to solve problems by reasoning, negotiation, and taking initiative in the face of inaction by others. The manager also needs the ability to take no action when all options are bad, or learn by trial and error when all else fails. Further, a manager's goals may include such things as steady growth, obtaining bigger jobs, replacing competitive bidding with negotiated contracts, promoting efficiency, and maintaining good relations among all parties. The manager must be able to balance risks, markup, and other factors in the "desirability" equation of each potential job. Scheduling ability is another key factor and Cook outlines the use of bar charts and critical-path management (CPM) for this purpose. The author also addresses internal business organization, including job descriptions for key personnel and an example of office layout.

For better or for worse, most contractors get jobs by competitive bidding, and Cook advises his readers on the basics of bid preparation. He addresses the issues of when managers need to assist (not join) the estimating

team. He aptly reminds us that "winning" a contract (where the "prize" is being allowed to undertake a long, arduous, and risky endeavor) is not the goal. Procuring profitable contracts is.

So, Cook discusses that kind of work environment estimators need. He also discusses how to deal with excessively low bids from subcontractors. (He suggests that the ethical approach is to ask subs to either withdraw the bid or stand behind it; not revise it). And he covers how to factor in overhead, profit, and the occasional contingency allowance.

Once the job is landed and under way, a successful manager must cope with the nitty-gritty of purchase orders, obtaining proofs of insurance, change orders (no samples are offered in the book), and requests for payment. He or she must also be able to stay on top of daily job reports and record keeping done by on-site superintendent. In addition, the manager is responsible for controlling time spent, quality, and safety which may not all be compatible. Also in the manager's lap is contract enforcement, determining construction methods, finding sources of materials, and handling seemingly mundane decisions such as whether to rent or buy equipment and all of which affect profitability.

Managers must also be able to chart "positive" and "negative" growth, and keep a rhythmic ebb-and-flow pattern of contracts in operation (a steady cur-

rent isn't possible says Cook). The manager must also stay on top of bookkeeping reports, communicate with the field, provide for cross-training of employees, and handles legal matters and automation.

Taken together this all sounds like a pretty formidable task, and it is. Business Management will give you an enlightening overview of all the roles a good manager must play. It will also present you with some wise advice on how to master it all. But in many areas you'll probably want to turn to other specialized resources for more detailed information on topics such as estimating, bidding, or bookkeeping. Unfortunately Mr. Cook provides no bibliography for further reading except for a synopsis of three of his own books on the dust jacket. This volume is a good overview for both novices and experienced managers, but it is also a bit pricey.

**Builders Bid Booklet** by Tools of the Trade, Box 1216, Camino, CA 95709; 1989, 30 page booklet punched for three-ring binder; \$35.

For those without computerized spreadsheets, *Builders Bid Booklet* offers a handy format for organizing job information and prices. The big plus is that you don't have to "invent" anything as it's all set up for you to fill in the blanks.

One drawback is that the publishers may not have included space for everything you need to keep track of. The sample copy I got contained a letter promising that various categories of site work, form work, trusses, decks, and (gulp!) change orders will be included in the next edition. )How



could anyone overlook change orders?) I also thought some of the spaces seemed too small, but then again maybe I just write big.

Anyway, the whole package is organized into 20 stiff paper binder pages with locator tabs for site work, concrete, masonry, metals, doors, windows, cabinets, finishes, plumbing, electrical, labor, and other categories. There is also a final tally sheet. You just fill in the blanks on each page, highlight the subtotals, add it up, and carry it to the job site or meetings (you provide the binder). Lined paper can be added for your own notes or categories that the publisher forgot. If you've been looking for a way to get organized, this book may be worth a try.

— Paul Hanke

## Free & Cheap

**Making A Difference:** The NAHB Home Builders Institute and CertainTeed Corporation have published a resource guide to increase awareness and concern among those in the building industry over the issue of homelessness. *Solutions: Taking Action to House the Homeless*, is a 92-page guide that offers exactly what its title promises. It explains recent Congressional legislation (the McKinney Act), and describes available resources by way of HUD programs. Six case studies from around the country also are included which demonstrate how different builders and developers have raised funds and constructed or restored low-income housing and shelters. Single copies are available for free by writing to CertainTeed Corporation, 750 E. Swedesford Road, P.O. Box 860, Valley Forge, PA 19482-0101; 215/341-7428. Additional copies are \$15 each.

**Get Organized:** To help novices in the construction business make decision, Bottom Line Construction Services Company came up with *EZ-Guide*, a 24-page reference that sells for \$12.50. This booklet contains a questionnaire that serves as a checklist and covers details that a novice (or experienced but harried builder) might overlook: from exterior aspects (siding, walks and driveways) to plumbing, heating, and electrical; to insulation, drywall, and paint; to appliances, carpeting, and cabinets. A sample punch list is also provided, along with

both general and specific glossaries of terms. To order, send check to Bottom Line Construction Services Co., Dept. BM-1, 325 Tacoma Avenue South, Suite 2, Tacoma, WA 98402; 206/383-2772.

**What, Where, Who?:** A free Directory of Infrared Thermographers is offered by the Infraprospection Institute. This directory defines infrared thermography and its applications, and lists thermographers by service region, alphabetically by company, and by individual. Each thermographer's company name and address are provided, as well as specific services offered, the geographic areas they service, and their professional qualifications. To order, write to the Infraprospection Institute, 33 Juniper Ridge, Shelburne, VT 05482; 802/985-2500.

**Mortars, Mastics, and More:** Ceramic Tile and Marble Installation Products Guide, a six-page brochure is available from TEC/H.B. Fuller Company. This free guide describes TEC's thin set mortars, mastic adhesives, waterproof/crack isolation membranes, latex additives, and clean-up products. An adhesive selection guide and grout selection guide are offered in table form. A grout color chart concludes this brochure. To order, contact TEC, Inc., Building Products Group, 315 South Hicks Road, Palatine, IL 60067; 800/323-7407 or 312/358-9500.

—Josie Masterson