

Hello, everybody. Dennis Engelbrecht with Digging Deeper.

Today, I want to talk a little bit about go-no-go decisions. In terms of the work you take on for your company or decide not to take on for your company. I had a chance last week to sit down with one of our long-term clients who had the unfortunate experience a couple of years back of getting into a job with an owner that he wishes he wouldn't have gotten into business with. And now they're in court and there's probably about a \$10 million swing, which isn't life and death, but it really is success or lack of success, kind of bet the company type of deal. I asked him, I said, "Were there red flags before you went into this situation?" And he remembered it pretty clearly and I bet he's thought it through many, many, many times, but he said, "When I left the first meeting with that owner, I even said to our other folks, 'Why would anybody want to do business with this person?'"

His gut instinct was, "Don't do this." Okay, obviously by the end of this story, you know that they did do this. So, what happens there? What happens between that instinct and that initial kind of go-no-go analysis until you end up doing the project and all of this. Well, there were lots of positives there and a go-no-go decision is definitely circumstantial. Sometimes, you have to stretch yourself for strategic reasons. Sometimes, this will be a new type of project that'll give us something on the resume that we haven't had before to lead to more work. Sometimes you're short on work and you really need the work, need the work not just for the bottom line, but maybe even to keep your people employed, not have to lay people off, keep the work in front of your field forces, things like that.

And those circumstances change from moment to moment. You may have a list of go-no-go criteria. It may be in your mind. I hope you go through a somewhat regimented process as you do that. But I think what you find is the sins are often born on the good times. Follow me for a second as I go through that. So, you're in good times, you haven't had a loser for a while or a big loser for a while. You're doing well and you really start to get confident, maybe overconfident, and you think you can do most anything. And so, yeah, we stretched on this last job and we accomplish this, we stretched on that job, we accomplish that. All right, this is another stretch. Yeah, it's a bad owner, but you know, this is something we can do. We've done this before. The size doesn't scare me, the type doesn't scare me, et cetera, et cetera.

All of that I'm going through right there, there's one term for that and its rationalization. We see a reason to do the work and we rationalize away the reasons we shouldn't do the work. What this story brought to mind is really, again, kind of going back to trust your instincts. A lot of times, and I'd say almost every time, as I dive back into something that went way wrong, there was a sign early and you saw that sign, the people saw that sign, but they rationalized it away. So, what I'm telling you is try to trust your instincts. Don't be afraid to say no. There will always be another opportunity. There used to be a saying, I'm sure there still is in construction, that your success in construction is more determined by the jobs you don't do than by the jobs you do. Think about that as you go forward. Make sure you're not overconfident. Watch for those signs that tell you should walk away.

Again, thanks for tuning in. Dennis Engelbrecht, Digging Deeper.