

Big50 CloseUp

Insight and opinion from the **BEST** in the business

Bob Tilghman

In 2007, Bob Tilghman (Big50 2005) realized that his overhead outweighed his revenue. "We were not able to produce the amount of revenue we needed to earn the gross profit from projects to support an estimator, production manager, office manager, and my wife's and my own salary for sales," he says. In addition, he was paying rent for an office in Churchville, Pa.

So he restructured Tilghman Builders, starting with an office move in which he gave up a 1,100-square-foot rental space for a 12-foot-by-14-foot bedroom in his home. "My crews all go straight to their jobs," Tilghman says. He misses being able to use the separate office as a sales tool. All client meetings are held at the client's home.

Tilghman eliminated the estimator position, taking over that job himself — in addition to doing his usual sales work with his wife. He also cut the production manager position, opting to give each of his four lead carpenters more management duties. "I explained that we were making this change because we had to and that they had to take on more responsibility ... to represent the company and run the jobs from soup to nuts," Tilghman says.

Without a production manager, clients began communicating directly with Tilghman. The change revealed communication and workmanship issues in the field. One lead's project was being poorly managed, so Tilghman let that carpenter go.



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The company has recovered from the initial shock of all the changes. Volume decreased from \$2.2 million in 2006 to an estimated \$1.5 million in 2009.

Tilghman says that the lower volume is expected and is acceptable because the

company now has a stronger bottom line. "I thought I could fix everything with more volume," he says, noting that consultants he had worked with over the years had tried to point out to him the flaws of this approach.

"We went back to doing some of what we had done in earlier days. I thought it would be devastating, but it turned out to be good," Tilghman says. "In hindsight, I wish I had done it sooner." He would still like a separate office, but instead of renting space, he plans to renovate a barn on his property. —Nina Patel

SecondLook

Delbert Adams

Why start a remodeling company now? "It's not a bad time to do it if you recognize that every decision is critical," says Delbert Adams (Big50 1991).

Terrific talent is available, for one thing — and every hire is critical. When Adams left Ilex Construction, the 200-person high-end firm he co-owned from 1986 to 2007, he initially planned to open a spa, then found himself managing projects upon request. "It became clear to me that I liked building an organization," he says. He started Delbert Adams Construction Group, exceeded all expectations in his first full year, 2008, and projects an equally strong 2009. He already has 25 employees and offices in Middleburg, Va., Baltimore, and Rehoboth Beach, Del.

Adams credits his staff with much of his second-time success. "The fantastic people who have found their way to join me want to be part of a new success story, and they're making themselves accountable to that achievement," he says.

Speed and efficiency are also key. While the new company's projects range from \$65,000 kitchen remodels to seven-figure custom homes, Adams is getting ready to launch a service division. "It's more of a speedboat, as opposed to an ocean liner," he says, when asked to compare his new venture with his previous one. —Leah Thayer

