



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

Construction News InContext | March 2008

BEING A BETTER CONTRACTOR TOMORROW THAN YOU ARE TODAY

Part 1 of 5

In dealing with contractors across the Carolinas, I often hear, “How do I stack up compared to your other contractor clients?” What are these clients really asking? They may be digging for the scoop on some specific competitor; but probably not. They know that we can’t discuss anything specific about other clients. We must be very careful in discussing the local market, even in generalities, for fear that something we say might be construed as specific confirmation regarding some competitor’s profitability or backlog.

What I really think the client is asking is “What do you see in other contractors, that if I knew, would make me a better contractor?”

With this assumption, my usual response is to focus them inward, not outward. Yes, ultimately, we will discuss benchmarking against like size and trade specific contractors by region, etc. But, the contractor who asks me this question usually needs to look in the mirror. What is his or her company great at? Where can they beat the competition? Where do they consistently beat their own projections?

If you want to be a better business you have to know what you are good at, and why you are good at it. Give yourself the following test. Examine the last 10 jobs that you won and then apply the same test to the last 10 jobs you did not win.

What factors led to the win or loss of the job?

- Price
- Relationships
- Reputation
- Unique niche offering
- Other

When you win—

- Is it an Accident?
- Is it Repeatable?
- Is it a Process?
- Is it Predictable?

When you lose—

- Is it against a certain Competitor?
- Is it a certain Type of Job?

Then answer these questions.

- What do you do better than anyone else?
- What do you not do particularly well?
- How do others beat you?

When you have answered these questions, then you have looked in the mirror. Then it's time to decide if you like what you see. Only by completely understanding your business can you make keen decisions about where and how to move forward.

Next month's article, "Set Goals" is a continuation of this series and will provide further insight on processes to make you a better contractor tomorrow than you are today.

For more information about the services offered by Dixon Hughes' Construction Practice, contact us at info@dixon-hughes.com. Or to contact Mike Trammell, the author of this article, please contact mtrammell@dixon-hughes.com.

To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code.

© 2008 Dixon Hughes PLLC | www.dixon-hughes.com

Mike Trammell, CPA is the Member-in-Charge of Dixon Hughes' Western Carolinas Region Construction Practice. This articles contains excerpts from Mike Trammell's presentation at the Dixon Hughes Construction Executive Conference held in Greenville, SC on September 20, 2006.