



Estimating Requires Focus in These Five Key Areas

We want to be clear- ***estimating*** activities ***require focus***. Every contractor in their concrete business has a specific strength. In most cases, their greatest strength is being a great builder. They started out laboring, learned the trade, and became a foreman, now they own a company. They love being out in the field, working with their hands, and touching someone's life with their beautiful project. [*Continue >*](#)





All people (and contractors are people too) have strengths and tend to gravitate towards the path of least resistance. They will often work on the things that they love, are the most fun, and that they are the best at. Sometimes contractors overlook or misunderstand the profitability issue, and take on a job because it's fun, it will make them famous, or for some other soft reason.

Often, however, doing what one loves is different from running a profitable concrete business. If an owner is strong in the construction department and weak in the estimating department, it is imperative he has help from someone who is just as strong in the estimating department. It is vital to get help with the things you like to do the least.

There are only several key top-level decisions that must be made in estimating. Here they are:

Who are you going to focus on?

Not all owners, general contractors, and developers are alike. With some you can build a steady block of business which builds up your company. Others will cause you nothing but pain.

Who you work for can't just be a random act- whoever happens to call you on the phone gets your services. As noted in the Sherpa document, *The Estimator as President*, "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." Also, "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 should be the estimator."

To read: *The Estimator as President.*



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What are you going to focus on?

Deciding what you're going to focus on is important. Over the years we have met many Jacks in the construction industry: Jack in the Box; Jack be nimble; Jack and Jill; and Jackhammer, to name a few. We would like to address one of the Jacks we often meet in our busy lives, the Jack of all trades. Over the years, we've seen the contractors become so enamored by all of the different options (foundation work, flatwork, tilt-ups, stamped concrete, stained concrete, countertops, blah...blah...blah) that they end up trying to tackle it all.

Your success will multiply as you grow into an expert in a category of work.

Have you looked in the mirror? Is the enemy you? If you try to become all things to all people, you will never matter much to any of them. Our advice is simple, focus on mastering a few things that you can become efficient at, and make great money at.

Note: It is true that when you start your business and you are finding your way, you can't be overly picky about what you do. But over time, after you've been in business a while, you're going to find some types of work that your company naturally is better at. This discovery should be grounded in your job costing, in measurable areas where you have proof that you can make money doing this type of work. Once it begins to get clear in your head, start focusing in these areas and hit it hard. Your success will multiply as you grow into an expert in a category of work.





Where are you going to focus?

Choosing where to work can make a difference. An important issue on your estimating strategy is going to be where you choose to work. It's true that not everyone is blessed with a very busy local market - where it's an easy choice to stay close to home and it's easy to have a plan and stick with it. But you must decide, are you going to stay in your metropolitan area? How serious are you going to be about serving other metropolitan areas? I've seen some people get really spread too far out. They don't have a clear plan about where they will work or where they won't work.

The jobs that are far from home carry the risk of getting away from you and not producing the type of money you think that they can produce.

Traveling to do work presents a unique set of problems that must be understood. There can be misunderstandings about what it really costs to do things far from home. A lot of times when you are working outside of your area you're just not getting the production that you're used to. Your crew has to drive two hours one way to the job. Its human nature that people are arriving at the job late. At the same time the crew is cutting out early and heading home – everyone wants to get home at the end of the day and there's traffic to be beaten. You also don't have a supervisor in the area so what goes on at the job is not monitored as closely as it should be.





The jobs that are far from home carry the risk of getting away from you and not producing the type of money you think that they can produce. Customers need to be seen, issues need to be discussed, plans need to be reviewed, and you just don't have a supervisory presence there to do it. Then there is the dreaded service call- the one that will take a two hour drive to get to and take 15 minutes to do the repair.

It takes great resolve to get focused and stay focused.

So if you decide to travel you need to really look at what you can expect to get done in that area. If you're able to get a higher margin, maybe go ahead with it. But, if you're going to do it for the same margin, or unfortunately if you even have to think about doing it for a lesser margin, you really want to think hard about going there.

At High Grade Form, Inc., located in Perris California, they've chosen to work in the Inland Empire within a thirty mile radius. By choosing that radius, they've made a decision to possibly take a little bit less work (since they don't venture into Palm Springs, Los Angeles, or Orange County, California), but it's also a decision to make the work they do take, more profitable.

They have an area, Temecula – Murrieta (located between Ontario and San Diego) that they really focus on, where they can sometimes have 25 projects within a 10 mile radius. The economics of job supervision, and trucking costs to deliver lumber and pick up materials, for instance, are just two of the areas where the economics pick up dramatically because the work is so close to home. Sometimes it's difficult to completely measure the advantages of this on paper when you're estimating.





Why are you going to focus?

We hope why you should focus has been answered above. If not, the Sherpa wants to see you in his office- and bring a bottle of Vodka and a crying towel with you.

Seriously, the answer to why you should focus is simply so your business makes a healthy profit! The good you can do for your family, your employees, your church, and your community hinges around your business making a good profit. So while it may be fun and exciting, initially, to do projects that give you something neat to look at, in the end it doesn't make a profit you're going to experience real pain. You're in business to make a profit— you're not running a hobby, so stay disciplined.

When are you going to focus?

Get started right now. This is not something you can afford to get around to when the time is right- after you learn the next new construction technique. It takes great resolve to get focused and stay focused.

A word of caution— you and your estimator should always be interdependent on each other. You need to communicate frequently with your estimator to ensure that both of you clearly understand the company's estimating strategy (because the strategy can change over time), and how it works, and what the company should be focusing on. If both parties are not in agreement there will be confusion.





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This document reached the summit (was created) on January 6, 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/focus>.

NAVIGATION & USER TIPS

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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.



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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.





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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>.

