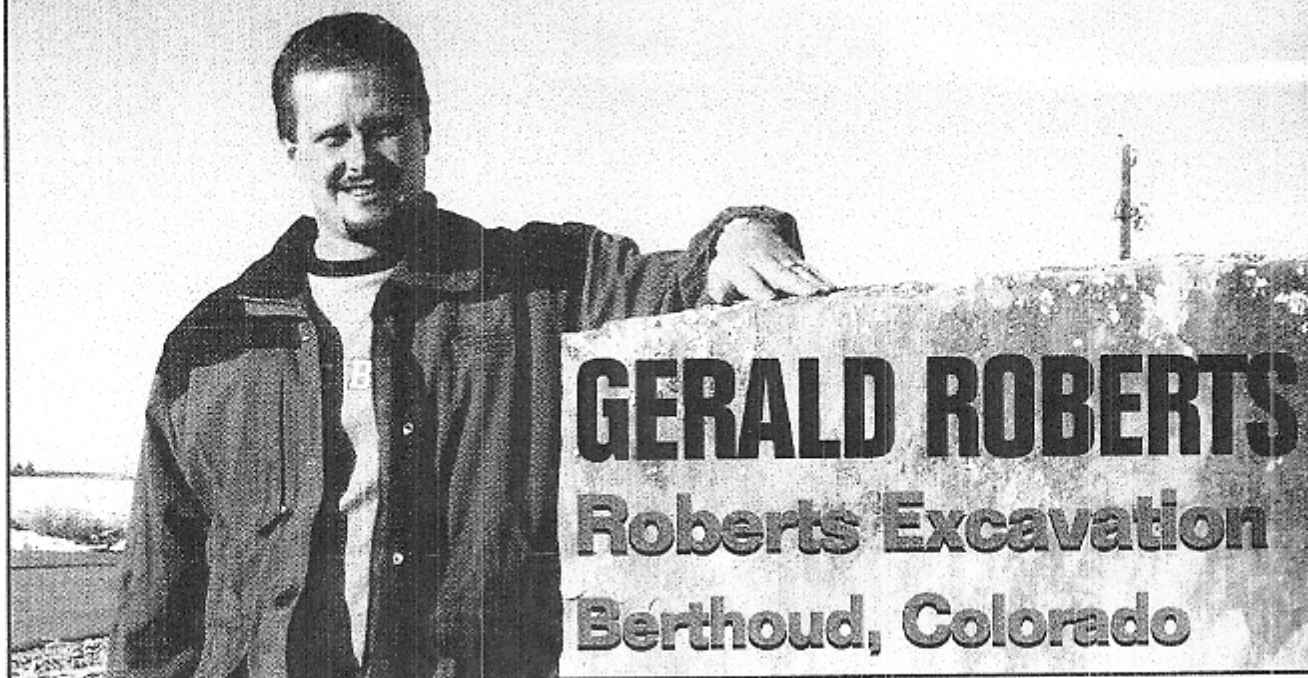




by Marcia Gruver



GERALD ROBERTS

Roberts Excavation

Berthoud, Colorado

Calling quits to 80-hour weeks, Roberts is recreating his company in a way that makes business fun again.

It was what he now terms as a "junk yard fugitive," a 1973 backhoe he bought for \$7,000 – on a payment plan from a friend of the family. But to a 19-year-old Gerald Roberts, it represented his chance to pry open the door to his own construction firm.

Now 32, Roberts is a veteran in the business with a keen eye toward bottom-line costs. In order to remain competitive, he's installing the latest technologies in bidding, accounting and job costing. "It will give us feedback on how productive our crews are, and who's getting the job done," he says.

But everything's not just evaluated on the basis of accounting statements. Many business relationships run deep with Roberts, and for a reason. When the junk yard fugitive finally went wheels up, it was difficult for him to find a dealer who would take on a client who was so young. "I certainly didn't want my parents to have to co-sign a backhoe loan," he comments. Wagner Equipment out of Denver ended up creating in-house financing to

Roberts Excavation at a glance

Employees: 35-38

Annual revenues: \$3 million to \$5 million

Geographical radius: 60 miles

Type of work: Public and private utility and site construction

get the deal done. "That helped put me on my way and it is not forgotten," he says.

THE HARD WAY

At first working out of his father's home in Lyons, Colorado, Roberts' from-the-ground-up growth has allowed him to know all aspects of running a construction firm. But early successes were hard to come by. Doing well for nine months in small custom residential site development work in the foothills of Colorado, Roberts would see his profits dwindle to nothing during winter slowdowns.

It was all part of learning everything the hard way, something he appreciates now but wasn't much fun to live through. The turnaround came in 1996, when Roberts took a deep breath and went into commercial work. "I didn't have the foggiest notion how to bid a commercial job," he says. "We got the first job we bid, but I hate to think how much money we left on the table."

Commercial site development jobs then became the firm's primary bread and butter, which worked against it when commercial work took a hit locally three years ago. Since then the company has added general site construction and municipal work to its resume.

NO MORE 80-HOUR WEEKS

While he had a bookkeeper, Roberts was doing everything

else in the company: estimating, managing all the projects, even running crews if he got short handed, all during a time when the firm was doubling in size every year. But this do-it-all attitude was taking its toll. Three years ago, Roberts decided to change the way he ran things.

There was plenty of impetus. Roberts now had a wife and two small sons, and the long hours he was putting in took away from the time he could spend with them. "After my first son was born, I said if I can't make this company work without putting in 80 hours a week, I don't want to be in business any more." (Earlier this year, he and wife Joby added twins to their family.)

So in 2002 Roberts hired a business consultant. Together they created a plan to revamp his business structure and put new policies in place.

"I tend to look at it as an expensive one-on-one college education," he says now. "It created a structure where I can delegate duties instead of having every single task coming across my desk for approval. And I'm on the verge of working on the business instead of working in it."

Roberts now has two estimators/project managers, a controller and a general superintendent. He put a benefits program into place that includes a 401(K) plan, health insurance and profit-sharing incentives. His present role is a general manager/corporate president.

In 2000 Roberts Excavation settled into new 4,000-square-foot quarters, which include a three-bay shop. Already the facility is getting too tight, and additional office space is in the works.

EQUIPMENT PRACTICES UNDER THE MICROSCOPE

Roberts now calls his previous equipment procedures "hip-pocket" management. "I used to have everything in my head," he says.

Three years ago, he put together an inventory of both his major equipment and his tools and smaller equipment, sorting them into about 10 different categories. He has around 30 major pieces of equipment, including backhoes, dozers, skid steers, scrapers, excavators, wheel loaders, compactors and motor graders. With the help he now has on hand, he's looking forward to doing a careful analysis on best times to replace his machines.

"If we had a machine that was getting a little tired or hadn't been used a lot, we used to keep it around as a spare," he says. "Now, though, when we get to the point we've racked up quite a few hours on a machine we're going to have to replace it."

Early on, Roberts developed a practice of paying off machines within 36 months. "That's about as long as I felt I could expose ourselves to risk," he says, adding the prac-

Other voices

"Gerald is extremely diligent and professional. If he thought his ethics were questioned, he wouldn't sleep for a week. He's not going to cheat or cut corners to grow his company."

— Jake Jacobs with Encana Energy, Rifle, Colorado

"He's an outstanding individual with lots of pride. I'd like to do a lot more work with him."

— Jim Rankin, Roche Constructors, Greeley, Colorado

"Gerald represents how the business world used to be — he's a solid handshake kind of guy. And yet he's very modern in how he runs his business."

— Adam Rosen, Ferguson Supply, Denver, Colorado.

tice helped when slow times hit. "I think we would have had a hard time weathering the storm with extended payments. I'm a firm believer in closely watching our debt."

The company employs one mechanic whose mission is to keep all-but-major repairs in house. Still, Roberts says, "we're in the business to move dirt, not fix things. We're trying to find the middle ground between running everything brand new and letting our machines get too obsolete."

This closer equipment management extends to his tool inventory, which he estimates is around 500 pieces. These are tracked by crew truck, since each truck has a certain inventory. Roberts stores larger tools such as tampers in a storage facility featuring specific slots for each piece. "That way you know where to put something and if it's missing, we see it immediately," Roberts says.

PURPOSEFULLY CONSERVATIVE

Roberts has been purposefully conservative in his growth strategy. "I've seen a lot of companies pop up out of nowhere with millions of dollars of equipment and six months later they're gone," he says. "While you need to take risks, you can go in too deep."

"What an awesome experience it's been to be blessed with what I have in this business. I often tell my employees that any time they feel like they can't do something to look at me. I'm no wizard but I went out and was willing to work and learn. I learned my lessons quickly because they came right out of my pocket." **EW**

In addition to being a Contractor of the Year finalist, Roberts Excavation also received the Wacker 2005 Light Equipment Award, given in recognition of outstanding utilization and management of light equipment.

Wacker is a co-sponsor of the Contractor of the Year program.