



CPD ACADEMY

BEST PRACTICE FOR BUILDERS

A marriage made in heaven or...?



Selecting a reasonable and compatible client is like selecting a spouse, because in both cases, you've got a lot invested in the deal and you'll be stuck with that partner for a long time. Jerry Tyrrell 'profiles' client-types to help you decide whether to tie the knot – or not.

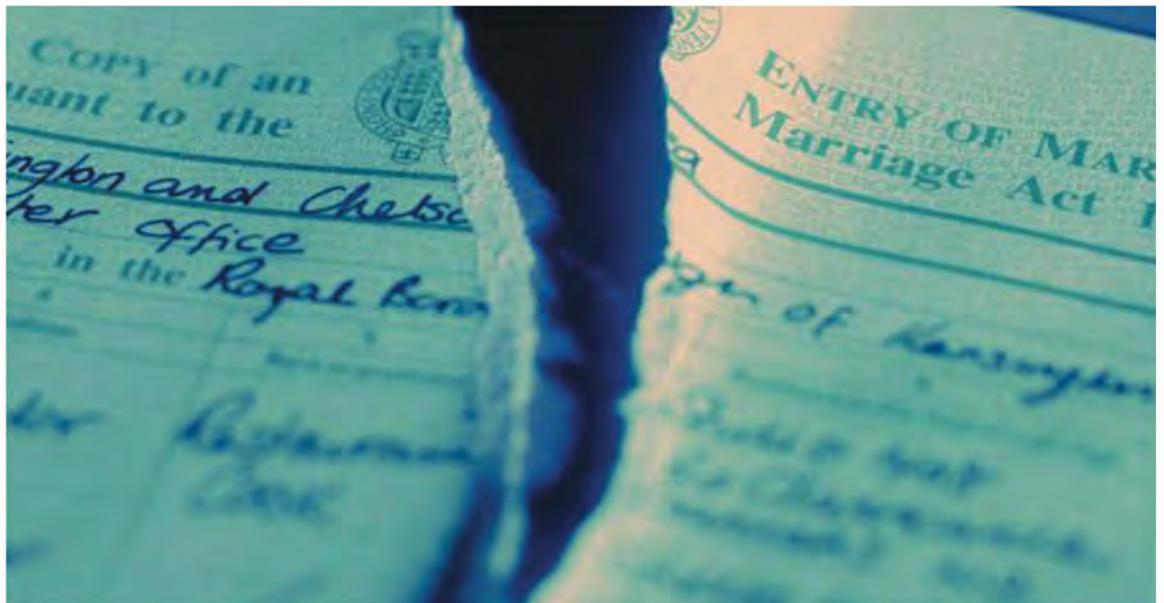
CPD Academy is a series of 'lessons in print' to help you improve your trade skills and business know-how so that you can keep your edge in a competitive market. Sydney consultant Jerry Tyrrell, a co-founder of Tyrrells Property Inspections, shares his insights into the basic principles of building practice – what to do, what not to do and where to go to find out more. Jerry has 30 years' experience as a labourer, tradesman, contractor, architect, mediator, building consultant and author, and has been involved in the inspection and building of more than 55,000 properties (including 30,000 timber pest inspections).

Every year, there are more than 20,000 complaints about contractors or disputes between contractors and clients in Australia.

Every time your relationship with a client goes bad, you lose money, time and reputation.

Sometimes, you will lose the final payment; another time, it may be that referral to a few more good clients, or the unpaid time you may need to spend dealing with lawyers and experts.

Then there are the hidden costs of the stress on your family and subbies when you are fighting with a customer. Too often the problem begins when you sign up with a client you should never have worked for in the first place.



Building for someone is a serious relationship. You'll be together for *at least* six months. You are, in effect, lending the client your skills and contacts. And, in the end, can you trust that they will pay for every item ordered from the 'menu' of building works?

Why disputes occur

Why do so many little problems escalate into the nightmares that are destroying our industry's credibility?

I reckon it's the 'people' factor: the ingredients are a simple financial issue blended with our ignorance of who we are working for. It would help if the industry set realistic guidelines for building estimating that included the contingency costs that clients should allow for on every job.

For instance, contractors tend to go

Tips for making a perfect match

Avoid working with clients who:

- are first-timers, poorly prepared
- have incomplete or poor documents
- are late providing final information
- request too many changes or extras even before you start
- are know-it-alls
- are ditherers
- reject budgeting for contingencies
- make unreasonable demands for reporting
- are overly friendly
- get the architect to report to the project manager, that everyone gets minutes, etc. (however, on very complex projects, this may be necessary)
- ask how you will do the simple things; for example, does your tiler know what he's doing?
- have a partner who is difficult, silent, unknown, or a possible 'blamer'
- are unreasonable
- are personality types you just don't get on with

into a job agreeing with the client's view of what it will cost – instead of saying from the beginning that building costs will start at \$1200 per square metre, plus at least \$1000 more for

architectural solutions, plus at least 15% for changes and the items they forgot to ask you to include.

Usually, the contractor will put up with the client's demand, without politely ➤

Sick of fighting fires? Take Control.

...click onto www.databuild.com.au
Get the system

The one software system that manages all facets of your business, whatever your size.

From first contact through sales estimating, production, scheduling, e-commerce, administration and full accounting all the way to balance sheet.

www.databuild.com.au

**DATA
BUILD**

1800 800 860
NZ 09 426 9618



pricing for every variation and extra that is not in the drawings. Then, because the customer doesn't expect extra cost, and probably doesn't have the money, the first thing that will be tested will be the personalities involved.

After watching so many unhappy endings, I have a rule: "It's better not to work than to work for a ratbag."

So how do you assess a potential ratbag? The methods include:

- Instinct – first impressions are a great starting point.
- Differences – will you get on if you don't agree with what they are saying?
- Likeability – could this person be a friend?
- Detail – do they really know what they are asking you to build?
- Decisiveness – how will they make decisions?

- Control – who will you really be dealing with and how organised will they be with instructions?

There are other telltale signs of a good client to look for:

- Obvious enthusiasm for the project.
- Obvious respect and equality between husband and wife or partners.
- Not condescending – they respect your knowledge and treat you as an equal.
- Enthusiasm and eagerness to be involved.
- Specific questions about technical issues that will help you both avoid problems.
- Acceptance of responsibility for changes and additional works.
- Decisiveness – will work with you to resolve issues.
- Acknowledgement that they haven't

Analyse this...who are you?

Sometimes you can have a pretty good client, but you find that you keep upsetting the relationship. Building is a people business and you can't blame your client for things happening inside you.

This means that you should look closely at *yourself* if you are having repeated problems dealing with people.

Sometimes this can be very confronting.

For instance, why do you get angry when someone criticises your work? Why are you impatient with delays and indecision? Why can't you firmly tell the clients things they need to be told, such as when the documents are wrong or that changes will cost them money?

Who are you? What personality traits do you have that might be destructive in the relationship?

Here are some problem behaviours you need to check for:

- ✓ Denial – it'll all go away.
- ✓ Hero/good guy complex – I'll fix this and they will thank me even if I lose money. You're everyone's friend/your own enemy.
- ✓ Martyrdom – how dare they do this to *me*.
- ✓ Aggression – it's worked in the past, I'll make it work now.
- ✓ Pride – I can't make a mistake.
- ✓ Hypersensitivity – how dare they criticise my work or my workers!
- ✓ Inflexibility – I'm always right.
- ✓ Delay – everyone will forget about this eventually.
- ✓ Inability to seek help – I can sort this out myself.
- ✓ Know it all – I know more about this than anyone.

If you have mentally ticked any of these boxes, you need to take responsibility for your role in any breakdown in client relationships. Maybe talking to a professional will help you get on better with your clients and result in more productive collaborations.

Disputes ahead? Read the signs

The following client behaviours usually indicate there will be trouble ahead:

- early disputes
- slow payment
- background criticism, especially to other trades behind your back
- silly misunderstandings
- intolerance of reasonable delays
- always distracting you
- telling subbies to make changes
- not ready with decisions
- get angry over minor problems

foreseen everything.

- Reference from another client, professional or contractor you have enjoyed working with.

Working with a client who is unpleasant or has a personality disorder can quickly damage or at worst destroy a successful business. Such a relationship may:

- affect morale
- affect quality
- delay progress
- cause disputes
- affect cash flow and profitability
- create consequential effects on partners and family
- create negative reputation

In my experience, a carefully selected client will make the project easier, especially when they:

- work closely with you
- pay for the many inevitable changes and extras throughout the job
- learn about your personality and your role in maintaining healthy relationships with customers.

However, you need to profile the 5-10% who are just unreasonable people to work for – and tell them you are not going to do their job!

FEEDBACK

Please email any thoughts or experiences to jtyrrell@tyrrells.com

NEXT ISSUE:

Avoid being a drip! Waterproofing tips that work.