Q&A with Board Member Taylor Bruce, CBSE

Taylor Bruce, CBSE, President of IH Services, Inc., has been in the building service contracting industry for 15 years with the same company. Prior to joining the BSC industry, Bruce was involved in textile manufacturing for 28 years. Read more to see what Bruce thinks are the challenges facing BSCs today and the biggest lesson he’s learned in the business.

What are some current trends and challenges in the industry that you think BSCs should be aware of?

Current trends that are of concern to BSCs are insurance legislation, state unemployment insurance (SUI) and federal unemployment insurance (FUI) tax increase legislation and more contractors using subcontractors and not paying taxes and overtime.

What in particular should BSCs be concerned about in regards to insurance legislation and the SUI and FUI tax increase legislation?

The Obama Health Plan kicks in for businesses in 2014. As it is structured right now, each BSC will have to put his or her employees on a full identity health plan or pay a fine of $2,600 per full-time equivalent (FTE) employee per year. Either way, it’s a tremendous cost and one that will have to be passed on to the customers. This will cause a lot of stress with customers, opening the door to bidding, and could cause a lot of account turnover. The last few years, the federal government has extended unemployment payments from 26 weeks to over 100 weeks and will probably extend them again. Although the federal government makes this ruling, the individual states have to pay the money to the unemployed person. Due to the large amount of payouts, the states have increased their SUI rates to employers and the federal government has increased the Federal Unemployment Tax Act (FUTA) rate charges employers from .80 percent to 1.40 percent. BSCs better know what their cost increases will be or their margins will drop.

Besides the new legislations, what do you think are some of the challenges the industry faces?

The challenges we face are the customers who don’t want to pay increases in pricing, yet all the things [previously] mentioned are price increase related.

So how do you advise BSCs to move forward despite these challenges?

BSCs need to analyze their cost, review each customer’s situation and make adjustments where necessary to avoid a large reduction in gross margins.

What have you done within your company to address these challenges?

Our company is currently performing a full review of SUI and FUTA increases by state and customer, and we plan on rolling out price increases no later than April.

What is your approach to leadership within IH Services, Inc.?

My approach to leadership is based on leading by example. Don’t ask your managers to do anything you won’t do yourself and explain your actions and directions very thoroughly.

What do you think is the most important lesson that you’ve learned in the business?

The most important lesson is that you can’t leave anything to chance. Every decision has an action and a reaction. What you do, or don’t do, has a profound influence on each decision.