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## Tyler Awarded DBE Supportive Services Contract by TDOT

Tyler Construction Engineers, P.C. (Tyler) was recently awarded a contract by the Tennessee Department of Transportation (TDOT) to provide statewide Business Supportive Services to certified Disadvantaged Business Enterprises (DBE) in the state of Tennessee. This award is a three-year contract program.

Under the terms of the contract, Tyler will provide management and technical assistance, as well as workshops coordinated for DBEs and small businesses to enhance the skills needed to facilitate and augment the growth and development of these businesses.

“We are looking forward to continuing our work with the TDOT Small Business Development Program and other small businesses within the state to help develop a strong and stable base of small businesses in the transportation construction industry”, said Victor C. Tyler, President of Tyler Construction Engineers. He also stated, “We are pleased with this award. It fits well with our philosophy of providing innovative solutions to our clients in the construction industry”.

*Tyler Construction Engineers, P.C., based in Nashville, is a leading provider of construction cost engineering, estimating, and management consultant services to public agencies and private sector companies in the architectural, engineering construction industry.*

**Joe Galbato**  
Interim Commissioner  
and Chief of Bureau of  
Administration

**Vince Malone**  
Director, Civil Rights  
Division

**David Neese**  
Director, Small Business  
Development Program

**DBE Supportive Services**  
Tyler Construction Engineers,  
P.C.



## Characteristics of Successful Small Businesses

**Written By: Victor C. Tyler, P.E.**  
Tyler Construction Engineers, P.C.

With a new year stretching out before us, what does your business have in store for you? Unless you can see into the future, you won't know what 2022 will bring. The questions are, "Are you ready for anything? Have you been building the type of business you have always dreamed of?"

Over the years of providing supportive services to DBEs, we have often wondered, "What makes the successful small businesses maintain, and even grow, no matter what the economy?" Our inquisitive minds prompted us to examine, and carefully take note of, the characteristics of the most prospering small businesses we work with in the TDOT DBE Program on a daily basis.

The characteristics most observed were:

- **An easily understandable business strategy,**
- **Flawless execution of services,**
- **An inspiring company culture,**
- **An organizational structure that simplifies work,**
- **The ability to attract and retain talented employees, and**
- **A strong leadership team that has a stake in the company's success.**

**“Have you been building the type of business you always dreamed of?”**

Small businesses exhibiting these characteristics had some ability to see into the future because they decided years ago that they had to know what they wanted, have a written plan to get what they wanted, and use benchmarks to successfully progress toward what they wanted.

Do you want to get back on the success track? Then hopefully as you read through this newsletter, you will experience renewed energy and confidence to work on improving your management practices in 2022. If you are a TDOT certified DBE, be sure to contact the DBE Supportive Services so our team of consultants and subject-matter experts can walk you through creating your roadmap to success. Hope you have a great and prosperous year!

Much Success!



# TDOT DBE Supportive Services

## BUSINESS MANAGEMENT TRAINING AND TECHNICAL ASSISTANCE

The TDOT Disadvantaged Business Enterprise Supportive Services Program (TDOT DBESS) is designed to assist minority, women, and disadvantaged small business owners in developing and promoting their businesses in the highway construction industry. It was created by the U.S. Department of Transportation and administered by the Tennessee Department of Transportation. The purpose of the DBE Supportive Services Program is to increase the number of USDOT certified DBEs participating in the highway program and to contribute to the growth and eventual self-sufficiency of DBE firms.

The TDOT DBESS offers a variety of professional services and training classes designed to assist DBE firms in succeeding in the transportation construction industry. Seminars and informational meetings are made available throughout the state and online. The primary focus of these seminars is to disseminate industry specific information on estimating and bidding, strategic marketing, job cost accounting, cash flow management, business planning, and leadership development.

Our Supportive Services Consultants are ready and waiting to assist you with ANY question you have!

Give us a call today at 888.385.9022 or  
email [DBE\\_supportive\\_services@tyler-engineers.com](mailto:DBE_supportive_services@tyler-engineers.com)  
Complete our intake form at [www.tylerengineers.com/intake-form](http://www.tylerengineers.com/intake-form)



## Business Management Training And Technical Assistance

### Business Assistance

- Business Planning
- Strategic Marketing Planning
- Human Resource Compliance
- How to do Business with TDOT
- Business/Leadership Coaching

### Technical Assistance

- QuickBooks Software Training
- Estimating & Bidding Training
- Bid Markup Calculations
- Financial Ratio Analysis
- Construction Plan Reading

### Business Development & Mentoring Program

- Business Needs Assessments
- Project Business Management
- One-on-one Assistance
- Financial Benchmarking

# Recruiting Time

**Written By: Marshall Tabb**

Financial Management Consultant

College football coaches know that recruiting the best high school athletes is essential to having a top-rated program. Each coach desires to convince the best of the best individuals to attend their respective college and/or university. Thus, college football recruiting is an extremely competitive job task.

Due to the shortage of skilled labor in the construction industry, companies may need to rethink their recruiting strategy. There was a time when a talented person would knock on your door for an opportunity to work at your company. Just as head football coaches and assistants hit the recruiting trail, company owners, superintendents, and job supervisors should be seeking talented persons for their company to stay competitive.

Mr. Dwan Branson, CEO of Etchmark Pavement Maintenance Experts, LLC, is currently hitting the recruitment trail. Branson invited Aurellius Anglin, a high school senior to a current job site to highlight what Etchmark does and why. Etchmark is a striping and seal coating company. Aurellius asked Branson about opportunities to gain experience within the company. Branson assured Aurellius he has an excellent opportunity for growth at Etchmark. Aurellius also wanted to know about certain features and attachments of the striping machine. Branson said safety protocols were a priority at Etchmark. Most intriguing was at no time did Aurellius ask about what the job paid. Branson said that told him Aurellius was more focused on the job rather than pay.



“Due to the shortage of skilled labor in the construction industry, companies may need to rethink their recruiting strategy.”

Branson was asked why he was so interested in hiring a raw talent. He replied, “I can easily train him and teach him my culture.” Branson said he has hired experienced workers in the past who wanted to do things according to their previous employer’s way of doing a task, which did not always coincide with Etchmark’s way of doing business.

This initial visit proved to be beneficial to both Branson and Aurellius. Following the visit, Branson and Aurellius walked away with a mutual appreciation for one another.

Aurellius is scheduled to graduate in Spring 2022. I will continue to track his progress and report it in future newsletters.



# Upcoming TDOT Small Business Workshops

These sessions are open to DBEs, Small Businesses, and Prime Contractors interested in continuous improvement. Seating is limited. No cost to register. Watch your email inbox for seminar announcements and registration information. Be sure to let TDOT Supportive Services know of your interest in attending any of these classes by email [DBE\\_Supportive\\_Services@tyler-engineers.com](mailto:DBE_Supportive_Services@tyler-engineers.com).

## The Business of Doing Business Roundtable Discussion

Presenter: Tyler Construction Engineers, P.C.

This seminar is an overview of how companies should be able to run their business with clearer visibility and control from beginning-to-end of the project life cycle. The objective of this workshop is to help attendees revisit how they strategize, plan, and execute each vital area of their business!

This will be a roundtable discussion of the five critical functional business areas; business development, bidding, building, billing, and banking.

This is one of the most informative seminars you as a business owner will attend this year!

**May 10, 2022**  
**9:00 am – 10:00 am**  
Central Standard Time  
(Virtual)

**REGISTER HERE**

<https://www.eventbrite.com/e/the-business-of-doing-business-a-roundtable-discussion-tickets-31777891227>

## Roadway Estimating & Bidding Mini-Boot Camp

Presenter: Victor C. Tyler, P.E., Tyler Construction Engineers, P.C.

This workshop is an introduction to Estimating & Bidding Civil Infrastructure Construction. This class will provide a firm foundation for those interested in learning more about this important function. After completing this boot camp, participants will understand how to organize an estimating document, understand quantity take-off, materials pricing methods, labor and equipment productivity rates, and how to calculate overhead markup and profit.

Class participation will be key in this course as we explore the following concepts:

**Session 1:** Estimating Labor and Materials

**Session 2:** Construction Hauling and Equipment Unit Costing

**Session 3:** Job Costing, Bid Markup & Profit

Attendance in all sessions and active participation in this intensive course is essential to success in learning to estimate and bid on DOT and Infrastructure projects.

**Please Note:** In-person classes will be limited to 12 participants per location.

**8:30 am – 4:00 pm**  
Central Standard Time

Locations TBD:

Memphis

Nashville

Knoxville

Chattanooga

## TDOT DBE Small Business Annual Meeting

Franklin Marriott Cool Springs, Franklin, TN

Additional information coming soon!

**SAVE THE DATE!**

August 8-9, 2022

# Is This All You Got?

Offer Something More Than Just A Bid Price!



**Written By: Curtis Webb**

Strategic Marketing Consultant

Over the years when talking to small business owners the only marketing they exhibit is developing a low price for every bid opportunity that arises. If you conduct your business opportunities in this manner your business growth will be limited.

You should think about marketing your business as a way to make a potential customer/client happy. Remember, you are offering a service that they are in need of and that's why they have bid advertisements. Your potential customer's major goal is to find a company that can satisfy their needs, resolves their problems, and make them happy!

Most small businesses want their bid price to be competitive.

**“Spend time to clearly define all the benefits you offer as a business.”**

Win or lose that's it! However, after the bid, the questions they constantly ask themselves are “Was my bid cheap enough” or “Did I leave money on the table” or “Can I actually do the job for what I quoted”? Do these questions sound familiar?

Here's the situation, all of your competitors are quoting their competitive prices as well. This can make life stressful. What if you included with your competitive price a well-written and formatted capability statement emphasizing your years of expertise in the services you offer? You can present information about other similar jobs you've done in the past. Demonstrate your experiences in completing similar jobs. You can express your on time and on budget work history.

All of the above ideas are great, however, let's do something that will make the biggest impact; meet with potential primes or customers before an advertisement for bid is released and share all the

benefits you offer. Not only as a small business owner, but as a skilled service provider that can get things done quickly and effectively and make his or her day happy!

This approach is part of a relationship building process every business owner must master if you are to climb out of the paycheck to paycheck business cycle. Spend time to clearly define all the benefits you offer as a business. When you submit a bid, it should mean more than just a price. Your bid price along with your capability statement will demonstrate your desire to build a relationship with the requesting party.

To find out other helpful marketing strategies that can improve your bottom line, contact TDOT DBESS at: 888.385.9022 or visit

<https://tylerengineers.com/intake-form>



# Time Tracking

Jay B. Mercer, EA

Certified QuickBooks Advisor

Keeping track of how you and your workers spend time is one of the most important things you can do in your business. Labor costs can be a large portion of expenses, and understanding how time is spent can help you manage your business better in many ways.

## Benefits of Time Tracking

There are many reasons and benefits to tracking time:

- If you price by the hour, time tracking is mandatory because, without it, you won't be able to invoice your clients accurately.
- Tracking time helps managers understand how long a task should take, where employees may need training, and where processes and procedures improve.
- Time reports can be entered into a project management system and reviewed to make better fixed-fee pricing estimates on future jobs and customer proposals.
- Time tracking feeds into job costing for construction companies.
- For manufacturing businesses, time tracking feeds into labor reports.
- Time tracking is used in payroll systems to pay hourly workers accurately.



- Time tracking can increase accountability among workers as they become more aware of how they spend their working time.
- When time is budgeted in advance, actual hours worked can be compared to the budgeted hours to assist in future budget estimates.
- Time tracking allows managers and business owners to determine when they need to hire additional staff because the backlog has become too large.

## What Is Time Tracking?

Time tracking is the recording of how you and your employees spend your time. You can use paper, a spreadsheet, or time tracking software to log the task you are working on and the length of time you worked on it.

Employees may be required to complete timesheets on a daily or weekly basis, which are then submitted to their managers and payroll administrators.

Managers can take time tracking to the next level by adding hourly payroll costs as well as the employee's hourly billing rate to gain insight into further time tracking financial metrics.

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## Time Tracking Software

There are many different types of timetracking software:

- A time clock allows employees to “punch in” when they arrive for work and “punch out” when they leave. This type of machine is mostly used for payroll in a manufacturing setting.
- Time tracking applications allow workers with computers to enter their time via the application. In some cases, workers can enter their time via a mobile device.
- Some companies will have their time tracking function embedded into their project management, job costing, or billing system. Employees would then enter their time via those applications.

## Getting Employees on Board with Time Tracking

Reporting hours in a time tracking system is one of the least favorite tasks of employees and requires an education in mindset and attitude more than any software instructions. Your employees mustn't feel like you will be “Big Brother” when using their time data.

For best results, let employees know how the timesheet data will be used. Allay their fears that they will not get fired or in trouble if they feel something “took too long,” which can often translate into an employee “fudging” their hours on a task where they might have made a mistake. Make sure they know they won't be penalized in any way for what they report. Communication is the key in getting employees to report their time accurately so that managers and owners can receive meaningful information. Have managers tie time tracking to an employee's personal career goals to increase adoption and reduce resistance.

## Personal Time Tracking

Time is our most precious commodity and tracking your time can give you insights into investing in yourself. Some interesting questions can be considered when you have some data for yourself.

How much “downtime” do you need each day?

How much time are you spending on your life goals?

Are you spending time on what you consider to be important?

## Getting Started with Time Tracking

Suppose you're considering time tracking or would like to take your current time tracking function to the next level. We can help with implementation, the accounting aspect of time tracking, and financial metrics and reports.





# Increased Infrastructure Funding

## Opportunities and Obstacles

**Written By: Victor C. Tyler, P.E.**

Tyler Construction Engineers, P.C.

By now you have heard about the large increase in federal infrastructure funding, right? Can you hear the tune, “Happy days are here again?” Hey, but wait! Many of the headaches that have plagued the construction industry for many decades, will continue to plague the industry in 2022 even with increased infrastructure funding.

With increased optimism in the industry and increased federal infrastructure funding, are construction participants ready? For contractors, it is still all about can they afford the volume of business they want to do. This very important question can be answered reviewing a company’s working capital and backlog. These financial components are critical to the health of a construction company, but often are not discussed thoroughly nor fully understood.

### Working Capital

Working capital, the operating funds available to the business, is found on the business’ accounting balance sheet. Working capital can be used to determine how much backlog the company can carry without over stressing their current financial resources. The basic equation to determine working capital is:

$$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

### Target Backlog

A company’s backlog is known by applying a multiplier to calculated working capital. What is the multiplier? A good starting place for most small to mid-size contractors is an industry standard multiplier of 10.

Applying this multiplier times the working capital gives you the target backlog amount.



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Generally, no more than half of a company's backlog should be in one job. Another rule of thumb to consider is to not bid a job that has estimated labor costs greater than the company's working capital. Labor can easily grow over budget which could lead to financial distress.

The data below summarizes a recent survey conducted of construction professionals by Trimble Viewpoint. The results of the survey suggest that construction industry professionals still remain optimistic despite current industry challenges.

#### Data from Trimble Viewpoint.Blog

- 65% expect larger contract values
- 64% expect more project starts & backlogs
- 53% expect to hire more
- 57% expect to spend more

### Why should a contractor consider this?

Past research conducted by the construction finance industry found that most contractors fall into financial ruin when they take on too much work. More small contractors would survive the good and the not so good economic times better when they consider the amount and size of work that will be attempted while keeping in mind the question, "How much is too much"? Below is an example of a simple calculation.

#### EXAMPLE: WORKING CAPITAL

Total Current Assets = \$200,000  
Total Current Liabilities = \$150,000

This small contractor average job duration is 3 months.

Annual Turnover ratio:  $12 \text{ months} \div 3 \text{ months} = 4$

Working Capital Calculation:  
 $\$200,000 - \$150,000 = \$50,000$

Using a multiple of 10, maximum Backlog is \$500,000  
Maximum single job would be  
 $\$500,000 \div 2 = \$250,000$

Target Annual Construction Volume: backlog times  
annual turnover:  
 $\$500,000 \times 4 = \$2,000,00$

If you desire additional information about this or other financial analyses for small businesses, contact the subject matter experts with the TDOT Supportive Services Program at:

[dbesupportiveservices@tyler-engineers.com](mailto:dbesupportiveservices@tyler-engineers.com)  
or visit

[www.tylerengineers.com/intake-form](http://www.tylerengineers.com/intake-form)





## TDOT 2022 Construction Letting Dates:

**May 13, June 17,  
August 19, October 7,  
November 4  
(Mowing & Litter Removal),  
December 9**

The TDOT Civil Rights Division Small Business Development Program and its Supportive Services Consultants offer a variety of training classes designed to assist USDOT certified DBE firms to succeed in the transportation construction industry. Seminars and informational meetings are made available throughout the state. The primary focus of these seminars is to disseminate industry specific information on estimating and bidding, strategic marketing, job cost accounting, cash flow management, business planning, leadership development directly to your email inbox.

Our Supportive Services Consultants are ready and waiting to assist.

**Please Note:**

Beginning in 2022, TDOT will be utilizing AASHTOWare Project Civil Rights & Labor (CRL) as a requirement of contract compliance for submitting and certifying contractor payrolls. Special Provision 107CP (<https://www.tn.gov/content/dam/tn/tdot/construction/special-provisions/Const-107CP.pdf>) will be added to ALL CONTRACTS this year using this new functionality, which will be required for the prime contractor and all subcontractors. The Certified Payrolls Webpage (<https://www.tn.gov/tdot/tdot-construction-division/transportation-construction-division-resources/tdot-labor-compliance/certified-payrolls.html>) will give the contractors guidance on steps they need to take to begin this functionality in AASHTOWare. If you have any questions, please visit our website or contact us at [TDOT.CONSTRUCTIONLaborUsers@tn.gov](mailto:TDOT.CONSTRUCTIONLaborUsers@tn.gov).

**“If you believe in yourself and have dedication and pride – and never quit, you’ll be a winner. The price of victory is high but so are the rewards.”  
— Paul “Bear” Bryant**

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