

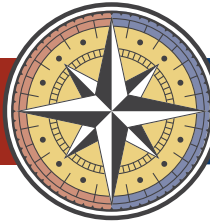
THE CONTRACTOR'S COMPASS



Ethical Choices: Impact and Decision-Making



THE CONTRACTOR'S COMPASS



EDITORIAL PURPOSE

The Contractor's Compass is the monthly educational journal of the Foundation of the American Subcontractors Association, Inc. (FASA) and part of FASA's Contractors' Knowledge Network. FASA was established in 1987 as a 501(c)(3) tax-exempt entity to support research, education and public awareness. Through its Contractors' Knowledge Network, FASA is committed to forging and exploring the critical issues shaping subcontractors and specialty trade contractors in the construction industry. The journal is designed to equip construction subcontractors with the ideas, tools and tactics they need to thrive. The views expressed by contributors to The Contractor's Compass do not necessarily represent the opinions of FASA or the American Subcontractors Association, Inc. (ASA).

MISSION

To educate and equip subcontractors and suppliers with the education and resources they need to thrive in the construction industry. Additionally, FASA raises awareness about issues critical to and about construction in the United States.

SUBSCRIPTIONS

The Contractor's Compass is a free monthly publication for ASA members and nonmembers. For questions about subscribing, please contact communications@asa-hq.com.

ADVERTISING

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EDITORIAL SUBMISSIONS

Contributing authors are encouraged to submit a brief abstract of their article idea before providing a full-length feature article. Feature articles should be no longer than 1,500 words and comply with The Associated Press style guidelines. Article submissions become the property of ASA and FASA. The editor reserves the right to edit all accepted editorial submissions for length, style, clarity, spelling and punctuation. Send abstracts and submissions for *The Contractor's Compass* to communications@asa-hq.com.

ABOUT ASA

ASA is a nonprofit trade association of union and non-union subcontractors and suppliers. Through a nationwide network of local and state ASA associations, members receive information and education on relevant business issues and work together to protect their rights as an integral part of the construction team. For more information about becoming an ASA member, contact ASA at 1004 Duke St., Alexandria, VA 22314-3588, (703) 684-3450, membership@asa-hq.com, or visit the ASA Web site, www.asaonline.com.

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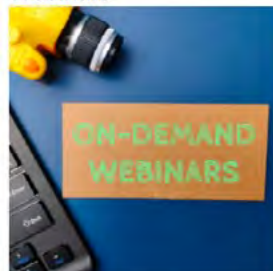
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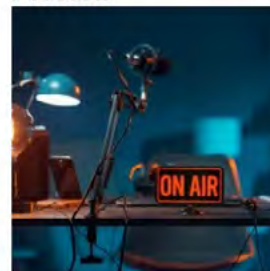
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PRESIDENT'S LETTER



Dear Fellow Members and Friends of ASA—

I am hoping that all of you are safe and healthy. The Southeastern part of our great nation has recently experienced massive destruction that has occurred due to the severe storms named Helene and Milton. No doubt the devastation will be felt for a long time and the cleanup and rebuilding process will be an arduous task. As an association, we need to offer our help and prayers for those affected by these catastrophic events. We offer our sincerest thanks to all of those volunteers from around the country that are helping in the effort to locate loved ones, rescue those in need and help the area return to some sense of normalcy. To our chapters and their members affected by this devastation, please let us know what ASA can do to help. In times like this, we must all pull together.

This issue covers Ethics. By its mere definition, ethics speaks to "moral principles". It refers to well founded standards of right and

wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. With that said ASA will honor selected firms that demonstrate the highest standards of internal and external integrity. **Ethics Awards Nominations are due December 31, 2024.** The program focuses on corporate ethics policies and procedures, construction and general business practices. ASA Certificate of Excellence in Ethics is not an awards competition, but rather a program recognizing subcontractors for their commitment to ASA values. The Awards Ceremony, held at SUBExcel, will honor those firms for their stellar work. Read more in the issue here.

ASA's Attorneys Council will hold its Fall meeting on October 25-26 at Chateau Elan in Braselton, GA. If you're an attorney looking to learn and broaden your network from across the country, we'd love you to join this fantastic group. Contrary to how most might feel about attorneys, our ASA Attorneys Council is nothing short of amazing in what they do for our industry. I appreciate them and thank them for their hard work, and for volunteering their time and talent to help our members.

Between this letter and the next one you will get from me, there will be a national election that will be of great importance to our GREAT NATION. No matter what side of the aisle you come from, the important thing is to get out and vote and let your voice be heard. Encourage

your colleagues, employees, friends, neighbors and family to exercise their right to vote. And no matter what the results of the election may turn out, we must remember to stay united as a nation and strive for the end of the divisiveness that exists in America.

As always, please feel free to reach out to me if I can be of any assistance to you, if you have a question, or if you just want to make a comment or say "hello". God bless all of you and your families and may He keep you safe and healthy.

Thank you,
Ray Moya
President, ASA - 2024-25
asapresident@asa-hq.com

NOMINATIONS DUE
DECEMBER 31, 2024.



*Certificate of
Excellence
in Ethics*



CONTRACTOR COMMUNITY



2025 Construction Finance Trends

2024 has seen a dynamic construction landscape marked by slowdowns in planning, staffing challenges, and reduced material costs.

As we move into an uncertain 2025, construction finance leaders are reevaluating their investments in tech tools, bolstering security, and finding new ways to operate as their responsibilities evolve. AvidExchange has released their [report](#) listing 7 Trends Impacting Construction Accounting and Finance Departments.

[Read today!](#)

U.S. Department of Labor's Severe Injury Report Dashboard

In September, the U.S. Department of Labor (DOL) launched its online [Severe Injury Report dashboard](#), a tool designed for users to search the DOL's Severe Injury Report database and view trends related to workplace injuries. OSHA defines a severe injury as "an amputation, in-patient hospitalization, or loss of an eye." The dashboard covers

injury data from 2015 to 2023. The data can be broken down by NAICS code, establishment name, state, year, body part, source, nature, and events/exposure and will be regularly updated. The database does not include data from states with their own state workplace safety and health plans.

This is the first time these reports will be made publicly available, and it raises several concerns. For example, the database provides severe injury data without providing much context, enabling others to create a false or misleading picture of an employer's workplace safety practices and record. The information will also likely be used by litigants, insurance companies, regulators and others for any number of reasons.

That said, we do believe the dashboard will be useful for companies and associations when they want to use injury data in comments responding to OSHA rulemakings. For example, through some initial searches using the tool, we found that, in 2023, many severe injuries in the "couriers and express delivery services" sector were due to "exposure to environmental heat." As OSHA has recently issued its proposed

Heat Injury and Illness rulemaking, having access to data on the number, origin, and details of industry injuries at the hands of heat will be valuable.

Construction Technology Report

Associated Builders and Contractors released its [fourth annual construction technology report](#), which focuses on the impacts of artificial intelligence in the construction industry.

Report: The Cost of Poor Coordination in Construction Projects

Nearly all contractors in the U.S. and Canada (98%) have had projects with serious quality issues in the last three years, such as errors, omissions, and rework, according to the latest study released by Dodge Construction Network. [Not By Design: The True Cost of Poor Collaboration in Construction](#) SmartMarket Brief, published in partnership with Dusty Robotics, examines the causes of these challenges and provides actionable, tactical strategies for improving future project outcomes.



SmartMarket Brief

DODGE CONSTRUCTION NETWORK

Not by Design: The True Cost of Poor Collaboration



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TUNE IN
TODAY

ASA is pleased to offer the latest episodes of its podcast, this time focusing on its advocacy mission with Director of Government Relations Mike Oscar. This nine-part series offers an in-depth exploration of advocacy's crucial role for Subcontractors at both federal and local levels.

Why Advocacy Matters: In today's complex construction industry, Subcontractors face numerous challenges that can significantly impact their businesses. From regulatory changes to legislative decisions, the landscape is constantly evolving. This summer, ASA released the "Advocacy 101" podcast episode to equip ASA members with the knowledge and tools they need to effectively advocate for their interests and the industry as a whole.

Why Listen?: The "Advocacy 101" series is a roadmap for Subcontractors who want to take an active role in shaping their industry's future. Whether you're new to advocacy or looking to refine your approach, this series offers valuable insights for all ASA members.

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Built to last. Business computers are built to last much longer, with higher quality components that are tested more rigorously. It's expected they will get more wear and tear and need to last longer - not so with consumer models.

Ability to repair. Consumer models tend to have very short shelf lives. A given model might be available for no more than a year before it's replaced by a shiny new model. This means you can't get replacement parts, and your only option will be to replace as opposed to repair, which is typically more cost effective.

More powerful. In general, business computers use far more powerful processors and graphics processing units, along with better cooling solutions and bigger batteries. That consumer model may look cheaper at first glance, but after the upgrades? Not so much.

Better Remote Management. For most businesses, it's essential that their IT service provider can manage the devices remotely. Consumer models may lack the necessary technologies, or at the very least make it harder and more time consuming – which means more cost to your business.

Better Security. Business computers have additional security features integrated into their hardware, from fingerprint scanners to smart card readers to encryption tools. Many even offer extra protection with their own security software solutions, not available on consumer models.

Better Warranties. Business computers have better warranty coverage than consumer computers – all these factors lead to a better ROI.



Sara Nauert

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Construction Data & Figures

U.S. Census—Construction Spending

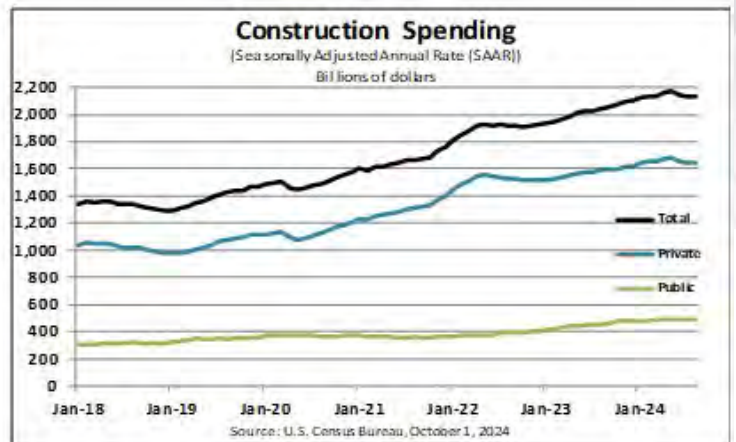


CONSTRUCTION SPENDING

AUGUST 2024	\$2,131.9 billion
JULY 2024 (revised)	\$2,133.9 billion

Next release: November 1, 2024

Seasonally Adjusted Annual Rate (SAAR)
Source: U.S. Census Bureau, October 1, 2024



Total Construction

Construction spending during August 2024 was estimated at a seasonally adjusted annual rate of \$2,131.9 billion, 0.1 percent (± 1.2 percent)* below the revised July estimate of \$2,133.9 billion. The August figure is 4.1 percent (± 1.6 percent) above the August 2023 estimate of \$2,047.4 billion. During the first eight months of this year, construction spending amounted to \$1,428.5 billion, 7.6 percent (± 1.2 percent) above the \$1,327.0 billion for the same period in 2023.

Private Construction

Spending on private construction was at a seasonally adjusted annual rate of \$1,642.2 billion, 0.2 percent (± 0.7 percent)* below the revised July estimate of \$1,645.8 billion. Residential construction was at a seasonally adjusted annual rate of \$899.9 billion in August, 0.3 percent (± 1.3 percent)* below the revised July estimate of \$903.0 billion. Nonresidential construction was at a seasonally adjusted annual rate of \$742.2 billion in August, 0.1 percent (± 0.7 percent)* below the revised July estimate of \$742.8 billion.

Public Construction

In August, the estimated seasonally adjusted annual rate of public construction spending was \$489.8 billion, 0.3 percent (± 2.0 percent)* above the revised July estimate of \$488.2 billion. Educational construction was at a seasonally adjusted annual rate of \$102.4 billion, virtually unchanged from (± 2.6 percent)* the revised July estimate of \$102.3 billion. Highway construction was at a seasonally adjusted annual rate of \$141.4 billion, 1.1 percent (± 5.4 percent)* above the revised July estimate of \$140.0 billion.



The Dodge Momentum Index (DMI), issued by Dodge Construction Network, increased 2.9% in August to 220.4 (2000=100) from the revised July reading of 214.2. Over the month, commercial planning expanded 1.9% and institutional planning improved 5.7%.

"Owners and developers continued to prime the planning queue in August, ahead of next year's anticipated stronger market conditions," stated Sarah Martin, associate director of forecasting at Dodge Construction Network. "With the Fed's September rate cut all but finalized, the influence of selective lending standards and inflation should moderate next year, alongside a modest upgrade to consumer demand. As a result, stronger planning activity was widespread in August, with most nonresidential sectors seeing growth."

Commercial planning saw another month of broad-based improvements. After slowing down in recent years, warehouse projects have gained momentum over the last three months. Hotels and retail planning have been steadily expanding as well. Data centers continued to

DODGE MOMENTUM INDEX

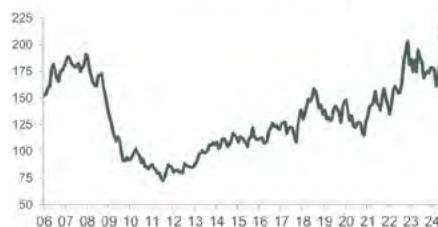
(2000=100, Seasonally Adjusted)

	Aug-24	Jul-24	% Change
Dodge Momentum Index	220.4	214.2	2.9%
Commercial Building	287.4	282.1	1.9%
Institutional Building	137.6	130.2	5.7%

Source: Dodge Construction Network

DODGE MOMENTUM INDEX

(2000=100, Seasonally Adjusted)



dominate large project activity, but the rate at which planning projects entered the queue in August moderated after several months of

very strong growth. On the institutional side, healthcare was the primary driver of this past month's expansion, followed by recreational planning. In August, the DMI was 31% higher than in August of 2023. The commercial segment was up 42% from year-ago levels, while the institutional segment was up 8% over the same period.

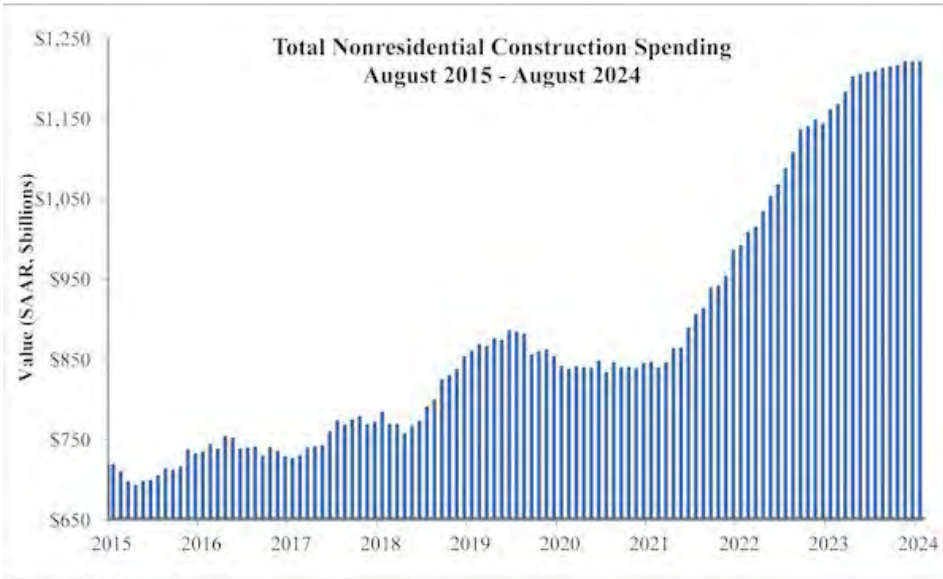
A total of 30 projects valued at \$100 million or more entered planning throughout August. The largest commercial projects included the \$500 million portion of the Tract Data Center Complex in Yuma, Arizona, and the \$462 million KDC Data Center Campus in Irving, Texas. The largest institutional projects to enter planning were the \$440 million Geisinger Medical Center Tower in Danville, Pennsylvania and the \$240 million academic and research facility at the University of Cincinnati in Ohio.

The DMI is a monthly measure of the value of nonresidential building projects going into planning, shown to lead construction spending for nonresidential buildings by a full year.

Construction Data & Figures



September Sees Added Jobs



Source: U.S. Census Bureau

The construction industry added 25,000 jobs on net in September, according to an Associated Builders and Contractors analysis of data released today by the U.S. Bureau of Labor Statistics. On a year-over-year basis, industry employment is up by 238,000 jobs, an increase of 3.0%.

Nonresidential construction employment increased by 17,900 positions on net, with growth in 2 of

the 3 subcategories. Nonresidential specialty trade added the most jobs, increasing by 17,000 positions. Heavy and civil engineering added 3,800 jobs while nonresidential building lost 2,900 positions.

The construction unemployment rate increased to 3.7% in September. Unemployment across all industries

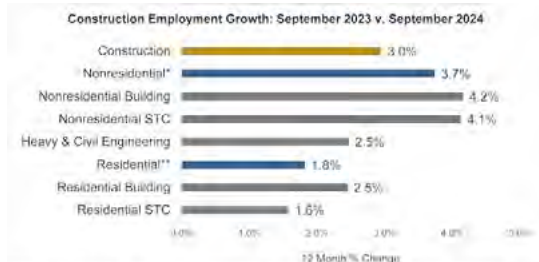
decreased from 4.2% in August to 4.1% last month.

“The construction industry added jobs for the fifth consecutive month despite labor shortages,” said ABC Chief Economist Anirban Basu. “The industry unemployment rate rose to 3.7% in September, but that’s still lower than in any month on record before the second half of 2018 and half a percentage point below the economy-wide unemployment rate. Hiring should persist in the coming months, with contractors expecting to increase their staffing levels over the next six months, according to [ABC’s Construction Confidence Index](#).

“Beyond the construction industry, this jobs report blew past expectations,” said Basu. “U.S. employers added 254,000 jobs for the month, the most since March, and employment estimates for the previous two months were revised upward by a total of 72,000 jobs. While the ongoing strength of the labor market and consumer spending indicates that the economy has weathered high interest rates better than anyone thought possible, the combination of rising household debt levels and economic uncertainty surrounding geopolitics and the looming election will potentially weigh on growth.



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics. **Includes Nonresidential Building, Nonresidential STC, and Heavy and Civil Engineering. ***Includes Residential Building and Residential STC.

Construction Employment Statistics: September 2024

	September 2024	August 2024	September 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	8,303,000	8,278,000	8,065,000	25,000	238,000	3.0%
Nonresidential	4,927,000	4,909,100	4,749,200	17,900	177,800	3.7%
Nonresidential building	927,900	930,800	890,800	-2,900	37,100	4.2%
Nonresidential specialty trade contractors	2,843,200	2,826,200	2,730,400	17,000	112,800	4.1%
Heavy & civil engineering	1,155,900	1,152,100	1,128,000	3,800	27,900	2.5%
Residential	3,376,200	3,368,400	3,315,700	7,800	60,500	1.8%
Residential building	951,500	949,500	928,700	2,000	22,800	2.5%
Residential specialty trade contractors	2,424,700	2,418,900	2,387,000	5,800	37,700	1.6%
Average Hourly Earnings						
All private industries	\$35.36	\$35.23	\$34.01	\$0.13	\$1.35	4.0%
Construction	\$38.53	\$38.37	\$36.84	\$0.16	\$1.69	4.6%
Average Weekly Hours						
All private industries	34.2	34.3	34.4	-0.1	-0.2	-0.6%
Construction	39.2	39.0	39.1	0.2	0.1	0.3%
Unemployment Rate						
All private industries (SA)	4.1%	4.2%	3.8%	-0.1pp	0.3pp	
Construction (NSA)	3.7%	3.2%	3.8%	0.5pp	-0.1pp	

Source: U.S. Bureau of Labor Statistics. Note: SA: Seasonally adjusted. NSA: Not seasonally adjusted

IT'S ALWAYS SOMETHING **WESOME**

—Aggie 100 Awardee—

John Reynal, Founder & Owner of *Encore Mechanical*



John with his wife, Beverly, and his daughter, Katherine.



John with members of his Encore team (l to r): Aaron Turner, John Escarzaga, and Cameron Mahaffey

The “Aggie 100” is designed to honor the 100 fastest growing Texas A&M alum-owned or led businesses in the world. Nominated companies are asked to provide high-level information about their company so that an independent accounting firm can rank the nominees and identify the 100 fastest growing companies. The nominated companies are ranked by percentage of compound annual growth in sales or revenues (net of returns), over a three-year period.

(For 2025 this period is from 2022 to 2024).

This year’s “Aggie 100” not only celebrated the Class of 2024 but also the program’s 20th anniversary. In addition, Aggie 100 provides a forum to pass lessons to the next generation of Aggie entrepreneurs.

We’re honored to have an Aggie 100 winner (not once, but FOUR TIMES!) as an ASA Board member, and North Texas Chapter devotee.



Years Honored

YEAR	RANK	GROWTH RATE
2024	94	35.62%
2021	27	61.495%
2020	89	31.891%
2017	26	53.346%

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Conflict Resolution: Navigating Ethical Dilemmas Between General Contractors and Subcontractors

by *Kate Strauss, Esq. and Trystan Melancon, Esq., Galvanize Law Group*

Successful construction projects coordinate the needs and responsibilities of multiple stakeholders—Owners, General Contractors, Subcontractors, Suppliers, and Vendors. Each role is vital, but the relationships and interactions between the General Contractors and Subcontractors play an especially crucial role in a project's successful completion. Successful navigation of disputes between General Contractors and Subcontractors is a key part of project success. Payment delays, scope-of-work disagreements, project delays, quality control issues, change orders, safety concerns, and contract disputes frequently cause conflict.

Subcontractors navigating conflicts while upholding ethical standards must balance the demands of the client, the directives of the General Contractor, and their own professional standards and integrity. Financial pressures can overshadow ethical considerations, but maintaining a strong ethical foundation is essential for long-term industry success. This article explores key ethical considerations in conflict resolution, the pressures Subcontractors face, strategies for addressing these challenges, and why it pays off in the long run to operate your business ethically.

Addressing Disputes with General Contractors or Clients While Upholding Ethical Standards

Payment delays are one of the most common tensions between General Contractors and Subcontractors. Subcontractors complete their work only to face lengthy waits for payment, sometimes due to the General Contractor's own cash flow problems. Similarly, disputes over the scope of work or project delays lead to tension, especially if the General Contractor is pushing for shortcuts or rushed work to meet deadlines.

Clear communication and thorough documentation are critical for

Subcontractors seeking resolution. Subcontractors should document all agreements, including verbal directives and any changes to the original scope of work, to avoid misunderstandings. Think strategically about whether your organization can institute a same-day follow-up to document any discussions or directives from General Contractor which impact price. Open and proactive communication with General Contractors and clients will help prevent small issues from escalating into major conflicts. Upholding industry standards, rather than acquiescing to client or General Contractor demands that compromise quality or safety, is not only a matter of professional integrity but also a protective measure against long-term liability.

Handling Conflicts Related to Pressures from Clients to Cut Corners

One of the most ethically challenging situations Subcontractors face is pressure from clients or General Contractors to cut corners. Whether it is to reduce costs or meet a tight deadline, compromising on safety, quality, or manufacturer standards come with serious repercussions. Long-term legal and financial risks often outweigh the short-term financial savings from cutting corners.

For instance, Owners or General Contractors may ask Subcontractors to use materials that do not meet the required standards or to rush a project without following the necessary safety protocols. These decisions lead to safety hazards, project failures, or even legal liability. Educating clients and General Contractors about the risks associated with cutting corners is an important strategy to resist these pressures. Clear, well-documented contracts that define safety and quality standards give Subcontractors the leverage they need to push back against unethical demands. In addition, documenting the potential outcomes of the decision to both the

General Contractor and the project Owner will make it clear that they are knowingly electing a course of action and arguably accepting the risk. Requesting an additional clause for indemnity and defense arising from the decision is also a smart way to help the General Contractor or Owner understand that they are responsible for any consequences of the selection or decision.

Ethics of Change Orders

Change orders commonly cause conflict in construction projects, often leading to ethical dilemmas. Subcontractors may be tempted to overcharge or inflate either labor or materials costs when they encounter change orders, especially if they initially underpriced the original bid or if the contract itself limits the amount of overhead and profit that can be attached to the change order. However, this type of inflation, if identified by the General Contractor or Owner, causes irreparable damage to the trust relationship and can also result in legal consequences.

Potential downstream consequences aside are a strong argument for adhering to ethical practices in change orders. Practice transparency: openly explain the reasons for changes and the associated costs to General Contractors and Owners. Document all change orders and ensure mutual agreement to comply with the terms of the original contract. Subcontractors must ensure fair pricing not only to maintain client trust but also to foster long-term relationships with General Contractors, other Subcontractors, and to maintain a strong reputation in a competitive market.

Balancing fair pricing with maintaining strong relationships presents challenges, but remains essential for achieving long-term success in the industry. Clients and General Contractors appreciate Subcontractors who communicate upfront and honestly about costs, even if adjusting the project budget is necessary. Unethical practices such as inflating costs or hiding the reasons for change orders often cause

disputes, loss of future business, and harm to your professional reputation.

Case Studies: Real-World Ethical Dilemmas

Case Study 1: The Old Building Remodel and Deteriorated Concrete Wall

In one real-world scenario, General Contractor hired a Subcontractor to renovate an old building. During the project, the removal of tiles from the walls revealed a severely deteriorated concrete center wall. The General Contractor and owner wanted to proceed with a method of repair that failed to meet manufacturer tolerances and lacked engineering approval. The Owner and General Contractor pressured the Subcontractor to continue with the unsuitable solution. However, the Subcontractor recognized the potential safety risks and refused to compromise on installation quality. Subcontractor insisted on a change order encapsulating the work that General Contractor and Owner were requesting; provided industry publications suggesting that the application of certain materials would be out of tolerance for manufacturer installation instructions, and requested that General Contractor and Owner indemnify the Subcontractor for the change order work. As a result, the Owner and General Contractor opted to pursue a safer, albeit more expensive option.

By adhering to ethical standards, the Subcontractor avoided significant exposure to long term damages. In the specific scenario, it was likely that Subcontractor would have been called back several times for ongoing warranty work on the change order work (when the materials couldn't be installed in a manner that "looked" the way Owner was seeking), and when the materials ultimately failed in two to three years Subcontractor could also potentially face damages for the cost to remove and replace with industry suitable materials. The future costs, after interior finishes were complete, would be significantly more than original cost of installation. In addition, Owner might also then seek consequential types of damages, for loss of use to the building during repairs. Under these circumstances, Subcontractor's future exposure to

damages would be in the hundreds of thousands, if not millions, of dollars.

If you're faced with an ethical dilemma on how to proceed with a request that will not meet industry standards, considering the potential long term costs and consequences to your company absolutely helps with perspective on the decision you're facing today.

Case Study 2: Vendor Invoice Manipulation

In another scenario, a Subcontractor faced a contractual limit of 10% markup on overhead and profit on change orders. To recover additional costs, the Subcontractor manipulated vendor invoices in a .pdf editor, to artificially inflate costs. Although this deception provided a short-term financial gain, it caused greater financial loss in the long run. When larger problems arose on the project, Subcontractor's counsel identified the manipulated invoices and informed Subcontractor that they could not present false evidence to the court under attorney ethics. Subcontractor lost legal representation and the ability to effectively advance a much bigger claim in the case due to poison change orders.

The lesson is clear: violating ethical principles for short-term benefits often leads to long-term consequences, some of which a Subcontractor may not be able to anticipate at the time of the decision. The financial and reputational costs of unethical behavior usually outweigh immediate gains.

Lessons Learned: The Cost of Violating Ethics

These case studies show the importance of maintaining ethical integrity in the construction industry. Subcontractors who adhere to ethical standards protect their reputation in the community, their long-term financial interests, and ensure the safety and quality of their work. Ethical decision-making produces better outcomes, both financially and reputationally.

Subcontractors must balance their obligations to General Contractors and Owners while upholding their professional standards. Ethical conflict resolution demands clear communication, transparency, and a commitment to safety and quality, even when financial pressures arise.

Key Takeaways:

- Ethical conflict resolution involves clear communication, transparency, and prioritizing safety and quality over short-term gains.
- Thinking long-term can help Subcontractors resist pressures to cut corners, even when facing financial or time-related challenges.
- Violating ethical principles for short-term benefits often leads to long-term consequences while maintaining ethical integrity protects both financial and personal interests.

Ethics in the construction industry is not just about following the rules—it's about safeguarding long-term relationships, safety, and quality, ensuring the continued success of all parties involved.

About the Authors:

Galvanize Law Group Founding Partner, *Kate Strauss*, is an experienced counselor and advocate, with a practice equally dedicated to advising clients on corporate and transaction matters, and litigation on behalf of her clients. *Kate's* litigation cases address issues such as construction defect, mechanic's lien foreclosures, delays and scheduling impact claims, and other contract entitlement questions. Her clients include general contractors, design professionals, subcontractors and specialty trades, and material suppliers.

She is a 2019-2024 Colorado Super Lawyer and was recognized as a Colorado Super Lawyers Rising Star in from 2015-2017. *Kate* is a professional member of the American Subcontractors Association of Colorado, for which she co-chairs the Women in Construction Committee. She is also active in the Colorado Bar Association and serves on the Colorado Bar Association Ethics Committee.

Trystan Melancon is a recent graduate of Paul M. Hebert Law Center, Louisiana State University. A law clerk with Galvanize Law Group since January 2023, she is already well versed in contracts and mechanic's lien law and the difficulties facing subcontractors in their everyday work. She is awaiting admission to the Colorado bar and looks forward to representing Galvanize Law Group's excellent subcontractor clients in all of their business needs.

Find out more about Galvanize Law Group at: <https://www.galvanize.law/>



FEATURE

Decisions That Define Us: The Impact of Ethics on Corporate Culture

by Grace Uwizeye-Allen, *Graceful Etiquette*

The Role of Personal Values in Decision-Making

Every day in the workplace, we are faced with decisions—some minor, others with the potential to affect both colleagues and external stakeholders. Our personal values serve as a guide for how we handle these situations, especially in high-pressure business and leadership settings. For instance, if a colleague receives a promotion we believe we deserved, do we congratulate them or let resentment fester? When we notice an error in a project that no one else has caught, do we speak up? Our personal values and commitments shape how we respond in these moments, and over time, impact not only our personal reputation but also the broader workplace culture.

Common Dilemmas in Business and Leadership

Leaders often encounter ethical challenges that can complicate their roles and impact organizational culture. One common dilemma arises from the pressure for results; the relentless pursuit of targets and profits can tempt leaders to cut corners or engage in deceptive marketing practices, compromising their integrity. On top of that, building a culture of accountability is tough when employees are afraid of being punished for mistakes, which can create an atmosphere where transparency takes a back seat. This fear can stifle innovation and learning, further complicating decision-making processes.

At the same time, finding the right balance between the needs of employees and the organization can

lead to difficult choices that test one's ethical compass. For instance, ensuring fairness and equity is a particular challenge when leaders must make decisions that affect resource allocation or job security. On one hand, leaders want to be transparent, but they also need to protect sensitive information, which can create ethical dilemmas and affect trust within the team. On top of all this, leaders face significant dilemmas related to employee treatment, including well-being, fair compensation, and safe working conditions. The challenge lies in reconciling profit margins with ethical labor practices, especially in competitive industries.

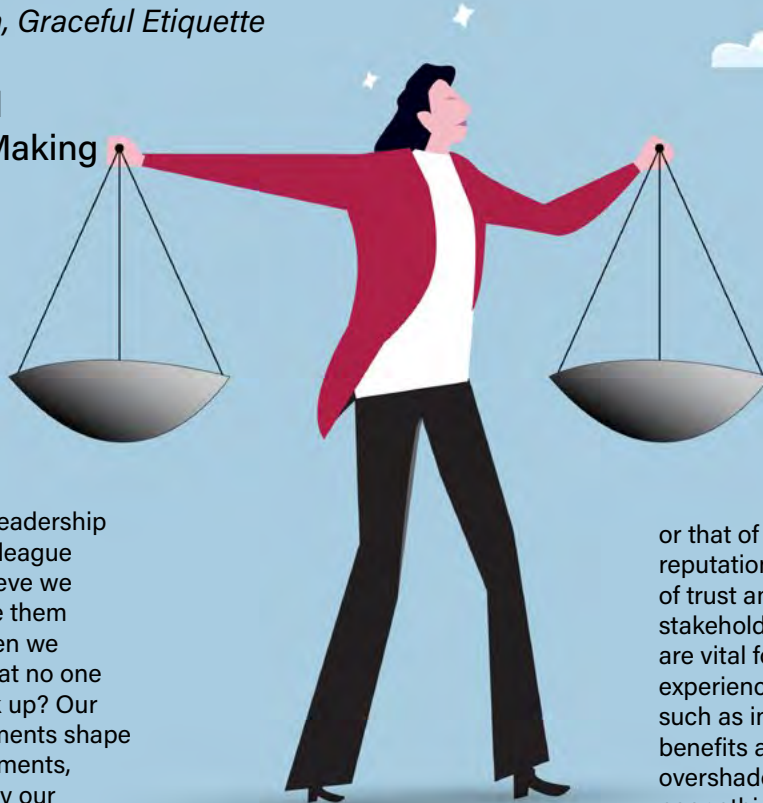
Each of these dilemmas not only tests personal values but also shapes the organizational culture, making it essential for leaders to approach decision-making with a keen awareness of the ethical implications involved.

The Consequences of Unethical Decisions

What are the consequences that can arise from unethical decisions? In the short term, the repercussions can be immediate and damaging. News of unethical behavior can spread quickly, tarnishing one's personal reputation

or that of the organization. This swift reputation damage can lead to a loss of trust among colleagues, clients, and stakeholders, straining relationships that are vital for success. While some may experience immediate financial gains—such as increased sales or profits—these benefits are often fleeting and can be overshadowed by the long-term fallout of poor ethical choices.

Over time, the ramifications become even more severe. Organizations with a history of unethical practices risk losing employee and client loyalty, resulting in high turnover rates and a dwindling customer base. For individuals, being associated with unethical behavior can hinder career advancement, making it difficult to secure promotions or new job opportunities. Ultimately, the overarching effect of unethical decisions is a significant loss of trust. Once broken, this trust can take years to rebuild, if it can be repaired at all. As we analyze these consequences, it becomes evident that the short-term allure of unethical choices pales in comparison to the long-term impact they have on individuals and organizations alike, underscoring the necessity of maintaining integrity in every decision.



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The Great Expiry National Data Collection Effort

Be part of the 35,000+ Subcontractors renewing their prequalification during The Great Expiry. Stay eligible for future contracts and bids with all your General Contractors by updating your data once through the COMPASS 1Form.



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Increase opportunities with a strong Q Score



Boost your Odds

Feedback to max prequalification success



Avoid Rush Prequals

Reduce errors on last minute prequalifications

Renew your Prequalification in 20 minutes

1. Have your 2023 externally-prepared Financial Statements ready
2. Go to www.compass-app.com/1form
3. Click on "Continue your Prequalification"
4. Review pre-filled responses and click "Submit" at the bottom of the page



Balancing Ethics with Practicality in Decision-Making

So, how do we balance ethics and practicality in decision-making? Recognizing ethical conflicts is the first step. As decision-makers we must be attuned to situations where ethical considerations clash with practical business needs, such as financial constraints or competitive pressures. When faced with these situations, personal accountability plays a key role. Employees should feel empowered to take responsibility for their choices and actions, even amid pressure to compromise their values. Encouraging individual agency allows team members to advocate for ethical practices in their daily work, reinforcing their stake in maintaining integrity within the organization.

Dealing with peer pressure and group dynamics can be challenging, especially when personal values are at stake. It's important for employees to resist the urge to simply follow their colleagues' decisions, particularly when those choices conflict with their own morals. Asserting viewpoints respectfully, seeking support from like-minded peers, and standing firm in ethical beliefs—even when uncomfortable—can help maintain one's moral compass in challenging environments.

The big picture matters. Prioritizing

long-term vision over short-term gains is vital for sustainable success. Ethical practices not only contribute to an organization's reputation but also align with its core values, leading to better outcomes in the long run. Leaders play a critical role in cultivating a culture of integrity, encouraging open dialogue about ethical concerns, and fostering an environment where decisions can align with both ethical standards and business objectives. By embracing these strategies, organizations can navigate the complexities of decision-making while upholding their commitment to integrity.

The Influence of Corporate Culture on Decision-Making

At the end of the day, corporate culture plays a huge role in shaping the decisions made within an organization. If policies are unclear or if leadership turns a blind eye to unethical practices, employees may feel pressured to cut corners or make decisions that compromise their values. Over time, this undermines trust and erodes the organization's moral foundation. When there's a lack of accountability from the top down, it becomes easier for questionable behaviors to be overlooked or even encouraged.

On the flip side, when a company fosters a culture that values integrity, transparency, and accountability, it naturally promotes ethical decision-making. Policies that encourage

employees to speak up without fear of retaliation, coupled with leadership that models ethical behavior, create an environment where making the right choice is always supported. Employees are more likely to follow ethical standards when they see their leaders consistently doing the same.

Ultimately, corporate culture acts as a guiding force for decision-making, setting the tone for what is acceptable and what is not. Leaders have the responsibility to cultivate a positive, ethical culture that encourages employees to make sound, principled decisions. A strong ethical foundation doesn't just improve decision-making—it builds a company's reputation, strengthens employee loyalty, and leads to long-term success!

About the Author

Grace Uwizeye-Allen is CEO of



Graceful Etiquette®, a top etiquette consultancy that offers organizational training in protocol and business etiquette, communication skills, and professional

image development. With over 16 years of experience, we help professionals gain the confidence and skills to succeed in any environment with grace and ease.



Personal Story

Doing What's Right or What's Profitable?

When my client became the CEO of a mid-sized company, he never imagined that his toughest challenge would come not from competition, but from a choice between profit and integrity. The company had developed a new software feature that promised to boost revenue significantly. However, during testing, his team discovered a vulnerability that could potentially compromise user data.

With a major investor presentation just days away, he faced growing pressure to move forward with the launch as planned. Delaying to fix the issue would mean losing the opportunity to secure critical funding, potentially putting the

company's future at risk. Some team members suggested launching the feature and addressing the vulnerability in a later update, emphasizing that competitors wouldn't hesitate to get their products to market first.

But my client knew that if user data were compromised, the trust they had built with their customers would be broken. He made the call to delay the launch, giving his team time to resolve the vulnerability.

The fallout was immediate—stock prices dipped, and investors expressed frustration. But within months, word spread about the company's commitment to user security, attracting new clients and partners who valued integrity. His decision was a reminder that sometimes, true leadership means not sacrificing values for short-term gains.



FEATURE

Forecasting for the Year Ahead: Key Indicators You Can't Afford to Ignore

by Dave Williamson, Kent Companies

As the year draws to a close, businesses are looking ahead and setting goals for 2025. In an environment as dynamic as construction, accurately forecasting the year requires a balanced approach.

To build a robust forecast, you need to evaluate leading indicators, which signal future events, and lagging indicators, which provide insight into past performance. Leading indicators help anticipate changes and adjust strategies proactively. Meanwhile, lagging indicators reveal how well the team has executed its plans, offering a reality check against projections.

Leading Indicators: Setting the Stage for Success

1. Safety Performance

Safety is the backbone of any construction project. Beyond its obvious importance for protecting employees, safety performance is a strong leading indicator of operational efficiency. A site that prioritizes safety will also be more organized and productive. By tracking near misses, safety observations, and training completion rates, companies can identify potential risks and address them before they lead to incidents or slowdowns.

2. Business Development

The pipeline of future projects is directly tied to the business development efforts of today. Metrics like new customer sale, bid volume, and proposal hit rates are vital. By investing in relationships and exploring new markets, companies can position themselves for steady growth. Tracking these indicators ensures a healthy project backlog and helps identify emerging trends in the industry.

3. Sales Conversion

Understanding market demand is crucial for capacity planning and resource allocation. Indicators like client inquiries, bid volume, and awarded projects can signal upcoming work volume. Monitoring these trends allows companies to adjust staffing, equipment, and material needs to meet demand efficiently without overextending resources.

Lagging Indicators: Learning from the Past

1. Productivity

Measuring productivity after the fact provides a reality check on the efficiency of operations. Metrics such as man hours or square footage completed per day reveal how well your team is performing. Analyzing these figures helps identify bottlenecks and areas for improvement, guiding future decisions on process optimization and workforce training.

2. Quality

Quality is a non-negotiable and its measurement often comes after project completion. Tracking rework rates, defect counts, and customer satisfaction scores provides insight into how well the company meets client expectations. High-quality work not only fosters client trust but also reduces costly rework, contributing to profitability.

3. Profitability

Profitability is the ultimate lagging indicator, reflecting the culmination of all efforts. Analyzing profit margins, cost overruns, and financial performance against budgeted targets

allows us to assess financial health. This retrospective view helps refine bidding strategies, cost controls, and resource management for future projects.

Taking Action: Forecasting for the Year Ahead

Investing in the data and creating scoreboards will enhance forecasting accuracy. To harness the power of these indicators, start with regular review cycles - review weekly, plan by the quarter, and evaluate both leading and lagging indicators to inform decision-making.

Forecasting isn't about predicting the future with certainty; it's about preparing for it with intelligence and agility. By balancing leading indicators with lagging indicators companies can navigate the uncertainties of the year ahead with confidence.

About the Author



Executive Vice President Dave Williamson holds over 20 years of experience in the construction industry. He provides leadership and operational oversight to Kent Companies' Midwest operations.



ROCK SOLID MEMBERSHIP VALUE

Advocacy - Education - Information

LIMITLESS

Potential savings from ASA through deals with brands like Home Depot and UPS!



\$80,000

*rebates earned by ASA members from Home Depot, Jan-Jun 2024



\$245,089

*shipping costs saved by ASA members with UPS in 2023

PRICELESS

Resources and services included with your ASA membership!



National & Local Advocacy



Subcontractor Legal Defense Fund



Subcontract Documents Suite



Education



Info Hub Resource Library



News Hub



Networking



Free Webinars & Podcasts











ASA QUARTERLY REPORT



Introduction

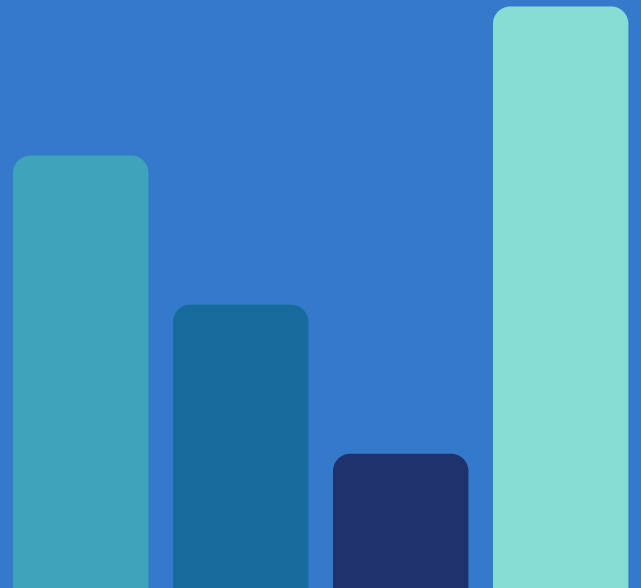
Welcome to our Impact Report, showcasing this quarter's activities and performance. Our commitment to excellence and member engagement is at the heart of everything we do!

KEY ACHIEVEMENTS

This year has been transformative for ASA. We've expanded into new areas with two new chapters in Iowa and Washington and increased membership overall. SUBExcel attendance reached its highest level since Las Vegas in 2019, and our advocacy efforts resulted in a key member testifying on Capitol Hill.

8.8%

Membership growth in FY2023



ASA MEMBERSHIP

Chapter Growth:



- 2 Texas chapters, San Antonio and North Texas, went over 200 members for the year (both at 207)!
- 2 new chapters started: Iowa and Washington
- Total membership: 2,462
- Avg. Retention Rate: 90%

Numbers that
Matter

207

*membership size of TWO chapters, San Antonio and North Texas

ALLIANCES

ASA maintains strategic alliances with key organizations that support our mission and the success of Subcontractors.

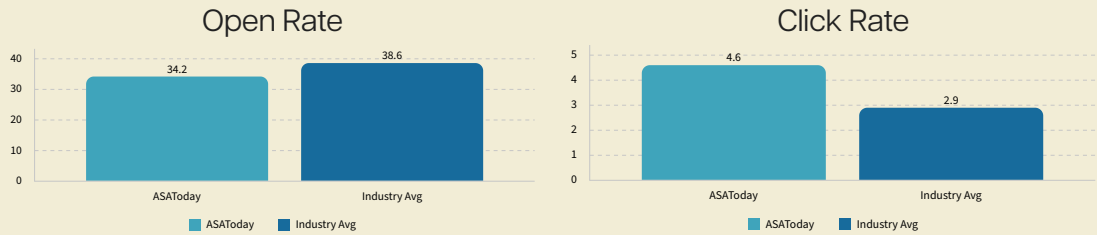


NGA

NATIONAL GLASS ASSOCIATION with GANA

GOVERNMENT RELATIONS COMMITTEE

ASA Today Newsletter Stats



Subcontractors Legal Defense Fund (SLDF): 5 New Cases

[Read more](#)



- Texas Southern University v. Pepper Lawson Horizon International Group, LLC May 2023 Texas Supreme Court **(WIN)**
- Acuity v M/I Homes of Chicago, LLC on appeal to the Illinois Supreme Court **(WIN)**
- Twigg v. Admiral Insurance Co., Petition for Review to Oregon Supreme Court **(Decision Pending)**
- White Sands Construction, Inc. v. City of Las Cruces to the Supreme Court of the State of New Mexico **(Court denied petition for writ of certiorari)**
- Third Coast Services, LLC v Castaneda in the Texas Supreme Court **(Petition for review)**

Numbers that Matter

\$30,303

*Current SLDF balance

ANNUAL FLY-IN

Donate to SLDF

ASA hosted another successful fly-in on Capitol Hill June 11-12, 2024.

27 Senate meetings

24 House meetings

4 Members of Congress

GOVERNMENT RELATIONS COMMITTEE

ASA Priorities for 2024

As the American Subcontractors Association (ASA), a pivotal entity in the construction industry, representing over 2,400 construction subcontractors across the United States, prepares for its 2024 legislative fly-in on Capitol Hill, these are its legislative priorities aimed to address critical issues that impact subcontractors and by extension, the broader construction sector, who play an essential role in construction projects.

- Promoting Prompt Payments through Legislative Action
- Enhancing P3 Bonding Requirements
- Reforming Retainage Practices
- Ensuring Fairness in Bid Listing
- Streamlining Permitting Processes
- Tax Reform
- Supporting Workforce Development
- Encouraging Construction Procurement Reform

These legislative priorities not only address the immediate needs of subcontractors. By supporting these initiatives, the ASA helps create a more predictable and fair business environment for all stakeholders in the construction industry.

LEGISLATIVE ACTION

What we're monitoring on Capitol Hill

- U.S. Department of Labor (DOL)'s Overtime Rule
- Federal Trade Commission (FTC)'s Non-Compete Rule
- OSHA's Proposed Standard for Heat Injury and Illness Prevention
- Change order reform

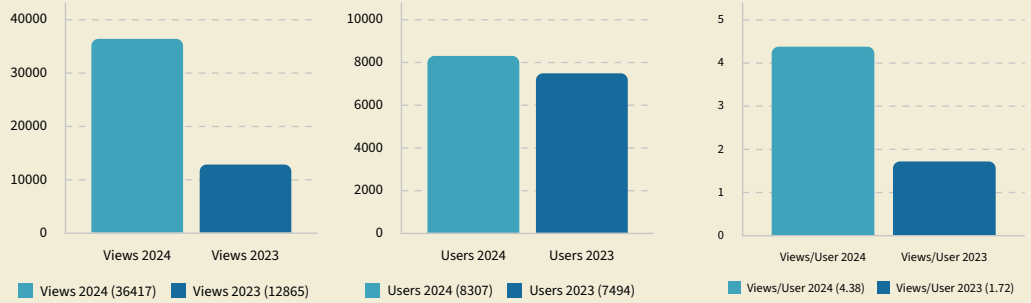
What we're monitoring in the States

- Retainage
- PACE (Alternative Energy Financing)
- Anti-indemnification and mechanical insulation
- Pay if paid
- Prompt payment
- Completion and inspection of trade's work

ASA FOUNDATION (FASA)

Donate to FASA

FASACARES.org website stats



Learning Center

- 12 webinars in FY23
- 73% Attendance (337 registered vs 245 attend)
- Avg. 22 per webinar

Most Popular Webinars FY23

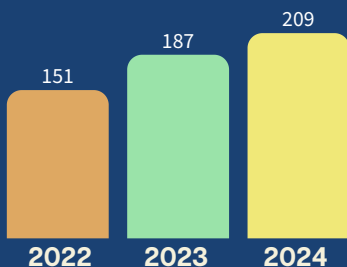
1. SESCO: Reduce employment liability (Sep. 2023 - 41 attendees)
2. Ownership Succession (Jan. 2024 - 33 attendees)
3. SESCO: Leadership Skills (May 2024 - 32 attendees)

Numbers that Matter **36,417**

*number of Page Views of new FASA web site YTD compared to full year 2023 Contractor's Compass views of 12,865

SUBEXCEL

The future holds exciting potential as SUBExcel 2024 kicked off a new era of partnering with ASA chapters to host our annual convention. Attendance in New Orleans reached its highest level since 2019 in Nashville! In 2025, more changes are in store as we move to September and are hosted by ASA of Oklahoma in Oklahoma City.



BOOTS & Bling

AMERICAN SUBCONTRACTORS ASSOCIATION

SEPTEMBER 16-18, 2025

ASA National Convention
Oklahoma City, OK

SAVE THE date

#SUBEXCEL 2025

THANK YOU

for being an integral part of our journey. Your contributions have made a significant impact, and we look forward to achieving even greater milestones together.



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FEATURE

Keep It Ethical: Social Media Use in Credit Collections

by Patrick Hogan, *handle.com*

Social media platforms like LinkedIn, Facebook, and Twitter have become essential tools for businesses, including those in the construction industry. They provide opportunities for networking, marketing, and even assisting with credit collections. However, while using social media can enhance our efforts, it's crucial to consider the ethical implications within the United States context.

Let's explore some key areas to be mindful of when using social media for credit collections in the U.S., especially when facing challenges in collecting payments from clients.

Challenges in Collecting from Clients

It's not uncommon for construction companies and subcontractors to encounter difficulties when collecting payments. Projects can be complex, involving multiple parties, change orders, and unexpected delays. Clients might dispute charges, experience their own financial hardships, or simply fall behind on payments. These situations can strain business relationships and impact cash flow.

In an effort to resolve outstanding debts, businesses might consider turning to social media to gather information about clients. For example:

- **Locating a Non-Responsive Client:** If a client becomes unresponsive to calls and emails, you might look up their social media profiles to find alternative contact information or confirm their current location.
- **Assessing Client's Financial Status:** You might check a client's public posts for indications of financial instability or signs that they are avoiding payments intentionally.
- **Verifying Claims:** If a client cites specific reasons for non-payment, such as personal emergencies or

business setbacks, their social media activity might provide insights that confirm or contradict these claims.

While these tactics can provide valuable information, it's important to handle them ethically and within legal boundaries.

Privacy Concerns

Adhering to Privacy Laws

When using social media to gather information for credit collections, you're dealing with personal data protected by U.S. laws.

The *Fair Debt Collection Practices Act (FDCPA)* restricts how businesses can collect debts, aiming to prevent abusive practices. Additionally, laws like the *California Consumer Privacy Act (CCPA)* protect personal information of residents in certain states.

For instance, if you're reviewing a client's social media profiles to assess their financial situation or locate them, it's essential to handle that information responsibly. Misusing or improperly disclosing personal data can lead to legal consequences and damage your company's reputation.

Respecting Personal Boundaries

While social media can provide valuable insights, it's important to respect individuals' privacy. The FDCPA prohibits debt collectors from sharing information about a debtor's debts with third parties (FTC, n.d.).

This means you should avoid:

- Posting about a client's debt on social media platforms.
- Sending messages to a client's friends or family seeking information about the debt.
- Using deceptive means to gather information, such as creating fake profiles.

Stick to information that's publicly available and relevant to your credit collection efforts. Avoid invasive tactics like attempting to access private profiles or engaging in harassment.

Transparency and Consent

Seeking Permission Where Appropriate

Being transparent builds trust, even in challenging situations. While you may not need explicit consent to view publicly available information, it's good practice to inform clients if you plan to use social media as part of your credit collection strategy. This can be included in your service agreements or terms and conditions.

For example, your contract might state:

"We may use publicly available information, including social media profiles, to assist in account management and collections."

By being upfront about your methods, you adhere to ethical standards and foster open communication with your clients.

Communicating Openly About Your Practices

If you're having trouble collecting from a client, consider traditional communication methods first. If you decide to reference information found on social media during discussions, do so cautiously and respectfully. Open communication demonstrates your commitment to resolving the issue amicably and ethically.

Fairness in Treatment

Avoiding Discrimination

It's essential to ensure that all clients are treated fairly, regardless of their social media presence or activity. The *Equal Credit Opportunity Act (ECOA)*

prohibits discrimination in credit transactions based on protected characteristics. Avoid making credit decisions or assumptions based on attributes that might be inferred from social media profiles, such as race, religion, or marital status.

For example, it's important not to assume a client is unwilling to pay based on personal opinions they express on their social media profiles. Additionally, avoid letting personal biases influence how aggressively you pursue collections.

Use social media data as one of many tools in your assessment, ensuring a fair and unbiased approach.

Ensuring Accurate Information

Social media profiles may contain outdated or inaccurate information. Relying solely on this data can lead to misunderstandings.

Here are some scenarios:

- A client might post about a vacation, leading you to believe they have funds to pay, when the trip was planned long before financial issues arose.
- An old address listed on a profile might cause you to send correspondence to the wrong location.

Cross-reference any findings with reliable sources and consider reaching out to the client for clarification when necessary.

Reputation Management

Considering Public Perception

How you conduct your credit collection efforts can significantly impact your company's reputation. Aggressive or unethical use of social media may help recover debts in the short term but

can harm relationships and deter future business.

Publicly commenting on a client's posts about their debt can be seen as harassment. Likewise, engaging in arguments or negative interactions on social media platforms reflects poorly on your professionalism and the business you represent. These actions might also violate the FDCPA's provisions against harassment.

Upholding Professional Standards

Maintaining professionalism is crucial, especially when dealing with sensitive matters like credit collections. By handling challenging situations with integrity and respect, you demonstrate your company's commitment to ethical practices.

This approach can preserve your relationships with existing clients, encourage clients to resolve outstanding debts willingly, and enhance your reputation within the industry.

Balancing Effectiveness and Ethics

Working with construction businesses that face collection difficulties, we understand the frustrations that come with clients who are challenging to collect from.

Social media can be a tempting resource to expedite collections. However, it's essential to balance effectiveness with ethical considerations.

To achieve this:

- **Develop Clear Policies:** Outline how your company uses social media in credit collections.
- **Train Your Team:** Ensure everyone understands the importance of privacy, consent, fairness, and

compliance with U.S. laws like the FDCPA and ECOA.

- **Review Practices Regularly:** Stay aligned with legal requirements and ethical standards.

By approaching each situation thoughtfully, you can navigate the challenges of collecting from clients while maintaining ethical integrity.

Ethical Collections on Social Media

Social media offers additional avenues to enhance credit collection efforts, especially when facing difficulties with clients. However, it comes with a set of ethical responsibilities. By being mindful of privacy concerns, seeking transparency and consent, ensuring fair treatment, and carefully managing your reputation, you can use social media effectively while upholding the highest ethical standards within the United States context.

Ultimately, it's about building trust and maintaining strong relationships, even in challenging circumstances. Prioritizing ethics in your use of social media for credit collections not only protects the individuals involved but also strengthens your company's standing in the industry.

About the Author



Patrick Hogan is the CEO of [handle.com](https://www.handle.com), where they build software that helps contractors and material suppliers with lien management and payment compliance. The biggest names in construction use Handle on a daily basis to save time and money while improving efficiency.



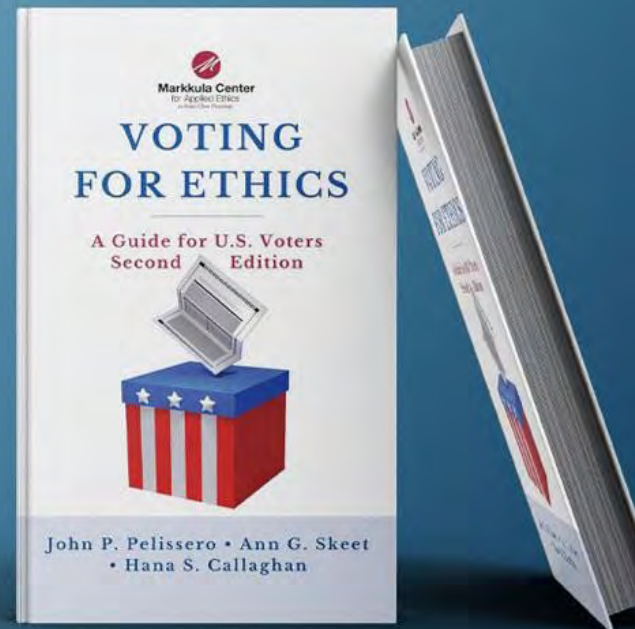
FEATURE

Voting for Human Flourishing

by Ann Skeet, American Leadership Forum (ALF) Senior Fellow, Class X

Voting for Human Flourishing

By Ann Skeet, ALF Senior Fellow & Senior Director of Leadership Ethics, Markkula Center for Applied Ethics at Santa Clara University



To many, the upcoming election is seen as the most consequential in our lifetime, in part because the political divisions across the country are so deep. Not only are there differences of opinion on policy matters, but people in both parties have begun to identify those in the other party as bad people, not just people with different points of view. Increasingly, people's identities are wrapped up with their politics, reinforcing the sense that we are part of tribes that cannot find common ground.

Ethics can be that common ground.

When you mention ethics, many people tend to think first of being judged, of whether or not they did something wrong. Aristotle saw ethics as central to our ability to live the "good life." He defined *euaimonia*, a Greek word that translates roughly to happiness, as the

highest human good achieved, one reached by living a life according to ethics and virtue. This gives us a different way to think about ethics as not just a way to decide right and wrong, but as a condition of human flourishing.

This winter, I had the privilege of working on a second edition of a book first written by a former colleague at the Markkula Center for Applied Ethics, Hana Callaghan, who has since passed away. The book, *Voting for Ethics: A Guide for U.S. Voters*, lays out in intentionally simple terms what voters should look for in candidates and campaigns in U.S. elections to support ethical politics.

"What the model of ethical leadership we work with at the Markkula Center reinforces is that effective, ethical leadership requires a balance between both the being and

the doing of leadership, a concept I was first introduced to at ALF!"

One of the other privileges I have had, in addition to being a Fellow in ALF's Class X, was to serve as ALF's (Silicon Valley) CEO for Classes XII-XX. I can well remember a discussion around the ALF campfire in the early aughts, shortly after the passage of Sarbanes-Oxley legislation that, amongst other things, put CEOs on the hook for the actions and behavior of their employees. One Fellow serving as a CEO at the time asked during a discussion about the law, "What can I do to make sure everyone in my company does the right thing?" What indeed?

That question has informed my scholarship during my ten years at the Markkula Center for Applied Ethics at Santa Clara University, where I study

leadership ethics. It shaped the research I have done in organizations to identify conditions that make it more likely for ethics to be used. And it formed the foundation of a practice of ethical leadership I developed for the center drawing very much from observations I made of leaders participating in ten different ALF classes, each of whom was the "best class," by the way. Except the class that was the "baddest." Or the one that was the "best-looking." But I digress.

What the model of ethical leadership we work with at the Markkula Center reinforces is that effective, ethical leadership requires a balance between both the being and the doing of leadership, a concept I was first introduced to at ALF. By the being and the doing, I mean both the character of the leader (the being) and the actions they take (the doing).

Figure 1 conveys this *practice of ethical leadership* is a vertical column (Fig. 1), with character at its base and

each action stacked on top of each other. It's drawn that way to convey that if you remove the character-building block, the leader's impact is lessened. In other words, character is the foundation of how we accomplish things as leaders.

And that concept is at the heart of "Voting for Ethics." In it, I apply this practice of ethical leadership to candidates for public office. (We also talk about other things, like the use of AI in elections.) The book helps individuals become informed voters who can identify candidates who possess the hallmarks of an ethical candidate, one who conducts ethical campaigns, and communicates with voters in a virtuous way—promoting truth, facts, and relevance.

I find myself wondering if we should have called the book "Voting for Human Flourishing." It might help people make the connection more fully between the important work we do when we cast our votes on election day and their impact

on our everyday happiness. And it might help people recall Aristotle's belief that you need both virtue and ethics, strength in being and doing, to live the good life.

About the Author



Ann Skeet is the Senior Director of Leadership Ethics at the Markkula Center for Applied Ethics at Santa Clara University, an ALF Senior Fellow from Class X, and served as the organization's CEO from 2000-2008. She is a co-author of *Voting for Ethics: A Guide for U.S. Voters Second Edition* and *Ethics in the Age of Disruptive Technologies: An Operational Roadmap*. Views are her own. This article originally appeared on the American Leadership Forum website on September 26, 2024, and is reprinted with permission.



©2016 Ann Skeet

FIGURE 1



NOW ACCEPTING NOMINATIONS

Certificate of Excellence in Ethics

With ASA's Annual Convention, SUBExcel, moving from March to September 2025, there will be changes with how the annual awards work. The **ASA Certificate of Excellence in Ethics will remain unchanged**. The deadline to apply for this award is December 31, 2024. The ASA Certificate of Excellence in Ethics will remain on this same schedule moving forward and will be awarded each year at SUBExcel Awards Gala in September.

All of the other awards are shifting to the fiscal year deadlines. We will be releasing the awards application package in the coming months and it will be due on June 30, 2024. The committee will then review and awards will be given at the SUBExcel Gala in September, in Oklahoma City.

Recommended Steps for preparing an Application for a 2024 ASA Certificate of Excellence in Ethics. **And know you've probably already done most of these activities, or know exactly the whats, whos, and hows to do it. You know you deserve it. Get the recognition from your colleagues!**

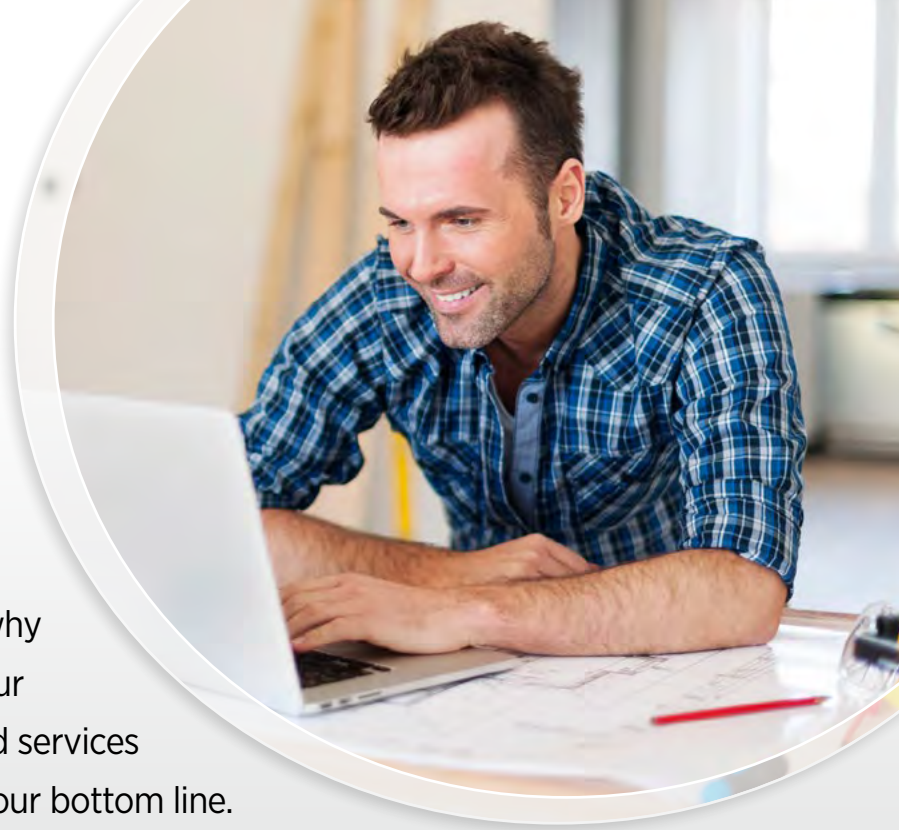
1. Designate a corporate ethics officer (if not already designated), and review application form.
2. Identify a customer, subcontractor/supplier and competitor, which your firm has worked with in the past 12 months, to provide recommendation letters for your application. Use ASA's models in the Excellence in Ethics Resource Guide (available in the Info Hub by choosing "Show only ... Documents" under Resources) to draft your requests for recommendation letters.
3. Mail requests for recommendation letters, asking each recommender to send its letter to you in a sealed envelope with the recommender's signature over the seal by Dec. 6, 2024.
4. Use ASA's models in the Excellence in Ethics Resource Guide to write/review your company's:
 - written code of conduct policy.
 - written whistleblower policy
 - written conflict of interest policy
 - written policy on fair competition practices
 - written non-discrimination and equal employment opportunity policy
5. Schedule corporate ethics training for November, if documentation of previous such training does not exist.
6. Begin gathering and reviewing your:
 - written health and safety policy and plan
 - financial controls and accounting policy
 - equal employment opportunity compliance statements and relevant hiring policy
7. Write/review a procedure for staff to submit questions relating to ethics policies or practices.
8. Write/review a description of the company's methods for ensuring all sales, promotional materials and advertisements are truthful and accurate.
9. Send invitations for corporate ethics training, including an agenda. Retain copies of the invitations and agenda for application.
10. Remind recommenders of recommendation letter due date.
11. Begin gathering and reviewing your:
 - news clippings or thank-you letters documenting community service.
 - agenda and invitations to safety trainings.
 - BBB complaint resolution record, if applicable.
12. Review status of written policies and procedures. Ensure they are complete and have needed approvals.
13. Get authorization for \$400 payment to be mailed with application.
14. Gather all documentation. Fill in the application form. Identify missing/incomplete items using Application Checklist.
15. Contact recommenders whose letters you have not received.
16. Make copies of all documentation (except recommendation letters, which must remain unopened).
17. Finalize application form. Conduct final review of, and begin final packaging of, documentation.
18. Mail application with documentation and payment (*Make checks payable to American Subcontractors Association*):

American Subcontractors Association
ATTN: Shannon MacArthur
Chair, ASA Task Force on Ethics in the Construction Industry
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Houston, TX 77092
office: (713) 683-8996
Email: Shannon@memcostaffing.com
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