



Suppliers Can be Central to Your **Business Success**

I often hear contractors/estimators talk about suppliers (ready mix, concrete accessories supply companies, hardware, tools, equipment, etc.) in adversarial tones. "I need to beat the supplier down on price," or "I am going to back charge that supplier because they were late delivering materials," or "I can extend those guvs out on payment another 10 days." Continue >









Oftentimes this adversarial tone is accompanied by a chuckle as if 'working the suppliers over' is some sort of game to be won. The contractor/estimator is thinking win/lose, and this type of relationship hurts everyone.

An alternative approach, one that I believe leads to much greater success, is to look at it from the approach of *how can suppliers be a central part your business.*

When you have earned the right to be called 'favorite customer,' suppliers will be going out of their way to help you any way they can.

Here are eight tips for making suppliers a central part of your business:

- Exercise common courtesy. Just because you forgot to order supplies or concrete
 on time, or didn't confirm your order doesn't mean that because you are the customer
 you can yell and make wild demands.
- 2. Give good feedback too (not only bad). Suppliers, like us as contractors/estimators are used to hearing about all the problems. Think about calling your supplier at the end of the day when they've performed great. "Hey, George, you guys were awesome today- you made me look good." Your call will be the only pat on the back George got that day and he'll appreciate and remember it.







- Share your successes. Did you just pour a beautiful concrete wall, or maybe a colored concrete entry way? Or a huge tilt up building 3 blocks long? Why not shoot over some digital photos and let your ready mix supplier take a look? Get everybody pumped up about what the two of you are achieving together. Maybe even stop in and pay your supplier a visit.
- Get a fair price and roll with it. Why not negotiate a set price for all your jobs that come up in a certain area? Or for a specified length of time. Too many estimators think they are being smart by getting 5 bids on every item on every project. They see themselves as being an important negotiator. What they are really doing is creating lots of activity and phone calls and not building any loyalty among the suppliers. Find good vendors, negotiate fair prices, and aim to work with these vendors over and over again.
- Pay your bills. You can do everything listed in this report- but if you don't find customers who will pay you on time, or if you don't effectively produce invoices and collect your money, you can't qualify to move up into elite customer status. Collect your money and pay your suppliers in a timely manner.
- Get your act together. Good suppliers will try to spoil you. They will often let you 6. get away with ordering late in the afternoon for a next day delivery; they will often run supplies you run short on out to the jobsite for you. Don't take advantage of this and get sloppy in how you conduct your business. Get your act together and place your orders several days ahead of time and then be courteous and confirm your orders in a timely manner. Use a 'favor' on special occasions when you just flat screw up.





- **Get some face time.** I can't tell you how often a nagging problem with a supplier has been solved just by sitting down for a few minutes with all the parties there. One time I was furious at a hardware supplier because they kept shipping our orders incomplete- they would bring all the anchor bolts and tie-down straps, etc. but not bring the wire mesh. At a meeting, the supplier explained that many of our foreman were sending the mesh back to the shop (not letting the supplier offload the mesh) because there was no place to store it on the job. So at some of the deliveries the mesh was accepted-but on many occasions it was sent away-very costly to the supplier and very confusing. OOPS. Our concrete company had some procedural issues to work on. Face time will solve most problems. When all the facts get put out on the table a solution can be reached in most cases.
- **Is it Personal?** Being personal doesn't work as part of a tactic or strategy- it must 9. come from the heart. But it is a fact that many suppliers and concrete contractors are the best of friends. They do things socially like taking in a ballgame, going on a fishing trip, or going to lunch now and then. Sometimes they know each others' wives and their kids. Again, this cannot be a phony strategy but must come from the heart – that you are sincerely interested in each other. The supplier lives in your neck of the woods, is in the same business, and has the same concerns and interests.

The simple fact is that people do things for friends that they don't do for any old customer. Particularly not customers who are calling up yelling, back charging them incessantly and looking to cut them down at every possible occasion- suppliers are happy to tell these customers there is no concrete available the next day or that you can't get that last minute order filled.







Here is the bonus in all this and what it has to do with estimating: Your suppliers are the recipients of inquiries from people who want to have jobs done. You want to be on the top of their mind. You want to be the type of contractor where the supplier says, "If you need this stamped concrete work done right and on time, call George- he is awesome". You want to be George, and get those types of referrals. This type of referral is priceless since the prospect will know that the supplier deals with hundreds of firms and they referred you.

If we can operate our businesses with integrity, make some money and have fun- isn't that what business should be all about?

Bonus #2- In 2004 all we learned that there is not an unlimited supply of anything. There were both cement shortages and steel shortages. In a shortage situation-guess which companies are going to get the material? You want to be the customer your suppliers are going out of their way for to take care of.

Bonus #3- Suppliers are often cool people and a lot of fun. And if we can operate our businesses with integrity, make some money and have fun- isn't that what business should be all about?

Remember: Being a successful estimator doesn't mean that you're on the phone all day like a stockbroker getting quotes for materials and looking busy. That's not being effective. Being effective is getting proposals to the right customers and being awarded profitable projects.







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SUMMIT DATE

This document reached the summit (was created) on January 7, 2005 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/suppliers.

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 (\rightarrow) for the next page and the left arrow (\leftarrow) to go the previous page.

KEYBOARD SHORT CUTS	PC	MAC	
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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.









THE JOURNEY LEADING TO THE CONCRETE SHERPA PROJECT

The Concrete Sherpa Project (A <u>Sherpa</u> 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.







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.







