

Show Me the Money

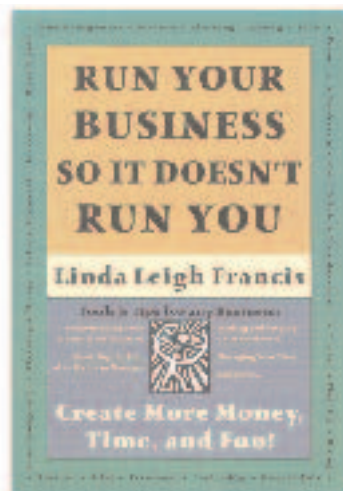
by Dave Holbrook

After a few years at the helm of a business, the pleasure you once took in your line of work can gradually change into something that makes you question your original motives or even your sanity. If you're like me (lucky if you're not), you need all the help you can get when it comes to business management. There's only so much time you can spend in the field setting a splendid example for your employees when you also have a business to run. Somehow, you have to keep track of everything that's happening, make sure that you're getting paid for all of your output, manage your time and work effectively, and still have a personal life. If it always seems that one of these things has to give way, you have a serious problem. If it's any comfort, you're far from being alone, which makes the market ripe for business authors.

Business books sometimes preach from a distance and dole out confusing mathematical formulas. They fail to address the special quirks and fundamental demands of the building trades or the needs of the business owner whose main strength is not business but plying a trade. The following two authors take a more intimate approach, writing directly for the tradesperson who has made the transition to business operator.

Who's in Charge?

I hate self-help books — ultimately, they only enrich the author. Although your business is all about you, it also has a life of its own and, as its steward, you can intervene positively when things go awry. Considering this, Linda Leigh Francis has aptly titled her book *Run Your Business So It Doesn't Run You* (2000; Borah Press, 1100 Road M, Redwood Valley, CA 95470; 800/222-0666; \$24.50).



Starting with the definition of an owner versus that of a worker, the author affirms what you no doubt already understand — you're no longer one of the pack, you're leading it. Behavioral changes are in order. If you don't know what those changes look like, you can find out here.

Time management is critical, and the author shows how you can get an efficient handle on your week.

As she states, "If you don't plan your time, someone else will." Finances have you scrambling in a squirrel cage, but there are actually some hard-number formulas embedded in your cash flow that can point the way out. By discovering your gross profit margin, you can establish a concrete sales goal based on the facts of your business and not some arbitrary number that sounds nice but may not be nearly enough. Profit-and-loss statements are an essential tool to be applied monthly, not annually. But you have to understand what they're telling you.

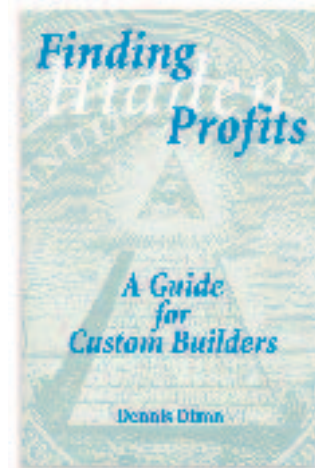
I found the explanations and examples in this book clear and the implications empowering. You cannot wait for tax time to discover where you're at and then hate your accountant for bringing the bad news.

The concept of open-book management is definitely worth a look. Showing all your cards to your employees fosters trust and team spirit. Francis writes persuasively about pushing past your "comfort zones" to expose the vitals of your operations and the importance of everyone's role in the big picture. Subsequent chapters include grooming your crew, hiring and firing, staying legal, effective sales, and biting into the whole "Yes, I Can" enchilada. The author makes a digestible meal of it.

Professional Services

Custom builders take pride in their ability to turn out a well-crafted building but, surprisingly, they also tend to forget themselves. That is, they may underplay their value before, during, and even after the project. Custom builder Dennis Dixon's book, *Finding Hidden Profits* (1999; Home Builder Press, 1201 15th St. NW, Washington, DC 20005; 800/223-2665; www.builderbooks.com; \$29), aims to define the game with one primary goal: Get paid for your expertise.

Expertise is defined as not only what you do, but how you do it. A short, bulleted list in the introduction outlines the premise: Determine your overhead, prepare accurate bids, calculate allowances, price change orders, customize your draw schedule, detail your specifications, and write comprehensive contracts. Dixon provides ample support for each of these concepts.



FREE & CHEAP

¿Es Claro? (You Got That?)

Ay, gringo, next coffee break, switch off Rush Limbaugh and pull out your pocket-sized *Construction Spanish* dictionary instead. The 120-page book is filled with colloquial job-site terminology sure to clarify expectations across the language barrier. Without it, you're missing half the fun — it could be the best \$5 you spend this year.



Contact: American Society of Concrete Contractors, 1801 Royal Ln., Suite 704, Dallas, TX 75229; 866/788-2722; www.asconconc.org.

Love That Dirty Water

Expand your grasp of wastewater treatment with the NSFC's 23-page booklet *Recirculating Sand/Gravel Filters for On-Site Treatment of Domestic Wastes* (item



#WWBLDM87). New advances are said to make this technology more attractive and reliable.

Contractors, developers, engineers, and health officials can all get their copy for \$3.70.

Contact: National Small Flows Clearinghouse, P.O. Box 6064, West Virginia University, Morgantown, WV 26506; 800/624-8301; www.nsfc.wvu.edu.

www.nsfc.wvu.edu.

Glue Guide

A new, free 24-page catalog titled *Adhesives, Sealants & Specialties* highlights over 100 products for a wide array of bonding applications. Hot-melt adhesives, liquid adhesives, cyanoacrylates, epoxies, and more are all indexed with their specific properties and suggested applications. Helpful tips are provided for optimal performance.



Contact: Bostik Findley, 211 Boston St., Middleton, MA 01949; 888/603-8558; www.bostik.com.

Pulmonary Primer

A free, six-minute video may not leave you breathless but promises to demonstrate the benefits and ease of installing Cedar Breather wood roofing and siding underlayment. Useful installation information and diagrams are also available on the company website.

Contact: Benjamin Obdyke, 199 Precision Dr., Horsham, PA 19044; 800/346-7655; www.obdyke.com.

La Vida Gypsum

Bring your VCR to work and train your Spanish-speaking workers in all aspects of drywall handling, hanging, and finishing with a free video in the mother tongue. You supply the sangria.

Contact: USG, 4849 North Scott St., Schiller Park, IL 60176; 888/874-2450; www.usg.com.

In one enlightening example, the author demonstrates three ways of accounting for profit. How you allocate your numbers is critical to your presentation. Would you rather show prospective clients or their banker a profit of 2.5% on the selling price of a home, or 17.5%? The difference is whether you include profit as an overhead expense or as part of the money left on the table after your expenses are paid. If you simply apply an arbitrary percentage for overhead and profit after calculating labor, materials, and subcontractor services, you may end up appearing greedy to your client while actually shortchanging yourself. A double loss.

While the author cautions against working with allowances, he explains why properly administered change orders are good opportunities for profit. He believes that you should control the specifications and use your own lump-sum contract to administer the job. Although he doesn't provide a sample contract, the list of items to include is fairly thorough.

Be advised that the author doesn't like negotiated contracts or cost-plus agreements and tells us why in all of two pages; however, he does offer some guidance for those who insist on one of these arrangements. He summarizes his position by saying that "...once you experience a tedious, time-consuming, detail-upon-detail negotiated or cost-plus project, you will stay away from them."

The author makes a case for your involvement early in the design process to "value-engineer" the project and offers a sample agreement for your services if you're approached. However, he doesn't tell us how to maneuver your business into the planning stage in the first place. Perhaps there's a good book on schmoozing out there — or is it called "design/build"?

The shortcomings of this book are few, and there are enough realistic examples and details here to make the case that a professionally managed job deserves a professional reward. 