

# Construction

EXECUTIVE

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If you're like most *Construction Executive* readers, you're running a construction business in a less than great economic climate. So I'll ask, "Are you taking advice today?"

If you are, I'd like to offer up some rock solid advice gleaned during decades of experience from veteran construction CPAs. You'll also hear from top executives at leading providers of accounting software and technology solutions. Their insights can help you implement better financial controls to aid critical decision-making and help you survive the downturn.

**What analytical and control procedures would you advise a contractor to implement in order to survive and prosper in the current economy?**

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It all begins with an updated strategic business plan. The assessment starts with, "Where is the money?" and "How do we apply our talent and resources to access those markets?"

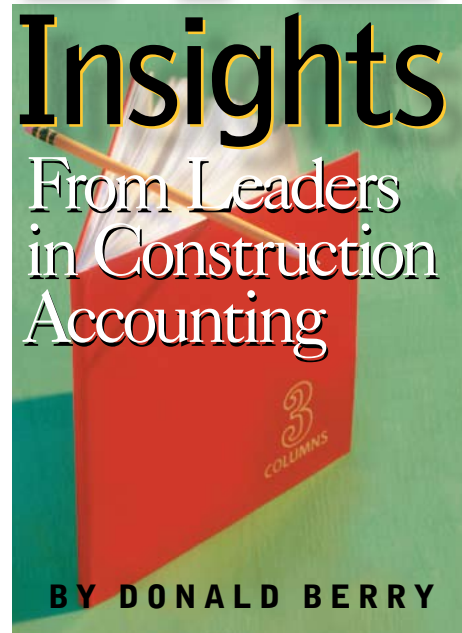
Today, the federal government (military, GSA, etc.) and the energy sector (wind, solar, power, etc.) appear to be great sources of work. Contractors need to qualify as "listed contractors" with government agencies, embrace BIM and become

certified in green construction techniques to be able to bid on that work. By providing the services customers with money want today, contractors will be able to

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avoid the "right-sizing" or "down-sizing" that so many contractors must implement immediately.

Those contractors unable to change



should immediately assess the volume of business and profit margins they'll be able to achieve in 2009 and 2010. They must recalculate their overhead rates and determine current direct and indirect expenses. Most have already eliminated unnecessary expenses. They now need to learn how to build projects more efficiently. In order to survive, contractors who grew significantly in the past few years must quickly remember how they operated as much smaller contractors.

Finally, when all else fails, go back to the basics: "cash is king." Make sure the project owner has financing in the bank and the subcontractors have paid their suppliers.