

Hi everyone, this is Wayne Rivers at FBI. *We Build Better Contractors.*

This week, I want to talk about if you're not growing your dying. So, we did a blog a few weeks ago sort of asking the rhetorical question, how big is too big, how much is too much? And I got a great comment from Chris Duinck. Chris runs a third-generation heavy civil company that operates in Minnesota, South Dakota, and Texas. Very successful, obviously, multi-generational. And Chris came back with a comment that really kind of got my wheels turning, and caused me to think more about growth, and what it really means for a successful construction company. So, the comment was, "If a company isn't growing sustainably, it's dying. I'm keenly aware of my shelf life." Think about that term, shelf life. "And grooming the talent coming behind me is the most important thing I can do as a leader, prepare the next leader."

So, I said, "Wow, that's a really, really interesting comment." And so, my bias in thinking about growth, if you're not growing your dying. I mean, that's kind of the conventional wisdom in the business world, isn't it? And my bias has always been top line growth. If you're not growing your volume, because if you read about the Fortune 500 companies and all that when they say growth, they're talking about sales growth and profit growth. So, that's always been my bias, but that's hardly the only way to grow. And we'll come back to that.

But then, I started thinking about the Great Recession. Well in the Great Recession, most contractors lost 40, maybe 50% of their volume. That's not growing, is it? Well, maybe it is. Maybe it is in a sense. So, I wanted to dig deeper. And I called Chris and we talked about his comments. And Chris talked about since having taken over from G2 in his company, they really haven't grown the top line all that much. But what they've grown is margins, efficiencies, and employee satisfaction. Those are the things that Chris, as the senior leader has been focused on.

So, he talked about sustainability. He said, I'm going to read here, he consistently looks at his organizational design and strategic plan. They review their talent management and executive coaching capabilities. Get that, executive coaching capabilities, wow. He said they want to be, and they have to be the preferred place to work in their area. Now, you think about that, you're not just competing with other contractors for your workforce these days, you're competing with everybody. You're competing with people, hundreds of miles away because, in the hybrid work model of today, they don't even have to be in Omaha to work in Omaha, do they? And he said, you can't outpace your systems. So, the idea of sustainability, org design, strategic plan, evaluating systems, executive coaching, man, this is really good stuff. I was so excited to have this conversation.

Now, you contrast what Chris is saying with how I perceive the typical contractor. So, many times I've heard members say, "Oh my gosh, we just got the biggest job in the history of our company. And we're not sure how to staff it. Or we know we're going to staff it with this team, but now we have to backfill our group because we have other smaller projects, and we don't have the right manpower." And so, it's like grow, catch up, run into the ceiling of complexity, have a crisis. You back away from the crisis and figure it out. And then, you head a few years later for another crisis because you're growing, growing, growing, but you're not doing it in an intelligent way by evaluating and reinventing the way Chris is talking about.

So, for example, in his review of his organization, he found out that... I forget how many VPs, but a number of VPs had 10 direct reports. And he wants to get that down to five direct reports to make everybody more effective. So, he said, it's going to take six months to design what that's going to look like, how they're going to navigate from point A to point B. And then, it's going to take about two years to implement. And I love it. I mean, this is a guy engineering his own future. I mean, it's just great to hear this stuff.

He said, what worked in the '90s does not work with today's employees. Work-life balance is so absolutely important today. One of the things he said that really got me in his comment, "Success breeds that which is not successful." That's a Peter Drucker quote, "Success breeds that which is not successful. Financial gains can lead to complacency, which

ultimately ends in failure. Fight complacency but enjoy the ride. And show genuine gratitude for those who are toiling alongside you." Great, great comments.

So, let me go back to the Great Recession. All right so, FBI we lost half our revenue. We suffer when contractors suffer. You guys lost 40, 50% of your revenue. How do you grow in a period like that? Well, addition by subtraction, getting rid of people who are C players that no longer belong on your team, that's one way to grow. Employee engagement, customer engagement, margin improvement. There are so many ways to grow in a construction company. It doesn't always have to be volume. That's my bias. It's probably many of your biases too. It doesn't have to be top line growth. There are lots and lots of ways to grow as human beings, and as people working in businesses.

So, we'd like to hear, what are your strategies? What are you doing to reinvent? Where have you seen growth even in times as challenging as the Great Recession from 2008 until 2013, or whenever construction actually recovered? This is Wayne Rivers at FBI. *We Build Better Contractors.*