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Builder Intelligence Series

BI Assessment 01

How Does My Company Measure Up?

You don't need another contractor's numbers to see where your business is strong and where it's exposed.

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BUILDER INTELLIGENCE · ASSESSMENT

How Does My Company Measure Up?

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Most contractors know how their projects are performing. They know which superintendent is carrying a difficult job, which client pays slowly, and which estimate came in too tight.

The harder question is bigger.

How well is the company behind those projects actually operating?

Revenue won't answer it. Neither will backlog, headcount, or years in business. A company can look successful from the outside while depending on the owner to catch every mistake, settle every conflict, and make every important decision.

This paper gives you a way to score it. Seven categories, four levels each, twenty-eight points possible. Set aside about forty-five minutes.

What you're measuring against

You're not measuring against the contractor across town. Their revenue tells you nothing about whether the company would keep operating if the owner took a month off.

You're measuring against a durable contracting company. That's one that:

- Performs consistently whether or not the owner is watching
- Catches its own problems before a client does
- Knows which work makes money and turns down the work that doesn't
- Can lose a key person without losing the capability
- Makes decisions from information, not from the bank balance

Durable doesn't mean big. A smaller company can be durable, while a much larger company can remain one bad quarter from collapse. Size is a result. Durability is a design.

How to score

Rate each of the seven categories from 1 to 4.

1. Reactive. Results depend on urgency, memory, and individual effort.

2. Repeatable. Some processes exist, but they're inconsistent or depend on a few people.

3. Managed. Expectations, ownership, information, and review rhythms are clear.

4. Durable. The company performs consistently without the owner holding it together.

Two rules make this useful instead of flattering.

Score the system, not your best week. Score what remains when work gets busy, a key employee leaves, or a project goes sideways.

Score what you can point to. If you can't name the document, the meeting, the report, or the specific instance, it isn't a 3. Wanting to be a 3 is a 2.

Have someone else score it too. Score it yourself first. Then ask two people on your team to score it separately, without seeing your answers. You'll rate Leadership by what you intend and they'll rate it by what they experience. The same goes for Trust, where you set the level and they live with it.

The gaps between your scores and theirs will tell you more than your total does. A category where you scored 3 and both of them scored 1 is the most useful finding this exercise can produce.

This is a directional assessment, not an industry benchmark. It's useful because it forces you to point at evidence, not because the categories are weighted against outside data.

1. Positioning

Positioning decides which work you pursue, which clients you serve, and why someone should choose you.

Ask: Can your team describe the right client and project without vague phrases? Do you decline work that doesn't fit? Do your proposals name a difference beyond price? Does the market understand what you're especially good at?

Level	What it looks like
1	You bid what comes in. Nobody can describe the ideal client without saying "anyone who values quality." You don't know your win rate.
2	You can describe the right client. Your estimator can't. Poor-fit work still gets bid when the pipeline is thin.
3	The right work is written down and estimators use it. You decline jobs on fit, not just on capacity. Proposals name something specific.
4	The market comes to you for a particular kind of work. Referral sources describe your company the same way you do.

Composite example. A remodeler with eleven years in business had turned down exactly nothing in three years. Asked what he specialized in, he said "we do it all." His last four losses were all to firms that specialized in the exact work he'd bid. He wasn't losing on price. He was losing because the buyer couldn't tell what he was for.

Weak positioning creates expensive distractions. Estimators chase bad-fit work, operations inherit avoidable problems, and you compete on price because the buyer can't see another reason to choose you.

2. Operations

Operations turn promises into completed work.

Ask: Is scope clear before work starts? Can leaders see cost, schedule, and billing problems early? Are handoffs between estimating, project management, accounting, and the field reliable? Does every recurring process have an owner? Do you review problems for patterns, or solve them one at a time?

Level	What it looks like
1	Scope gets clarified after work starts. Cost and schedule problems surface at billing or closeout.
2	Some processes are written down. They hold on a normal job

Level	What it looks like
	and break during a busy week.
3	Every recurring process has a named owner. Job cost is visible while the job is running. Handoffs have a defined trigger, not a hallway conversation.
4	The system catches problems, not the owner noticing. Pattern reviews happen on a schedule and actually change the process.

Composite example. A $6M contractor's job-cost reports arrived about forty days after month end. Every margin problem was history by the time anyone read about it. She wasn't short on information. She was short on information that arrived while she could still do something with it.

You don't have an operating system because you own software or hold meetings. You have one when the right information reaches the right person in time to change the outcome.

3. Leadership

Leadership shows up in the decisions your organization can make without waiting for you.

Ask: Do leaders know what they're authorized to decide? Are expectations specific enough to evaluate? Do difficult conversations happen promptly? Do meetings end with owners, actions, and dates? Can managers explain company priorities in the same language?

Level	What it looks like
1	Decisions wait for you. Different people understand the same expectation differently.
2	Some managers know their authority. Difficult conversations get delayed until they're worse.
3	Authority limits are written down. Meetings end with an owner, an action, and a date. Managers describe priorities the same way.
4	The company runs the same whether you're in the office or not. Managers hold each other to the standard without you in the room.

Composite example. A superintendent called the owner from a jobsite to get approval on a $900 material substitution. He'd been there six years. Nobody had ever told him what he was allowed to decide, so he asked about everything. The owner thought she had a delegation problem. She had a documentation problem.

Leadership isn't measured by how often you step in. It's measured by how well the company runs when you don't.

4. Ownership

Ownership is more than equity. It's the design of your role and the company's ability to work beyond it.

Ask: Are you working on the company or serving as its emergency operating system? Which decisions still require you, and why? Is essential knowledge documented or trapped in one head? Could the company run for several weeks without you? Is there a credible path for continuity?

Level	What it looks like
1	You're the escalation path for everything. Critical knowledge lives in your head and nowhere else.
2	Some things are delegated, but you still review most of them before they go out.
3	The decisions that genuinely require you are named and limited. Critical knowledge is written down.
4	The company operates for several weeks without daily involvement from you. There's a real continuity plan, not an intention.

Composite example. An owner took his first two-week vacation in nine years. He came back to 340 unread messages and three jobs that had stalled waiting on decisions only he could make. The company hadn't failed. It had just stopped, which is its own kind of answer.

A company can grow while becoming more dependent on its owner. That isn't durable growth. It's a larger concentration of risk.

The goal isn't to make yourself irrelevant. It's to reserve your attention for decisions that genuinely need an owner.

5. Economics

Economics tell you whether the work is building a healthy company or just creating activity.

Ask: Does your team understand how projects contribute to overhead and profit? Are estimated and actual margins compared consistently? Can you explain changes in cash without checking the bank balance? Is backlog evaluated for quality as well as quantity? Are change orders, billing delays, and overruns visible early? Do you know which clients and project types produce a worthwhile return?

Level	What it looks like
1	The bank balance is the dashboard. You learn whether a job made money after it closes, if at all.
2	Job costing exists but it's inconsistent. Estimated against actual gets compared when someone remembers.
3	Margin is visible while the job runs. WIP is current. You know what overhead each job has to carry. Backlog gets judged on quality.
4	You know which clients and project types produce returns, and you steer work accordingly. Cash is forecast, not observed.

Composite example. A contractor sat down at year end and worked out that her two largest clients, about forty percent of her revenue, were her two lowest-margin clients. She'd been protecting the relationships that were costing her the most, and chasing more work exactly like it.

Revenue creates motion. Margin, cash, and disciplined overhead create staying power. Good economic visibility doesn't eliminate hard decisions. It lets you make them before you're out of options.

6. Trust

Trust decides how much friction exists inside and outside the company.

Ask: Do commitments mean the same thing in the office and the field? Do problems surface early or stay hidden until they're unavoidable? Do clients hear bad news from you first? Can employees raise concerns without paying for it? Do referrals come from earned confidence or from transactional networking?

Level	What it looks like
1	Bad news travels late. People protect themselves before they report.
2	Problems surface eventually. Some people raise concerns and others have learned not to.
3	Bad news moves fast because raising it is safe. Clients hear about problems from you, not from a subcontractor.
4	Information moves without anyone checking on it. Referrals come from people who've watched the work hold up.

Composite example. A project manager knew a job was three weeks behind for a month before anyone else did. The last person who'd brought bad news into a Monday meeting got taken apart in front of the room. He wasn't hiding it out of malice. He'd learned what happens.

Trust isn't softness. It's operating infrastructure. When trust is high, information moves faster, coordination costs less, and people can work on the real problem. When it's low, every decision needs more checking, protecting, and explaining.

7. Judgment

Judgment is what's left when the information is incomplete and the answer isn't obvious.

Ask: Can your leaders separate a bad outcome from a bad decision? Do they name tradeoffs out loud? Do they know when a standard applies and when circumstances call for escalation? Do you review major decisions after you know the result? Can leaders explain not just what they decided, but why?

Level	What it looks like
1	Every exception escalates. A bad result is treated as a bad decision.
2	Some leaders reason well. Which answer you get depends on who's in the room.
3	Tradeoffs get named. Leaders know when to apply the standard and when to bring it to you.
4	Major decisions get reviewed after the outcome is known. Leaders can explain the reasoning, not just the call.

Composite example. An owner fired an estimator over a job that lost eighteen thousand dollars. Two months later she found out the estimate had been sound. The field had substituted a cheaper installation method without telling anyone, and it failed inspection twice. She'd punished a good decision because she'd only looked at the outcome.

Policies handle the familiar situations. Judgment handles the ones that don't fit. A durable company builds judgment across the leadership team instead of treating the owner as the only person allowed to read context.

Your scorecard

Category	Score (1 to 4)
Positioning	
Operations	
Leadership	
Ownership	
Economics	
Trust	
Judgment	
Total	out of 28

What your total means

7 to 13. Owner-dependent. The company runs on your attention. It works because you're good and you're there. The risk isn't that you're doing something wrong today. It's that there's no version of this that survives you being unavailable, and no version that scales without breaking. Start with the single category creating the most downstream problems.

14 to 20. Inconsistent. Systems exist. They hold on ordinary weeks and fail on hard ones, which means they fail exactly when you need them. The effort is already being spent. It just isn't holding yet. Focus on making one thing survive a busy month.

21 to 25. Managed. The company mostly runs on its systems. You're still the backstop, but you're not the mechanism. At this level, focus on depth: take the category creating the most friction from 3 to 4 instead of spreading effort across several areas at once.

26 to 28. Durable. The company performs without you holding it together. The work now is protecting it. Durability erodes quietly, usually through growth, a key departure, or a stretch of good luck that hides a weak process. Re-score annually and watch the categories that moved down.

Read the pattern, not just the total

The seven areas hold each other up.

Weak positioning creates operational noise. Weak operations hide the economics. Unclear leadership pushes decisions back to you. Low trust buries problems until they're expensive. Weak judgment turns every exception into an escalation.

Your lowest score matters. So does the shape of the whole thing. Look for three things.

The constraint. Which weakness is causing problems somewhere else? A company scoring 2 in operations and 2 in economics usually has one problem, not two. The numbers are unreliable because the operation isn't producing reliable information.

The concentration. Where does the company lean too hard on one person? That person is often the best employee, which is what makes it hard to see.

The evidence. What can you actually point to behind each score? A score you can't support is a guess, and a guess will send you at the wrong problem.

Your first move

Don't launch seven improvement efforts. Take your lowest score.

If there's a tie, use this test. For each tied category, ask which other scores would go up if you fixed it and touched nothing else. The one that lifts two others is the constraint. Start there.

Then do this over the next thirty days.

- Write down the evidence. Not the score. The specific thing that happened that made you pick it.
- Define one level up. What would a 2 have to look like to become a 3? Describe it as behavior somebody could observe, not as an intention.
- Name one owner. One person, not a committee, and not you unless the work genuinely requires an owner.
- Pick one measure. Something you can check in thirty days without building a report.
- Set the date now. Put it on the calendar before you close this.

One category. One level. One owner. One measure. One date.

A strong contracting business isn't one that never hits a difficult job, a tight month, a leadership gap, or an uncertain call. It's one that sees those conditions early, responds on purpose, and gets better without needing the owner to carry every problem alone.

Practical insight. Real context. Zero fluff.