Plain Talk

Build the ark before it rains

Part II

COLUMN BY ROB BUKSAR



For the sake of review, last month, Jerry, the multi-million dollar home builder, left us with two basic points. First, see the big picture and don't get hung up on short-term gains or gratification. Second, stop acting as if the present is all there is, forgetting the future is going to come no matter what we decide. So be prepared for the scary stuff before it happens. Then, Jerry told us how he does it.

So, here's the rest of the story. Jerry and company all agreed that when an industry is comprised of very small businesses such as ours, the emotional attachment to the business is far too great. I was asked if I knew any rebuilders that fell into the following category:

If given only one hour to live what choice would be made?

a) Make love to your wife one last time.
b) See your children one last time.
c) Hug and kiss your grandchildren one last time.
d) Build one last 40MT.
e) Eat one last great meal.

If you chose D, your emotional attachment to your business just might be a little out of whack! There is no crime in loving what you're doing for a living. Actually, it makes it easier to get up in the morning and go to it. However, if you find yourself fondling a freshly-painted alternator or tucking your starters in before you leave at night, you might have your rebuilding a little out of perspective.

All kidding aside, if you're overly emotionally-involved, your thinking is going to lack the sound judgment required to make good business decisions. Yes, how you feel about an issue does have a bearing on the decision. Yet, the numbers and bottom line will and should have a greater impact than your heart. How you feel will not pay the bills or determine if you get a paycheck.

This leads me to another issue: Let the numbers be your guide. No manufacturing-type industry (rebuilding qualifies) is in a growth mode in the United States these days. There are all sorts of reasons for this and most of them are out of our control. However, a big issue within our control is keeping track of and paying attention to the numbers, if we're keeping them. There are additional facts and figures just as pertinent as our checkbook balances that have to be constantly monitored in order to stay healthy.

Monitoring productivity is huge and frequently blown off. All rebuilders, regardless of size, should have documentation recording the weekly productivity of his crew. If you don't know what your very expensive help is doing with their time, how in the world can you make any sort of sound judgments?

The above reminds me of a friend of 30 years, who debates the merits of buying and selling new units rather than trying to repair them. He claims that by the time he buys a few parts, it would have been cheaper to buy the whole unit, never touch it, sell it and make a few bucks. There's merit to his argument but there are also glitches. First, he has never known what his people produce during the course of a week. Second, if he paid a little closer attention and kept some good numbers, he would realize that both his rebuilders only produce 20 hours a week. The rest of the time, they're wandering around the shop looking for something to do while these new units are being bought and sold. Just how profitable are these new units?

Lastly, Jerry said you must know when it's time to start looking for the exit. Again, your numbers and not your feelings should dictate when it's time to either change or move on. To continually invest more capital trying to gain a larger share of a declining market is slow suicide. That's also why the emotions need to be checked at the door and the numbers allowed to be your guide. This is the only approach that assures clear vision and sound judgment.

In conclusion, whether your business is booming or waning, the only way to stay in the game is to stay on top of it.

Let the facts and figures be your guide. Also, don't forget when one door closes, another one is opening somewhere. The smart ones realize we're never really at the end, just another beginning.

God bless America.

Rob Buksar is owner of Hoosier Electric Co., Gary, Ind.

ERE