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• Sell outdated items at cost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
  o 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.