How Do You Hire an Estimator?

Estimators are in very high demand right now. Throughout the country, companies have experienced good times and have been profitable. This has led to a changing of their staff. There are a lot of reasons why the staff might be changing—company growth, increased work volume, replacing employees, or maybe they are just adding another scope of work. For many varied and different reasons, over the past year or two, companies have been hiring estimators, using incentives such as huge salaries, perks and control of their estimates.

So, how do you identify a good estimator? What are the characteristics that good estimators possess? And, if you hire an estimator, is there any quick and relatively painless method to uncover the skill level of the estimator?

Good estimators need to have a variety of skills. Some examples are these:

- They need to be able to sell work, therefore they need to have good sales and communication skills.
- They should be good at quantifying work. They should be able to read and interpret drawings and specifications. They need to be very disciplined in their approach to the takeoff. They need to be very knowledgeable in the scope of work they will be estimating and selling.
- They need to know labor productivity, what types of things will affect labor and how to quantify that impact.
- They need to have a good moral character. I know this is a rather obscure quality, but it is very important for the estimator to be out for the good of the team, not just for himself. He needs to be truthful and reliable. Additionally, it takes a caring attitude toward both your company and your clients.

Which of these qualities is most important? I first look to identify the last items. To me, the first thing—and most important thing—is the person’s character.

The second most important trait is the ability to identify and evaluate production rates. For most of the work we do in my company, the cost of labor is where our risk is—labor accounts for more than 60 percent of the contract. That ability is the foundation for a good estimator. Without that, the estimator will take you places you do not want to go. So how do you identify that skill? The first thing to find out is his knowledge of production rates. For a drywall estimator, I ask him what the production rates are for regular drywall below ceiling, for greenboard in bathrooms. I want to be told what he normally includes for labor for framing ceiling height walls, for full height walls, for suspended ceiling, and for dropped soffits. Using these items as a basis, I can find out what and how he “thinks.”

After hiring, the next step is the first three or four bids. I make the estimator go through a rigorous pre-bid interview. That way, I am able to see his takeoffs, and look through his estimate. I want to see how he approached the estimate. Did he just “dive in” or did he read the specifications first? How did he identify his units or conditions? Did he average things or was he very detailed? I also ask him to review my bids. During those reviews, I show him my takeoff and the approach I used. I go through production rates and the reasons why I have the production rates I used. I want him to know that I expect educated guesses and not just the “wild ass guess” estimators are known for. By reviewing his jobs and letting him review mine, we get to know each other. I can identify his strengths and weaknesses. The first two skills I used as examples are not as important to me at the first. I can teach those, or at least, direct the estimator to a school to learn.

It all sounds so easy doesn’t it? It is, but there are some businesses that can’t utilize my methods. For instance, what if you are an owner who doesn’t really know how to estimate; how do you then get to know an estimator? The answer is still the same. The cardinal sin for any manager is to let a bid go out the door without being scrutinized. Place tight controls on the first several bids. Do not let that bid go out without being scrutinized. Many businesses are no longer in existence as a result of doing this.

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