

# Extending Your Company's Lifespan Thinking Like A Start Up

By Dan Huckabay, President, Commercial Surety Bond Agency

**E**ave you ever been in a company meeting and had this exchange happen?

**Q: Why do we do it that way?**

**A: I don't know. I guess because we've always done it that way.**

I know I have...recently in fact. To me, this kind of scenario epitomizes the challenge that mature companies face in evolving and staying at the top of their game. Startup companies have a clean slate to work with and their challenge is to come up with efficient and effective pro-

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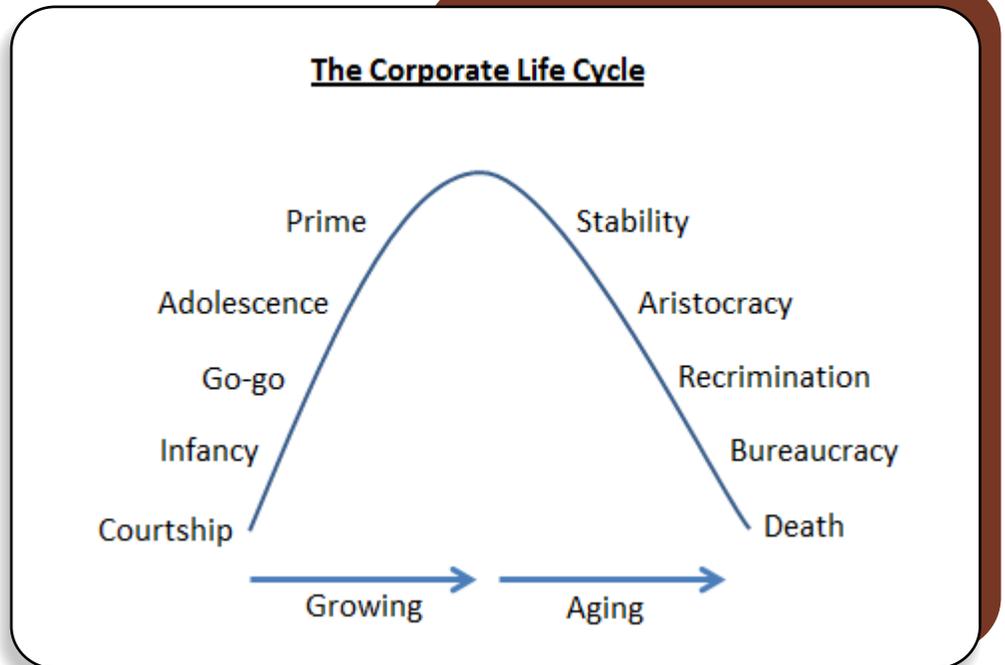
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cesses for how to handle their daily activities. It's a lot of work in the beginning to develop and implement, but once they are in place and everyone knows what to do, the company can run like clockwork.

The problem is that over time some processes get outdated and lose their efficiency and/or effectiveness, because the world continues to evolve around us. You don't have to go very far to find examples in our everyday life, look at music. Many companies fought ferociously to continue their old ways of distributing physical CD's while new companies like iTunes, Pandora and Spotify had a new way of selling music that impacted the music industry tremendously. It effected the industry so greatly, digital music sales overtook physical music sales in 2014.

So how does this relate to construction? Every company in every industry has a lifecycle. That lifecycle is based on the people running it and the processes used to run the business. As baby boomers con-



tinue to retire, there is no doubt a huge shift is occurring in the construction industry, and while construction processes may not be changing at the same speed as many of the tech industries around us, there are still plenty of changes.

The "cloud" is a great example. It has had a significant impact on connecting the field and office, sharing plans and bidding projects. There is also GPS for equipment, time clock and mileage software, bidding and equipment management software and a host of other ways to communicate among departments and the field.

### How to Avoid Corporate Death

In his book, *Level Headed*, former CEO of Sundt, Doug Pruitt, talks about this very issue as they faced it back in the early 90s when he took over the company. To right the ship and change their trajectory, they had to take a fresh look at everything.

Sundt embarked on a transformational plan looking at all their people and processes to see what was working and what wasn't. This

included creating educational training programs for their existing employees, ensuring they had succession plans for their retiring employees, hiring new employees with diverse backgrounds and perspectives, closing poor performing divisions, selling underutilized equipment and investing in technology.

These things lifted the company out of a bureaucracy and set them on a new path, but as Doug put it, "...whether you've reached the edge of a financial abyss or not, you need to ask yourself: Are these assets doing what you originally intended them to?" In other words, companies don't need to wait until they are on the brink of disaster to ask themselves these questions and make changes.

One of the last chapters of the book is titled, "Continuous Improvement", which couldn't be more appropriate. It highlighted the fact that without constant effort, every company will end up back on the downward slope of the lifecycle, and the only way to avoid the abyss is to keep a steady march uphill towards becoming better. Δ