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BUSINESS DEVELOPMENT A **CRITICAL** NEED

INSIDE:

Building Relationships

The Skill of Advocacy

The Customer Perspective



RESEARCH

GROWTH

Business Strategies
+ Planning

= Success

PLAN

VISION

MARKETING

INNOVATION

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The construction world is complex and always evolving. Yet, construction firms are no different than other industries in terms of the need for well-developed strategic plans. All companies need not only a short-term but also a long-term strategic marketing process and plan.

A solid strategic marketing plan may be the key to the success of your company, and it will help better position you to succeed in the ever-changing construction industry. This includes being able to see your firm objectively – from the perspective of an outsider looking in towards your company.

Spend ample time focusing on how others see your company and how you are perceived in the industry. This will enable you to gauge your construction company's strengths and weaknesses, define your specialty markets and services, realize your geographic reach, understand your key demographics and niche markets and study where you have a competitive advantage and comparative pricing. Your marketing plan has to be regularly monitored. It should also be flexible enough to shift as needed.

A successful marketing plan should include goals to create a vision for your company's future and the strategies needed to get there:

- Key goals and objectives
- SWOT Analysis – strengths/weaknesses/opportunities/threats
- Long- and short-term marketing strategies including a diversified social media plan
- Company's market(s) and demographics

Employer Perspective

Demands on construction companies have grown substantially over the years, particularly with the advent of emerging technology as well as with the complexity and frequency of laws that change or affect business operations. But gross volume is not necessarily the only solution; the bottom line is cost control.

Create a budget. Be sure you are able to cover overhead costs and that you have included *all* costs. Recognize that a budget is a roadmap that is modified over time, not something you create once and never review. Also remember to do a job cost analysis so you can be certain your mark-up is profitable. But be honest with yourself about your own limitations and

your company's capabilities. Do what you can, but outsource any work that needs increased specialization beyond your area of expertise.

Costs & Profitability

Construction jobs require developing and monitoring job cost estimates. Missteps in the early stages of the job costing process can create potentially costly mistakes. Job cost estimating will help you understand the costs that have been incurred to date. It will also help determine the true profitability of each job. In the long run, this will help to ensure your business goals are attained, favorable bonding and financing is secured and cash flow is maximized.

Be prepared to document the basis for your essential business decisions. Timely, reliable and understandable financial statements are necessary to gauge how well your construction business has performed and to assess the strength of your financial position. Financial statements are a vital measurement of performance and are the foundation for important business decisions. This data can improve your profitability and ensure you receive value beyond



“traditional” reports. For example, do you review your estimated costs versus actual costs when a job is completed?

Construction benchmarking can assist you with your goal-setting and strategies. This geographic data provides important statistical data that can help identify both potential risks and opportunities to move your construction company forward with confidence. Construction industry benchmarking services can include internal benchmarking, external benchmarking as well as competitive benchmarking and best-in-class benchmarking, data-driven insights and guidance on improving competitive edge.

Your certified public accountant should help with tax planning to minimize your obligation and help your company minimize their federal, state and local taxes by developing innovative tax planning strategies that meet increasingly complex requirements. Additional services can include tax-planning strategies for the sale, acquisition or merger of businesses, compliance with sales and use tax regulations, and personal and retirement planning.

The Enhanced Team

Due to increased reports of a continued shortage of qualified workers in the construction industry, you may need to be more aggressive in your hiring search. Hire the right people with the necessary skills and the right personalities to be part of *your* team for the long run ahead. Pay your staff competitive wages, provide comprehensive benefits and properly train them so they are able perform their job with adequate ease, skill and expertise.

The team you hire will also have a major part in your company’s internal organizational culture. Your employees become

what others see in public and are the people whom your customers interact with on a regular basis. As representatives of your business, they should reflect your values and beliefs.

Besides your employees, be sure your team includes strong professionals familiar with the construction industry. You need a CPA, wealth manager, banker, insurance company, attorney and bonding agent.

Remember, financial services extend beyond the traditional compilation of financial statements and a tax return. Whether

you are a general contractor, subcontractor, electrician, plumber, asphalt and paving contractor, homebuilder or other construction-related firm, established construction accounting expertise will help you build a solid foundation for your business.

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