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The Construction Industry uses Strategic Executive Benefits to provide current and future value to key employees

dm Dwight Moldenhauer



Dwight Moldenhauer, Inc.

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In every successful company there are invariably a group of select key employees who strategically provide a high level of value toward the company growth and profitability. The contribution of key employees is integral to the performance and competitiveness of the company. They may have specialized training, be more creative, more determined, have a unique skill or ability, or they may be good leaders or managers. But putting aside what makes these

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individuals key to the company there is no denying that they can make the company more profitable.

Survey Says

Two important surveys point to concerns shared by contractors on the risk associated with successfully retaining and recruiting key employees. The results of the 2009 survey on the state of the Construction Industry conducted by McGraw-Hill Construction NY and Grassi & Company, CPA identified that one of the major challenges the construction companies face is that “attracting skilled talent and labor remains a difficult endeavor” another survey conducted by the American Council of Engineering Companies of New York found that “among the biggest concerns the respondents cited was the challenge to find and retain qualified personnel. More than 40% of respondents saw this as their greatest concern over the next five years. Of the respondents 58% said they do not have enough engineers to meet their existing project loads and 71% expected to have that problem in five years.”

Successful construction related companies recognize that their key employees are their most important resource. These individuals are critical for the success and growth of the company. They find the expanded workforce, recruit qualified field employees and are also often the best ambassadors

for the company and the company’s future project opportunities. However, never forget that the competition knows how valuable these individuals are and would recruit them without a “pang of guilt.”

If these individuals believe they are at the top end of their present employers’ compensation scale, the next offer of salary increase may tempt them to leave for perceived “greener pastures.”

Regardless of how well paid these individuals are lifestyle has a way of absorbing income. It is likely that some of these individuals are living a comfortable lifestyle and are not saving adequate amounts for retirement or their children’s education. They are also not likely building a well funded family protection, retirement income or estate plan with permanent life insurance.

Additionally, because these are usually higher compensated individuals, they may not be able to save an adequate sum in the company 401(k). They are receiving in proportion to their income less value from the company benefit programs that are typically designed to fit the needs of 90% of employees. It is fair to say that the owner or company shareholders would not want to provide diminishing value to the very same key employees that create the most value for the company. This reverse discrimination in benefits is not the fault of the business and in fact affects

the owners in the same manner as their key people.

Key Person Executive Retention Benefit Programs

At Dwight Moldenhauer Inc., our clients appreciate the knowledge and expertise that allows us to creatively design selective, very focused executive level retention benefits that are designed to meet the desires of the company and its owners while still providing meaningful benefits for valuable key employees. Our designs are often structured to create and build value for the employee as long as they stay with the company and continue to effectively perform their duties until a target date is reached, such as retirement. Structured properly, the company enjoys full cost recovery when all future benefits are paid out. Just as no two companies are alike, these selective programs should be carefully tailored to ensure a company’s desired outcome.

Experience has proven, that raising salary alone does not guarantee fidelity to a company or its mission. However, when you partner to protect the things that matter to key employees, such as future income needs or family protection, you will see a commitment to help ensure your success in a way that is unparalleled. Your success becomes their success.

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