TENNESSEE DEPARTMENT OF TRANSPORTATION CIVIL RIGHTS DIVISION

2nd Quarter | 2018



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TDOT CIVIL RIGHTS DIVISION

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DBE Supportive Services

Tyler Construction Engineers, P.C. 1-888-385-9022 DBE Supportive Services

CHANGES AT TOOT

want to use the space usually reserved for my mediocre at best article and welcome our newest employee, De'Antwaine Moye. De'Antwaine, or "D" as most people call him, started with TDOT in June of 2017 as a Contract Compliance Officer 2 (CCO2). He hit the ground running and it didn't take long until he was promoted to CCO3. De'Antwaine now oversees the entire certification operation for the TDOT DBE Program. This spot was formally held by Ross Webb, who retired in December and is probably loafing in a hammock somewhere. De'Antwaine will also represent TDOT as Secretary of the Nashville chapter of COMTO - the conference of Minority Transportation Officials.

De'Antwaine, a native Nashvillian, graduated summa cum laude from Middle Tennessee State University and later earned his Juris Doctor degree from the University of Memphis, Cecil C. Humphreys School of Law. De'Antwaine was also recently married in September 2017 to the (and I quote) "beautiful, vibrant, and amazing" Phylicia Moye. De'Antwaine enjoys golfing, learning new things, meeting new people, traveling, and is a committed Patriots fan (but we don't hold that against him).

De'Antwaine is guided by his passion for service, leadership and organizational development in such areas as The National Black



De'Antwaine Moye is TDOT's Contract Compliance Officer who handles certification for the DBE Program

Law Students Association; The Christian Legal Society; Habitat for Humanity of Rutherford County; First Baptist Church of Murfreesboro, TN; and A City of Grace Community Development Corporation. He is also the past Director of the M.E.L.E.K. Leadership Program for young men ages 12-17. MELEK stands for "Molding Examples of Leaders and Encouraging Kings" and is a facet of a yearlong program that develops young men to lead in their perspective communities.

Please join me in welcoming "D" to the TDOT family!

David Neese

Director of the Small Business Development Program



TDOT's Supportive Services workshop "Construction Estimating & Bidding for Subcontractors" is one of many workshops provided throughout the state of TN

uring the first quarter of 2018, TDOT Supportive Services conducted several workshops on construction estimating and bidding highway and infrastructure work. The workshops were led by Victor Tyler, P.E., President of Tyler Construction Engineers, P.C., the consulting firm that provides TDOT Supportive Services.

Workshop discussions centered on how to accurately estimate labor, equipment, materials, and other direct job costs. Examples were presented to demonstrate the process of developing a complete detail estimate. Course material afforded class attendees to actually work on real-world job types. Also covered were illustrations of how to accurately calculate and allocate labor burden, jobsite supervision and home office overhead costs.



The Supportive Services workshops encourage attendee participation

Some lessons learned from the workshop:

 Costs should be scrutinized, at least annually, by an accountant to ensure that labor markup, jobsite and home office overhead costs are accurate and realistic, so bids can be competitive and profitable.

- Businesses should stop focusing on being the lowest bidder and should instead bid on their costs and expertise.
 Bidding low to win jobs you wouldn't otherwise consider may be tempting, but this rarely works out in the long run.
- Review and refine your Profit and Loss statements to reflect your management style so markup rates are as accurate as costs.
- Set up a simple system for job costing for acquiring accurate historical costs.



Attendee's find a great wealth of information from the presenters

This workshop was very informative and generated a variety of great questions from attendees. To recap the meetings: the bottom line is profit. To achieve consistent profits you must know, understand and control your job costs.

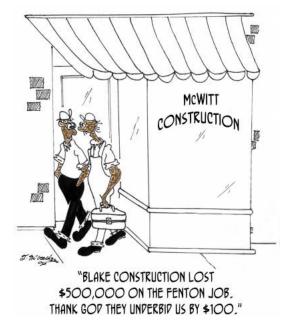
If you are a TNUCP-certified DBE firm and need assistance in establishing a job cost accounting system and assembly type estimating templates, contact TDOT Supportive Services at dbe-supportive_services@tyler-engineers.com.

See you at our next workshop!



LOW BIO MARKETING

n January and February of this year, the TDOT Supportive Services team traveled the State of Tennessee conducting workshops called "Construction Estimating & Bidding for Subcontractors - Highway and Public Works Infrastructure." In these workshops, Victor Tyler, P.E., of Tyler Construction Engineers, P.C., explained how to accurately price a bid. He noted how there are many contractors who use their bids as their primary marketing tool, or what we call "Low Bid Marketing."



What is "Low Bid Marketing?" It's a marketing technique used by many business owners as a driving catalyst for new business opportunities. The business owner gains a job by having the cheapest bid price. Their goal is to be the "low bid" on each job!

I'm sure most business owners who do business with the government believe that they use this low bid contract method to award construction contracts for most services. So, is this all we really need to be thinking about as a small business owner - Low Bid Marketing? Sounds like something is missing! If you do Low Bid Marketing, what exactly did your last bid say? If it did not reward you with the job, it may have only said, "Keep me on your bidders list."

Believe it or not, there are business owners who market their business by submitting bids with very little or no marketing at all. Business owners that create business this way seldom realize that every time they submit a bid or perform work for someone (regardless of what got them the job) this was an introduction to their company. It was indirect solicitation - which is MARKETING! This type of marketing affords you with an opportunity to present your bid!

If you are working with this strategy in mind, realize that your name was on someone's list, or some individual mentioned your name that created an interest in you and your business that got you a chance at that opportunity. Simply put, it was some type of additional marketing that happened!

Remember, marketing is a way of creating interest and if the bid was positioned correctly, that too is a marketing method that may have success if it meets the necessary requirements.

If you take this approach, you may maintain your business for a while, but eventually you will face problems if the bid fails to produce opportunities. Generally, most just wait for the next bid opportunity to try it again and hope for better results. So, what is a better strategy?

A popular strategy within the construction industry is utilizing the five key customer building essentials:

- 1. Building good relationships throughout your industry with owners and key decision makers as it relates to building your business. People do business with other people, and the ability to shake a hand and get to know someone will garner you much more success in the longterm - even when you miss being the low bidder.
- **2.** Let your service show your expertise and the difference your company makes.
- 3. Showcase the quality of what you have to offer.
- **4.** Make sure you let your customers know how committed & dependable you are.
- **5.** Finally, stop thinking "low bid." Instead, first think about knowing and understanding the costs of doing the job, including the overhead costs, and the desired profit mar gin you want from the job. Let your customers know that you can deliver a competitive price.

Don't let your company be defined by low bid prices only. Make sure you take the time to define your business by the added value, benefits and services you have to offer. Use the five key customer building essentials as your marketing process and see more business consistency and rewards!

Stay tuned, and plan to attend our next workshop so you can learn techniques and strategies to enhance your business and watch your profits grow! —*Provide excellence, stay consistent, and above all...Be Epic!*

Curtis Webb

Strategic Marketing & Business Development Specialist



TDOT's Business Development Program gives in-depth management and technical assistance service to select DBEs

In early 2015, the Tennessee Department of Transportation Civil Rights Division engaged Supportive Services consultant, Tyler Construction Engineers, P.C. (TYLER) to assist with the development and implementation of the DBE Business Development Program (BDP). The scope of the project involved performing in-depth management and technical assistance service to eight (8) DBE firms to create a strategic implementation plan to guide these DBE firms in moving forward with positive business growth and profitability. The BDP not only helps these DBEs with issues relating to TDOT, but also helps them compete successfully in the marketplace outside of the DBE program.

Services commenced with each firm participating in a detailed individual Business Assessment Survey to evaluate their current management practices, marketing effectiveness, financial health, organizational structure, and project/product delivery and business performance. Many site visits were made to engage key DBE owners and staff in discussions about what challenges and opportunities existed with the business. These meetings afforded the consultant team a better understanding of each DBE firm and helped establish a baseline matrix to commence an individualized strategic business action plan for improvement.

After 2½ years into the Business Development Program, our consultant team noticed a few business trends while providing specialized one-on-one business and management consulting services to the participating DBE firms.



The Supportive Services consultants provide one-on-one assistance

On page 5 is a summary of our findings, which may be what other small businesses are experiencing.



Con't from page 4

SUMMARY of FINDINGS

ROLE Of OWNER - MANAGEMENT - LEADER	All firms in the BDP are closely held companies, with owner and top management being one-in-the same. In most cases, less time and energy is being dedicated to the role of owner. This tends to put the company at risk since the owner has less time to devote to working on the business because they can't see, or don't have time to see, the big picture.
FAMILY BUSINESSES & OWNER EXIT STRATEGY PLAN	Fifty percent of DBE owners in the Business Development Program are of the baby-boomer generation and have children working with them in the business. The owners are either considering, or already making, plans to exit the business. This presents a challenge for the next generation of company leaders as they review, evaluate and potentially rethink company strategy, operations and processes to compete in the competitive marketplace.
HUMAN RESOURCES	People have been, and will always be, the most valuable resource of any business and the most challenging resource to manage. Managing human resources has often been an afterthought to the DBEs in the BDP - with little emphasis and attention given to properly hiring, training, coaching and developing employees.
USE OF OUTSIDE BUSINESS ADVISORS	None of the BDP firms used outside consultants or business advisors. Therefore the BDP Program in essence played the role of an outside board of advisors. As the DBE firms progressed, we found that an active board of advisors helped keep companies on track. Additionally, it kept the owners accountable and help them see the whole picture of the business.
FINANCIAL IQ	A majority of the DBE firms did not perform financial ratio analysis. Another interesting observation was that even though businesses were making a profit, the owners/managers did not have a documented pricing strategy as to how profitability was being accomplished. Another observation noted was the DBE firms placed more emphasis on revenue growth than on profitability, which should be the opposite.
PLANNING	Building an effective strategy in business needs to be a priority. Strategic planning is usually what "big" business invests in. Many DBE firms did not spend enough of their time planning and discussing "what if" business scenarios. Real strategies were seldom developed to understand the markets, customers, competition, and their own business capabilities.

Our consultant team made an effort to hold monthly business strategy sessions with each DBE firm owner and their key employees to better gauge progress. In summary, DBE firms that actively participated in this multi-year intense training program are becoming more effective competitors in the open market and achieving a higher than average survival rate in growth, profitability, and business sustainability.

In summary, the TDOT Business Development Program is proving to be a much needed education and training tool for DBE Small Business sustainability, profitably and growth. Some of these companies are nearing their objectives and goals, so it is time for new companies to enroll in the BDP. If you are interested in applying for the BDP, please download an application from the TDOT Small Business Development Program website https://www.tn.gov/content/dam/tn/tdot/civilrights/small-business/BDP_Application.pdf.

Nobody puts Baby in the Corner...

ost of you may remember this as the iconic line from the coming of age movie "Dirty Dancing." These words were spoken by Johnny, champion of the movie's heroine, "Baby," when the legitimacy of Baby as an independent woman - one capable of intelligent decisions and progressive contributions - was finally validated.

...And, of course the dancing was GREAT!

How many DBE's relate to Baby's situation and feel like they are sitting in the corner watching the talent show while not getting their fair shot at an opportunity? How many DBE's feel like their dreams are drifting away? Do YOU feel like that?

I would argue that the first step to starring in the final dance scene is to advocate for yourself! Are you, as a DBE, doing everything you can to market your company? Are you connecting with the prime contractors? Are you connecting with TDOT and learning everything you can about your scope, specifications and TDOT requirements? Have you joined TRBA yet?

If you have not joined the Tennessee Road Builders Association (TRBA), you SHOULD! What does TRBA do for you?

Listed are some KEY benefits you receive by joining TRBA:

- 1) Collaborate and learn from TDOT the relationships with TDOT that are fostered via TRBA are invaluable when you need clarification regarding specifications or standard drawings, or when you need an advocate related to interpretations of specifications.
- **2)** Marketing your business through multiple meetings held during the year, TRBA provides a friendly, low stress way of connecting with decision makers. Business opportunities often happen by way of the adage "It's not WHAT you know its WHO you know," so why not get to know more decision makers!

- **3)** Education and resources TRBA effectively conveys information to its members regarding specification changes, policy and procedure changes and more. Information drives profits. If you are not getting the most current information, you are putting yourself at a competitive disadvantage.
- **4) Emerging Leaders -** did you know that TRBA has an entire council dedicated to advancing the next generation of road builders? Considering many DBEs are newer companies, the Emerging Leaders Council is a fantastic resource for DBEs to network and improve leadership skills.
- **5) Political clout -** TRBA routinely advocates for political issues that affect its members. Together we stand, divided we fall... don't you want to stand in united strength with your industry counterparts?

Considering the annual membership dues for joining TRBA is ONLY \$1000 per year, it's a simple no-brainer to join the Tennessee Road Builders Association!

So take a cue from Baby, don't put yourself in the corner. Join the Tennessee Road Builders Association and stand shoulder to shoulder with the industry influencers in Tennessee! For additional information or to join, please visit www.trba.org.

Rebecca Wood

Founder - Superior Traffic Control 2018 President - Tennessee Road Builders Association



Using Forensic Accounting to Analyze Financial Statements

'm sure you've seen the TV drama series CSI: Miami, where law enforcement professionals use crime scene evidence and tools to solve a crime. The evidence can include photos, fingerprints, viewing surveillance cameras and interviews with witnesses.

But, what you may not know is that you can use forensic accounting to analyze your financial statements. To do so, you must first think like an Auditor. What type(s) of evidence does a person auditing your financial statements need to confirm the numbers you reported? Auditors use checklists to ensure they gather information necessary to express an opinion on your company's Balance Sheet (financial position) and Profit & Loss Statement (financial activity). The evidence can include bank statements, customer and vendor invoices,



canceled checks, deposit slips, purchase orders, third party confirmations and other types of documents.

So, let's create a checklist for you to analyze your Balance Sheet and P&L Statement.

Credit Cards	Ensure all expenditures are properly authorized and have appro-
	priate receipts.
Liability Accounts	Confirm creditor loan balances agree with general ledger accour Ensure payments are appropriate
	allocated between principle and interest.
Sales/ Revenue	Compare invoice prices to negotiated prices. Ensure invoices are posted to the appropriate revenuaccount(s)
	• •
Job Cost	Review transactions to ensure co
job cost	direct or indirect. Check to ensu costs are charged to the appropr job(s).
Expenses (G&A)	Check to ensure expenses are properly authorized and recorde to the correct expense account(s
	Sales/ Revenue Job Cost Expenses

Now is a good time to create and customize your own checklist for analyzing company financial statements. Remember, financial statements are the company's business report card. It's up to you to analyze and interpret the numbers.

Marshall Tabb,

Financial Management & Leadership Coaching



Save The Date!

August 27 - 28, 2018

2018 TDOT DBE SMALL BUSINESS ANNUAL MEETING

Embracing Change: Workforce - Technology - Digital Media



Embassy Suites by Hilton 1200 Conference Center Boulevard Murfreesboro, Tennessee, 37129

Here's what you'll experience over one-and-a-half days at the 2018 event:

- Educational sessions on embracing workforce trends, using digital media and new technology impacts of doing business
- Marketplace Exhibit Booths for large and small businesses plus local, state and federal procurement representations
- Networking receptions
- Great food!



MAKING DEADLINES CAN SAVE YOU BIG BUCKS IN YOUR BUSINESS

here are a lot of deadlines that come with running a business, and missing certain deadlines can have serious financial implications to the health of your business. Let's take a look at how much you'll save by being on time with the following deadlines.

Payroll

One of the toughest deadlines of all, making payroll, is essential to keeping employees happy. Making payroll tax deposits on time is even more crucial. You'll save the following in penalties by staying on time with payroll deadlines:

- If you're 1-5 days late with payroll tax deposits, the penalty is two percent of the payroll.
- If you're 6-15 days late, you'll pay five percent in penalties.
- If you're more than 15 days late, the penalty goes up to 10 percent.

And that's just the federal penalties, not your state penalties.

Income Taxes

Everyone knows about the April 15th deadline to file your personal taxes. Some people file an extension and have until October 15th. However, we need to remember that the best estimate of your tax liability needs to still be paid by April 15th even if an extension is granted. Failure to correctly estimate and pay income taxes leads to a penalty that is calculated by multiplying the number of days the tax is late by the effective interest rate. Currently, the effective rate is 4 percent.

Paying Vendors

If you're slow to make your accounts payable payments, vendors may tack on a penalty, but the larger consequence is the effect on your credit score.

Business Goals

It's so easy to let internal deadlines slide, but they may be the most important of them all. To move your business forward, set goals with deadlines so that you can measure your results.

Mastering Deadlines

Here are some tips to help master your deadlines so you can avoid the above consequences:

- **1.** Begin by putting pen to paper and writing your deadlines all down.
- **2.** Make a mental commitment of how important the deadline is to your business.
- **3.** Set aside the time you need to prepare for deadlines. Block time on your calendar and stick to it.
- **4.** Remind yourself of the consequences of missing the deadline.
- 5. Try not to over-commit. Delegate other tasks when possible and get someone in your office to help you manage deadlines if necessary.
- **6.** If possible, automate or systematize the processes around the deadline so that it's met automatically.
- 7. Stay up late if you must to meet that deadline.
- 8. Celebrate when you meet your deadline!

We would be glad to assist you in setting up accounting policies and procedures to ensure you meet your deadlines on time. Send us an email at dbe-supportive_services@tyler-engineers.com

Jay B. Mercer,

QuickBooks Pro-Advisor & Tax Specialist





TDOT's 2018 Supportive Services Workshop - Construction Estimating & Bidding for Subcontractors

The One Day Strategic Plan: How to Create a Purpose Driven Business

Instructor: Ericka L. Hayes, CPA - Tyler Construction Engineers, P.C.

Nashville – April 10 Memphis – April 11 Knoxville – April 17 Chattanooga – April 18

How to Cultivate a Healthy Company Culture: Office and Field Employees

Instructors: Marshall Tabb and Teresa Daniel, PHR -Tyler Construction Engineers, P.C.

Nashville – May 8 Memphis – May 9 Knoxville – May 15 Chattanooga – May 16

How to Effectively Communicate Company Policies with Difficult Employees

Instructor: Teresa Daniel, PHR - Tyler Construction Engineers, P.C.

Nashville – June 12 Memphis – June 13 Knoxville – June 19 Chattanooga – June 20

TDOT DBE Small Business Annual Meeting

August 27-28, 2018

Embassy Suites, Murfreesboro, TN

Interested in Training Classes for Your Organization? If you have multiple employees who can benefit from our offerings, we can bring our training program to your office upon request. **(No cost to TNUCP-Certified DBE firms.)** Contact TDOT Supportive Services at *dbe supportive services@tyler-engineers.com*. To view our latest detailed workshop descriptions visit http://tylerengineers.com/events



New DBEs Welcome

Region 1 N/A

Region 2

Shepherd Project Services

Warren Washington

Construction Management, Construction Monitoring & Inspection, Project Control Services

Region 3

Bowlby & Associates, Inc.

Darlene Reiter

Transportation and Community Noise Analysis and Mitigation, Transportation Air Quality Assessment, Traffic Noise Training

The C&F Company, LLC

Ruth Cante

Safety Training and Consulting; Construction Management; Highway, Street, and Bridge Construction Contractor

ECS Concrete Pumping

Leo Odongo

Concrete Pumping, Poured Concrete Foundation and Structure Contractor

Michelle Talley

Highway, Street, and Bridge Construction

Nex Delivery, LLC

Jeffrey Stewart

Used Household and Office Goods Moving; General Frieght Trucking, Local

The Platform, LLC

Charles Bradley

All Other Personal Services

Region 4

Angies Construction Supplies

Angela Box

Construction Machinery and Equipment Supplier; Safety Equipment Supplier

Mess to Moolah!

Marilea Pickens

All Other Personal Services

Recently Renewed Firms

Region 1

CapTeeVation, Inc.

Joy Humphreys

Commercial Screen Printing, Marketing and Promotional Merchandise

Elvado Environmental, LLC

Jill A. Mortimore

Environmental Consulting Services

Hedstrom Design, LLC

Sara Hedstrom Pinnell

Landscape Architectural Services

Ritter Farms Services, LLC

Tonua Ritter

Wholesale Trade Agents and Brokers

Tri-Cities Bilingual Consulting

Neila Rodriguez

Translation and Interpretation Services

Region 2

N/A

Region 3

Carrier Services of TN, Inc.

Sue D. Spero

Transportation Property Brokerage Firm

Casella Interiors

Laret Casella

Interior Design

CD Steger Construction, Inc.

Cliff Steger

General Construction

E & E Lawn Services, LLC

Eric Washington

Lawn Services

Magan Environmental, Inc.

Zaibi Naqvi

Environmental Consultant Services

McFall Sod and Seeding, LLC

Jackie McFall

Landscaping sodding seeding erosion control mulch hydroseeding

R & M Contractors, Inc.

Robert Crutchfield

Underground Utilities, Drilling, Blasting

Striker Advisory, LLC

Anca Pop

Custom Computer Programming Services; Computer Systems Design Services; Computer Facilities Management Services; Other Computer Related Service

Region 4

Better Backflow Testing, Inc.

Greg Taylor

Electrical Contractor, HVAC, Commercial and Residential Plumbing Contractor and BackflowTesting, General Contractor, Landscaping Services

Creative Landscaping

Michael Sowell

Landscaping, Erosion Control and Site Preparation

Self Tucker & Architects, Inc.

Jimmie Tucker

Architecture, planning, and Interior design design services, construction administration

SMS Contractors, Inc.

Claudette Sanders

General Construction (specializing in trucking, clearing and grubbing, rip-rap, structural steel, coating and painting

WMC Contracting Co., Inc.

Dennis Garcia

Concrete (driveways, sidewalks, curb, gutter, catch basins, inlets, median barrier walls and parapet) and Erosion Control





Scheduled Letting Dates 2018

May 11, June 22, August 17, October 5, November 2, (Mowing & Litter Removal), & December 7 The TDOT Civil Rights Division Small Busines Development Program and its Supportive Services Consultants offer a variety of training classes designed to assist TNUCP 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 strategic marketing, branding, accounting, estimating, cash flow management, business planning, leadership development, and human resource assistance. Look for seminar and workshop announcements soon in your email in-box.

Our Supportive Services Consultants are ready and waiting to assist you with ANY question you have! Give us a call today 888.385.9022.

"Success in business does not depend on what you say, what you hear, what you feel, what you see. It depends on what you do!"

-Selwyn D. Goodwin

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