

Constructing a Company Planning Worksheet

The hammer, trowel, pliers, and wrench are well known tools of the construction industry. They have their various uses and are needed to get the work done. Management is another tool that the owner-manager of a construction firm must use. Each job must be planned and organized if the firm is to run smoothly and efficiently. The business plan will help you increase your skill as a manager.

Because of the diversification in the construction industry, you may be engaged in residential, commercial, or industrial construction. You may be either a general or specialty contractor. But the same basic managerial skills are needed. This plan will serve as a guide to the various areas that you as a manager will be concerned with.

The business plan can help you. As your skills as a manager increases so will the number of jobs you can effectively control. The careful completion of this plan may point out your limitations. This is important. To be a successful contractor you must not only know your business thoroughly but must also know your limitations and seek professional advice in these areas.

Why Am I In Business?

Most contractors are in business to make money and be their own boss. In the first years of business, your profits may seem like a small return for the long hours, hard work, and responsibility of being the boss. But there are other rewards associated with having your own business. For example, you may find satisfaction in helping to put groceries on your employees' tables. Or, maybe your satisfaction will come from building a business you can pass on to your children.

What Business Am I in?

At first glance this may seem like a rather silly question. You may say, "If there is one thing, I'm sure of, it's what huskiness I'm in." But wait. Let's look further into the question. Suppose you say, "I build houses." Are you a speculative or custom builder? Are you a re-modeler? Are you a subcontractor? Can you schedule a complete job and make money? By planning according to this decision, you should realize the value of this type of thinking in dollars.

Consider this example. Bob Rogers started a small construction business shortly after World War II. Because of Mr. Rogers' skill and talent for design, he directed all his activity toward building taverns. There was enough call for this type of building to keep him and his crew busy until the early 60's. Then sales began to fall off.

By moving his shop to smaller quarter with less overhead and by laying off half his crew, he was able to maintain his business to his satisfaction the rest of his life. After his death, his son examined the situation and decided that he wasn't really in the business of building commercial bars. He was in the business of custom finishing.

Today his business is prospering. He is building cabinets and small bars for private homes. His company also does other finishing work that requires the craftsmanship his crew is capable of.

Management and Organization

Legal form of ownership: Sole proprietor, Partnership, Corporation, Limited liability corporation (LLC)? Why have you selected this form? At first, many construction companies are one man shows. It is up to the owner to do almost everything. As the company grows, perhaps specialists are added, such as an engineer/estimator, an office manager, and a general superintendent. Who will manage the business on a day-to-day basis?

Constructing a Company

1. What type of Construction Company will you start? (Sole Proprietor, Partnership, or Corporation)

2. List the members of the company below, followed by their title within the company:

Name

Title

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

3. What will you name your Construction Company?

4. Draw a picture of your company on the back of this page. (Be sure to include your company's slogan with your logo.)

5. Create an organizational chart showing the management hierarchy and who is responsible for key functions.

6. Include position descriptions for key employees.

- Who does which tasks?
- Do you have schedules and written procedures prepared?
- Have you drafted job descriptions for employees? If not, take time to write some. They really help internal communications with employees.
- For certain functions, will you use contract workers in addition to employees?
- If you are seeking loans or investors, include resumes of owners and key employees.