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## MASONRY BONUS SYSTEM

As some of you are aware, Non-Stop Scaffolding grew out of a 25-year-old masonry contracting business. We experienced one of the same people problems you may be experiencing now: how do we motivate the men to produce more? We knew if we could solve it, we could make a lot more money. After a <u>lot</u> of trial and error, we finally hit upon a system that works.

Our system is based on a few basic truths: 1.) most masons can lay twice as many units as they are now with **no difference** in quality. We knew that for a fact because we did it ourselves. 2.) Since the quantity of materials in a job can't be changed, the only other cost that can be reduced and turned into profit is the labor - getting the job done faster than estimated. 3.) In most jobs, the labor number is huge when compared to the profit number. Decreasing the labor paid out by 10% or 15% (by simply working faster) can actually double or triple the profit. 4.) When paid out fairly and regularly, money is a powerful motivator for the men in the field. The system works equally well with brick or block, but we'll talk about brick here for simplicity's sake. Here's how it works:

- 1. For a particular job, figure out how many brick a mason should lay in a day for you to break even. If he lays this amount, your normal profit is assured. This is what you wanted anyway. Then figure out how much extra profit will be generated by each brick laid over the breakeven number. It may take a little pencil work to convert your estimate to dollars per unit, but you have to describe the plan to you men in terms of dollars per unit because it's the <u>only</u> way they will understand it.
- 2. Give the masons 50% of the extra profit generated when they exceed the breakeven number. Keep the other half for yourself. Tell them: a.) how many brick they must lay each week to reach the breakeven point; b.) an amount of money per brick they will receive as a bonus above that breakeven point; and c.) that there must be no sacrifice in quality.
- 3. Have the foreman take a count daily and turn it in weekly. You can double-check him against delivery tickets if you like, but there is rarely any cheating.
- 4. PAY THEM WEEKLY. Calculate the bonus <u>each week</u> and give each mason an equal amount. Use a separate check, this lets them know you are serious. Think about it. Most all bricklayers live from paycheck to paycheck anyway. Promising them a bonus at the end of the job if it does well is just too far in the future for them it's not a motivator.
- 5. When you figure their bonus, **be honest**. The increased production can be quite amazing and you'll be tempted to say, "This is too much to give them," but **do it**. Remember, the same amount also goes into your pocket as pure profit **over and above** what you expected from the job. If ten masons get \$100 apiece in bonus, that's \$1,000 for you; \$1,000 you **would not** have gotten without giving them each \$100.

This practice of weekly bonus distribution creates an immediate snowball effect. After about two or three weeks some interesting things start happening:

- Production goes up with no loss of quality. They were capable of it all along. This might make you very mad, but shake it off, chalk it up to human nature, and focus on your new-found profit.
- Morale and loyalty will go up to a new high.

- New masons that don't produce usually won't last a day on a bonus job. The men on the wall will tell the foreman to get rid of him at the first break (because that man is getting into their pocket). You will hear about it before lunch when the foreman calls for the new man's check.
- The masons start policing the laborers. If they won't work, nobody covers for them. Your jobs will run as if you were there to police them yourself all day long.
- They will start taking their breaks on the scaffold, or not at all.
- If you need them, your good masons will get other good masons for you. They will bring you masons who are faster than they are (so they don't drag the count down).
- They start solving their own problems problems that used to kill a lot of your time.
- They start telling you what they need to work faster. Spare no expense to give them the equipment they need, especially corner poles.
- If you have to lay some men off, they will <u>always</u> come back when you get more work because you pay more than anyone else.
- 6. If you experience a loss one week, forgive it, wipe the slate clean, and start fresh the next week. This practice keeps morale high throughout the job. Remember, your profit is already locked in.

## A few tips and techniques:

- Use only 6 masons and start the job going for a couple of weeks before announcing your new system. That way you'll know what to expect for a breakeven point.
- When you calculate the first breakeven point, figure in an extra laborer of two. You will need them to handle the extra material going in the wall. You'll be able to add them to the crew without raising the breakeven point and disrupting things.
- Don't jack up their breakeven point to further increase your profit. The whole system will fall apart if you're not straightforward with them.
- It's sometimes best to break a large job into smaller jobs. For example, a school job might be broken into two crews with two breakeven points and bonus pools. One for the shell and one for the interior partitions.
- The down side is practically non-existent, but let's say for example they get in such a hurry you have to put a mason back on the job for an entire week just to point up. It's OK, just do it. The money it takes to pay him was generated in the first couple of days under your new system.

Find a way to make it work. You have absolutely nothing to lose, and a **lot of money** to gain.

This system worked well for us for a lot of years and made us an enormous amount of money. For more details, call 1-800-845-0845 and ask for Justin Breithaupt, Sr.