THE OFFICIAL EDUCATIONAL JOURNAL OF THE AMERICAN SUBCONTRACTORS ASSOCIATION

WWW.ASAONLINE.COM

- **How to Spot an Ideal Customer** by Jeff VanderLaan, CEO, and Leah Gradl, Corporate Marketing Manager Kent Companies, Inc.
- **How Subcontractors Can Avoid Payment Issues** by Mark A. Cobb, Cobb Law Group
- **Between a Little Rock and Hard Place** by John Wyatt, Walls & Ceilings Magazine
- When a Duck Isn't a Duck by Gregg Schoppman Principal, FMI Corporation
- **BD Outreach: Expanding Your** Sphere of Influence by Larry Silver, Owner, Contractor Marketing, Inc.
- **Pre-Qualification of** Construction Managers— An Essential Ingredient for a **Successful Project** by Roger W. Liska, EdD, FAIC, CPC, FCIOB, PE, Chair, AIC Constructor Certification Commission
- **Cultivating the Best Customers** by Tom Woodcock, Owner, Seal the Deal
- **How to Get Construction Clients: Top 5 Strategies that Work** by Patrick Hogan, CEO, Handle

American Subcontractors Association 1004 Duke St. · Alexandria, VA 22314 www.asaonline.com · (703) 684-3450 communications@asa-hq.com





EXCLUSIVE ALL-TERRAIN T/A° KO2° OFFER 30-DAY SATISFACTION GUARANTEE ROADSIDE AND WORKSITE ASSISTANCE PROGRAM

PLUS, A CHANCE TO WIN ONE OF TWO VIP RACE EXPERIENCES

Visit http://bit.ly/tradesmensweeps for official rules

BUILT THROUGH EXPERIENCE... EARNED ON THE JOBSITE

FOR MORE INFORMATION, SEE YOUR DEALER FOR DETAILS OR VISIT WWW.BFGOODRICHTIRES.COM/TRADESMEN.

BFGoodrich

TRADESMEN





## CONTRACTOR'S



#### EDITORIAL PURPOSE

The Contractor's Compass is the monthly educational journal of the Foundation of the American Subcontractors Association, Inc. (FASA) and part of FASA's Contractors' Knowledge Network. The journal is designed to equip construction subcontractors with the ideas, tools and tactics they need to thrive.

The views expressed by contributors to The Contractor's Compass do not necessarily represent the opinions of FASA or the American Subcontractors Association, Inc. (ASA).

#### MISSION

FASA was established in 1987 as a 501(c)(3) tax-exempt entity to support research, education and public awareness. Through its Contractors' Knowledge Network, FASA is committed to forging and exploring the critical issues shaping subcontractors and specialty trade contractors in the construction industry. FASA provides subcontractors and specialty trade contractors with the tools, techniques, practices, attitude and confidence they need to thrive and excel in the construction industry.

#### **FASA BOARD OF DIRECTORS**

**Richard Wanner, President Courtney Little Richard Bright Anthony Brooks** Brian Cooper Jack Austhor

#### SUBSCRIPTIONS

The Contractor's Compass is a free monthly publication for ASA members and nonmembers. For questions about subscribing, please contact communications@asa-hq.com.

#### ADVERTISING

Interested in advertising? Contact Richard Bright at (703) 684-3450 or rbright@ASA-hq.com or advertising@ASA-hq.com.

#### EDITORIAL SUBMISSIONS

Contributing authors are encouraged to submit a brief abstract of their article idea before providing a full-length feature article. Feature articles should be no longer than 1,500 words and comply with The Associated Press style guidelines. Article submissions become the property of ASA and FASA. The editor reserves the right to edit all accepted editorial submissions for length, style, clarity, spelling and punctuation. Send abstracts and submissi for The Contractor's Compass to communications@ASA-hq. com.

ASA is a nonprofit trade association of union and non-union subcontractors and suppliers. Through a nationwide network of local and state ASA associations, members receive information and education on relevant business issues and work together to protect their rights as an integral part of the construction team. For more information about becoming an ASA member, contact ASA at 1004 Duke St., Alexandria, VA 22314-3588, (703) 684-3450, membership@ASA-hq.com, or visit the ASA Web site, www.asaonline.com.

#### LAYOUT Angela M Roe

angelamroe@gmail.com

© 2019 Foundation of the American Subcontractors Association, Inc.

#### FEATURES

How to Spot an Ideal Customer
How Subcontractors Can Avoid Payment Issues 10 by Mark A. Cobb, Cobb Law Group
Between a Little Rock and Hard Place
When a Duck Isn't a Duck
BD Outreach: Expanding Your Sphere of Influence
Pre-Qualification of Construction Managers—An Essential
Cultivating the Best Customers
How to Get Construction Clients: Top 5 Strategies that Work25 by Patrick Hogan, CEO, Handle

## DEPARTMENTS

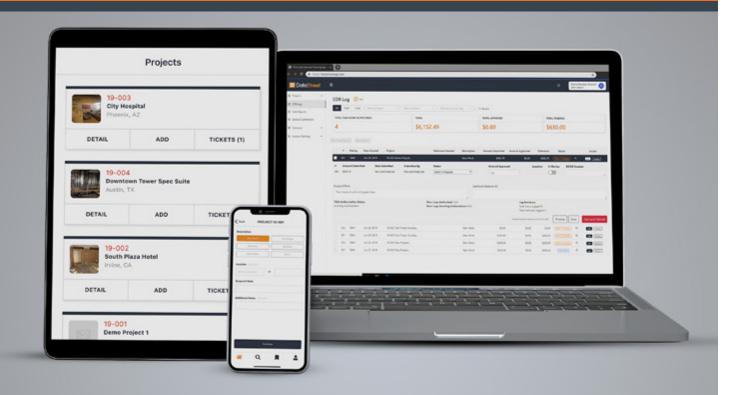
ASA PRESIDENT'S LETTER	5
CONTRACTOR COMMUNITY6	;

## QUICK REFERENCE

ASA/FASA CALENDAR28
COMING UP28



## New Look, New Features, Better Product Still getting Change Orders Right



- **®** T&M Tracking
- Fixed Price CORs
- **©** Real Time COR Log
- Schedule Delays

**Learn More** 





## PRESIDENT'S LETTER



Dear ASA Members:

First, let me start off by saying how honored and humbled I am to begin my term as your ASA President. It truly is a privilege to work with you all, and I am immensely excited for what this upcoming year has to offer. It is a wonderful time to be an ASA member, and I can't wait to see where the future takes us.

Together, we will work toward improving the needs of the subcontracting industry. Through advocacy, education, and leadership, we will continue the work of supporting the important issues that affect the work we all do each and every day.

I want to take a moment to highlight an upcoming event that I am incredibly excited about. On October 29-30, 2019, we will be hosting the ASA Legislative Fly In on Capitol Hill in Washington, D.C. Registration is open through July 31, 2019, and I recommend that you register today!

During this event, ASA members will have the opportunity to engage with our nation's lawmakers regarding the key policy issues that impact the construction industry. The ASA Fly In event will include time to meet on Capitol Hill with your members of Congress or their staff, a brief session on legislative priorities, as well as the opportunity to network with your fellow ASA members from around the country. ASA members who attend will receive training on how to lobby and the best ways to influence and work with our elected officials.

I look forward to seeing all of you at this incredibly important event in Washington D.C. I hope we all take advantage of this amazing opportunity to work with our leaders in our nation's capital. For more information, as well as to register, *click here*. See you in October!

Once again, I look forward to the next year together with you as your President of the American Subcontractors Association. We truly have a bright future ahead of us.

Sincerely,

**Anthony Brooks** 

President, ASA



## CONTRACTOR COMMUNITY

#### ASA Advocacy In Action: ASA Participates in Rep. Veasey Roundtable with House Small Business Chairman Nydia Velazquez!

On Friday, June 28th, incoming ASA Treasurer Brian Carroll (Sanderford & Carroll, P.C.), along with ASA of North Texas members' Brian Chester (United Mechanical) and Jollyn Mwisongo (ACARI Management Group), attended a Small Business Roundtable hosted by Rep. Marc Veasey (D-TX) in conjunction with House Small Business Chairwoman Nydia Velazguez (D-NY). The event, which was held at the Dallas/Fort Worth Chapter of the National Association of Minority Contractors, allowed construction subcontractors to explain barriers they face in contracting or subcontracting with the federal government. Our members addressed several subcontractor issues in our industry including prompt payment, retainage and change orders with Reps. Veasey and Velazguez, and

offered ideas on what changes the ASA would like to see at the federal level.

"ASA was well represented at a meeting with Congressman Veasey and the Chairwoman Nydia Velazquez of the House Small Business Committee. ASA was able to speak on behalf of subcontractors nationwide regarding prompt payment, change order and retainage concerns that impact the bottom line of its member and the greater subcontractor community. I was greatly appreciative to have two members of Congress sit down in a small group for a half-day to discuss and understand our concerns." – Brian Carroll, ASA Treasurer

## Are Millennials Flocking to Your Door?

If so, tell us how you are working to engage young people and new employees in the trades. Are you working with programs like *Helmets to Hardhats*? Does your company have a partnership with a local community college, university or apprenticeship program? How do you connect with your local community?

The American Subcontractors Association is currently working to gather all of your amazing ideas to be able to share with other ASA chapters around the country. Let us know how you reach out to young, new talent, as well as your best practices in each initiative.

Have something exciting to share? Email us your ideas at <u>communications@asa-hq.com</u>. We can't wait to hear from you!

#### NLRB Rules Overbroad Confidentiality Policy is Unlawful

An employer's confidentiality policy stated in part that "all information gathered by, retained or generated by the Company is confidential. There shall be no disclosure of any confidential information to anyone outside the Company without the appropriate authorization." Finding the rule unlawfully overbroad, the National Labor Relations Board noted that while the rule does not explicitly target wages and working conditions, the rule's definition of confidential information is so broad as to easily be interpreted to include such information. Employee wage rates, employment policies, handbook rules, and virtually all other terms and conditions of employment are information that is "generated" and "retained" by the Employer, and a confidentiality rule encompassing such information violates the National Labor Relations Act. We recommend all employers review their Employee Handbook annually to ensure compliance with all federal and state laws.

## Change Orders Amendment to the House NDAA Bill

In July, the House continued debate and voted on their National Defense Authorization Act (NDAA), which had 658 amendments attached to it. One



(LtoR): Brian Chester, Rep. Veasey (D-TX), Brian Carroll, House Small Business Chairwoman Nydia Velázquez, and Jollyn Mwisongo

of those amendments (#40), important to ASA and the construction community, was offered by Rep. Stauber (R-MN) regarding change orders legislation. Unfortunately, the House Rules Committee only accepted 439 amendments for NDAA's floor consideration and the Stauber Amendment #40 was not accepted despite the valiant attempt by Rep. Stauber, who prodigiously testified on the merits of the amendment to the House Rules Committee. We will continue to work with Rep. Stauber and the House Small Business Committee on next steps.

The Stauber Amendment (#40) to the House NDAA mirrored the language included in H.R. 2344 offered by Reps. Stauber (R-MN) and Veasey (R-TX), which would compel agencies to be accountable for changed work they order by funding their own construction projects in a timely manner, instead of diverting that financial burden to the small contractors. Mitigating the risks imposed on small construction contractors will encourage small business participation in the federal construction marketplace, driving competition and decreasing prices for the federal government. This "change orders" legislation would amend the Governmentwide Federal Acquisition Regulation (FAR) to provide prospective construction contractors with the following:

- information on bid proposals and the administration of construction contracts;
- improvement on payment protections for subcontractors; and
- prohibition of reverse auctions for design and construction services.

Ultimately, this legislation includes three sections that will be very important to the ASA membership:

- Equitable adjustments to construction contracts
- Provide certainty regarding claims under federal construction contracts
- Pre-bid transparency of federal construction services

More specifically, on the Equitable Adjustments to Construction Contracts Section, this language models legislation introduced by Rep. Fitzpatrick (R-PA) in the 115th Congress, which would do the following:

- Require agencies to report during the solicitation process when it is the agency's policy or procedure to bundle change orders for approval and payment at the end of the job, long after the contractor has completed the work.
- Require an agency to pay for 50 percent of the actual (incurred or committed) cost to perform change order work.

#### **ASA Capitol Fly In**

ASA members are encouraged to join the conversation on Capitol Hill by participating in a one-day Fly In to take our message directly to members of Congress and their staff.

Fly In program Includes:

- Meeting on The Hill with your Members of Congress or their staff
- A briefing session on ASA's legislative priorities in Congress and training on lobbying and influencing your elected officials
- Networking with your ASA peers from across the country

Registration: \$125 per person

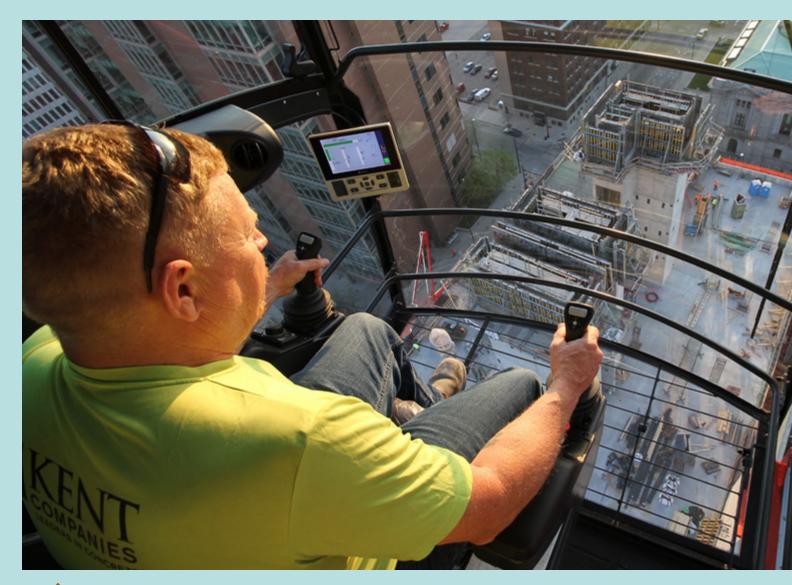
Registration is now open through July 31, 2019. Fees include briefing sessions, breakfast, group reception and dinner.

**Lodging:** We will be confirming hotel and booking information following the July 31st registration deadline. Rates for Washington, DC at this time of year are expected to be between \$300 - \$400 per night. For more information and to register, *CLICK HERE*.

#### The DIGIT Act

On July 10th, the Senate Commerce Committee debated S. 1611, the Developing and Growing the Internet of Things (DIGIT) Act, which would convene a working group of federal entities and private sector stakeholders tasked with providing recommendations to Congress on how to facilitate the growth of connected Internet of Things (IoT) technologies. The working group's recommendations would focus on how to plan for, and encourage, the development and deployment of the IoT in the United States. As Sen. Fischer (R-NB) stated, "the DIGIT Act would prioritize coordination of private sector experts with government agencies to help Congress create smarter policies. With this bill, we can continue to foster innovative solutions that deliver economic and societal benefits across many different sectors – from transportation to agriculture." The DIGIT Act unanimously passed the Senate in the 115th Congress.







## FEATURE

## **How to Spot an Ideal Customer**

How Smart Subcontractors Choose the Right Team and the Right Opportunities

by Jeff VanderLaan, CEO, and Leah Gradl, Corporate Marketing Manager - Kent Companies, Inc.

Trade contractors are facing swift economic tailwinds. Construction and development are booming across most of the country. Work isn't scarce, but in many cases, a skilled workforce is. It becomes the limiting factor in choosing which projects to build and when. As demand for services grows, trade contractors are more selective in choosing their customers.

During times of work scarcity, the scales are tipped in the general contractors' and construction managers' favor. Everything from price, to contract terms and work schedule are largely dictated by the customer. Even the most sophisticated trade contractors are pushed to make difficult choices between layoffs and low revenue or accepting job circumstances that they don't prefer.

In today's market conditions, the opposite is true. The scales are tipped in favor of trade contractors. Given the array of available work, successful trade contractors pursue only the best jobs with the best customers. General contractors and construction managers who embrace trade contractors as partners get the most attention. They understand how to work together to



solve problems and deliver projects in the most effective way.

Savvy trade contractors analyze what makes the best customers, and they focus their periodically scarce skilled trade resources on those customers. As a concrete specialty subcontractor, we look for these distinctions among our good customers.

1. Safety as a priority. Safety must always be the number one priority for every contractor on every jobsite. Preferred general contractors and construction managers approach safety collaboratively before a single shovel hits the dirt. They are proactive in cultivating a safe culture by engaging subcontractors in job hazard analyses in advance. This

- achieves safer job sites and better results than adversarial inspection programs.
- 2. Call early, call often. We appreciate general contractors and construction managers that approach us early on in the design and development stages. Design/build scenarios aren't new to the MEP trades, but getting subs involved earlier that aren't technically design/build provides a clear benefit to the subs and the project as a whole. Savvy subcontractors look for opportunities to provide input on constructability and logistics. We can ultimately save the entire project time and money. The earlier we get involved the more quickly we can hit the ground running when the drawings are complete.
- 3. Negotiate for value, not low price. A race to the bottom dollar doesn't benefit anyone. The notion that a cheap price is the best price is a mirage. The appeal of a low price quickly evaporates when arguments over change orders, schedule delays, missed scope, and general incompetence come to light. A yard of concrete or a 2x4 ultimately cost the same no matter who installs them. We look for general contractors and construction managers who focus on choosing the best subcontractor for the job, not the low-price provider. Their due diligence in budgeting through the design and development phases and collaborating to ensure a full scope at the best price will ultimately create speed, innovation, and job harmony. And subs that attempt to price gouge when facing high demand don't stay anyone's friend for very long.
- 4. Have a fair contract. General contractors and construction managers that present fair contracts that everyone understands are in a position to motivate everyone to work together. Smart subcontractors read

- contracts in their entirety, and they use them to negotiate fair terms with their customers. We watch for red flags like broad form indemnity, set-off, and unreasonable notice timing.
- 5. We can be friends. My wife tells our children that the only time you yell is when there is an emergency. The same is true at work, whether in the office or on the jobsite. Subs and general contractors that approach every project with an understanding that everyone wants a successful outcome get further. We have shared interest in doing more work together in the future.

Rely on each other's expertise.
General contractors and construction managers are successful because they are good at what they do. The same is true for trade contractors. Great customers value our point of view and give us the opportunity to contribute ideas and problem-solving approaches.
We hold mutual respect for each other's strengths, challenges and point of view. We know the best approach is to work together to develop solutions.

It's a good time to focus on your best customers. Creating valuable partnerships with the right general contractors and construction managers will pay dividends no matter the market conditions.

Kent Companies is a 3rd-generation family-owned business with expertise in commercial and industrial construction, mixed-use construction, multi-family housing, tilt-up concrete, post-tensioned cast-in-place structures, and a full range of concrete-related specialties.

Kent Companies operates nine offices and employs more than 1,500 concrete construction professionals nationwide. For more information please visit <u>www.kentcompanies.com</u>.



## **How Subcontractors Can Avoid Payment Issues**

by Mark A. Cobb, Cobb Law Group

Increasingly, subcontractors assume greater risks for their construction projects as the liability is pushed down from the owner to the prime contractor and then, in turn, to the subcontractor. The most prevalent risk to subcontractors is payment, as payment is a significant part of every construction contract. Furthermore, subcontractors often do not know much about the owner or the project financing, and they are usually the last to learn about payment or financing issues as the information makes its way down the construction tiers.

Ultimately, the more information a subcontractor has, the wiser the decision can be made as to whether or not to work on a project, and it may also give the subcontractor leverage in negotiating payment provisions in a contract. Although it may be tempting to accept work on every project a subcontractor is offered, performing due diligence will mitigate a subcontractor's payment risk and prevent problem-laden projects. The information below is applicable between a subcontractor and a prime contractor. In addition, however, a subcontractor (or supplier), may also use many of the same concepts to learn about the owner, developer, or design professionals involved in the project.

#### Reputation Is Important.

The key component in negotiating with the parties above a subcontractor rests in the subcontractor's reputation and reliability. If a subcontractor is known for anxiety-free performance and professionalism, it has the ability to dictate many of the terms of the construction contract. When a prime contractor wants a particular subcontractor, they are usually willing to retract some of the risks in exchange

for securing its services. A subcontractor who is able to pick the projects on which they work will have significantly fewer payment issues.

In addition to a subcontractor's reputation, building relationships between the parties is a cornerstone of a successful construction professional. General contractors and subcontractors who work together on multiple projects are more likely to have problem-free projects. Thus, we recommend that subcontractors work diligently to improve their reputations and to establish long-term relationships with the (quality) contractors with which they regularly work.

## Know the Parties Involved on the Project.

Construction projects involve scores of decision makers. These are often the principals of the entities or key employees of an entity. A quick search of the Secretary of State's business database and/or the company's website will give a subcontractor a list of decision makers behind the companies involved. It may be very useful to have an understanding of them to learn their business ethos and their position on pertinent matters. Recommendations we suggest to our clients include the following:

Internet Search: At first blush, this may seem juvenile to some subcontractors, but a simple Google search may alert them to lawsuits, poor recommendations, or other adverse information about a party; conversely, it may show professional awards, professional affiliations, and civic responsibility which may alleviate some of the concerns regarding a particular person or entity.

- Social Media Search: Many people freely share a large amount of personal information about themselves through social media. Looking at their lifestyles, priorities, religion, or political affiliation may give a subcontractor insight into their lives and potential struggles related to problem-solving. A subcontractor may learn about a decision-maker's personal issues such as illness or financial problem which could impact the project.
- Litigation Search: If a subcontractor is working for a local prime contractor or project owner, it can search the local court dockets for pending or recent lawsuits in which they are involved. Some jurisdictions offer this online, while others require that researchers visit the courthouse. A subcontractor may need to hire an attorney to perform this search for larger entities who work in multiple jurisdictions. Regardless, this can be invaluable information regarding the company's desire for litigation. Counsel can be contacted, and it is not unusual to learn about the construction histories from the opposing parties.
- Lien Searches: All liens (whether they have been paid or not) are public records and a subcontractor may search the lien docket. This can be a strong indicator regarding payment issues and provides the subcontractor with a list of others who had disputes with the contractor. Depending on the accessibility of this information, a subcontractor may need to hire an attorney to perform this inexpensive search on a subcontractor's behalf.

- Bankruptcy Searches: These searches will indicate whether or not a principal has been engaged in multiple bankruptcies. If this is the case, then a subcontractor may need to obtain certain assurances or guarantees prior to undertaking any work.
- Financing Information: Many financial records are available as public records—including personal and corporate debts, types of collateral, certain types of options, or lease agreements, etc. It may take a professional abstract company or attorney to locate and interpret this information, but for larger projects or new contractors, the information may prove very valuable.

## Avoid Financing the Project for the Owner.

With paid-if-paid and paid-whenpaid contracts, it seems as though the lower-tier contractors finance the project. Consequently, subcontractors must view their contracts (and those upstream) in the same light in which a surety would. Subcontractors are essentially relying upon the credit worthiness of those upstream.

Thus, it is wise to treat each new project as an opportunity to obtain information that can (i) help a subcontractor establish the party's credit risk, (ii) provide a subcontractor with leverage of negotiating, and (iii) help the subcontractor get paid in the event that payment issues surface in the future. Subcontractors may want to consider incorporating some of the following suggestions into their due diligence prior to signing any contracts.

Contractors vette their subcontractors; thus, it is only fair that they allow themselves to be vetted. Perhaps it should be called a "Project Assessment Form" rather than a credit application, but ask questions similar those asked by a surety for bonding purposes or those found on a credit application. A subcontractor may want

to consider gathering useful information such as the following:

- Get detailed information about the owner/developer/design professional involved and their prior and ongoing projects.
- Ask for physical addresses for the various parties.
- Ask for a copy of drivers' licenses.
- If possible, ask for social security numbers from the principals.
- Have the document witnessed (who can be subpoenaed if necessary).
- Include the subcontractor's terms and conditions for payment.
- Obtain consents to run background checks.
- Require personal guaranties (more than one may be required).
- Ask for references (and contact the references).



# SEE IF WE FIT.

We are committed to your success, not just a sale.



FRED & THE ODE FAMILY
3 generations | 33 years | 5,000+ clients

www.foundationsoft.com/asa  $\wedge$  (800) 246-0800

• If a subcontractor is concerned about the prime contractor's payment history, ask the owner to joint check payment to the parties to make certain that the money flows down to the subcontractor.

#### Negotiate a Better Contract.

Using its own reputation for reliability or using some of the information discovered about one or more of the project participants, subcontractors should try to negotiate the best contract possible. The following items should be a starting point for reducing or mitigating payment issues:

- Require financial assurances: The AIA contracts between the owner and a prime contractor require that the owner provide (throughout the project) financial assurances; there is no reason why a similar provision should not be included in the subcontract.
- Add a provision which allows the subcontractor to stop work or demobilize in the event that payments are not made in accordance with the contract. The contractor's response to this provision may give a subcontractor insight into the contractor's ethos.
- Include a provision which allows the subcontractor to add interest and attorney's fees to the past due amounts.
- In the event that payment issues erupt, make sure that the jurisdiction and venue provisions are acceptable to the subcontractor; if they are too inconvenient, negotiate a different location where disputes are to be handled.
- Often the amounts disputed are not worth the costs of litigation; make sure that the contract includes a provision that any payment problems (or other issues) are to be handled through mediation; this mechanism for dispute will likely significantly lower a subcontractor's legal costs and expedite payment from the owner or contractor.

- Negotiate a lower percentage for the amounts retained (8% is better than 10% for example); similarly, negotiate that retainage be released (or reduced) as certain milestones are met.
- In the event of a payment issue caused by the owner, negotiate the ability to contact the owner directly and/or receive payments from the owner.

## Enforce Legal Rights for Payment.

Throughout the United States, mechanics and materialmen's lien statutes grant subcontractors legal rights to access to those on higher tiers. However, these laws are generally strictly construed which means that subcontractors must meet every deadline and every obligation to enforce their rights. Thus, for every project, it is vital that the subcontractors know the following information and track any deadlines:

- Comply with the Statutory Notice Scheme: Does the project require any preliminary notice from the subcontractor to the owner or the general contract before or contemporaneously with the commencement of work in order to preserve lien or payment bond rights?
- <u>Lien Waivers:</u> Are lien waivers required with PayApps, and, if they are required, are the lien waivers contingent upon payment (or expire after a certain date)?
- Payment Bonds: Is the project covered by a payment bond for the subcontractor's benefit?
- Prompt Payment Act: Is the project's jurisdiction covered by a Prompt Payment Act? If so, the subcontractor should be aware of its rights and obligations under the act.

- Contractual Notices: It is imperative to know each construction contract and to timely and correctly send any notices required under law or the contract. Furthermore, text and email strings are usually not the proper forum for a formal notice. subcontractors need to put the notices on their letterhead and send them to the contractors.
- Claim Deadlines: Every subcontractor should know the lien and/or payment bond claim deadlines, and correctly and timely file its claim of lien and/or claim against the payment bond.
- Perfection Deadlines: Every subcontractor should know how liens (or payment bonds) are perfected, the deadlines, and requirements for taking this vital step.
- Retainage: Subcontractors should not forget about retainage. They should know whether or not it has any rights to make a claim against the retainage which the owner or prime contractor may be holding.

Subcontractors and suppliers who want to avoid payment problems perform due diligence on those in the tiers above them. This is a brief summary of some of the steps that can be taken to prevent payment issues. No one wants to perform work for free, and following these suggestions and developing others can make a significant difference in a subcontractor's bottom line.

A leader in Georgia construction law for more than 25 years, the Cobb Law Group brings expertise, experience, and knowledge to your team. Focusing on project development, construction contracting, construction litigation, and payment issues like materialmen's liens and payment bond claims, the Cobb Law Group understands your goals and needs. For more information, email: mark@cobblawgroup.net or visit http://cobblawgroup.net



#### **Between a Little Rock and Hard Place**

Little Rock's Platinum Drywall explains what it means to be a contractor in Arkansas—and beyond.

by John Wyatt, Walls & Ceilings Magazine

Located in Central Arkansas,
Platinum Drywall Inc. is a commercial drywall contractor working in
Arkansas and surrounding states.
The company's mission is to deliver top level services to all its customers.
With projects ranging from \$3,000 to \$8 million, no project is too big or small. Some of its services include drywall, metal framing, fire and sound caulking, acoustical ceilings, acoustical wall panels and more.

At this year's CISCA in National Harbor, Md., Platinum's President, Anthony Brooks, caught up with *W&C* to talk about business and how the company has branched from Arkansas and beyond state borders.

Anthony J. Brooks has been a mainstay in the construction industry for more than 30 years. He has been involved in all aspects of commercial construction including: drywall installation, safety, estimating, project management, accounting, and president/owner.

In 2001, Brooks started Platinum Drywall with the vision of delivering platinum level services. He is actively involved in the American Subcontractor Association at the local and national level, Associated General Contractor and American Society of Professional Estimators. Through his industry engagement, Brooks has traveled across the United States attending several presentations and witnessing several keynote speakers on the dynamics of the construction industry. His position allows him to see the state of modern day construction and serve as an advocate for the next generation of construction workers.



In 2014, Brooks (pictured above), along with Platinum Drywall, was recognized as the "Arkansas Regional Minority Business of the Year."

"While we provide our services to a wide variety of job types including office buildings, medical services, retails and schools; we have established ourselves as the go to provider in the area of performing arts venues [as well]," says Brooks. "From the complete renovation of the historic Robinson Music Hall here in Little Rock to the new construction of the Murphy Arts District in El Dorado and including numerous high school performing arts venues and movie theaters, we feel our attention to detail gives the audiences of these venues to receive the best entertainment experience they can.

"We are currently adding prefabricated, molded drywall components," says Brooks. "We have a pilot project

in which we will build over one mile of a common soffit profile in which we are using the prefabricated drywall components."

Currently, the company has a workforce that runs between 100 to 120 people, with an administrative staff of about 10.

The company has seen a lot of growth over the past 18 years. It started as a two-person company, specializing in tenant improvements and now Platinum Drywall is doing ground up to multi-level, high-rise projects.

"Business is good, we continue to see a good flow of bid invitations and our backlog is exactly where we want it to be," says Brooks, adding that the company has experienced multiple years of consistent construction projects.

Brooks says that being part of a team that transforms concepts into physical buildings is what's most rewarding to him professionally. Yet, he asserts that developing and maintaining a qualified workforce in such a labor-intensive trade has been the biggest challenge for the last few years.

"Sustainable long-term growth of the company will be driven through the development of our workforce and integration of technology into our production methods," Brooks says, concluding his interview.

This article was originally published by BNP MEDIA LLC in the June 2019 issue of Walls & Ceilings Magazine John Wyatt has been with Walls & Ceilings Magazine since 2000.



#### When a Duck Isn't a Duck

## A brief look at root cause analysis to common issues in construction industry firms

by Gregg Schoppman, Principal, FMI Corporation

Go with your gut or lead with your first instinct. These wise words often provide leaders a gut check when confronted with challenging or difficult decisions. There are plenty of situations where one's instincts are accurate and lead to the right strategies and tactics being deployed, although decision-making requires a deep understanding of the facts and time is not always a strong ally. When confronted with a seemingly "easy decision," leaders are quick to act with the seemingly easy lob they are tossed. Consternation has no place when business moves at frenetic break neck speeds. However, without careful rumination of the root causes, leaders can make decisions that simply treat a symptom rather than the true cause of an issue. Great leaders make decisions based not simply on superficial information; they dig deep enough to discover real solutions. There are

numerous situations in the construction issues within firms will expose a more industry that lend themselves to deeper insidious root cause. Consider a firm's reflection.

#### **Shop/Yard Support**

"Our Yard Manager is very weak – he/she never gets us the materials, equipment, (insert item here) when we need it. I think we need a new manager..." The quick decision would be to source a replacement equipment manager. Problem solved. Or is it? Digging deeper on one of the most common

issues within firms will expose a more insidious root cause. Consider a firm's supervision—how many calls to the equipment manager occur daily? Better yet, how many of these calls would constitute "emergency calls?" Figure 1 is a quick illustration of this phenomena.

Over a seven-week span, the ratio of calls reflected at its worst a 22:1 ratio of emergencies/planned calls to its best of 4:1. No one will disagree that emergencies in the construction

Week	Planned Calls	Emergency Calls	Emergency to Planned Ratio
1	5	35	7:1
2	10	50	5:1
3	10	80	8:1
4	2	44	22:1
5	5	25	5:1
6	7	28	4:1
7	5	35	7:1

Figure 1

industry are commonplace. However, they often become a rule rather than the exception—too often favoring reactionary behaviors in lieu of proactive planning. The costs associated with emergency deliveries, quick shipments, last minute rentals, and the overarching lost productivity on job sites can quickly erode margins. The knee-jerk reaction is to cast aspersions on the equipment manager when the real culpability lies in the reactive behavior of field leaders.

#### Collections

"Our Controller/CFO isn't doing a great job. Our collections are out of whack." This is a classic case of shooting the messenger. For many organizations, the Finance Department is the last bastion of money management. The reality is that many of these issues concerning timely collection fall squarely on the operations team. Who is closest to the project? Who influences the invoicing process? Who handles those pesky change orders that often snarl collections? Accounting may have a stake in the process, but if the managers are "hands off" then no one is managing the money.

#### **Cost Overruns 1**

"Our estimating is horrible. We always overrun the budget..." There are many ways to look at this comment. The answer is usually in between. For instance, does estimating get adequate feedback on a project through some sort of post-job review or is the feedback limited to anecdotal water cooler chat? Put another way, does the project team close the loop on all project costs, including items that may have positively impacted costs (READ: Those items you beat the budget on but estimating never hears about). This doesn't even begin to touch on issues related to "cost to complete" exercises which sometimes look more like beautiful works of fiction

but may be project managers simply manipulating cost codes. In total, there is no shortage of complications that stem from a lack of job cost integrity.

#### **Cost Overruns 2**

"We cannot make money on (insert phase code here). Maybe we should get out of that business..." This is a profound business decision—where to play and where to exit. However, consider this scenario:

A drywall company has three labor cost codes – Framing, Drywall, and Finishing. A superintendent charges time to the framing code only to realize they are over budget in that category. The superintendent moves the time to the drywall code and then begins to overrun that budget as well. Finally, after entering the finishing stage and subsequently overrunning that budget, the company deduces that it is a poor finishing company. The firm may be strong at finishing but the cost reports show otherwise.

First, why would a superintendent charge time inappropriately? Is it ego? Is it to avoid an awkward conversation or a write up? Examine this root cause first. Once that is determined, leaders can make more informed decisions on what trades, niches, markets, etc. they truly have a competitive advantage and what trades are loss leaders.

#### The Compensation Discussion

"We must not be paying our people enough-they keep leaving..." In an employee-driven market, one could easily miss the true root causes here. Compensation is a tricky game that seemingly never has a strong solution. However, don't always confuse compensation for being the real reason behind employee flight. It is an easy out. People mainly leave companies because of their relationship with their immediate supervisor and culture. Many employees will work for less when they are surrounded by a strong team that has a positive culture. There is no question that some individuals are monetarily motivated, but it would be faulty to view everyone through this

same lens. A firm can spend a great deal of money on this problem only to find they are a toxic cultural cesspool. At that point, it is really hard to "get the toothpaste back in the tube."

#### The Best Customer

"They are our best customer. We've worked for them for years and they give us all of their work yet we never make any money..." The vortex is strong with this comment. Rather than looking at the share of the customer's wallet, look at WHY they are selecting your firm? If the answer is "because we were always low," you might have correctly correlated your success rate to your declining margins. Many customers will accept mediocrity, especially if they have budgetary considerations. If they see no additional value, the only equalizer is cost. If your firm is not routinely examining their estimating/actual costs on a client/market/ niche basis, it could be providing work for free. In that case, it is no wonder why you get all your customer's work. Make sure you are being selected for the right reasons.

Decision-making is not easy and in a sea of data, it is tough to make informed decisions when business is moving at the speed of light. Senior leaders must take stock in their strategy and avoid these status quo responses. Without discernment, it is easy to see a flock of ducks that simply cloud our judgment as leaders.

FMI is the largest provider of management consulting, investment banking, and research to the engineering and construction industry. FMI works in all segments of the industry providing clients with value-added business solutions. For more information visit <a href="https://www.fminet.com">www.fminet.com</a> or contact <a href="mascape-geology: gschopp-man@fminet.com">gschopp-man@fminet.com</a>.



# ASAdvantage 2019-2020 Program

AMERICANS SUBCONTRACTORS ASSOCIATION, INC.

AN AFFINITY PROGRAM OF SIGNIFICANT SAVINGS & BENEFITS FOR ASA MEMBERS

WWW.ASAONLINE.COM

#### ASADVANTAGE PARTICIPATING PROVIDERS



National Purchasing Partners



















## **BD Outreach: Expanding Your Sphere of Influence**

by Larry Silver, Owner, Contractor Marketing, Inc.

Every Architectural/Engineering/ Construction (AEC) firm needs to reach out and expand the impact of its company in the marketplace. Often this pioneering assignment is given to the business developer as their primary responsibility. I understand this thinking.

However, it is wiser to employ a team approach to expand the firm's reach, not just counting on one position to perform it. We have beaten the drum of this cultural business concept for 25 years nationally.

That is, that every person in your firm has some responsibility for business development, and every person knows others in their community—industries, schools, clubs, organizations, family, friends, neighbors, etc., who can help you learn about potential future relationships and business opportunities.

#### Industry

The first place to shine is your own industry, in this case the AEC industry. Be a leader or work your way toward that goal of standing out in your own marketplace and in your own trade as a subcontractor. Delegate to your staff the important role of serving on Boards and taking leadership opportunities within construction

Even a smaller firm can make a difference, especially if you employ your resources in a prudent fashion. Make it an imperative for each employee to serve within construction and to create goodwill by faithfully serving some beneficial cause that relates to construction.

#### **Niche Market**

Secondly, marshal your firm's resources in the niche market or trade in which you have branded your firm. Encourage every employee to be involved with trade events, association meetings, networking functions, and the like. Let your company be known to your

target market through people investment in a variety of ways. Be creative and be proactive to reach out where there is limited AEC involvement, so you can stand out and exemplify an above-average supplier of your services.

## Chambers and Business Groups

Sprinkle your people's involvement in the local Chamber events and the Rotary or other business groups that meet regularly in your region. There are business networking groups, industry-focused organizations, and the like. You have limited time and resources, so be selective where you place them.

This time investment of your people should be part of their regular responsibilities. Reward them for it and especially for any results that they see over time. We are in a service business where trust and good relationships are the name of the game.

#### **Clients and Prospects**

It may be obvious, but many AEC firms do not do a good job of staying in touch with their clients. This is a strategic mistake that will cost your firm business and profits. Have a clear follow-up plan to reach out to existing and former clients and involve fresh and new faces so that your clients can see your growth and stay in tune with your firm's offerings. If you have four or five relationships between your firm and your client's, the odds go up dramatically of you finding out about current opportunities and potential involvement. Meet as a team to discuss these opportunities and make sure you place the new execs from your clients into your mailing database to receive ongoing information about your firm's news and events.

This same approach makes sense for A-level prospects. Stay in touch with them and ask questions of their business, so you stay in tune with the latest/greatest happenings. This may seem like common sense, and yet, we find that most AEC firms do not have these basic approaches and standard operating procedure within their organizations.

#### **Database Expansion**

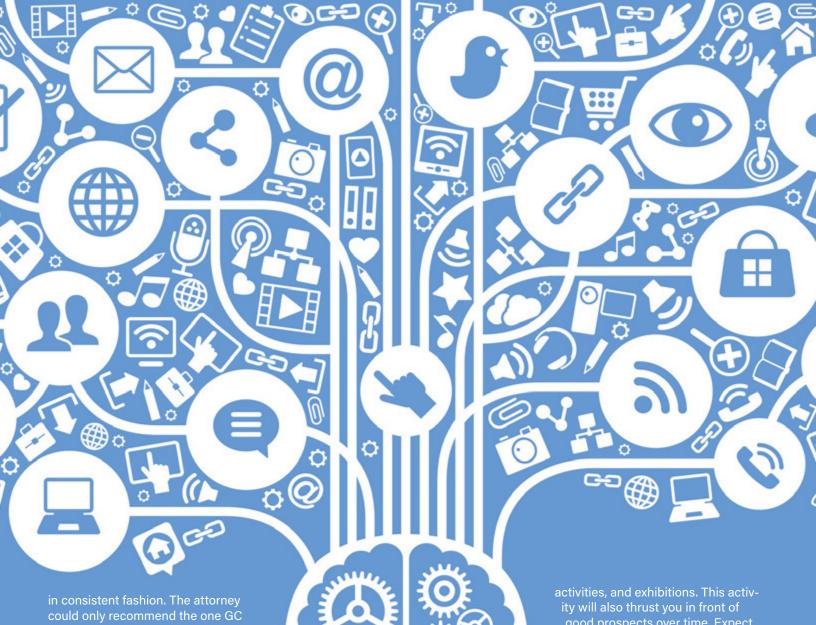
As you consider the overall approach to expand your influence and business in your area, realize that it takes effort to maintain and grow your current database of contacts and to keep that communication clear and available. I am a proponent of Customer Relationship Management (CRM) software and there is not a better tool or method for keeping updated on all these external communications efforts.

I recommend having an internal champion (probably some very adept administrator) to have set goals for taking your whole staff's efforts to find new contacts (in every category) and to add them into the database for consistent communication over time.

#### An Outreach Example

One example of the power of this effort is a Chicago-based GC who was very meticulous and careful to implement what we are espousing here. They took all the business cards from a sales meeting and entered them into the computer, bringing them back by the end of the meeting. One local owner was considering three short-listed GC's to construct their \$10 million facility from the ground up.

The owner brought their attorney in to review the three proposals and it was a record-fast choice to select the winner. The attorney only knew the one firm and had not heard of the other two firms. The attorney had visited a job site of the GC several years before, and like clockwork, had received a quarterly project postcard and other information from the GC



they knew in good faith. The owner immediately acted on that recommendation, awarding them the project.

#### **Summary**

So, in summary, make every effort to reach out through your resources to touch those in your marketplace with a clear branded service that you offer. Use your employees to the fullest and strategically place your team where they can bring the best return.

try and be a leader, serving helpful pro-Place some of your resources and people focused on your target market or trade clients. Go to their events,

good prospects over time. Expect your employees to invest in these external and strategic approaches.

The difference you make outwardly will impact your bottom line and give your firm a place among the top players in construction. It may take some time, but stay at it and you will soon be a Best-of-Class contractor.

Larry Silver is a construction conhelp implement sound strategic planning that can help grow and propel a business to achieve both their short-term and long-term goals. For further information, please visit

contractormarketing.com.





**Pre-Qualification of Construction Managers— An Essential Ingredient for a Successful Project** 

by Roger W. Liska, EdD, FAIC, CPC, FCIOB, PE Chair, AIC Constructor Certification Commission

With ever-increasing costs of construction and the need to complete quality construction projects in a timely and safe manner, it is critical that owners utilize professional and ethical designers and constructors on their project teams. Currently owners require that the project design teams are composed of licensed architects and engineers. The license is an individual professional qualification that ensures that their facilities will be designed to the project specifications and meet all applicable building codes for owners.

As for construction companies, while owners require that they be licensed in the states in which they are building, the license does not serve as an individual professional qualification (as licensing does for architects and engineers) for all of the managerial construction personnel within any one construction firm. However, there are national certifications for professional constructors that are recognized as being equivalent to individual licensing of architects and engineers. Thus, it is in the owner's best interest to require certified professional constructors on their project construction teams. Many construction-related professional organizations have developed professional certifications based on specific type(s) of project delivery systems and/or contract methods. The American Institute of Constructors has developed a comprehensive two-level constructor certification that covers all types of project delivery and contract methods for both general and specialty contractors.

The Associate Constructor (AC) certification is the first level and is awarded to those individuals who have either a) graduated from an accredited

university construction education program and passed a third-party comprehensive examina-tion on the fundamentals of construc-tion, or b) have attained a minimum of four years of qualifying industry experi-ence and passed the same certification examination. The Certified Professional Constructor (CPC) certification is the second level and is awarded to those individuals who have attained their AC certification and have acquired at least four years of experience managing construction projects, or who have met the requirements to sit for the AC examination and have an additional four years of experience managing construction projects. The individual also must take and pass a third-party developed certification examination on the application of the fundamentals of construction.

Both the AC and CPC certifications are accredited by the American National Standards Institute. In addition, the CPC certification is recognized as the professional qualification for constructors that is equivalent to licensing of architects and engineers.

Many owners and public entities are currently realizing the benefits of the CPC certification. For example, Clemson University and Texas A&M are now placing language in their Requests for Qualifications and/or Requests for Proposal documents indicating preference in their contractor selection method for those companies who will have CPCs as part of their project management teams. One example of

effective pre-qualification language is as follows:

> Provide a list of the key personnel that will be assigned to the project along with their experience and some assurance of their ability to achieve the project goals. At a minimum, the key personnel include the proposed project preconstruction manager (and any key pre-construction specialists, including estimator), project superintendent, project manager, project director, and executive in charge. Summary resumés of key personnel shall include education, professional certifications, licenses and affiliations (e.g., Professional Engineer, Registered Architect, American Institute Constructors AC and/or CPC, etc.), and relevant project experience. Increased consideration will be given to firms that propose staff with these professional certifications.

The states of Oklahoma and Texas contractor licensing boards recognize the CPC professional qualification as acceptable to perform construction management work in their respective

(continued on next page)



## **Cultivating the Best Customers**

by Tom Woodcock, Owner, Seal the Deal

The challenge in developing a customer base is determining which customers represent the best possible opportunity. Which pay the best? Which are easy to work with? Which are the least demanding? Companies market themselves to death to try and attract exactly these types of customers. That's the core problem: thinking all you need to do is attract the really good customers. It's kinda like the woman who only seems to attract loser men or the man who only seems to attract needy women. I know—a harsh but accurate metaphor. Available perfect customers are virtual unicorns. The key is you don't attract them, you build them!

This is the secret in building a customer base loaded with grade-A clients. As with any desire to get ROI in a sales effort, you must ask what are you willing to invest? Too many companies rely on passive efforts to gain business and sales. They sporadically meet with clients and usually, in construction, only in relation to an upcoming project. This is not enough to build a quality customer base. The investment of time and resources is imperative to achieving this end. Cutting corners or limiting customer contact can reduce the depth of relationship. Just evaluating good customers from poor customers is not a way to define where

you're going to put your sales attention. If a customer doesn't feel you're invested in the relationship, they can just as easily use your competitor.

The deeper the client relationship, the stronger the trust bond. The greater the trust, the more willing the customer is to accept your interpretation of the project scope as well as pricing. They believe you would only be fair with them and you're looking out for their best interests above your own. Establishing this level of trust directly hits your bottom line. How do

you achieve this level of

relationship? Well,

it's not as hard

as you think.

lunch, coffee, and happy hour meetings that sometimes seem fruitless. At some of them you don't even talk about a project. You may just laugh and discuss your favorite team's season. You might even discuss their son's or daughter's achievements. Wow, maybe you don't even discuss business at all. Black and white thinkers see this as a colossal waste of time. Hope those people work for your competitor! A key point is to really invest in developing the friendship—outside of a simple project relationship. If you do, when a project does arise. you're the go-to

First, you must set aside time for the

on your area of expertise. But, if you're not taking the time to have these encounters, vou'll never be considered more than a viable supplier. What a great moniker, a "viable supplier." What a position to aspire to. Truth be told, that's what most contractors are to their customers.

Second, you need to budget resources to entertain or recognize your customer base. People still appreciate a good lunch meeting, a round of golf, or a game. Ah, I can hear the CFOs out there sighing in frustration. Money wasted so sales personnel and custom-

ers can go play. What an extravagance. I've faced this my whole sales career. I even do with my staff now. If I hear one more "I hope you had fun!" in that condescending tone I'm sure many of you have heard, I'm going to snap! Yes, we did have fun!

Lord knows you wouldn't want to have fun with a customer. Why on earth would you want positive life experiences with someone who can give you business? The last thing you want is to spend \$100 on a client that can award you thousands or millions of dollars in contracts. This isn't a license to abuse the privilege, but let's get past the petty jealousy. We're going for significantly higher and deeper levels of relationship here. That takes a greater investment. You get out what you put in. It's that simple.

Third, you need the support of staff and company management. They need to realize you're going for a uniquely deep customer relationship. They need to want that to happen and be willing to do all that is feasible to make that happen. This means assisting in processing paperwork, capturing information, and performing with a level of excellence. This can free up the sales agent to truly dive deep into their customer relationships. If all hands are on deck supporting the sales effort, results traditionally follow. An internal team that is mature enough to understand the need for a sales team to have the space and support to graft customers into the fabric of the company, will reap tremendous benefits.

The challenge for many companies is to adopt a sales culture that gives sales relationship development its proper priority. Allowing the sales personnel to actively pursue relationship opportunities displays a degree of sales maturity not common. The construction industry isn't known for this type of sales acumen. The pressure of bidding drives the transaction towards price. This negates the role of relationship and creates a level playing field regardless of a contractor's competence or integrity. Contractors would like customers to decide on these factors over price, but don't give enough attention to developing relationships to overcome the force of bidding. Securing premium customers is never achieved through pricing formats.

I'll often hear one contractor say how much they love working for a particular customer while another says that they'll never bid that same customer again. How is that possible? Well, the most dividing factor between those two perspectives is simply the level of relationship development. If you have a deep connection, communication lines are clearer and issues are resolved quickly. The customer doesn't want the contractor to actually absorb a loss and will work to find an amicable solution to a problem. Those with less or no relationship will be treated more abruptly, and the customer will tend to protect their own interests. Often the customer is blamed when in reality, the contractor didn't invest in developing a relationship. The fact that many who have sales responsibility for contractors also have other important roles. Whether it's project management, estimating, or even administrative needs, they all eat away at sales focus. It's difficult to be impactful in regards to sales when your attention is spread over so many areas. Once a project starts, the opportunity to work a strong sales effort diminishes.

Cultivating premium customers is the responsibility of those doing the selling. Putting the onus on the customer to be premium is a reverse rationale. A company that makes a conscious decision to invest in deep relationship development will see the loyalty and commitment they long for from their customers. Those that choose not to make that investment will battle the low bid game going forward!

Author and critically acclaimed speaker Tom Woodcock is known as one of the most dynamic sales trainers and consultants in the sales industry. Each year he speaks to thousands of people about how best to use his techniques and skills to compete in today's intensely competitive economic climate. For more information, please visit <a href="https://www.tomwoodcock-sealthedeal.com/">https://www.tomwoodcock-sealthedeal.com/</a>

#### Pre-Qualification of Construction Managers — An Essential Ingredient for a Successful Project,

cont'd. from pg. 21

states. Finally, progress is being made to have the CPC certification accepted by various segments of the Federal government. Owners are discovering that having CPCs on their project management teams provides an added level of assurance that their projects are being constructed and managed in a more professional and ethical manner.

While the CPC certification is relatively new as compared to state licensing of architects and engineers, it is becoming more recognized and accepted by the construction industry as the only third-party national certification for all types and sizes of general and specialty construction contractors no matter the type of project delivery method. The certification documents that the holder has extensive expertise in the key construction disciplines derived by education and the job problem solving experience.

Constructor certification is the mark of a true professional in the construction industry, indicating the individual has met the educational, experiential, and professional standards needed to uphold the obligations of the profession. This includes helping to meet and exceed owner expectations of their construction project management team. By requiring construction companies to provide certified constructors to serve on their project teams, owners should experience more effectively managed projects.

Roger W. Liska, EdD, FAIC, CPC, FCIOB, PE, is chair of the AIC Constructor Certification Commission. For more information about constructor certification visit www.professionalconstructor.org.

## Are you trying to make your GC software identify as specialty software?

Save the time, money, nips, tucks, tweaks and maintenance of trying to make GC software fit specialty needs

Contact Plexxis

t

connect@plexxis.com

www.plexxis.com





## **How to Get Construction Clients: Top 5 Strategies that Work**

by Patrick Hogan, CEO of Handle



Clients are the lifeblood of any business and the construction industry is no different. But with the way the payment system works in the industry, especially the long period between billing and collection, having a steady income from regular clients and expanding your client base makes a huge difference. So how do you get the best clients? Here are some strategies that you can employ to attract a steady stream of customers to your construction business.

## 1. Don't wait for referrals. Ask for them.

Word of mouth is a powerful thing in the construction industry and referrals

are one of the best ways to get new clients. You are missing out on a lot of opportunities to get new clients If you don't have an effective referral system in place. One good recommendation from a trusted client can be more powerful than an expensive marketing campaign.

However, getting referrals is a tricky process. Most of the time contractors just wait for referrals thinking that since they did a good job with the project, the satisfied client will put in a good word for them. But this is far from reality. Most clients are busy people and they might not go out of their way to recommend you. So what should you do?

The best way to get quality referrals is to ask your clients directly, but you need to be strategic in how you approach them. First, approach clients you are sure are happy with the job. Even if you exert a little more effort in ensuring their satisfaction, the extra work is worth a good referral.

Next, reach out with a simple message asking about their feedback on the project and add, "Do you know anyone who could benefit from our services?" Remember that most people like to help other people. Asking them directly will help them remember specific individuals who may need your services and connect you with them.

## 2. Apply for business awards and accreditations.

Awards and accreditations add prestige to your company and build your brand. After all, being able to call your service "award-winning" will appeal to a lot of potential clients.

Before you get to awards, however, it is best if you focus on accreditations to build your credentials. Depending on your specific field, you may find associations that provide certifications to your business. You can feature these accreditations on your website and social media profiles, and even send out press releases to let people know your business has recently been accredited.

For the awards, you will need to take time planning your application. Start small and go for local awards in your area. Think about which award you want to target and the type of construction project that is likely to win. When you find the job that you are looking for, make sure that you will be able to deliver before the deadline.

#### 3. Optimize your online presence.

One channel you should not neglect is your online presence, especially your website and social media accounts. More often than not, people go online to search for a lot of things and that includes prospective clients looking for construction services. To tap this potential, your business needs to be at the top of the first page of the search results and you can do that with a process called search engine optimization.

The way search engines like Google work is by pairing each user's search input with what they think is helpful and relevant. The whole search engine optimization process starts by finding the right keywords that your target audience looks for. This is where online tools like Google's own *Keyword Planner* can help you. Make a list of your services and search for relevant keywords using the tool. You can uncover keywords and phrases that people search online to look for the specific services they need.

After getting the right keywords and phrases you can begin creating website content that addresses them. Creating fresh content on your website will signal search engines that your site is active and updated. If the content that you publish is unique and compelling, it can establish you as an authority in your field.

One thing to note about keywords is that you get better results when you narrow your choices down to specific keywords, such as adding location keywords. For example, if you are providing plumbing services in Los Angeles, you can target "plumber los angeles" instead of simply "plumbing" or "plumber." By including the location you are targeting users in your area who are more likely to become clients.

## 4. Create blog content for your ideal audience.

As previously mentioned, the way you can optimize your online presence is by targeting the keywords that your target audience searches for and creating content for them. If your website has no blog yet, then consider adding one that will serve as a platform for your content.

One of the most effective ways to use your business blog is by creating content that your ideal clients would want to read. For example, if you are a guttering contractor, you can share tips on how to maintain gutters during the rainy season or which type of gutter to use based on the area. Not only will this type of content keep users on your site, but it is also a chance for you to show knowledge of your field.

## 5. Sponsor local programs and events.

Creating a targeted marketing campaign is harder offline compared to online. You can spend a lot of dollars on mass-market advertising without getting good results. With sponsorship, however, you can reach specifically targeted niche markets without any wasted expenses.

Sponsoring local programs and events provide several benefits to your business. It brings awareness to your brand directly to an interested audience. If you sponsor events that appeal to your target market, not only will you be able to reach potential clients but also create new relationships with potential business partners. Events are great places to meet non-competing businesses who also target the same audience as yours. So, if you are also in the market for new partnerships or supplier relationships, find out which businesses are participating and prepare your pitch.

Sponsorship is also another opportunity for you to show your expertise and deepen your knowledge of the field. In trade shows and conferences, there are educational sessions where you can participate either as a facilitator or an audience member and engage in thoughtful conversations with other industry leaders.

These are just five of the many strategies that you can employ to land more construction clients. Put your business in a better position by leveraging referral marketing, improving your online presence through search engine optimization and blog content, and building your brand through sponsorships and awards. Getting new clients is a huge undertaking, but as long as you know where to look and how clients look for your services, this process becomes easier.

Patrick Hogan is the CEO of <u>Handle</u>, where they build software that helps contractors, subcontractors, and material suppliers secure their lien rights and get paid faster by automating the

collection process for unpaid construction invoices.



# Applications are now being accepted for many of the awards offered by ASA.

#### **Certificate of Excellence in Ethics**

This award recognizes subcontractors for their commitment to ASA values, such as quality construction and a safe and healthy work environment. Each applicant is required to respond to questions concerning the firm's corporate ethics policies and procedures, its construction practices, and its general business practices. Each applicant also is required to submit detailed documentation, including sealed letters of recommendation from a customer, a competitor, and a supplier.

#### **National Construction Best Practices Award**

This award recognizes prime contractors that exemplify the values of subcontractors, treat subcontractors fairly through use of level-playing-field contract terms, and consider subcontractors part of their core project teams. The program's rigorous criteria include the use of a standard subcontract whose provisions substantially reflect the best practices incorporated into the ASA-endorsed ConsensusDocs 750 Standard Agreement Between Constructor and Subcontractor, as well as highly favorable evaluations from three specialty trade contractors, based on 20 project management factors.

There are many more awards available through ASA, and more information about all of them can be found by clicking *here*. All award winners will be recognized during the 2020 SUBExcel conference on March 4-7, 2020, in Las Vegas, Nevada. We highly encourage all ASA members to get involved in our awards program. These valuable recognition opportunities are only available to ASA members.





## **Complimentary Webinars**

#### Tuesday, August 13, 2019

12 p.m. to 1:30 p.m. Eastern / 9 a.m. Pacific Trade Strategies – Attracting and Building a Workforce for the Future

Presenter: Mike Brewer, CEO Brewer Companies, President of the ASA of Arizona

Hear what is going on in the Phoenix market to address the number one challenge the trades face - lack of a workforce. Mike Brewer, CEO of the Brewer Companies, Arizona's largest residential plumbing contractor will share how the industry, both commercial and residential have come together to help solve this issue, their attempt at attracting the next generation of talent and what his company is doing to train the future talent for his organization. Mike has been in the plumbing business for over 40 years and has experienced many up and down business cycles over those many years. He has never experienced the lack of workforce that exists today and disagrees with the common narrative that the young people of this nation "don't want these jobs". Hear his personal story about where this started three plus years ago and where they are today. Register online by clicking here.

#### Tuesday, September 10, 2019

12 p.m. to 1:30 p.m. Eastern / 9 a.m. Pacific Preserving, Preparing, and Presenting **Construction Claims** 

Presenter: Michael Metz-Topodas, Cohen Seglias Pallas

Greenhall & Furman PC

Almost every contractor hopes a project will proceed without the need to file a claim; the reality often proves otherwise. Claims come in all kinds of forms - delay, extra work, acceleration, inefficiency but essentially involve recovering any type of entitled cost or time impact. When circumstances demand filing a claim, the process may seem daunting or overwhelming. But it shouldn't discourage filing, especially when you follow a few key mantras: preservation, preparation, and presentation.

In this seminar, Michael Metz-Topodas will demystify the construction claims process and provide attendees with strategies to preserve, prepare, and present claims. Attendees will learn skills and best practices to ensure they are not waiving their rights, that they are creating the documentation necessary to support their claims, and that they are presenting claims in a way that maximizes their chances for success. Register by clicking here.

## Coming Up in the August 2019 Issue of ASA's



#### Theme:

## **Data Collection** & How to Use It

- A Little Bit Ikea, A Little Bit Apple: Standard Operating **Procedures for Construction** Firms
- The Best—and Worst— **Construction Legal Decisions** of 2018
- Data Mining—Looking Back to Accelerate Moving Forward
- How to Get Construction Data from the Field
- Challenges and Trends in Construction Data Collection
- Data Distortion and Improving the Human Side of Data Collection

Look for your issue in August.

To access past issues of The Contractor's Compass, please click here.

For questions about subscribing, please contact: communications@asa-hg.com







**DEFENDING OUR FUTURE** 

# SUBCONTRACTORS LEGAL DEFENSE FUND

ASA's SLDF supports critical legal activities in precedentsetting cases to protect the interests of all subcontractors.

# FIGHTING FOR THE RIGHTS OF THE CONSTRUCTION SUBCONTRACTOR COMMUNITY NATIONWIDE

ASA underwrites the legal costs of filing "friend-of-the-court" briefs to inform the Court regarding the broader impact of relevant cases throughout the country. We have won dozens of these cases since 1997, setting precedent for subcontractor operations and management today and into the future!





## **FINALLY, POINT SOLUTIONS HAVE A HOME**

TIME | DAILIES | DRAWINGS | CORs | SUBMITTALS RFIs | JOB COSTING | EMAILS | AND MORE

