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## *ECONOMIC AND BUSINESS GROWTH*

**OUR ECONOMY,  
ONE YEAR LATER**

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12 VIRTUAL TAKEAWAYS**  
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**OUR ECONOMY,  
ONE YEAR LATER**

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**FROM OUR PRESIDENT**

# Program provides impressive dividends for members



**THIS ISSUE OF THE WISCONSIN MERIT SHOP CONTRACTOR** focuses on economics and business development or business growth. For most contractors, the right amount of business growth is a good thing. With growth comes increased revenue, and hopefully, profitability, but it usually requires investment.

There are ways to increase revenue without large investment, however, such as with smarter marketing and brand development and business visibility and networking, as highlighted in articles in this issue. You could consider cutting costs to increase cash flow and fund growth.

You could also find financial rewards for performance, similar to what the ABC of Wisconsin Sentry Insurance Safety Dividends Program provides to contractors. A loss ratio dividend, based on performance of the group on non-workers' comp. business lines, has been paid in each of the last three years; essentially since the program was large enough.

This year, the loss ratio was 37% and it's paying out 12% of the non-workers compensation lines. The total dividend paid is \$386,000.

The program, which has 31 members, experienced 57% growth in premium in 2020 and has \$7.5 million in non-workers' compensation lines.

This partnership between ABC of Wisconsin and Sentry was established because both share a mutual interest in promoting safety. Sentry was interested in offering a program that provides additional financial rewards to ABC of Wisconsin members who demonstrate their commitment to running safe businesses.

As a result, we have an excellent, Wisconsin-based company providing a rare program in the insurance industry.

"It's the only program that we have like this in existence at Sentry," said Tim Zepnick, regional executive from Sentry Insurance. "We think it's performing extremely well, and we look forward to continuing it."

We don't expect to see double-digit dividends each year of the program, but it's always nice when participants can take a nice reward and apply it to the bottom line.

— John Mielke



ABC of Wisconsin President John Mielke (left) is presented with a check from Sentry Regional Executive Tim Zepnick for the Sentry Safety Dividend Program.





# CHAPTER RECOGNIZES EXCELLENCE IN CONSTRUCTION

The Projects of Distinction (POD) Excellence in Construction Awards Ceremony – held virtually this year due to the ongoing COVID-19 pandemic – acknowledged 51 very distinct projects in January. Projects of Distinction provides an opportunity for ABC and its members to highlight the quality and professionalism of projects built on merit. For details on each award and to watch a video of the awards ceremony, please visit [abcwi.org/POD](http://abcwi.org/POD).

For the ninth consecutive year, the “Built on Merit” Award was presented to Friede & Associates for utilizing the largest number of fellow ABC members on the Walnut Street Flats project in Reedsburg. Friede & Associates used 38 contractor and supplier members on the project. Congratulations and thanks to Friede & Associates for dedication to merit construction!

Also, as part of the awards program, Jay Zahn was awarded the 2020 Wes Meilahn Award for his dedication and tenacity toward ABC of Wisconsin and merit construction.



Jay Zahn is the 2020 Wes Meilahn Award recipient



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**Bowlero**  
WDS Construction, Inc.



**Chartwell-Deming Way**  
Kraemer Brothers



**Heartland Church**  
NCI-Roberts



**Jerry's Towing Facility Addition**  
Derrick Building Solutions



**Kettle Park West Tru Hilton Hotel**  
Stevens Construction Corp.



**LIDL Grocery**  
WDS Construction, Inc.



**Mineshaft**  
Keller, Inc.



**Mt. Morris Mutual Insurance Company New Headquarters**  
Ellis Construction



**Noah's Ark Employee Housing**  
Holtz Builders, Inc.



**Wilderness Lobby Remodel**  
Holtz Builders, Inc.



**Glen Park Pavilion - Shelter**  
Ross & Associates, Ltd.



**Dreier Family Dental**  
Keller, Inc.



**The View at Johnson Creek Assisted Living and Memory Care**  
Consolidated Construction Co., Inc.



**Certco Fleet Maintenance Facility**  
Stevens Construction Corp.



**Greenfield Food Distribution Center**  
ESI Group USA



**Northstar Medical Radioisotopes Phase 2**  
Corporate Contractors Inc.





**Holy Spirit Parish Addition and Renovation**  
Ellis Construction



**Chula Vista Zipline & Ultimate Rush Accelerator Ride**  
Friede & Associates



**Wilderness Take Flight Theater**  
Holtz Builders, Inc



**45th Parallel Distillery Event Center**  
Derrick Building Solutions



**Bardo Custom Blending**  
Friede & Associates



**RG Heating**  
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**S&L Companies Aircraft Hangar**  
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**Olbrich Gardens Expansion**  
Joe Daniels Construction Co., Inc



**Laskaris Home**  
Holtz Builders, Inc



**Eagle Crest South**  
Wieser Brothers



**New Perspective Senior Living**  
Stevens Construction Corp.



**Peloton Residences**  
Stevens Construction Corp.



**The Highline Senior Apartments**  
Stevens Construction Corp.



**The Lamphouse**  
McGann Construction



**The Yards**  
Altius Building Company



**Walnut Street Flats**  
Friede & Associates





**Angus Young Architects  
Janesville Headquarters  
Renovation, Gilbank Construction**



**Beloit College Powerhouse  
Corporate Contractors Inc.**



**Chula Vista North & South Tower  
Renovation  
Friede & Associates**



**Crossroads Church  
WDS Construction, Inc.**



**Klein Ford  
Keller, Inc.**



**Midwest Refrigerated Services  
Brown Deer Road Target Building  
Consolidated Construction Co., Inc.**



**University of WI - Stevens Point  
DeBot Dining Center Renovation  
Ellis Construction**



**WI English Second Language  
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**Wisconsin  
ABC 2019 Excellence  
in Construction  
Projects of Distinction**

For details on  
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*STORYTELLING*  
IS YOUR DIFFERENTIATOR





# BLE, LING



By Dave Neelsen – Co-founder/Executive Producer, StoryFirst Media

**I**n a Construction Today article entitled “How Contractors Can Improve Customer Satisfaction Rates,” the author Roy Rasmussen outlines four different methods, and not a single one had to do with the buildings you build. Let’s be frank. A quality building should be a given to your customers. That’s not what they’re buying from you. They’re buying what the building means for them and the people they care about – family, employees, and customers. Rasmussen’s four tips for improving customer satisfaction were as follows: Understand Customer Needs, Build and Foster Relationships, Respond Promptly to Customer Service Requests, and Track Customer Data. At no point does he say, “build better buildings.”

My guess is that you care deeply about building quality structures, but in a review-based world where everyone can express their experience on Google, Angie’s List, etc., excelling at the way you serve customers should be as high a priority as the deliverable itself.

Companies can replicate technology and capabilities over time, but they can never be you or have your story to tell.

So, what can you do today, tomorrow, and 10 years from now that will differentiate you? Tell your story better than the next construction company.

#### **The Newness of Story Research and the Human Terrain**

Storytelling is something we all have had a relationship with since we were young children. As a result, in the big, tough world of business we have typically dismissed storytelling as soft and not as important as the facts or data. Unfortunately, facts and data cut both ways in a bid-based industry, so maybe we shouldn’t let the numbers speak for themselves.

In the past 15 years, there has been hard cash spent by DARPA, the research arm of the U.S. Defense Department, on the power of narrative storytelling on the human brain. Why would they care? Bombs and bullets were no longer as successful in post-9/11 geopolitics. Understanding the human terrain of the battlefields and what motivates the opponent to fight was now critically important.

What came of this research was that humans are helpless without story. It’s like water to fish. It’s all around us and if we’re not told a story in any situation, we will then simply tell

## **FOUR TIPS FOR IMPROVING CUSTOMER SATISFACTION**

- 1 UNDERSTAND CUSTOMER NEEDS**
- 2 BUILD AND FOSTER RELATIONSHIPS**
- 3 RESPOND PROMPTLY TO CUSTOMER SERVICE REQUESTS**
- 4 TRACK CUSTOMER DATA**

ourselves the story we need to make sense of that situation. Jonathan Gottschall in his book "The Storytelling Animal" calls this "The Witchery of Story." Essentially it all comes down to spiking oxytocin and cortisol in the brain of your audience, and if you've done so, you've told an effective story.

What does this mean for you as a construction contractor looking to separate yourself from the 'only win with the lowest bid' landscape?

It means pretty pictures of buildings and the facts and data of your work alone will not set you apart. Show your audience that you understand their motives and that your goals align with theirs through the stories you're telling. You need to focus more on the human terrain of your work.

### The Architecture of Story

How do you refine your storytelling craft and design effective stories that differentiate? You start with the fundamentals, and you practice consciously.

We all know from our experience and elementary education that stories have a beginning, middle, and an end. Often, though, that is where our understanding of storytelling ends.

What is more important to know is that all stories are about a

IN THE BIG,  
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character out of balance with the world and the actions taken to re-achieve balance, culminating in a final decisive act that defines their character.

The DARPA research shows the most important pieces of a story told TO PERSUADE (as opposed to entertain) are the Motive Matching between the audience and the character and choosing the correct climax character.

When you, as a contractor, tell a story that clearly aligns with the couple building a new home for their growing family, or the business owner needing a larger space for his employees to excel and grow, you've now connected with them on the human terrain. Sure, price and the quality of your work will still matter, though you've just assured that the transaction

will no longer be just about those two factors alone.

A simple tool you can use is the Rule of Buts and Therefore. Without training, most of us fall into a very common trap of what we call "and then storytelling" ("This happened, and then this happened, and then this happened, and so on.").

But stories are defined by cause and effect. When following the Rule of Buts and Therefore, we simply replace "ands" with either "but" or "therefore." "This happened, therefore this happened, but this happened, etc."

Whenever you can replace your "ands" with "buts" or "therefores,"



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it makes for more effective storytelling. Our audience will now know what happened and why or how it matters. When using this fundamental tool, you'll be telling stories that capture and hold your audience's attention better.

To tell stories for a PURPOSE, which is what we are all doing in business, it is still imperative that you ask yourself two questions:

- 1) What is the motive of my audience?
- 2) How does my motive align with theirs?

When you've answered both well (and this requires honesty, both with yourself and in your ability to articulate with your customer), you'll have told a story with PURPOSE, which will differentiate you, winning trust with your customer and entrenching your relationship.

### Story as a Tool to Differentiate

One of the biggest challenges of any industry where there are a lot of companies that provide the same product or service is differentiation. If our products and services don't differentiate us, and all mission and value statements sound essentially the same, what can we do?

Focus on your decisive actions. Remember, all stories are about cause and effect. The characters in stories are defined by their behavior.

You may have two characters who deliver on the same goal. Take two famous detective characters, for instance: Dirty Harry and

## YOU MAY OFFER THE SAME PRODUCTS AND SERVICES AS THE NEXT CONSTRUCTION COMPANY, BUT HOW DO YOU DO IT DIFFERENTLY?

Sherlock Holmes. Both deliver identical services: the pursuit of justice under the law. But the two could not be more different in how they go about it. This comes down to their decisive actions.

Dirty Harry delivers justice because he's more brutal than the villain. Sherlock Holmes delivers justice by outsmarting the bad guy. Knowing this liberates the screenwriter to know what the characters would and would not do in a given situation (Dirty Harry can't

suddenly speak with an English accent and use a magnifying glass – it's a violation of character, and the audience will know it).

This principle applies equally to differentiating businesses that have identical services. You may offer the same products and services as the next construction company, but how do you do it differently? Are you Dirty Harry or Sherlock Holmes? Is your Decisive Action your toughness, your ambition, your integrity, etc.?

Your actions and character as a person and company are ultimately what will define you and your business. [ABC Wisconsin](#)

*David Neelsen is a career sales and marketing storyteller and co-founder of Wisconsin-based StoryFirst Media Group. StoryFirst is a Business and Entertainment Storytelling Company that uses the science of storytelling to help their clients learn storytelling, find their stories, and tell them through video and film production.*



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# OUR ECONOMY, O

By Kyle Schwarm – ABC of Wisconsin Marketing & Communications Director

**A** year ago, our economy took a dive like never before. As the pandemic hit, businesses were forced to close down for what was supposed to be four weeks. Many were forced to find new ways to deliver services. Others did not survive, especially many small businesses. The economy contracted at a 31.4% annualized rate in the second quarter of 2020, the deepest drop on record, according to the U.S. Commerce Department.

Fortunately, contractors were included in the list of essential businesses and could continue operations after the longest economic expansion period in U.S. history.

“This is nothing we've ever seen before,” said Dennis Winters, chief economist with the Wisconsin Department of Workforce Development. “We don't know quite what to make of it and we certainly aren't going to be very good at figuring out what's going to come.”

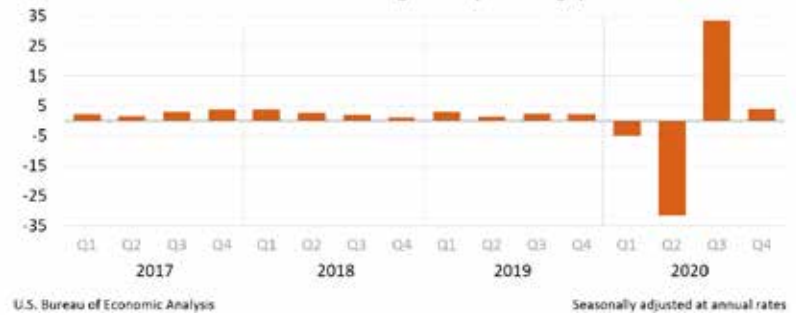
Winters calls what has happened the “bam-boing” recession because of how abruptly and intensely things hit and how quickly they seem to be coming back.

“COVID came in and we started shutting things down and jobs went away in a heartbeat,” Winters said. “They come back pretty fast.”

While job numbers are still down, half the 22 million lost jobs in the nation have returned. In Wisconsin, more than half the 450,000 lost jobs have returned. The gross domestic product



## REAL GDP: PERCENT CHANGE FROM PRECEDING QUARTER



(GDP), which dropped at an annual rate of 31.7% in the second quarter, bounced back up at an annual rate of 33.1% in the third quarter.

Throughout 2020, contractors had ample work to keep crews busy, but uncertainty lingered into last winter. While many construction projects were placed on hold, most of those projects appear to be coming off the shelves and into design.

“As was the case for many, if not most design firms, 2020 design project workload was definitely impacted by COVID,” said Michael Maas, AIA, NCARB, partner/senior architect with Architectural Design Consultants, Inc.

Maas, who works closely with many ABC of Wisconsin

**MANY OF THE PROJECTS THAT HAD STALLED OUT IN 2020 DUE TO THE ECONOMIC EFFECTS OF COVID-19 HAVE RESTARTED. CLIENTS SEEM TO BE LOOKING BEYOND COVID-19 AS WELL AND STARTING TO TALK ABOUT NEW PROJECT STARTS AT THE END OF THIS YEAR FOR 2022.**

# ONE YEAR LATER

members, said he knows several contractors who were overwhelmed with workload in 2020. He has great optimism for 2021, based on how the year started.

“It seems many clients and developers are sensing more stability with the new year, and with that renewed energy they are looking to engage project designs.”

Contractors seem to be in agreement.

“We are very optimistic about 2021 and beyond,” said Gene Schleusner, senior vice-president of business development at ABC of Wisconsin member Consolidated Construction Co. “Many of the projects that had stalled out in 2020 due to the economic effects of COVID-19 have restarted. Clients seem to be looking beyond COVID-19 as well and starting to talk about new project starts at the end of this year for 2022.”

This has made subcontractors busy as well.

“We see subcontractors already booked up for this year; some stating that they will not be taking on new work until 2022,” said Schleusner.

This is obviously good news for subcontractors but puts a strain on generals in need of their services.

Wisconsin has been fortunate. In many states, commercial contractors have been tapping into the residential market, which has been heating up. Not only is the demand for residential rising, but many non-residential contractors made the shift to simply stay afloat. Non-residential construction has recovered a bit nationally over the past few months, increasing nearly a full percentage point from December to January, with the ABC Backlog Indicator increasing from 7.3 months in December to 7.5 months in January.

# NONRESIDENTIAL SPENDING GROWTH, MILLIONS OF DOLLARS, SEASONALLY ADJUSTED ANNUAL RATE

	January 2021	December 2020	January 2020	1-Month % Change	12-Month % Change
Nonresidential	\$799,074	\$791,627	\$840,990	0.9%	-5.0%
Conservation and development	\$7,610	\$7,161	\$9,791	6.3%	-22.3%
Highway and street	\$108,108	\$102,152	\$101,784	5.8%	6.2%
Manufacturing	\$65,822	\$62,882	\$77,204	4.7%	-14.7%
Public safety	\$16,246	\$16,007	\$12,928	1.5%	25.7%
Health care	\$46,171	\$45,659	\$47,497	1.1%	-2.8%
Communication	\$22,321	\$22,084	\$22,700	1.1%	-1.7%
Amusement and recreation	\$25,074	\$24,886	\$28,809	0.8%	-13.0%
Water supply	\$18,369	\$18,259	\$17,714	0.6%	3.7%
Lodging	\$24,908	\$24,788	\$32,133	0.5%	-22.5%
Educational	\$106,188	\$106,186	\$108,392	0.0%	-2.0%
Office	\$79,515	\$79,572	\$83,280	-0.1%	-4.5%
Transportation	\$56,585	\$56,916	\$57,275	-0.6%	-1.2%
Religious	\$3,111	\$3,133	\$3,555	-0.7%	-12.5%
Power	\$114,181	\$115,025	\$126,449	-0.7%	-9.7%
Sewage and waste disposal	\$26,506	\$27,024	\$26,317	-1.9%	0.7%
Commercial	\$78,361	\$79,895	\$85,166	-1.9%	-8.0%
Private Nonresidential	\$447,027	\$445,236	\$497,321	0.4%	-10.1%
Public Nonresidential	\$352,047	\$346,392	\$343,670	1.6%	2.4%

Source: U.S. Census Bureau

“It is remarkable that overall nonresidential construction spending has stabilized recently despite the lingering impacts of the COVID-19 pandemic,” said ABC Chief Economist Anirban Basu.

Nationally, construction spending in lodging, office, religious and manufacturing appear to be softest. While some of these areas are impacted in Wisconsin, the industry has been able to continue fairly steadily in the state.

“We have heard of some contractors that had been overwhelmed with workload in 2020,” said Maas. “For everyone, we believe there is plenty of reason for great optimism going into the new year. The design and construction markets have proven resilient over many decades of history.”

Other positives include the availability of money, according to Schluesner, who says business owners seem more confident now to make some capital investments in things like equipment, vehicles and buildings.

In addition to the continued stress on skilled labor, major

impacts continue to be material availability and material pricing.

“Obviously, this directly affects construction schedule and cost,” Maas said. “Due to this, planning efforts for both design firms and construction firms are being impacted. We are seeing a wide variance in the bid market as well,” said Maas.

“Current material price increases are making it tough for clients to meet a pro forma with their proposed project or new business development,” said Schluesner.

Basu said some of the increase in spending is the result of higher materials prices, which will could impact profits, at least for some contractors.

But overall, Winters said the industry should remain strong and the overall economy should “boing” back, given a few important variables.

“We’re in a good situation. Our savings are up and debt loads are down,” Winters said. “We got some pent-up demand going on. I think this will all come back, fairly quickly, all the all the ingredients are there for a nice surge.” [abc.wisc.edu](#)



# FOCUS ON FINANCE

**WHY THE  
CURRENT  
ECONOMY  
DEMANDS  
CHANGES IN  
FINANCING  
FOR YOUR  
BUSINESS  
OPERATIONS**



By Josh Marron, Senior Vice President  
Chief Banking Officer, Park Bank

Bill Nagy, Property & Casualty Consultant,  
Hausman-Johnson Insurance and

Theran Welsh, CPA,  
SVA Construction Services Group

**T**hree ABC of Wisconsin members in three financial disciplines provide insight and best practices for Wisconsin's construction industry —

And what a year it was ... As construction companies look back on 2020, key actions were required to avoid the “meteors” zipping through the industry. From our vantage point, observing year-end 2020 numbers, these actions were critical:

- **PPP loans** - Those construction companies that weathered the 2008 storm have been focused on growing shareholder value. This meant investment in equipment, technology and key personnel. We heard constantly that PPP money saved contractors from releasing key people back into the industry and now will be the future stars and owners of the company.

- **Workload** - Feedback has been inconsistent. Some contractors had steady work, depending on the sector such as education and multifamily locally, but others in the lodging and retail area did see volatility in their workload and schedules. It appears there were quicker decisions on retaining employees than in prior years due to the work volatility.

- **Interest-rate environment** - Most contractors have a line of credit, which was used more this past year than in previous years. The low rates were helpful to construction companies, as job schedules moved out farther, materials were not always available on time, and accounts receivable turnover and cash flow metrics all

increased. Contractors now understand the importance of good communication with third-party credit such as bankers and their surety.

**For 2021 contractors need to focus on these specific areas:**

- **More stimulus money** - This is key for contractors to pursue stimulus to have the cash flow available for the next six to nine months.

- **Solid balance sheet** - Since 2008, contractors have built up their balance sheets, which allowed increased borrowing and bonding capacity. In 2021, we now see spikes in metrics like accounts receivable turnover and hear projects are being bid very competitively. This lowers growth profits, equity and borrowing capability.

- **Focus on cash flow projections** - We continually hear six to 12 months will be required. Don't be light on your estimates.

- **Investments** - The past 10 years, companies have invested in technology and manpower. For 2021, the IT strategy seems to focus on document and project management and estimating and HR software.

- **Compensation programs** - It is difficult to read a paper where some company is not addressing, immediately, their compensation cost. The UW Athletic Department, for example, is slashing key executive compensation by 25% even with their reserves. This is a message to all construction companies they also need to reevaluate their base compensation, coupled with an incentive program to reward efficiency, which contributes to profitability.

- **Third-party relationships** - It is imperative you have good communication with all your key vendors, and credit sources since the number one reason construction companies fail is they run out of cash.

**The view from Washington**

We hear about rising income tax rates with the new administration. Some of our best clients over the past 30 years did not worry about income tax rates. They were focused on developing a brand, providing outstanding service, executing projects for the right customer base and providing value. At the end of the year if they made \$1 million or \$100,000, taxes would need to be paid. They relied on their tax advisor to use the sharpest pencil and minimize the tax liability. Focus on your core value to be profitable.

The economy still expects growth of about 4% in 2021 and 2% for 2022. Your company should focus on the sectors you believe have good owners, where you have invested the expertise allowing you to provide good value.

Best practices for 2021 will require an investment in technology including COVID-19 protocol, maybe cross training for your people as you shift sectors from lodging to industrial or from private office construction to smaller medical facilities.

Finally, we do expect this economy to grow as the COVID-19 plan is executed. This means more people back

to work and your HR plan will be important to identify those key individuals to hire to sustain your company for the future.

**Insurance**

As we begin to put the wheels in motion to execute a strong 2021, it is important to address challenges within the construction insurance market. Considering that insurance is one of the largest indirect costs, it is important to be aware of the implications it can have to the bottom line.

After a prolonged soft insurance market, rates have been rising steadily over the past eight quarters and have risen drastically on several lines such as Umbrella/Excess in general and on Builders Risk for Wood Frame Projects. The increased losses overall within the insurance market place has affected the capacity insurance carriers are willing to take on, which has created a decrease of opportunities within the marketplace, driving up rates. There is also uncertainty surrounding COVID-19 and the potential claims that may surface not just from an operational standpoint, but the increase in liability employers and HR departments have retained, deliberately or not.

Reduction in capacity within the marketplace is driven by layers of growing uncertainty faced with project schedules, labor, material supply chain, and potential claims. We are seeing significant impacts within the umbrella construction market (10-50% rate increase national average) due to broadening contract interpretation, increased litigation and increased frequency of nuclear judgments in excess of \$10 million. While the economy is expected to grow a ballpark of 4%, the uncertainty with the above factors creates a moving target from an underwriting perspective on amount of exposure insurance carriers are willing to retain.

Practices for delivering the best results in 2021 and into the future go well beyond looking at solely the product and placement of the insurance. Having a sound game plan and making sure you control what you can control as an organization is critical. Understand what the risk tolerance and goals of your organization are so that the insurance program aligns with the mission of the organization. It is important to strengthen relationships with carrier partners as well as take time to review strategies on how and when you approach other insurance carriers. As we enter an uncertain market cycle, the best advice is to begin the insurance renewal process early enough to give ample time in the case of any unforeseen turbulence.

**Banking**

While the effects of the pandemic may last well beyond 2022 (43% of executives believe the economy won't fully rebound until 2022, 23% believe the same won't be true until 2023), the banking industry did see solid signs of market stabilization in the fourth quarter of 2020.

For many borrowers and bankers alike, credit avail-



ability tended to tighten up for much of 2020 with so many unknown issues, especially affecting contractors and the construction industry. Supply chain, labor issues, project delays, and uncertainties regarding the economy remain issues for contractors.

Economists estimate that banks in the U.S. may have to provision close to \$320 billion in anticipation of credit losses from 2020 to 2022, representing approximately 3.2% of all outstanding loans. While this may not affect the construction business directly, losses can be expected in every loan category, with the most worrisome sectors being commercial real estate, small business lending, and both business and consumer credit cards. As banks reserve more funds for potential losses, this can have a ripple effect in how readily available credit can be, especially when borrowers are seeking loans and capital for projects or for direct capital infusions into their businesses.

For many borrowers across all business categories, 2020 was a complicated year filled with many unknowns. Will the economy falter? Will my business fail? Will my clients' businesses fail? Will there be long-lasting supply chain issues, well out of anyone's control? These were real questions and concerns from borrowers that continue to be expressed to their bankers.

One lifeline that Park Bank, along with thousands of other lenders across the United States, participated in was the Paycheck Protection Program (PPP) through the SBA. While this program had several flaws and remains arduous for many borrowers, it did provide access to capital for thousands of businesses across the country.

In fact, here is some of the most recent SBA data, through mid-February:

- 6.8 million PPP loans have been approved, with a total of \$648 billion in funds being deployed to struggling businesses.
- Through the first round(s) of the program in 2020, 12.39% of the funds (\$65B) went to the construction industry and 10.30% went to the manufacturing industry (\$54B), equating to roughly one-quarter of the total funding.
- For this latest round of 2021 allocations, 13% has gone to the construction industry (\$16.8 billion) and 10% has gone to manufacturing (\$12.8 billion), again equating to approximately ¼ of the total funding to date.
- Park Bank alone has approved more than 1,000 applications, and provided in excess of \$150 million in funding to our community, and those businesses and community organizations in need of capital.

There are several indicators that optimism is alive and well within the construction industry. For instance, construction spending during December of 2020 was up 1% compared to November 2020, which is a small but significant indicator that confidence may be returning for contractors and bankers alike.

Although the near-term may prove turbulent, and a bit uncharted, most signs point to a significant rebound in 2021 and beyond. Having a strong, mutually responsive relationship with your strategic partners, such as your banker, accounting professional, insurance professional, and attorney will be critical as we move forward and prosper in 2021 and beyond. [ABC Wisconsin](#)

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# NETWORKING

## MY TOP NETWORKING STORY, PLUS 12 VIRTUAL AND LINKEDIN NETWORKING TAKEAWAYS

By Lorry Rifkin, CPA, Partner, Clarity Management, LLC

**I**n the last few years, I have learned a lot of strategies and tips on how to network and use LinkedIn to build a brand. As an introvert, networking and meeting new connections has been a lifelong challenge to me as is it for many others.

I tried outsourcing my marketing to a marketing company, and while they helped me, the results were slow in coming and the message was not 100% in my own style.

So, I went back to doing it on my own. I started getting better at networking; learning to not take the rejection if someone did not want to meet with me personally. I went to a presentation

on how to use LinkedIn to market your business and I still remember those words ... just start. Right after that presentation, I did my first LinkedIn post. Every week I started experimenting and slowly built up a toolbox of knowledge of what worked and didn't work.

But I had one problem; I only had 1,100 connections. I would do a post and not see many views, likes or comments.

Around the same time, I started scheduling more one-on-one meetings; taking people out to lunch and breakfast. Tired of saying and hearing elevator pitches, I tried something new.

I started asking more personal questions like, "Tell me about your favorite vacation," "What's the funniest thing that ever happened to you?" and "What are your hobbies?" etc.

Then one day I got the courage to ask, "Do you mind if I take a picture and post on LinkedIn that we had a lunch together?" Almost

everyone I asked said, "yes," because they viewed it as a form of free marketing.

At a golf event, I was paired with someone I did not know. I started asking all types of personal and business questions. That person looked at me on the 15th hole and said, "Shut up."

A few weeks later that same person said "I have a gift for you. You were spot on what you said." They did have a string attached to the gift. I had to use it and use it I did. I was given my own LinkedIn hashtag and "#lunchwithlorry" was born.

I formalized my lunches to tell the life story of the person I was meeting in a LinkedIn post. Soon I had a waiting list of people who wanted to go to lunch and my network was growing, passing 2,000, followed by 3,000 connections.

I got the courage to create my own event in May 2020 and 35 people paid to come. Unfortunately, COVID-19 forced the cancellation of the event.

I decided to write out all my networking strategies and tips, and after a few weeks, I had 125 pages of material. Some people encouraged me to write a book on networking from an introvert's point of view.

But first, I had to master the world of virtual meetings. After the first month I had Zoom fatigue. Instead of complaining, I created my own monthly networking Zoom events over the lunch hour. Of course, it was called "#lunchwithlorry."

In addition, I started doing presentations to organizations. A few months later I decided to create a full-blown course on networking, which will be completed shortly.



## What is the biggest takeaway from my story?

If I can learn networking and learn how to use LinkedIn, anyone can. Yes, it will be slow, painful, and you will fail multiple times. But if you work through that pain, success will come. Today I am closing in on 5,000 connections and when I do a post, I can get thousands of views. One post resulted in nearly 17,000 views.

These are my favorite top 10 Networking and LinkedIn ideas and tips.

### 1. Understand that this is true definition of networking:

Networking is Sales.

Of the most important product in the world

You or organization. ™

This means we are all in sales, working to sell ourselves to people we meet.

### 2. You cannot network unless you start.

For years, I was paralyzed to start because I didn't think I could network as well as an extroverted natural networker or post like a LinkedIn expert. And that was correct. But who cares? Simply start and every day you will get better. Now I can network as well or better than most extroverts and am quickly establishing myself as a LinkedIn social media influencer.

### 3. You can supercharge your virtual networking efforts and get unbelievable results.

Yes, COVID-19 restricted or eliminated in-person events. My business card pile finally stopped growing. Virtual networking is different. Most people don't have great success building a network because it requires different methods to drive success.

### 4. To supercharge your virtual networking efforts, you must be more organized and proactive.

I created a virtual networking Word template.

### 5. You need a networking persona.

A networking person is the combination of your:

Give – How you can help others (not sell or ask for something)

Differentiator – What makes you an individual

Pitch – What you tell people about yourself in 30 seconds.

### 6. You need a networking social media marketing plan.

With three companies having three different, and occasionally overlapping markets, I needed a plan. That plan had different targets and different messaging. That is why you might need separate companies, logos and content delivered in different ways.

A social media marketing plan gives you an infrastructure to do that and the ability to measure your results.

### 7. Networking is based on math and science.

Networking is based on the natural compounding number  $e$  and it follows the science law of conservation of energy. The math means it takes over 1,000 connections and around nine to 12 months for you to see results. The science means you have to give energy to your network before taking any out. Why? If everyone takes energy out, your network will collapse from no energy.

### 8. You need to give to have any chance to take.

Networking requires giving. And you have to give for a while before you ask your network connections for something (which is asking them for business). You can give in many ways when you network and are active on LinkedIn. Refer business to others and like, comment and reshare their posts. Share your subject matter expertise. Help someone who needs a job.

## 9. LinkedIn is the preferred social media platform for business, so learn to use it.

LinkedIn is the default business-to-business social media platform. Setup an individual and company account. Connect to all your existing connections and new people you meet. Ask people to follow your company page. Engage your connections by giving first. Like, comment and reshare the posts of your connections. Then start learning to post by being a subject matter expert sharing interesting and engaging content of others.

## 10. Strive to become a subject matter expert to drive people to you instead of you having to find them.


It's a lot easier having people connect with you than for you to find them. Over time, this incoming traffic will convert to sales because you will be the sought-out expert in a field. And it is easier to connect with people when they know you are an expert in something. ABC members are experts in construction-related business, so that is a good starting point.

## 11. Story telling is the key to success.

People might not remember your name, but they will remember your stories, especially if they have some common interest with you. Go back to the beginning of this article to see how I used a story to tell my networking journey.

## 12. Monitor your LinkedIn Social.

LinkedIn has a hard-to-find tool to let you know how you are doing. I recommend copying it monthly to track your progress. It measures these attributes against your industry and network connections. Whatever you do, just start.

- LinkedIn has a tool to measure your progress.
- Establish your professional brand.
- Find the right people.
- Engage with insights.
- Build relationships. 

*Clarity Management, LLC is a member of ABC of Wisconsin. Lorry can be reached at 414-702-6845 or [lrifkin@claritymgt.com](mailto:lrifkin@claritymgt.com). You can also search LinkedIn with the hashtag #lunchwithlorry.*

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# NEW MEMBERS

For membership information contact **Bill Stranberg, Membership Director**  
Associated Builders and Contractors of Wisconsin – 608-244-5883

## JANUARY 2021

### • Baer Insurance Services, Inc.

Ryan Burns

P.O. Box 46490

Middleton, WI 54744

**Phone:** (608) 830-5800

**Description:** Insurance Company

**Sponsor:** Dave Murphy, PDC – Electrical Contractors

Beam Club Members-to-date: 16

### • Collins Plumbing Services, LLC

Ryan Collins

N295 County Road Rd K

Sharon, WI 53585

**Phone:** (608) 728-2658

**Description:** Mechanical/Plumbing Contractor

**Sponsor:** Kevin Day, Corporate Contractors Inc. (CCI)  
Beam Club Members-to-date: 14

### • Lyon Heating and Cooling

Lance Lyon

160743 Mercedes Road

Wausau, WI 54403

**Phone:** (715) 551-2195

**Description:** Mechanical/HVAC Contractor

**Sponsor:** Jeff Disher, Disher Electric Inc.  
Beam Club Members-to-date: 2

### • T.S. Masonry, Inc.

Christy Jackson

951 Kimball Lane, Ste. 112

Verona, WI 53593

**Phone:** (608) 845-5809

**Description:** Masonry Contractor

**Sponsor:** Dan Bertler, Supreme Structures Inc.  
Beam Club Members-to-date: 47

## FEBRUARY 2021

### • Arena Americas

Peter Stemmeler

10861 S. Howell Ave.

Oak Creek, WI 53154

**Phone:** (414) 831-7000

**Description:** Tent Rental/Events Supplier

**Sponsor:** Troy Carlson, Ansay & Associates, LLC

Beam Club Members-to-date: 21

### • Exact Electric, LLC

Joseph Hovanec

9515 N. Michael Court

Milwaukee, WI 53224

**Phone:** (414) 206-4078

**Description:** Electrical Contractor

**Sponsor:** Julian Coleman, Your Service Company LTDw  
Beam Club Members-to-date: 1

### • Kriete Truck Centers

Jesse Townsend

3722 Commerical Ave.

Madison, WI 53714

**Phone:** (608) 244-3506

**Description:** Vehicle Supplier

**Sponsor:** Steve Klessig, Keller, Inc.  
Beam Club Members-to-date: 57

### • North Central Fabricators, LLC

George Oakes

40800 Highway 65 NE

Braham, MN 55006

**Phone:** (763) 689-5070

**Description:** Sheet Metal Fab Supplier

**Sponsor:** Brittney Eichhorst, The Blue Book Building & Construction Network  
Beam Club Members-to-date: 1



- **SAFETY MEMBER FORUM — CRITICAL ELEMENTS OF FLEET SAFETY**  
Online, Mar. 17
- **PROJECT COORDINATOR: INTRO TO PROJECT COORDINATION (COURSE 1 OF 5)**  
Online, Mar. 30, Apr. 1, 6, & 8
- **ACI COURSE & CERTIFICATION EXAM**  
Wisconsin Dells, Apr. 2
- **THE CONSTRUCTION TEAM WEBSERIES**  
Online, Apr. 5, 7, 12, 14 & 19
- **CRITICAL SKILLS WEBSERIES**  
Online, Apr. 5, 7, 12 & 14
- **THE CONSTRUCTION FOREMAN WEBSERIES**  
Online, Apr. 6, 8, 13, 20 & 22
- **OSHA 30-HOUR**  
Madison, Apr. 8
- **WEBINAR — WHY THE CURRENT ECONOMY DEMANDS CHANGES IN FINANCES FOR YOUR BUSINESS OPERATIONS**  
Online, April 13
- **PROJECT COORDINATOR: CONSTRUCTION DOCUMENTS (COURSE 2 OF 5)**  
Online, Apr. 13, 15, 20 & 22
- **HR MEMBER FORUM — HEALTH CARE UPDATE**  
Online, Apr. 14
- **NETWORKING SOCIAL**  
Beloit, Apr. 14
- **THE CONSTRUCTION LEADER WEBSERIES**  
Online, Apr. 26, 28, May 3, 5 & 10
- **PROJECT COORDINATOR: COMM., NEGOT., & TIME MGT. (COURSE 3 OF 5)**  
Online, Apr. 27, 29, May 4 & 6
- **PROJECT COORDINATOR: CONST. LAW/ BREACHLESS EXECUTION (COURSE 4 OF 5)**  
Online, May 11, 13, 18 & 20
- **SPORTING CLAY SHOOT**  
Menomonie, May 12

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**Event Key**

- In-Person Event
- Virtual Event

- 1** Beloit, April 14 – Networking Social with Indoor Golf Simulators
- 2** Menomonie, May 12 – Sporting Clay Shoot
- 3** **Virtual Event, May 13 – 2020 Apprenticeship Graduation Ceremony**
- 4** Milwaukee Area, May 20 – Networking Social with Axe Throwing
- 5** Cottage Grove, June 9 – Golf Outing at The Oaks
- 6** Fox Lake, June 23 – Networking Social
- 7** Edgerton, July 8 – Networking Social with Bags Tournament
- 8** Appleton, July 22 – Timber Rattlers Game
- 9** Green Bay, August (TBD) – Tailgate Party Across from Lambeau Field
- 10** Baraboo, Aug. 5 – Networking Social
- 11** Madison, Aug. 18 – ABC Party on the Pavement
- 12** Johnson Creek, Sept. 1 – Sporting Clay Shoot
- 13** Wrightstown, Sept. 16 – Golf Outing at Royal St. Patrick
- 14** Marshfield, Oct. 7 – Networking Social
- 15** Madison, Oct. 14 – Meet the Generals
- 16** Wis. Dells, Oct. 27-28 – Human Resources & Accounting Conference
- 17** Wis. Dells, October (TBD) – 2021 Apprenticeship Graduation Banquet
- 18** La Crosse, Nov. 4 – Networking Social
- 19** Brookfield, Nov. 17 – Networking Social
- 20** Madison, Dec. 15 – Networking Social

**NEW ACTIVITIES!**

Watch the online events calendar for more details on these events and more!

[www.abcwi.org/events](http://www.abcwi.org/events)

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Contact Mary Austinson  
for more details at 608-244-5883  
or [maustinson@abcwi.org](mailto:maustinson@abcwi.org)

**Look for more great events to be added as COVID-19 conditions improve!**