



## How To Maintain Stability In An Uncertain Economy

**A**s I write this, the coronavirus pandemic continues to rage on with new variants emerging. National employment fluctuates and yet it is still a challenge to find people who want to work in the trades. Getting financing for projects is difficult. And, I am still on more Zoom calls than I prefer.

These are no doubt challenging times, but we have endured similar before. Here are a few signs we are seeing and some strategies to offset them.

### **Costs**

Rising lumber costs have been a topic since this pandemic started a year ago and there is no sign of it changing. Framing composite materials are flat, sheathing components are still rising, and OSB plywood is still hard to get. For larger jobs, with a significant lumber package, suppliers are recommending orders be submitted 60 days in advance, not only due to costs, but to ensure there will be material available.

We are seeing costs go up across all scopes. Steel is rising and supply is a problem. Joist and deck suppliers hold pricing based on delivered steel in 90 days, but cannot produce it to meet that time frame. Therefore, you pay whatever the price is when they are ready to ship. Drywall, metal stud, and acoustic ceiling prices have gone up and are planned to go up again each month through May. PVC has surged more than 200% over the last four months. There is a chance that prices will stabilize once production improves, yet we do not know when that may occur.

### **Competition**

It is not all bad news. The one thing we have noticed is the increased bid activity on all scopes, regardless of job size. Subcontractors are engaging us earlier in project cycles to be involved. This can indicate either the usual beginning-of-the-year surge to feed the pipeline or there are underlying market conditions that are causing concern. It is most likely a blend of both.

### **Strategies**

Knowing these challenges facing the construction industry before you advance your project will help you prepare for a successful project negotiation or bid.

**1. Be prepared.** With prices fluctuating, the quicker you can commit to a product, the better. If you are planning on several projects, it may be better to work with your supplier and buy it ahead of time if you can store it.

Also, not that this needs to be said but, make sure your drawings and specifications are as accurate as possible before sending to market. Higher costs have a direct correlation to

incomplete or confusing plans.

**2. Time is of the essence.** While you may want a conceptual budget, it is best to negotiate with your partner general contractor or put it out to bid. Subcontractors are trying to bid new work and perform well on the work they have. Under these conditions, they will not be able to devote resources to a budget exercise. Plus, with prices changing so rapidly, there is a good chance the budget numbers will not reflect the actual cost when it goes to bid. For projects that are bidding competitively, an effective strategy to mitigate the risks of rising costs is to award the contract immediately after receiving bids. This will allow the trades to lock-in pricing from suppliers to force price control. This ensures that the prices used for bidding are still accurate.

**3. Be a team player.** To combat the rising costs, some developers and owners have sped up their plans for new projects to minimize the impact of price increases. Creating a project team early in the process allows you to maximize efficiency and gain a greater insight into the market from the diverse perspectives of the project team. With the contractor, owner, and architect working together, they can foresee material cost fluctuations, evaluate subcontractor work load in the market, and explore different techniques to reduce costs.

When the team approach is coupled with a design-build or negotiated contract to get to market faster, savings become evident. This is the most effective way to get competitive pricing from subcontractors and to save costs for the duration, since negotiated projects are often completed earlier.

Overall, these strategies, combined with careful planning, the right team of professionals, and an effective delivery method, can help combat these rising costs regardless of your project's scope or location.



*Mitch Lapin, President*



## Brain Teasers

Q: According to Greek mythology, who was the first woman on Earth?

A: *Pandora*

Q: Which singer's real name is Stefani Joanne Angelina Germanotta?

A: *Lady Gaga*

Q: Where were the Declaration of Independence, the Constitution, and the Bill of Rights stored during World War II?

A: *Fort Knox*

Q: Which two U.S. states don't observe Daylight Savings Time?

A: *Arizona and Hawaii*

Q: Which mammal has no vocal cords?

A: *The giraffe*

Q: What was the first toy to be advertised on television?

A: *Mr. Potato Head*

Q: Which of William Shakespeare's plays is the longest?

A: *Hamlet*

Q: Before the Beatles were formed, John Lennon, Paul McCartney, and George Harrison were originally members of which group?

A: *The Quarrymen*

Q: What country won the very first FIFA World Cup in 1930?

A: *Uruguay*

Q: Which two countries share the longest international border?

A: *The United States and Canada*

Q: How many hearts does an octopus have?

A: *Three*

—*Thought Catalog*

## Manage Performance Reviews Positively

Managers and employees alike tend to dread performance reviews. They don't have to be an ordeal, though. Follow this advice from *Gallup* on how to get positive results from your reviews:

- **Separate pay and performance.** Don't discuss salary and job performance in the same session. Otherwise the employee will likely focus only on what kind of raise he or she is—or isn't—getting, and ignore what you have to say about performance.
- **Open with purpose.** Don't start by telling the employee what he or she is doing wrong or right. Instead, throw the ball into their court. Ask, "What inspires you to do your best every day?" You'll get a better sense of what motivates them. Urge employees to think about the big picture—what they can contribute, as opposed to just what they can get out of their job for themselves.
- **Focus on what the employee can control.** Many factors are beyond an employee's influence—schedules, deadlines, supplies, requirements, and so on. Stick to what the employee can control to improve his or her performance—time management, proper training, etc.
- **Look to the future.** Coach employees on how they can get better at their jobs, not just for the benefit of your organization but for their own career growth. Find out what skills they'd like to learn and work on a plan to provide them with the training and experience they're looking for.
- **Show empathy.** The pandemic has created a lot of stress for employees. You still have to enforce rules and hold people accountable, but remember they're human. Talk about the problems they're dealing with that affect their performance, and look for ways to help them cope with the chaos in everyone's lives.

*"It's the job that's never started that takes longest to finish."*

—J.R.R. Tolkien

## Keep Your Career Growth On Track

Whether working from the office or remotely from home, your career growth can stay on track. Try these tips from the *Ladders* website to stay on the path to success:

- **Find a group or a mentor.** You can still network, even if it's through Zoom or email. Find a group of like-minded professionals to exchange ideas with and share support. A mentor can also offer valuable advice as you navigate your career when times are challenging.
- **Read success stories.** Don't get mired in gloom and doom. Even in the midst of the pandemic, you can still find stories of people who've survived and thrived. Use these stories to keep your spirits up and remind yourself that success is possible no matter how dark the times appear to be.
- **Talk to your boss.** Your boss may know you're doing a great job, but he or she is probably too stressed and busy to think much about your career development. Be proactive. Talk to your boss about your ambitions, goals, and vision. Ask about projects you can contribute to or promotions you may be eligible for.
- **Take up a new hobby.** Don't let work define your existence, especially if you're stuck at home. An active hobby can help your mind and body relax and recharge. Yoga or meditation may offer an escape from the stresses you're feeling now. Even getting out for a socially distanced walk every day can help you maintain a healthy equilibrium.
- **Find virtual conferences.** In-person professional events aren't likely to come back anytime soon, but that doesn't mean you have to miss out on opportunities to learn from your peers and network with them. Set aside some time to attend an online seminar or conference once or twice a month. It's a good way to unwind and meet new people while keeping your skills sharp.

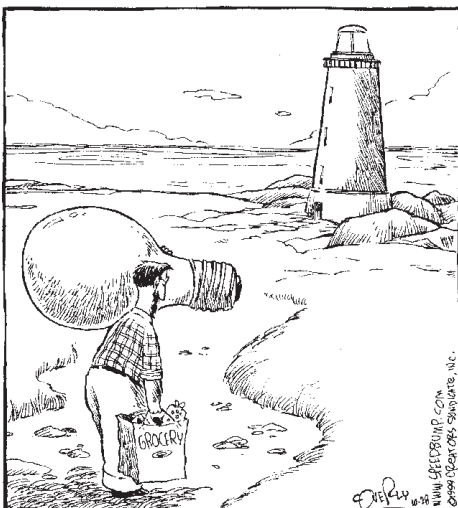
# When Did We Start Doing That?!

You cross your fingers for good luck or to excuse yourself from lying, but do you ever wonder how customs like that originated? The *Cracked* website explains the beginnings of everyday behavior we take for granted:

- **Painting your fingernails.** Babylonian warriors in 3,200 B.C. would paint their nails before heading off to battle to signify their social class.
- **Giving the thumbs up.** English archers in the Middle Ages would use the gesture, which was the correct brace height of a longbow, as a signal that they were ready to shoot.
- **Yawning.** Covering your mouth while yawning developed from an ancient belief that evil spirits could enter your mouth during a yawn.
- **Blowing out candles.** Making a wish while blowing out birthday candles derives from cultures which thought that smoke delivered prayers to the heavens.
- **High-fiving.** The first recorded high-five occurred on October 2, 1977, when Glenn Burke of the LA Dodgers reached up to slap the hand of teammate Dusty Baker, who had just hit a home run, and Baker slapped his hand in return.
- **Crossing your fingers.** Crossing fingers to catch good luck originated in ancient pagan cultures. The practice for lying came from early Christians who wanted to absolve themselves from lies they told their persecutors.

SPEED BUMP

Dave Coverly



# Give Yourself Permission To Succeed

Many of us don't succeed in our goals because we don't allow ourselves to. You need to consciously give yourself permission to succeed. That way, you can overcome subconscious self-sabotage. Here's how to open your life up to greater success:

- **Spend time with people who support you unconditionally.** We often have a distorted view of ourselves and are blind to many of our assets. Being with people who believe in you helps give you a clearer view of your strengths and weaknesses.
- **Don't cling to the past.** Most of us have long-established patterns of behavior and thinking that have helped us in life—at one time. But people and circumstances change. Bringing an apple to the teacher may have worked in first grade, but your manager isn't Mrs. Smith. Adapt your behavior and thought processes to the present situation. Otherwise, old habits may just impede your success.
- **Devote some time each day to nothing.** Ironically, you can get in the way of your own success by being addicted to ceaseless activity. It's important to give yourself space to do nothing without feeling guilty. This allows you to step back and assess where you're heading and how you're doing it.

## One Form Of Exercise

A man visited his doctor for a checkup. At the end of the exam, the doctor commented, "You certainly seem to get a lot of exercise."

"Oh, yeah," the man said. "Just the other day I walked five miles in rugged terrain and climbed over rocks and trees. I waded along the edge of a lake, pushed through tall thistles, and even got sand in my clothes sliding down slopes."

The doctor was impressed. "You seem to be quite the avid outdoor enthusiast."

"Not really," the man replied. "I'm just a lousy golfer."

## The Value Of Giving

Katharine Hepburn is said to have told this story about her childhood:

"Once when I was a teenager, my father and I were standing in line to buy tickets for the circus. Finally, there was only one other family between us and the ticket counter. There were eight children, all probably under the age of 12. The way they were dressed, you could tell they didn't have a lot of money, but their clothes were neat and clean."

When the family reached the front of the line, the ticket seller asked how many tickets they wanted. He proudly responded, "I'd like to buy eight children's tickets and two adult tickets, so I can take my family to the circus."

The ticket lady stated the price.

The man's lip began to quiver. "How much did you say?" The ticket lady again stated the price. The man didn't have enough money. How was he supposed to turn and tell his eight kids that he didn't have enough money to take them to the circus?

"Seeing what was going on," Hepburn continues, "my dad reached into his pocket, pulled out a \$20 bill, and then dropped it on the ground. We were not wealthy in any sense of the word! My father bent down, picked up the \$20 bill, tapped the man on the shoulder, and said, 'Excuse me, sir, this fell out of your pocket.'"

The man took Hepburn's father's hand in both of his, squeezed the \$20 bill tightly, and with his lip quivering and a tear streaming down his cheek, he replied; "Thank you, thank you, sir. This really means a lot to me and my family."

"Although we didn't get to see the circus that night," Hepburn concludes, "we both felt a joy inside us that was far greater than seeing the circus could ever provide. That day I learnt the value of giving."

# Works in Progress: Spring 2021

Spring is the unofficial beginning of the year for us. With so many new starts taking advantage of improving weather, it is a happy time. Here are a few of the projects we are excited to be starting.

## **Rollout**

We continue to work closely with **CVS Health** on the conversion of their stores into Health Hubs, with many more in the pipeline across the United States. We have welcomed **Meijer** grocery stores as a client with a few regional projects underway.

## **Medical**

A new **American Family Care** project is in progress in Hamilton, New Jersey. We continue to build new office

locations for **Lifestance** in Ohio and Indiana.

## **Hotels**

We are preparing to break ground on a **new hotel concept** in Winslow, Arizona.

## **Restaurants**

We are starting construction on several new **Arby's** locations in Ohio as they continue to grow.

## **Retail**

A new **Huntington National Bank** is underway in Pittsburgh, Pennsylvania and a new **Valvoline Instant Oil Change** is starting in Rocky River, Ohio.



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*Above: A recently completed Chili's restaurant in Columbus, Ohio.*



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