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“What you do speaks so loudly that I cannot hear what you say”

Ralph Waldo Emerson

I Can't Hear You!



I recently went to a training seminar and this quote, attributed to poet Ralph Waldo Emerson, was featured prominently on many of the materials throughout the room. It was inscribed on the notebooks, projected on the overhead screen and was even in the email blasts promoting the meeting. Apparently, they really wanted us to remember this quote.

These words are not new and are often heard in many different ways. “Actions speak louder than words” is the one that instantly pops into my mind. While the wording may differ, the meaning is the same, and it resonates in so many different areas of our life. When a spouse, child or co-worker wants to talk, but you keep your head in your phone or continue checking emails on the computer the whole time, you’re telling them that they are not important.

While you may have verbally “agreed” to talk with this person, your actions spoke otherwise. Saying one thing and doing another speaks volumes, much more so than words ever could.

As we start another new year, I hope we can all be more mindful of the way we act toward one another, both inside and outside the workplace. Take a minute and put aside any distractions when someone wants to talk and you will both come out so much better for it. Shifting focus away from your pre-occupations onto the person in front of you makes them feel validated and gives them importance, and will also help you to better comprehend what they are saying. This isn’t a tip to help run an efficient business, but more of a way to help you have a more efficient life.

I hope everyone has a Happy New Year.

David Neese

Director of the Small Business Development Program



Tips on Estimating More Accurate Labor Costs

For a construction contractor desiring assurance in making a profit, their objective should be to create more accurate estimates. Accurate estimates are a result of capturing all direct costs for a project during the estimating phase.

Victor C. Tyler, P.E., M.ASCE, NSPE
Construction Business Management Expert

One of the most complex components in construction is in accurately estimating direct labor costs. The difficulty in estimating direct labor is in predicting productivity of the workers.

Estimating labor costs starts with determining how long a task should take for a known amount of material to be installed. Labor costs can vary from job to job for the exact same task depending upon location, weather, working conditions, experience and attitude of workers, employee turnover, and other factors the contractor may have no control over.

To assist estimators with estimating costs, labor records can and should be reviewed and analyzed for crew productivity for a given task by examining time cards of past jobs or actually going to the field and documenting and timing the work. If historical records on labor are not available, you can find average productivity rates published in national or regional construction cost data books as a starting point.

Tips to Better Accuracy in Estimating Labor Costs:

- Determine the crew composition.
- Analyze and determine the most realistic production rate.



- Benchmark crew rates against existing actual cost data.
- Convert the cost estimate into the project budget to enhance project control.

Experienced estimators know that on smaller projects, production rates may not reach the most efficient rate as on a larger project. This is important to remember so that appropriate adjustments can be made to the estimate for that project.

Another factor in estimating labor costs are worker wage rates. Wage rates can vary from state to state and even county to county within the state. On all federal government construction projects, wage rate determination is mandated by the Davis-Bacon Act. The wage rates are also determined by the location and type of construction being performed. Additionally, many states also have prevailing wage laws for public construction projects. Always check the project specification contract book to review

the prevailing wage rates and treatment of worker overtime to assist you in accurately determining your labor costs.

Remember labor costs are notorious for cost overruns for construction companies. Carefully consider these tips to increase your accuracy in estimating project labor costs.

In our next newsletter we will briefly discuss estimating equipment costs.



A Teaching Moment

Curtis Webb,
Strategic Marketing & Business Development Specialist

It was 2016, the day before Thanksgiving and my photographer and I were at the office of a client to capture a few images for their new website. We stumbled upon capturing what could become one of the years most impactful images -we named it "A Teaching Moment." At first glance you may not notice the significance of the image, but it truly embodies the importance of taking time to build key long-term relationships by sharing knowledge.

The picture captures a father teaching his 9-year-old son how to operate a backhoe. The moment was fantastic because the look on the faces of both father and son are expressions of passion, caring and trust. For me, it was the appreciation of seeing a young black man taking the time to teach his son what he had been taught by his own father. As a business owner, this type of sharing and appreciation happens not only by a father teaching a son, but you can find a similar result when you take the time to teach your staff, new prospects and customers the value of the service you offer.

As a business owner, do you find yourself going through the motions, giving directions to your staff, shaking hands with new prospects, smiling to customers and responding so automatically that after leaving them you weren't really sure of what was said? How committed are you in making sure your staff understands and shows their passion, caring and trust to your customers? You may want to rethink how you engage with people, especially the ones who are helping you build and support your business.

Take time to explain to a prospect or customer your method, why you do what you do and the benefits this gives to them by doing it your way. Using this process is one of the most effective ways to separate yourself from many of your competitors. From a client perspective, you add trust to the services you are rendering and strengthen the relationship between you and your customer. This approach also



Tyrone Robertson & Son Of JR Construction, Inc. Nashville, TN

works with your staff members as well as getting them to understand why your unique business approach works and how it helps customer satisfaction and the growth of your business.

As a large corporation or small business owner, growing sales and profits should be goals we are striving to accomplish. To do this you have to provide customer satisfaction and everything begins with trust— trusting in what you say and do. Explain the effectiveness of your process and your customer appreciation will grow your sales and profits.

When you reflect on the simple life experiences (as in our picture) to business life you will find people

responding in similar fashion given the opportunity. The picture speaks volumes and the message is clear: Dad is spending quality time generating a lifetime worth of memories. I think we were all excited and truly grateful that we captured the moment! Make sure you take the time to capture your teaching moment especially to those who are supporting you!

Stay tuned, and plan to attend our next workshop so you can learn techniques and strategies to enhance your business and watch your profits grow!
—Provide excellence, stay consistent, and above all ...Be Epic!



Plan Your Success for 2017



Victor C. Tyler, P.E., M.ASCE, NSPE
Construction Business Management Expert

With a new year stretching out before us, what does your business have in store for you? Unless you can see into the future, you won't know what 2017 will bring. The question is, "Are you ready?" Have you been building the type of business you always dreamed of?

In the many years of working with small businesses, we have often wondered, "What makes the successful small businesses maintain and even grow no matter what the economy?"

Our inquisitive minds prompted us to examine and carefully take note of the characteristics of the most successful small businesses we work with in the TDOT DBE Program on a daily basis.

The characteristics most observed were: an easy to understand business strategy, a flawless execution of services, an inspiring company culture, an organizational structure that simplifies work, the ability to attract and retain talented employees, and a strong leadership team that has a stake in the company's success.

Basically, these business owners had planned for the future by deciding years ago that they had to:

- Have a target and know what they want
- Have a written plan
- Use benchmarks to successfully progress toward their end-goal

Are you on a success track? Hopefully, as you read through this newsletter, you will read techniques and strategies that will renew your energy and confidence to work on tweaking your business plan and your management practices for 2017 and beyond.



If you are a TNUCP-certified DBE, be sure to contact the TDOT Supportive Services so that our team of consultants can walk you through creating your success track.

*Hope you have a great and prosperous New Year!
Much Success!*

*Financially Speaking...*

Management Tools To Empower Business Owners

Jay B. Mercer,
QuickBooks Pro-Advisor & Tax Specialist

We have introduced the use of financial ratios to supplement our analysis of DBE firms' business performance. We consider ratio analysis a useful tool to assist DBE owners in better interpreting their financial statements and in evaluating their company's financial strength.

We use real time industry ratios to compare DBE firm's ratios and NAICS codes to gauge each company's strengths and weakness. The DBE owner can use this information to begin planning and strategizing toward improving their competitive advantage.

Sometimes, the most telling numbers in your business are not necessarily on the monthly reports. Although the foundation of your finances revolves around the balance sheet and income statement, there are a few numbers that, when known and tracked, can make a huge impact on your business decision-making. Here are five:

1. Revenue per employee.

Even if you are a solo business owner, revenue per employee can be an interesting number. It's easy to compute: take total revenue for the year and divide by the number of employees you had during the year. You may need to average the number in case you had turnover or adjust it for part-time employees.

Whether your number is good or bad depends on the industry you're in as well as a host of other factors. Compare it to prior years; is the number increasing (good) or decreasing (not so

good)? If it's decreasing you might want to investigate why. It could be you have many new employees who need training so that your productivity has slipped. It could also be that revenue has declined.

2. Customer acquisition cost.

If you've ever watched Shark Tank®, you know that CAC is one of the most important numbers for investors. This is how much it costs you in marketing and selling costs to acquire a new client. Factors such as annual revenue, or even lifetime value of a client will affect how low or high you can allow this number to go.

3. Cash burn rate.

How fast do you go through cash? The cash burn rate calculates this for you. Compute the difference between your starting and ending cash balances and divide that number by the number of months it covers. The result is a monthly value. This is especially important for startups that have not shown a profit yet so they can figure out how much cash they need to borrow or raise to fund their venture.

4. Revenue per client.

Revenue per client is a good measure to compare from year to year. Are clients spending more or less with you, on average, than last year?

5. Customer retention.

If you are curious as to how many customers return year after year, you can compute your client retention percentage. Make a list of all the customers who paid you money last year. Then create a list of customers who have paid you this year (you'll need two full years to be accurate). Merge the two lists. Count how many customers you had in the first year, then count the customers who paid you money in both years. The formula is:

Number of customer who paid you in both years / Number of customers in the first or prior year * 100 = Customer retention rate as a percentage

New customers don't count in this formula. You'll be able to see what percentage of customers came back in a year. You can also modify this formula for any length of time you wish to measure.

Try these five metrics so you'll gain richer financial information about your business's performance. Remember you don't have to create these tools on your own! Contact DBE Supportive Services and we can assist.



YOUR RECRUITMENT PROCESS FOR TODAY'S WORKFORCE

How to Rethink & Retool

Many small business owners continue to tell us that they are struggling to find good employees. Some of the problems they cite are lack of skills, poor behavior, and misconduct. Does this sound familiar for your business? If so, let's have a discussion about these small business owners' comments and concerns.

Teresa Daniel, PHR,
Human Resource Specialist

No longer are employees working for just a paycheck—at least not the good ones. If you want the best employees, you may want to consider capitalizing on your marketing strategy to attract good employees, very similar to attracting good customers. In fact, you may want to consider approaching candidates as potential customers (your internal customers). State your value proposition as it relates to attracting potential employees. Remember, the best candidates are asking, "What's in it for me?"



You can answer this question by ensuring that your recruitment efforts are aligned with your mission, vision, and strategic business plan to attract the type of employees that you want to partner with to accomplish your business objectives. Once you are able to attract employees who are interested in your mission and partnering with you to accomplish your business objective, you are able to cultivate a collaborative working environment. In return, the employees have a sense of buy-in which will yield a positive return on the investment for both the employee and employer. Retool your recruitment efforts by focusing on the following;

- Strategize your brand to bring the best candidates to you
- Communicate your mission and vision clearly
- Offer perks that are specific to your business that will not require a high price tag
- Create apprenticeship programs

- Invest in the employee's future
- Model and tailor orientation and ongoing training that enhance employee skills

Notice that the list did not include the standard recruitment tools such as; sign on bonus, benefits, or flexible schedules. These are still excellent recruitment tools and employees in today's workforce actually expect them as the standard not just a recruitment tool.

Another opportunity is to rethink your approach to recruitment by taking an inventory of how well you meet the challenge of today's workforce by asking yourself the following questions;

- Are you driving technology or will technology drive you out of business? Ensure you are using social media to drive your company and enhance your workforce
- Do you communicate your structural operation policies and procedures clearly to candidates?
- Do you define the position, set expectations, and establish accountability?
- Do you hire for attitude, cultural fit, and mission?
- Do you know your competitors and their staff?
- Do you partner with the community leaders, and local and state agencies; Department of Labor and Workforce Development?
- Do you cast your net wide and say yes to an inclusive generation approach and no to the perceived generation gap?

Don't forget the challenge is to change the conversation and retool your thought process to model an expectation that will prepare the employee, your business, and the workforce for success.

As small business owners we have limited resources therefore it is crucial that we use our resources wisely. Research and discover best practices used by other business owners and tweak their good efforts to fit your business model.

Tyler Construction Engineers is committed to providing supportive business solutions and resources to the DBE community. Please see the resources below to assist you with retooling and rethinking the challenge of cultivating a positive hiring climate for your business.

Resources for Small Business Owners:
Apprenticeship Training Programs -TN Department of Labor and Workforce Development
<https://www.tn.gov/workforce/article/workforce-apprenticeshiptraininggrant>

Workforce Employer Outreach Committees (WEOC)
<https://www.tn.gov/workforce/article/weoc#sthash.0ikm1LEN.dpuf>

Tyler Construction Engineers for a List of Training and Development Workshops and Seminars
<http://www.tyler-engineers.com/dbe-supportive-services>



Upcoming Seminars & Workshops for 2017



Marshall Tabb, consultant with Tyler Construction Engineers, P.C., leads a workshop in Chattanooga, TN

Winter/Spring 2017

Topic - Estimating & Bidding Construction for Subcontractors

Presenter - Victor C. Tyler, PE, M.ASCE, NSPE - Tyler Construction Engineers, P.C.

This workshop guides you through an estimating procedure that will help you to better determine your costs and make more accurate and profitable unit price bids. This is a very interactive and hands on workshop. Participants will learn how to estimate job costs and prepare bids that are profitable, accurate and effective. The instructor will assist you in reviewing your own estimating strategy plan, including how to develop your own customized spreadsheet template.

Spring 2017

Topic - Your Guide to Strategic Business Growth: Piecing It All Together

Presenter - TDOT Supportive Services

Running a small business is very challenging. Regardless as to whether you are just starting your own firm or have been running your firm for many years, this workshop will help you get out of the crisis management trap many owners find themselves in. You will learn what strategic business planning and business modeling is all about, why it is important, and how to create a strategic action plan for your firm.

Summer 2017

Topic - Profitable Pricing: Understanding Overhead, Markup & Profit

Presenter - Tyler Construction Engineers, P.C.
Victor C. Tyler, PE, M.ASCE, NSPE / Marshall Tabb / Jay B. Mercer

This workshop will review the business side of estimating. The instructors will discuss how profitable businesses calculate overhead, markup and profit. The fundamentals of pricing will be discussed including examples of how you can make money on each and every job. The techniques presented have shown to be a highly successful guide in targeting and bidding on jobs that are most profitable to your company.

Fall 2017

Additional Topics

- How to Deal Effectively With Difficult Employee Problems
- Effective Leadership and Project Team Development
- Strategic Marketing Brainstorming: Developing Your Niche

Bring Training To Your Organization

If you have multiple employees who can benefit from our training offerings, we bring you onsite seminars to your office upon request. *(No cost to TNUCP-Certified DBE firms)*

Mark your calendar for our TDOT DBE Small Business Annual Meeting, August 2017 —Nashville



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Upcoming Seminars & Workshops for 2017 Workshop Dates & Locations

NASHVILLE

Date: February 21, 2017
Time: 8:30 a.m. – 12:30 p.m.
Topic: Estimating & Bidding Construction for Subcontractors
Location: 2 International Plaza Building – 1st Floor Conference Rm

Date: April 11, 2017
Time: 8:30 a.m. – 12:30 p.m.
Topic: Profitable Pricing: Understanding Overhead, Markup & Profit
Location: 2 International Plaza Building – 1st Floor Conference Rm

Date: June 13, 2017
Time: 8:30 a.m. – 12:30 p.m.
Topic: Your Guide to Strategic Business Growth: Piecing It All Together
Location: 2 International Plaza Building – 1st Floor Conference Rm

MEMPHIS

Date: February 7, 2017
Time: 9:00 a.m. – 4:00 p.m.
Topic: Leadership Development for Owners & Key Managers
Location: Memphis Renaissance Business Center, 555 Beale Street

Date: February 22, 2017
Time: 9:00 a.m. – 1:00 p.m.
Topic: Estimating & Bidding Construction for Subcontractors
Location: Memphis Renaissance Business Center, 555 Beale Street

Date: April 12, 2017
Time: 9:00 a.m. – 1:00 p.m.
Topic: Profitable Pricing: Understanding Overhead, Markup & Profit
Location: Memphis Renaissance Business Center, 555 Beale Street

Date: June 14, 2017
Time: 9:00 a.m. – 1:00 p.m.
Topic: Your Guide to Strategic Business Growth: Piecing It All Together
Location: Memphis Renaissance Business Center, 555 Beale Street

CHATTANOOGA

Date: March 14, 2017
Time: 12:30 p.m. – 4:30 p.m.
Topic: Estimating & Bidding Residential & Small Commercial Building Construction
Location: Hamilton County Business Development Center, 100 Cherokee Blvd.

Date: May 16, 2017
Time: 12:30 p.m. – 4:30 p.m.
Topic: Profitable Pricing: Understanding Overhead, Markup & Profit
Location: Hamilton County Business Development Center, 100 Cherokee Blvd.

Date: July 11, 2017
Time: 12:30 p.m. – 4:30 p.m.
Topic: Your Guide to Strategic Business Growth: Piecing It All Together
Location: Hamilton County Business Development Center, 100 Cherokee Blvd.

KNOXVILLE

Date: March 15, 2017
Time: 8:30 a.m. – 12:30 p.m.
Topic: Estimating & Bidding Construction for Subcontractors
Location: Knox Burlington Library Meeting Room 4614 Asheville Highway

Date: May 17, 2017
Time: 8:30 a.m. – 12:30 p.m.
Topic: Profitable Pricing: Understanding Overhead, Markup & Profit
Location: Knox Burlington Library Meeting Room 4614 Asheville Highway

Date: July 12, 2017
Time: 8:30 a.m. – 12:30 p.m.
Topic: Your Guide to Strategic Business Growth: Piecing It All Together
Location: Knox Burlington Library Meeting Room 4614 Asheville Highway



New DBEs *Welcome*

Region 1 - N/A

Region 2

Eco Spec, Inc.

Dewayne R. Thomas

Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers; Brick, Stone, and Related Construction Material

Region 3

Accoa, LLC

Thomas V. Harris, Jr.

Concrete Flatwork

Nashville Drones Aerial Asset Resources

Mark A. Corralez

Commercial Photography (Augmented Aerial Photography)

Small Business Certification and Registration Agency

Patricia H. Wesson

Administrative Management and General Management Consulting Services; Professional and Management Development Training

W. D. Schock Company, Inc.

Leigh Tanney Lasley

Commercial and Institutional Building Construction; Highway, Street, & Bridge Construction

Region 4

ABES Engineering, Inc.

Emmanuel Tuombe

Construction Management, Engineering Services

K Design Signs & Exhibits

Kathleen Kelley

Graphic Design Services; Outdoor Advertising Services

Recently Renewed Firms

Region 1

Data Consulting Service, Inc. dba San², Inc.

Ashok Chatra

Transportation Traffic/Planning Consulting and Import/Export of Durable Goods

G & G Rebar, Inc.

Elvia V. Palacios

Steel Placement for Concrete Structures

Lynn Sanford Construction, Inc.

Mary L. Forrester

General Construction Contractor, Hydro-seeding, Landscaping, Sodding, Seeding and Erosion Control, Tie Rebar, Concrete Construction (Flatwork, Pour and Form), Precast Beams and Beam Erection, Site Preparation, and Traffic Control I, Hauling (Local), Utilities, Pavement Marking/Crack Sealing (Airports)

Road-Runner Highway Signs, LLC

Joseph DeLaGarza

Highway, Street, and Bridge Construction; Sign Manufacturing

Region 2

Development & Environmental Planning Associates, LLC (DEPA, LLC)

Tina M. Burgess

Environmental and Ecological Consulting

Gilley Construction, Inc.

Vicki A. Gilley

Placement of Reinforcing Steel

SmallBiz Resource, LLC dba SmallBiz Staffing, LLC

Vicki Baucum

Employment Agency, Temporary Help Staffing, Drug and Alcohol Screening

W & W Construction Company, LLC

Henry Wood

Underground Utilities & Building Construction

Region 3

Civil Infrastructure Associates, LLC

Linda Sullivan

Civil Engineering Consulting Services, Surveying and Drafting

Herbert Lawncare and Landscaping, LLC

Joseph Herbert, II

Lawncare, Landscaping, Irrigation, Sod and Seed

J. R. Construction

Patricia Robertson

Sidewalks, Curbs, Gutters and Driveways, Concrete Contractors, Poured Concrete Foundation and Structure Contractors, Structural Steel and Precast Concrete Contractors

Panther Construction

LaDevia Davis

Waterproofing, stucco, building cleaning, restoration and exterior thermal systems, exterior finish systems, and texture coatings

Region 4

A-1 Electrical Contractors, Inc.

Willie Frazier

Electrical Contractors and Electrical Utility Installation-Installing and Servicing Electrical Wiring and Equipment in Commercial and Industrial Locations

Ghassemi & Associates, LLC

Mahmoud R. Ghassemi

Water and Sewer Line and Related Structures Construction, Engineering and Surveying Services

Powers Hill Design

Nisha Powers

Civil Engineering Design and Consulting Services

Separate Winds, Inc.

Sandra K. Ellis

Fire and Rescue Equipment, Emergency Medical Equipment, Inflatable Shelters, Disaster Mitigation Products and Solutions



TDOT
Department of
Transportation

**Scheduled
Letting Dates
2017**

February 10, March 31,
May 12, June 23, August 18,
October 6, December 8

TDOT DBE Supportive Services

**BUSINESS DEVELOPMENT AND TRAINING
TECHNICAL ASSISTANCE**

BUSINESS ASSISTANCE

- Business Planning
- Financial Analysis
- Leadership Development
- Business Coaching

ONE-ON-ONE TRAINING

- Strategic Marketing
- Accounting Software
- Construction Accounting
- Bidding & Estimating
- Project Management
- Contracts & Specifications
- Construction Plan Reading
- Project Controls

"Time is the scarcest resource and unless it is managed nothing else can be managed."

– Peter Drucker

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