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ECONOMICS & BUSINESS

**SURVIVE — AND THRIVE —
IN AN UNCERTAIN ECONOMY**

**WHERE IS
EVERYBODY?**
PAGE 5



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**SURVIVE — AND THRIVE —
IN AN UNCERTAIN ECONOMY**

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FROM OUR PRESIDENT

“Where is Everybody?”



WHEN ABC MEMBERS VISIT THE CHAPTER HEADQUARTERS, IT IS ALWAYS A SPECIAL OCCASION, AND IT IS NOT UNUSUAL TO HEAR THAT QUESTION FROM MEMBERS, ESPECIALLY THE OLD TIMERS. The fact is that it is rare for everyone to be in the office at the same time. While there is occasion for staff members to be getting work done remotely, it is much more likely that chapter staff are working with members. And, to paraphrase bank robber Willie Sutton, chapter staff are out of the office because that is where ABC members are. The membership team is out recruiting new members and running events. The apprenticeship team is out dealing with instructors, the technical colleges, and any issues involving apprentices. The education team is running the type of learning you are asking for you and your employees. The safety team is on job sites helping members comply with OSHA. Workforce recruitment is out at high schools and community-based organizations meeting with individuals interested in the skilled trades.

And while I truly believe all your ABC of Wisconsin departments are providing world class customer service to members, there's another highlight that shouldn't go without mention. A recent article in the *Daily Reporter* construction newspaper highlighted the work the chapter does in government relations for all members. According to data provided by the Wisconsin Ethics Commission, the *Daily Reporter* found your ABC of Wisconsin chapter spent the most time and money lobbying Wisconsin elected officials and public employees during 2021-2022 than any other construction trade association, company, or labor union. Here is the top ten:

1. Associated Builders and Contractors of Wisconsin: \$333,107; 3,129 hours
2. Wisconsin Transportation Builders \$297,300; 702 hours
3. Miron Construction: \$168,000; 162 hours
4. Associated General Contractors of Wisconsin: \$160,000; 242 hours
5. Aggregate Producers of Wisconsin: \$156,272; 365 hours
6. Wisconsin Pipe Trades Association: \$156,000; 314 hours
7. International Union of Operating Engineers Local 139: \$136,000; 383 hours

8. American Council of Engineering Companies of Wisconsin: \$132,995; 591 hours
9. Foth & Van Dyke LLC: \$129,384; 307 hours
10. Wisconsin Builders Association: \$123,981; 396 hours

As you can see, our two in-house registered lobbyists and our well-regarded public affairs firm Hamilton Consulting put in nearly as many hours as the other nine combined, and much more efficiently on a per-hour basis.

From killing bad ideas that decrease competition or favor unions and their contractors, to breaking down barriers to enter the construction trades, our government relations team, like other chapter employees, are out and about where you are or where you need us, and that usually isn't at 5330 Wall Street on Madison's far east side. Even more amazingly, this number doesn't even include the times we are negotiating with local governments or gas pipeline companies on behalf of our members' projects, or answering questions about what is happened or is likely to happen in Washington, D.C. or the state Capitol.

Some old sayings are old because they are always true, and "Get into politics or get out of business" is one of them. The fact is that there are organizations and governments that do not have your business' best interests at heart. Sometimes they don't know the harm they are or are going to cause, and sometimes they are well aware. And when that happens, your government relations team will be there fighting for the best interest of merit contractors. It is a value added to your membership that's worth mentioning. I hope you will agree with me that it's an extremely important member service. 

“
THE FACT IS
THAT THERE ARE
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AND
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HAVE YOUR
BUSINESS' BEST
INTERESTS
AT HEART.

Wes Meilahn Award



2022 Wes Meilahn Award recipient Brian Wieser of Wieser Brothers General Contractor with daughters Abby (left) and Olivia (right). Congratulations and thank you!



Wes Meilahn

ABC of Wisconsin's most prestigious individual award goes to Brian Wieser of Wieser Brothers General Contractor who was awarded the 2022 Wes Meilahn Award for extraordinary commitment to ABC and the merit shop philosophy. The award is named after chapter founding father Wes Meilahn, who was passionate about this organization.

Built on Merit Award

For 12 years running, the "Built on Merit" award was presented to Friede & Associates for utilizing the largest number of fellow ABC members on the Topel's Service Center project in Lake Mills. Friede & Associates used 34 contractor and supplier members on the project. Congratulations and thanks to Friede & Associates for dedication to merit construction! No other member has received this award.



Roger Friede (left) and Scott Truehl (right) receive the "Built on Merit" award at the awards banquet, Jan 19.

Recognizing excellence in merit construction



The Projects of Distinction (POD) Excellence in Construction Awards Ceremony was held at the Glacier Canyon Conference Center in Wisconsin Dells on January 19, 2023. There were 51 distinct projects recognized. These can be found in the Projects of Distinction Awards magazine that was sent to all members (contact ABC of Wisconsin if you would like a copy).



Among the highlights of the awards program was the Project of the Year awarded to Wieser Brothers General Contractor, Inc. for La Crescent Schools in La Crescent, MN. The Project of the Year is the project that receives the highest average of scores from the judges.



PROJECT OF THE YEAR FINALIST
Children's WI-MCIP Generator Plant
Milwaukee, WI, Faith Technologies



PROJECT OF THE YEAR FINALIST
Delta Dental of Wisconsin New Corporate Headquarters Office
Stevens Point, WI, Ellis Construction





PROJECT OF THE YEAR FINALIST
The Human Society of Southern Wisconsin
Janesville, WI, Corporate Contractors, Inc. (CCI)



PROJECT OF THE YEAR FINALIST
Orthopaedic Associates of Wausau – Wausau Surgery Center: New Ambulatory Surgery Center
Wausau, WI, Ellis Construction





FINANCIAL RESOURCE OPTIMIZATION

USE IT TO DOUBLE CASH FLOW AND PAY YOUR PEOPLE MORE

By Aaron Mills – Daaxit

Does it sound crazy that you can double your profitable cash flow and pay your employees more? This is exactly what I have done for the last two decades, except for 2008 and 2020. How do you do double profitable cash flow and pay your employees more?

First, you need to know your numbers. The basics are your gross profit percentage on labor and your comp rate. The comp rate is the cost of an employee per hour which includes: hourly wage, taxes, insurance, and direct overhead cost. I recommend calculating your comp rate in the fall/winter when you are doing your annual budget and a month or two after giving annual raises.

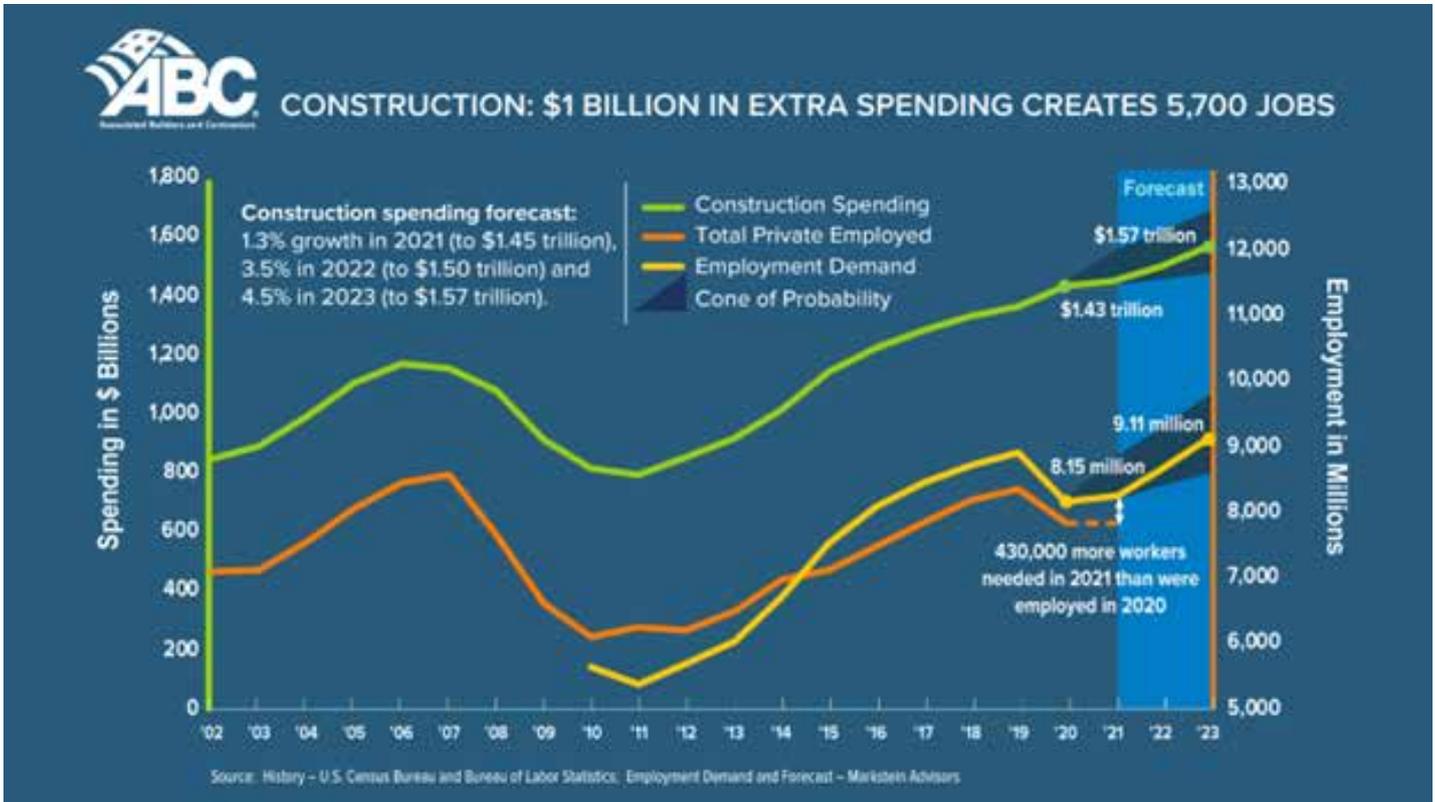
Either way, I do recommend calculating your comp rate twice a year. Then, make sure everyone in the organization knows the numbers. For example:

- Do you or the owner of the company know your comp rate?
- Does your accounting team know your comp rate?
- Do your estimators know your comp rate?
- Does your project manager know your comp rate?
- Does the accounting team tie your comp rate to the financials to verify the comp rate used is accurate?

If you answer no to any of these, you could be leaving profitable cash flow on your jobs and to the bottom line of your company.

Understanding your business from a financial point of view

A lot of business owners think they understand everything about their businesses. Others suspect there might be something going on, but they don't have all the pieces in place to uncover the underlying issues. Yet, having a true understanding of your cash flow and financials, down to job costing, is essential to managing your business profitability.



THIS ISN'T TO SAY THAT BUSINESS OWNERS ARE BEING LAX OR NOT WATCHING THE BOTTOM LINE. THEY ARE. BUT OFTEN, NOBODY IS WATCHING CLOSELY IN EVERY ASPECT.

Surprisingly, though, many businesses don't dig that deeply into their financials to understand the impact. When I work with clients, I analyze all of the numbers and make them easy to understand for everyone. Only then can you start making changes to increase profitability.

This isn't to say that business owners are being lax or not watching the bottom line. They are. But often, nobody is watching closely in every aspect. For example, when you have 50 or 100 employees and 100 or more jobs in progress, it's hard to keep every detail straight. That's why you need a system that analyzes the details so you can make better business decisions.

At the same time, many accountants and bookkeepers, CPAs — even CFOs — are producing the reports, but not providing the deep analysis that's required to recommend changes that will impact the cash flow. This is especially true when you're outsourcing your accounting to a bookkeeping service. They'll prepare the

reports and financial statements, but rarely have the depth of information needed to create cash-flow positive changes. They are focused on year-end reporting numbers and taxes, but are not paid to think about operational efficiencies.

The bottom line for business owners is this: they often don't know what they don't know until it's too late.

Let's get the economics out of the way

There's a significant mismatch in construction right now. There was already a shortage of contractors to complete construction jobs in 2021 and there is an expected 3.5% growth in 2022. Total construction spending for 2022 is roughly at \$1.5 trillion!

The shortage of skilled labor will only continue to grow. According to the Associated Builders and Contractors (ABC), every billion dollars in extra spending creates 5,700 new jobs. That means adding tens of thousands of new workers to an industry that's already struggling to attract and retain skilled workers.

Bill Rate for Skilled Labor	\$70
Employer Taxes	+10%
Benefits/Workers Comp	+20%
Direct Overhead Cost	+10%
Additional Cost +	=40%
Average Wage	\$30
Additional Cost +	\$12
Total Hourly Rate (Comp Rate)	\$42
Pay Increase	10%
Average Wage	\$33
Additional Cost	\$13.20
NEW Total Hourly Rate (Comp Rate)	\$46.20
New Bill Rate for Skilled Labor	\$77
Gross Profit	40%

	OLD	NEW
Revenue	\$70	\$77
Labor	\$42	\$46
Gross Profit	\$28	\$31
Overhead	\$25	\$25
Net Income	\$3M	\$6M
NI \$ Increase		\$3M
NI % Increase		100%

This model can be used to double profitable cash flow and pay your employees more. Not only does it help you retain your skilled workers — and attract new ones due to the higher pay rates — but it can double your cash flow.

We find that many contractors have accounted for the increase in material costs in their projects, but have not necessarily increased their labor costs to try to keep total project costs from scaring away clients. So, even while job prices go up, margins remain the same (or lower in many cases).

Even with an economic slowdown, the increased revenue will more than make up for any lower-end jobs you may lose to your competitors. Remember, someone else can always bid jobs lower. You're better off letting them lose money on jobs than you.

Financial resource optimization (FRO)

In order to best manage this comp rate strategy, put a strong financial resource optimization (FRO) in place. This requires a deep understanding of how and where you make your money — down to every aspect of every job.

Managing the WIP Schedule

To drive higher profitability, I constantly remind contractors to manage their work in progress (WIP) schedule tightly. Even if you have a structure in place to do so, it doesn't mean you're getting what you need.

Here's an example. Let's say you have a CPA firm that calculates your work in progress. They usually have a cutoff based on your billing, so maybe they only look at jobs exceeding \$100,000. But what about the jobs you have that are less than that? You might have 10, 50, or 100 jobs that are less than \$100,000 but still substantial contributors to your cash flow. In this case, nobody may be looking at the majority of your work.

If you're not checking and analyzing it, however, you may be losing money on these jobs without knowing it. So, even if you're highly profitable on the dozen or so jobs above \$100,000, you could be losing enough money on the smaller jobs that it hurts your overall business.

Unfortunately, it's common that only the highest paying jobs are tracked. While that's important, it doesn't tell you the whole story.

Even checking your WIP each month doesn't provide you with the level of detail you need to properly evaluate it. It only tells you how much money you are making on a job. Most business owners will make sure the numbers look good and they're trending in the right direction. But few drill down to look at the factors impacting those rates.

For example, few contractors look at their actual labor rates in their bids. They may use estimates or averages that fail to account for the current workforce and labor costs. They may be using the same number today that they used pre-pandemic. Yet, everything's changed. When labor costs can be up to 100% of total costs for some jobs, you can't use out-of-date formulas.

Pulling the Right Levers

Successful businesses learn the levers that impact the business. They know which levers to pull to make changes and can evaluate the impact of doing so.

By analyzing your job status, you can drill down to find the levers. The two biggest ones are material costs and labor. Yet, many contractors don't track material costs on a job-by-job basis down to the line item when preparing bids. They also fail to adjust labor costs and this can have a significant impact.

Do you know the actual cost per hour for every employee? If you bid a job based on \$50 an hour and it turns out your actual cost is \$70 an hour, there go your margins.

These costs can sneak up on you, too. Even if what you pay remains the same, the cost of benefits may be rising. Your payroll and accounting fees may be going up. Your rent or overhead might be rising. All of this matters and needs to be accounted for when you're bidding on jobs.

You also need to know what happens when you pull these levers. By running scenarios, you can see the impact of increasing your labor rates or adjusting your margins on materials.

Project management accountability

Another place contractors lose money is in project management. We all know that inefficiency costs time and money, but failing to hold people accountable creates constant leakage. Yet, if you don't know your numbers, it's difficult to hold people accountable.

Contractors need to set goals by project and ensure project managers know the goals and have built-in accountability. For example, you might want to tie bonuses to meeting financial goals as well as project goals. The most common goals are revenue, gross profit, and gross profit percentage. It's important to track these metrics monthly by job and in accumulation.

Managing Your KPIs

Managing your key performance indicators (KPIs) is another essential component of FRO. The biggest one is your accounts receivable. A/R can be your biggest asset or your biggest liability. If you aren't staying on top

of your receivables, have solid collection policies, or fail to manage your lien rights, you can quickly kill your cash flow.

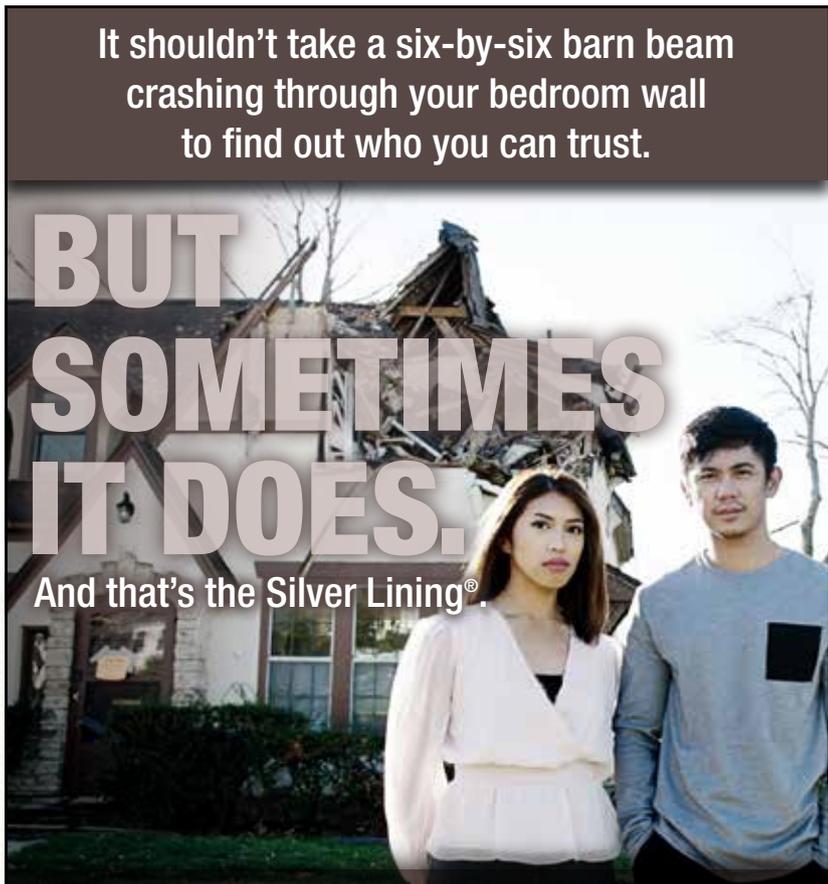
You need to establish acceptable baselines for your A/R totals and hold your accounting department accountable for meeting your KPIs. When you see outstanding bills start going into the days beyond term (DBT) column, it's time to act.

Strategic Cash Flow Management

Once you know your comp rate, your cost-per-job, and what you expect to make on every piece of business, you can manage your cash flow more strategically. These numbers help you ensure your margins meet your goals and adjust your bids accordingly.

If you don't know your numbers, it's easy to bid too low. You may get the job, but lose money on the project. When you bid based on actual costs, you can be confident you are making money off these jobs. While some contractors are willing to underbid and lose money, let them. This lets you focus on the jobs that bring you the return you want. [ABC Wisconsin](#)

Aaron Mills is Founder and CEO of Daaxit, Inc., a professional financial services company offering fraction CFO services to established contractors. Aaron's 25 years of award-winning financial oversight for several \$10-30 million companies gives him a unique perspective into how to scale businesses through a framework he calls Financial Resource Optimization (FRO). Aaron has a free comp rate calculator you can download at www.daaxit.com/crc. Email him at aaronm@daaxit.com to get more details on increasing your cash flow.



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KEYS TO SUCCESS

IN
2023

SELECT A FEW INITIATIVES AND FOCUS ON YOUR PRACTICE HABITS

By Theran Welsh – SVA Certified Public Accountants

The construction industry is providing key data on what contractors should be expecting for 2023. To prepare for these challenges, you will need to identify a few key initiatives and align your organization and labor force with solid practice habits to achieve these initiatives and ensure success.

The recent ABI, or architectural billing index, registered a score of 47.5 in December and 49.3 in January, which are below the standard of 50. This low metric causes some angst because it implies there will be fewer projects

being started. The natural tendency of contractors is to lower bids to acquire work with thinner margins. To be profitable then, an organization needs great practice habits to execute on these projects.

Today's environment for the 4th quarter 2022 showed construction wages were up 1% compared with the previous quarter. This reflects a slowdown in the industry so now construction companies will need to be cognizant of their compensation plans and incentive plans for their

entire labor force, so they are not being poached by competing companies.

I believe there are a couple key areas for ABC members that will be impacted in 2023:

Residential

Single-family housing permits in Wisconsin were down 4% in 2022 compared to 2021. This metric will have residential general contractors looking at smaller commercial projects to fill the void. This puts pressure on the commercial market and again requires an organization to have good

practice habits like bidding, cash flow management and project management to generate a profit in the event you need to transition to another niche.

Townhouse construction

A few articles out there have promoted the reemergence of medium-density neighborhoods and townhouses are a big part of that development. ABC members knowledgeable about real estate development and townhouse construction may be well served to look at this area.

Office overview

Downtown Madison has vacancy of 12%, which is fairly similar to other parts of the state. The \$60,000 question, however, is how soon office developers will be able to reform their spaces for the next trend in rental. Many ABC contractors are tied to office remodel. As this sector slows down, what new area of the construction sandbox will they turn to next?

Retail

I have read a number of articles — both positive and negative — on retail. The iconic mall shopping centers are starting to be converted into industrial warehouses for storing inventory. Some construction remodel work on these is necessary, which may be nice projects for some ABC members. Overall, retail has been slow to recover, so contractors in that sector will continue to have fewer projects in 2023.

Looking at these 2023 challenges requires organizations to identify a few key initiatives. These are my recommended key area of focus:

❶ **Technology.** The industry will continue to be hamstrung by a lack of workers in the industry. This will require all companies to focus their efforts on what technology they can use to offset the labor shortage.

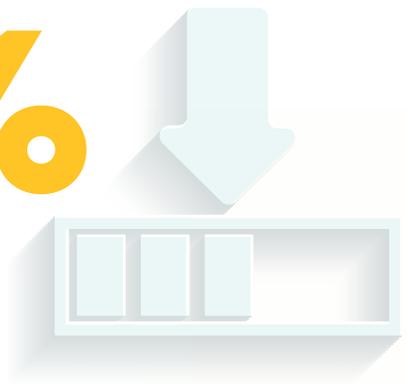
Investing in new software for the office could help reduce the administrative burden. This would be software that combines bidding, estimating and financial statements for your third-party bank and bonding company, which may be imperative to continue to obtain credit when jobs are fewer, and profits are decreasing.

Additional field equipment in place of manual labor may need to be a focus now. A thor-

SINGLE-FAMILY HOUSING PERMITS IN WISCONSIN WERE DOWN

4%

IN 2022
COMPARED TO 2021.



ough evaluation of your entire construction process in delivering a project may uncover some other areas where equipment investments will improve the process and increase your profits. The current tax code under Section 179 deduction is now up to \$1,160,000 for 2023, so if you invest in equipment, you can use the purchase as an immediate tax deduction for the year 2023.

❷ **Labor.** It is always challenging to avoid overspending on individuals looking to join your company. All presentations on labor and compensation emphasize that base pay needs to be constant within labor classifications. The change should be with your incentive pay program you offer your team and then those individuals who may provide more contribution to the profit target. This area needs to be looked at closely if you are experiencing declining revenue and profitability because of fewer jobs in the market.

❸ **Cash Flow.** Now, more than ever, is time to invest in your legal advisors to be certain your contract terms are favorable to you. This implies as you perform at various stages on your contract you should be paid promptly. It's still easy to find horror stories of contractors needing to pursue other work and use that cash flow to pay for prior jobs. It is always the same ending for the same players in these scenarios.

❹ **Analytics.** When times are challenging, you need to be focused on the accuracy of

your own report card. This means identifying when your accounts receivable turns over every 90 days, yet you are paying your suppliers in 40 days. You are not going to win this war. This also means if your gross profit margin in good times showed 30% and now is reporting 20%, are you able to react quickly enough? This metric means you have a thinner margin of error, and likely less profits to cover your overhead and your own investment. Taking the initiative to focus on analytics would be very timely now.

❺ **Marketing.** All of you have a unique, special skill that you are bringing to the industry. At the recent ABC Projects of Distinction Banquet, an incredible variety of construction expertise was on display. The challenge is getting individuals who are not your current clients to realize the value you bring to projects. It is now time to evaluate all those 2022 expenditures toward marketing, advertising, and entertainment to generate new clients. It is also time to review the value your website demonstrates to potential customers. This area should be a key initiative for you in 2023 to help present your story and your value.

I trust the comments in my article will resonate with many of you. It is important to start small and address a few key initiatives for your company as you move toward a successful 2023. The times demand it, especially as you begin to weave through some extra nails on the road. [ABC Wisconsin](#)



A FOUNDATION OF TRUST CAN BUILD SALES SUCCESS

SALES FAILS

By Tony Hoslet – Sandler Training Green Bay

It seems like everyone in sales is an optimist. They could have settled for an easier job, but they went into sales because they believe they can be a top producer and earn the highest possible compensation. And “earn” is the operative word there. After all, salespeople face a career that consists largely of hard work, difficult conversations, and lots of rejection.

Yet, according to a 2018 Salesforce survey, well over half (57%) of all salespeople fail to hit their quotas. Most salespeople, in our experience, are not getting in front of enough qualified prospects. Most of them have a close ratio that is not what it should be. And far too many of them rely on discounting and other marketing gimmicks to close sales—a habit that cuts margins and hurts the organization.

What’s going wrong for so many people in sales? And more importantly, what, if anything, can you do about it?

Sandler published a report that examines why salespeople fail. It looks at what keeps so many otherwise talented, capable people from reaching the top of the selling profession. It explains why some sales careers rocket to great heights and then suddenly sputter and why others never quite get off the ground.

The report is based on data and best practices from the Sandler Research Center, and on countless interviews with salespeople and sales managers performing in every industry and at every conceivable level of sales success. It consists of more than five decades of frontline sales and sales management training experience with over one million salespeople in over 25 countries and 15 languages.

The good news is that sales performance can be improved; dramatically and permanently. But to make that happen, you must know where to begin, and that means understanding the root cause of the problems. Too many sales leaders and experts focus on treating the symptoms of sales struggles, and not the causes.

While the telltale signs of sales underachievement may appear endless, the true causes are generally quite specific. Often, their roots can be found in the approach we choose to take to the selling process itself.

In his best-selling book, *You Can’t Teach a Kid to Ride a Bike at a Seminar*, David Sandler tells of a breakthrough moment: his realization that buyers had his number. They knew what he was going to do and say before he even opened his mouth. Not only that, but they

had also already developed a system to defend against what he wanted to do in the meeting. Sandler had lost the battle before it began. That, he realized, is what happens to typical salespeople.

Sandler realized that in what he called the “buyer-seller dance,” there are always two systems at work: the buyer’s system and the salesperson’s system. To lead in this process, you must lead the dance, which means knowing and applying a selling methodology that works. Merely showing up at the sales meeting, serving, and educating your buyer is not enough.

Ideally, the sales process should be viewed as a win-win situation. But as any salesperson who has spent time in the trenches knows, buyers often see themselves as individuals with something to lose: their money, time, and/or reputation. As a result, they adopt an adversarial approach to salespeople.

CONTRARY TO POPULAR BELIEF, SELLING IS A NOBLE PROFESSION

Most salespeople tell us they are not even aware of the manipulative measures buyers take during sales calls. Most salespeople fail because they do not know how to take control of the selling process and lead buyers through it as a trusted advisor.

Contrary to popular belief, selling is a noble profession, the sales process can be something both parties enjoy, and helping others through your sales process is a real, tangible, and teachable skill.

Salespeople really can take the uncertainty, worry, and pressure out of the sales process—if they understand the psychology behind the sale and the qualifications necessary to make an opportunity worth their time. They must know where they are in the sales process and have a good idea about what will happen next.

When salespeople take a systematic approach to their work, they lead the dance. They regain control of enough variables to make positive outcomes more frequent and predictable. And last but certainly not least, when they establish a mutually beneficial and respectful relationship, both parties can operate from a foundation of trust.

2018 SALESFORCE SURVEY, WELL OVER HALF

57%

OF ALL SALESPEOPLE FAIL TO HIT THEIR QUOTAS.



Amateur salespeople rely on their “people skills” to control the situation. This usually fails. They end up feeling subordinate to the buyer, chasing them down, and doing anything to make the sale. They make the mistake of believing that high-pressure selling is the way top salespeople exceed quota. It’s not.

The amateur approach gives the buyer more control and leaves the salesperson in reactive mode with all the pressure. None of the responsibility is on the buyer, which ends up stressing out both sides.

What is needed is an effective, efficient sales methodology that changes the game. One that shows you how to work smarter, sell more, and

sell more efficiently – break the rules and close more sales.

You may not always win every sale, but you will at least know what’s happening on each sales call. And more importantly, you’ll know what to do about it!

Most of the time, amateur salespeople do not know what is happening on the sales call. That’s because they are letting the buyer lead the dance. 2bc.wisconsin.com

Tony Hoslet is President of Sandler Green Bay. For a closer look at all of this please email Tony at Tony.Hoslet@sandler.com and he will send you the full report.



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PREPARING FOR AN

ECONOMIC DOWNTURN

By Malik Kahn – Pinnacle Coaching DBA EOS Worldwide

As a business owner, you can't ignore ongoing news about stock market volatility, rising interest rates, and runaway inflation. You can feel the general jitteriness about where the global economy might head soon. Your customers may have even started to batten down the hatches for a potential economic storm. If you haven't already, you need to consider how you'll prepare your business for an economic downturn.

Business guru Sam Cupp (who mentored our EOS founder, Gino Wickman) taught the 10-year business cycle. The

concept outlines how every decade small businesses average six good years, two great years, and two terrible years. Those terrible years can put you out of business. The strength of your business in those years can help you survive, though.

Four tips to weather rainy days

Usually, you can't see those two terrible business years coming – just like no one could've predicted a pandemic. At EOS Worldwide, we want you to be well prepared for the bad times.

But how do you best prepare for an economic downturn? Better yet, how can you take advantage of opportunities to

grab more market share while your competition scrambles to keep the lights on?

The tips below can help you weather any potential storm:

1 Save six months of cash flow (both personally and professionally).

Saving six months of cash will cover fixed expenses. Having that safety net can also save you from making rash decisions when faced with challenges. If you don't have this today, work hard to bank as much as you can each month to get there. Your future self will thank you. In addition, businesses should prepare to take a 30%–50% hit on revenue regardless of the business cycle or economic conditions.

2 Carefully reassess your business vision and goals

Take a hard look at your business plan. At EOS®, we use a tool called the Vision/Traction Organizer™ (V/TO™). Think deeply about each section. Can you still achieve your goals? Do your profit margin and measurables

feel achievable? Is your marketing strategy still relevant? Have you kept your focus

BEING PREPARED FOR THE BAD TIMES NEVER HURT ANYONE.

on your most profitable customers and does your niche still apply? In a time of crisis, slow down with your team and take a critical eye to your plan with the ultimate goal of saving your business. You need to spend the necessary time to do that.

3 Use the reverse accountability (organizational) chart

No one likes to think about this, but you need to ask yourself the tough questions.

What might your business look in 6–12 months with a 30% reduction in revenue. What structure would you need and who would you need to keep on your team? This helps in preparation for a potential downturn. When asked who needs to stay, usually leaders can also quickly identify who they would need to let go. Bonus question: If you can easily identify the wrong people for seats, why are they still with you now? You should always strive for the right people in the right seats no matter your place in the business cycle.

4 Focus on the MeetingPulse™

During times of stress, you can easily feel justified in letting go of standing meetings. Make sure you meet weekly, quarterly, and annually with your leadership team, at a minimum. During weekly meetings, you make sure numbers stay on track and your employees and customers are happy. You solve problems and move the business forward during these vital sessions. Also, if you find yourself in crisis, plan to meet more frequently if you need to. For example, during the height of the

pandemic, when situations changed rapidly, some business leaders met twice a day. That way they could discuss potential solutions to problems and, just as importantly, ways to take advantage of new opportunities. During quarterly and annual planning sessions, make sure you're all on the same page and focused on the right things. The Meeting Pulse will make sure you stay on track with your vision and goals in good times and bad.

One bonus tip: When selecting an operating system for your company, make sure you choose a simple one. Because during times of crisis, if you have a complex system, you won't stick to it under pressure. Being prepared for the bad times never hurt anyone. If you prepare for the worst, you'll be ready to grow and achieve your visions. [ABC Wisconsin](#)

Malik Khan is an EOS Implementer helping business owners and their leadership teams get what they want from their businesses and to reach their full potential. He can be reached at malik.kahn@eosworldwide.com or at 847-909-0499 or visit his website.

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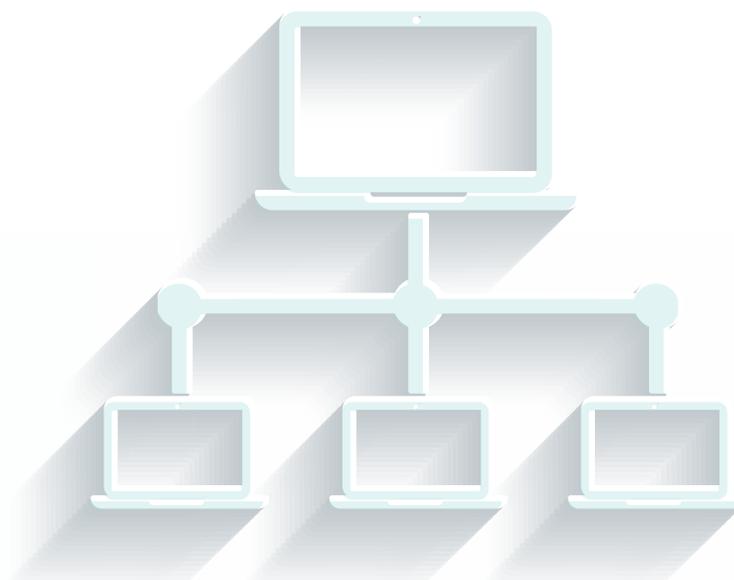
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MAXIMIZE WORKFLOW EFFICIENCY

By Dan Paulson – Invision Development International, LLC

Every business owner wants to improve their profitability. Challenges like labor costs and supply chain issues are some of the immediate concerns. There are also hidden costs that impact you and your team as well.

I recently attended ABC of Wisconsin's SuperCon and had a chance to experience many of the courses offered through the two-day event. There were many great presenters and even though subjects changed, the underlying theme was the same. Owners want

better performance from their teams. Herein lies the secret to better workflow. Software and systems may be important to efficiency, but that can only be achieved when these three issues are first addressed: communication, mapping your course, and training and coaching.

Communication

When it comes to improving productivity, Communication is THE most important element. As you may know, it is also one of the most difficult elements to develop successfully. We interpret information differently, even though we may speak the same language.

Focus on understanding.

Have you ever played the game "telephone" in school? The object is to start with a statement or phrase and whisper it to the person next to you. Repeating is not allowed. The next person must take what you shared with them and pass it on to the next. Once the last person is reached, they must state out loud what they thought they heard. In almost every case, the end result is nowhere near what they started.

Leaders seem to forget this. Owners told me more times than I can count that they communicated instructions, and employees just don't listen. Why? It goes back again to understanding.

When communicating, here are some simple actions you need to take to help:

A. Your actions communicate more than you know. One of the biggest reasons your team doesn't follow instructions is because they see that the owner plays by a different set of rules. You've heard the phrase, "Do as I say. Not as I do." Someone is always watching. Owners also rarely hold accountability for themselves and everyone else. Do you want better results? Then act on higher standards than you expect from your staff. If you want them to do something, you better be first in line to follow through yourself.

B. Change your style. There are three basic learning styles, and they vary from person to person: visual (seeing), auditory (hearing), and kinesthetic (doing). When someone says they send everything via email, this may leave some out. What about the people whose preferred style is hearing? Adapting your communication to match someone else's makes a greater impact. That is why changing, updating a process, or whatever you are trying to get across, should employ all three learning styles at the same time.

C. Wash. Rinse. Repeat. Frequency matters. One and done rarely works. Expect to communicate often. That spaced repetition helps with retention.

D. Repeat it back to me. Create a feedback loop. Have the person who you are messaging repeat back what they understand for mutual understanding. This simple step provides clarity of expectations and can reduce mistakes or bottlenecks.

Map Your Course

Have you ever mapped out your processes? Most procedures in a company are not documented. When the business started, a process had to be created for everything. Over time, as issues come up, those procedures are adjusted to fix the problem. Adding here and taking away there can cause disruptions to workflow. When you ask employees why they do something a certain way, they often state, "That's how we've always done it." Loops and bottlenecks are common as the years go by. Optimizing your workflow starts with visualizing your process. That's where mapping comes in. This is simple, but can be time-consuming and tedious. It takes your team looking at every step and decision to accurately record the actions that take place. The more complicated the process, the more detailed the map.

Guiding you through the mapping process:

A. Form a team. Ask yourself, who is impacted by this procedure? These are the people who should be involved as they are most familiar with what is done.

B. The Post-It trick. When mapping, I prefer using Post-It notes for documenting each step. This is much like brainstorming, which means as you write information down, your team may come up with other data that should be included. By placing steps on Post-It notes, it allows you to easily move the sticky notes around and change the order as needed. Bonus recommendation: buy the extra sticky notes and have a large area such as a window or smooth wall for putting the notes up on.

WHEN IT COMES TO IMPROVING PRODUCTIVITY, COMMUNICATION IS THE MOST IMPORTANT ELEMENT.

C. Flowchart it. Creating a flowchart involves putting together a diagram of the sequence of activities from your notes. Various symbols represent different actions or decisions. This step allows you to visualize how work moves through your business. Now it is easier to see how work bogs down.

D. Question everything. Look for loops where the same work is being performed multiple times in a row. Also watch for slowdowns in production. What or who is creating this block? After that, have your team review asking, "Is this needed?" with each step. Look for ways to reduce complicated steps as much as possible.

Train and Coach

Time is the most expensive asset you have. Once it is spent, it can never be recovered. Many leaders fail to optimize their time for what I consider their most important role as a coach and teacher.

Too many leaders spend their time doing instead of delegating. The reason I hear: "It's quicker and easier for me to do it than teach someone else." This activity alone is creating most of your time loss and stress. Getting more productivity means having the right people doing the right actions at the right time. That means you cannot do it all.

Where to start:

A. Give it all away. Build a list of tasks and make the assumption that someone else now has to do that job. From that list, determine which tasks are leadership from those that are operations.

B. Focus on development. Meeting with each member of your team regularly can help you understand their ambitions. Getting to know your people will guide you in finding the right fit for taking on responsibilities.

C. Who needs to know? Now that you have your list, you need to determine who should learn the tasks. Choose jobs based on who has the right skills to do the job well and who is motivated to learn.

D. Lay out a training path. Nobody can learn everything overnight. Getting proficient takes time. Set up a timeline for success where you can lay out the steps for taking over the job. Apply a liberal amount of coaching and mentoring. Allow for mistakes and put in stop-gaps to prevent anything too costly from happening. Most important: DO NOT take the job back until all corrective action has been taken. People learn at different rates. If you have a good fit and have done your job up front, your candidate should be able to eventually perform the task almost as well as you can.

There are many ways people will pitch you to improve workflow. Technology can address a lot of issues with communication, and you still need to have your systems figured out. The challenge you will run into is that every company is different, and processes need to be adjusted as your organization adjusts as well. No one right way exists.

Expensive software solutions will make an even bigger impact when you have all your ducks in a row. Start with improving your communication. Then know your processes and eliminate bottlenecks. Finally, become the leader you were meant to be and be a coach to your team. This will provide you with the added benefit of understanding what is going on in your company and getting a better handle on its productivity. [@McWorreston](#)

Dan Paulson is CEO of InVision Development International. For the past 18 years, he has worked with owners and executives to address the statement, "I don't feel like I know what's going on in my company," and help improve workplace culture, operations, and profitability. His approach helps you implement best practices quickly and efficiently for greater success.

EVENT REMINDERS



- **PROJECT COORDINATOR SERIES BEGINS**
Madison, Mar. 16
- **MEMBER LUNCHEON**
Onalaska, Apr. 19
- **10-HOUR OSHA**
Wausau, May 2
- **QUALIFIED RIGGER & CRANE SIGNAL PERSON TRAINING**
Madison, Mar. 24
- **FA/CPR TRAINING**
West Bend, Apr. 21
- **10-HOUR OSHA**
West Bend, May 5
- **NETWORKING SOCIAL**
Franklin, Apr. 6
- **ACI COURSE & CERTIFICATION**
Menomonee Falls, Apr. 22
- **COMMUNICATION SKILLS (FOR YOU AND YOUR CREW)**
Madison, May 9
- **ACI COURSE & CERTIFICATION**
Madison, Apr. 7
- **FA/CPR TRAINING**
Green Bay, Apr. 24
- **PLAN & SPEC READING (TWO DAYS)**
Madison, May 11
- **TRANSITION TO TRAINER**
Madison, Apr. 14
- **FA/CPR TRAINING**
Eau Claire, Apr. 24
- **MILWAUKEE BREWERS TAILGATE & GAME**
Milwaukee, May 12
- **COMMUNICATION SKILLS (FOR YOU AND YOUR CREW)**
Madison, Apr. 18
- **MSHA PART 46 REFRESHER**
Wausau, Apr. 26
- **SPORTING CLAY SHOOT**
Warrens, May 25

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NEW MEMBERS

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

JANUARY 2023

• **Badger State Electric LLC**

Shelbie Mittlestadt
N9653 County Rd. K
Boyceville, WI 54725
715-556-3901

Description: Contractor Member
Sponsor: Jenny Nyhus, Nyhus Erectors, LLC
Beam Club Members-to-Date: 1

• **Bower Design and Construction**

Chris Bower
1818 S. Colony Ave.
Union Grove, WI 53182
262-534-2926

Description: Contractor Member
Sponsor: Amanda Kurt, Kurk Concrete, Inc.
Beam Club Members-to-Date: 1

• **Brown Precast, Inc.**

Brad Lois
2280 Hamline Ave. N.
St. Paul, MN 55113
952-452-0626

Description: Supplier Member
Sponsor: Brad Austin,
Corporate Contractors, Inc. (CCI)
Beam Club Members-to-Date: 23.5

• **Check Electric of Manitowoc**

James Check
4801 Dogwood Lane
Manitowoc, WI 54220
920-682-5435

Description: Contractor Member
Sponsor: Stuart Johnson, A.C.E. Building
Service, Inc.
Beam Club Members-to-Date: 4

• **Diverse Electric LLC**

Ryan Hush
W7585 Novak Lane
Waterloo, WI 53594
920-988-9077

Description: Contractor Member
Sponsor: Dave Murphy, PDC Electrical
Contractors
Beam Club Members-to-Date: 21
January New Members

• **Fox River Plumbing Inc.**

Debbie Michlig
1638 S. West Ave Unit A
Waukesha, WI 53189
262-333-8072

Description: Contractor Member
Sponsor: Tim Mertins, Enterprise Fleet
Management
Beam Club Members-to-Date: 4

• **Johnson Financial Group**

Randy Raymond
555 Main St.
Racine, WI 53403
262-619-2700

Description: Associate Member
Sponsor: Dave Murphy, PDC Electrical
Contractors
Beam Club Members-to-Date: 22

• **Prophit Co.**

Justin Knitt
154 North Broadway
Green Bay, WI 54303
920-435-4878

Description: Associate Member
Sponsor: Mark Duzinski, Northcentral
Construction Corporation
Beam Club Members-to-Date: 1

• **RentalMax, LLC**

Jeff Greaves
124 N. Schmale Rd.
Carol Stream, IL 60188
630-221-1133

Description: Supplier Member
Sponsor: Aaron Mills, Daaxis
Beam Club Members-to-Date: 2

• **Tradeline Sales**

Ted Meyer
N93W14665 Whitaker Way
Menomonee Falls, WI 53051
414-607-2355

Description: Supplier Member
Sponsor: Kevin Masterson, NAMI
Beam Club Members-to-Date: 2

FEBRUARY 2023

• **BoomNation, Inc.**

Cameron Roberts
1401 Doug Baker Blvd., Suite 107-182
Birmingham, AL 35242
813-850-8004

Description: Supplier Member
Sponsor: Jessica Cannizzaro, Milestone
Plumbing, Inc.
Beam Club Members-to-Date: 10

• **Creative Disposal & Recycling LLC**

Cheyenne Brandt
N59W28135 Ainsworth Rd.
Sussex, WI 53089
262-538-1548

Description: Supplier Member
Sponsor: Mike Brandt, HM Brandt, LLC
Beam Club Members-to-Date: 1

• **Ferguson Enterprises**

Erik Luebker
4505 Triangle St.
McFarland, WI 53558
608-838-3181

Description: Supplier Member
Sponsor: Jessica Cannizzaro, Milestone
Plumbing, Inc.
Beam Club Members-to-Date: 11

• **JBA Insurance Solutions**

Jody Anderson
2596 Northwood Rd.
Green Bay, WI 54313
920-639-3474
Description: Associate Member
Sponsor: Sam Grage, Allstates Rigging, Inc.
Beam Club Members-to-Date: 1

• **JLG Industries**

Don Hundley
13712 Crayton Blvd.
Hagerstown, MD 51742
407-276-5650
Description: Supplier Member
Sponsor: Russ Tabaka, Gilbank Construc-
tion, Inc.
Beam Club Members-to-Date: 7

• **Kyle Kluck Trucking & Excavating, Inc.**

Kyle Kluck
5628 State Hwy. 66
Stevens Point, WI 56482
715-340-0763

Description: Contractor Member
Sponsor: Jeff Disher, Disher Electric, Inc.
Beam Club Members-to-Date: 6

• **Speich Enterprises**

Jason Speich
12605 W. Avon North Townline Rd.
Broadhead, WI 53520
608-921-8004

Description: Contractor Member
Sponsor: Dave Murphy, PDC Electrical
Contractors
Beam Club Members-to-Date: 23

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