BUILDLOGIQ

A private local circle for owner-led contractors

Builder Intelligence Series

BI Positioning 02

Recognizing True Opportunity Is a Skill

Not Every Job You Can Win Is a Job Worth Winning

Capitalizing on It Requires Preparation

Published by BuildLogIQ Group, Inc.
Orange County, California
buildlogiq.ai

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What's in this paper

OPENING

The call finally comes.

It's the kind of project you've spent years trying to attract. The right size. The right market. A respected client. Good potential for repeat work.

But your estimator is buried. Your strongest superintendent is committed for another eight months. Two project managers are already stretched, and the company's working capital is tied up in existing jobs.

You recognize the opportunity.

You just aren't ready to take it.

That's the part of opportunity we don't discuss enough. Finding the right work is only half the challenge. The company also has to be prepared to act when it appears.

> *Recognizing true opportunity requires judgment. Capitalizing on it requires preparation.*

A true opportunity advances the company's direction, produces a return worthy of what it consumes, and arrives when the company can deliver it well.

DIRECTION

Start with where you're going.

Before you can decide whether an opportunity fits, you have to know where you're going.

What kind of company are you trying to build? What work do you want to be known for? Which clients do you want more of? What capabilities, people, and market position are you trying to develop?

You also need to know what kind of life you want the company to support.

How much time, travel, pressure, and financial risk are you willing to accept? Are you building a company that requires more of your daily involvement, or one that can perform without depending on you for every important decision?

These questions are connected.

A project can be good for revenue and wrong for your direction. It can make the company larger while moving the owner further from the life the company was supposed to create.

Without a destination, every open door looks like progress.

THE DECISION

Right work. Right time.

The first test protects the company's direction. The second protects its ability to deliver. The answer to both determines the action.

	READY	NOT READY
RIGHT	**PURSUE** The work fits and the company can carry it.	**PURSUE CONDITIONALLY** Close the gaps by a defined date, or walk away.
WRONG	**DECLINE** Available capacity doesn't make the work strategic.	**DECLINE** Don't prepare for work that doesn't belong.

Being ready does not make the work right. Being right does not make the company ready.

THE FIRST TEST

Is it right?

A bid invitation arrives. The contract value is substantial. The project appears to be within reach.

It feels like opportunity.

Sometimes it is.

Sometimes it's just work wearing opportunity's clothes.

Consider a $7 million contractor offered a $4 million project outside its normal geography. The estimate shows $560,000 of gross profit, a 14 percent margin, and the client's name would look good in the portfolio.

Then the load becomes visible. The contract holds 10 percent retention, payment averages 65 days, and projected peak cash exposure reaches $450,000. The only qualified superintendent is committed for five more months. The team would rely on unfamiliar subcontractors, the owner would need to attend weekly, and taking the job would displace two repeat-client projects expected to produce $300,000 of combined gross profit with less risk.

The company may be capable of building it.

That doesn't make it a good opportunity.

The important question isn't:

> *Can we win it?*

It's:

> *If we win it, where will it take us?*

A job can be profitable and still be a poor use of the company.

Every project consumes more than labor and materials. It consumes estimating time, leadership attention, working capital, field capacity, subcontractor relationships, and organizational energy.

Revenue measures what enters the company. Opportunity considers what the company must give up, and whether the exchange moves it in the right direction.

THE ECONOMIC TEST

What will it consume?

Revenue is the most visible number in the decision. It isn't the return. Before pursuing serious work, estimate the full load the project will place on the company:

- Expected gross profit dollars and percentage
- Peak cash exposure, retention, and payment lag
- Owner, project-management, and field-leadership attention
- Bonding and balance-sheet capacity
- Existing work or relationships the project may displace
- The downside if the job finishes 60 days late or loses five margin points

Does the expected return compensate us for the cash, attention, capacity, and risk this project will consume?

HONEST SELF-ASSESSMENT

Know your strengths and weaknesses.

Judging fit requires an honest understanding of the company.

What work does your team consistently perform well? Which project types produce the best margins? Where are your subcontractor relationships strongest? Which clients appreciate the way you operate? At what point does additional volume begin weakening delivery?

Strengths tell you where to lean in. Weaknesses tell you what must be true before you say yes.

A weakness doesn't automatically disqualify an opportunity. It identifies what needs to change before the company can pursue it responsibly.

Maybe you can enter a new market, but only after hiring an experienced project manager. Maybe you can accept a larger contract, but only after strengthening working capital. Maybe you can expand geographically, but not while your strongest superintendent is committed elsewhere.

The danger isn't having weaknesses. The danger is accepting work that exposes them without a plan.

STOP CONDITIONS

Some risks should stop the pursuit.

Not every concern belongs in a weighted score. Some conditions should stop the pursuit unless they are resolved before the company commits:

- Material concerns about the client's integrity or payment history
- Contract terms the company cannot insure, price, negotiate, or control
- Insufficient working capital, bonding, or credit capacity
- No qualified project or field leader available in time
- A schedule that requires unsafe work or unrealistic production
- No reliable subcontractor coverage for critical scopes

> *A strong margin does not cancel a fatal condition. It only makes the condition easier to ignore.*

THE SECOND TEST

Are you ready?

A project can fit your direction and still arrive before the company is ready.

Readiness means having:

- The right leadership and field capacity
- Sufficient estimating and preconstruction attention
- Reliable subcontractor coverage
- Adequate working capital and bonding capacity
- Systems capable of supporting the work
- Enough management attention to deliver consistently

Readiness also applies to the owner.

If you're exhausted, reacting all day, and personally resolving every operating problem, you'll have difficulty evaluating new opportunities clearly. Even if you recognize the right one, you may not have enough attention to develop the relationship or prepare the company to pursue it.

Your company needs enough capacity to accept the right opportunity. You need enough capacity to recognize it.

This is why building systems, developing leaders, protecting cash, and preserving management capacity matter. They do more than improve existing operations. They prepare the company for opportunities that haven't appeared yet.

Opportunity rarely waits for you to get ready.

A readiness gap doesn't always require a no. It requires a classification. For every gap, decide whether it must be closed before bidding, closed before award or mobilization, controlled in the contract, or treated as disqualifying.

If the work is right but the company isn't ready, identify the action, owner, cost, deadline, and evidence required. If the gap can't be closed in time, the right decision is still to walk away.

THE POWER OF NO

Saying no preserves your options.

Turning down a project can feel like losing something.

You can see the revenue you declined. You can't see the future opportunity that the decision preserved room for.

That makes saying no difficult.

But capacity has value.

An available superintendent has value. An estimator with time to think has value. A project manager who isn't overloaded has value. An owner with enough attention to develop an important relationship has value.

If every person and every hour is committed, the company may be busy but strategically unavailable.

A contractor who can't say no doesn't control the company's direction. Clients, bid invitations, personal relationships, and backlog pressure control it instead.

> *A full backlog of the wrong work isn't security. It's a future collection of problems with revenue attached.*

Saying no isn't rejecting growth. It's protecting the growth you intended.

THE DECISION MEETING

Take enthusiasm out of the room.

Serious opportunities deserve a short bid/no-bid meeting before the company spends heavily pursuing them. Twenty focused minutes can expose what individual enthusiasm misses:

- The owner tests direction, strategic value, and opportunity cost.
- Estimating explains scope, assumptions, expected return, and unknowns.
- Operations tests people, schedule, subcontractor coverage, and execution.
- Finance tests cash exposure, payment terms, bonding, and downside.
- The proposed field leader challenges whether the plan can work in the field.

The team leaves with one of four decisions: pursue, pursue with written conditions, decline, or revisit after building capability. Optimism can start the conversation. Evidence has to finish it.

The decision should be strong enough to survive the absence of the person who wants the job most.

THE FEEDBACK LOOP

Turn every decision into better judgment.

Recognizing opportunity becomes a company skill only when the decision leaves a record. At the time of the decision, capture:

- The expected margin, cash exposure, and leadership load
- The critical assumptions and risks
- What must be true for the project to succeed
- What work or capacity the company is giving up
- Why the company chose to pursue or decline

After the project, or after the opportunity has passed, compare those assumptions with reality. Did the project consume the capacity expected? Did the client and contract behave as anticipated? Did the work strengthen the company? What did saying no preserve? Would the team make the same decision again?

Over time, the record reveals which clients, contracts, project types, and operating conditions produce the best outcomes. Judgment stops living only in the owner's head and becomes part of how the company chooses work.

The company gets better at recognizing opportunity when it remembers why it said yes, and whether reality proved it right.

THE TOOL

The Opportunity Decision Sheet.

Use this before committing significant estimating time and again before final bid or contract execution. Mark uncertainty honestly. An unclear answer is a risk to resolve, not a reason to assume yes.

Project: ____

Client: ____

Decision date: ____

Reviewed by: ____

GATE 1 · IS IT RIGHT?

Criterion	Yes	No	Unclear
Moves us toward the company and life the owner intends to build	☐	☐	☐
Fits the work, client, market, geography, and contract we want	☐	☐	☐
Uses strengths the team demonstrates consistently	☐	☐	☐
Produces a return worthy of the risk and opportunity cost	☐	☐	☐
Leaves the company pointed in the intended direction if it goes as expected	☐	☐	☐

THE ECONOMIC LOAD

Contract value: $ _______________________

Expected gross profit: $ _______________________

Expected gross margin: _____________________

Peak cash exposure: $ _______________________

Retention: ___% · Payment: ___ days · Owner attention: ___ hrs/week ________

Work displaced: ____

Downside if 60 days late: $ _________________________

STOP CONDITIONS

Mark every unresolved stop condition:

☐ Client / payment integrity ☐ Contract risk ☐ Cash / bonding ☐ Project and field leadership ☐ Schedule / safety / critical subcontractors

Any unresolved stop condition requires a written resolution before pursuit, or a decision to decline.

THE TOOL, CONTINUED

The Opportunity Decision Sheet · continued.

GATE 2 · ARE WE READY?

Criterion	Yes	No	Unclear
Leadership and field capacity are available	☐	☐	☐
Estimating and preconstruction can give the work proper attention	☐	☐	☐
Subcontractor and supplier coverage is reliable	☐	☐	☐
Cash flow, balance sheet, bonding, and credit can carry the load	☐	☐	☐
Systems can support the reporting, documentation, and controls required	☐	☐	☐
Management attention is available without weakening current projects	☐	☐	☐
The owner can lead without becoming the project's operating system	☐	☐	☐

READINESS GAP PLAN

For every no or unclear answer, define what must change before the company commits.

Gap	Required action	Owner	Due	Evidence

DECISION

☐ **Pursue** ☐ **Pursue with written conditions** ☐ **Decline** ☐ **Revisit after building capability**

Conditions / reason: ____

THE ONE THAT MATTERS

If this goes exactly as expected, will we still be building the company we intended?

Evidence supporting the decision: ___________________________________

____

THE CLOSE

The work worth preparing for.

Strong companies don't pursue every available project.

They know where they're going. They understand what they do well and where they remain vulnerable. They protect enough capacity to act when the right work appears.

They don't allow opportunity to choose their direction. They choose their direction first.

Then they prepare themselves and the company to move when the right opportunity arrives.

Know where you're going so you can recognize the work that belongs. Build the capacity to act when it appears.

Recognizing true opportunity is a skill.

Capitalizing on it requires preparation.

NEXT

Bring this to the room.

This is the kind of decision the Circuit is built to help owners work through: the opportunity in front of them, the pressure surrounding it, the risks they may be discounting, and the capacity the work will consume.

Bring the opportunity. Bring the assumptions. Bring the version of the story you're not sure you can defend out loud. The room will test whether the work is right, whether the company is ready, and what must be true before you commit.

ABOUT BUILDLOGIQ

BuildLogIQ is a private local circle for owner-led contractors doing $2M to $10M. Members meet monthly to solve operating problems, make better decisions, and build companies that depend less on them.

The room begins over dinner at the Builder's Table, runs monthly in the Circuit, and goes deeper in the 3-Deep. Align, our back-office service, runs alongside members whose books need the same operating discipline.

IN THIS SERIES

Foreword · The Room Should Have Existed All Along
Vol. 01 · Beyond the Bid
Vol. 02 · People Buy Consistency
Vol. 03 · Your Company Doesn't Need All of You
Vol. 04 · ***Recognizing True Opportunity Is a Skill*** *(this paper)*
Vol. 05 · The Foreman You Need
Vol. 06 · The Owner Sets the Emotional Weather
Vol. 07 · Every Job Borrows From the Company

Built on trust. Run on precision. Elevated by intelligence.

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