

You Sold It, Now You Have To Build It!

Presented By Shawn McCadden CR, CLC
www.shawnmccadden.com



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"Attending your seminar earlier today was like finding the key to a door I've been trying to unlock for a long time... and then having it swing open to reveal a room full of all the tools I need to survive and succeed. I've paid to attend classes at top business schools, but got more out of yours than any of them. I can't thank you enough"

Shawn McCadden, CR, CLC, CAPS

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Remodel My Business, Inc.

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Shawn McCadden is a nationally-known speaker, business trainer, columnist and award-winning remodeler. As a Certified Remodeler, Certified Lead Carpenter, and RRP Certified Renovator Instructor McCadden has more than 30 years of personal experience in the remodeling and new home construction industries. He was the owner of his own multi-million-dollar design/build remodeling business, Custom Contracting, Inc., in Arlington, Massachusetts until he sold that business in May 2004; was the co-founder of the Residential Design/Build Institute, which trained best business practices to remodelers and contractors across the nation; and served as Director of Business Innovations for a nationally known kitchen and bath franchise.

Today, Shawn offers business consulting and coaching services for aspiring remodeling business owners who want more for and from their businesses and their lives. He also consults with construction-related product manufacturers and suppliers, helping them understand, find, educate and better serve remodelers. Shawn is one of the remodeling industry's leading experts on the EPA RRP Rule and is a Massachusetts Recognized RRP Instructor. As a professional speaker, he offers an impressive array of motivational, instructional and keynote presentations. Shawn is also available to facilitate meetings and focus groups for businesses and other entities.

Shawn has received many industry awards including the National Association of the Remodeling Industry's (NARI) Harold Hammerman Sprit of Education Award, several NARI CoTY Awards, Remodeling Magazine's BIG50, QR Magazines Top 500, and several awards from the American Society of Business Publication Editors (ASBPE) for his magazine columns.

An active member of NARI for over 20 years, McCadden has served as a NARI National Regional Vice President, a Massachusetts local NARI Board Representative and has been a long-time member of the NARI Certification Board. He writes for *Remodeling Magazine* and speaks at association meetings, industry trade shows and conventions throughout the year.

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How Your Sales Process Helps With Production

- Manage your client's expectations about:
 - Project specifications and details
 - Allowances and selections
 - Making progress payments on time
 - Attending and participating at project meetings
 - How change orders will be handled and paid for



How Your Estimating Process Helps With Production

- With the right estimating system you have:
 - Time, materials and related cost for each task
 - List of equipment needed
 - List of open items to be selected and allowances
 - A critical path for producing the project
 - Separation of costs and profit



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Make Sure You Have The Resources You Need!

- Buy or rent the equipment you need?
 - Annual ownership cost ÷ charge rate = hours to sell
 - \$50k ÷ \$85/hr = 588 billable hours to break even
- Don't sell more labor than you have on the shelf
 - Labor cost/year ÷ crew cost/hr = crew hours available to sell
 - \$156K ÷ \$75/hr = 2080 crew hours
 - Or...
 - Labor cost/job ÷ crew cost/hr = crew hours needed

Plus markup required to cover O&P!

Keys To Successful Production

- Manage expectations
- Under Promise- Over Deliver
- Use accurate and detailed specifications
- Stage the project
- Do things right the first time



Goals Of The Production Department:

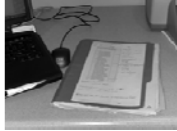
- Smooth transition from sales into production (Handoff)
- Ensure customer satisfaction
- Debug job upfront
- Build a great project
- Protect planned profitability



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Preconstruction Activities:

- Establish job files
- Hold a site walk-through
- Obtain Permits
- Hold Preconstruction Meeting with clients
- Scheduling of job progress and resources
- Establish contracts with subs
- Order special or custom materials
- Stage the project



You Get To Choose

- Cross that bridge when you get to it



- Pre-Construction Meeting

Objectives of the Preconstruction Meeting:

- Introduce customer to the team building the project
- Clarify who is now taking charge
- Preview what is being built, why and how it is being built and what is not included
- Establish how to work together and confirm what is expected of each party involved
- Identify discrepancies so solutions can be agreed to
- Create a standard agenda/form to use



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Why Do A Preconstruction Meeting?

- Everybody meets everybody
- Demonstrates the knowledge and authority of the project supervisor/leader
- Establish a pleasant atmosphere for client and crew
- Shows attention/commitment to details
- Sales and marketing tool...
- Manage expectations
- **Protect planned profits!**



Eliminate the Punch List?



Is it really possible?

Eliminate the Punch List?

Take it away

Don't get mad at someone for doing something you didn't say they couldn't do?

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Why Do Clients Use A Punch List?



She was so nice when we started?

- We tell them to do it!
- They want things done right
- They're afraid you won't come back after being paid
- They want to delay final payment...
- It's a way to get even with the Contractor for.....

You Get To Choose

- Punch List



- Pre-Completion Quality Control Checklist

The Pre-Completion Meeting

- Do it before your crew leaves the project
- Use the Precompletion Form
 - List what you know needs to be completed and or adjusted
 - Ask your client for additional items



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The Pre-Completion Meeting



- Confirm the project accounting and final balance due
- Confirm the payment vs. warrantee policy
- **Get the client's signature!**
- Complete the list **ASAP**

Let's Look At The Form

Summary From A First Born!

- Success with production starts during the sales and estimating process
- Profit is made during sales, not production
- Your ability to successfully delegate production to others depends on your estimating and specification process
- Manage the project and the client before and during construction
- Make sure you have the resources you need



Thanks for the
Opportunity!



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PRE-COMPLETION QUALITY CONTROL CHECKLIST

Project:

Owner:

Items to be completed as follows:

Final project balance due on completion of the above listed items is: \$ _____

NOTE: See attached statement for project history

It is agreed that when the above list of items is completed, the project will be considered substantially complete and approval for final payment will be authorized. Any omitted items will be covered by Builders Warranty after final payment has been received.

Respectfully submitted:

Construction Company

Date: _____

Signature: _____ Title: _____
(Contractor's representative)

Date: _____

Signature: _____
(Homeowner)