

Construction Executive Leadership Seminar

Strategy, Execution and Planning for 2010



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Agenda

- ❑ Historical Outlook
- ❑ Facing Reality
- ❑ Financial Reality
 - Market Outlook
 - Metrics
- ❑ Breakout Session
- ❑ Leveraging the lessons learned
 - What can we expect in 2010/2011 based on the historical analysis
- ❑ Marketing/Customer focus/Business development
 1. Do the Work
 2. Networking
 3. Develop Leads
 4. Close the Deal





Historical Outlook

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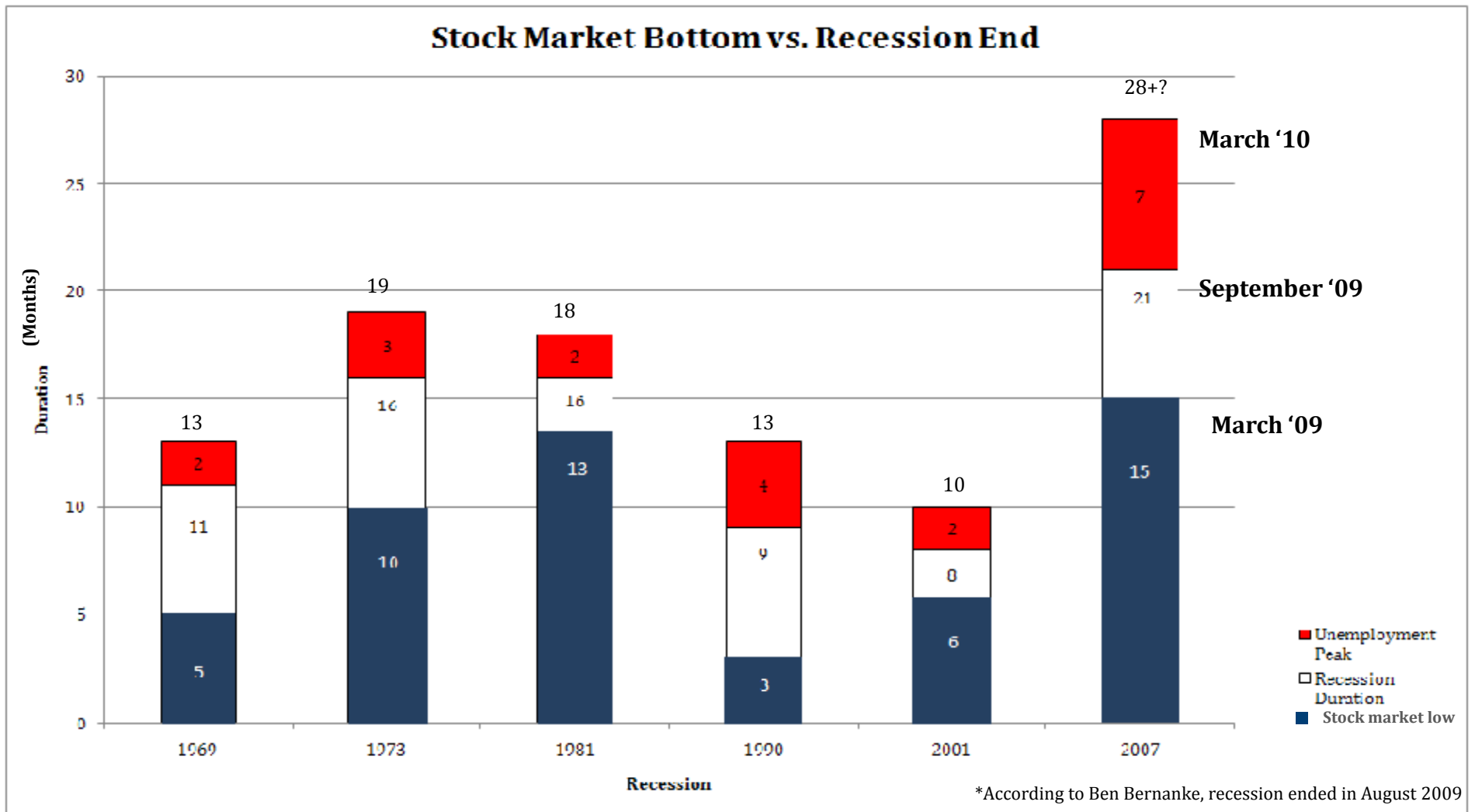
Quarterly Breakdown Construction Starts

History lesson: “What we can learn”

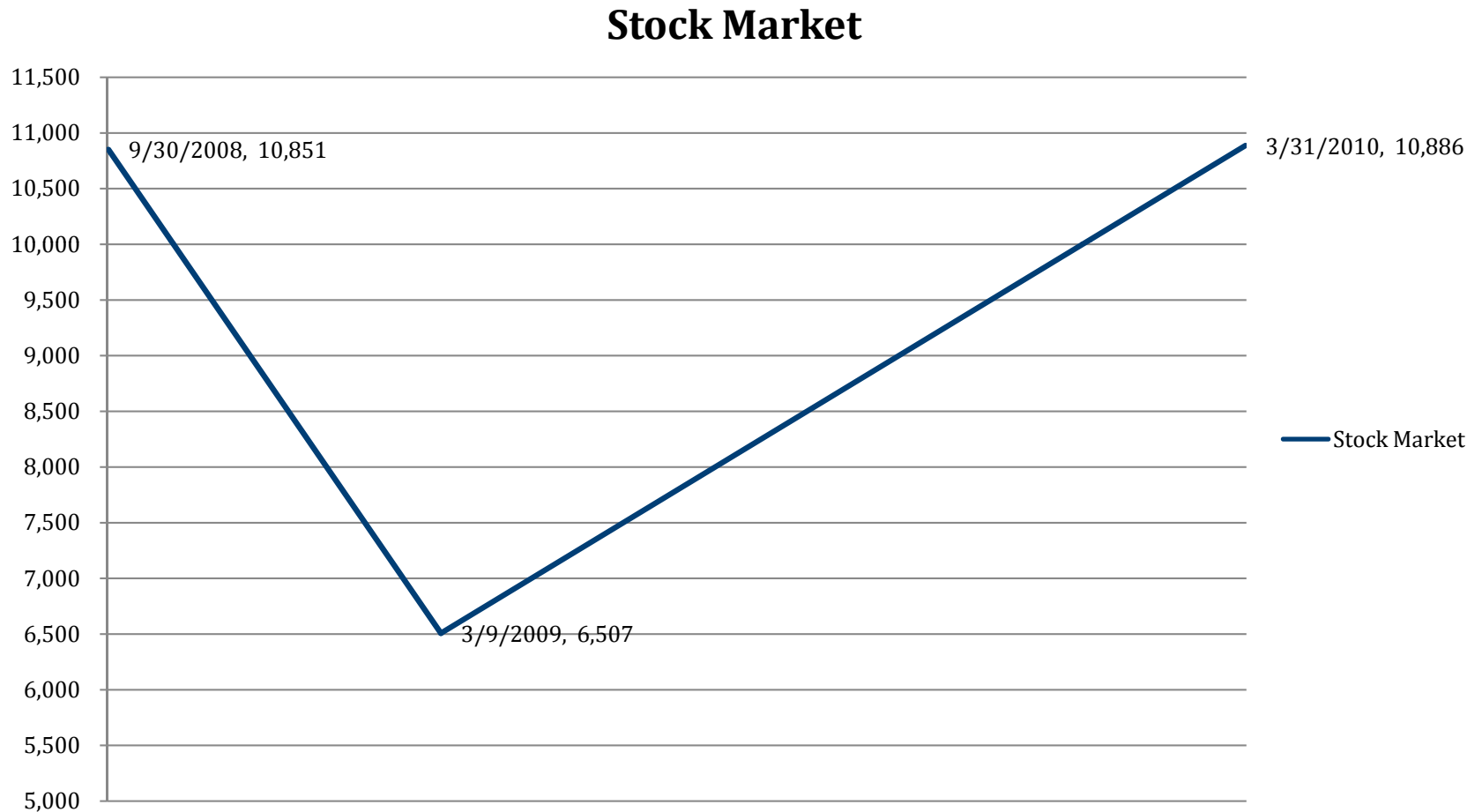
Recession Period	Stock Market Low	GDP Growth	Unemployment Peak	Nonresidential Construction Starts Increase
1981 - 1982	1982 - Q2	1982 - Q4	1982 - Q4	1982 - Q4
1990 - 1991	1990 - Q4	1991 - Q1	1991 - Q3	1993 - Q1
2001	2001 - Q4	2001 - Q4	2003 - Q2	2003 - Q3
2008 - 2009	2009 - Q1	2009 - Q3	?	?
Average Duration from Prior Benchmark		2 Quarters	3 Quarters	2 Quarters

Source: Dow Jones, U.S. Dept. of Commerce, U.S. Dept. of Labor, McGraw Hill Construction

Stock Market Low, Recession Duration, Unemployment Peak



Highs and lows of the Stock Market





- ▣ Market Outlook

Areas TOP 10 Largest Construction Projects

1990 (total = \$3.5B)		2003 (total = \$3.0B)	2010 (total = 2.65B)
Big Dig \$14B			Bristol-Meyers Squibb \$750M
Boston Crossing \$750M		Logan \$886M (3 Projects)	Hebrew Senior Life \$311M
Commonwealth Center \$450M		Boston Convention Center \$485M	Fogg Museum \$250M
125 High Street \$420M		Mass. Highway Route 3 North \$385M	Worcester Psych \$250M
World Trade Center Expansion - \$500M		Millennium Place \$358M	Dana Farber \$223M
Prudential Center Redevelopment \$375		Harvard Medical School \$250M	MIT \$200M
1 Lincoln Center \$300		MIT Stata Center \$201M	Baystate Medical \$183M
Sears Building \$300		One Lincoln Street \$170M	JW McCormack \$165M
Ruggles Center \$200		Waltham Public Schools \$160M	Newton North \$162M
Woolworth Building \$200M		MWRA Tunnel \$148M	Shire \$160M

Source: Boston Business Journal



U.S. Construction Spend (\$millions)

YEAR	GROWTH
2007	- 1.6%
2008	- 6.9%
2009	- 12.2%
2010	- 4.6%
2011	6.2%

Source: Reed Construction Data

U.S. Construction Spending

Annual % Change

	2009	2010	2011
Nonresidential	-9.0%	-14.2%	4.0%
Residential	-27.9%	5.9%	12.8%
Heavy	2.4%	-0.4%	2.3%
Total	-12.2%	-4.6%	6.2%

Source: Reed Construction Data



Construction Forecast

Construction Put in Place

Millions of Current Dollars								
4th Quarter 2009								
	2000	2006	2007	2008	2009	2010	2011	2012
RESIDENTIAL BUILDINGS								
Single Family	238,269	417,518	306,990	187,609	112,565	129,450	155,340	173,981
Multi Family	29,740	54,324	52,570	47,823	35,867	35,150	34,798	38,278
Improvements	84,054	147,973	140,909	121,977	109,779	113,072	118,726	122,288
Total Residential	352,063	619,815	500,469	357,409	258,211	277,672	308,864	334,547
% of Construction Market	44%	53%	43%	33%	28%	30%	33%	33%
NONRESIDENTIAL BUILDINGS								
Lodging	16,850	18,139	28,706	35,818	26,147	16,996	15,976	16,775
Office	61,001	54,187	65,259	70,305	55,541	41,656	39,989	41,589
Commercial	67,873	76,713	89,684	84,942	57,761	41,010	38,549	40,862
Health Care	24,615	38,472	43,766	47,699	48,176	48,658	49,631	54,594
Educational	58,848	84,928	96,758	104,081	105,122	106,173	109,358	118,107
Religious	8,071	7,749	7,540	7,125	6,413	5,579	5,690	5,861
Public Safety	10,049	7,768	10,201	12,936	14,230	14,941	15,389	16,005
Amusement and Recreation	20,168	19,033	21,212	21,480	18,909	15,317	15,623	16,248
Transportation	22,887	27,964	31,877	33,953	34,632	35,671	37,811	40,080
Communication	18,958	22,219	27,580	25,649	19,237	17,505	18,206	19,116
Manufacturing	32,184	35,500	45,720	61,269	70,459	75,799	38,013	39,533
Total Nonresidential Buildings	341,504	392,672	468,303	505,257	456,627	419,305	384,235	408,770
% of Construction Market	43%	34%	41%	47%	49%	45%	41%	41%
NONBUILDING STRUCTURES								
Power	32,289	39,754	59,305	80,160	88,176	93,467	101,879	112,066
Highway and Street	54,002	72,040	76,882	81,801	84,255	87,625	92,006	97,527
Sewage and Waste Disposal	10,949	23,186	24,872	25,143	25,394	26,664	27,731	29,672
Water Supply	8,587	14,960	15,798	16,951	16,612	17,276	17,795	19,040
Conservation and Development	3,362	5,130	5,260	5,405	5,729	6,302	6,869	7,213
Total Nonbuilding Structures	109,189	155,070	182,117	209,460	220,166	231,334	246,280	265,518
% of Construction Market	14%	13%	16%	20%	24%	25%	26%	26%
Total Put in Place	802,756	1,167,557	1,150,889	1,072,126	935,004	928,311	939,379	1,008,835

Source: FMI



Backlog

The following schedule shows a typical reconciliation of backlog at 12/31/09:

Balance at December 31, 2008	\$	8,000,000
New contracts and adjustments, 2009		4,300,000
		<hr/>
		12,300,000
Less contract revenues earned, 2009		10,300,000
		<hr/>
Balance at December 31, 2009	\$	2,000,000
		<hr/> <hr/>

Reality

What do I need to do?

- a) Get smaller
- b) Increase market share
- c) Get more efficient
- d) All of the above.

Financial Metrics

- ❑ Key Metrics
 - Financial
 - Customer
 - People

- ❑ Downsizing – using metrics to help

Balance Sheet

	2008	2009	2010
Cash and Equivalents	\$ 750,000	\$ 3,263,310	\$ 643,140
Contracts Receivable	5,800,000	3,000,000	2,600,000
Costs in Excess of Billings & Est. Earnings	71,000	96,000	150,000
Inventory	28,000	30,000	38,000
Prepaid Expenses and Other Current Assets	100,000	90,000	95,000
TOTAL CURRENT ASSETS	6,749,000	6,479,310	3,526,140
Net Fixed Assets	3,800,000	3,600,000	3,500,000
Deferred State Taxes	60,000	40,000	40,000
Other Assets	115,000	100,000	120,000
TOTAL ASSETS	<u>\$ 10,724,000</u>	<u>\$ 10,219,310</u>	<u>\$ 7,186,140</u>
Notes Payable, Line of Credit	-	-	-
Accounts Payable	2,500,000	2,300,000	1,000,000
Current portion of LTD	95,000	91,000	90,000
Billings in Excess of Cost & Estimated Earnings	1,500,000	750,000	230,000
Accrued Expenses	150,000	230,000	200,000
TOTAL CURRENT LIABILITIES	4,245,000	3,371,000	1,740,000
Long-term Liabilities	1,150,000	1,059,000	969,000
Stockholders' Equity and Subordinated Debt	5,329,000	5,789,310	4,477,140
TOTAL LIABILITIES AND NET WORTH	<u>\$ 10,724,000</u>	<u>\$ 10,219,310</u>	<u>\$ 7,186,140</u>



Income Statement

	2008	% of Revenues	2009	% of Revenues	2010	% of Revenues
Contract revenue earned	\$21,500,000	100.00%	\$15,700,000	100.00%	\$10,300,000	100.00%
Cost of contract revenue earned	<u>16,125,000</u>	<u>75.00%</u>	<u>12,560,000</u>	<u>80.00%</u>	<u>9,012,500</u>	<u>87.50%</u>
Gross profit	5,375,000	25.00%	3,140,000	20.00%	1,287,500	12.50%
Selling, general & administrative expenses	<u>4,300,000</u>	<u>20.00%</u>	<u>2,669,000</u>	<u>17.00%</u>	<u>2,669,000</u>	<u>25.91%</u>
Operating income	1,075,000	5.00%	471,000	3.00%	(1,381,500)	-13.41%
Other (expense) income	<u>25,000</u>	<u>0.12%</u>	<u>11,000</u>	<u>0.07%</u>	<u>7,500</u>	<u>0.07%</u>
Income before taxes	1,100,000	5.12%	482,000	3.07%	(1,374,000)	-13.34%
Taxes	<u>49,500</u>	<u>0.23%</u>	<u>21,690</u>	<u>0.14%</u>	<u>(61,830)</u>	<u>-0.60%</u>
Net income	<u>1,050,500</u>	<u>4.89%</u>	<u>460,310</u>	<u>2.93%</u>	<u>(1,312,170)</u>	<u>-12.74%</u>
Add back Officer's Salary	850,000		500,000		500,000	
Adjusted Net Income	<u>\$ 1,950,000</u>	<u>9.07%</u>	<u>\$ 982,000</u>	<u>6.25%</u>	<u>\$ (874,000)</u>	<u>-8.49%</u>

Other Information

	2008	2009	2010
Revenue Backlog	<u>8,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total Number of Employees	<u>100</u>	<u>75</u>	<u>75/50</u>
Gross Profit Backlog	<u>1,200,000</u>	<u>250,000</u>	<u>250,000</u>
Gross Profit Backlog Percentage	<u>15.00%</u>	<u>12.50%</u>	<u>12.50%</u>

Ratio's

RATIOS:	2008	2009	2010
LIQUIDITY			
Current ratio	1.59	1.92	2.03
Quick ratio	1.54	1.86	1.86
Working capital	2,504,000	3,108,310	1,786,140
Current assets turnover	3.03	2.35	3.31
Number of days cash	13	76	23
PROFITABILITY			
Gross profit	25.00%	20.00%	12.50%
Operating profit	5.00%	3.00%	-13.41%
Net income before taxes	5.12%	3.07%	-13.34%
Return on equity (NIBT)	20.64%	8.33%	-30.69%
Return on assets(NIBT)	10.26%	4.72%	-19.12%
EFFICIENCY			
Accounts receivable turnover (total billings)	3.77	5.01	3.79
Accounts receivable days outstanding	97	73	96
Accounts payable turnover	6.45	5.46	9.01
Accounts payable days outstanding	57	67	40
Assets turnover (per year)	2.00	1.54	1.43
Net revenue/working capital	8.59	5.05	5.77
CAPITAL STRUCTURE			
Debt/equity	1.01	0.77	0.61
Times interest earned	18.67	9.38	-24.95
Operating income/current portion of long-term debt	11.32	5.18	-15.35



Office Overhead Expenses

	2008	% of Revenues	2009	% of Revenues	2010	% of Revenues
Office salaries and wages	\$ 1,500,000	6.98%	\$ 1,000,000	6.37%	\$ 1,000,000	9.71%
Officer's salary	850,000	3.95%	500,000	3.18%	500,000	4.85%
Depreciation and amortization	200,000	0.93%	190,000	1.21%	190,000	1.84%
Payroll taxes	211,500	0.98%	135,000	0.86%	135,000	1.31%
Profit sharing expense	210,000	0.98%	130,000	0.83%	130,000	1.26%
Professional fees	150,000	0.70%	100,000	0.64%	100,000	0.97%
Office supplies	135,000	0.63%	85,000	0.54%	85,000	0.83%
Advertising	160,000	0.74%	80,000	0.51%	80,000	0.78%
Insurance	102,000	0.47%	63,000	0.40%	63,000	0.61%
Employee Benefits	75,000	0.35%	50,000	0.32%	50,000	0.49%
Utilities	65,000	0.30%	50,000	0.32%	50,000	0.49%
Travel and entertainment	68,000	0.32%	42,000	0.27%	42,000	0.41%
Bad debt	15,000	0.07%	40,000	0.25%	40,000	0.39%
Motor vehicles	55,000	0.26%	35,000	0.22%	35,000	0.34%
Employer 401k contribution	50,000	0.23%	32,000	0.20%	32,000	0.31%
Telephone	50,000	0.23%	31,000	0.20%	31,000	0.30%
Commission	45,000	0.21%	28,000	0.18%	28,000	0.27%
Repairs and maintenance	90,000	0.42%	21,500	0.14%	21,500	0.21%
Dues and subscriptions	26,000	0.12%	16,000	0.10%	16,000	0.16%
Contributions	16,000	0.07%	10,000	0.06%	10,000	0.10%
Trash removal	15,000	0.07%	10,000	0.06%	10,000	0.10%
Licenses and fees	12,000	0.06%	7,500	0.05%	7,500	0.07%
Taxes, other	6,000	0.03%	3,000	0.02%	3,000	0.03%
Miscellaneous	193,500	0.90%	10,000	0.06%	10,000	0.10%
TOTAL	\$ 4,300,000	20.00%	\$ 2,669,000	17.00%	\$ 2,669,000	25.91%



F&D Financial Reality

- ❑ Get smaller
- ❑ Metrics – Volume, Margin, Overhead
 - ❑ Gross Profit
 - ❑ Tighter margins
 - ❑ Refocus on delivery
 - ❑ Leverage utilization and efficiency
 - ❑ Cut to the core and beyond

Back to the Future

Contractor			
			shrinking 40%
	2002	2008	2010
	\$25,000,000	\$50,000,000	\$ 30,000,000
Locations	1	3	2
Project Managers	13	14	12
Estimators	4	12	6
Finance	4	6	4
Administrative Staff	8	13	8
IT Staff	0	1	1
Human Resources	0	1	1
General Superintendent	1	1	1
Purchasing	4	5	4
Total	35	56	37

Expect More for Less

- Take a fresh look at:
 - What products and services you buy
 - Who you buy them from
 - How and when you last competitively bid out for these products and services
 - Your staff expertise in particular cost categories and time to focus on this
 - Don't let contracts automatically renew without a full review
 - Don't accept price increases without an explanation
 - Sell excess equipment or renegotiate existing equipment leases
 - Ask yourself, are there alternatives to what we are doing today?
 - Renegotiate your lease
 - Sub lease



People Metrics

Make people decisions based on performance

People Metrics			
	2006	2008	2010
# of jobs managed/ estimated	100	115	60
Total \$ estimated/ managed	20,000,000	25,000,000	11,000,000
Total \$ gross profit managed/ estimated	5,000,000	6,250,000	1,375,000
Total gross profit % managed/ estimated	25.00%	25.00%	12.50%

People Metrics

Keep your leverage metrics consistent in down years

People Metrics			
	2006	2008	2010
# of people - office	12	15	15
# of people - field	120	145	120
Gross profit \$ per person - field	416,667	416,667	91,667
Gross profit \$ per person - office	41,667	43,103	11,458
Field/ Office ratio	10:1	9.6:1	8:1

Customer Metrics

Do not let the competition into your "A" Customers

	2006	2007	2008	2009	2010
Total					
# of jobs	50	55	60	45	30
Total \$ revenue	11,000,000	11,500,000	13,000,000	11,000,000	5,500,000
Total \$ gross profit	2,750,000	2,875,000	3,250,000	2,200,000	687,500
Total gross profit %	25.00%	25.00%	25.00%	20.00%	12.50%
Average size job	220,000	209,091	216,667	244,444	183,333
By Customer					
# of jobs	5	5	5	5	5
Total \$ revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total \$ gross profit	250,000	250,000	250,000	250,000	250,000
Total gross profit %	25%	25%	25%	25%	25%
Average size job	200,000	200,000	200,000	200,000	200,000
"A" Customers					
Strategic	Yes	Yes	Yes	Yes	Yes
Recurring	Yes	Yes	Yes	Yes	Yes
Profitable	Yes	Yes	Yes	Yes	Yes
Significant	Yes	Yes	Yes	Yes	Yes

Breakout

- ❑ Discuss in your groups, what do you do when your “A” Customer comes back to you with a low ball price or asks you to meet a lower price?

Summary of Breakout Session

- ❑ Qualified vs. unqualified competitors
- ❑ If your not going to get the work, make changes within your organization to be successful
 - Revisit your cost structure
 - Stay in the game or get in the game





Leveraging the Lessons Learned

- ❑ Tough decisions
- ❑ Opportunities for 2010

Tough Decisions

Personnel

- ❑ Measurement system needs to identify trends faster in this economy
- ❑ Establish organizational staffing plan
 - Immediate needs
 - 1 year plan
 - 5 year plan
- ❑ Assess current staff qualifications/ performance levels
 - Develop/revise job descriptions
 - Feedback from trusted advisors
- ❑ Review field to office ratio's



Non Residential Starts/Trends

% change (\$) last 3 months (Dec) vs. year earlier

- Airport +126%
- Military +82%
- Dams/Marine +66%
- Misc. Commercial +44%
- Gov't Office +41%
- Laboratories +23%
- Hospitals/Clinics +20%
- Misc. Civil +17%
- Bridges +14%
- Education +10%
- Misc. G'ovt +9%
- Highway +7%
- Water/Sewer +7%

Reed Construction Data

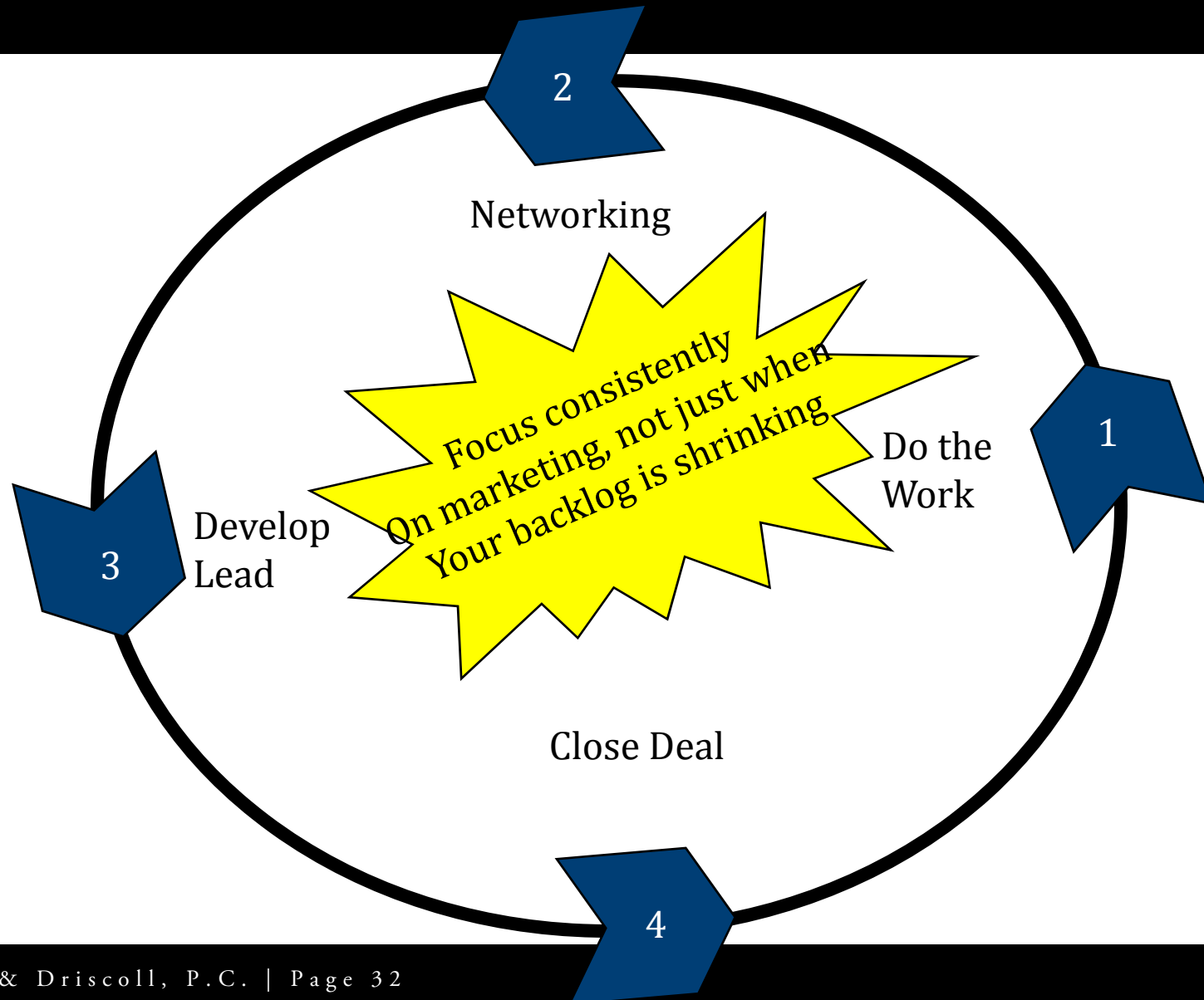




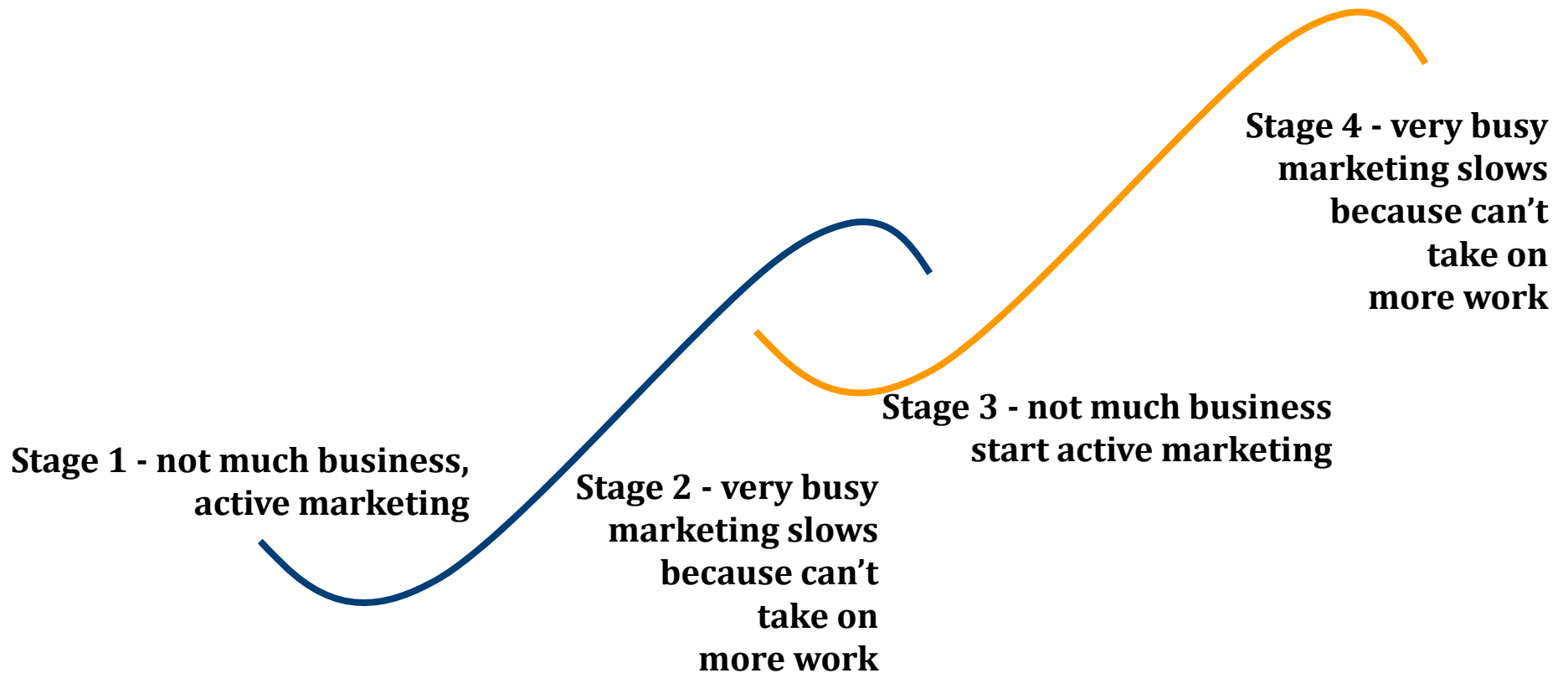
Marketing/Customer focus/Business development

Convert your Construction Company into a
“Sales Organization”

Marketing is a Continuous Cycle for All Companies



Don't Fall into the Marketing Trap!



How do we Prevent the Trap?

- ❑ Consistent marketing throughout the year, every year!
- ❑ Discipline
- ❑ Measure
 - Activity
 - Backlog monthly
 - Opportunities originated monthly
 - Proposals submitted monthly
 - New business closed/contractually committed monthly
 - Prospect/referral source metrics



Common Pitfalls to Construction Marketing Plans

- ❑ Rationalize why “It doesn’t work for contractors”
- ❑ Theme of the month
- ❑ Wrong people involved – internally
- ❑ No measurement
- ❑ No accountability – BD/Marketing
- ❑ Waste time with the wrong people
- ❑ Single focus
- ❑ Minimal owner involvement
- ❑ Failure to utilize technology/leverage

A good plan addresses these pitfalls

F&D 1. Do the Work

- ❑ Customer Intelligence
- ❑ Branding
- ❑ Market Research

Customer Intelligence

- Review your customer list
 - Sort by revenues and gross profit over the last 5 years – by source too
 - Which of your customers are still getting the work
 - When was the last time you met face to face
 - How much are you investing in the relationships of these “A” customers
 - Do they have growth plans
 - The Ultimate Question **“Do you get last look?”**
 - Cull out customers
 - Are you an extension of their estimating department
- Lifetime Value of a Customer
 - “Don’t let your customers fall out of love with you”



Branding

- ❑ Identify “Who you are” and “Who you want to be”
 - Will allow you to identify wants and needs within your industry groups
 - Need to be an “Expert” in this in order to establish competitive advantage within the industry
- ❑ Is everyone in your organization conveying the same message?
 - How are you communicating it?
 - Internally to employees
 - Externally
 - Networking contacts
 - Customers
 - Marketing communications/collateral/web site etc.



Market Research

- ❑ Market research sources
 - Google searches
 - Trade Groups/Associations
 - Governmental web sites
 - Market research companies
 - FMI, ENR, Reeds, McGraw Hill etc.
- ❑ What are your competitors doing to survive

F&D 2. Networking

- ❑ Role of CEO in Marketing/BD Process
- ❑ Identify targets/Market research
- ❑ Direct Marketing – Communications
- ❑ Public Relations
- ❑ Website
- ❑ Search Engine Optimization
- ❑ Networking

Roles of CEO's in the Marketing/BD Process

- ❑ Identify who will be involved and their roles
- ❑ Reinforce the concept of “WOW” and who are our customers
- ❑ Reinforce we have customers not jobs
- ❑ Constantly reinforce the significance of marketing throughout the organization
- ❑ Keep marketing message consistent with overall company strategy
 - Make sure all employees are conveying the same message
- ❑ Set goals
 - Specific
 - Measurable
 - Achievable
 - Realistic
 - Time commitment
- ❑ Nagging rights – upwards and downwards



Identify Your Targets/Markets

- ❑ Compile target lists
 - Boston Business Journal book of lists
 - List brokers (web based)
 - Dun and Bradstreet
 - InfoUSA
 - If you are a Subcontractor – list of GC's, large companies, **building owners**
 - Clients, friends, referral sources
 - Associations you belong to/or that are specific to your target industries
 - Attorney General's office and Guidestar (Non-Profits)



Google

- ❑ Google search for market research and intelligence
- ❑ Set up Google Alerts for daily/weekly emails on clients, competitors, industries
 - Go to: <http://www.google.com/intl/en/options/>
 - Click on alerts
 - Type in the search terms you would like to appear in your inbox daily... for example “Feeley and Driscoll”
 - Type how often you would like to receive them along with your email address.
 - Push create alert button and you will receive the alerts within the next couple of days to that email.



Direct Marketing - Communication

- ❑ Find ways to stay in front of your customers and networking contacts through the mail or electronic communications
 - Solidify existing client relationships
 - Stimulate interest of what you offer
 - Get new clients
 - Support current marketing activities
 - Know your budget, audience, and break through the clutter
 - Give someone a reason to call you or think about you



Public Relations

- Create press list and maintain just as you would for prospects
- Goal - become a source for an editor/writer
- Create a calendar for releases
- Should add value to the firm
 - Discuss trends, research, case study format, announcements/firm news
- Sponsorships
- Community relations



Web Site

- ❑ When is the last time it was updated?
- ❑ Are you looking into what your competitors are doing online
- ❑ What content do you have on your web site
 - Identify markets, types of jobs you perform
 - Your expertise
 - Is it easy to contact you and do you **follow up immediately?** – Do you test?

Search Engine Optimization (SEO)

- ❑ Top engines: Google, Yahoo, Bing
- ❑ Make sure your site has more text than pictures
- ❑ Make sure your site uses words in the text that people would use to search you
- ❑ Links to your site help you!
- ❑ Give out your web site through:
 - Free listing with Associations you belong to
 - Company materials
 - Business cards
 - Email signatures
 - Your LinkedIn Page or social networking profiles
- ❑ Free resources for to help you
 - Blogs
 - Google Help www.googleresources.com
 - Yahoo Help help.yahoo.com



Networking

- Getting started
 - Ways to get involved
 - Alumni groups, high school friends, college friends, young professional groups, non-profit boards, associations etc.
 - Develop your list
 - Who do you know and who do you want to know?
 - 25 winners rule
 - Focus on **quality** not quantity
 - Who has referred business to you in the past
 - **Architect, GC, other sub, engineer, real estate developer etc.**
 - Assign nagging rights to get this done



Networking

□ Current Staff/Individual Interests

<u>Activities</u>	<u>Degree of Interest (1-5)</u>	<u>Currently Doing (?)</u>	<u>Tracking (?)</u>
Involvement in Community Activities			
Involvement in Trade Associations			
Involvement in Charitable Organizations			
Public Speaking			
Membership in social clubs			
Writing articles/email blasts			
Contacting clients when not actively working with them			
Attending extracurricular activity with referral source			
Attending extracurricular activity with referral client			
Attending Chamber of Commerce or Socials			
Taking clients to breakfast			
Taking referral sources to breakfast			
Meeting with prospective clients			
Other			

Networking

Measurement

CONSTRUCTION EXECUTIVE MARKETING PLAN																			
Individual	Title	Company Name	Type	Phone	Notes	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Dollars
Jim Smith	Account Representative	XYZ Company	Owner Representative	617-555-5555		3			9							25		3	10,000
Karl Williams	Principal	KW Design	Architect	617-555-5556			6										2	2	35,000
Steve Jones	Owner	SJ Development	Client	617-555-5557			16				25							2	0
Carol Wong	Construction Manager	Big College	Prospect	617-555-5558					11				13		7			3	80,000
Eric Wilbur	Sales Rep	Building Goods	Suppliers/Contractors	617-555-5559				1					8			8		3	5,000
Mike Apple	Project Executive	Apple GCs	General Contractor	617-555-5560										25				1	0
Total						1	2	1	2	0	1	0	2	1	1	2	1	14	

If you aren't going to measure activity, then don't waste the resources

Set monthly Goal

Networking

- ❑ Networking contacts – populate
 - Use Outlook tools or other software to populate contact information (be careful when forwarding v-cards)
 - It's important to keep you contacts up to date
 - Do they prefer breakfast, lunch, games, etc.
 - Do they prefer call, email communication
 - How do you feel after meeting with them?
 - Energized, drained, valued etc.
 - Will I get business from them
 - Do they have access to others that can help me
 - What can I give back



Networking

- ❑ Evaluate if this is an “A” contact or “B” or if it is not worth meeting with the person again
- ❑ Set the stage for future contact
- ❑ Prepare for your next conversation
- ❑ **Don't come out and ask for business**
- ❑ Spend more time listening than talking
- ❑ Be respectful of time and limits
- ❑ Always have business cards with you



Networking

□ Events

- Evaluate event before signing up to determine your goals
 - Who is hosting/sponsoring the event
 - Have you or someone from your organization attended before
 - Do you know someone in the organization who can make introductions
 - What's the purpose
 - Who invited you
 - **Who is attending (prospects, clients, competitors)**
 - How many people will be there
 - How much time for networking – get there early
 - **Don't sit at or stay with people from your company**
- **Trip reports to Marketing Team after Event – communicate what you got out of it, who you talked to, trends, etc.**



Networking Tips

- How to introduce yourself
- Questions to ask to break the ice
- How to work a room
- Follow up and thank you
- Get involved with people you like and have similar interests
- And don't get discouraged



Networking

□ Questions to Ask to Break the Ice

1. What is your name?
2. What is your title?
3. Where do you live?
4. How long have you lived there?
5. Do you rent or own?
6. Are you married, children, siblings?
7. Do you have any pets?
8. Does your family live in the area?
9. Where did you go to school?
10. What do you do?
11. Do you like what you do?
12. How long have you been there?
13. What's the best part of your job?
14. How long is your commute?
15. Do you like to travel?
16. Are you going on vacation this year?
17. Do you have any hobbies?
18. What clubs do you belong to?
19. Are you a Red Sox fan (any sport)?



Social Networking - LinkedIn

- ❑ Technology – the wave of the future
- ❑ Network - Your past connects you
 - Schools, jobs, groups, social gatherings
- ❑ Sell your skills
 - Create your personal tagline
 - Explain your experience
- ❑ Sell your business
 - Put your elevator pitch to work
- ❑ Distinguish yourself from the crowd!
- ❑ Litmus test



F&D 3. Develop Leads

- ❑ Align Estimating with your Strategic Plan
- ❑ Tracking
- ❑ Proposals and Presentations

Align Estimating With Your STRATEGIC PLAN

- ❑ Institute the organizational changes necessary to compete in your target markets
- ❑ Standardize your estimating / bidding / budgeting / job cost process to provide effective measurement – can we make money?
- ❑ Bid Screen –
strategic, significant, recurring, profitable

Tracking

- ❑ How do you make sure the leads from employees/estimating don't fall through the cracks?
- ❑ Need a summarized, centralized spreadsheet
- ❑ Follow up weekly or quarterly on open leads/bids/jobs

Proposals and Presentations

□ Proposals

- Track results – Hit ratio – **who did we lose to and why?**
- Review results monthly/quarterly and use to make better business decisions
- How do you compare to your competition

□ Presentations

- Highlight teams experience
- Identify any potential issues or where you can utilize your expertise
- Involve everyone you bring somehow



F&D 4. Close the Deal

- ▣ Continuous Process
- ▣ Measurements

Continuous Process

- ❑ Project delivery
 - Sell technology/differentiation – seamless communication – Risk Management
- ❑ Job photography
 - Booklets, postcard mailers, web site updates etc.
- ❑ Job site signs
- ❑ Testimonials
- ❑ **How can you make a GC or an Owner look better?**
- ❑ Customer satisfaction surveys
 - Ultimate Question



Measurements

- ❑ **If it is measured it matters!**
 - Person responsible for Marketing/Business Development must take charge and push marketing onto staff and create reports to track activity

- ❑ It takes discipline to stick to a marketing plan
 - Can't be just the "Owners" responsibility – create a culture of cross accountability and "Nagging Rights"

- ❑ It takes **EXECUTION** to implement



Summary

- ❑ Will the future mirror the past?
- ❑ Will your existing marketing strategy work going forward?
- ❑ Should you plan for market growth in either 2010 or 2011?
- ❑ Are you ready to make bold changes within your organization?



ANY QUESTIONS?



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