

THE CONTRACTOR STRIKES BACK!!

Independent contractors, especially those in any kind of construction, work mostly all the time; especially the small business owner. Remodeling contractors work six to seven days per week and most homeowners simply do not understand what goes into the remodeler's work or workday. This is the preliminaries and the process that is basically used and mostly required in Washington State.

1. Get a business license every year in every jurisdiction where you perform work so you can pay taxes to that jurisdiction.
2. *Get a bond, commercial insurance and then a license from L&I.*
3. Open accounts with the federal government, L&I, employment security, and department of revenue to pay taxes on employees and gross receipts (***note: not net receipts!***).
4. Negotiate and use lines of credit to use until a customer pays you.
5. Hire employees.
6. Buy vehicles and tools.
7. Advertise and join professional organizations and then advertise some more!
8. Go to classes to make sure you are up to date on rules and regulations.
9. Find and develop relationships with suppliers and subcontractors; get copies of all insurance certifications and licenses for subcontractors.
10. Respond to phone calls; set up appointments and meet with homeowners, business owners, and real estate agents to determine scope of project.
11. Prepare bid that is detailed to protect against legal actions and is in compliance with Washington state laws. This includes cost of materials, projected employee time and pay with employment taxes, any subcontracting costs, and time and travel. Figure out percentage of overhead costs on monthly/yearly basis. Figure out amount due to department of revenue and tax to be charged for each jurisdiction. Figure out how much your time is worth and how much you need to cover bills and have some profit
12. Send bid to Homeowner or Business owner, or Real Estate agent.

Please note there is no income associated with this work to this point. Also please note that at least 50% of the time the "customer" fails to acknowledge the bid or ever make contact gain. Real estate agents are the worst and believe contractor should give them and their customers extensive bids for free even though they know that this is just a way to get the numbers they need to negotiate the sales contract.

13. Respond to potential customer questions, revise bids two or three times and hopefully get a signed contract with first payment.
14. Schedule the work by signed contract to include materials ordering, agreements with subcontractors, and scheduling of employee time. Wait for the weather if it is an outdoor job or suffer the wet and cold with inherent ailments that occur as a result. Hope no one gets sick or has a family emergency.
15. Work with government and insurance officials for inspections in order to get paid. Wait for payment sometimes up to three months for FEMA , military veterans, and insurance jobs.

16. Start the work; communicate constantly with the customer, put up with messy, sometimes dirty and unsanitary work sites, make revisions, document revisions, finish the job and hopefully (!) get another payment. Answer questions and be friendly with curious neighbors who like to talk.
17. Have great repeat customers who understand prices and the need to make a little something for personal bills.
18. Make payroll in accordance with state and federal laws, make bank deposits.
19. Review best practices and trends in builders and industry magazines.
20. Display at the local home show if you have some time.
21. Work with architects who have no real idea on what it takes to actually build something. Work with building departments to secure permits. Act as a liaison between customer, architect, and building department.
22. Always be nice, friendly and accommodating ***even when the supplier screws up the order or special order you have been waiting weeks for, or your subcontractor fails to show up when scheduled***, listen to the upset customer and explain what happened; read untrue and inaccurate reviews about yourself and your company. Explain the reviews to your family and friends and previous customers.
23. Have the patience of a saint and really love what you do.
24. Be grateful for the nice customers and forgiving to the nasty ones.
25. Stop abuse from anyone.
26. Wake up and do it again.