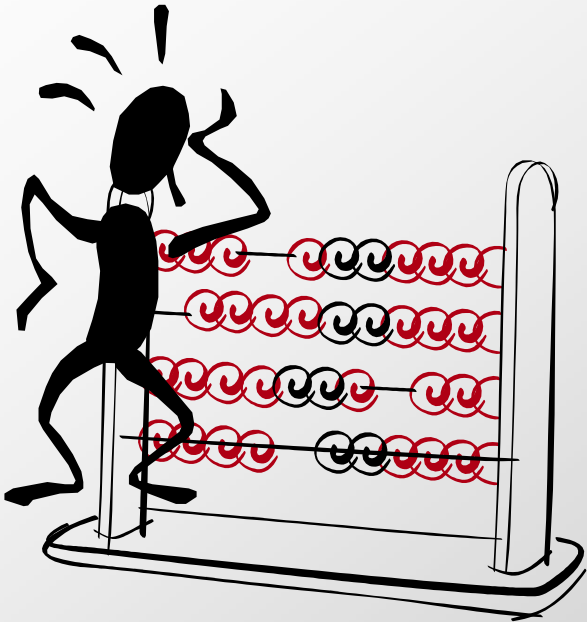




# ***Beware When the Bean Counters Take Over***



Keep this in mind as you read this chapter: ***Bean counters*** (the bookkeepers and accountants), ***should*** only exist in a company to ***serve*** your construction department and your estimating/ bidding efforts so the financial performance of the company improves. ***They are part of your team.*** Bean counters can cause problems with both your company's ability to execute and with morale of employees and customers if they think they are running the company. ***Continue >***



That may sound a little rash—it is true that accountants can make significant contributions to profitability in many ways.

But here is a sequence of events that happens all too often in concrete construction companies, and what you can watch out for and try to avoid: A concrete construction company will really start to grow when... you're building up your reputation in the field, you're getting good work, and you're growing rapidly. All of the sudden, things are a little hectic, and the light goes on and you think, wow, if we really get control of things the company is really going to make some money.

## ***You've been running so hard so long that the accountant ("bean counter") might be seen as the savior.***

Some of the things needing more control: your guys just buy whatever they need at the supply house and put it on the company charge account; change orders to your customers aren't being charged at a high enough rate, or not at all; you don't have a good system for tracking the company tools, it seems they are always disappearing; etc., etc. The list is quite long!

At this delicate point in time it's likely that there will be a bean-counter that comes into your life promising you the holy grail (at a stupendous salary, of course) and this person will sit on the opposite side of the desk and paint a fabulous picture of how you are wasting this over here, and you are wasting that over there, and how you could save 5% on this and that.....





So have controls in your company, but at the same time show common sense, logic, and flexibility so your company doesn't get bottled up and a pallor comes over the company because everything has to be run through accounting before it can get done.

You've been running so hard so long that the accountant (bean counter) might be seen as the savior. He is going to make it all better and help you grow up to be a real business.

While it is true that you need some controls, and you need some organization- a method to your madness, the problems occur when every decision in the company starts being made with the bean-counter in mind. Now your people are getting a slap on the wrist because something they purchased was a dollar over budget; your people have to drive 30 miles to a rental yard to pick up a compressor where the accountant has a low price negotiated, to save \$30- when they could have driven one mile and picked up the compressor and got the crew off the job an hour earlier. The bean counter that is running the show is going to come down all over this guy about how he didn't follow company procedures and wasted money.

Another way the bean counters can negatively affect your company is on extra work requests from customers. You may be doing \$100,000, \$200,000 or half a million dollars of business a year for an account and something comes up and there's a repair and it's going to cost you four hours labor and a grinding machine to fix. You used to go out there on the way to another job and just do it with a smile for the customer at no charge. It is good customer relations. Things like this are why this client loves you.

Accountants don't think anything, under any circumstance, should ever be done for free. Anything done for free is a total loss. But what I have learned is if I hit up a customer for every single item- everything is an "extra", you spend lots of time debating and going back and forth over little issues. Whereas, if we take care of some small extra stuff without hassle, they won't fight us on the bigger things that come up (if they do fight us on anything and everything, we look for another customer).





There's a fine line to this because you can't be giving away things right and left, but at the same time you don't want to get to where you spend a jobsite meeting and 6 hours of time debating a client for a \$180 purchase order. You might win the purchase order battle, but as far as grief and time wasted, you lost.

So have controls in your company, but at the same time show common sense, logic, and flexibility so your company doesn't get bottled up and a pallor comes over the company because everything has to be run through accounting before it can get done.

## **What Should Bean Counters Be Doing**

In addition to managing the financial aspects of your business- banking, financial reports, bank statements, investments, the bean counter should be able to provide useful information to both the construction department and the estimating department.

## **Accounting is meant to be a support tool for construction activities.**

Construction is the only area of a construction company that can get results and do things that please customers, which in turn earn the company profits. Accounting needs to make sure that the bills are turned in properly and in a timely manner so the company can get paid and pay its subcontractors quickly- thus allowing the construction activities to proceed without a hitch. Accounting needs to get the paychecks out on time and with a smile so the men are happy. Accounting needs to alert and assist the construction department in improving problem areas- providing feedback on what is working and what is not working. In short, accounting can be the *grease* needed to make things run smoothly- where all parts of the company are in sync and moving forward.





## **Accounting is also meant to be a support tool for estimating activities.**

Accounting can provide estimating about what's going on with costs on the job and help to make sure overhead recovery is being properly charged. Accounting can help estimating see which types of projects they do well on, which types of projects that meet or beat their labor budgets, etc. Accounting should be a wise, fact-based, friendly advisor to the estimating department, full of insights that help the company put out better bids and find the most profitable work.

In a nutshell, you do not want to get into a situation where the accounting department is running the company and the estimating and construction department report to them, quivering whenever they come into the office. Instead, you want an accounting department that listens, provides useful information and insights, and helps the construction and estimating departments be successful.

Bean Counters don't think anything, under any circumstance, should ever be done for free. Anything done for free is a total loss. But what I have learned is if I hit up a customer for every single item- everything is an "extra", you spend lots of time debating and going back and forth over little issues. Whereas, if we take care of some small extra stuff without hassle, they won't fight us on the bigger things.





## *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/beancounter>.

### 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

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