

MANAGING Multiple Jobs



Everyone knows that a contractor is a gambler who doesn't get to shuffle, cut, or deal the cards, and that the low bidder wins by losing. When a contractor is working on more than one project at a time, the poker game can get downright dangerous.

by Paul Sullivan and John Marsoobian, Jr.

Managing more than one job is both a science and an art, especially when the jobs are big or complex. It takes organization, commitment, and perseverance, as well as an abundance of people skills to create and maintain a coherent company policy. You won't make money simply by taking on more jobs; the secret is to create systems that enable you to manage each job more effectively and efficiently. The result is a consistent work flow that, when coordinated with your marketing program, will provide a steady source of profitable work throughout the year.

Drowning in details?
These procedures and
paperwork systems will
keep you afloat when
you're running more
than one job at a time

Sample Schedule

Week one 9/8

Mon. Set up/Gut bathroom
Tue. Gut bathroom
Wed. Frame
Thur. Frame/Strap/Shim
Fri. Rough plumbing

Week two 9/15

Mon. Rough plumbing
Tue. Rough electric
Wed. Inspection of utilities/
Rough hvac if needed
Thur. Inspection of utilities
Fri. Inspection of framing

Week three 9/22

Mon. Insulate
Tue. Inspection of insulation
Wed. Hang board
Thur. Plaster
Fri. Set vanity

Week four 9/29

Mon. Tile work
Tue. Tile work/Template top
Wed. Tile work
Thur. Tile work
Fri. Tile work

Week five 10/6

Mon. Trim/Order shower door/
Set top
Tue. Trim/Finish utilities
Wed. Hardware/Finish utilities
Thur. Punch list
Fri. Painters can begin

Shower door will take 4-6 weeks to deliver

Figure 1. Clients are given a preliminary schedule, which outlines the various phases of construction. The authors stretch the calendar a little in this version to allow for the delays that will inevitably occur.

The Four C's of Management

In our company, Paul concentrates on sales, while John acts as production manager. Last year we produced about \$2 million in remodeling work, and while most of those were high-end jobs, we always had a handful of projects going at once, each at a different stage. During the eight years that we've worked together, we've developed a process that's helped us to keep up this pace without sacrificing quality or profit.

We've found that there are four keys to the successful management of construction projects: coordination, communication, cooperation, and commitment. They apply to any contractor performing multiple jobs, because the difficulties you might face in any individual job, whether it's simple or complex, are compounded merely by the fact that you're running more than one job at a time.

Coordination

To manage any job profitably, you must coordinate all of your company's

activities, from sales to production to project closeout. Not only do you have to allocate available resources for each job, but you also have to distribute those same resources among all of the jobs in the pipeline.

Coordination begins with the task list that you create mentally as the contract is being signed. Every client wants the work to start quickly, but to provide a reasonably accurate start date for the new job, you need to know the schedule for each of the other pending and future jobs. Multiply questions like this by the number of jobs you are trying to run and it becomes clear why you need a consistent system.

After we sign the contract, we meet with our job foreman and our subs to review the plans in detail, not only to develop the work schedule, but also to identify any potential problems. Paul is always part of this meeting because, as our main salesperson, he may be the only one who knows about a particular issue. For example, the client may have

a 20-year-old cat that can't be let out of the guest bedroom, or may want us to park only on one side of the driveway. There's always something we need to know that doesn't appear on the plans.

The schedule we prepare at this meeting is preliminary — a broad and generalized outline of the work flow that we will give to the client (see Figure 1). To cover for the inevitable delays inherent in every project, we deliberately show that the work will take longer than we think it will internally.

As we build the schedule, we also note lead times for reminder calls to subcontractors on the project, and especially lead times for special orders. Forgetting to call a subcontractor is one thing; failing to order a special-order item can set a project back a month or more. While these steps may seem elementary, remember that bigger jobs usually include more expensive items, which frequently have longer lead times. When you are working on multiple projects, there are more oddball items that require tracking. By tying orders to the schedule, we ensure that nothing falls through the cracks.

Communication

We believe that good communication is critical to successfully completing any project. To avoid problems, we make sure that all of our messages — whether in letters or faxes, telephone conversations, or drawings and sketches — are clear and unambiguous.

We use a preconstruction meeting to set the ground rules for communications during the project. This is when we explain, for instance, that the client should deal directly with us, not our subs, regarding any changes or additional work. We also review how billings and payments will be handled, what bathroom facilities, if any, will be available to workers during the project, and similar details. When we're dealing with more than one client, we also determine who is the final decision-maker.

The site meeting. The most effective communication tool we use, however, is the weekly site meeting. We meet with the customer on the same day at the

same time each week — say every Monday morning at 9:00 a.m. — to address and resolve any issues that have arisen and to make those decisions that will affect future work. We deliberately exclude our lead carpenter from this meeting; in our experience, the client is much more willing to discuss personality or communication issues if the lead carpenter is not present.

During the meeting, we follow a written agenda (Figure 2). Any items that aren't resolved carry over to the next meeting. The first three agenda items are usually the same for every meeting: the schedule, change orders, and payments. These tend to be the most painful matters to discuss, so we get them out of the way quickly. We always notify the client up front if we have fallen behind schedule; they'll figure it out, anyway, so it's better to be open about it. We also discuss our billings to date and make it clear that we expect to leave the meeting with a check, assuming that other arrangements haven't been made.

Change orders. We are especially diligent about change orders. We impress upon our people that additional work orders and change orders must be completed at the time the work is requested. As a general rule, carpenters prefer banging nails to doing paperwork. But for our system to work and for us to get paid, carpenters have to prepare duplicate work-order forms, which allow us to track any modifications or additional work requested by the client (Figure 3, page 50).

Tracking extra work is especially important when you've got several jobs running at once. If you're doing only one job at a time, it's relatively easy to remember that an extra light box was added. But don't believe that you can remember all the changes on five or six jobs at a time. Even small changes can add up over the course of the job, and if you don't bill for them regularly, it's like giving the client a gift worth hundreds or thousands of dollars. Better the money should go into your pocket.

In our business, change orders are all 100% billable with the next invoice. We establish this policy with the client dur-

Site Meeting #10

9/23/97

Schedule: On time

Change orders: M3, M4, M5, M6 (we need signatures)

Payments due: \$24,857

- 1.9 You need to pick out and order all bathroom accessories.
7/23 Amy and Carla will go to Builder's Specialty soon.
9/9 Has this been ordered?
9/23 When is delivery?
- 8.2 We still need a tile layout for the guest bath.
9/16 Your new tile plan is being reviewed by Anthony. Do you intend the upper section to not cover two walls?
9/23 One wall detail still missing.
- 9.2 Building a box and installing the lead glass sash to it as a medicine cabinet in the bathroom will cost \$520.
9/23 We need a decision on this.
- 9.4 We need details on radiator cover by 9/22.
- 10.1 We can separate the fan from the light in the den bath, but we will have to chip out some tile and patch it in.
- 10.2 To provide and install a new Panasonic wall fan in the powder room will cost \$293.
- 10.3 The relocation/fishing of the telephone and cable will be a fairly involved task. The electrician was hesitant to provide firm pricing, because it is difficult to determine how long it will take. A "not to exceed" number was furnished at \$2,100. My suggestion is to do this work on a time-and-materials basis. The charge is \$50 per man-hour plus materials. There will likely be patching involved as well, but we won't know the extent until the work is done. The phone lines in the closet were relocated already to facilitate that work.
- 10.4 When the island comes back, we will need a final location. Please mark the receptacles on the actual island when it arrives.
- 10.5 We need to clarify receptacle color on the island. The plates can be stainless, but the receptacle cannot.
- 10.6 Please confirm the location of the sink.

Figure 2. Weekly site meetings follow a written agenda that includes numbered items. The numbering system — 1.1 is meeting one, item one; 2.1 is meeting two, item one, and so on — makes it easy to spot unresolved issues left over from previous meetings.

ing the preconstruction meeting, and we review any payments due for changes to date at each weekly meeting.

Tracking by fax. One of the most important communications tools that we have is the fax machine. When you're dealing with multiple projects, and especially complex or complicated projects, you're going to have lots of questions. Getting these questions to the right people and getting their responses by fax allows us to compile full documentation for each of the projects we're running. Using the fax is much simpler than trying to locate peo-

ple by telephone or playing telephone tag for days, especially if the answer is necessary to keep the job moving forward without delay.

Log books. Our lead carpenters also maintain log books, which keep us informed about job progress and delays, weather conditions, and anything else that affects our job performance. The log books also document any visitors or subcontractors on the job, which helps us to identify anyone outside of our organization who may have caused any damage on the site. We review the log books weekly and use them during our

CHANGE ORDER

THE SULLIVAN COMPANY, INC.
634 Commonwealth Ave.
P.O. Box 434
NEWTON, MA 02159
(617) 527-9989

TO: _____

Number _____

PHONE _____ DATE _____

JOB NAME/LOCATION _____

We hereby agree to make the change(s) specified below:

NOTE: This Change Order becomes part of _____

WE AGREE hereby to make the change(s) specified:

DATE _____

AUTHORIZED SIGNATURE (CONTRACTOR) _____

ACCEPTED — The above prices and specifications of this Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

JOB WORK ORDER

THE SULLIVAN COMPANY, INC.
634 Commonwealth Ave.
P.O. Box 434
NEWTON, MA 02159
(617) 527-9989

DATE OF ORDER _____

CUSTOMER'S ORDER NO. _____ PHONE _____ MECHANIC _____ HELPER _____ STARTING DATE _____

BILL TO _____ ORDER TAKEN BY _____

ADDRESS _____

CITY _____

JOB NAME AND LOCATION _____

JOB PHONE _____

DESCRIPTION OF WORK _____

DATE COMPLETES _____ WORK ORDERED BY _____

Signature _____

☐ No one home ☐ Total amount due for above work or ☐ Total billing to be mailed after completion of work

TOTAL MATERIALS	
TOTAL LABOR	
TAX	
TOTAL AMOUNT \$	

Figure 3. When running several jobs at a time, it's especially important to keep track of changes and additional work requests. The authors use simple preprinted forms, such as these from New England Business Service (NEBS).

weekly staff meetings when discussing both the job and the performance of our people on the job.

Client feedback. In addition to the feedback we get from clients during weekly site meetings and the final walk-through, we send a report card after the job is 100% complete. To encourage clients to respond, we've kept the questionnaire brief — the whole thing fits on a postcard (Figure 4). In addition to specific questions about quality, staff attitude, overall satisfaction, and so on, we also ask our clients for general comments. People are much more likely to write a comment than to call you up to complain about some small detail. We share the

results from these report cards with the lead carpenter on each project, and we discuss both good and bad report cards at regular staff meetings.

Cooperation

Our philosophy is that every job "belongs" to all of the participants: the clients, the carpenters, the designer, and us. When questions arise — and they always do — it takes the collective, coordinated effort of everyone involved to come up with good solutions.

For example, we recently had two large jobs that were similar in scope and size while the differences in cooperation were like night and day. On Job A, the client turned out to be mean-spirited

and totally different from the personality we dealt with before we got the contract. The architect, who presented himself quite well in the early going, proved to be totally clueless. On Job B, by contrast, the clients were as nice as could be, and they used an architect who proved to be quite flexible and cooperative. When a ticklish problem developed on this second job, the architect readily approved of our bringing in our own engineer to keep the project moving. In a similar situation on Job A, the architect insisted on retaining his engineer as well, which inevitably led to disagreements and delays.

Working with subs. Similarly, your subcontractors must be willing to do what needs to be done, when it needs to be done. There is no substitute for the experience of having worked together over the years on different projects, but it is still important to be clear with your subcontractors about both scheduling and quality issues. You need to tell your subs when their services will be needed and about changes in the schedule; the more advance notice you can provide, the fewer problems you will have.

Also, make sure that your subs understand your quality standards right from the beginning. The best approach is to hire quality-minded subs to begin with. We always interview a sub before we hire him, and we prefer to hire subs who have been referred to us by other tradespeople. For instance, we recently started using a new electrician who was referred to us by a contractor who had decided to retire. The electrician had also worked with our hvac sub. With two solid references like that, we had no qualms about working with him.

We also have a subcontractor manual that all subs must read and sign. It deals with timeliness, on-site behavior, lines of communication, and similar issues. In the end, though, there is no substitute for developing a long-term relationship with particular subcontractors, especially when it comes to the quality of their work.

Suppliers. Your suppliers also need to be part of your team. Instead of simply dealing with whomever answers

Figure 4. At the end of each job, clients are mailed this postcard, which asks a few simple questions about job quality and customer satisfaction. This feedback is then used to help lead carpenters improve job performance.

the phone when you call, you should develop a relationship with one or two individuals at each supply house with whom you do all your business. Developing a rapport with a particular person provides a level of cooperation that you'll come to rely on throughout your working relationship. This person will go the extra mile for you, locating those elusive special-order items, for instance, and ensuring that your deliveries reach the site on time. You want to be more than an account number to your suppliers: You want to be a valued customer whose business is appreciated. Dealing with the same person repeatedly goes a long way toward establishing your own reputation with that supplier.

We go out of our way to meet the people at our suppliers, and we always ask for someone by name when we place an order. Over time, these salespeople have put our faces and names together. Now whenever we call in an order, the salesperson has an image in his mind of who's calling and will generally provide us with a higher level of service than to an unknown caller.

For our part, we maintain these cooperative relationships with people by

treating them right, by giving them as much notice as we can when we need something, and by not abusing "special" and "emergency" requests.

Commitment

It takes a huge personal commitment to successfully handle multiple jobs. It's easy to jump into this lake, but it's difficult to stay afloat. Before you get involved in this level of work, be sure that you are willing to see it through. Are you willing to devote the substantial amounts of personal time required without having to make unacceptable sacrifices? If not, you'll be much better off, personally and professionally, if you keep your company small.

Maintaining quality. If you do decide to expand, the first thing to be concerned about is what will happen to the level of quality as you do more and more projects that are more and more complicated. If you grow too quickly, quality will probably slip. You can't just decide to expand your company the day before you start a job, then hire a half-dozen people: Your quality level will go right down the drain.

We pride ourselves on the high quality of all of our work, and we expect our

people to perform to those standards. That's our trademark, that's what we leave behind. We may not be the fastest contractors in town, but we have managed to maintain the same level of quality as when the company first started. We've done it by keeping quality issues on the top of the list at staff meetings, and by monitoring our sites. We visit every site (we usually have from three to six jobs going at once) every other day at a minimum. We make a point to comment on the work that's being done, whether it's to praise especially good work or to come down on work that's not quite up to standard.

Make yourself available. In our business, commitment also means that our clients can reach us at any time by pager. You have to decide for yourself your own level of commitment: Do you want your clients to be able to reach you 24 hours a day, 365 days a year, or something less?

The same is true of our crews and subcontractors, who use two-way radios to communicate with us and each other. We also have all of our subs' telephone numbers, including their home phones, so we can reach them when we really need to. We don't abuse this privilege by making routine calls to their homes, but we know we can reach them in the event of an emergency.

Tying It All Together

As your company grows and you take on more projects, you can no longer work as much in the field, if at all. This can be real scary at first, because you'll have to rely more heavily on your employees, subs, and suppliers. The systems we've described have helped us bridge this gap in confidence, but we still have a ways to go. To tie all of these concepts together, we are currently creating a procedures manual for our company. It's a much bigger project than we first anticipated, but once it's done we'll have a clear statement of our expectations for every aspect of our operation.



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