

BY MELANIE HODGDON

## Are You Part of Your Own Problem?

**Contractors who approach me** typically feel that their businesses are doing one or more of the following: making inadequate profit, running inefficiently, or relying too much on the owner (that is, my clients would like to take off several of the innumerable hats they've been wearing). Regardless of how these contractors perceive their problems, the solution always depends on how committed each business owner is to improvement. My clients generally fall into one of two categories: those who accept their role in creating the current problems and those who simply want things to be better without having to actually do anything differently.

### YOU MIGHT BE PART OF THE PROBLEM

Those who recognize that it is their responsibility to lead the process are (with varying degrees of eagerness) willing to examine how their knowledge, personality, and inclinations have created current problems. If they are willing to admit to that, they're usually committed to changing the manner in which they interact with the business.

How is a contractor part of the problem? Often it is some variation on a controlling personality. The owner who insists on making every decision, large or small, inevitably creates a bottleneck that bogs down processes, both at the jobsite and in the office. Until, and unless, that owner can commit to creating systems, assigning authority to others, and learning to monitor instead of control, there can be no real improvement to a business's bottom line.

### BLAMING SOMETHING OR SOMEONE ELSE

Those who are too impatient or resistant to acknowledge they may be part of the problem often attempt to buy a solution. Typically, this approach takes one or both of the following forms:

**Buy bigger software.** The problem with this is that if you don't have clear objectives and haven't identified precisely what you want, buying bigger software may only put you in deeper trouble more quickly. Think about an unskilled do-it-yourselfer. Can he get into trouble faster with a hand saw or with a Sawzall?

**Buy better employees.** Because I work closely with office staff, I'm going to focus on them rather than on production workers. Often I hear complaints about "in-

competent" office personnel. Typically, this personnel is the bookkeeper, who never provides the "right" financial or job-cost reports, or it is a person in any role who can't seem to keep data current.

### WHAT LIES BENEATH

When I dig deeper, the facts almost always reveal some or all of these situations:

- Production workers aren't required to keep (and turn in) time-sheet information regularly.
- Multiple employees have credit-card authority but aren't required to report purchases as they're made.
- Workers are allowed to order materials from multiple suppliers, charge to the company account, and not report the purchase to the office.
- The owner makes frequent cash transfers without informing the office.
- Customer payment checks are deposited right into the bank without being run through the office.
- Coding of bills is left to the bookkeeper (who generally doesn't know a lintel from a lentil).
- Purchase slips and time sheets don't identify the job to which they belong.
- "Deals" (such as bartering) are made without advising the office.
- Estimates, if provided to the office at all, simply contain a sale price and do not include costs by category.

Owners of companies in which these practices are permitted believe that if they simply buy a CFO (at \$95,000) instead of a bookkeeper (at \$55,000), the sought-after reports will magically appear. But as the saying goes, you can't get blood from a turnip. You certainly can't get complete or useful reports when the data upon which they rely is missing, incomplete, or delayed.

If you think your company could stand improvement, look close to home first. Are your actions and attitude contributing to the problem? This is not to say that some employees don't deserve to get sacked, or that your business wouldn't be well served by a new, skilled hire if it can be justified. But before you look to such solutions, first ask whether your "underperforming" employees are getting what they need to do their jobs.

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