



Setting Long-Term Goals

by Les Cunningham

In my day-to-day job as a construction business consultant, I get to see as many as 100 companies each year at pointblank range. I see their financial statements, their lead sheets, and their standard office forms, and I get to spend time one-on-one with the company owners. There are more similarities between companies than differences, yet some of them are very successful, while others are struggling. After taking time to step back and study this phenomenon, I have found one main factor that accounts for this disparity: Communication. The better a company is doing, the clearer the communication within that company.

Usually, I first encounter communication problems in companies with owners who do most of the selling and estimating. Typically, the owner makes promises to a homeowner while selling the job, but fails to give the complete picture to his production crew. The crew then goes out and builds just what their boss told them to. Unfortunately, the finished product isn't always what the client ordered.

The fix for this kind of problem is simple (although it takes a lot of hard work to implement). We typically introduce a customized set of standard office procedures and forms that ensure that everyone has all of the information they need.

For me, however, communication means more than the exchange of information between the office and the field, between carpenters and subs, and between clients and salespeople. Tweaking procedures and using a more efficient paper trail can't counter the more serious threat posed by a construction company owner who fails to communicate clearly about his or her business priorities. The consequences of this kind of miscommunication may take longer to show themselves, but are just as dire as those that spring from a salesman

who tells the client one thing and the carpenters another.

For example, let's say a construction company owner tells his employees that his goal for the coming year is to grow from \$800,000 to \$1 million in volume. Being a conscientious group, the employees work extra-hard all year: The salesmen cut prices to attract more work; the carpenters work overtime to complete jobs sooner; and the job foremen hire more subcontractors to help with the additional work load. When the end of

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the year rolls around and the company shows \$1 million in volume, everyone is expecting a big fat bonus. Everyone, that is, except the boss, who is angry because the increased volume didn't produce any profit. Instead of celebrating a success together, everyone — employer and employees alike — feels cheated.

Who is at fault? Not the company employees: They met the owner's goal of \$1 million in volume. It's the owner who is to blame. He wanted the *profit* that \$1 million in volume represented, but he didn't communicate clearly. He got what he asked for, but what he asked for wasn't what he wanted.

First things first. If business owners aren't clear about what their priorities really are, their companies will go nowhere. Short-term goals may be met — completing a particular job on time or making a particular sale — but the long-term goals of the company will remain out of reach, because no

one in the company will know what these goals are.

One of the most important steps an owner must take is to communicate his or her thoughts, dreams, and goals for the future. To give you an idea of what I'm talking about, let's look at what my priorities are.

1. **Spirituality.** For some this means religious faith; for others, it's a commitment to establish a philosophy of life. This priority asks the questions, "What do I stand for?" and "What meaningful statements do I want to make with my life?"
2. **Self.** This is a commitment to maintain my physical and mental health. If I don't take care of myself, I become a liability instead of an asset, because someone must take care of me.
3. **Spouse.** It is important to me to spend time with my spouse and to address her needs before those of the business. Whether or not she is active in the business, it's *our* business, because its success or failure affects us both. I want to make sure my business goals take into account her goals for *our* business.
4. **Our children.** This means sharing the duties of raising kids, spending time with them, and setting a good example. It is a commitment to keep a promise to the kids — like attending a soccer game or a musical recital — even if it means postponing an appointment with a client or giving up a business contract.
5. **Family members.** As with my children, I place immediate family members — brothers, sisters, aunts, uncles, and grandparents — before the business.
6. **Business.** The day-to-day operation of my business, including clients, employees, vendors, and so on.

Since this is a priority list, I give attention to these six items in sequential order. Reversing the order is like trying to paddle a canoe upstream: You can do it, but not for long, and it's much harder than paddling with the current.

We all know workaholic business people (some of us look at one in the mirror each morning). When challenged by their children for not

spending enough time with them, these people insist, "But I'm doing this for you!" When the kids respond, "Then why are you never around?" there is no good answer.

Setting priorities is hard work. I work at mine every day, and when I don't succeed, my spouse and my children are the first to let me know. But my priorities may not work for you. You need to devote some time and effort to setting your own personal goals, then work to coordinate them with the goals of your family.

Similarly, set goals for your business, then work to coordinate them with those of your employees. If your vision for your company clashes with that of your employees, so be it: At least your differences will be on the table where everyone can see them. But if you are

vague about what you want from your business, your employees' performance will continually disappoint you.

Talk is cheap. Remember, however, that once you "publish" your goals, you're accountable. Communicating your goals verbally and in writing is important, but whether you do this well or poorly or not at all, you will communicate your goals with your actions. And the moment you tell your employees one thing but do another, you'll get nailed. If you say that spouse and family are important, then you should *act* on this when an employee wants a day off to spend time with his wife, or wants to leave early to see a child play in a sporting event or concert. If you say personal health is important, then *act* on this by providing a clean and safe working environ-

ment.

Without business priorities, your company will constantly be pulled in different directions, and you'll have no way of telling what's important and what's not. If you want to achieve specific results, like more profit or higher-end jobs, you need to set specific goals. Then make sure everyone in your company understands what your goals are so they can work together to achieve them. ■

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