



Logical Construction Concepts

Simplifying the Business Side of Construction for contractors in Northern & Central California

10 Tips for Choosing Construction Clients

Taking on a new client in the construction business, especially for large jobs, is a risky affair, indeed. If you complete one job per month and one of these is for the **client from hell**, you stand a good chance of not making any money this year. How does this manifest itself? Do any of these sound familiar?

Wasted Time and Effort

Worry and Frustration that affects your other jobs

The client bad-mouthing your company to many of your potential clients

Payment Problems

Delayed payment

Partial payment

Non-payment

Lawsuits

These apply to General Contractors and their end-user clients and to subcontractors and the General Contractor Clients

Here are 10 suggestions to help you evaluate new clients that are easy and cost-effective.

1. Check Credit at any of several websites including Dun & Bradstreet (<http://www.dnb.com/us/>) or Equifax (<http://www.equifax.com/>). **The cost is minimal.**
2. Check with the county recorders office for lawsuits & judgments. **This cost is minimal.**
3. Check with the Better Business Bureau at <http://search.bbb.org/>. **This is free.**
4. Interview your client. Remember, you have a lot at stake in the relationship once construction begins.
5. Check with the Contractor's Licensing Board (in California go to www.cslb.ca.gov/). **This is free.**
6. Check with other subcontractors in the area who have done business with the potential GC client. Ask the GC about which subs work for them on a regular basis. **Free!**
7. Ask the GC about its most recent jobs. Call GC's client/customer/end-user on the last 5 jobs. **Free!**
8. Check the client's website, in any. See if there is a referral list. If so, make some calls. **Free!**
9. Interview the project manager, superintendent, and/or the foreman that will work the first job. **Free!**
10. Check membership and references with the local Builders Exchange. Just Google the name of the exchange. **Free!**

Most of these can be done by someone on your staff so the above are free if you do not consider the staff time to do the research. It will take some time, BUT the alternative is to do nothing and risk a potential nightmare! **Forewarned is forearmed!**

866 522-8668