

COLEMAN

Building your construction business

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LEADERSHIP

(950 words)

“A typical project manager spends up to 70 percent of his time reacting to minor emergencies, correcting errors, tracking down answers to simple questions and explaining the obvious..... Hardly a productive, or effective, use of a professional manager’s time.” So says the **Alliance Project Management Manual**.

How about you? Are you spending 70% of your time on trivia? When you have read this article you might be surprised at the answer. When a client asks me what’s the best thing they can do to improve the value of their business I often shock them with my reply “don’t show up; don’t go to work; fire yourself”

You see, most of us spend huge amounts of time, probably 50% or more, doing exactly what the project manager is doing – dealing with trivia. We should have systems in place to reduce the amount of trivia and juniors for dealing with the rest of it. If you did this you could free up 20 hours a week or more. How can you do it? It takes some simple strategy and a **lot** of effort.

Week one: (Do this each day)

List what you are doing at every quarter hour for the week. For example

8:00 AM – drinking coffee

8:15 AM – talking to receptionist

8:30 AM – responding to phone query about project #123

8:45 AM – talking to project manager about project #123

Week two:

Identify what is trivia and get rid of it to a junior

Identify what is a recurring item and put a system in place to make it routine

Identify where you are interfering (Why didn’t the project manager take that phone call instead of you?) and stop interfering. Give people authority as well as responsibility.

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Week three:

Develop a discipline of only doing activities that are critical to the company. Get out of the day to day operations, that's no place for the owner manager to be spending his or her time.

As well as having a TO DO list you should also develop a I WILL NOT DO list. Put on that the trivial items that take you away from being successful.

If you didn't go to work someone else would have to do those chores. So make a plan that will allow you to stop going to go to work in two months time and spend the interim developing systems and people to handle all those menial chores that you are wasting your time on. Once you have set your deadline you will be amazed at how focused you become. Reward yourself with a trip away in month two.

So, now you have gotten rid of the trivia and you are an effective owner/manager, right? Wrong! You see, you are probably only spending 10% of your time in your true role – your leadership role.

You can never retire or sell the business for what it should be worth if you continue to fill the role of owner/manager. There are thousands of competent managers out there who could manage the company as well as you, if only you could get to the next level. This is the secret to it all. The next level is leadership and that's where we should be spending most if not all of our time. That's where the money is going to be made and that's what will give you an exciting future. No more than 5% of people become leaders, they are too busy managing the activities or doing the activities.

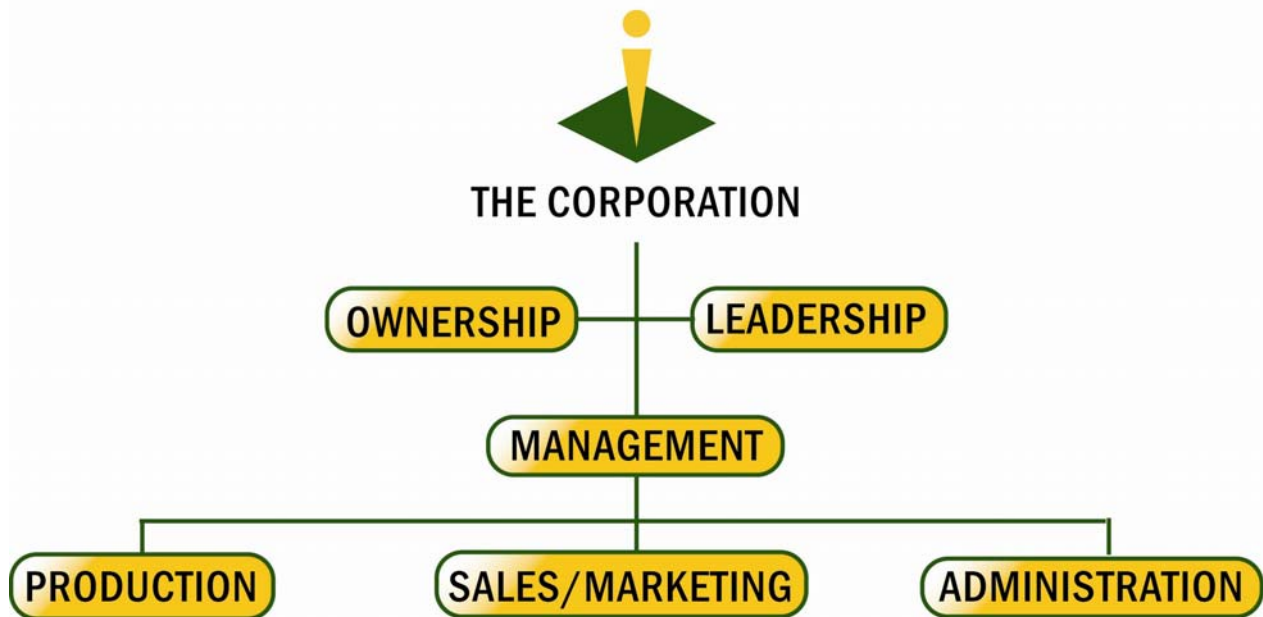
If you don't have a vision for your company who will? Who's thinking about what the company will look like in five years time? Who is implementing that tactics it takes to ensure that the company will look like that vision? Having that vision and turning it into reality is not only rewarding personally but also financially.

One of my clients, a heating contractor was doing \$2 million in annual sales and making 5% (\$100,000) pretax profit after taking a salary of \$75,000. At a valuation of four times annual earnings this put his company at a value of \$400,000. He was part of the HRAC benchmark program that I do annually and he asked me why he was only in the middle of the pack? Why wasn't he making 10% or better like the top 25% of the companies in the program?

We developed a vision of his company doing \$3,000,000 in sales at a 10% pre tax profit. If this became a reality his company would be worth \$1,200,000 (four times \$300,000). It took four years to get there. Once he focused on that vision he wouldn't let go. Every day he asked himself the question "what did I do today to make my vision a reality?" When he wasn't satisfied with the answer he determined to be more disciplined the next day. He said it was tougher to stay the course than any diet he ever went on, particularly in the early stages, but it was the most exciting and rewarding time of his business career. So, not only is the company worth an extra \$800,000 but now he makes \$300,000 annually instead of \$100,000. Over the next 6 years the combined result will give him additional wealth of \$2,000,000. I know he will lose some of that to income tax but he will compensate for that by investing the additional earnings outside the company. Can you envision that for your business?



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