

Interviews with Small Residential Construction Company Owners

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Within the NIOSH Small Business Program, we're interested in the ways that small businesses differ from larger ones and how those attributes might affect safety. Construction is one of the more dangerous industries, and it's filled with small businesses, so we have a project going on where we're seeing what type of health and safety help NIOSH can provide to small business owners in the construction industry. We did some customer discovery interviews and we built a web-based prototype, which we iteratively redesigned until we had a good sense of the types of things small construction business owners would respond to. Today I'm going to share with you my experience of interviewing 41 small business owners this summer. I have some audio clips pulled from my interviews to play at the end of my presentation.

Before we invested in any products or developed new content, I wanted to do some value proposition design. In essence, NIOSH has a range of stuff that we know and that we're good at. We have our core competencies—and we also have our weaknesses. Small construction businesses have their own tasks that define their work, pain points that they would love to eliminate, and opportunities for gain. I wanted to investigate what those tasks, pains, gains were so that I could identify overlap between what these companies need and what NIOSH has to offer.

I wanted to interview individuals, not focus groups, about their attitudes toward their work. I had no interest in learning what they thought about NIOSH or any of its products. While I made sure we talked about safety and health, it was not the main point of discussion. I was far more interested in learning about what these business owners cared the most about, whether that included safety and health or not. Previously it had been difficult for me to find good people to talk to. So this time I hired a marketer here in Cincinnati named Crystal Kendrick. She owns Voice of Your Customer, a local small business. As an aside, I highly recommend Voice of Your Customer. I asked Crystal to recruit a variety of small business owners in the greater Cincinnati area who do residential construction and who would be willing to talk to me for half an hour about their work.

["By Trade" slide]

Crystal arranged interviews with 41 owners and managers. The majority did general contracting or "handy man" work. Within that group, most had gotten into the business with a specialty, but had expanded their services to accommodate customers until they could do anything. Several told me they did everything "down to the studs," which sounds kind of like a dating show, but I never mentioned this to any of them. People who identified a work specialty tended to mention that they could do other stuff too.

When I asked how they built their business, they all had a few successful early jobs and from then on never had to advertise. In most cases they told me they had more work than they could do and they only received customers through word-of-mouth. A few of the newer businesses hadn't yet accrued a consistent customer base. I assume either they will, as all of the more mature companies had, or they would go out of business. No one who had been around for more than 5 years was still scrapping for jobs. A couple of guys mentioned that they would post photos of their work on Facebook or Instagram. I got the sense that they did it to show off their portfolio a bit, but it ended up flooding them with work requests. Primarily, though, word-of-mouth drives customers to them. Some do work they didn't intend to do. They may have built a staircase, for example, as part of a bigger job, and they find that their next several customers want staircases, until—through word-of-mouth—

they've become the "staircase guy." So I found that the categories were a lot more fluid than I thought they would be.

["Company Size" slide]

To defining what I meant by "small," I asked Crystal to find companies that had 20 or fewer employees—but the smaller the better. I wanted ones where the owner still did core work. Coming from the Federal government, it's really hard to find sole proprietors. Thanks to Crystal, the bulk of the people I talked to worked alone or had a few helpers, usually a friend or relative they had hired. Many had worked with other partners or in bigger companies before going on their own. Some had started and stopped their business more than once based on opportunities and the economy. A few were moonlighters who worked for a big company and ran a business on the side.

Health insurance was a factor in their employment decisions. The moonlighters kept their day job for the insurance, which would have been unaffordable otherwise. Full-timers, especially those with a few employees, complained that it was hard to compete when they had to factor insurance into their bids. As one contractor noted, "Some of my competition get insurance through their spouse's plan. It makes it hard to match." Most of the people I talked to had no health insurance and just hoped for the best. They acknowledged that the work was taxing and that it either had beat them up already or that it surely would by the time they were forced to retire.

I wanted to hear how these people talked about their work, not just how they answered a series of questions. I wanted to hear what they were passionate about and what they despised. I paid attention to what tasks people liked and what they didn't. If you're interested, here's my completely unscientific rankings of job happiness as expressed by the people doing it.

The most mundane and spirit crushing seemed to be electrical work. It sounds like it's pretty rote and doesn't leave any creative license. Electricians half-heartedly told me that there's plenty of work and that the pay is fine. None of them expressed any excitement, and certainly no joy. Next up was drywall. People who do nothing but drywall seemed slightly ashamed, but not sad the way electricians were. Among the generalists, the thing they hated most was sanding drywall. So the gold medal for universal disdain for a task goes to sanding drywall. Full-time painters seemed like they didn't hate painting, but they may have been happier doing something else. Just an observation.

["Demographics" slide]

Crystal did her best to get me females to interview. Despite a grand effort, she found 4. Probably not a surprise, but construction, it seems, is a male-dominated field. This is something that all 4 women I spoke with noted.

Crystal also had a hard time finding young people for me to interview. This again is not too surprising: I found that most of these people worked for someone else before making a go of it on their own. Among the 40+ crowd, I heard a regular refrain about "kids these days." They claim that "kids" are not willing to work hard and they don't care about quality and they're not going into the trades anymore. I expect that some of the curmudgeonly belly aching reflects a blindspot: they themselves are the cream of the crop—hard working, quality oriented, and dedicated to their craft. Therefore, they—unlike like many of their GenX and Boomer brethren—were able to succeed in launching and sustaining a company of their own. And here's what I found from the 16 younger-than-40 people I talked to: they had the same complaints as their older counterparts. They just didn't mention youth as a factor.

Many within the 50+ crowd expressed worries about the future of their business. A few planned to pass it along to a son or nephew. Others were disappointed that no one in the family wanted to take over the company. I

heard a nearly universal suggestion that the trades were dying, that it was the domain of older guys. I don't know if the data bears that out. My suspicion is that people will take an opportunity to earn a buck if one arises. So when the opportunity arises to make some cash in construction, will any "young people" have the necessary skills? Very few of the older people I spoke with had attended any sort of trade school. By in large, they said they had always had a knack for hands-on work. Their training amounted to an apprenticeship of observation. To learn or to stay abreast of the state of the art, they did three things. They watched other people work. They asked someone they had previously worked with (preferably an "Old Timer"). And they watched videos on YouTube. Some mentioned that sales reps were good sources of information, and so were inspectors.

Crystal had a very hard time recruiting Hispanic people for me to interview. She explained to me, "They're scared." I was asking everyone about the pain points in their business. One thing that didn't get captured was fear of government or police or ICE. So for the record, I discovered this pain point because the people who it affected the most were too terrified of talking to a guy from the government to talk to me. One of the two Hispanic guys I talked to was actually from South America. He was pretty nervous talking to me at first. It wasn't until after 10 minutes that he felt comfortable enough to give much more than a yes or no. Then he told me about a very drunk guy running around at a work site in Brazil with a live saw. He said, "That wasn't safe."

As mentioned when I started, I wanted to understand NIOSH's value proposition as it related to small construction businesses. I asked them about their pain points and about their "gains"—the positive stuff; the rhyming opposite of "pains."

Categorized list of "pains" from interviews

Liquidity

- Capital
- Cashflow
- Charging materials to your own account
- Constant debt "as soon as employees clock in"
- Delayed payments
- Finance
- Liquidity
- Liquidity
- Liquidity
- Meeting payroll
- Negotiating finance
- Nonstandard payment agreements
- Owing money
- Payroll
- Payroll
- Waiting 120 days for payments
- Waiting to get paid
- Working out of pocket

Employees

- Adjusting to "millennial" workers
- Can't find "good" people
- Employees arguing with customers
- Employees showing up

Employees showing up and doing good quality work
Guys not showing up
Hard to hire
Hiring and the stigma of construction as “dirty” work
Manpower issues
No calls and no shows
No-go workers
Productivity drops when management isn’t on site
Showing new people around a work site
Unreliable laborers

Pressure

Bigger jobs (“Worry don’t wear a watch.”)
Deadlines
Deadlines with need for quality, speed, efficiency
Fear of failing
High stress
Paycheck depends on you
Pressure to finish job TODAY
The business never sleeps
Tight timelines
Tough leaving work at work
Uncertainty is rough
Unfinished jobs

Quality

Bad architectural drawings
Being forced to not fix things that should be fixed
Can’t deliver what was promised
Greedy big companies that don’t care about quality
Lazy workers who don’t do quality work
Low quality work
Other contractors leaving flaws in their work
Others taking shortcuts
Owner has to be on the job to get work out of employees

Customers

Customers who change requirements mid-job
Customer add-ons
Customer complaints
Customer demands that don’t reflect reality
Customer leaving problems unfixed
Dealing with customers
Nitpicking customers
Nitpickish customers
Picky customers

Time

Encroaching on family time
Having to pick and choose jobs (having to turn down work)
Hurried work
Jobs that drag out
Long hours
Long hours

Missing deadlines
Still working, even at home
Taking on more than can do

Nature of work

Daily monotony
Mundane work (painter)
Physical labor
Physically taxing work
Toll on the body

Scheduling

Inconsistent work
Planning: Lining up jobs, meeting deadlines, keeping guys busy, scheduling subs
Poor job organization (when hired as a sub)
Scheduling a sequence of subs
Waiting on others to finish their work

Conditions

Facing terrible work environment conditions
Lack of control over work environment
Watching for trends in market and economy
Working in hot and cold environments

Supplies

Having to do "supply runs" while on the job
Needing to order supplies during job
Waiting for material
Waiting on supplies

Other

Dealing with vandals (e.g., thieves, graffiti)
Equipment breaking down
Stolen tools

Aging/injury

Getting older
Nagging injuries
Worried about safety

Interpersonal

Dishonest people
Finding trustworthy partners
Relating to people with different backgrounds

Benefits

Insurance (lack of)
No insurance
No retirement

Costs

Hard to keep cost low with health care, worker's comp
Trying to keep margins up

Bids

Doing estimates but not getting jobs

Competition

Competing with low-ball estimates

Categorized list of “gains” from interviews

Results

“You can do amazing things”

Beautifying

Before and after

Before/after

Bringing things to life

End results

Fast gratification with finished jobs

Having people be excited about work you’ve done

Positive reviews

Satisfaction from finished job

Seeing a finished product

Seeing a great result

Transition from trashed to excellent

Autonomy

Able to be selective about jobs

Being able to use “your own people” for subs

Can’t be fired

Freedom

Freedom

Freedom, no boss

Love having the freedom

Sense of control

Sense of control

Working alone

Working for self

Relationships

Access to general contractors

Being able to trust others on the job

Friendships with clients

Getting referrals

Knowing good people in the business

Meeting people

Meeting people

Personal relationships with workers

Working with good people

Reputation

Being respected for your work

Getting work on strength of reputation (“when they call me, they know what they’re getting”)

I did this

Pride in reputation

Repeat business

Reputation and quality is what matters

Respect

Satisfaction of “I did that!”

You did it yourself

Novelty/creativity

Ability to be creative

Being able to visualize a solution

Being creative
Interesting challenges
Learning from the people you work with
Positive challenges
Solving problems
The chance to express yourself

Money

Better money
Better pay
Big rewards for risks
Financial stability
Getting paid
Getting paid
Having solid payment agreements
Paycheck

Employees

Can take care of employees
Employees who show up
Having good teams of employees (“good pairings”)
Hiring someone good
Not having to babysit workers
Satisfaction of keeping people employed
Seeing good things happen in employees’ lives

Customers

Customers who are willing to wait because they want *you* to do the work
Grateful customers
Happy customers
Impressing long-term customers
Keeping customers happy
Meeting customer expectations
Satisfied customers

Efficiency

A job with no problems
Being prepped for the next day
Efficient work, moving smoothly from one step to the next
Emergencies are handled
Getting a lot done
Getting more done than planned

Scheduling

Clearing the docket
Finishing a project early
Having a backlog of work...with a few gaps
Having multiple small jobs that can be staggered
Small jobs that can be finished in a day

Quality

Doing quality work
Finishing with an eye on details
My work will outlive me
Quality that “outlives me”

Nature of work

Helping people
Physical activity
Working outdoors
Working with hands

Integrity

Being honest in bids, time, and work
Doing work honestly
Sense of integrity, knowing work is great

Cleanliness

Keeping the job neat and clean
Leaving a work site clean

Safety

Everyone home safe

Hazards

When I asked about safety issues, I got a mix of responses. I heard a few maxims like “safety first,” “be patient,” and “only do things you’re comfortable with.” I got lists of equipment they use, and lists of hazards they worry about. They told me stories about things they had witnessed, heard about, or experienced. I also heard several things that hinted at a larger story: “You got to make sure that the wall is secure”; “Be really careful about soft spots in the floor.”

People who had worked at big companies had a much better handle on safety and were far more likely to have training. The bigger businesses valued safety more highly. No one at all talked about fear of fines or regulators. Several indicated that they found inspectors and people of that stripe to be useful assets.

Many of the business owners—especially in the smallest companies—shared a fatalistic view of their long-term safety and health, which was often paired with comments about their lack of health insurance. One man mentioned that he tried to be safe, but he was almost certain he would “get something 10 years down the line. I’ll get sick from something we don’t even know is bad now.”

Several tried to glaze over safety quickly.

“I never got hurt... No, once...” He was patching masonry, he fell, and a ladder landed on him. Then he recalled several eye injuries. He broke his collar bone once. Then there was the time he cut his finger on a sawz-all while installing some shelves. “I breathed lots of craps and got lots of sinus infections. I hated wearing a mask and goggles. It’s too hot.” Oh yeah, and I drilled into my finger.

Half of the business owners mentioned heights or falls or ladders as being a big—usually the biggest—safety concern. The other hazards that were recognized the most were dust and fumes and clutter at a disorganized site. 18 people said that the best prevention mechanism involved being patient or just being more careful, planning ahead or relying on experience.