

Hi, this is Wayne Rivers at FBI, and *We Build Better Contractors*.

This week, I want to talk about the age of truth, the age of truth, and what contractors can do to be on the forefront. This comes from a Harvard Business Review article in April of this year. There's something called the Edelman Trust Barometer, and the Trust Barometer says that trust in government, the media and business has dropped to an all-time low, and let me give you some stats. 59% said that journalists, "purposely try to mislead," and this purposely tried to mislead as applied to journalists, government leaders and business leaders. 57% said government leaders are trying purposely to mislead, and a little bit more than 50% of people now, globally, say they don't trust leaders of any kind to tell the truth. I mean, that's horrifying, isn't it?

What about this is important to you? People are hungry for the truth. We all want truth. We don't always get it, but we all want it. What can you do in your construction company to promote truthfulness? What are the things that you can do? I think we've got three ideas that might work for you. The first thing is transparency. You've got internal transparency, your employees, and then you've got external transparency too, your customers, to think about. People talk about open book management, and that means finances. If you give your income statement and your balance sheet to your employees, they're not going to be able to make heads or tails of them. They're not trained in financials, and why should they be? It may or may not have anything whatsoever to do with their jobs. Instead of giving them the financials, why not give them a financial snapshot, like a pie graph, and say, "Okay, we took in \$100 million last year and 80% of it went to, basically, pass through stuff, materials, subs, et cetera, et cetera. This much went to overhead, and this tiny little sliver right here went to profit."

Why not educate them about what it takes to actually run a successful construction company in terms of the finance. They don't need to know how much you make. They don't need to know what your income statement says. They can see it much more easily in a pie graph or something simple like that. That kind of transparency is a good thing.

Goal attainment. Why keep it a secret? If you bought a truck recently, if you've been inside a car dealership, they post right out front where everybody can see how the salesmen are doing with respect to their goals. They create peer pressure. They create customer pressure even, to say that, "Oh, Wayne, golly, it's almost the end of the month," and Wayne's only 40% towards his goal. If you're hitting your goals, if you're hitting your targets, why not share that with your people? If you're not hitting them, why not share that too, because that may create the sense of urgency that you need to get a little closer to the goal.

External, you certainly want to share project attainment mileposts with your customers. And when I say externally, it could be your subs. It could be your upstream general contractors. It could be your customers. It could be vendors that are bringing things to the job sites. It could be architects. It could be engineers. It could be lots of people externally, but you want to have as much transparency as you can in dealing with all of these different people and all these different entities.

Second thing, open the books on job costs. Even today, in 2021, it's shocking to us that so many contractors don't share job costs with their superintendents in the field and with their other field people. There are lots of reasons why people don't, job is way profitable, and you don't want a superintendent to see that that job actually made a million dollars because he might want to get his hands on it. Who knows? Who knows what the reason is? But there's kind of this divide too that PMs want to keep it as a management perk that they know all the stuff and the people in the field don't. Share all that stuff. Golly Moses, how can you do your job? Well, let me ask you this. Couldn't you do your job better with more information? I mean, how is that going to be a barrier to doing the job effectively? I still don't get it, but there are lots of contractors that don't share job costs.

Educate them. Educate them where they are in the job cost process, in the schedule, all those kinds of things, and just make it a part of how you interact with your field people. It will improve the morale and improve the trust, which is what this is all about, as you share more information with your people.

And finally, communicate. I know we've said this until you're sick of hearing it, but everyone today wants to know why. Why are we doing this? Why are we in this business? What are we trying to get to? Where are we going? What's our destination? What are we going to be when we grow up? All fair questions. Share, preach, almost, evangelize your mission, vision, and values. You can't say those things often enough. I think values are the key. I think that's where it starts. Values are the key. And if you don't talk about values, if everybody doesn't know them, how will you know when people are violating the values? How will you know when people aren't living truthfully towards the values?

Goal attainment, as we mentioned before, and then wins and losses. Wins, the credit goes to your people. Losses, the responsibility goes to the boss. That's how it works. If we're in the age of truth, these are some things that you, as contractors, can do to get ahead of the curve. I'd like to hear what you're doing. What are you doing to be more transparent, to communicate better, to educate your employees better? Share with us in the comments.

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