BUILDLOGIQ

A private local circle for owner-led contractors

Builder Intelligence Series

BI Operations 03

The Work Breaks at the Handoff

Most Operating Failures Happen Between People, Not Inside Their Jobs

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THE TRAP

The loss happened between them.

The project lost $60,000. Nobody was negligent.

The estimator did their job. The PM did theirs. The superintendent held the field. The subs performed. The accountant billed what they saw. Every individual role was performed capably.

Many of the most expensive operating failures happen this way. Not because the people failed at their jobs. Because responsibility didn't move cleanly from one person to the next.

The work breaks at the handoff.

WHERE THE TRUTH GETS THIN

Handoffs are where the truth gets thin.

Every project runs on a series of transitions.

Estimating hands off to operations. Project manager hands off to superintendent. Office hands off to field. Subcontractor hands off to the following trade. Field production hands off to accounting. Change-order identification hands off to pricing, approval, and billing. Substantial completion hands off to closeout. Closeout hands off to warranty.

At each transition, something gets lost.

Information degrades. Assumptions replace commitments. Priorities that were clear on one side become vague on the other. Deadlines drift because nobody's sure whose deadline it actually is. Everyone believes someone else owns the next step.

The problem is rarely that nobody cared. The problem is that the company never defined when responsibility had actually changed hands.

THE REFRAME

A handoff isn't a delivery.

Most companies think a handoff is finished when the file has been sent.

It isn't.

A handoff isn't complete when information is transferred. It's complete when responsibility is understood and accepted.

The estimator can upload the entire bid package. Operations can download it, open it, and click through the documents. The file is in the receiver's hands. The responsibility for the work is not.

Because the receiver hasn't confirmed what the assumptions were. Hasn't named what remains unresolved. Hasn't identified what needs to happen first, second, third. Hasn't taken ownership of what the sender was actually asking them to carry.

Sending is not transferring. Every handoff that skips this distinction sets up a future dispute where each side genuinely believes the other one owned it.

THE FIVE COMPONENTS

What a good handoff requires.

Five components. A handoff that misses any one of them will fail predictably.

A defined trigger. What event starts the handoff? "Sometime after award" isn't specific enough. "Within one business day of receiving notice of award" is. The required package and any missing items are then handled explicitly through the exception path.

A complete package. What information, decisions, documents, and unresolved risks must travel with the work? The package includes both what was decided and what wasn't. A handoff that only transfers the decisions leaves the receiver blind to the risks.

A named receiver. One person must accept responsibility. A department can't own a handoff. If you can't name the person who owns the next move, the ball is on the floor.

Confirmation of understanding. The receiver has to acknowledge, out loud or in writing, what was received, what remains unresolved, and what happens next. Silence is not acceptance. Reading is not understanding.

A visible exception path. If the package is incomplete, who resolves it and by when? Handoffs fail most often not because the sender withheld something, but because the receiver noticed something was missing and had no defined way to get it resolved.

Get all five right and the work moves cleanly. Miss any of them and the next boundary becomes the next loss.

WHAT BREAKS IN CONSTRUCTION

Four handoffs every owner-led shop will recognize.

Estimate to operations.

The estimator wins the job and uploads the files. Operations receives a budget, but not the thinking behind it.

Which assumptions protected the price? Which scopes remain exposed? What did the owner verbally promise? Where is the margin most vulnerable? Which subcontractor numbers were incomplete? What must happen immediately after award?

The documents transferred. The risk did not.

Six weeks in, operations discovers a scope gap. The estimator says they never priced that. Operations says nobody told them. Both are right, in a limited sense. The company is still eating the number.

One trade to the next.

The underground contractor finishes. The concrete crew mobilizes. Everyone assumes the sleeves, elevations, inspections, and as-builts were confirmed.

The slab gets poured.

Two days later, someone discovers a missing penetration.

The first trade completed its scope. The following trade started its work. What never happened was a defined acceptance point between them.

The concrete is finished. The handoff is buried beneath it.

Field to accounting.

The superintendent knows extra work occurred. The project manager knows the customer requested it. Accounting knows only what appears in the system.

Everyone possesses part of the truth. Nobody owns the entire path from field recognition to collected cash.

The change work gets performed. The pay app goes out without it. The customer accepts the pay app and moves on. Two months later, someone tries to bill for the extra work, and the customer says they don't recognize the charge.

The money was earned. The handoff broke somewhere between the field and the ledger.

Substantial completion to closeout.

The project feels finished, so attention moves to the next job.

Punch-list items, closeout documents, retention, final change orders, training, warranties, and final billing become orphaned work. Everyone assumes someone else is handling it. Nobody is.

The building is complete. The business transaction is not.

Retention gets released three months late, sometimes six, because the closeout package was never assembled. Warranty callbacks start arriving that could have been prevented at final inspection. The customer's memory of the project sours because the last thing they experienced was six months of neglect.

The revenue was earned in the field. The margin gets bled in the office.

WHY IT LANDS ON THE OWNER

The owner becomes the permanent translator.

An owner-led company often depends on the owner because the owner is the only person who sees across every boundary.

They remember what estimating assumed. They remember what the customer said. They remember what the field discovered. They remember what accounting still needs. They remember the change order that was verbally approved on a Tuesday and never made it into writing.

They carry the truth across the handoffs the company hasn't defined.

The solution isn't better memory. It's better handoffs.

That makes the owner the company's permanent translator.

It also caps the company at whatever the owner can personally track. Every new project, every new person, every new hire raises the load. Eventually the owner's memory becomes the bottleneck and the company either stops growing or starts losing money it can't explain.

The company that defines its handoffs stops needing the owner in the middle of every transition. Information moves without the owner carrying it. Responsibility moves without the owner translating it. The owner becomes less necessary to the ordinary work, and more available for the work only the owner can do.

THE TOOL

The Handoff Standard.

For every consequential transition in the company, answer these questions. Write them down, use them consistently, and revise them when the work changes.

1. **What triggers the handoff?** *Name the specific event, not the general phase.*
2. **Who is handing off?** *One person on the sending side.*
3. **Who is accepting responsibility?** *One person on the receiving side. Not a department.*
4. **What must be included in the package?** *Documents, decisions, verbal commitments, unresolved risks.*
5. **What decisions have already been made?** *So the receiver doesn't reopen them.*
6. **What remains unresolved?** *So the receiver knows what still needs closure.*
7. **Where is the financial or schedule exposure?** *So the receiver can protect the company.*
8. **How does the receiver confirm acceptance?** *Written acknowledgment, meeting, checklist. Something explicit.*
9. **What happens if the package is incomplete?** *Who resolves it, by when, and how the receiver escalates.*
10. **When is the first follow-up checkpoint?** *Set a specific point when the receiver reports progress and unresolved issues.*

THE DEFINING QUESTION

If this work fails next week, will everyone agree who owned the next move?

If the answer is no, the handoff hasn't happened. Someone is holding the ball nobody knows they're holding, or nobody is holding the ball everyone assumed was in play.

THE CLOSE

Move responsibility, not just work.

Every company moves work. Strong operations move responsibility.

The company that ships tasks across boundaries without transferring responsibility eventually depends on someone, usually the owner, to carry the truth across each gap. That's a scaling ceiling and a personal exhaustion problem at the same time.

The company that defines its handoffs stops paying that tax.

Not because it hires better people. Because it made responsibility visible enough that the right people can accept it, and the right people can escalate when they can't.

Strong operations don't merely move work.

They move responsibility without losing information.

A handoff isn't complete when it's sent. It's complete when it's accepted.

NEXT

Bring this to the room.

Every owner-led shop has a handoff that keeps costing money and nobody has ever formally addressed.

In the Circuit, members can name the transition that's leaking, describe the handoff as it currently runs, and hear from peers who've built a real standard for the same one. The specific boundaries that break at $2M to $10M are common across the room, even when the trades and clients aren't.

Bring the handoff you're avoiding. Bring the last three losses you can trace to a boundary that wasn't defined. Bring the ten questions above. The room will help you build a handoff standard the company can actually use.

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.

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