



# TOUGHER THAN RUNNING A COMPANY

by Verne Harnish “Growth Guy“

[www.gazelles.com](http://www.gazelles.com)



# TOUGHER THAN RUNNING A COMPANY

Yet, there's a very simple technique that will keep these projects on track and prevent much of the psychic damage caused when they go astray.

"I don't even like house projects and here I am threatening to hand my lawyer's phone number and card to a young contractor we've hired to remodel our home," notes an exasperated Patrick Thean, Charlotte-based serial entrepreneur and reluctant home project manager.

Running a company is easy compared to managing domestic projects! Over the years I've seen these projects consume entrepreneurs, sucking valuable physical and emotional energy from their other vital responsibilities. And this doesn't count the toll these projects take on relationships at home.

Yet, there's a very simple technique that will keep these projects on track and prevent much of the psychic damage caused when they go astray. It not only rescued the Thean's project, but preserved and strengthened their relationship with the contractor and gave the contractor a tool he'll use on the rest of his projects. And it's valuable approach when managing any outside contractors, at home or the office.

This saga started for Thean last November when he and his wife, Pei-yee, decided to add a two-part addition to their 1925 built historic home – a screened in porch and deck on the back of the home and the excavation of the rest of their basement to create an exercise room, mud room, bonus room and bath, and a ballet room for their two daughters.

Being a softy for budding entrepreneurs, the Theans found a young guy just breaking into the business. And he was willing to give them a good deal. “Everyone needs a break and my wife loves a good deal,” was the thinking Thean recalls as they signed the contract.

The deal was to have the patio and deck finished by January and the basement finished no later than April of this year. However, being new to the business, the young contractor didn’t have the same pull with his subcontractors that the larger, more established firms have which are giving the subs a lot of work. As a result, the subs didn’t show up and in turn Thean’s contractor quit showing up.

And because the contractor was not able to get his subs in, he started booking other projects to stay alive. Compounding the situation was the challenges of remodeling an old home. “Everything is custom and a little off,” notes Thean.

As the first January deadline came and went Thean started getting frustrated, his wife was going crazy, and he was spending lots of time in endless discussions with the contractor. Trust was eroding, the contractor was making lots of mistakes, and Thean was concerned that it was becoming a “he said, she said” since he had his wife managing the project (remember, Patrick doesn’t like house projects!).

“The straw that broke the camel’s back was when my wife semi-threatened him that we were going to bring in another guy and sue him to pay for another person to finish the project...”

“She was playing the good cop and I was playing the bad cop,” explains Thean. “So when I finally had enough of the project, my wife was afraid I was going to fire the guy and leave the project in limbo. However, just the opposite happened. We show up at a meeting in March, start to discuss the project, and it’s my wife that loses it, slams her computer closed and says it’s over!”

“The straw that broke the camel’s back was when my wife semi-threatened him that we were going to bring in another guy and sue him to pay for another person to finish the project. At that point he turns to us and says he’ll turn his subs over to us and we

...Thean is coaching some clients on the importance of a daily huddle and it dawns on him that this might just solve the problem with his home contractor.

can handle the project! – needless to say, it was a very bad situation,” recalls Thean. “And all I’m thinking is that I’m going to end up being the contractor for the project, right when my own company needs my attention the most.”

In the interim, Thean is coaching some clients on the importance of a daily huddle and it dawns on him that this might just solve the problem with his home contractor. If a daily huddle worked for the team that designed the RAZR for Motorola, why won’t it work for all projects?

“So I set up a meeting and outlined three scenarios with the contractor:

- 1) Continue with you so long as you do my daily huddle
- 2) Take your advice, I take your subs and finish the project
- 3) Fire you today, give you my lawyer’s phone number and card and you pay to finish the project.

Choice 2 was not acceptable to me because I’m not a contractor. He says choice number 3 is not acceptable to him,” describes Thean.

So they settled on Choice 1. Thean then outlined two simple rules that the contractor couldn’t violate or the deal defaulted to Choice 3! Here were the conditions:

- 1) No independent design decisions – “get all the liars in the room”
- 2) Daily huddle, 6pm EST, face to face or the contractor must call Patrick

And on the five minute call Thean wanted to know:

- 1) good news today – what happened today
- 2) what’s up tomorrow – the ONE thing focused on tomorrow
- 3) where are you stuck

One indication of the success was a proactive decision the contractor made in Thean's favor.

The first week the contractor missed one of the 6pm huddles. "So I called him at 6:30pm and left a message saying 'if you don't call me tonight, you will be terminated tomorrow' – he called me back right away," smiled Thean.

How has it worked? "Our conversations have changed completely. I'm not asking 'when are you showing up' – instead he shows up so he can share good news. And he's thinking proactively about the project because he has to report what will be done tomorrow," notes Thean.

"The best result has been the attitude change. He's not just doing the minimum and actually wants to make me happy. And we're able to make decisions each day and/or remove barriers that were holding up the project."

One indication of the success was a proactive decision the contractor made in Thean's favor. "I was considering the new siding we would be putting on the back of the house and wondering if we should put in insulation," recalls Thean. The contractor noted that the rest of the house wasn't insulated and that it wouldn't really do that much good. However, the next day, he reported that he had ordered insulation and would put it in.

"I noticed you weren't totally happy that I was suggesting not doing the insulation and decided I should do it anyway," explained the young contractor. He further commented "Patrick, thank you – I can't afford this project to go south and you've taught me the systematic value of doing these meetings – a discipline I have to have to become a bigger firm."

Concludes Thean "Our working relationship was not only repaired, the relationship was rebuilt, including trust."