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## Entrepreneurial Characteristics

Entrepreneurs are people who take a *unique* or *innovative* idea and run with it. Some of them are serial entrepreneurs who often move on to their next challenge.

By contrast, other businessmen and women open their own new business not to innovate but to make their way in an established field such as construction.

In this book, I use the term “entrepreneur” interchangeably with “businessperson” to describe all businessmen and women who started and ran their own businesses, including those who started as an innovator.

A study published in the *Journal of Business Venturing* in March 2019 compared the brain patterns of 21 entrepreneurs and 21 parents who were not entrepreneurs. The study was designed to investigate how and why company founders bond with their business creation.

As reported in the *Wall Street Journal*, this study using functional magnetic resonance imaging (fMRI) found that when entrepreneurs think about their businesses, their brain patterns are very similar to the brain patterns of parents when they think about their children.

As parent, business founder, and operator for several decades, I am not surprised by these results. There really is nothing in your life other than your loved ones that is as dear and meaningful to you as the company you dreamed about, risked your life savings for, and worked impossible hours to finally bring to fruition and beyond.

## It's Not Easy

You are probably used to working hard and putting in a lot of hours at your present or former job, but it is likely that starting or acquiring and running your own construction business is going to require even more of you. Not only in terms of time and effort, but also in many unfamiliar challenges as you travel new avenues, all the while knowing you have a lot or maybe everything on the line.

However, you will have a lot of company, including everyone in the past, present, and future who gets that impossible-to-ignore drive to take their future into their own hands and accept the same risks you are taking.

You might have thought you'll no longer have a boss, but you will in fact have the most demanding one you've ever had. He or she will be sitting right there on your shoulder asking hard questions. Judging your performance. Waking you up at 3 a.m. to question whether you put the right markup on the bid you submitted yesterday. Whether hiring Jack over Josh as your new project manager was the right decision. Demanding that you excel in every decision you make.

And you will at some point ask yourself, "*What was I possibly thinking?*" when you made this choice, even though you know the answer. But when those who never experienced the entrepreneurial fire in the belly or took total responsibility for their own fate notice the outward things it's costing you now – working long hours, skipping date night too often, etc. – they won't understand what drives you.

What you will get in return for your extraordinary sacrifices is the pride, the excitement, the freedom, the joy, and the challenge in watching your construction business grow and in knowing that *you* made it happen. And the expectation and determination you show will pay you and your family back in multiples at some point in the future.

Of course, things can and sometimes do go wrong, but if you master the following you're starting from a position of strength that puts you far ahead of the pack.

- Build a strong infrastructure for your company as described in this book.
- Understand the type of construction you will pursue.
- Know how to put a bid together.
- Identify the proper market for your business.
- Have access to adequate operating capital.
- Know how to manage money.
- Possess good judgment and managerial skills.

Starting a new business, particularly in the construction industry, involves significant risk due to factors including market fluctuations, regulatory requirements, and financial management challenges. If you are just starting out on your own, be prepared to take calculated risks and face potential setbacks with resilience and determination.

Successful entrepreneurs have a clear vision for their company, which includes setting, monitoring, and adjusting strategic goals as circumstances change. This vision drives decision-making and inspires confidence in your customers, financial professionals, and your employees.

As you know from your exposure to the construction business in some earlier capacity, starting and running a construction company demands a lot of hard work. From long hours to the hands-on management of projects, a strong work ethic ensures that you are prepared mentally and physically to handle the sometimes-extreme demands of the business, meet deadlines, and exceed customer expectations. My daily runs as a recreational runner during any particularly stressful period gave me an hour or so of sanity-preserving peace.

Comprehensive knowledge of the construction business is crucial. This includes understanding different building methods, materials, safety regulations, and staying updated on industry trends. Such knowledge is necessary for delivering quality work and also in making good business decisions. Set aside time to read construction-focused management books and magazines for helpful information and knowledge. Whatever sector of construction you pursue, there are likely numerous periodical publications that focus on your field from which you can get useful ideas. But also read general business and money magazines, such as *Entrepreneur*, *Forbes*, *The Economist*, and *Money*, to name a few.

An understanding of finance is essential for managing budgets, arranging for funding, pricing projects, and maintaining profitability. Financial knowledge also helps you manage cash flow effectively, critical for the survival of any new business. Learn how to analyze your company's financial statements. They shine a probing light on your past performance and suggest opportunities as well as guardrails for the road ahead.

The construction industry can be unpredictable due to, for example, changing economic conditions, weather, and client dynamics. I have described elsewhere in this book a period in which some of these conditions severely rocked my company. Successful entrepreneurs adjust strategies, pivot when necessary, and remain alert to new opportunities as they arise.

Challenging situations are common in construction projects. Finely hone your problem-solving skills to address and resolve issues to keep your projects on track, even at times when you do not have all the necessary information.

Quality in construction heavily depends on attention to detail. Your and your managers' conscientious oversight of projects is essential to reduce opportunities for mistakes, meet safety standards, and satisfy a demanding customer's requirements.

Adopt new technologies and seek solutions to construction challenges to give your new company advantages over your established competitors.

It is the rare person who possesses all of these entrepreneurial characteristics. Hone those you possess and work toward mastering others. They will serve you well as you navigate the complex landscape of starting and running a construction company.

## **Your Dual Role as Owner and Manager of Your Company**

As the owner and the key element in the infrastructure of your construction firm, you fulfill two separate but equally essential roles: that of owner and that of manager/chief executive officer (CEO).

As the owner, you establish the business' objectives and vision, and you require yourself as CEO to carry them out.

In your role as the CEO, it is your responsibility to carry out these objectives by organizing, planning, controlling, directing, and facilitating the necessary elements.

Periodically throughout the year, step back and take a hard look at your performance as CEO against the predetermined business objectives you established as owner. The outcomes might meet your expectations, or they could fall short. If it's the latter, you as CEO must delve into and analyze the reasons behind it and detail them in a report. Then you the owner need to digest that report and determine the necessary internal changes that you the CEO must now put into place.

Managing the intertwined roles of owner and manager comes with demands. Fulfilling each role independently forces you to acknowledge any deviation from expectations and take action to get back on track. Without this continual performance check, you may default to simply comparing the current year's results against those of the prior year. It is easy to see how unhealthy that is.

Occasional deviation from your strategic plans and goals is to be expected, but if you maintain them as your benchmark, your home plate, you will always know where you are relative to them. Doing this reality check frequently should make it easy for you to see what went wrong and what you need to do to quickly get back on track. Do not allow the complacency that sometimes accompanies success to derail you from this foundational policy.

Things never stay the same. If they get better, it is usually because of good management practices. Without early attention and response to problems as they arise, they will get worse. As noted elsewhere in this book, one of the primary causes for the high five-year startup failure rate is the lack of knowledgeable and effective management.

## **Passion for Your New Baby Is Good, but...**

I will venture a guess that you are a mature, rational, levelheaded man or woman as you enter your new life venture. And your ideas about starting a new construction business would not have gone beyond your initial thoughts without your passion and your drive.

But passion is a double-edged sword. Here are some tips that can help you avoid a few of the passion-driven pitfalls that can doom a business.

- Establish standard operating procedures as early as possible. This will help you avoid unproductive effort, time, and the frustration that goes with it.
- Delegate. Hire smart and responsible people and empower them to make decisions within the parameters you establish. Delegating is hard and I am good at telling you how important it is, but it took me too long to begin doing it.
- Set a schedule for yourself. Exceptions are inevitable, but it helps to have a plan that will allow for family time, recreation, and rejuvenation. Otherwise, you may lose the ability to know the difference.
- Establish an exercise routine for its immediate and long-term life-giving benefits. At least half an hour or hour per day.
- Consider developing a sounding board. Choose someone apart from your business you are comfortable opening up to. Their job is to listen, not to tell you how to run your business. This might be your wife or husband, a fellow businessperson, or your wise brother or friend. The pros and cons of a more structured advisory board are discussed later.

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- Don't let your company become your sole reason for existence, which can result in burnout and other problems.
- Allow your mind to run free some of the time. Give it free rein. You may be surprised at how solutions to problems pop up in your head.