

North America's Contractors are Maximizing Project Profit Margins by Sustaining a Profitable Balance of Work to Workers.





### **Right-Sized Skilled Workforces = Exceptional Profit Margins**



Reduction of Permanent Workforce Due to Crisis

New CORE+Flex, lean permanent Workforce (Adding back in All A & some B Level Workers)

Variable Craftworkers Used "Only As Needed" to Maintain Balance of Work to Skilled Workers

# Challenges

The current marketplace has accentuated three challenges contractors face:

- 1 Effectively sustaining the right number of workers to achieve optimal workforce productivity and profit. Today's fluctuating economy and unpredictable project pipeline requires more attention than ever to maintain the right balance of work to skilled workers.
- 2 Minimizing escalating labor-oriented costs related to Workers' Comp, unemployment and benefits. Costs associated with hiring on permanent employees for shortterm work drive profits down for the short- and long-haul.
- 3 Efficiently securing craftworkers with specific skill-sets may be more difficult and costly than ever. The shortage of proven craft professionals has increased substantially as our aging workforce retires and fewer and fewer individuals are entering the trades.

#### **Solutions**

1 Run a lean permanent workforce. Even during a robust economy, it does not typically make financial sense for construction businesses to add permanent payroll. Tradesmen's Account Executives, with a custom Labor Productivity Analysis, can prove in hard numbers why and how we can help you sustain a "Right-Sized" workforce. Using your historical hiring data, they will help you forecast your short- and long-term labor requirements and determine your optimal permanent skilled workforce level. We're committed to providing you just the right number of workers to sustain maximum labor productivity. You only pay for productive man hours using our high-caliber craftworkers, minimizing employee hold-over and downtime costs!

- 2 Shield yourself from unemployment cost increases and reduce Workers' Comp expenditures and exposure. We handle all our craft employee's payroll and unemployment insurance. In addition, our craftworkers – who are offered safety training – are under our Workers' Comp which helps insulate you from rising claims and W/C costs.
- **Critical** Tradesmen International stands prepared to provide you craft professionals precisely when you need them. We must be reliable and emphasize safety, productivity and craftsmanship. We meet this challenge by maintaining one of the industry's largest skilled workforces and through continuous recruitment and retention initiatives.

## **Common Effects**

1 Overstaffing... in strong or sluggish economies.

Construction managers continue to hold on to nonproductive workers even as workload slows down. This hold-over occurs as management believes, as work picks up, quality craftworkers will simply not be available. The effect is companies paying between 16% and 45% in unnecessary labor costs pulled directly out of profit. Even holding on to one employee who can't be kept productively working greatly impacts profit margins.

2 Substantial increases in labor-related costs. Contractors in the "hire / de-hire" mode – staffing up full-time workers as work increases and laying off as it decreases – are driving up unemployment/SUTA costs for several years out. Also, they're amplifying their Workers' Comp exposure and are paying additional employee premiums, which have been increasing annually.

# **Benefits**

Maintaining a smaller permanent payroll and supplementing their core workers with Tradesmen's highcaliber craftworkers – only when they can be kept productively working – has helped many of our clients sustain higher workforce productivity and reduce labor costs between 11% and 24%.

It also reduces costs related to unemployment, Workers' Comp and benefits costs in a time when those expenditures are increasing. The result is always an improved bottom line.

To reserve local skilled craftworkers call: 833.260.2864 Or order online: tradesmeninternational.com/residential





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- Renewable Energy Staffing Solutions
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Our Craft Professionals Emphasize Safety, Productivity and Craftsmanship.

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