



# THE ADVISOR

b|g

business evaluation | profit enhancement | staff management | sales improvement

b|g **BurruanoGroup**  
Business Advisory Services

1540 Clermont Drive  
Suite 403  
Naples, FL 34109  
866-709-3456  
www.burruanogroup.com

## Mission *Statement*

### We Build Businesses.

The BurruanoGroup specializes in business growth and advisory services. Our primary objective is to work closely with our clients to help them achieve increased profitability and cash flow through a systematic, yet personalized approach.

Recognizing that no two companies are alike, we customize our services to adapt to our individual client's needs.

Our goal is to help our clients identify their strengths and weaknesses and to

create and apply sound management and employee procedures and practices. We will help grow your business by instituting a well-planned and executable strategy.

The Burruano Group understands that the ultimate success of a company goes beyond the profit margin and that the true strength of a business is based upon the integrity and foundation upon which it is built.

## In this issue

- 1 Mission Statement
- 2 Results Guaranty
- 3 About Us
- 4 Don't be Fooled by Your Job Cost Reports
- 5 The Fundamentals of Selling
- 6 When Did I Lose My Company

## Results *Guaranty*

The Burruano Group will provide you with a completely confidential initial evaluation of your company, which includes a financial analysis, sales, and operational analysis of your company, followed by a formal written report and oral presentation. The Burruano Group works in a "performance based environment". What this means is, *if you decide*

*there is no value from the work performed, for any reason, you simply are not obligated to pay the pre-agreed fee.* This insures accountability. We believe that accountability must begin with us, since we are hired to establish accountability within your business and profit plan.



Anthony P. Burruano  
*Joint Managing Director*

■ Anthony Burruano | *Joint Managing Director*

In 2005, Anthony Burruano launched the Burruano Group, 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 Burruano Group, Sundberg is the founder and managing partner of the management firms of GPS Group, L.L.C. and Geneva Capital Group, L.L.C., which specialize in project development, financing, restructuring and recapitalization of infrastructure, energy, communication and natural resource projects.

**Guard against the  
6 Deadly Mistakes  
you don't want to make  
in your business!**

These ever-present, silent killers won't go away unless you prevent them or annihilate them.

- Not holding your people accountable
- Ignoring your cash position
- Violating bank loan covenants
- Not understanding your true costs
- Failure to work for a profit
- Ignoring your employees

The BurruanoGroup can help your business avoid crises situations by providing clear ideas to guard against these potential land mines.

# Don't Be Fooled By *Your Job Cost Reports!*



1. Construction companies that use their own equipment think that owning is better than renting. They use the market rental rate or an internally determined rental rate within their bids. Once the job begins, many contractors do not account for this equipment within their job costing. The effect is that they overstate profit during the ongoing job or at the end of the job, since their costs within the bid are not considered "on the job" cost. Thus, the contractor can overrun labor hours and cost, overrun materials or subcontracted costs, and this is offset by the zero equipment cost posted.



2. When a computed labor rate is used in the bid, more often than not, the labor rate exceeds the actual job posted labor rate, the affect is that the job cost profit is understated so project managers will choose to subcontract labor services when more profit could be made by using their own labor.



3. The "buy out" or value engineering gain on materials and subcontractors can mask labor overruns, stolen materials, or estimating errors when not isolated in your job cost.

An internal rate of rental by day, week, or month should be posted to the job. This should be compared routinely to the expenses of repairs, parts, useful life depreciation, interest on the equipment loans, and possibly fuel and any other costs of the operation. This is a profit center, or the contractor should never have purchased the equipment in lieu of renting. It's simply another means of profit in your business.

Buy out gains on materials, equipment, or subcontractors should be tracked and reviewed for the same reasons and the net buy out should be entered into your job costing system as the "estimate" if your system does accommodate an area for buy out gain.

Labor rate variances of bid rate to actual are often 10% or higher or more. Buy out gains can range from 1% to over 5%. Depending on how much of your own equipment makes up the bid, the results can vary by 2% to 15% or more. Contractors lose confidence in the financials when they appear lower than the job cost reports, and assume it's just errors or accountant's tax moves, and the financial problems on the job are not identified specifically, not addressed, and they simply persist leaving ten of thousands to hundreds of thousands of dollars lost by simply not knowing what is occurring because it's masked by these other profit centers (equipment, buy out, labor rate) and therefore, not timely mitigated in the field or office.

A simple analysis of your completed jobs compared to estimates, coupled with a financial statement presentation that mirrors the components of your cost of jobs estimated, can be accomplished by a knowledgeable construction financial person. If they don't understand this, change the internal or external accountant.

*Anthony P. Burruano*



Should You Own or Rent Equipment?



Is Your Labor Rate Accurate?



Are Your Masking Costs?

Call us at  
866-709-3456  
for a no-holds  
barred, let  
everything hang  
out, tell it like  
it is

**FREE**  
Two-Hour  
Phone  
Consultation

# The Fundamentals of *Selling*



Why is it so hard to remember the fundamentals of selling? Well, it is probably because they were never learned and hence never practiced.

The most important element of selling is to know who your top tier customer really is. The top tier customer is that person who wants and needs your product and is willing to pay the price you set for it so you make a reasonable margin and profit from the sale. These are the customers that keep your business alive.

Knowing why this customer wants and needs your product is important to you so you can institutionalize this **promise** within your employees and make sure your organization can routinely deliver this **promise** to your customer. The “**promise**” sets a minimum acceptable standard for satisfying the customer and makes sure you minimize your risk of losing this customer to a competitor. You should define this **promise** with your customer as often as you can to make sure that any changes in the market are going un-noticed.

To make sure you can deliver this **promise**, the organization needs to be able to make the product or deliver the services so defined. This requires a careful balance between the quality performance costs and

the risks you take when any shortcuts are used in your delivery. Some companies have set up centers of excellence within their business units to provide the technical and managerial expertise that the **promise** often requires to insure quality performance. All performance demands standards. All performance demands that people are being held accountable for delivering these standards.

Once the **promise** has been defined, the centers of excellence created and the value proposition has been confirmed, your people have a plan for moving the business forward. The remaining fundamentals of selling are part of making sure the organization is in place to communicate the **promise** to the customers, develop the correct relationships to make the program effective, and to properly motivate your own people to make the sales and motivate your customers through pricing plans to buy the product.

The correct way to put this all together is match the activities within the same standards of accountability as the rest of the organization.

*Edward A. Sundberg*



## When Did I *Lose My Company?*

*“This is the first ‘owners manual’ for a growth oriented, middle market company.....truly a blueprint for success for any entrepreneurial minded CEO....regardless of the size of company he or she runs.”*

W. R. “Max” Carey, Jr. | Chairman, The CRD Companies

*“The business changes depicted in Sunberg’s book are real life company changes. Ed possesses a gift and practical insight into an implementable process that changes business in real time. If you own or manage a business, and you want employee accountability, increased cash flow, more profit, and revenue gains this book is a MUST READ!”*

Anthony Burruano

