

Construction firms can grow with clients' expansions to other locales

Like putting up a building, growing a business is simplified by using an existing foundation.

Growing a business from a local to a regional or national enterprise poses a challenge for any entrepreneur, especially those in the construction industry.

The diversified functions required in construction management can make it difficult to expand efficiently into other geographic markets.

Construction company leaders can find themselves pulled in many directions at once – either traveling constantly to take their expertise to far-flung job sites, or unnecessarily duplicating functions in the field that could better be handled in a central office.

Because all good companies rely on repeat business, every construction firm relies on its customer base to engender success in its hometown market. Taking the plunge into regional and national growth can be a logical extension of this commitment to key local customers.

By hitching a ride with businesses expanding in other cities, construction firms can retain a management headquarters working directly with their valued clients while using critical local trades overseen by a compact traveling operations team.

Following locally based customers, you can grow into other markets using these methods:

- Project planning and infrastructure efficiencies. Because the firm already knows the customer's business, incredible time savings is built in from the outset. The core project requirements are already understood, so much of the preliminary work is either done, or easily transferable.

Understanding the customer's expectations is key to any successful project. Knowing those expectations going into the second or third project makes planning more exact for all parties involved in the project.

- Lower overhead. Satellite offices are not necessary because the senior management teams of the builder and client are both in Central Ohio. Only the field teams need to travel. The design, architecture, engineering and support functions remain centralized.

- Less selling means more relationship



GROWING YOUR BUSINESS

WILLIAM R. HEIFNER

building. Construction firms can invest more time in building a deeper relationship instead of constantly seeking new business from new customers. This investment in trust is crucial because the client has to believe his or her money will be well spent on each successive job, or the relationship is over.

An example of this business model is our relationship with Dayton Freight, a transportation logistics firm with three facilities under construction in other states.

We assign the same project manager on all Dayton Freight jobs and can adapt proven designs from one location to meet the needs of another site. The process also guarantees architectural and engineering design consistency, and consistency in building techniques.

A centralized relationship has additional advantages. Firms can perform site analysis on prospective locations and conduct the zoning and permit phases, which would create significant up-front expenses and time loss if a different construction firm performed the advance work in every city.

- Clients value the time savings on their end. Dayton Freight's president, Tom Cronin, says one of the primary reasons he uses the same construction firm each time is so he can focus on his core logistics business. He can spend his time evaluating the new market and setting up his operations systems for a new facility instead of interviewing and evaluating construction management firms each time he plans an expansion.

Fostering a deep relationship with construction clients generates smart growth for builders and provides a sensible, repeatable design/build solution for companies with a recurring need for new facilities. By relying on a single foundation, construction management firms build the long-term partnerships that are a win-win for both companies.

WILLIAM R. HEIFNER is president of Renier Construction in Columbus.
614-866-4580 | bheifner@renier.com