



Qualities of an outstanding Contracting Company

Second in a series: What is a business plan and Why Develop one?

Many times construction entrepreneurs set out to start a new business without any formal training or guidance on how to properly build a sound foundation for the given business. They create a new business entity with their affiliated state organization, they fill out a few federal forms and BOOM, they are in business. Next, they go out and acquire some work and hire employees as they get busy. This quick and straight forward process will work for a while, but as time goes on and they try to expand and build a solid business, they will find that there was not enough planning to construct the business of their dreams. They find that they can only go so far before the company will not grow anymore, and the company consumes their entire day and entire life. This is where a formal business plan needs to be developed for new and for existing companies, so an owner can have a well written plan on how the company is to operate and run, in order to obtain the financial goals they want to acquire. It will organize and point the company in the direction where an owner can see when and where he can get help to grow the company, and even have a way later to exit the company themselves.

By not having a business plan, a company will be affected in several ways. There will be no formal written documentation about, vision or mission of the company. No thoughts about who the executives are and what they will be expected to do and what they will stand for. There will be no description of their target market, and the products they plan to offer. A detailed company organizational chart and the job descriptions of each management position will be lacking and may lead to unorganization. No formal plan for marketing and a firm sales strategy will not be written and in-place waiting to be executed in order to grow revenues. No official financial forecasting or planning is completed to help identify increased growth and projected profits. Finally, no plan to identify an exit strategy, so ownership can sell or retire. All these items and the lack of them will cause a new and existing company to try to play the game of business without a sound





foundation, and without a sound gameplan on how to grow the business into a sustainable entity.

Let me ask you a question, would a NFL, Collegiate or for that matter a youth football coach ever enter a contest or a season without a plan? Then, any potential businessman or former construction operator, who wants to play the game of business, should never consider playing to win until they have a plan. As leaders of our companies, we contribute to this problem, by not taking the time to think deeply and intently on all facets of our business. Because many of us have not received a business education, we do not appreciate the importance of a business plan. Many times we think too fast about the end result...making lots of money. We want to get to the finish line too fast without a solid internal processes and a gameplan for success. We tend to migrate and work in areas of our comfort zone and avoid areas of business that should be addressed. Sometimes we do not want to spend the money needed to educate ourselves or to surround ourselves with expert coaches who can elevate us to the next level. There are many reasons why construction entrepreneurs do not take the time to develop a formal business plan, however, it necessary for the sustainability of the company and it must be done!

Your first decision to becoming a great leader of a solid company is to decide to complete a business plan. This can be done at any time. There is no perfect time to start, again the most important thing is to admit you have to complete one. When starting the process of developing a business plan, it is my opinion, that you hire a pro. Someone who can ask the tough, un-bias questions, and one who has the experience to ask the right questions so the process moves forward. Many times when we try to accomplish a difficult task ourselves, we lose interest when things get tough or when our time gets limited. By hiring an outside expert, this person can act as a trainer or coach to keep you on task and motivated. Another decision you will have to make is to decide to set aside some time yourself or with other team members to brainstorm and think, organize your thoughts, and to gather information.





As you enter the process of building this business plan, you should set some goals for consistent meetings and a goal to reach various milestones of this project. Just like any other project you are involved with that has milestones or goals; if you do not set them and have them in written form, you will not be accountable to the commitment. If you have access to some internal company help, open the door for others to participate. This act of involving others in the company decision making process will not only give those involved a sense of importance, they will feel positive about having some ownership to the decisions made, and will adhere more to the plan as it is executed.

Delegate the chores of brainstorming, information gathering and all other tasks to those involved. Make sure everyone is involved. If you are completing it on your own, see if you can get some outside opinions from others who have completed the process themselves. Meet consistently with team members or those helping you to report on the completed work. Finally, when the work is done, you will not only have a plan to execute, but you will feel organized and confident when starting the process.

The beauty of a business plan is that it starts you in a direction, but just like any other NFL or Collegiate football game plan, it is not set in stone. A well written business plan will be a living, breathing document that can be modified or changed as the conditions or competition changes. We as leaders of our company must be able to be forward looking to see down the road in business to spot the changes in trends and competition. We have to adjust to new technologies and constantly learn as we go. Are we an expert at everything? No. But we can ask for help and we must always surround ourselves with the best personnel. This is why I developed Constructus, we want to be your coach, your mentor who will elevate you to the next level and help you accomplish your dreams.

