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The Level

SINCE 2004 - Ushering in the new
Millennium with News and Information
for the Construction Community in
Oregon.
We listen to what you want to read.

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Membership: \$320.00 year

OCA SERVICES:

At Oregon Contractors Association we offer many services that are designed to help those within the construction community. In addition to this newsletter, we are creating member discounts on various services and products from sponsoring companies. We have a great Workmans' Compensation Program set up with the Oregon Contractors Workmans' Compensation Trust, and now the Oregon Contractors Association Health Care Plan, and other benefits in the works. We also keep you aware of political changes that could effect you.

WE WANT TO HEAR FROM YOU.

The reason this newsletter is so successful, is because of you, the reader. We created *The Level* to act as a help to our members and the rest of the construction community. Please feel free to submit stories about your work or your client's projects, or tell us what you would like to read about. We are here to serve you.

ADVERTISING:

Special rates are available to our members, and other groups. Call to see if you qualify. A&E firms, and General Contractors can be featured & highlighted as part of our special advertising service. Get your logo prominently featured in our newsletter or on our website.

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Construction Estimating: Is It More Than Just Submitting A Bid?

All too often in the construction industry we get into a rut believing that the only way we can get a job is to be the low bidder, but that doesn't have to be the case. When I was young I remember when my dad was explaining to me what he did as an estimator. Words like, "gambling", "betting", "rolling-the-dice", "crap-shoot", "under-bidding" and "winning the lottery" made me think that perhaps dad was involved in something *shady*. I remember asking him, "if you get the job if you are the low bidder, how can you make any money?" That ultimately is the major question many estimators ask themselves.

There are more ways to get work than just being the low bidder. If you provide a good service or excellent craftsmanship at a reasonable price for the services offered you will be able to find customers willing to pay you. Making yourself different from the competition by creating a niche, can also increase what you can charge for your services. We have all heard the ads on the radio for "The General" (General Steel Corporation), in which they not only found a niche, but exploited that market to provide lucrative financing options for their customers. How many construction companies mass market their services and offer financing too?

Other companies have created a specialty market where they have been able to step away from the competitive bidding to a position where customers end up bidding for their services. If you can distinguish yourself from the competition, provide excellent craftsmanship, and exceptional service, then you can demand more for what you offer. A prime example of this can be found in Architectural Aesthetics a Hawaiian based company started by Randolph Craft in 1971. Originally, he started out doing what most



U p c o m i n g E v e n t s f o r O C A

April 30th - OCA Training Class for Flagger Certification. Member Cost \$60
See the story on page 5.

May 13th - OCA Membership Meeting starting at 5:30pm



of us do, estimating projects hoping to be the low bidder in order to get the work. As time went on he started getting creative with the welding he was doing and branched out making some artistic gates and rails. Then he realized that he had something, his product shifted as did his customer base, soon he was working with an elite clientele demanding a rate that he set. As you can see by the photos, his work demands top dollar and no longer is doing estimating to get the job, but estimating to set the price he wants to make.

Obviously not all companies are able to make that shift, drywall is drywall right? Wrong. This is where it can get uncomfortable for most estimators; you have to market yourself. What is meant by that? Well, take the example of Framed Openings, a Californian company. They realized that in order to break into the upscale home market they needed to do something a little bit different. They went to HOW Studios to rebrand their company logo and image. The difference provided gave not only a boost to the confidence of this door and



window company but also to the upscale clients they were trying to market to.

According to Howard Lim, the force behind HOW Studios, the solution for this logo was to create a, “simple, clear, unique mark [which] gives elegance and sophistication to the company’s image – raising it to the level of its upscale clientele.” The results were a 33% jump in profits in one year accompanied by a massive increase in market share. Creating or updating the brand wasn’t the only factor to increasing sales, marketing also consists of sales.

Most of us when we hear the word ‘sales’ instantly think of a used car lot with that annoying salesman, slick as oil, in a bad checkered blazer, or something similar. But those types of salesmen don’t have the finesse to create life long customers who will refer people and companies to them. Becoming a good salesman, which every estimator should strive to become, doesn’t happen immediately, but rather is a learned skill. One of the best books on how to improve your salesmanship skills can be found in the book: “Zig Ziglar’s Secrets of Closing the Sale”.



A number of years ago I made the mistake of teaching my son (3½ at the time) a better way of asking for things, using some of the skills Mr. Ziglar taught in his book. I didn’t think too much of it until a month later when we were at the store and my son came up to me holding a container of vanilla cup-



cakes in one hand and chocolate cupcakes in the other. My first reaction was to tell him to go put them back, but because he wasn’t whining I decided to listen to what he had to say. “Dad, remember how you said we could make a treat when we got home? Well, when we get home it will be too late and I will have to go to bed, so dad, I was wondering... would you like the chocolate cupcakes or would you prefer the vanilla ones instead?” Now how can you say no to a cute three year old saying that? He had successfully employed not one, but two closing techniques on me. I decided at that moment to stop sharing sales techniques with him. If a three and a half year old can learn closing sales techniques, then as an estimator you can too.

Finally, in recent years we have seen more and more projects being issued as design builds, or with a whole set of criteria where price isn’t the only consideration. It is important to keep this in mind when bidding jobs, because you don’t have to be the low bidder to secure work, but you do have to sell the client that you are bringing something to the table that is far more valuable than money: your company, skills, know how, and your quality and dependability in performing the work. Sales really can play a huge role in increasing your bottom line. Sure there are other things that can help your bottom line, like estimating software, increased productivity, and other management saving ideas, but understanding that you don’t have to always rely on being low bidder is the first step towards recovery.

- Jared Thatcher



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Highway Specialties

Bidding for Success with Estimating Software

By Leonard Buzz, President & CEO
On Center Software, Inc.

Blueprints are no longer blue. And they're no longer on paper. Estimators and project managers are turning to digitized takeoff software to make the bidding process faster, more reliable and above all, more profitable.

KENPAT USA, LLC, a Apopka, Florida-based provider of commercial drywall, framing, ceilings and architectural specialties, turned to estimating software when ramping up for construction on a local school campus. The work, which would start at different times on 10 buildings, included metal framing, drywall, insulation, veneer plaster, stucco, direct coat exterior finishes, acoustical ceilings, acoustical wall panels and GFRC columns. KENPAT needed to break out each building with each scope for material ordering, labor budgeting and general tracking for billing purposes.

Phil Klote, KENPAT USA's owner, said that the use of estimating software enabled his team "to order materials to the exact sizes required and be more precise with materials and labor for construction." Compared to the estimating and takeoff tools that the firm formerly used, Klote believes the software decreased total estimating time by 45%, increased accuracy by 75% and boosted net profits by 30%.

Display features let the user see different colored lines and segments that represent different types of walls, rooms or anything that the user defines. Good bidding software makes tracking changes and additions easier by providing a layover feature that puts the new and the old together but in contrasting colors. Easy-to-understand graphic displays can be generated quickly,

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These systems can also work in tandem with accounting software, making the figuring of costs a much easier endeavor. That means more bids, more jobs secured and more money for the builder.

With more and more builders turning to digitized takeoff software, the com-

petition has heated up. And companies not prepared for digital competition will be left behind.

About the Author

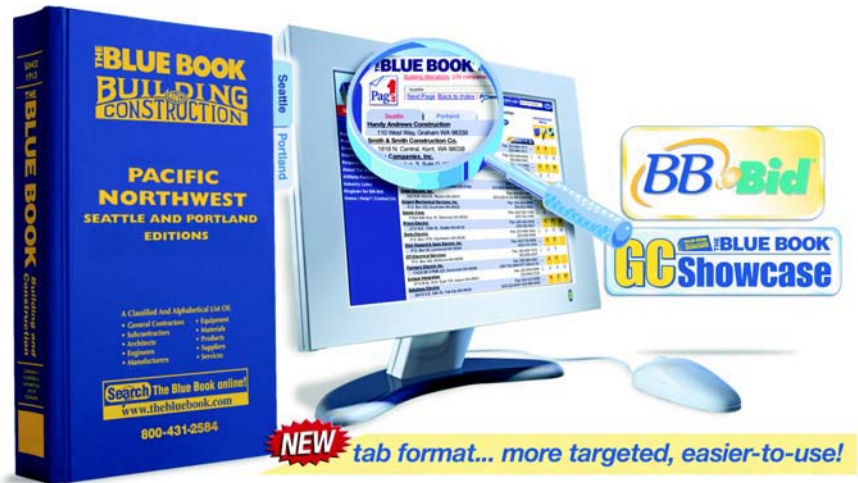
Leonard Buzz founded On Center Software 20 years ago with the launch of his software concept, Quick Bid. Under his direction, the company continues to develop and release innovative software products such as On-Screen Takeoff® and Digital Production Control™ for construction industry professionals.

Prioritizing - An Important Time Management Skill

What do you do when you have too much to do and no where near the time needed to get it all done? Prioritize. I know this seems simple, but often times it is hard to figure out the order of importance on the tasks that need to get completed. Learning to use our time well is one of the most important things we can do. The Pareto Principle says that 20 percent of your activities will account for 80 percent of the value of your activities. In other words, if you had ten things to accomplish, two of them would be worth the same value as the remaining eight items.

One way to prioritize you tasks it to assess the potential consequences of doing or not doing a task. Another way, which could also be used in connection with assessing consequences, is to prioritize based on which task will help you achieve you're a value or goal. For example, in business your goal or value might be maximizing revenue, in which case you would prioritize based on which task will generate you the most money, invoicing might be more important than getting out to the jobsite. In your personal life, you might have a choice between fixing the leaky faucet or spending quality time with your son; don't assume that you can't incorporate activities, multi-tasking works, get your son to help you fix the faucet while you spend time listening and encouraging your son. It takes practice, but by taking a few extra moments to write down a list of to-do-items, and then prioritize that list, you will find you can accomplish more with your time than other's can with theirs.

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Action Items:

1. Make a list of everything you need to get done. Look over the list and select the top 20% of items that are of more importance to you than the other 80% of the items on the list.
2. Imagine that you are going to receive a bonus equal to your annual salary at the end of the month if you can work on your highest priority items every minute of every day. Would this change your behavior? What would you do differently? Now get out there and do it.

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OCA Now Offers Health Insurance Benefit to Members

Last month we created a new benefit program for our members. The association has started the Oregon Contractors Association Health Care Plan, a self-funded program that provides medical, dental, vision and an Rx plan with excellent benefits and great rates. Members have already begun to enroll in this new Medical Health Insurance Program underwritten by First Choice Health. If you would like to see if this benefit program can save your company money, then contact Dick Bauer with Dick Bauer Insurance (EFI) at (503) 390-3755.

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Next OCA Flagger Training Class Scheduled for April 30th - Sign up TODAY

The Oregon Contractors Association will be offering the next Flagger Training on Wednesday April 30th from 4:00 - 8:00pm. Be sure to check the expiration dates of all your employees who have their certification. Member's rate for the class will be \$60.00 which will include all training material and the cost of the class, plus members and their employees already receive preferred pricing through Highway Specialties on all their construction safety equipment needs.



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OCA Participates in Construction Career Day

Oregon Contractors Association was pleased to participate in the Fifth Annual Marion/Polk/Yamhill Counties Construction Career Day, geared towards local high school students in the mid-Willamette Valley. We are grateful to our members and other local contractors that participated in this free event. This is a great way to showcase your company, get favorable press, and possibly recruit new workers. The goal for the day is to introduce up to 600 local high school students to the wide range of career choices and training opportunities available in the construction industry.

FREEDOMFEST 2008

This party and celebration of our Free Enterprise system of government was mixed with dancing, live music, and a hosted bar. Freedom Fest is cosponsored by the Oregon Contractors Association and held every year on the Saturday evening after the Tent Show at the Dorchester Conference in Seaside, which is held the first weekend of March. Those that came enjoyed the Dorchester Conference, and Freedom Fest 2008 was a huge success. The band "Liquid Assets" did a fantastic job, and the event was attended by numerous state legislators, lobbyist, and business leaders. Be sure to make a note to attend next year, you'll be glad you did.



Above: Mike Kelly, band member of Liquid Assets.



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