

By Mark VanWell

Surviving the Downturn

You may need to get creative in times like these.

This is the biggest pull-back I have seen in my 24 years in the masonry industry. In fact, a little more than a year ago, a meeting was held at one of our client's offices. The regional president for this national home builder was explaining that this would be the worst recession that anyone under 90 years old had ever seen.

As I listened to the gloom and doom, I thought to myself, "How bad could it get? This is America." I now find myself owing him an apology. This once again shows there are lots of people out there smarter than me.

Whether it's the hot market of a few years ago or the frigid one we are currently experiencing, there are always challenges.

With challenges comes opportunity for learning some of business's most important lessons, from the frantic scramble to keep up with a hot marketplace to just keeping the doors open, making payroll, and paying your creditors. We need the tough times to know what good times are.

We find who our friends are in times like these. Are we as contractors and business people coming together and helping each other to keep our dedicated employees busy, or are we alienating from each other in panic, thinking we need to drop

our prices just to get the work, ending up at a price point that puts us out of business. If I had a dollar for every contractor who took the latter route, I would be a very rich man.

Cash is king

Networking is the key to success and survival. Other words of wisdom I've picked up from my colleagues for times such as these are, "when times are good save for that rainy day," and "cash is king in a recession." You will

need capital to cover your overhead until the market recovers.

When you buy equipment, make sure you pay cash or pay it off in the short-term. It is one thing to have a yard full of equipment that you are not using, but just imagine how painful

it is to be making payments to creditors on equipment that isn't producing revenue.

You may need to get a little creative in your day to day operations, the way you approach bidding projects, and the way you purchase material. Streamlining to keep costs down and productivity up, keep in mind that a project costs to complete what a project costs to complete. Fooling yourself into thinking otherwise will put you out of business.

Stick to your guns. When the other contractors have bought up all the

projects they could and their creditors have seized all their assets, they will be out of business. At that point, the market will have no choice but to once again accept your proposals. Like they say: What doesn't kill you just makes you stronger. If you're making it through this economic down turn you must be Hercules.

Hang in there. The tide always turns.

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