Two Important Engines Of Accomplishment: Optimism And Accountability

When you read about breakthrough successes in business, one success driver that gets frequent mention is optimism. The people responsible for the successful product or service say that they never gave up believing that it was going to work. Their belief was sustained in the face of rejection, test failures, naysayers, competitors and “experts” recommending that efforts be stopped and losses cut. Of course there are examples of optimism that ignore the obvious—that the products or services do not work operationally or in the market. But let’s assume for this discussion, that a product or service is viable. Is just the belief in its viability enough?

The answer is “no.” Another important driver (or engine) of accomplishment and success is accountability. People who never have a thought about starting a company observe the people who do and occasionally think those people are not employable. In fact many entrepreneurs either believe they are not employable or find the idea of working for someone else unthinkable. Employment means accountability and entrepreneurs want to travel their own path, beholden to no one else.

But they soon discover that entrepreneurial success is never accountability free. Some measure of accountability is necessary to your values, to your family, to your partners, to your colleagues, to your customers and probably to the bank to keep you focused on your goals. Fellow members of business owner peer groups and business coaches also provide accountability of a special type for leaders: their desire to help you succeed is based on the shared experience (peers) of owning and growing a company or the profession they practice (coaches.) Neither have a financial stake in your enterprise. You probably pay a fee to the facilitator of the peer group or to the coach. But you can go to or leave their support at any time so it is up to them to provide the on-going value in the accountability they provide. Keep your optimism going and take advantage of the accountability you need to keep you on your right path.

Your optimism can be contagious with your employees. If you believe, they will believe. In fact their continued

Continued On Page 27
NEFCO is a large stocking distributor of various types of strut, threaded rod, pipe hangers, fasteners, tools, anchors, safety supplies, and onsite supplies for the professional contractor.

Over the years, NEFCO has established a number of value-added services to complement its extensive product line. This enables NEFCO to offer the “whole package” as a construction and industrial supplier. These services include a Technical Services Division which incorporates the planning, design, engineering and fabrication of large plumbing and structural pipe support systems. Additionally, NEFCO offers numerous engineering capabilities including full service design and detailing services for pipe hangers and supports. NEFCO design sketches are in accordance with AISC, MSS, and other applicable codes and contract specifications. Two professional engineers are on staff and licensed in all Mid-Atlantic and Northeast states.

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For additional information about NEFCO, contact Jay Livak, Sales Director of the Mid-Atlantic. Jay can be reached at 301-343-9059 or at jay.livak@nefcocorp.com or visit www.gonefco.com.
Maryland Construction Contractors, Are You Prepared For An Increase In Revenue?

Looks like good times are ahead. According to results from our 2016 Maryland Construction Industry Survey, 85% of contractors report more optimism about the industry outlook for 2016 than last year. After a period of negativity about the future for construction firms in the state, this was refreshing to see.

However, regardless of type or firm size, the key challenge cited by contractors relates to finding and retaining good employees. That leaves us with a big question: Are you actually ready for that increase in revenue coming your way?

More Work Does Not Equal More Profitability

The downturn a few years back molded a leaner industry as construction companies pared down to be more agile. Collectively, we're struggling to gain even moderate increases. Industry-wide challenges include getting prices back to where they were pre-recession, and adding gross profits into contracts.

I'm not saying don't be optimistic about the rest of 2016 and beyond. Smile as the work comes in, but also consider these questions and how they relate to your firm:

1. **Do you have the people to get the job done?**
   With increasing demand, will you be scrambling to keep up? The construction industry is seasonal by nature, but you need more than a calendar to tell you when to add manpower. Take a look at estimated hours versus staff time, projecting out a month. If you have more time budgeted than staff available, you may have a big problem. If an employee is consistently logging 60+ hours a week, or you're already having trouble keeping up with deliverables, you have an even bigger one!

2. **Do you know your true costs?**
   To deliver your services successfully, you must know your costs and put in bids that accurately reflect them — then hold firm. But if you're unsure of your costs, you're more likely to waffle.

3. **Are you adequately estimating the job?**
   Depending on its size, a single poorly executed contract can take an entire company down. Add a new client or subcontractor relationship to the equation, and it's even easier to fall prey to inadequate specs, change order wars and other problems.

4. **Are you sticking to your estimate?**
   Easier said than done, right? Contractors without solid equity and a good idea of their true costs are less likely to stick to their estimates.

5. **Are you prepared for regulatory change?**
   Overtime rules just changed dramatically. And with the impending presidential election, there could be more regulatory change on the way.

If you answered “no” to any of these questions, it's time to take a closer look at how you structure bookkeeping and manage human resources.

To get more insights, download a summary of the 2016 Maryland Construction Industry Survey results here.

Final Thoughts: Will Our Optimism Last?

Like most things, optimism is relative. We're still emerging from an economic low point, and gross profits haven't returned to where they were before '08 or ‘09. Plus, during election years, people tend to wait or pull back on projects. Nobody wants to move until they know what's going to happen. So while the view has looked sunny for contractors lately, some clouds might already be rolling in.

Steel Ball, CPA, CVA, CCFIP, is director of Gross Mendelsohn’s Construction & Real Estate Group. He is passionate about helping contractors succeed in all facets of business. Steve provides audit, review, compilation, tax, business valuation, succession planning and consulting services for contractors. Contact Steve at 410.685.5512 or sball@gma-cpa.com.
Winston Churchill once said, “We make a living by what we get, but we make a life by what we give.” Charitable giving and gifting allows you to not only support the causes you care about and pass your assets to your family and friends, but it also allows you to leave a legacy that will pass the test of time. While charitable gifting and giving can be very rewarding, with the proper strategic planning, it can also be very tax efficient. Tax savings from charitable gifting and giving can come in the form of income tax savings and estate tax savings. By using the right strategies, you can increase the impact of your gift while creating a great tax benefit for yourself.

Below are five ways to give more tax-efficiently:

1. **Give money to loved ones.** You can give tax free gifts to family and friends to pay for medical expenses, educational expenses or to simply gift cash. You can give up to $14,000 annually ($28,000 for spouses who “split” gifts) to any number of individuals without incurring gift tax. Amounts over the annual limit apply toward a lifetime exemption amount and will require a gift-tax return to be filed.

2. **Start an education fund for a child.** Some say that the greatest gift you can give a child is an education. Using a 529 plan, you can give five times more than the annual tax-exempt limit ($14,000) for a maximum of $70,000 (or $140,000 for spouses who “split” gifts) in a single year, without incurring gift tax. Your initial investment can grow to cover future tuition expenses for a child. Simply file a gift-tax return to treat the gift as if it were made in equal payments over five years.

3. **Donate appreciated securities.** You can donate appreciated securities directly to charity to avoid capital gains taxes and receive a larger charitable deduction as long as you itemize your deductions. The deduction is limited to 30% of your adjusted gross income instead of the usual 50% limit. However, you can carry forward unused deductions for five years.

4. **Donate your required minimum distribution.** Once you reach retirement age, your IRA accounts may require you to receive a minimum distribution. You can donate this distribution directly to charity to exclude the distribution from your taxable income (up to $100,000). Certain conditions must be met; The account holder must be at least 70½ years old as of the date of the distribution, the distribution must be made to public charities, the full payment to the charity would have to qualify as a charitable contribution and the distribution must be a direct transfer from the IRA trustee to the charity.

5. **Give valuable items to charity.** You can give away personal belongings to charity and deduct the fair market value from your taxable income. Be sure to have an appraisal for items worth more than $5,000 prior to donating. You must itemize deductions to deduct charitable donations.

There are more sophisticated ways to give and gift such as charitable remainder trusts, pooled income funds, private foundations and donor-advised funds. These vehicles enable you to further pass on your commitment to philanthropy in a tax-efficient way. Funding a charitable vehicle gives you a current-year income tax deduction while removing assets from your taxable estate.

While giving to others can be very rewarding, it can be very tax efficient as well. Discuss your options with a professional to make sure your plan is the most beneficial for everyone involved.

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Cold Weather Concrete

With the approach of winter, it's time to remember cold weather concreting practices. According to the American Concrete Institute® (ACI)'s publication, “Guide to Cold Weather Concreting,” (ACI 306R) cold weather is defined as any time the air temperature falls or is expected to fall below 40°F during the protection period (the time required to prevent concrete from being affected by exposure to cold weather).

Cold weather affects concrete in many ways. Hydration in concrete, the process of gaining strength, is a chemical reaction. When concrete is placed at cold temperatures, hydration can be slowed - and even stopped - which impacts finishing and curing times. Another concern is the permanent damage that concrete may experience if it freezes at an early age. Protecting concrete during the early curing period is important to providing a good quality product, and it's not always easy.

Construction Practices

The American Concrete Institute (ACI) has developed the following chart, which provides minimum concrete temperatures at time of placement as a function of thickness:

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<tr>
<th>Section Size, Minimum Dimension</th>
<th>12 inches</th>
<th>12-36 inches</th>
<th>36-72 inches</th>
<th>72 inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temperature as Placed and Maintained</td>
<td>55°F</td>
<td>50°F</td>
<td>45°F</td>
<td>40°F</td>
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</tbody>
</table>

In addition to carefully monitoring the temperature of concrete, formwork, reinforcing steel, subbase, subgrade and any other items associated with placement, the surfaces upon which concrete will be placed on should be above 32°F to prevent the concrete from freezing at the interface. Once normal-set concrete has been placed, it must be maintained at the above temperature and kept moist for a specified period of time, usually at least 72 hours, to allow for adequate initial curing. Insulating blankets, heated mats, and/or heated enclosures may be necessary. Don’t wait until the last minute to confirm that protective equipment and supplies are on site.

Proper handling of field-cured cylinders becomes especially critical during cold weather operations. When used to confirm suitable field strength for formwork removal, post-tensioning, or steel erection, every reasonable effort must be made to ensure these cylinders receive the same temperature and moisture treatment as the concrete they represent.

Mix Design Considerations

Modifying concrete mix designs during the winter may be worth considering. Using higher-strength mixes can lead to early strength gain, thereby allowing faster formwork removal. Other suggestions include lower water/cementitious material ratios; adding additional cement; using a non-chloride accelerating admixture; or using a Type III cement (high-early strength).

In the past, calcium chloride was often used as an accelerating admixture, but caution is advised. Chlorides in concrete can increase the possibility of corrosion in the reinforcing steel, which can lead to premature concrete deterioration. Many specifications and code documents limit or completely restrict the use of calcium chloride or admixtures containing chlorides.

Using common mineral admixtures, such as slag or fly

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ash, should also be approached cautiously during cold weather periods. There are numerous advantages to using mineral admixtures, but they can also retard initial strength gain. This effect tends to be more pronounced in cold weather, and an accelerating admixture may be required if the delayed strength gain impacts finishing or formwork removal.

ACI also recommends using air entrained concrete to minimize damage from freeze-thaw cycles even if the concrete will only be exposed to these cycles during construction.

ECS recommends that you review the guidelines presented in ACI 360R before beginning a cold weather concrete pour. ACI 306R provides additional guidance on the types and duration of protective measures that may be necessary for cold weather concrete placement. An awareness of these factors, coupled with implementing the recommended measures, can help ensure that a good quality concrete product is achieved.

For more information about cold weather concrete, contact ECS Baltimore’s Branch Manager Joe Meiburger, P.E., CPG, LEED AP. T: 410-859-4300; email: jmeiburger@ecslimited.com

Founded in 1988, Engineering Consulting Services (ECS) is a leader in geotechnical engineering, environmental consulting, construction materials testing, and facilities engineering. ECS has grown to 50 offices, more than 1,350 people, and eight subsidiaries spread across the Mid-Atlantic, Southern, and Midwestern states. The firm is ranked 86 in Engineering News Record’s (ENR) Top 500 Design Firms, and 177 in ENR’s Top 200 Environmental Firms.

Innovations In The Fire Protection Industry

As we pass the halfway point of our current decade we are beginning to realize a growth in innovation within the fire and life safety industry. Several manufacturers from different venues are trying to push the envelope in order to increase efficiency, productivity and environmental safety.

Water based systems are beginning to see such innovations as pre-assembled flexible sprinkler heads which cut installation and design time. The increased efficiency and flexibility not only saves installation time but also maintenance work on such flexible systems. Should a tenant have relocation or a change of building layout the labor of bending already existing flex heads is minimal.

Alarm and detection systems are also noticing a great rise in innovation. Technology based systems are becoming more simplified to operate and also growing the ability to manipulate and fit any type of building. Even the growth of the newest wireless technologies has impacted alarm systems. The cut on running wire and reduction in drilling has opened up a unique efficiency increase along with minimal tenet impact.

Special Hazards are noticing some of the greatest amounts of innovations as these systems tend to protect the digital aspects of our growing world. Although not limited to data rooms these systems have the ability to extinguish a fire without utilizing (or a minimal use of) water. There are large amount of options each of which present their own unique advantages and drawbacks. There is a growth in hybrid systems that combine the advantages of a gaseous extinguisher along with the non-hazardous water based systems.

Gerardo Martinez
Special Hazards & Alarm Detection Manager
Reliance Fire Protection, Inc.

“A man who carries a cat by the tail learns something he can learn in no other way.”

~ Mark Twain
A recent decision from the United States District Court for the District of Maryland demonstrates the perils that a subcontractor can face if it executes lien releases without excluding claims that it has, or anticipates having, on a project. As the recent decision below demonstrates, subcontractors must be extremely careful not to waive their claims or else they risk the possibility of losing significant sums of money.

In United States v. Hartford Accident & Indemnity Co., Case No. JKB-14-2148 (D. Md. March 3, 2016), the federal court, applying Maryland law, found that Chasney and Company, Inc. (“Chasney”) waived its claim to a total of $460,570.10 because it executed partial lien releases without excluding its delay claims. The project at issue was with the United States of America, through the United States Army Corps of Engineers (“the Government”), for the construction of an Army Reserve Center in Baltimore, MD (the “Project”).

The general contractor, James W. Ancel, Inc. (“JWA”), hired Chasney as a subcontractor in August of 2010 to perform HVAC and plumbing services for the Project in exchange for $1.5 million. Pursuant to the Miller Act, JWA entered into a payment bond, with Hartford Accident & Indemnity Co. (“Hartford”) acting as surety. Under JWA’s contract with Chasney, Chasney waived liability against JWA for delays caused by the Government or other subcontractors or suppliers. Instead, Chasney was limited to reimbursement for delay damages recovered from the Government and was given the right, at Chasney’s expense, to pursue delay claims against the Government through exercising the provisions of JWA’s prime contract with the Government.

Between 2010 and continuing through November of 2013, Chasney executed a series of twenty-four instruments titled, “Subcontractor’s Partial Release, Waiver of Lien and Affidavit” (“Partial Release”). By signing each Partial Release, “in consideration of the payments previously made and payment for the period covered by the current payment due,” Chasney agreed to:

waive[] and release[] all . . . liens . . . and claims and demands against [JWA] and/or its sureties . . . in any manner arising out of [Chasney’s] work, labor, services, equipment or materials . . . performed or furnished . . . in connection with the project, through the period covered by the current payment and all previous payments.

Each time Chasney signed the Partial Release, Chasney affirmed that it was “aware of no claims nor any circumstances that could give rise to any future claims” against JWA, Hartford, or others involved on the Project. Although each form included a space for Chasney to list claim exceptions, no such exceptions appeared on a single form.

Throughout the Project, Chasney and JWA dealt with numerous design defects and other deficiencies attributable to the Government. These defects resulted in extended delays and unexpected costs. JWA submitted two dozen claims to the Government, which ultimately ripened into appeals before the Armed Services Board of Contract Appeals. While the appeals were pending, the Government and JWA entered into settlement negotiations. Chasney learned of these settlement negotiations and, through JWA, submitted a $380,687.65 delay claim for further transmission to the Government. Chasney’s delay claim ultimately was forwarded to the Government on August 8, 2013, but the Government dismissed the claim and stated that it lacked merit.

In September of 2013, JWA and the Government reached a global settlement that resolved all outstanding disputes, and the Government agreed to pay JWA a sum of $3.3 million. Neither JWA nor the Government assigned any particular value to individual elements in reaching the settlement amount. In exchange for the payment, JWA released the Government from all claims.

In April of 2014, Chasney demanded that JWA reimburse Chasney for their delay claim out of the settlement proceeds. JWA denied Chasney’s demand and rejected

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the assertion that JW A's delay claim had been paid out as part of the settlement agreement with the Government. Subsequently, Chasney filed suit, naming Hartford as the defendant and claiming against the payment bond. JW A intervened in the action.

As the surety, Hartford stood in the shoes of its principal, JW A, and availed itself of the contractual defenses of release and waiver against Chasney. Ultimately, the court concluded that Chasney's execution of a partial release, without exception, in October of 2013, after having submitted its delay claim through JW A to the Government in August of 2013 resulted in Chasney relinquishing its delay claim.

For a subcontractor, there are several lessons to be learned from this case. The first lesson is that the courts will hold the subcontractor to the language contained in the lien release. Subcontractors should not expect the court to look outside of the four corners of the lien release, absent some glaring ambiguity in the release language.

Secondly, a subcontractor must constantly evaluate whether it has, or anticipates having, a claim on a project. The court's opinion made clear that even though the claim may not have fully ripened, it was sufficient that the subcontractor had sufficient facts to know of the existence of its claim. As a subcontractor, you have to have systems in place that are constantly and accurately informing you about the project and whether any issues have arisen that would require you to exclude certain claims from a lien release.

Finally, to the extent that a subcontractor has a claim on a project, the subcontractor must exclude the claim from the lien release by identifying the claim and striking out the appropriate language in the lien release. The best practice is to have legal counsel make the appropriate amendments to the lien release language so that there is no question that the claim is being preserved properly.

Consult with construction counsel at the Law Firm of J.W. Stafford, L.L.C., which is located in Chevy Chase, MD. The Law Firm of J.W. Stafford, L.L.C.

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<td>Industrial Supplies</td>
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<td>Shipping</td>
<td>Telecom</td>
<td>Temporary Labor</td>
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Are Your Marketing Efforts In Line With Today’s Contemporary Marketplace Demands?

Whether you are a growing or an established firm, when your marketing, business development and corporate communication efforts work in partnership, you will see tangible results that lead to success. Coupled with a solid strategy, built on marketing research and competitive intelligence, firms that incorporate these efforts into their daily business activity will outperform those firms who market the same way they did five to ten years ago.

Our industry has changed dramatically over the past decade. We’ve weathered a recession and live with continued economic uncertainty, the marketplace is crowded, procurement methods continue to change, alternate project funding such as Public-Private Partnerships are being introduced, new technologies like BIM, 3-D Printing and High Def Laser Scanning are emerging and evolving, the design for greater energy efficiency and sustainability is in demand, we’re facing globalization and dealing with the impacts of the utilization of merger and acquisition as a growth strategy, among a host of other things. The “fat and happy” days are over and we are left with doing far more with far less. And, that is why a firm’s marketing efforts are more critical now than ever before in the A/E/C industry.

I had the pleasure of exploring and discussing today’s contemporary marketing efforts with Carrie Ann Williams, president of Andana Consulting, LLC, this fall when we compiled all of what we learned and debated about the A/E/C marketplace while creating the presentation, “Are Your Marketing Efforts Firing on All Cylinders for Optimum Performance?” which we presented at the Society of Military Engineers Joint Engineer Training Conference & Expo (SAME JETC) in Phoenix, Arizona this past May. I’ve extracted what we discovered and presented in five key takeaways. Those firms that actively work these five areas of the contemporary marketing mix will be three times more competitive than their counterparts and—at a minimum—must embrace the following in order to succeed in today’s marketplace.

Market Research/Competitive Intelligence
Taking the time to compile research will help shape your strategic planning efforts and will aid in developing the tactics that you will use to execute your strategic plan. There are numerous outlets and sources that can be tapped in order to conduct research for your firm. These sources include capital improvement plans, agency forecasts and budgets, lead services such as Federal Business Opportunities (Federal) and the Onvia Guide (Federal, State & Local), industry days, outreach events, professional organizations and teaming partners. Spending a few minutes each day checking agency websites and lead service guides as well as reading your local paper and business journals will help you stay on top of potential business impacts, market trends and upcoming work in the region. For instance, if you are providing services to State of Maryland agencies are you currently tracking the progress and findings of the Governor’s Commission to Modernize State Procurement? The commission’s findings and the recommendations for procurement overhaul will have considerable impacts on how A/E/C firms do business in the State of Maryland moving forward.

Strategy
While presenting at SAME JETC, I asked the 200+ audience members if their firms had a strategic plan in place and if they were actively working that plan. Only one third of the audience raised their hands. This is not altogether surprising. Many firms do not engage in strategic planning for a whole host of reasons, ranging from not having the budget to hire a consultant, to being too busy, to being uncertain of the process. Whatever the reason, strategic planning is a vital and important tool in the sustainment and continued growth of your firm. It doesn't have to be a three-day, cost-prohibitive event. Developing and conducting internal and external surveys, holding a few meetings to develop the plan, communicating the final plan to all employees and forming several committees tasked with executing a plan is all

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you need to address a few marketing or strategic initiatives. The key is to keep it simple and realistic.

Begin by identifying three to five goals that focus on specific activities for the firm. Examples of these goals could include initiatives such as entering a new market sector, extending a service line or opening a branch office. Once your goals are established, you can build a simple one-page strategic marketing plan for each goal. Be sure to include a crystal clear description of that goal, the objectives that you would like to meet, the overall strategy that you will use to meet those objectives and the tactics that you will employ to execute that strategy.

Most importantly, a strategic plan—in any form—enables your firm to most effectively manage the future and eliminates “reactive” decision-making. Other benefits include the exploration of future workplace development needs and succession planning. Both are critical challenges that we face in business today.

**Proposals**

Based on our further polling of that SAME JETC audience, one of the biggest challenges that firms face on a daily basis is their ability to keep up with the sheer volume of proposals they choose to pursue, whether it is RFP or RFQ responses, or technical or cost proposals. By analyzing budgets and agency forecasts, and by gathering competitive intelligence through attending professional organization meetings (research!) and coupling that information with your firm’s specific strengths, niche markets and key market sectors (strategic plan!) you can better prepare for the release of RFPs. Having this information beforehand will help firms in identifying, vetting and developing relationships with teaming partners who may be vital to making the shortlist and ultimately winning the project. This information can also assist with your firm’s business development efforts by providing a framework for meeting with teaming partners and potential and existing clients prior to the release of the RFP.

Further reducing a firm’s proposal workload can be accomplished by establishing and utilizing a sound Go/No-Go decision-making process. This process is crucial to objectively vetting those projects that the firm is best positioned to win. The practice of pursuing everything and anything is setting your firm up for failure. Proposal quality should always trump quantity and the increase in your hit rates will prove it.

**Business Development**

While once a discouraged and even forbidden practice, sales are now a critical component in obtaining work in our industry. Establishing clear business development goals by creating and implementing a capture plan and sharing it with firm principals, marketing professionals and seller-doers in the firm is not only a great tool to align these efforts with strategic plan initiatives, but it will also help to demystify business development in general. Some of the key elements in capture plans include a customer profile, determining staffing and support, competitive analysis, marketing and strategy initiatives, an execution plan and follow-on events and activities. Similar to a simple strategic plan, the capture plan should focus on a firm’s top three to five targets for gaining work—inclusive of both owners, end users and teaming partners—and can help build client relationships, establish a professional network and be a resource for additional market research.

Utilizing a customized customer relationship management (CRM) tool, either self-created or a purchased software program, can be used to coordinate proposal and business development efforts as well as serve as a vessel to hold all of your firm’s historical data on projects, clients, pursuits and sales efforts among other information. The purpose of CRM tools are to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. The development and implementation of a CRM system is not for the faint of heart. The best systems do not come straight out of the box and will need to be customized with the firm’s specific needs and expectations from the system. It is a long process that is both time consuming and a considerable financial investment.
Corporate Communications

Corporate communications is the tie that binds all of your research, strategy, proposal and business development efforts together into one amazing package and is given to your biggest fans—your employees, teaming partners and clients. It is important to give equal focus to both internal and external communications and establish corporate standards to keep your message consistent. Are you using social media? Utilizing social media is an ideal way to create brand awareness and to also reinforce your brand. The most popular platforms being used by A/E/C firms today are LinkedIn (recruiting), Facebook (culture) and Twitter (real-time news/information). It gives you the strongest and broadest opportunity to both find your target audience and to engage in conversation with them. It also allows you to shape the way your brand is viewed by others in the marketplace.

Social media can also directly impact leads and sales by driving people to action (conversions) and these actions are easily trackable with a broad range of online analytics reporting programs. Examples of conversions include offering a subscription to your newsletter, sharing a piece of content, blogging or offering the ability to download a white paper from your website. In today’s competitive environment you must maintain a social presence to stay relevant in the minds of your teaming partners, clients, potential recruits and the media.

Working with a marketing professional and increasing marketing, business development and corporate communications staff, as well as freeing up a small portion of billable time for project managers and principals to address these five key areas is vital to outperforming your competition and for your firm’s growth. In addressing the billable v. non-billable struggle that all A/E/C firms face, David Maister, a Harvard professor and author of Managing the Professional Service Firm, probably sums it up best, “What a group does with its billable time determines its income for the year. What is does with its non-billable time determines its future.”

By incorporating these five key components of contemporary marketing into your everyday routine, you will better position your firm in the marketplace and will positively impact all areas of your business practice. Your firm will experience increased success by:

- Having a true understanding of your firm’s position in the marketplace and creating the ability to make solid business decisions, thereby eliminating “reactive” decision making;
- Establishing a clear roadmap that is communicated to everyone in the firm, so each person knows the vision of the firm’s leadership and their part in making that vision come to fruition, moving the firm forward;
- Utilizing a sound Go/No-Go decision making process that focuses on your firm’s key strengths, market position and business development efforts;
- Developing and maintaining a consistent brand and utilizing various social media platforms to reinforce their brand and to establish thought leaders in the marketplace; and
- Embracing strategic planning methods—whether small or large-scale—and dedicating the resources necessary through increasing marketing staff and freeing up a small portion of billable time to complete strategic initiatives.

Inevitably, when all of your marketing efforts are working in tandem, your firm will have increased focus and awareness, it will strengthen your firm’s position in the marketplace, improve your hit rates, provide a better understanding of your client’s needs and create stronger teaming partnerships. All of which will create a very bright future for your firm.

Mindy Hinsley, CPSM
Chief Marketing Officer
Aria Environmental, Inc.

Mindy Hinsley, CPSM, possesses over 20 years of executive marketing management and business development experience in the A/E/C industry. She currently serves as the Chief Marketing Officer for Aria Environmental, Inc. an industrial hygiene and safety consulting firm headquartered in Woodbine, MD. Her responsibilities include strategic planning and direction of the firm’s business development, corporate communications and marketing initiatives with her primary focus on developing teaming strategies and building partnerships.
Help Us Spread The Joy

Please Support
Waverly Construction & Management
And
Maryland Construction Network
In Our Second Annual

CHRISTMAS TOY DRIVE!

Share the gift of giving this holiday season!

Many families in the Baltimore area are in need of help this Christmas. Bring a smile to the face of a child in need by making dreams and wishes come true! Donate a new, unwrapped toy to help us help those less fortunate and celebrate the meaning of Christmas!

Drop Off Location

Waverly Construction & Management
1515 Sulphur Spring Road
Baltimore, MD 21227
(Located at the intersection of Sulphur Spring Rd. & Waelchli Ave. Entrance is on Waelchli Ave.)
M-F, 8am to 5pm

Donations must be received by Wednesday, December 14, 2016
Deliveries will be made the following week.

Have questions?
Contact Pam Hundley at 410.536.2010 or at phundley@waverlyconstruction.com
Or
Verna Regler at 443.982.7329 or at verna@mdconstructionnet.net

GIFT IDEAS: Toys for all ages! — Dress-up sets, games, books, puzzles, craft sets/supplies, hats, scarves, gloves, backpacks, soft children’s throw blankets, cause-and-effect toys (interactive, pop-ups, buttons, touch/feel)
There Is No Such Thing As “Boilerplate”

By its nature, construction is document-intense. These are not “boilerplate” documents that you can simply sign without reading. Some examples include: purchase orders, subcontracts, change orders, lien waivers, releases, among many others. You must read these, and insist upon modification if the language does not reflect your agreement and expectations.

One example of a term that may be considered boilerplate is a “choice of law” provision in a construction subcontract. This is the part of the contract that indicates where you should file your lawsuit, in the event you are not paid for your work. Of course, if the general contractor is a Florida corporation, the subcontract will say that any lawsuit must be filed in Florida. Let’s also assume that the project is actually in Baltimore, Maryland. Does this still mean that you have to hire an attorney licensed in Florida and sue in a Florida court? Yes. Could you have negotiated the choice of law to be in the same state as the project? Of course.

Another example of a document that some may call “boilerplate” is a lien waiver. Let’s assume you have completed 25% of the job, and you are submitting your second invoice. The lien waiver you are required to sign states: “Subcontractor waives and releases all liens and all claims through the period covered by the current invoice.” Do you have any claims for extra work that have not yet been approved? Do you have any delay for extension of time that should be mentioned? List the exceptions, if any, before signing.

The term “boilerplate” is an excuse that some general contractors use to politely tell you that they are not willing to change their documents. Do not work with those general contractors. Work with companies that you trust, and those that are willing to share the risk.

The examples I list above are very mild ones. The principal: Read your documents. If you have questions about their meaning, build a relationship with an attorney that you trust who bills you fairly. The legal landscape is a slippery slope for subcontractors, and it is getting worse. When you are in the middle of litigation, it is critical that an objective third party would agree that your interpretation of the documents is the right one. This is not possible if you have not reviewed them.

Kate Lawrence is a construction lawyer and owner of Lawrence Law, LLC. Kate represents clients during contract review and negotiations, as well as construction litigation. Contact Kate at kate@lawrencelawmd.com or 443.898.6193.

“Carroll County Casual” Business Building Camaraderie In A “FunZone” Environment

Players FunZone
519 Old Westminster Pike - Westminster, MD 21157
Thursday, November 17th, 2016
Networking - 5:00 - 7:30 p.m.

Come For The Networking - Stay For The Fun!

Colleagues & Competitors will enjoy Direct Connect Networking; surrounded by Laser Tag “Haze & Maze” | Bumper Cars | Batting Cages | Neon Colored Miniature Golf | 22 Foot Giant Slide | Jump & Shoot | Video Arcade & More!

Each pre-paid attendee will receive a $10 Players FunZone Entertainment Card to get the games started!

Click Here For More Information & Registration
Bug-Em Til They Buy Or Die!

I bet you hate to make cold calls.

You also like it when potential customers call you with jobs to bid or propose on. This ‘old school’ marketing plan of letting your reputation speak for itself and waiting for referrals to grow your business used to work. Now it doesn’t.

So in the new normal of low margins and more competition, you need to make outbound sales calls and implement a marketing system to keep your pipeline full of potential projects to bid.

The following is my simple marketing system that doesn't require cold calls. Instead, it’s more like a form of that Chinese water torture you saw in the old movies --- Drip! Drip! Drip! I call it: Bug-Em Til They Buy or Die!’

‘Bug-Em Til They Buy Or Die!’ Marketing System:

1. Create Awareness Of Your Company
2. Pique Potential Customer’s Interest
3. Stay at Top of Customer’s Mind
4. Generate Inquiry
5. Get Belly To Belly / Face To Face
6. Convert a Bid or Proposal Into a Contract
7. Develop Customer Relationships
8. Get Referrals

The 8 step marketing system is designed to move the prospective customer through all eight marketing steps without a single cold call. The goal of this system is to get potential customers TO CALL YOU versus you calling them.

The ‘Bug ‘Em’ System builds an AWARENESS of your company and what you can DO for customers over a period of time. Drip! Awareness is based upon the ‘Rule of Seven’.

The Rule Of Seven

You must have at least seven contacts with a potential customer before they:
- Remember YOUR NAME
- Feel they KNOW YOU
- TRUST you
- Will TAKE ANY ACTION towards you

To grow both our construction and speaking businesses, we use the trusted U.S. postal service to make potential customers AWARE of us. Drip! We mail something to everyone on our mailing list at least 4 times per year. Drip! Drip! Once is not enough and we don't just mail any old boring piece of mail. We send creative, different, unique, fun, factual, caring, and informative articles, photos, postcards, white papers, mini-brochures, checklists, and guides. We use a professional design firm to keep our image consistent. Orange and blue are our colors. Everyone recognizes our orange hardhat or our blueprint background on every piece of mail we send out. Drip! Drip! Drip! Now you’re creating and building AWARENESS.

Everything you send out must do one of three things:

- Pique customer INTEREST
- Create a Perception of VALUE
- Reinforce customer RELATIONSHIP

To pique customer INTEREST, you must send out something different, crazy, funny, eye catching, bold or unique. You want to stand out from the crowd and make a statement. Try to be clever, creative, and fun enough to create the ‘WOW!’ factor. Never send those same old throw-away pens, ball caps, and notepads like everyone else. If you send out cheap stuff or tacky give-aways, your potential customers will think you’re cheap, have low standards, and are not financially strong enough to handle their work. Send professionally created materials that consistently reflect your image. Quality counts.

Match your mail-outs to your customer targets. We use a newsletter that looks like a blueprint for our construction customers. But to attract bank investors we use traditional white stationary with blue ink. On a mailing to lawyers we send out messages on legal
pads and when we mail to meeting planners, we use a theme based on helping them make THEIR meeting a success. To attract investors for real estate development projects, we send out aerial photos of the neighborhood along with pictures and renderings packaged in typical real estate folders. Potential customers respond to the familiar.

To pique their INTEREST we also rotate mailing out cartoons, jokes, small hardhats, mini CDs or DVDs, estimating grid notepads, paper clip holders, coffee cups with hammer handles, business card holders, post-it notes, golf tees, golf ball markers, and American flags on the 4th of July! Once we mailed envelopes full of nails with the banner: “When can we nail down your next job?”! Last year I sent postcards from Maui, Hawaii with the note: “Thanks to my loyal customers for sending me skiing. I appreciate your business!” The best things to mail are items that pack flat, play big, and will not be thrown away. Don’t forget to put your name and logo on all of your ‘Bug-Em Til They Buy Or Die!’ mail.

Only send what your customer:
- Will READ
- Needs TO KNOW
- WANTS
- WILL KEEP

Remember your goal is not only to create INTEREST, but to create the right kind of interest in YOU. Be sure that your mail creates the right perception of VALUE about your company and how it does business. You have to tell your potential customers what you want THEM to REMEMBER ABOUT YOU. Don’t assume customers know what you know about you. To show potential customer targets we were more than a small “local” company, we sent out maps indicating our project locations covering a 100-mile radius. To show we were qualified in a new business market, we sent out photos and resumes of key managers with years of experience in this “new for us” area. To create the perception of fast service, we mailed out "On-Time Schedulers" and photos of projects with the headline: "Another Successful Fast-Track Project". Decide what perception of VALUE you want to present to your customers and tell them about it - OVER & OVER & OVER!

At our company, we want to be known as problem solvers. To create this perception of VALUE, we mail photos completing tight schedules or overcoming tough logistics. We mail customized postcards of completed projects listing out extra services and benefits the customer received such as personal service, quality control, or value added cost savings. We mail product literature that’s new and interesting to keep them informed, and reinforce our cutting edge technical capabilities. We mail tips, "how-to" checklists, and cost estimating guides to help customers and increase our value to them.

To create INTEREST, potential customers must know that you DELIVER RESULTS. Your ‘Bug-Em Til They Buy Or Die!’ mail should often show people delivering results. Remember: CUSTOMERS DON’T CARE about What you DO, What you HAVE, OR What you’ve DONE.

Customers ONLY CARE about THEMSELVES and What YOU’LL DO for THEM!

Tell Them What You’ll Do!
Save the reference lists, resumes of your employees, and photos of your greatest accomplishments for your corporate brochure and face to face meetings. That stuff is all about what you’ve done. Future customers want to know what you’ll DO for THEM. This puts you at the TOP of their MIND.

Use ‘Bug-Em Til They Buy Or Die!’ mail to show potential customers how YOU:
- HELPED your customers
- SOLVED your customer’s PROBLEMS
- Met CUSTOMER’S GOALS
- PROVIDED SOLUTIONS
- Gave Customers what THEY WANTED

Come up with a slogan or motto that tells the targeted customer what you’ll do for them. We use “Our Goal Is To Make Your Project A Success!”. Keep your message and marketing motto consistent and simple. Put your customer-focused slogan on every piece of mail you send out. This will keep your company at the TOP OF MIND.

Continued On Next Page
People Care About People

Show them you care about them, their business, and their lives. To REINFORCE Customer RELATIONSHIPS use a personal approach with your 'Bug-Em Til They Buy Or Die' mail. Send them article reprints which are directed at improving their company on topics like: leadership, management, staff retention, customer loyalty, and how to make more profit. We also mail announcements of contracts, people, promotions, and accomplishments to show working relationships between loyal customers and our talented staff. Send photos of your people working with customers on-site solving problems together. This type of mail shows your care about them and want to help improve their business.

Also use your 'Bug-Em' mail to show your company involvement in charity programs, children's sports groups, church outreach, or industry leadership. Involvement in the community is part of what you do for them. This will create INTEREST and reinforce the perception that you will also care for them as your customer.

Customer awareness is easy & cheap!

Building AWARENESS, creating INTEREST, and putting you and your company at the TOP OF MIND of your future customers is a long Drip! slow Drip! process Drip! which requires constant Drip! action Drip! over Drip! time. To get started, the 'Bug-Em Til They Buy Or Die!' System takes a minimum of a one to two year commitment to be effective. Marketing is a Drip! Drip! Drip! process. It's NEVER a one-time event. I've sent mail out every 3 months since 1984. I've never stopped because it works! I always get lots of customer calls after every mailing. THEY CALL ME!

And it's affordable! We typically mail out to 1,000 to 2,000 customers, potential customers, and referral parties four times per year. The average cost (including postage) is $1.00 to $2.00 for each piece we mail. Drip! Drip! Drip! Our annual Bug budget for 6 mailings runs from $6,000 to $12,000 per year. Drip! Worth every penny. Times 10!

We use a database contact software program to keep track of targeted customers and our marketing system. With the software, we can sort by address, industry, customer type, or any other criteria we want to use. You can also create personalized form letters to mail. It only takes a few minutes to print 1,000 mailing labels! Easy.

We dedicate 4 hours every month to our Bug mailing program. On alternating months we plan or produce the marketing materials. We constantly look for great ideas, helpful articles, perfect mailing pieces, and photo opportunities. To remain consistent and look professional, we've used the same professional design firm for over 20 years. But, you can hire local marketing or graphic design students from local colleges or universities to help you get started. Call your local college to locate eager graphics and marketing students.

After we select and design our mail, the task of creating it in-house, using an outside promotional products vendor or getting it to the printer is easy. When we're ready to mail, we hire temporary help to print the labels, assemble the packages and stuff the envelopes. Done.

Any plan is better than a perfect plan never executed!
The key to Bug-Em Til They Buy Or Die! mail is to do it! Every 3 months! Rain or Shine! Build AWARENESS. Create INTEREST. Put you and your business at the TOP OF MIND of your future customers. You will get the INQUIRY. You'll be BELLY TO BELLY. Your proposal will get you a LOYAL customer. You’ll have a lifetime of REFERRALS. Future customers will call you. Do it. Get Started. What are you waiting for? Start now and BUG-EM TIL THEY BUY OR DIE!

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As a professional construction BIZCOACH and popular industry speaker, George Hedley helps contractors increase profits, grow, and get their companies to work! He is the best-selling author of “Get Your Construction Business To Always Make A Profit!” available at his online bookstore at www.HardhatPresentations.com. E-mail GH@HardhatPresentations.com to sign-up for his free e-newsletter, join a peer mastermind BIZGROUP, attend a BIZ-BUILDER Boot Camp, implement the BIZ-BUILDER BLUEPRINT, or get a discount for online courses at www.HardhatBizSchool.com.
How To Prepare The Next Generation Of Millennial Business Leaders

As C-suite Baby Boomers begin to reach retirement age, the question of how their businesses will live on once they have departed looms large. Because this generation had fewer children than those in the past, the traditional legacy of leaving the business to family members has become less common. This means that it is becoming increasingly important to begin grooming the next generation of business leaders who will be equipped and ready to take on executive leadership roles over the next decade.

Millennials (that is, the generation born between the early 1980s and early 2000s) make up about one quarter of the current U.S. population, which means the time is now to begin the process of readying them for leadership positions. But how do you groom the leadership capabilities of a generation that’s known for changing jobs at the drop of a hat? The answer is by focusing on retention sooner rather than later and tailoring your corporate culture to the wants and needs of this generation (which often differ greatly from their Gen X counterparts).

Millennials Value Communication, Transparency, And Being Part Of Something Bigger

A recent large-scale study undertaken by PwC attempted to understand the driving motivations for Millennials and found that many of the core values that companies used to hold dear no longer hold the same meaning for younger professionals: things such as the promise of future rewards. The study found that Millennials prize workplaces that value open communication, transparency, and work-life balance. This means they are drawn to companies that offer support, guidance, and feedback. While they do not necessarily need the predictability of a 9-5 schedule, they are more likely to stick with companies that provide flexibility and place a high value on positive corporate culture.

In addition, Millennials like to feel like their work means something. Whether that means working for a company whose corporate culture encourages employees to spend time volunteering or finding a job at a business that actively works to do good in the community, Millennials care about more than just earning a paycheck: They want to feel fulfilled.

Millennials Prize Ongoing Learning

One of the best traits of the millennial generation is their thirst for knowledge. Many actively want to take on increased responsibility and develop soft skills such as relationship building, communication, and other traits that they see as being important to leadership. Unfortunately, many do not feel that their current companies offer this type of institutional support, which leads to a lack of company loyalty. Their drive to continually improve and learn more can be a huge boon to companies seeking to groom the next generation of business leaders.

Business Leaders Need To Focus On Retention Now

In order to stay competitive and recruit high-quality talent that will stay with your company in the long run, your organization must consider how to create a work culture that Millennials want to stay. By offering ongoing mentoring, a flexible workplace, real organizational buy-in, and ample opportunities to practice their leadership skills, you can help prepare Millennials for the next steps in their careers as well as the next phase of your business.

Ready for your AHA! Moment? Call Allan Hirsh Advisors today!

At Allan Hirsh Advisors we believe in making a difference in the lives of CEOs and Business Owners. We help you understand your vision – both personal and professional, discover why you are in business, work with your visions to align them with your “why”, and give you feedback on what is important and hold you accountable for your decisions. All this so you can improve your life and improve the lives of the people around you. If you are interested in taking your business to the next level then contact Allan Hirsh Advisors to learn how we can Create AHA! Moments for you.
Fine-Tune Equipment Costing For A Smoother-Running Company

Imagine you’re standing on the jobsite and someone says, “Nice piece of equipment. What did it cost you?” Your mind might immediately go to how much you paid for the asset in question. But, as you’re surely aware, contractors must continually account for the cost of their equipment over time. It’s a good idea to review and, if necessary, fine-tune this critical process regularly.

Allocate accurately

To begin, you must understand the real cost of owning each piece of your equipment. In addition to the purchase price, costs related to fuel, labor, maintenance, off-season or downtime storage, insurance, taxes and depreciation all play a role.

But knowing these expenses isn’t enough; you must also allocate them — as direct and indirect costs — to each job. To do so, you’ll need to match the cost of the item with its per-project use.

Establishing a consistent costing method is important for both tax and financial reporting. It’s also critical in the development of claims for delays and time extensions. Generally, you can recover anything spent on recovering costs in one claim.

Choose the right approach

One option is to use internal equipment rates. Here you estimate the cost of owning and operating each machine over its life span, determine the hourly rate you’ll need to charge to cover that cost, and charge each job that rate.

Another possibility is to include equipment costs in the amount you charge for the operator’s labor in running the machine. Once you determine the amount of time it’ll take to recoup the purchase price, you reduce the asset’s cost to an hourly rate that you add to the operator’s labor rate.

A third alternative: Charge for use based on rates published in equipment manuals such as the Rental Rate Blue Book for Construction Equipment or the U.S. Army Corps of Engineers’ Construction Equipment Ownership and Operating Expense Schedule. Remember, however, that the rates in these publications are almost always higher than actual costs.

Regardless of how you allocate your equipment costs, you’ll need to decide for tax and financial reporting purposes whether to capitalize or expense the equipment. If you don’t already have a capitalization policy in place, develop one to establish the purchase price cutoff at which you’ll expense or allocate equipment to indirect costs rather than depreciate it.

Last, beware of the effects of idle equipment. They can substantially alter your costing calculations and should be discussed with your financial advisor.

Appreciate depreciation

Depreciation is another key point in accounting for your equipment. Currently, under Section 179 of the Internal Revenue Code, a business can expense up to $500,000 in qualified new or used assets. But this amount does begin to phase out, dollar for dollar, once the taxpayer hits and exceeds $2 million in asset acquisitions.

Bear in mind that depreciation methods for accounting purposes may be different from those for tax purposes. From a tax perspective, depreciation is generally based on a double declining balance, meaning equipment is depreciated more in the earlier years, and then at a given percentage of the remaining balance each year.

For accounting purposes, Generally Accepted Accounting Principles (GAAP) allow various depreciation methods. Contractors often use the straight-line approach, which involves subtracting the equipment’s anticipated salvage value from the purchase price and dividing by its total estimated useful life.

But watch out: The estimated useful life of a piece of...
equipment may differ for tax and accounting purposes. Under GAAP, for instance, the life of a heavy truck is based on its estimated useful life. Meanwhile, the IRS establishes a “recovery period” to recover equipment costs, regardless of how long the asset is expected to last.

Know what you’ve got

Construction companies often have a variety of equipment, each piece potentially being of a different age and value. As your collection evolves, ensure your equipment costing processes still make sense. Your CPA can be an excellent resource for double-checking your numbers and suggesting helpful refinements.

Practices Of Successful Construction Companies

The following is an easy checklist to ensure you are following the best practices of companies with a proven track record of success!

- Have a detailed knowledge of costs – labor, fringes, material, subcontractors, insurance, equipment, and overhead
- Prepare detailed estimates for jobs
- Track actual job costs against estimates
- Customer contracts and subcontracts prepared and reviewed by lawyers well qualified in contract law
- Timely financial statements prepared by competent accountants/bookkeepers
- Insurance programs developed by brokers specializing in construction insurance
- Bid on jobs only in areas of expertise
- Keep funds in the business for downturns
- Management that is experienced in services being offered
- Owners and managers that understand financial terms
- Review of financial statements on at least a monthly basis
- Stay on top of accounts receivable collections
- Track cash balances daily
- Get deposits for jobs whenever possible
- Obtain lien releases and insurance certificates from subcontractors as a matter of routine
- Tax returns filed timely – income tax, personal property tax, sales tax, payroll taxes, 1099’s
- Strong safety culture - The safety of employees is the highest priority

Craig Kershaw, CPA, MBA is the managing partner of The CFO Source, a Maryland based consulting firm that provides CFO/Controller, tax, payroll and bookkeeping services. Craig is the author of QuickBooks for Contractors and teaches courses in QuickBooks for the Maryland Association of CPAs. To find out more please visit www.cfosource.net.
Contact us today to see how we can work together on building your business. We can help provide your company reach its maximum profit potential by providing the expert guidance, support and resources many contractors lack. Services we provide include: Accounting and Auditing, Tax Planning and Preparation, Business Advisory Services, Surety and Bonding Assistance and Cost Segregation Services.

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National Airspace & YOU!

The Federal Aviation Administration has released its long awaited ruling on commercial UAS (drone) use. Under the new rule known as CFR Part 107, one must complete an extensive airman qualification test to be given a certificate titling them as a “Remote Pilot Unmanned Aircraft System.”

What does this mean to the construction industry?

With the benefits comes a high degree of responsibility on the professional hired to document your project. The FAA put Part 107 into effect with the understanding that the PIC [Pilot in Command] adhere to a strict set of guidelines. Not only must this person be able to fly the craft, they must be in compliance with airspace restrictions, proximity to restricted areas, operations over people not involved in the actual flight, and time of day limitations on the flights.

Services provided by photo/video professionals include, large sectional views of a project in relation to its surroundings, 3D mapping, video sweeps, waypoint imaging for pin point accuracy in highlighting the progress of a project, and close in aerial views of challenges that would need possible recording for legal issues.

The future is now! The construction industry has been given a powerful tool to help market itself better to that next great customer. Build on your legacy today, but be selective in the professional you choose to handle this important service.

Bill Rettberg is a fifty year professional in the photography industry. Bill is also an FAA certified UAS pilot. MidAtlantic Photographic LLC is a woman owned commercial photography studio. Its owner and president Robin Sommer is a twenty-one year photography professional, and is MBE/SBE/DBE certified by the state of Maryland.

“\textbf{I was so naive as a kid I used to sneak behind the barn and do nothing.}”

~ Johnny Carson

It now gives contractors access to a pool of talented audio visual professionals, FAA qualified, to document your projects from the air.

How does this help?

You receive full scope documentation of a project from pre-construction to the conclusion. It will now be easy to keep all stakeholders apprised of the status of site progress, change order issues, safety concerns, material allocation, and any Statute of Repose issues that may develop.

Truly the benefits are enormous not only from the aforementioned benefits, but also from a marketing standpoint. Annual reports, daily briefings, website enhancement, and subcontractor procurement can be enhanced for maximum impact.
Adoption Of ‘Green’ Construction Codes By Maryland Jurisdictions

With its introduction in 1998, the LEED (Leadership in Energy and Environmental Design) rating system developed by the U.S. Green Building Council (USGBC) quickly became the best known standard for promoting sustainability in our industry and minimizing the impact of buildings on the environment. LEED is consensus-based and market-driven, and strives to use objective evaluation criteria and multiple compliance pathways to encourage certification of green buildings. However, because LEED and other competing systems such as Green Globes are voluntary programs, their reach will always be limited to building owners that value the market appeal of a certified building or those who prioritize life-cycle cost efficiencies over potentially higher upfront costs.

As the market-driven sustainability movement gathered momentum in the early 2000’s, the model building code organizations began to consider the development of mandatory standards that could be incorporated into their building code regulations enacted by jurisdictions. The International Code Council issued the first edition of the International Green Construction Code (IGCC) in 2012 after two years of committee development and public comment, and the 2015 edition was issued along with the regular triennial editions of the ICC family of building codes.

Members of the Maryland Construction Network are aware that the regulations governing the construction of buildings and other structures are a complex, multi-layered set of requirements issued from the Federal, State and local levels. In Maryland, the Department of Housing and Community Development (DHCD) is responsible for compliance with the Maryland Building Performance Standards (MBPS), a law which defines the minimum standards for all buildings in the State. In accordance with legislation passed in May of 2009, DHCD must update the State standards to incorporate the most current edition of applicable codes within one year of their publication. The MBPS is comprised of the International Building Code (IBC), the International Residential Code (IRC), and the International Energy Conservation Code (IECC), which have been modified to eliminate conflicts with other State laws. Because Maryland is a Home Rule state, each of the 57 local jurisdictions is permitted to revise these codes to suit local circumstances, with the exception of the IECC and the Maryland Accessibility Code, which can only be amended to be more stringent than the MBPS.

Although the IGCC is not one of the three MBPS mandated codes, the State passed legislation in May 2011 which approved the 2012 IGCC for adoption by local Maryland jurisdictions, giving them the option to adopt and amend it as an ‘overlay’ code that adds sustainability-driven performance standards to the underlying building code requirements. Maryland was the first state in the nation to approve the IGCC on a state-wide basis, which occurred even before release of the fully vetted 2012 edition of the code. In the subsequent five years since DHCD approval, only the City of Baltimore has adopted the IGCC for commercial and multi-family buildings, which replaced the City’s existing mandatory green building law. In addition to the City of Baltimore, the code compliance / building permit department of each of Maryland’s 23 counties was contacted for this article regarding their plans to adopt the IGCC or similar code requirements. Although none has adopted the IGCC to date, a small number of jurisdictions near the Baltimore and Washington D.C metro areas are considering implementing additional sustainability requirements, as noted below:

- Montgomery County’s Executive Regulation 21-15, which will adopt the IGCC, has completed the publication, hearing, and comment period phases, and the final legislation is currently being processed through the County’s Office of Management and Budget and the Office of the County Executive prior to transmittal to the County Council.

- Prince George’s does not have plans to adopt the IGCC, but their county representative noted that the Maryland – National Capital

Continued On Next Page
Park & Planning Commission (M-NCPPC) is currently re-writing their zoning ordinance, which is likely to include requirements for a minimum number of ‘green’ elements to be evaluated based on a point system similar to LEED.

- Howard County has adopted its own Green Neighborhood Standards, in addition to several tax incentive programs for Certified and other high-performance buildings.

Despite the fact that Maryland jurisdictions have not adopted the IGCC at a rapid pace, members of our industry should expect future code updates to reflect an increased focus on sustainability, energy efficiency and limiting the impact of construction on the environment, particularly in the urbanized metropolitan areas surrounding Baltimore and Washington D.C. Owners will in all likelihood need to budget for ‘green’ features even if they do not choose to pursue LEED (or other) certification. Architects, engineers and designers will need to stay abreast of changing code requirements so we can provide clients with sound advice for their project scope and budget, and construction contractors will be expected to knowledgeable about ‘green’ products and shifts in the means and methods of construction resulting from green code requirements. As always, the design and construction industry will continue to transform with shifting social tides, and sustainability initiatives will most likely continue to be a major driver of that change for decades to come.

John C. Morrel, AIA, LEED AP is a Principal with Marshall Craft Associates, Inc. (MCA). MCA provides professional architectural, interior design and planning services, creating innovative places for learning, healing, research, corporate enterprise, and cultural celebration. MCA has an office in York, Pennsylvania, and has recently relocated the firm’s Baltimore headquarters to the revitalized Assembly Building at Clipper Mill.

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10 Tips For Safer Shopping From Your Mobile Device

The days of going store to store to look for a certain item, to price compare, or to endure the frustration of standing in line are basically over. More and more people are choosing to do their shopping from their computer, tablet, or smart phone. Amazon.com reports that during the 2015 holiday season 70% of purchase were made from mobile devices. Everything from office supplies to groceries can be purchased online, and you can receive most items the same day. While for the most part shopping from your mobile device is safe, here are some tips to help you have a more secure shopping experience.

1. **Set a password.** Although most of us cringe at the thought of having to enter a password or draw a pattern every time we want to use our phone, this is the first step in securing your private information in case your phone is lost or stolen.

2. **Use a “find your phone tool”.** Most mobile devices manufacturers have software available that will allow you to locate or wipe your device if it is lost or stolen. For example, Find My iPhone and Find My Phone for Android. Some programs, like Norton Mobile Security, also offer the option of locking and wiping your phone remotely if necessary.

3. **Confirm that you have a secured connection to the site.** Look for the secure sockets layer (SSL) or transport layer security (TLS) signs on the mobile sites you visit. The SSL and TSL indicators could look like a tiny padlock or an ‘https’ in the URL window. They let you know that the site will protect the transmission of your private data. If in doubt stick to websites you trust.

4. **Always keep your device up to date.** Your device will usually prompt you when there are updates available for the operating system as well as any apps that are installed. These updates are critical because they contain fixes for potential security loopholes which put you at risk of malware and other software programs that may steal your sensitive information.

5. **Stay away from public Wi-Fi.** If you are away from a trusted Wi-Fi network and shopping from your mobile device, make sure you are using your mobile network. Public Wi-Fi is accessible by anyone in range and the information that you send over this network can be intercepted. Do not shop, access your bank accounts, or access any site or app that contain information that you would not want anyone else to have. Make sure that your trusted networks are WPA2 protected with encryption enabled and a use a strong password.

6. **Don’t allow automatic connections.** Some smartphones are set up to automatically connect with available Wi-Fi networks and Bluetooth devices. Disabling this option will prevent your phone from connecting and transmitting data without you realizing it.

7. **Always use credit cards or an online payment service.** Credit card companies tend to provide better protection when shopping online than bank cards. If you absolutely must use your bank account, consider an online payment service like PayPal, which uses the latest technology to protect your information.

8. **Beware of prying eyes.** It may sound like simple advice, but it is important to protect your login credentials and payment information from thieves lurking nearby. Use an online payment service so that your credit card stays in your wallet or purse where it belongs.

9. **Package tracking scams are on the rise.** If you often make online purchases, you may receive e-mails from what looks like a major retailer or shipping company about a package that they were not able to deliver. If you look closer you will notice that the e-mail is not actually from the domain name of the retailer or shipping company. This is a common scam, and the e-mail will typically contain a link that they want you to click which will then collect personal information.

10. **Ignore retail text messages.** Criminals are sending out more and more fake text messages posing as a retailer, usually in an effort to “phish” your personal information. The text message will usually contain a link to coupons or sales. Do not click on these links. This also goes for “deals you can’t miss” type of e-mails. If you suspect that the message be...
belief can be a tonic to the leader when he or she is fighting the “lonely at the top” syndrome. Accountability is also scalable and should be present throughout your organization. One old business cliché is “what gets measured, gets done.” Like all clichés it has a ring of truth. So build the measurements of the tasks that need to be done and relate them to the goals of the company and the expectations of your customers. Base your employee compensation on those measurements. The measurements reinforce the fact that the tasks can be accomplished. Sustained accomplishment sustains the collective optimism. Think of the times in your life when you were in that kind of situation and create that situation in your company.

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Paul Riecks is a Principal at INSIGHT. At INSIGHT, we believe that every business has the opportunity and the potential to be as successful as its owners want it to be and deserves the chance to reach that potential. One of the best resources available to business owners and CEOs for help in reaching their company’s potential is the deep pool of knowledge shared with other business owners and CEOs. So what we do is form INSIGHT Groups - each with 10-15 owners and CEOs - and facilitate their monthly meetings where they advise each other, share ideas and experiences and gain the clarity they need to achieve the success they seek. www.gaininsight.net

You Are Invited!

For additional information, click here!
Help Me . . . Help You

Most people probably think that “Show me the money!” is the Jerry McGuire quote that best describes lawyers. But that’s not true. The quote that best describes lawyers is “help me . . . help you.” And there are many things a client can do to help his or her lawyer during litigation. Here are some simple, but effective, considerations for a win-win situation. Doing these five things will make your case more efficient, and success more probable.

1. Preserve Evidence. Your lawyer can only defend and prosecute your case with evidence. So don’t lose it. Also, the failure to preserve evidence can be used against you. Thus, Rule #1: Preserve Evidence. Start by identifying all potential locations of evidence: Paper format; electronic devices; servers; cloud/online storage; and third-party sources. Then ensure that each item is preserved. After identifying the sources of documents, help your lawyer by culling and gathering the documents. It is also useful to specifically identify the documents and witnesses that you think are most relevant to the case. Provide your attorney with the last known contact information for any relevant witnesses. Lastly, understand that all the documents, and any arguably relevant documents, may be fair game in the lawsuit. A lawsuit could be cracking the door open to personal and sensitive information. Techniques can be used to protect the information or keep it confidential amongst the litigants, but know that your sensitive information may be at issue in the lawsuit.

2. Know Your Objective, and What You’re Willing to Expend. At the beginning of the lawsuit, clarify your objectives. Consider the best-case outcomes; consider the worst-case outcomes. And consider the outcomes that you want to achieve. Also evaluate what you’re willing to concede (or spend) in order to achieve the desired outcome.

3. Understand Risks. Nothing is certain. Nothing is promised. Nothing is guaranteed. Litigation is unpredictable. At least one major fact or witness will turn out completely different than anticipated. The law can be murky, too. An analogy: Imagine that you own a 2007 Honda CRV with a book value of $10,000. Now, imagine that you park the 2007 Honda CRV on the street with a “For Sale Best Offer” sign. What type of offer might you get? Would it matter if your CRV is sold in Columbia, or Towson, or Rockville, or Bel Air? What about paint color? The book value might be $10,000; but the reality is that your 2007 CRV will be sold on a specific day, at a specific location, with a specific buyer. You might get $10,000 exactly, but probably not. Likewise, the legal books might say that your dispute should be determined one way or another. But the reality is that it will depend on the specific facts of your case, with a specific judge or jury, in a specific location, on a specific day. Just like the sale of the CRV – litigation is not an exact science.

4. Understand Negotiated Settlement. Settlements are wise. By settling a case, you avoid worst case outcomes and unpredictability, and you limit your litigation costs. But, to get something, you need to give something. As one mediator said at the beginning of what was ultimately a successful mediation: “To settle this case, I can guarantee two things: One of you will pay more than you ever thought you’d have to pay. And one of you will accept much less money than you ever thought you’d have to accept.”

5. Be Prompt; Be Accessible. Throughout a lawsuit, you will be required to review, answer, verify, and sign many documents, often under the penalty of perjury. Be accessible and timely when reviewing the documents. Also, be accessible and timely when producing documents.

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Negotiating and litigating construction or commercial disputes is a complicated area of law, and it is best to seek legal advice at the first signs of a dispute to ensure that all legal rights are preserved. The author is an attorney licensed to practice in Maryland and Pennsylvania, and practices out of the Lancaster, Pennsylvania office of Harmon & Davies, P.C. (www.h-dlaw.com). The content of this article is not legal advice, as legal advice requires an analysis specific to the circumstances.
Maryland OPEN For Business

Governor Larry Hogan’s Special Secretary of Minority Affairs, Jimmy Rhee, assured attendees at Maryland Construction Network’s well-attended September 29th “Developer – Builder” Forum in Rockville that, indeed, “Maryland Is Open For Business”. Secretary Rhee reiterated Governor Hogan’s vision to “create a Maryland that is thriving, growing, innovating, and is responsive to the needs of all its citizens.”

As Special Secretary, Jimmy Rhee is responsible for policy and oversight of the State’s Minority Business Enterprise and Small Business Reserve programs with a goal of helping small businesses grow by reducing taxes and fees, improving physical infrastructure, and improving the regulatory environment.

Tina Benjamin, Special Project Manager for Montgomery County Executive Ike Leggett, reported that Montgomery County “is economically strong”; noting a $71 billion dollar GDP, an unemployment rate of 3.5% (down from 4.1%), and a residential building permit increase of 98%.

Continued On Page 31
Navigating The Golf Course Of The Future

My dad was a great golfer. Actually, he was great, and golf seemed to be his religion. He had this ritual at least every Saturday: waking up at 6 AM; not shaving, because contemplating the mirror makes you think too much about the course; gathering his clubs and golf paraphernalia; with a tee time promptly at 7 AM. Lunch would be followed by the tale of any birdie, eagle or albatross some of his companions may have scored, what handicap and how many pars he made, and if anybody made a hole in one, which meant such player had to invite all players in the course during that moment to a round of whiskey. He would talk about bogeys only if it haunted him: which means, if he thought he should have made par. After lunch, he would take his putter and practice at a hole he had especially made in the garden, and if I am correct, this included Zoysia or Bentgrass, and did I mention that the hole had a flag with the number 19 on it? Even our dachshund name was “Putter.” So yes, golf was part of our upbringing, but always in the background.

My dad would have loved for me to take up golf. He tried when I was 14, but my interests were in the more active grounds of judo, athletics, and gymnastics: golf meant little challenge to me. I had little interest and I didn’t think I was ever going to be as good as him.

It is now, in my mid-forties, that I contemplate picking up the sport, and sometimes I have to question my motives. For once, I want to understand the fascination with golf; by doing so, I feel I’d be honoring my father. Golf can be a relaxing sport, easy on the body; it can be played while you have interesting conversations with perfect strangers; the scenery is always beautiful; and you have to know how to lose with your head held high. There are great things about golf, and still, in the back of my mind, there is that lingering motive in the background: “networking.”

If I want to widen my networking tools, golf should be one of them, and the fact that I contemplate such motive spoils my inclination to try the art of golf again: as if I became a cynic all of a sudden. So let’s have a look at sports as a networking opportunity.

Clients and business partners of today and tomorrow will include baby boomers, generation X and millennials.

Although baby boomers are associated with a rejection or redefinition of traditional values, they show a continuity of values widely associated with privilege. As a group, baby boomers are the wealthiest, most active, and most physically fit generation. They are also the generation that received peak levels of income; and they could therefore reap the benefits of abundant levels of food, apparel, retirement programs, and sometimes even “midlife crisis” products. Baby boomers today are anybody between 52 and 70 years old and it’s only natural that they gravitate more toward sports that value conversation and where showing up is as important as scoring well, if not more important. My dad was a boomer.

Generation X represents a generational change from the baby boomers, and some younger boomers prefer to identify themselves with the generation X, but for the sake of definition, they, along with me, are anywhere between 36 and 52 years old. They are described as independent, resourceful, self-managing, adaptable, pragmatic, and as seeking a work life balance. Demographers Strauss & Howe wrote “They are already the greatest entrepreneurial generation in U.S. history; their high-tech savvy and marketplace resilience have helped America prosper in the era of globalization.” Most of us are going through our mid-life “awakening” and it’s not surprising that our sports include activities that push us physically, as if we needed reminders that we are not done yet. Yes, I wrote “us” and “we.” Scoring against our personal best is important, especially if that personal best was during our twenties.

This year, the Millennial generation surpassed the Boomer generation in size in the USA, with 76 million Boomers and 77 million Millennials. They are more open-minded than their parents on controversial topics. Millennials came of age in a time where the entertainment industry began to be affected by the Internet. Millennials are the most ethnically and racially diverse generation compared to older generations. They are also on pace to be the most educated. According to the Pew Research Center that did a survey in 2008, Millennials are the most likely of any generation to self-identify as liberals and are also more supportive of progressive domestic social agenda than older generations. As of today, millennials don’t experience sports the same way that older generations do: The Huffington Post indicates that “they are bored with the traditional sports [of] their dads and grandpas […] so their attention is shifting elsewhere.” Millennials are also more connected to other countries and probably played soccer as kids.

Continued On Next Page
If my only interest in sports was networking, I should not only take up golf, but bowling, fishing, skiing, kayaking, rock-climbing, tennis, and soccer, with a half-marathon thrown in for good measure. If I was really savvy, I would endeavor that half my clients in the next 15 years will be women, and the networking opportunities will take me to a yoga retreat. In addition, the youngest of them will use their thumbs rather than their whole body while participating in a sport.

In conclusion, I should be versed in my future partners and clients’ interests, but I’ll never be able to connect with all of them if I am not honest about my own interests. Connection should be about respecting the many differences we will have as we try to span the generational gaps. As I learn about their love for chess, surfing, or virtual experiences, they will learn about my love for yoga, running and kayaking, and yes, of how I want to master a “putter”.

I will leave Generation Z, or the iGeneration to others!

Paulina Beeche, AIA, LEED AP, CSI CDT
Associate
Penza Bailey Architects

Penza Bailey Architects’ private expertise includes commercial / retail, urban revitalization / historic preservation, Americans with Disabilities (ADA) compliance, multi-family and custom single-family residential design. Public expertise includes educational, healthcare / institutional and judicial. We specialize in additions and renovations, which require a very thoughtful level of attention and detail.

Continued From Previous Page

Continued From Page 29

Rockville Economic Development’s Laurie Boyer shared details on a number of current development projects including Brightview Senior Living, The Metropolitan Luxury Apartments in Rockville Town Center, and “Rockville 2040 – A Comprehensive Master Plan Update” which started in mid-2015.

An elite panel of developer-builders representing Avison Young, Bozzuto, Donohoe, Foulger-Pratt, Shapiro & Duncan, SKANSKA, and The JBG Companies discussed current construction, market trends, new construction, the developer-minded approach to selecting subcontractors, and what’s on the radar.

The event was hosted by Aronson, LLC, and emceed by ARC Document Solutions’ Construction Regional Solutions Engineer, Todd Moore. 144 attendees enjoyed an afternoon of education and an evening of premier construction industry networking. Click here to access the presenters’ Power Point Presentations. Contact Verna Regler for additional information.
Coming Soon

October 19th, 2016 – BCPS Meet The Primes
Maryland State Fairgrounds ~ Timonium, MD
8:00 a.m. – Noon

October 27th, 2016 - The Blue Book Showcase
M&T Bank Stadium ~ Baltimore, MD
Noon – 6:00 p.m.

November 17th, 2016 - “Carroll County Casual”
The Final Direct Connect Of 2016!
Players FunZone ~ Westminster, MD
5:00 – 7:30 p.m.

MCN Is Working On Our 2017 Schedule Of Events

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Contact Verna Regler at 443-982-7329
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