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Sustaining Your Business during Labor Shortages: The Role of Tools and Equipment



:: The challenge of labor shortage goes well beyond the obvious cost implications for roofing contractors. ::::::::::::::::::::::::::::::::::

Many of my monthly columns focus on the energy and environmental aspects of sustainable roofing, but economic factors are just as important – especially at a time when it’s difficult to recruit and retain the best employees. A survey recently released by the Associated General Contractors of America (AGC) reveals:

- More than half of member firms are having trouble filling positions for skilled hourly workers including sheet metal workers (65 percent) and roofers (56 percent) as well as salaried professionals including supervisors (55 percent) and estimators (43 percent).
- 56 percent of firms report they have increased base pay rates for skilled hourly workers. In addition, 43 percent of firms have increased their reliance on subcontractors.
- 15 percent of firms report

an increase in injuries and illnesses because of the labor shortage, which the AGC says is “Forcing firms to change how they operate and pose risks to workplace safety.” These troubling statistics will likely impact your business in many ways during 2017. First, it’s almost a given that your hourly labor costs will go up this year; and they will probably increase at a much higher rate than in previous years. In addition, as you may have experienced in the past,

it'll be difficult to pass on the costs to your customers as fast as you have to pay the new wage levels. Finally, given the challenges of finding good supervisors and managers, your administrative costs are likely to go up as well, increasing the overhead "bite" for every job.

The challenge of labor shortage also goes well beyond the obvious cost implications. If you can't hire enough people to staff your office and jobsites, you won't be able to quote, install, and invoice as much work as your firm should be capable of completing — and that means a sizeable decrease in 2017 revenue. It's also likely that the workforce you're able to obtain will not be as experienced or as dedicated, which may lead to serious mistakes, either in installation quality or worker safety — all of which may cost your company dearly.

So what can you do to reduce the impacts of labor shortage on your business, starting with this issue of *Roofing Contractor*? The good news is that this month's magazine focuses on the latest in labor-saving tools and equipment to help your crews complete more work in less time and with fewer risks of accidents. As a result, I would encourage you to carefully examine each and every new tool highlighted to see how it can help address the many impacts of labor shortages. Specifically, you should ask the following questions as you review each new tool being showcased:

- How much can the tool increase the productivity of my employees? The more squares your crews can complete each day, the less pressure you'll experience to pass any wage increases on to your customers.
- How can the tool cut the time on each job and allow my crew to move on to the next job? If you start using tools and equipment that can cut a day off each job, you'll be able to complete more jobs this year and increase the revenue potential of your company.
- How can the tool help to reduce mistakes and the risk of accidents? Tools that make installation easier will almost always improve quality and reduce costly call-backs. In addition, these same tools will also reduce the risk of accidents and the myriad costs associated with worker injuries.

Finally, I think it's important to ask how new labor-saving tools and practices can make your company the preferred place to work in your community. Good tools show your commitment to provide a safe and productive workplace, something that the best workers in the industry always will look for. And with the best employees, you're well

on the road to success as a truly sustainable roofing firm. **RC**

Jim Hoff is president of TEGNOS Research, Inc. and lead instructor for Commercial Roofing Boot Camp sponsored by Roofing Contractor and Building Envelope. Learn more by visiting www.tegnos.org.

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