



## Growing Pains: Avoiding the Pitfalls of Expansion

We all remember those awkward years of growing pains where it seemed like every lesson was learned the hard way. Mom and Dad always tried to tell us about the pitfalls around every corner, but their advice seemed outdated, and we chose to learn our lessons the hard way. Unfortunately, business doesn't work that way. In business, if you learn your lessons the hard way, you will find yourself out of business very quickly.

With so much at risk, how do you know when it's time to expand your business, and how do you avoid jeopardizing a currently successful operation?

### To Grow or Not to Grow?

According to Dr. Thomas C. Schleifer, consultant and author of *Construction Contractors' Survival Guide*, when a contractor decides to expand his business, timing is everything. "If a company has been stable for a while and profitable, then to grow and do more of it makes sense," says Schleifer. "If a company is marginal, then there's little sense in growing." If your company is not operating at performance levels standard in the industry for similar-sized companies, then Schleifer says you would do better to focus internally and become disciplined, then "move out." Schleifer says being ready to move out "means having enough financing and quantity and quality of management to handle additional work." Contrary to what many assume, growth is not always good for contractors.

"If you look at contractors who have financial difficulty, the majority of their problems are growth related," says Monroe Porter, president of Proof Management in Richmond, Virginia. "All the problems that you had when you were small magnify themselves over and over." For this reason, expansion is a decision that needs to be examined thoroughly, meaning several factors must be considered and researched at length: Why do you want to expand? What do you hope to gain from expanding? How are you going to expand?

"It's important to remember that an acquisition or expansion is a means of accomplishing a goal," says Ben Brahinsky, director of mergers and acquisition at FMI. "It's not the goal itself."

### Ways To Expand

Once you've answered these questions, your next step is to decide the best route to take to expand your business. The two most common tactics are expanding your existing business and buying other similar companies. Both have their advantages, but one common element holds them together - staying with the familiar. Regardless of the path you choose, it is imperative that you stay in the niche you know.

To read more visit Excerpt: <https://www.entrepreneur.com/article/179066>



### About The FDOT

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on FDOT contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.

### About The Program

The Construction Estimating Institute (CEI) works with FDOT as the statewide provider of the federally funded Disadvantaged Business Enterprises (DBE) Supportive Services Program.

We want to increase the number of certified DBEs participating in highway and bridge construction, as well as assist DBEs in growing and eventually becoming self-sufficient. Additionally, CEI provides supportive services by assisting prime contractors and consultants with identifying DBEs for subcontracting opportunities on priority projects.

## Attracting the Next Generation of Construction Workers



During the core of the Great Recession, employment in the construction industry dropped by 2.3 million, making it the biggest percent decline in a non-farm industry. Many laborers were forced out and had to find work where they could. Many went back to school or joined other professions. Now that the economy is improving and the industry is back on its feet, all of those workers are well into new careers in various industries. The challenge lies in not having enough qualified workers to fill the massive demand for employees. Labor shortages in the construction industry are widespread, and it's taking time for conditions to improve.

The construction industry is not the only industry in need of workers. The construction industry will have to create a workplace that continually attracts and retains top talent.

### Not Your Parents' Construction Industry

The industry has experienced a lot of changes in the last 25 years. Millennials may not be as interested in the construction industry because of misconceptions from what they have heard from their parents or grandparents. Five major changes in the construction industry are:

1. *Technology*—Jobsites now utilize smartphones, drones, 3-D printing and other technologies. Workers can now successfully operate technology worth thousands of dollars.
2. *Safety regulations*—Stricter protocols and guidelines are protecting not only the safety and health of the employee, but also of the customer.
3. *Demand*—Currently, there is a high demand for construction workers, and the gap is only growing.

With technology advancing at such a rapid rate. The construction industry can reap the benefits of consumers desiring such a lifestyle.

3. *Training*—Training keeps employees in line with technology and safety. Now that the construction industry has become a recognized skill, it puts a higher demand on training employees.
4. *Culture*—Happy employees will work harder and faster, and the competition won't easily steal them. Employees that are treated well take value and ownership in their work. Construction should be appealing to future generations who like to work with their hands.

### Hiring Millennials to Close the Labor Gap

By 2025, millennials will comprise 75 percent of the United States workforce. Raised in the technology age, millennials depend on technology being readily available to them. They measure success by how much gets done, rather than the number of hours they punched. Millennials prefer meaningful work, which suggests they want to feel connected and included with their team.

They also want flexible work schedules and career opportunities that allow them to move higher up in the company and into a position where they can obtain leadership positions. Most millennials want a job in which there is a variety of opportunities.

Millennials bring many positive attributes to the industry. They will do the technology research for you, and they will let you know what they think, which will help you get your projects done faster. They will also be excited to learn.

To read more visit Excerpt: [www.constructionbusinessowner.com/management/workforce-management/june-2016-attracting-next-generation-construction-workers](http://www.constructionbusinessowner.com/management/workforce-management/june-2016-attracting-next-generation-construction-workers)

## Supportive Services Offered



- Estimating Training
- Building Capacity
- Mobilization Financing
- Bonding Assistance
- Marketing Plan Development
- Creating a Business Plan
- Building a Website



**BONDING  
AND  
FINANCING**

CEI is an educational organization providing the highest quality construction training in the industry. Over 100,000 owners, estimators, project managers, field supervisors, office support staff, foremen, laborers, and key management personnel have attended courses that are offered nationwide. The courses provide students with construction skills training and the critical information needed to be effective within their companies and organizations.

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