

Tips for Managing Credit in Tight Times

The economic outlook for the year ahead is bleak. Some analysts have forecast that the second half of 2008 will stay mired in the doldrums with annualized growth not returning to near-normal levels until sometime in 2010. Federal Reserve Board Chairman Ben Bernanke has said the U.S. inflationary picture is shrouded in uncertainty and the maelstrom that resulted in the housing market buckle and the credit freeze has yet to subside.

Nonetheless, business must press forward.

Most companies have set certain tolerance levels for their risk

appetite based on factors such as position in the marketplace, margins, sales channels, as well as the creditworthiness of a particular customer. For most credit professionals, the stark reality is that there are simply accounts to which they must sell, no matter what. Credit reports are an aid, as are other tools, but there also must be a tangible set of credit policy and procedures in place.

Companies need to devel-

op their own credit policies. It is difficult for a credit person to try and utilize a generic credit policy outline because factors like terms are typically dictated by the sales department and there are accounts that executives will press credit managers to accept. Furthermore, there are times when customer delinquencies are viewed differently.

"A policy that mandates and dictates certain behaviors always has to have an exception-based rule. At least that's what I've found

in my experience," said Susan Delloiacono, CCE, director of credit, Brother International Corporation,

"We're flooded with information from the Internet, from alerts we've set up in the credit world. It's so much information that it's hard to put that all into a funnel and have it come out and translate into a one-size-fits-all policy."

She added, "Money is tightening up. And credit is really getting a spotlight at this point in time. I think we all agree that there's tension

...maximize sales, minimize carrying costs in accounts receivable, minimize bad debt and monitor costs.

(continued on page 4)

Member News

November 2008
Vol. 19, No. 11
Ft. Lauderdale, Florida

Safety Guys announced the hiring of Doug Stevens to lead the Safety Guys Sales Team.

Stevens has over 28 years of Construction Industry experience. He is a graduate of Texas A&M University with a Bachelor of Science degree.

Doug will be managing the sales process to General Contractors and Subcontractors, and his scope will include managing the Safety, Product and Netting Divisions of Safety Guys. He will also oversee Safety Guys' expansion into other markets outside of South Florida.



Doug Stevens

Pirtle Construction Company announced proceeds from its second annual Charity Golf Tournament held on October 3rd at The North Palm Beach Country Club with proceeds benefiting Palm Beach Community College. This year's event exceeded expectations raising \$45,000 for the College - 75% established The Pirtle Construction Company Scholarship with the additional 25% going to First Generation in College students. Pirtle Construction presented Palm Beach Community College President, Dennis Gallon, with a ceremonial check at the event.

Moss & Associates has completed The Ivy residential/mixed-use tower in downtown Miami, a \$121 million construction project.



The Ivy in Miami

INSIDE:

How to Prevent Workplace Hazards

Get it Done. Rent it Now!

Each month Construction FOCUS features a CASF member company, selected by drawing a business card from among those attending the monthly networking breakfast. The next breakfast, sponsored by Balfour Beatty Construction Co., will be held on Thursday, November 20, 7:30 a.m. at the Embassy Suites - Boca Raton off Yamato Road.

Sunbelt Rentals, a wholly-owned subsidiary of Ashtead Group PLC, is the second largest equipment rental company in the United States. Based in Charlotte, N.C., Sunbelt has a network of more than 400 branches, including 90 Sunbelt Rentals at Lowe's locations, in 35 states and the District of Columbia. Sunbelt services a variety of customers - from those in the commercial, residential, municipal, and specialized service industries, to the weekend do-it-yourselfers, with an extensive fleet that includes general construction equipment, industrial tools, pumps and power generation equipment, trench shoring, scaffolding, remediation and

restoration equipment and more.

They offer a highly diversified product mix through with both general tool and specialty divisions. Specialty divisions serve distinct customer segments requiring a high level of technical expertise. Sunbelt specialty locations offer trained experts and specific equipment lines to help customers solve complex challenges.

Sunbelt provides customers with greater market coverage and infrastructure by "clustering" locations in major metropolitan areas.

Committed to the safety of its customers and employees, Sunbelt Rentals offers safety programs covering scaffolding, aerial work platforms and forklifts.

Additionally, the manager of each Sunbelt location administers mandatory worker safety programs, as well as a safe driving pro-

gram for all employees that operate company vehicles. These practices helped Sunbelt earn the title of "One of America's Safest Workplaces" by *Occupational Hazards Magazine*.

Sunbelt's "No Sweat" Guarantee comprises five customer advantages:

- ◆ **Satisfaction** - You get your equipment on time and in peak operating condition, or your rental that day is free.

- ◆ **Delivery** - If they don't deliver within 45 minutes of the quoted delivery time, that day's rental is free.

- ◆ **Service** - When you call for service, they guarantee you'll be back up and running within four hours, or your rental that day is free.

- ◆ **Availability** - If you visit a location and guaranteed stocked item is not available for rent, they'll get it from another location and deliver it directly to your job site for free.

- ◆ **After-Hours Response** - You can count on Sunbelt Rentals for the fastest emergency service in the industry. 24 hours a day, 7 days a week. How fast? In 2007, they responded to 96.2% of after-hours calls for service and rentals in less than 30 minutes, and 99.4% in under one hour!

In a continual effort to improve service, Sunbelt offers customers the ease and convenience of online account management, including customized reporting and the option to call equipment on- and off-rent. For more information visit <http://www.sunbeltrentals.com> or call 1-800 NO SWEAT (1-800-667-9328) or contact Kevin Leger in their West Palm Beach office at 561-682-9888.



CONSTRUCTION ASSOCIATION of South Florida

2929 North West 62nd Street, Ft. Lauderdale, FL., 33309

Phone: 954-974-6333; FAX: 954-974-6633

info@casf.org

OFFICERS

Michael W. Fee, Lotspeich Co. of Florida, Inc., President
Richard W. Schuerger, John Moriarty & Assoc. of FL., First Vice President
Geoffrey Bunnell, James A. Cummings, Inc., Second Vice President
Bill Bower, Southeast Mechanical Contractors, Secretary/ Treasurer

BOARD OF DIRECTORS

◆**Russell Anderson**, Moss & Associates ◆**John Bennett, Sr.**, Baker Concrete Construction
◆**Bob Baer**, Central Florida Equipment ◆**Sidney Blaauw**, Steel Fabricators, LLC
◆**Craig Heiser**, Whiting-Turner Contracting Co. ◆**George Huettel**, Cyrus Technologies, Inc.
◆**David Keeler**, Form Works, Inc. ◆**Thomas C. Murphy, III**, Coastal Construction Group
◆**Jeff Slade**, Miller Construction Company ◆**Doug Wallace**, Stiles Construction Company

IMMEDIATE PAST PRESIDENT

Timothy M. Anderson, Balfour Beatty Construction Co.

◆ASSOCIATION EXECUTIVE VICE PRESIDENT, **John C. Siegle** ◆LEGAL ADVISOR, **Alexander Williams**, Ferencik, Libanoff, Brandt & Williams ◆FINANCIAL ADVISOR, **Robert Benson**, Crowe, Chizek and Company
◆CONTRIBUTING WRITER, **Joyce Salamone**

Construction Focus is the official publication of the Construction Association of South Florida. Article suggestions and submissions for publication consideration should be forwarded to the Executive Vice President.

Prevent Workplace Hazards with Job Analysis

Many workers are injured and killed at the workplace every day in the United States. You can help prevent workplace injuries and illnesses by looking at your workplace operations, establishing proper job procedures, and ensuring that all employees are trained properly. One of the best ways to determine and establish proper work procedures is to conduct a job hazard analysis. A job hazard analysis is a technique that focuses on job tasks as a way to identify hazards before they occur. It focuses on the relationship between the worker, the task, the tools, and the work environment. Ideally, after you identify uncontrolled hazards, you will take steps to eliminate or reduce them to an acceptable risk level.

Supervisors can use the findings of a job hazard analysis to eliminate and prevent hazards in their workplaces. This is likely to result in fewer worker injuries and illnesses, safer, more effective work methods, reduced workers' compensation costs and increased worker productivity. The analysis also can be a valuable tool for training new employees in the steps required to perform their jobs safely.

A job hazard analysis can be conducted on many jobs in your workplace. Priority should go to the following types of jobs:

- ♦ Jobs with the highest injury or illness rates
- ♦ Jobs with the potential to cause severe or disabling injuries or illness, even if

there is no history of previous accidents

- ♦ Jobs in which one simple human error could lead to a severe accident or injury
- ♦ Jobs that are new to your operation or have undergone changes in processes and procedures
- ♦ Jobs complex enough to require written instructions

It is very important to involve your employees in



the hazard analysis process. They have a unique understanding of the job, and this knowledge is invaluable for finding hazards. Involving employees will help minimize oversights, ensure a quality analysis, and get workers to "buy in" to the solutions because they will share ownership in their safety and health program. Discuss with your employees the hazards they know exist in their current work and surroundings. Brainstorm with them for ideas to eliminate or control those hazards. Review with your employees your workplace's history of accidents and occupational illnesses that needed treatment, losses that required repair or replacement, and any "near misses" -- events in which an accident or loss did not

occur, but could have.

These events are indicators that the existing hazard controls (if any) may not be adequate and deserve more scrutiny. If any hazards exist that pose an immediate danger to an employee's life or health, take immediate action to protect the worker. Any problems that can be corrected easily should be corrected as soon as possible. Do not wait to complete your job hazard analysis.

A job hazard analysis is an exercise in detective work. Your goal is to discover the following:

- ♦ What can go wrong?
- ♦ What are the consequences?
- ♦ How could it arise?
- ♦ What are other contributing factors?
- ♦ How likely is it that the hazard will occur?

To make your job hazard analysis useful, document the answers to these questions in a consistent manner. Describing a hazard in this way helps to ensure that your efforts to eliminate the hazard and implement hazard controls help target the most important contributors to the hazard.

Good hazard analysis scenarios describe:

- ♦ Where it is happening (environment)
- ♦ Who or what it is happening to (exposure)
- ♦ What precipitates the hazard (trigger)
- ♦ The outcome that would occur should it happen (consequence)
- ♦ Any other contributing factors.

For more information, visit OSHA'S website at <http://www.osha.gov>.

Tips for Managing Credit in Tight Times

(continued from page 1)

within our own companies with the attention on being paid. Accounts receivable and credit extension practices are under scrutiny."

For most credit professionals, she suggested that there has to be a sort of double-vision in place: one view that takes in the macro economic picture, and one view that examines the micro or localized picture, the structure within their own company.

"In the global marketplace, many things from wars to fuel are creating uncertainty," said Delloiacono, who suggested credit managers ask themselves: how does that affect me? "Look at the global marketplace and be aware of what is around you. Sometimes as credit people

we can be very binary-just looking at the 'yes' and 'no' of a credit decision without really considering all of these external factors."

With consumer confidence waning, consumer spending has been reined in, with non-discretionary spending being severely impacted by surging energy costs and plummeting home prices. The overall implications are broadly felt as capital and cash flows of businesses in turn have continued to get tighter.

"My counsel to you is to know your business," said Delloiacono. "Is your company sales- or top-line driven versus profits, profits, profits? That dictates how you're going to react in the credit granting area. If you are really bottom-line driven,

you may be really tough on credit and softer on collections. If you're soft on credit, typically you're working for a very marketing-driven company; a very sales-driven company that's like 'ship it, ship it, ship it.' If you have that kind of attitude, you better be tough on the collections side."

Credit managers should incorporate their knowledge of how the current economic factors of their company can be used to *maximize sales, minimize carrying costs in accounts receivable, minimize bad debt and monitor costs.*

"If we look at what our job is as credit people, it's just those four things," said Delloiacono. "Those four components are key to setting credit policy."

ROUTE 10:

