

## Heading Off Problems Before They Arise

by Paul Eldrenkamp

You're running really low on gas, but you're rushing to make an appointment. You reluctantly drive right past the gas station and on to your destination. Just over a mile later your truck stalls, stutters, and stops. A 15-minute walk back to the gas station, 15 minutes back to your truck, and you're 30 minutes late and utterly stressed. If you had just stopped at the gas station in the first place, you'd be only 5 minutes behind. If you had filled up the night before on your way home, you'd be right on time.

This is an example of a leverage point — a brief moment of decision that has great impact.

### A Stitch in Time

The longer I try to make my way in this industry, the more I think about these moments, when I have the ability to make a great impact with a limited effort: taking ten minutes today to do something that will save five hours next week, or identifying the one chronic gap in my systems that causes 80% of my problems, or coming to grips with the one particular personal weakness that has caused me more grief over time than any other.

There are two ways of thinking about leverage: One is identifying the small actions that head off the incommensurately bigger problems, like taking 5 minutes now to fill up the gas tank rather than losing 30 minutes later when you run out of gas.

The other is more broad-based, and that is to establish policies and ground rules that keep you out of troublesome situations to begin with. Maybe you were running late the morning you ran out of gas because you had to make a 7:30 meeting and you're always scrambling to get to 7:30 meetings because the kids are always too slow getting dressed in the

morning. Explain to clients: "I schedule meetings between 8 a.m. and 4 p.m." Politely tell them to take it or leave it. Yes, it takes some time and effort and negotiation to get clients on board with this policy. But there's good payback: You can get the kids dressed and off to school and make it to your first meeting relaxed and in control. You also have time at the end of the day (having finished the last meeting by 4:00) to gas up for the next morning's first trip.

### Call Them Before They Call You

It's always amazed me how much more credibility I have if I call a client preemptively and say, "I need one more week to finish that proposal," than if I wait for the client to call me and end up saying exactly the same thing. On a daily or weekly basis, go through your client contact list and think about who's going to be calling you soon if you don't call. Make those calls right away. The net result may be just the same — a delayed warranty repair, a later start date for a new project, a higher estimate because of some new information — but clients will be much more inclined to put up with it, simply because you were the one taking the initiative on the call, not them.

### Say No Early

The earlier you say no, the easier it will be. The longer you delay, the fewer graceful exits will remain. Most of us know almost right away if a job, or client, or sub is just not a good fit for us. Instead of bowing out gracefully right then and there, we hesitate for fear of hurting someone's feelings, or looking foolish, or appearing hard to work with. Develop techniques for saying no with conviction: "I'm sorry, I don't think we'd be the best choice for

this job. I think the most useful thing I can do for you right now is disqualify myself and give you the web address of our local NARI chapter. Maybe someone on that list can help you."

### Get Paid

Ask for each payment confidently and with conviction, right when it's due. Just as with saying no, the longer you wait to ask for payment, the harder it will be to get paid. Learn not to be afraid to say, "Check's due today" with a smile and then to shut up and sit there, not saying a thing, still smiling, no matter how awkward the silence.

### One Problem at a Time

My esteemed colleague Kerry Bramon of Columbia, Mo., not too long ago got me thinking harder about something called Pareto analysis — in popular terms, identifying the one action that takes 20% of the effort but gets 80% of the result. For instance, if you have production problems all up and down the line, maybe you need to focus only on the schedule for a few months: Set realistic schedules; secure good crew, sub, and client buy-in to that schedule; then make a concerted group effort to get just one job done on time, to prove to everyone that you *can* do it.

Use the lessons learned on that one job to get the next two or three done on time. And watch the other, unexpected benefits you reap: probably greater job profitability because of tighter production; higher client satisfaction because you got in and out when you said you would; happier, and thus more responsive, subs who didn't get strung along day after day waiting for you to be ready for them; and higher crew morale because of reduced "project lag" syndrome —

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hanging out on a job that's dragged on too long.

### Work With Nature

With regard to staff development, I think the real leverage point is to understand that people don't really change. They can adapt up to a point, they can acquire some better habits, they can respond (short term) to positive or negative reinforcements, but fundamentally, by the time they're legally old enough to work for you, they're probably pretty set in their ways. So you can choose to either tailor the job description to the person (rather than the person to the job description), or be prepared to go through a lot of people before you find the right one for the position.

About a year ago, I had to fire a very fine carpenter simply because I kept trying to promote him (with his complicity) to a position he was never going to be the right choice for, and he ended up — surprise! — not being able to handle it. If I had created a different position to play to his strengths and work around his weaknesses, I'd have that really good carpenter on staff now.

Recently, I was faced with a similar situation: a lead carpenter who, once you got right down to it, didn't like people all that much. I could tell him to take a hike and lose a highly skilled employee; I could keep wasting time trying to make him a traditional lead carpenter with all the client and subcontractor contact that implies; or I could, and did, create a position of "Exterior Specialist" that allows him to do what he enjoys and keeps him away from the situations he will just never handle all that well.

### Don't Do What You Don't Do Well

The single most effective leverage point is probably acknowledging those tasks that you, as owner, will just never be able or willing to do. If you're

accountable for some particular task crucial to the successful operation of your company, and, after 5 or 10 or 20 years of owning the business, you still seem always to postpone or ignore or mishandle that task, it's time to face reality and admit you'll *never* do it effectively. Remember, we humans just don't change that easily. No options here: Delegate the task.

For example, I love sales; it's estimating that I hate. Imagine the havoc someone who hates estimating can wreak in a company that relies on quality estimates. It's like hiring someone who hates noise and dirt to do your demolition.

So I recently started subcontracting estimates to a contractor-turned-home inspector who was a little light on work with the downturn in home sales. I stay involved in the process, certainly, but only in a supervisory and organizational role — a role I'm happy with and can do effectively. Already, our estimates are more thorough, detailed, and credible to the field crew. They're done more reliably and more efficiently. And I have more time for sales — the task I enjoy to begin with. By making one 10-minute phone call to an "estimating subcontractor," I've saved hours of time and thousands of dollars in half-hearted estimates.

So think about these strategies for leveraging your time and energy, and implement as many of them (and others you come up with yourself) as you can. Remember that long walk back to the gas station.



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*Paul Eldrenkamp owns Byggmeister, a remodeling company in Newton, Mass.*