Good morning everybody, Dennis Engelbrecht with The Family Business Institute and our series, Digging Deeper. Thanks for coming in today.

So today I want to talk about trying to stay one step ahead. What I'm talking about is really the construction industry, of course we've gone through a sort of a minor reshuffle and maybe a slight loss of business in the commercial industrial construction realm, but really now the future, again, for construction looks really bright. I think ourselves we're predicting about a 3% increase in construction next year, and most everybody's got a very high prediction for 2023. So, in thinking about that, we have to be thinking again in growth mode. And how do we stay one step ahead of that growth? And first of all, to give us the opportunity, but secondly, to make sure that we don't wind up getting into trouble by taking on more than we can handle.

The answer to that is really in the word redundancy. You need to have some redundancy in your organization in order to react, grow, protect against problems. The biggest problem that all of us face is sort of that what happens if question. What happens if, first of all, as a leader, something happens to you? What does that look like actually? Who could take your place? Who could take their place as you go down the line through the organization? And so hopefully nothing's going to happen to you, but something does happen to somebody in an organization almost on an annual basis. Their mother gets ill and they have to move to Santa Fe to take care of their mother, or somebody gets a job offer that they can't refuse. And so, people move on. And oftentimes unexpectedly.

So, think about this. What would happen if one of your top two or three project managers or superintendents, for example, all of a sudden left? You took ill, had to go take care of the mother or took another job. What does that look like? What if you had to replace them on the key job that they're working on now? Who would be their replacement there? And then who would replace the replacement? And on down the line, I guess, because that can be a whole set of dominoes if one person's taken on something else for someone else and somebody has to take on their load, even at the project management side. If you lost one of your key project managers or senior project managers, who could take on that load immediately, if not even in the long-term, but immediately?

And then what I frequently see is the people that are supposed to be managing or providing oversight, business unit leaders or perhaps even location leaders getting pulled back in to actually run the work and then not being able to provide the oversight and management they're supposed to provide. So that's a really big question is what happens if, because very frequently that if happens somewhere down in your organization.

So coming back to my point is what you need is you need to have enough redundancy, enough redundancy so that if something does happen to somebody along the line, you can pretty readily visualize what that replacement looks like and what that series of events might be and it doesn't look that catastrophic or that problematic. And now even looking at the plus side of that. What if you've got your normal full load of construction and what if another great opportunity pops in the door? Who do you have that can handle that one additional opportunity that could perhaps be the one that gets you into a new sector or just breaks that barrier of your new largest job or just breaks an overall revenue barrier that allows you to grow a little bit more? Do you have that capacity in your organization now?

And probably the answer is you should always have enough capacity in your organization to take on the next thing. We have this thing, it seems, in the construction world that everybody and every resource has to be 110% utilized at all times. But if everybody's 110% utilized, you really have no redundancy. You have no ability to run to a problem. You have no ability to take on the next thing. So, try to take a really good look at your organization and think about creating that redundancy, having a little bit, just a little bit extra horsepower to take on the next thing.

And if you do that, not only are you able to be resilient if something should happen to somebody, not only are you able to take on growth, but you'll probably find that you're able to provide better oversight. You probably will have a little

additional time in your organization for process improvement or process execution. You'll probably have more time for training and development. And you probably have some older retiring folks whose institutional knowledge you need to download, and you'd have time for that as well. You'd have time to try to get that knowledge down to the rest of the folks in your organization.

So again, kind of going back to the beginning, the point here is have some redundancy in your organization. Be always a step ahead in case you take on the next job or you have something happen. If you have that step ahead, I think you'll find that growth comes a little bit easier for your organization and you also have less risk that comes when you do get overloaded or you do lose a key person and then you have to plug in the pieces that might not fit as well as they fit now.

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