

Hi, this is Wayne Rivers at FBI, and *We Build Better Contractors*. Thanks for tuning in.

This week I want to talk specifically about seven signs that your company may be at risk. Kind of daunting, isn't it? Before I dig in, I want to talk about Boot Camp. The Denver Boot Camp is pretty much sold out, the Raleigh Boot Camp for late March, March 24<sup>th</sup> I think, has some seats available, so get in quickly, let Charlotte know if you have questions. Thank you.

Okay, what about this is important to you? Well, Golly Moses, if my company is at risk, I want to know that. I want to know that we're heading in a bad direction. I want to know, before we plunge off the cliff, that we're getting near a danger area and so we can take corrective action before things get too late. I mean, nobody wants to think that they have a bleak future ahead of them, that makes it hard to get out of bed in the morning.

Let's talk about seven signs that can let you know if you're heading in a negative direction. The first thing is turnover. Now, there's good turnover and bad turnover. If you've got somebody that you're not sure about and that person is not a good cultural fit or they're not productive in their jobs or they cause drama organization, and that person leaves, that's great. That person just saved you the heart sickness of having to fire someone. But even a poor employee, it hurts your heart to have to let someone go, so they saved you the trouble.

Now, if you're losing good people, high quality people, the people you look to, younger people to help you grow and have vitality in the organization, that's a terrible sign. In today's world, there are going to be construction employees that leave for a few dollars more over here or another kind of benefit over there, I think that's going to happen, but if you find yourself really losing high quality contributors, that's a terrible sign. These people are ambitious in their own right. Maybe they're not owners of companies, but they're ambitious people. If they can see that you're not doing the kind of planning you need to do to preserve a solid future for the company, they're apt to go where they see a better future for themselves. That's a definite sign, that's the biggest sign, I think.

The second one, especially for family businesses, conflicting future visions. If you and I are in business together, and we're a \$50 million, let's say, heavy civil company, and my aspiration is to be an ENR 400 heavy civil company and your aspiration is to grow a little bit, maybe five, 10% a year and just do what we've always done, you can't reconcile that. You can't average it out, because if we average it out, you're not going to be happy because I'm pulling you a little bit more than you're comfortable with, and I'm not going to be happy because you're pulling me back more than I'm comfortable with. Maybe I have pie-in-the-sky idiot ideas, but that's also a way to define conflicting vision.

It sounds all nebulous and consultant-y, vision, oh gosh, it just sounds ridiculous, but if you don't have a vision and you don't have a clear picture of where you're going and what your company is supposed to look like when you're finished with it, that's a mistake. You need a vision. Everybody in the organization needs a North star so they can navigate themselves. For the leaders in the organization, they must share the same North star. Okay?

The third thing, unhealthy communications. Unhealthy communication leads to conflicts and conflicts have to be addressed. They have to be resolved; you can't sweep them under the rug. Nobody likes conflict, gosh. Nobody likes conflict at home, nobody likes conflict in the workplace, but it happens. It happens for all kinds of different reasons. Hopefully, you're having more disagreements. Disagreements is a much milder form of conflict. When it gets to conflict, that means that people are digging in and really butting heads with each other.

Most people, the inclination is to bury conflict. Don't do it. Go ahead and do the things you need to do to address the conflict. Unresolved conflict over time leads to turnover and conflicting future vision. That's a warning sign, when you've got poor communications leading to disagreement and even conflict.

The fourth thing, people constantly dwell in the past. If you walk down the hallway and you observe a group of people in your company, and they're talking about, "Man, the good old days, back in the '90s, we were killing it in the '90s. We were

the number one contractor in this region. We innovated here and we did this different and all that stuff," it's great to have people at reminisce about all of the successes that you've enjoyed, but when you constantly hear people referring to how we did it in the good old days, how good things were once upon a time, you really need to be listening out for people talking about the future. How are we going to do this? We used to do this kind of work, but we're heading in a new direction now and we're really excited about getting into X, Y, Z. If you hear all these laments, it may be a sign you have a really aging workforce. It could be a sign that people aren't really buying to the current vision. It's just a bad sign, so listen out for folks who always dwell in the past.

Number five, demographics. You've got to take a hard look at who is in and available and productive in your organization. If you look around, and I'm 60 years old, if everybody in the organization is 62, 58, we're going to be looking at running off the treadmill at the same time. Demographics speaks for itself. In fact, social scientists have a same demographics is destiny. It's true in your company also. You've got to be attracting, surely you need the experienced, seasoned professionals that have been around for ages that just know construction inside out, but by gosh, you also need those young, hungry, ambitious people that are going to drive innovation, that understand IT. You've got to look at demographics in your organization and make sure you have a healthy mix of rising younger leaders, as well as solid, seasoned professionals.

Number six, this is a big one for me, constant firefighting. Over the years, working with contractors, so many, they come into the office on Monday, and they've got a list of things they want to do this week. They've got some big strategic initiatives and they've got some smaller tasks that they want to work on, and they end up fighting fires. "Oh gosh, I got a call from somebody and now I've got to drop everything, and I've got to jump in my truck and drive 90 minutes to this job site because something happened." Man, if you're constantly fighting fires, you've really got to look at several things. Do you have the right people, do you have the right processes, and do you have the right technology? If you're constantly fighting fires the answer to one, maybe all of those questions, is no. Okay? So, think about that.

Finally, the seventh item is, and it kind of ties the first six together, you don't have a long-term strategy and all of the supporting plans, budgets, marketing plans, et cetera, et cetera. I talked about the North star; the plan isn't your North star. Your North star is your North star, but the plan is how you get there. The plan is what allows everybody to see themselves, "Oh gosh, well, I'm in business development. How am I going to help? I'm going to do X, Y, and Z and contribute. I'm in estimating, okay, this is what I'm going to be able to do."

The plan is the document, the black-and-white written document, or maybe it's a zeros in ones document in today's world, but it's the document that everybody can see, touch, experience, get into. It shows them, it talks about your mission, vision, and values. It talks about where the company's going, how you're going to get there. It's got forward-looking financials. It helps just embody all of these six other items. It talks about how you're going to hire, what's your hiring strategy, what talent needs that you have, what new ideas are you trying to exploit, what new technologies do you need and want to learn about, all those kinds of things. It's what brings together where you're headed as an organization and how you're going to get there. It's an essential document.

These are my seven tips. I'd like to hear what you have to say. What do you think is a loud clanging bell that says, "Oh my gosh, we're in trouble and we need to do something about it."? What tips would you give us? Put that in the comments section, and don't forget about Boot Camp.

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