

Tools' Final Rotation

New and used tools and other construction materials are doing a brisk business on the online auction block, as struggling contractors — and others, including manufacturers and dealers — tap sites such as eBay and Ritchie Bros. Auctioneers to monetize little-used inventory.

Online selling has a different appeal for ESB Contracting, in Toms River, N.J. By selling used (but very functional) high-dollar tools on Craigslist, the high-end remodeler and builder offsets the expense of buying new tools for most of its major projects. Using new tools such as table saws and chop saws, in turn, fosters precision cutting and safe practices.

In fact, says owner Eric Borden, some of his company's heavily used tools have

four lives. For instance, table and chop saws are used first on interior trim work, where the company's \$500,000-and-up remodels "require the utmost accuracy," he says. After a year or so of use, the saws are rotated to exterior trim, then onto framing.

After a few years in this cycle, Borden offers the tools to his staff or sells them on his local Craigslist Web site, typically at 30% to 50% of their new-tool price. He posts photos of the tools, accurately describes their condition, and sells them (pick-up only, no delivery) complete with their guards and other safety features.

Borden has never gotten a bad check or otherwise had a sale go awry. Plus, he adds, giving staff first dibs "is a great incentive for them to take care of tools." —L.T.

Brutally Honest Job Costing

The price of just about everything is going up, from building materials to gas and food. But many remodelers' revenues are going down as jobs become scarcer and smaller.

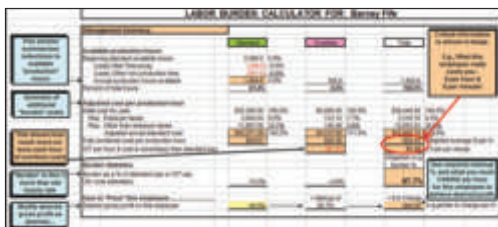
One result is the growing need to understand how jobsite disruptions — breaking for another smoke, idle chit-chat or text-messaging, fixing mistakes, extra trips to

"In better times, you can absorb a loss or two here and there," says Diane Gilson of Info Plus Accounting. But in the current tighter market, "you really need to know your numbers because you can't afford money falling through the cracks."

One of Gilson's tools for helping remodelers avoid the losses associated with wasted time is the Labor Burden Calculator, an Excel-based program that helps users compute how much employees really cost, how much to charge for them, and, in some cases, whether certain duties should be reassigned or contracted out.

The calculator can also help employees understand their true labor burden rates and accept more accountability for their performance.

Sent as a customized e-mail attachment, the calculator costs less than \$200 with a current \$30 discount. Learn more at www.infoplusacct.com. —L.T.



the shop or the store, milling around while things get set up, needing something to be re-explained — can inflate the true cost of that \$20-an-hour employee to \$40 or more an hour.

TIM FALLER

Special Orders

If not managed well, special orders can be a production challenge and a timing disaster. Here's how to make them work for the company and the client alike.

Document in writing — in job descriptions and the SOP manual — who is responsible for placing and tracking special orders. I generally like for the production manager or salesperson to order long-lead items, and the project lead to order the rest.



In the **sales-to-production handoff**, include a form that tells the project lead what special orders have been placed, where they're coming from (and contact info), and when they should arrive.

In the **job binder**, include a spec sheet that lists all special orders' product numbers, finishes, styles, and installation instructions. The more detailed the better, so the lead can monitor orders and identify concerns.

Schedule when and where special orders will be delivered and who is responsible for them: the lead for jobsite deliveries, or a designated warehouse or office employee for those deliveries.

Open the box and inspect! Check for damage, review against the spec sheet and, if there's problem, arrange for return immediately, with clear redelivery instructions.

Document inspection results in a log or the job binder. You'll want to refer to these notes if and when damage occurs. —Tim Faller, *Field Training Services*, www.leadcarpenter.com.