Attributes & Characteristics of Owners of Lasting Businesses

by Rob Geyer

In the last article, “Who Should Be a Shareholder,” I presented that if you want your company to last, it is the “WHO” more than anything else that makes all the difference. Jim Collins, in his book “Build to Last”, states: “The key point is not just the idea of getting the right people on the team. The key point is that “who” questions come before “what” decisions – before vision, before strategy, before organization structure, before tactics - First who, then what. The old adage ‘People are your most important asset’ is wrong. People are not your most important asset. The right people are.” I also indicated that good employees don’t necessarily make good owners. Good owners are those individuals that understand the risks as well as the rewards of owning a business. They understand the concept that they are stewards of the business and they are willing to invest their time and capital to build something beyond themselves – a
legacy for their employees and, potentially, the family.

Who are these people? I often describe the founders of a business as someone who can’t work for anyone else and, typically, have attention deficit disorder. These are actually great traits when starting a business. However, they are typically not the traits needed to build a team of future owners. So, what personal characteristics and attributes should you be looking for in your future owners? Jim Collins states: “Whether someone is the ‘right person’ has more to do with character traits and innate capabilities than with specific knowledge, background, or skills.” I have worked with several companies and their management teams and, over time, we have developed a listing of some of the more traditional attributes that are helpful, including: technical skills, ability to sell business, ability to lead and manage a business, ability to motivate others, a good communicator, self-motivated, has passion, has ability to focus on what’s important, is competitive. In addition to these, a “right” person has a big vision and is committed to growth, has a willingness to delegate both authority and responsibility to others, has a respect and appreciation for people for their unique abilities and contribution to the team, they continually update their personal skills (technical, technology and people) for greater productivity and leverage, they are commitment to a training and learning culture, where everyone in the firm learns and teaches, and consistently offers employees new challenges, growth opportunities and rewards.

Not all people are going to have all of the above. The real goal is to develop a team that bring together many of these attributes and understands where they can contribute, that values the abilities of others and that can work together.

Whew! That’s a long list, how do you go about finding these people? I will say that it isn’t easy. Their keys are to truly understand that it’s “The Who, not the What”. You are looking for people that have innately good character and have big visions. They get along with people but still hold them accountable. You need to always be looking for them and, when you find them, bring them into the team as early as possible. If you don’t give them the opportunity, they will go to where they can get the opportunity. Finally, when you are starting to think about what is going to be your legacy, it is really the people that you bring along that will build your company to last.

Rob Geyer is a partner in the local office of Crowe Horwath.
If you are familiar with downtown Grand Rapids, you know the Amway Grand Plaza Hotel Tower, Van Andel Arena, Plaza Towers, Van Andel Research Institute, and DeVos Place Convention Center. Erhardt Construction was involved in all of these signature buildings, projects that have been the result of the company’s proven capabilities and recognized performance throughout the region.

Erhardt offers a broad range of pre-construction and construction services. Recent building projects include the Grand Valley State University’s Movement Science and Indoor Athletic Facility, Klingman’s, Christ Memorial Reformed Church, Amway Corporation, and the Salvation Army Kroc Community Center.

**Right From The Start**

Erhardt Construction rests on a foundation of solid core values all focused on its strategic purpose to provide clients with the best construction experience. Since its inception in 1962, the company has put in place over $1 billion of construction for numerous clients and has provided employment opportunities for hundreds of people in the community. With the belief that “the best way to build something right is to get it right from the start,” Erhardt Construction has been constructing buildings for more than 46 years. Interestingly, although the remarkable signature buildings are often what people think of when they think of Erhardt Construction, the firm has built up years of diversified experience that range from municipal projects, to churches, office buildings, and healthcare and manufacturing facilities.

**Lean Construction**

Erhardt has differentiated itself from the competition by leading the West Michigan construction industry in the implementation of Lean Construction. Based on production management principles of planning and control of a project from design to delivery, Lean Construction provides tangible benefits. Lean focuses on the way work is performed throughout the entire delivery process, ensuring timely completion of each task and quality work. Lean doesn’t mean working with less. Rather, it is about planning, communication and...
execution. The goal is to deliver work of the highest quality in a reduced amount of time, creating a continuous and consistent rhythm of work. Lean closes the gap that is typically found at the hand-off between tasks and provides reliable workflow. The benefits of Lean are apparent in tightly coordinated schedules, efficient and productive use of workers, and a smooth transition between each step.

Erhardt Construction has earned a solid reputation over the years by providing the best construction experience to clients. Professionalism and integrity, coupled with an innovative attitude, have contributed to providing high quality solutions to meet client’s needs.

A Matching Game: the Numbers

Here are a few numbers relating to our Troop Collections. Can you match the number to what it describes?

A) 1 1) Declared value of items shipped
B) 26 2) # of pounds of items shipped
C) 710 3) # of boxes successfully shipped
D) 96 4) # of months from the first donation to close of project
E) 3,200 5) # of dollars donated to Lundstuhl Regional Medical Center
F) 3,300 6) # of envelopes mailed
G) 760 7) # of items donated/shipped (estimated)

Thanks to all of you who have donated items to ship, money for postage, and the time to pack all of these boxes!

Answers: A = 6; B = 4; C = 5; D = 3; E = 7; F = 1; G = 2

Ellen,

I just want to take some time and thank you for the boxes you sent. I just got them last night and have used some of the items already! You put a lot of time and effort in getting the items in them and into getting the items in them and mailing the time to pack them up and sending them to us. We will definitely put them to good use. Once again thank you very much.

Paul Vander Weide

ANSWERS: 6, 5, 3, 4, 1, 7, 2
Riverhouse Walk-Through

On August 11, 2008, nineteen members of our chapter toured the Riverhouse project in downtown Grand Rapids. Many thanks to Matt Larson of Wolverine Building for a very informative tour. If you have a project that you feel members of the chapter might like to visit, please contact a member of the Promotions Committee.
Welcome to our newest member since our last issue of Extras!

Mark Heinen  
Beene Garter LLP  
**Replaced Scott Kladder**

Trina Goble  
Vander Meulen Builders  
**Replaced Keith Smith**

Brandi Clark  
Beene Garter LLP  
**Referred by Ann Plummer**

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If you have any questions about membership, please contact any Membership Committee member listed below:

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**Membership Update**  
**Welcome to all of you!**

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**Membership Statistics**  
**as of October 2008:**

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<th>Chapter Membership Composite</th>
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| General Members 66 62%  
Associate Members 41 38%  
Total 107 100% |
This year, you can take advantage of some BRAND NEW CFMA Member Benefits! Join now, and get 17 months of membership for the price of 12. In fact, just forget about paying again until March 2010! For the quickest, easiest way to join, visit http://cfma.org/memb/app.asp and complete your membership application online. If you prefer to put a check in the mail with your application, you can also download an application.

Included in membership are the quality educational products, industry-specific publications, conferences and networking capabilities with over 7,000 members that CFMA is known for, along with the following:

- A bi-weekly membership e-news update which will allow members to keep up with the latest news and products offered by CFMA. Be the first to know about a new educational program, upcoming registration deadlines, and other events
- A new social networking tool available through the CFMA web site. Link up with your peers in the industry, ask questions and receive feedback at the click of your mouse
- The new CFMA Financial Survey comes out in November – a tool you can use
- The CFMA Economic Outlook Webinar – don’t miss the 2009 Forecast on December 4th
- A Series of webinars exclusively for members of CFMA scheduled for 2009-2010

Remember, 17 for 12 – one more way CFMA is helping you build bigger profits by giving you the most value for your membership dollars.
**General Membership Meetings**

All meetings will be held at the University Club on the tenth floor of the Fifth Third Bank building located at the intersection of Ottawa and Lyon in downtown Grand Rapids.

Parking will be at the attendee’s expense.

Registration begins at 11:30 a.m., with lunch served at 12:00 p.m.

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<tr>
<th>Date</th>
<th>Speaker</th>
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<td>December 2008</td>
<td>No Meeting Scheduled - Happy Holidays!</td>
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<tr>
<td>January 22, 2009</td>
<td>HR - <em>Top Ten Labor Issues Every CFO Should Know</em></td>
<td>T.J. Ackert</td>
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<td>Speaker: Peter Kok</td>
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<td>February 26, 2009</td>
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<tr>
<td>March 26, 2009</td>
<td><em>Current Issues &amp; Scams</em></td>
<td>Bob Brazds</td>
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<td>Speaker: BBB Ken VanderMeeden</td>
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<td>April 23, 2009</td>
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<td>May 14, 2009</td>
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As the source and resource of construction financial management in West Michigan, our Association unites individuals having financial responsibilities in the construction industry. We provide a forum through which the Association’s members can meet to network and exchange ideas. We promote and encourage leadership within the construction industry, as well as our Association. We develop and coordinate educational programs dedicated to the purpose of improving the professional standards of the industry and enhancing the value of construction financial managers to their respective companies.