



## The Newsletter for Profit-minded Builders and Contractors

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### Setting Priorities by Paul Sharp and Bill Watkins

The classic dilemma of human existence is that there are always more things to do than there are hours in which to do them. We are finite beings, limited in our resources, energy, ability, and especially time. Since we can't do everything, how do we decide what things we do, and what things we don't do?

Some of these decisions are easy. There are things we *have* to do, such as eat and sleep. There are things we *need* to do such as going to work and taking care of business. There are things we really *want* to do – relaxation, entertainment, and social interaction. And there are things we *ought* to do – if we can find the time. While you can quibble about the amount of time you spend doing the things you have to do and want to do, chances are that you will somehow find time to accomplish them. It is the other categories, the things we *need* to do and *ought* to do that creates the dilemma of setting priorities.

All “otters” (things we ought to do) are not created equal. Some are more important than others, and the consequences of *not* doing some can be more catastrophic. Some otters are

You can't do everything at once. So how do you determine which things to work on first and which to put off until later?

more time sensitive than others – if they are not done quickly they yell and scream until we pay attention to them, while others quietly fester until they become a huge problem, overwhelming all other priorities. Some otters can be safely ignored or delegated to other people (employees, children, and spouses are the likely targets), while others seem to respond only to persistent personal effort.

#### How do you decide what gets done?

Setting priorities is not easy. There's never enough time to get everything done that you want to do. (If there were more time, you'd just want to do more things.) So how do you decide what are the most important things to do? What gets done, and in what order?

The grand analogy for setting priorities is that of the combat hospital. During combat, a few doctors and nurses are faced with the dilemma of deciding which cases are treated immediately, and which are treated later. This process is known as triage, and medical personnel must make life-and-death decisions in seconds.

Patients are not treated on a first-come first-served basis. Personnel try to stabilize all incoming wounded, and set priorities based on which injuries are most life-threatening, and which have the greatest potential for a positive outcome. If you've ever sat in a hospital emergency room with a

non life-threatening injury, you've experienced triage. As soon as you entered the hospital, medical personnel evaluated the extent of your injuries. If the injury was life-threatening, you are



*continued on page 2*

## Setting Priorities

*Continued from Page 1*

immediately moved to the head of the line. If not, you wait until all the critical cases are taken care of first. If you are in pain, or have a condition that threatens to become a major problem, they will try to stabilize the situation, and get back to you later. While it is frustrating to wait for treatment, the very fact that the hospital feels your condition permits the time delay can be reassuring. It is better to wait for treatment than to require immediate attention.

To the untrained eye, the entire triage process can appear chaotic and disorganized. And yet hospital staff are trained to impose a disciplined approach to dealing with the problems. First, determine the most critical problems. Second, treat any injury (minor or otherwise) that threatens to become life-threatening. A bleeding wound may not be critical at the time, but left untreated even minor bleeding can lead to loss of life. Third, give priority to those cases which are more serious, but have the greatest potential for a positive outcome. Finally, treat everyone else, in the order of how critical their condition may be.

The triage system is a finely tuned balancing act – juggling priorities among competing interests, saving as many as possible, and alleviating suffering in as efficient a manner as possible. Fortunately, most of the decisions you make in home building are not life-and-death decisions. And yet those decisions do have a major impact on the financial health and well-being of the company.

## Prevention vs. cure

Another analogy for setting priorities is that of fire fighting vs. fire prevention. Fire fighters are people who put off problems until they become a full-blown crisis. Then they rush in and give a Herculean effort to solve the crisis. Fire fighting provides a false sense of importance and accomplishment. Fire prevention is boring, and usually goes unnoticed. However, for the long-term health of the company, fire prevention is clearly more beneficial. Not only does fire fighting suck the time from getting important things done, it doesn't ultimately resolve the problem, it merely deals with the consequences. Of course, when you're having a fire you want to put all your effort into putting it out.

If you keep having the same kinds of fires over and over again, you need to spend more time on the boring, non-heroic, and unheralded work of fire prevention. Find out what caused the fire in the first place, and put into place strategies to keep it from happening again. After all, fires still do damage, even if you put them out.

## How to set priorities

Here are several ways to set priorities.

**Time critical** — which tasks have the shortest deadlines? Some things have to be done today, or tomorrow they will be even worse. Time critical problems tend to get the most attention, since by definition, any delay only makes things worse. The danger here is that the short term priorities may dominate, shunting aside all the long term actions that can have the greatest impact on the company's bottom line.

**Outcome critical** – while it is possible to put off some problems, these could have a

major potential impact on future profits. Examples are personnel hiring and firing decisions, and changes to internal procedures and systems.

**Difficulty of achievement** — some tasks can be done quickly and easily, while others require a great deal of time and effort. The temptation is to concentrate on the quick and easy, even if the difficult will be of greater ultimate benefit.

## The triage priority process

1. Make a list of all the tasks you are facing. Don't worry if you leave something out, you can always add it.
2. Divide the list into short-term tasks and long term tasks.
3. Rate each group of tasks by criticality. One way of rating is the ABC method. A = Act now. B= Better get on it. C= Can wait.
4. Rank all the A's in each list in order of importance.
5. Accomplish the tasks in order of priority. 1A before 2A. Do all the A's before starting on the B's. Make sure you set some time aside for long-term priorities as well as short-term.

Now step back a bit and look at the process. Are you spending all your time taking care of short-term issues, and neglecting the long-term? Perhaps you can delegate some of your tasks to free you to deal with long-term problems. Are you dealing with the same concerns over and over again. Perhaps there are procedures you could undertake to eliminate some of these problems in the future. Unless you're setting priorities and dealing with problems effectively, you could be just wasting your time.

## How can you tell if you have misplaced priorities?

**1** You accomplish all your quick and easy tasks first, regardless of their impact.

**2** You get an adrenaline rush from solving crises, and enjoy jumping from one crisis to another.

**3** At the end of the day, you routinely have leftover A tasks you haven't tackled.

**4** You continually experience construction delays due to the inability to foresee and prevent problems.

**5** You tend to have the same kinds of problems reoccur with each new project.

**6** You determine the priority of a tasks by how loudly the customer squawks, rather than the impact on the bottom line.

# POWER SERVICE: A Scientific Approach to the Art of Service

by Carol Smith

**P**ower Service is a no-nonsense, not-for-wimps approach to customer relations. It is for builders who believe that customer satisfaction makes a significant contribution to future business as well as present enjoyment of their work.

*Power Service* is the name for three sets of skills that combine to form a total approach to service. It includes planning, training, and improving service performance. The emphasis is on being accountable for customer satisfaction and taking responsibility for managing the relationship with the buyer throughout the transaction.

*Power Service* works for those who are searching for effective and reliable methods that are easy to understand and fun to use. And it is for those who have faith that the hard-to-track-and-measure payoff of a good reputation is increased referral business. *Power Service* refers to the conscious planning and development of three sets of skills:

- Proactive
- Recovery
- Defense

Strong proactive skills minimize the need for recovery skills. Effective recovery skills can minimize the need for defense skills. *Power Service* is preplanned, personal, and continually improving. We will further discuss proactive, recovery and defense skills in subsequent articles.

## Preplanned

In the sale and purchase of a new home, problems are to be expected: customers visit the site; change requests are submitted later than their ideal time; buyers get edgy as the closing nears, some will criticize every bit of material and its installation; some homeowners believe warranty service includes maintenance, etc. etc.

Instead of using valuable time and energy wishing these behaviors would go away or remarking on the injustice of it all, *Power Service* finds ways to manage these and other inevitable events. A fundamental principle of *Power Service* is that it is far more productive to accept reality and work with it instead of wishing it would magically change.

Preplanning begins with stating objectives in terms of the customer's opinions and behaviors. By returning regularly to the question, "What do we want the customer to do or think at this point?" we discipline ourselves to align every activity in the organization with the ultimate goal of customer satisfaction.

Once clearly stated, the objectives must then be translated into methodology: How can the objectives be achieved, step by step. Procedures are listed, clearly and concisely. This analysis might include a detailing of what training is needed in order for the methods to be applied effectively. The materials or tools needed to support those who are responsible for achieving the objectives should be considered.

Finally, a system of checks and balances must be included in the planning. Only by checking progress toward specific goals can we know how we are doing. If changes in strategy are needed, it is better to discover that sooner rather than later.

Preplanning includes development of effective procedures for making corrections in the event something goes wrong in the process or the product. This is the recovery component of *Power Service*. It involves results, not just promises. Recovery skills culminate in improving the product, the system, and the training.

Should a customer become dissatisfied due to his own unrealistic expectations or excessive demands, defense may be necessary. The builder almost always loses in these situations: no one ever wins an argument with a customer. They can occur anywhere, anytime, in any company. Preparing can result in resolving unpleasantness faster and learning how to avoid a similar situation. The preplanning of *Power Service* accepts that some conflict is possible and considers how it will be handled before it occurs.

## Personal

*Power Service* requires that every individual associated with an organization is trained in service effectiveness—including knowing what to do when they do not know what to do.

Often it is the company's attitude as much as what is or is not done that influences the customer's opinion. In the *Power Service* system, there is no room for shoulder shrugging, finger pointing, excuses, blaming, avoiding, or shirking. There is reliability, responsiveness, follow through, and accountability. And everyone knows and accepts that, from the receptionist to accounting to subcontractors.

## Continually Improving

By observing and listening carefully, you constantly learn more about what customers need to remain comfortable. Good communications with buyers, employees, and associates help you find ways to make the process more rewarding for everyone.

With the *Power Service* approach, no one hesitates to ask, "How did we do?" While the answer to that question may not always be what you want to hear, you never back down from asking it. In the *Power Service* approach, all sources of information are pursued aggressively and given careful consideration. This includes obtaining feedback from subs, suppliers, Realtors, mortgage professionals... anyone who works with the builder.

Monitoring recovery activities helps identify where changes in the product or process are needed. Today's home buyer is sending a clear message to the industry: better quality is expected, no excuses. Those buying today's homes are working with "TQM" at their businesses and they expect their builder to do the same.

Finally, in our real world, conflicts with customers do occur (though not as often, thanks to more proactive methods). Analyzing the circumstances that led to conflict can point the way to stronger proactive and recovery skills, thereby preventing a recurrence. Skills for handling conflicts that cannot be prevented may not be needed often, but when they are, nothing else will do. *Power Service* is an enthusiastic approach, never stagnant or complacent. It is for those who are not content with *good enough*, but are always looking for *better than ever*.

## Ask AI by AI Trellis

### Don't be a Doormat!

**Q**: Whenever my boss has a disagreement with a customer he ends up giving them everything they want. It's killing our profits. How can I stop him from giving away the store?

– Walked-on in Wisconsin

**A**: Some people simply don't like confrontation. Rather than deal with power issues they "compromise," meaning they find an excuse to give the other party what they want, even at their own expense. The danger with this behavior is that it not only cuts into the profits, but it encourages more behavior of this kind. Once the customer realizes they can get whatever they want, they will want more and more, and take control of the job away from the builder.

The cure for this disease is to be reasonably accommodating to the customer's desires as long as it's within the purview of what we normally do, *and as long as they are willing to pay for it*. Never say "we'll pay part" to keep the customer happy," or "we'll do that but we won't charge for it." If they want it, they pay for it. And make sure you include all the additional costs, including administrative costs and profits.

Once you establish that principle, and adhere to it rigidly, you'll be amazed at how few extraneous demands you'll have to deal with.

In addition, by refusing to be a doormat, you will instinctively gain their respect and trust. The trick is to do it nicely but firmly. "Yes, I can see why adding a window in the dining room might be a nice change. At this stage it will cost you an additional \$900. Would you like to go ahead?"

If your builder is constitutionally incapable of asserting himself in this manner, perhaps he should delegate this responsibility to someone else in the company. It would relieve him of this onerous duty, and protect the company profits at the same time.

## A Pattern Language by Paul Sharp

### Main Entrance

Christopher Alexander wrote *A Pattern Language*, a master work outlining over 250 rules of thumb that affect home design. In this series of articles, we've highlighted some of our favorite patterns.

#### Pattern 110: Main Entrance

"Placing the main entrance is perhaps the single most important step you take during the evolution of a building plan. Therefore: Place the main entrance of the building at a point where it can be seen immediately from the main avenues of approach and give it a bold, visible shape which stands out in front of the building."

A well designed entrance not only provides a welcoming focal point to the exterior of the home, but it can also provide several functional aspects as well. By being centrally located it determines circulation patterns within the home. Insetting the entry within the structure, or roofing over the front step provides shelter from inclement weather – a place to shake off the rain or snow, and protect the interior. It can also set the aesthetic tone of the house. In the house below, the columns, gables and cornice sets off the entrance, and focuses attention away from the garage.

*House design by David Court.*



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*Quote of the Month*  
"There is nothing so useless as doing efficiently that which should not be done at all."

– Peter F. Drucker

#### IN NEXT MONTH'S ISSUE

**The Value-Driven Builder.** There are three values every builder must address: the needs and wants of customers, those of employees and the organization, and the need to make a profit. When those values appear to be in conflict, the builder must resolve them equitably.