

Wondering Which Way Your Company Should Go?

by Les Cunningham

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Have you noticed that your business is a little slow? Are you wondering what you can do about it? Did you read about the multi-count indictment of a contractor by the state of Colorado? How is this earthquake in our economy going to affect the industry? Do you think any of these things might affect your business?

Let's start with you noticing that your business is indeed a little slow. Let me compare your business being slow to you operating a newsstand at a bus stop. Every day the bus drops people off at the bus stop by your newsstand at the scheduled time. Before they depart for their final destination, they make purchases at your newsstand. Every day the bus shows up at the scheduled time at the bus stop and people get off of the bus. This goes on continuously until one day, the bus does not arrive.

You read the sign that shows the schedule of the bus times, you check your watch and determine that it is indeed the correct time, but still no bus. After you wait for a long period of time, the bus still does not arrive; you realize that the bus is at best going to be either very late and at worst maybe not even coming to your stop today. The end result is that you lose the regular business you have been used to getting. As you begin to analyze the situation, you begin to realize that you've done nothing to attract the bus traffic other than believing that the bus will show up on time everyday.

Are you involved in any third-party vendor programs? Have you experienced the sensation of steady business from a third-party vendor and then, for no reason, the amount of business slows or stops? You went and read your agreement; it says they would bring you business if you followed their rules. You thought that you didn't have to do any business development because the business would be supplied by a third-party vendor.

The point is, if you depend on others, they control your business. What you need is to control and drive your own business development. Can you or

should you be involved in third-party vendor programs? You need to decide that question for yourself. Not surprisingly, third-party vendor programs differ from each other and in different regions around the country. You must control your own business development; to leave it to a schedule to which you have no input is to give control of your business.

The most important thing that you can do is to take control of your situation and take it in the direction that you want it to go. Try third-party vendor programs and determine if they allow a win-win business relationship, the idea being that they get what they want (win) and you get what you want (win).

Even then, you need to be developing additional and different sources of business in addition to third-party vendor programs. Some companies chase weather disasters, some companies work with public adjusters, some companies do remodeling work. The idea is that the option is up to you. The major reason for diversification is that if, for whatever reason, you were to lose a part of your business, you would not be harmed or worse by that loss of business. It takes a long time to build a book of business, but only a very short time to lose that same book.

Your job is not to drop off trinkets to the companies you call on, but instead work at developing and building relationships that live up to the test of time. These types of relationships are best described in best selling books such as *7 Habits of Highly Effective People*, *Good to Great* and *The Speed of Trust*. What you will begin to realize is that the only constant in business is change. You need to run your business for profit, as do insurance companies and property management companies.

Did you read about the multi-count indictment of a contractor by the state of Colorado? There has certainly been a lot of speculation as to what the indictment is about and what is going to happen when the case goes to court. I'm sure about a few things, one of them being that the person(s) being charged are innocent until a court determines otherwise. Neither side is talking about what has transpired, and that is the way that it should be. They will both get their day in court and in that court, it will be determined who and what is correct.

In the interim, we need to consider a few options in our business. You need to be sure you are running your shop in a proper manner, e.g. paying your taxes in a timely and correct manner as prescribed by law. Also, both the provider of service and the receiver of service must be exceedingly clear

with each other as to just what their expectations entail. A basic example of this would be an agreed-upon scope of work that the insurance adjuster and the contractor agree upon as to what work will be done by the contractor, what the insurance adjuster will pay for and what work the policy holder will receive.

Lastly, I would suggest that each side of a business relationship develops a "win-win or no deal." Each side gets what they want (a win), or they decide to stay friends but to walk away from each other when one or both of them cannot get what they want and need.

How is this earthquake in our economy going to affect the industry? The economic shakeup is going to change how we do business in ways that are still to be determined. One thing that has been shown, though, is that you need access to cash. You need to determine how and when you are going to get paid at the start of the job, not the end. You need to make sure you are bidding the job that the person paying wants done. You must be completely confident that the job being done is that which has been specified in the scope of work. And last but not least, you must collect your money due as was agreed to at the start of the job.

The list goes on and on. Ultimately, the reality is that the most you can expect to control is your own environment. Most of us struggle to do that. The reality is, if you work with someone else, things sometimes happen that you didn't have any control over. For example, a specific color of paint was called for in the job scope of work, but for whatever reason, a different color was used on the job. If you've been in business for any amount of time, you have experienced this in some manner. The fact is, stuff happens on jobs; what makes for the true test of your ability is how you handle it.

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