



# *The Estimator as President of the Company*

The **estimator** in a construction firm should be capable of being the **president** of the company. Is this a radical concept? Do you agree? Do you disagree? Read on and find out why. [Continue >](#)



The estimator in a construction firm is often viewed as someone who simply churns out the numbers and is tucked away in a dark back office and doesn't really make a major contribution to the company (I mean a really *major* contribution).

If this is your belief, hopefully the Sherpa can show you a new way to view the role of the estimator in your company, and how the right estimator can help get you and your company where you want to go.

## ***Expanding*** the role of the ***estimator*** is a good way to ***improve*** your ***bottom line***.

Expanding the role of the estimator in your business is a good way to improve your bottom line so you can go out and grow your business, and triple or quadruple the current profit you are earning. To achieve your goals, you need a team in place that will help you get there, and the foundation of that team is a great estimator- the estimator that could be president. Let's get started discussing some presidential qualities to look for and help grow in an estimator.





All too often the estimator is struggling for survival barely making a living, worrying about their side job this weekend. This is not the best way to have your company represented. You want an estimator that has a big role in your company- an estimator that could run the company.

1. The estimator needs to know what type of projects produce high returns for the company, and then focus his energy on finding and culling relationships with clients who do those types of jobs.
2. The estimator should be just as interested in the client who accounting says is not paying their bill, as he is in the next big job. The president of the company is vitally concerned with cash flow and so your estimator should be also.
3. The estimator should care how the information from his estimate gets relayed to the field crew so they can properly build the job. He is concerned with every aspect of the company's field operation and wants the field to be successful. He has a great relationship with his company's field operation and not an adversarial one.
4. The estimator must know it is important to sometimes pass on a big job when the company is overly booked and stretched on resources. It does no good to sell a job if the firm's reputation is damaged due to lack of performance.
5. The estimator has to know that it is the bottom line of the income statement that matters- not the commission check on one individual job.





6. The estimator needs to know that 50% growth in a year doesn't necessarily mean everything is rosy in the company. The company may get so stretched out making payroll and "getting the jobs done" that it learns too late that profit margins were too low or several of the new accounts are slow paying.

***Other trades that you work with regularly on jobs, such as, plumbers, framers, electricians, have great information about customers for your business. They know which builders pay their bills, which builders are fair, and which builders are good to work with.***

7. The estimator has to know how overhead is recovered in the bid and that rising volume in a company does not always correlate to a lower overhead percentage. At X sales volume one level of management overhead may be needed. At 3X everything changes- and not in entirely predictable ways.
8. An estimator needs to understand the true cost of operating all company owned equipment. What is depreciation? How much does fuel and maintenance cost? What does it cost to have equipment delivered to the job and picked up from the job? Is owning the equipment even the right choice for the company?





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9. The estimator needs to understand both the hard side and the soft side of purchasing. The hard side is easy- get five bids and go with the lowest number.

The soft side is understanding that there is a cost in even taking the time to call around and get bids for every item on every project, versus having negotiated prices with trusted suppliers covering time frames. The soft side is understanding that saving \$250 becomes less meaningful when the crew waits for two hours for an important delivery that is late in arriving. The soft side is understanding that there is a cost in having a huge number of suppliers- versus just a few you work well with and that take care of you.

10. The estimator, like the company president, has to understand and be able to give and take. Sometimes business requires you to give a little to get a little. Flexibility is a handy skill. The estimator needs to make sure the “big things” in the company are going well so a little thing that goes haywire doesn’t upset the apple cart.

***The estimator or salesperson on commissions is clearly a danger to your company goals. Suddenly, the company and the estimator don't have the same goals - you want profitable work and the right amount of work; the estimator on commission wants... commissions. Selling construction projects on commission often opens Pandora's Box. What if the company is too busy to take on the project? What if the job is not the best type of job for the company? What if the profit margin the job is to be awarded at is too low? Will the commissioned estimator/salesperson bring these issues up to his company? Or will they simply stand aside and hope everything works out so he can receive his commission?***





If it seems like the above is a huge task for an estimator, it is. But it is not an impossible task for the right type of estimator. And if you don't have anyone doing the above with you and for you- it is possible that you are running your company as a lone ranger. Acting as a lone ranger is going to place serious limitations on your success.

*The estimator has to know that it is the  
bottom line profit that matters.*

As a successful business owner, you can't be the one to find new clients, bid on work, do the work and run your company's day-to-day operations – there just isn't enough time in the day. It is only a matter of time until you find out this is true. And if you are somehow managing to do it all right now, you are probably either not doing some of it very well, or you're not able to grow your business as you would like to.

Hard to hear, I know. But true. The bottom line is that you can't do it all alone. And if you try to, you'll be so busy working day to day (and in the evening too!) that pretty soon a year will have gone by and you'll be right where you started in terms of progress. You've got to look ahead to move ahead. In order to do that, you need a team in place that will help you get there. And the foundation of that team is a great estimator- the estimator who could be president of the company.





The foundation of the team is a *great estimator*- the estimator who could be *president* of the company.



### Qualities to look for in an Estimator

**Leadership** – vision, focus, and direction

**Integrity** – does the right thing

**Communication** – keeps others informed

**Profit-minded** – keeps an eye on the wallet

**Diplomatic** – gets along with others

**Quick learner/teacher** – loves to learn and teach others





## *Sherpa info*

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# Sherpa info

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## SUMMIT DATE

This document reached the summit (was created) on December 20, 2004 and is based on the best information available to the Sherpa at that time. To check for updates please click here <http://www.ConcreteSherpa.com/president>.

## NAVIGATION & USER TIPS

You can move around this guide by using your mouse or keyboard arrows. Left mouse button goes to the next page, right mouse button goes to previous page. Click on the right arrow ( → ) for the next page and the left arrow ( ← ) to go the previous page.

## KEYBOARD SHORT CUTS

	PC	MAC
Zoom in (Larger)	[Ctrl] [+]	[⌘] [+]
Zoom out	[Ctrl] [-]	[⌘] [-]
Full screen/normal screen view	[Ctrl] [L]	[⌘] [L]

## ABOUT THE CONCRETE SHERPA

The Concrete Sherpa is a team of people that represent the experience, teaching and learning of our team members and other industry leaders *on a mission to make life better for the concrete contractor*. We are an idea center striving to deliver thought provoking ideas based on “Concrete Advice for Business and Life” to stimulate you to reach new heights. As a user, you should remember to consider all information you receive, here at the Concrete Sherpa or elsewhere, not as a *cast in concrete* recommendation, but rather as an idea for you to consider and ponder.

## *Sherpa info*

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### THE JOURNEY LEADING TO THE CONCRETE SHERPA PROJECT

The Concrete Sherpa Project (A [Sherpa](#) is a “guide”) was born at The Concrete Network in mid 2004. Here is how it happened:

The biggest surprise, or gift, since starting The Concrete Network in 1999 has been the concrete contractor friends from around the country we’ve made and witnessing the passion they have for what they do. These people include Dave Pettigrew, up in the San Francisco Bay Area, or the Verlennich brothers in Minnesota, or Bob Harris in Georgia, the list goes on and on. It’s quite inspiring.

We were once asked, “How are you so excited every day about concrete?” Well the answer is simple, it is impossible to not be excited about concrete when you have the job we do—interacting with hundreds of concrete contractors from every state in the country.

The thing we’ve learned about concrete contractors is that most are passionate *craftsmen*—they are often less passionate and experienced in the “office stuff”. Human nature channels us to do what we are most comfortable with; learning how to use a new saw-cutting tool is comfortable; learning and implementing a new estimating strategy, or job management tool, is not so comfortable.



## *Sherpa info*

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### THE JOURNEY CONTINUES...

So Sherpa was born to provide FREE and easy to use information on topics many Contractors are not too comfortable with.

- Concrete Sherpa is here to provide help to contractors who are often 'Lone Rangers' and don't have anyone to get solid business advice from.
- Concrete Sherpa is here to provide help for contractors who have to work too hard and too many hours in their business, and one day realize they need to work *on their business, not in their business.*
- Have fun with Concrete Sherpa and go faster towards reaching success than you might have on your own.
- To skeptics who think something free can't be valuable, or there must be a trick- visit Concrete Sherpa and decide for yourself.

We hope you make great use of the Concrete Sherpa and it helps you to become an awesome success for yourself, your family, your church, and your community.

### VISIT THE CONCRETE SHERPA

To visit the Concrete Sherpa click here <http://www.ConcreteSherpa.com>.

