

# WATTS UP

June 01, 2007

Alaska Chapter NECA Newsletter

[www.alaskaneca.org](http://www.alaskaneca.org)

## Chapter Calendar

May 28

June 5

June 12

June 13

July 8

Memorial Day

Anchorage JATC

Safety Committee

Board Meeting/Membership Meeting

NECA Open Golf Tournament

## Tool Box Talks

June 04, 2007

June 11, 2007

June 18, 2007

June 25, 2007

Horseplay/Unsafe Acts

Housekeeping

Injury Prevention, Back/Injury Prevention, Ears

Injury Prevention, Eyes/Injury Prevention, Feet

## MEMORIAL DAY

The Chapter office will be closed for Memorial Day Monday, May 28, 2007.



## NECA Show Coupon Online

Know someone who could use a break? Get \$10 off the price of registration for 2007 NECA Show in San Francisco, Oct. 6-8. Show registration includes three days of access to more than 200 leading vendors from the electrical construction industry, plus admission to all Technical Workshops! Only one coupon per registration, but print as many coupons as needed to send to everyone in your company! Registration for NECA 2007 San Francisco, including the trade show, opens May 21. Download coupon now at <http://www.necaconvention.org/tradeshow>

## Adding Workers Will Test Management Skills

ADN\*Monday, May 21, 2007 Your Business-Illana DeBare

**Q. I am an electrical contractor who until recently worked alone. But I've been getting much busier and in the last few months have had to hire three employees. Despite being busy, I feel as if I'm almost losing money because of all the new expenses involved with employees. Someone told me that for a small business to make money, the owner needs more than eight employees. Is this true? Is there a formula I should know about?**

**A.** Maybe the person touting that eight-employee formula did the math for his own business and found that he had a break-even point with eight employees.

But there's no such blanket formula for all kinds of businesses.

Your problem of "almost losing money" should be a wake-up call to review how you're estimating and bidding on jobs.

Working alone, you may have had an instinctive knowledge of how long it would take you to complete certain tasks. With employees, you need to think through the time and cost of projects more carefully.

"As you start to add people, you need a better mechanism for tracking what really costs you," said Vicki Suiter, a small-business consultant with Suiter Financial Systems in Novato, Calif., who has numerous contractors as clients.

Ask yourself:

- Have your estimates been on target? "Go back and look at every part of a job and ask, 'If I thought it was going to take five hours, did it really take 10?'" Suiter said.
- What is the real cost of your employees? This goes beyond wages to include the employer's share of payroll taxes as well as workers' compensation, liability insurance and benefits such as

health coverage.

"On average, contractors pay about 30 percent (in personnel costs) on top of wages," Suiter said. "A really large framing contractor might add 35 percent. A roofing contractor might add 100 percent because the worker's comp and liability insurance are insane."

- Do your estimates include overhead-such as the time you're suddenly spending on hiring, supervising and handling payroll for these employees? And are you also including a profit margin for yourself? Suiter suggests that contractors factor in 20 percent to 25 percent for profit.
- Are you managing your employees to get the most out of them? Your workers are probably less productive than you would be, since they're less experienced and they're not working for themselves. For instance, they may need five hours to finish a job that you could do in three. You should take this into account when you estimate the cost of a job. At the same time, with attentive management you may also be able to improve their productivity.

"Make sure you communicate really well what you want," Suiter said. "Tell them how many hours were built into your bid on each phase of the job. Track their actual hours against the goal and provide feedback. Expecting entry-level electricians to do their own time management is an unrealistic expectation."

Want more information? Trade groups like the National Association of the Remodeling Industry offer classes in business skills for contractors.

### **FUTURE SCHEDULE OF EVENTS.....**

August 23-26, 2007	District Six Mini-Convention/Coeur d'Alene, ID
October 5-8, 2007	NECA Convention/San Francisco, CA
December 15, 2007	Annual Meeting/Christmas Party
October 4-7, 2008	NECA Convention/Chicago, IL
September 12-15, 2009	NECA Convention/Seattle, WA

## **Message from Russ Alessi, President, ELECTRI International**

Staying ahead of the latest innovations and supporting research that advances the industry are among ELECTRI International's and NECA's greatest efforts. A project that I am particularly excited about is the 2007 Solar Decathlon competition, and in particular, "Morning Star," Pennsylvania State University's entry in the decathlon.

Designed to raise awareness about solar photovoltaic technology, the Solar Decathlon features demonstration solar houses designed and built by teams from 20 universities. The entries will be displayed and tested on the National Mall in Washington, D.C. in October. ELECTRI International is the leading sponsor for "Morning Star." Penn State's decathlon entry is a demonstration solar house with an 8.5 Kilowatt system that will generate enough electricity to power a typical home. The structure is being designed and constructed by a team of students led by David Riley, an associate professor at Penn State and Director of the University's Center for Sustainability.

In April, our ELECTRI Council Chairman, Bob Bruce (Bruce & Merrilees Electric Company, New Castle, PA) and I had the pleasure to meet many of the engineering and architectural students working on "Morning Star." Bob and I were pleased to present the Decathlon team with the Foundation's \$50,000 sponsorship check for their entry.

This is an incredibly worthwhile investment for NECA, the Foundation, and our member contractors. The photovoltaic (PV) market jumped 40 percent last year, and an increasing number of home and building owners are making the installation of PV systems a priority – which makes it a priority for us to support research into the technology shaping our industry.

This team of up-and-coming design and construction professionals are transforming sustainable technology theories into very real possibilities – and new opportunities for NECA contractors, who will be at the forefront of this rapidly growing market. After all, it is electrical contractors who will be instrumental in the inevitable shift to renewable energy sources in future construction. I like to think that our funding of this cause is supporting the overall growth and future of the industry.

## **July 1 Deadline to Receive Free Manual of Labor Units**

*New MLU Electronic Data Download Subscription Coming Soon from Trade Services*

For 84 years, the NECA Manual of Labor Units has given electrical contractors access to the industry's most accurate electronic contracting labor-unit data available. NECA members now have three choices in how to get their updated 2007-2008 Manual of Labor Units data – in print, CD-ROM, or as an electronic data download in partnership with Trade Services (TRA-SER).

Accredited reps for NECA-member firms will soon receive an order form by mail requesting their MLU format choice. Forms are due back at NECA by July 1 to receive a complimentary MLU in print or CD.

The mailing also contains information about the soon-to-be-released electronic download version of the MLU through TRA-SER Premier. Information for ordering additional MLU copies is also included.

### **NEW! MLU as an Electronic Data Download**

Developed as an add-on feature to TRA-SER Premier, a material product and pricing software from Trade Service, this annual subscription delivers MLU data by electronic download through an Internet-based process.

To date, the printed and CD versions of the MLU have been revised every two years. Now, new data sections and revisions will be delivered electronically to subscribers as soon as they are developed.

MLU data is also being integrated with most major electrical construction estimating software systems. Trade Service has developed a link specification; with each of these systems so that they can create a seamless update of the MLU data from TRA-SER into their applications. As with the MLU CD-ROM, Excel-formatted images of the manual's pages are also viewable and printable in the TRA-SER Premier.

Inclusion of the NECA MLU will be effective with the 4.2 release of TRA-SER Premier, planned for May 31. A subscription to TRA-SER Premier must be purchased separately from Trade Service. NECA members subscribing to TRA-SER Premier will **still** receive their complementary print or CD-ROM copy of the MLU, provided they return their order form to NECA by July 1. A special NECA-member discount of \$750 off a TRA-SER subscription is available to new TRA-SER Premier subscribers. For information or to order TRA-SER Premier, contact Trade Service by phone, 800-701-7003, or email [contractor\\_sales@tradeservice.com](mailto:contractor_sales@tradeservice.com)