



THE ADVISOR



SPECIAL CONSTRUCTION ISSUE

NAPLES ATLANTA WASHINGTON DC NEW YORK

business evaluation | profit enhancement | staff management | sales improvement

Burruano Group

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What's New

With the growing need for more space and after many months of planning, we are pleased to announce the relocation of our corporate office to downtown Naples, Florida. This new office is a welcome addition to our offices in Atlanta, Washington DC and New York City and will accommodate our business expansion and growing client base.

Our rapidly growing firm has expanded our executive team to include Marcia A. Albert, who is joining the firm as Executive Vice President of Marketing. Prior to joining Burruano Group, Marcia spent over seven years at Smart Marketing as Vice President of Client Services and her marketing perspective, knowledge and experience will add dynamic strength to the executive team.

Burruano Group also welcomes Dave V. Tennant to the team as Senior Consultant. With over 20 years experience leading companies to success, Dave brings an in-depth perspective of solutions to the new and ever-changing challenges of businesses' financial and operational issues, which perfectly complements BurruanoGroup's organization.

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Attend our **FREE** Educational Courses Offered at the SEBC on Saturday, July 14, 2007

10am to 12pm

The Seven Deadly Mistakes Construction Businesses Make... How to Recognize, Quantify & Avoid Them
Anthony Burruano, Speaker

1pm to 3pm

Succession Planning: What, When, Why and How
Edward Sundberg, Speaker

Satisfaction Guaranty

The Burruano Group will provide you with a completely confidential initial evaluation of your company that includes a financial analysis, sales performance analysis, operational analysis and an oral presentation followed by a formal written report. The Burruano Group works in a "performance based environment". What this means is: if you decide there is inadequate value from the work we performed in the initial business evaluation or in the implementation services, you simply are not obligated to pay the invoice. We insure accountability and believe that accountability must begin with us since we are hired to establish accountability within your business and profit plan.

AboutUs



Anthony P. Burruano
Joint Managing Director

Anthony Burruano | Joint Managing Director

In 2005, Anthony Burruano launched BurruanoGroup, a company that specializes in creating stronger and more profitable businesses.

With over 35-years of experience in executive management, sales, acquisitions, turn-arounds and financial analysis, Burruano strives to build a strong foundation with an emphasis on sound financial and operational practices.

Employing the principles of identifying, strategizing and driving steady P&L results; Burruano is renowned for his systematic, yet innovative approach, which is customized to adapt to each client's individual needs.

Burruano's outstanding success is a result of his steadfast dedication to his clients and to the project at hand, as well as to his highly efficient and effective approach in helping companies develop profit generating procedures, strong customer service practices and employee accountability systems to grow their businesses responsibly in a positive and profitable manner.



Edward A. Sundberg
Joint Managing Director

Edward Sundberg | Joint Managing Director

As Joint Managing Director of the Burruano Group, Edward Sundberg has over 37-years experience in management and engineering.

A graduate of the United States Naval Academy in Annapolis, Maryland, Sundberg, who also holds a Masters of Business Administration from Boston University, has parlayed his exceptional organizational and leadership skills into several senior executive positions both domestically and internationally.

Sundberg specializes in business performance and restructuring with an emphasis on sales and marketing, planning, organizational design, productivity and strategic selling. His expertise in growing existing businesses into profit generating entities is a result of creating and developing the product and brand, as well as the service values of a business.

In addition to his affiliation with the BurruanoGroup, Sundberg is the founder and managing partner of the management firms of GPS Group, L.L.C., which specialize in project development, financing, restructuring and recapitalization of infrastructure, energy, communication and natural resource projects.



Marcia A. Albert
Executive Vice President,
Marketing

Marcia A. Albert | Executive Vice President, Marketing

Marcia brings over 20 years of marketing experience to Burruano Group. With prior positions in major advertising agencies, her areas of specialty include graphic design, direct mail, print production, ad production, website design, public relations and marketing plan development. As Executive Vice President of Marketing for Burruano Group, the role where "it all comes together" – she will develop and lead the corporate marketing strategy, tactics and programs necessary to drive growth and meet our goals of sales, profit and visibility, while ensuring a consistent marketing message and positioning on a national basis. Marcia has the talent to blend the strategic with day-to-day management, ensuring that the definition, development and execution of our marketing messages, materials and teams will keep pace with our extraordinary growth.

BFA, Wayne State University, Detroit, MI



I've heard the term "accountability" probably only second to cash flow/profit over my 30 plus years of working with privately held and publicly traded companies. I'm often told, "I hired them for their experience and expertise, they know their jobs, but I just get what I get...not what I want".

The fallacy is that when you leave it up to your employees to determine "what good is", you simply get their "good" (potentially multiple little businesses ongoing with no risk...except to you as the owner), not YOUR GOOD. Assuming that your definition of "good" is valid (keeps you in business) and achievable (not impossible or benchmarked to constant 100% performance), whether in construction, manufacturing, distribution, or services, if you can't clearly define YOUR GOOD in terms of critical processes to be performed, financial and operational standards linked to HOW YOU MAKE MONEY, have the ability to measure those results by critical process, and link the results to how the employee makes money, you simply can't create ACCOUNTABILITY. In simpler terms, the employee has to know precisely

- what they are accountable for: daily, weekly and by job;
- if they are working under your definition of "good";
- to whom they submit their report of good or bad results in defined timelines.

The Construction "bible" is the awarded estimate. When broken down into daily/weekly/job specific standards for project managers, a measurable control is established. You evaluate your estimators based on results of bid to award (bid log), total dollars, margins, and field feedback. If there is a problem with the bid that gets past your pre-start meetings with the project managers, supervisors, and/or lead foreman, the accountable feedback is to estimating to correct future bids and for the field crew to seek ways of mitigating the problem. If profits exceed expectations, understand why you are winning and how to repeat it, feed the information back to estimating so they can focus on more of that type of work.

There is no perfection in business, just a constant accountability to respond to problems or potential problems so as to mitigate the time they last and to maximize great jobs. In reality, problems that go on even an extra day or week (more often longer) cost money, cash flow, and profits whether in the field or in estimating. Accountability means I know what "your good" is, I recognize and accept that it is achievable, and I work to maximize that which is working and respond to correct or mitigate problems within an "urgent" timeline.

The pennies and dollars mount up. If you focus on what the profit and cash flow should be ruthlessly (intense focus) at all key levels, profits will increase along with your cash flow forever.

What should your bid to award ratio be?

□

Does your sales process support your sales results?

□

Does your financial information tell the correct story?

*Call us at
866-709-
3456
to tell us like
it is.*

*We will
listen, ask
questions,
and find a
solution. Your*

Bonuses vs Pay-for-Performance



Bonuses inevitably become ENTITLEMENTS when they are paid when a job or year “goes well”, or “you make money” or worse, when it is paid as a “Christmas bonus”. When the incentive is not paid based on the job and/or the year EXCEEDING your planned profit and performance, when it’s not based on the employee or employee group (as applicable) exceeding their specific standards in their jobs linked to your MINIMUM ACCEPTABLE PROFIT, simply the bonus becomes a gift and eventually becomes an expected entitlement. When it becomes an expected entitlement and it’s not paid on a job or at the end of the fiscal year or in December, the reverse often occurs...productivity declines - another waste of profit and cash flow with a potential decline in business discipline, poor attitudes, and more lost profit and cash flow.

In order for performance compensation system to work, it should have the following qualities:

- Specific standards for the job and year must be clearly established, defined, and measurable both by position and overall job and company results in terms of PROFIT.
- There must be a method of timely, accurate, and easily understood measurement by those performing the tasks comparing actual results to standards both at the job level, individual performance level, and at a defined company level.

- Payments should be made routinely throughout the year, not just at year-end.
- Incentives paid on a specifically awarded job should have a portion deferred for quarterly or annual incentives to avoid the trap of one big win...followed by a bigger loser...and you just can't ask for a refund from your employee when you lose.
- Incentives should be proportioned to the individual exceeding his/her job performance (when measurable), proportioned to the awarded job, and proportioned to the company meeting its overall profit goals.
- Lock in a portion of the annual incentives earned as deferred beyond the current year that will vest after 3-5 years to lock in good employees (golden handcuffs) and not over compensate inconsistent employees.
- Eventually migrate to incentive compensation over raises at the various job levels. You'll find that over 1-3 years you'll attract better performers who want to work in a higher paying performance environment, you'll make more money, and have a better basis for new employee marketing and recruitment.

Achievable minimum acceptable planned profit control, coupled with individual accountability to specific standards tied to incentives, makes you more profit.



We Build Businesses.

*It isn't always easy, but we will help you get it done.
Satisfaction guaranteed.*

*Higher Profits
Increased Cash Flow
Employee Accountability
Reduced Job Costs
Profitable Bids Awarded
Less Labor & Material Waste
Financial Controls That Work
Smoother Operations*

Call the construction business advisory service with 20 years experience, guts, skill and determination to help you with your toughest business problems.