

## TOP 10 TIPS FOR SURVIVING A MAJOR CONSTRUCTION PROJECT

Below are some things to consider as you head into the 2018 Monroe Construction Project.



### 1. Solve any immediate cash crisis

- Organize financial data in one place
- Make a list of the problem areas
- Set priorities for collections and payables
- Determine next day's tasks each night
- Set time frame and goals for cash management

### 2. Get Your Books in Order

- Require accurate and timely reporting
- Create and use financial statements
- Get involved – bookkeepers and accountants can't do it all for you
- Forecast short-term cash flow

### 3. Collect Accounts Receivable

- Bill customers as soon as possible
- Use account aging reports to manage and project cash flow
- **Collect everything now**
  - Call everyone – don't wait! Begin collections on overdue accounts, pick up large checks in person, require cash payment at time of service, offer discounts only on prepayments

### 4. Review Internal Controls and Personnel Policies

- Enforce cash-handling policies
- Reconcile cash register closeouts with bank deposits
- Develop new financial controls
- Prevent opportunities for embezzlement (Divide financial responsibilities and functions, require checks to have 2 signatures, examine timecards and payroll records for accuracy)
- Hold everyone accountable
- **January 2018 – new state sick leave policy takes effect**
  - Businesses need a written policy in order to enforce it
  - Use the opportunity to review personnel issues, expectations, benefits

### 5. Adjust Prices and Reduce Costs

- Be competitive in the pricing/value balance
- Charge extra for emergencies, deliveries, etc.
- Ask landlord for rent reduction or restructuring to allow a short abatement period.
- Rent out unused space
- Reduce personnel costs (eliminate overtime, use part-timers, student interns)
- Ask vendors and suppliers for trade discounts

- Sell unproductive assets

## **6. Manage Inventory**

- Review inventory levels more often
- Liquidate everything on the shelves over 90 days
- Sell outdated items at cost
- Restock shelves with faster-selling or higher profit items
- Buy using “Just-In-Time” ordering processes

## **7. Focus on Marketing**

- Inform your current customers now about upcoming traffic and parking changes
- Redefine your target market and consider new “niches”
- Look for complementary products/services to offer
- Collaborate with neighboring businesses to jointly market or hold events
- Leverage social marketing opportunities and online reviews– (Google, Facebook, Twitter, Instagram)
- Invest marketing dollars wisely
- Keep in touch with current and past customers
  - Thank them for their business, suggest another specific product or service, ask for referrals

## **8. Pay Attention to your Retail Image**

- Appearance counts - Clean it, paint it! Yes, the carpet and bathrooms might need attention too.
- Keep window displays fresh
- Add lighting to highlight product displays
- Pay attention to your customer’s in-store experience. Run a customer satisfaction survey.
- Use attractive and descriptive signage
- Train employees to deliver top-notch customer service

## **9. Contact Creditors**

- Decide who to pay first – ex., lenders, past-due taxes
- Forecast cash flow, then payment plan
- Manage your credit score. Talk to credit decision-makers early and often
- Offer partial payments, if possible
- Keep payment promises

## **10. Be Proactive!**

- Invest time in preventing and/or solving problems
- Talk with other business owners – You are not alone!
- Communicate with customers, employees, and suppliers
- Parking and temporary signage (construction route parking, entry, hours)

### **PARKING**

- Work with city representative in advance to discuss contractor and their employee’s parking. For example, the City of Tacoma had a road project in a similar zone. They would not allow contractors to park in commercial parking spots – at one point they required the general contractor to charter a bus to bring contractor workers into the site so employee vehicles did not take up additional parking space.