

A Case Study on the Capacity and Competitiveness of Small-Sized Contractors in the Central-Coast Region of California

Abstract

Small-sized construction firms throughout California compete under unique market conditions. Using the perspectives of two companies, one that recently grew into a medium sized company and one that is small-sized, this case study aims to identify forces impacting small-sized contractors' abilities to compete on the Central Coast. According to the outlooks of each company, competition between existing companies, the threat of new arrivals, the cost of labor and rate of growth influence competitiveness most significantly. These forces rely significantly on the companies' preexisting relationships, the level of process differentiation, the number of firms in a market, ability to control fixed costs, reputation, and resources.

Results & Discussion

-
- High Impact**
 - The cost of labor (SCI)
 - Competition between existing companies
 - Rate of growth (MPMI)
 - Moderate Impact**
 - Threat of new arrivals
 - Low Impact**
 - Suppliers' bargaining power
 - Clients' bargaining power
 - Little to No Impact**
 - Substitute of product or service

Construction in California

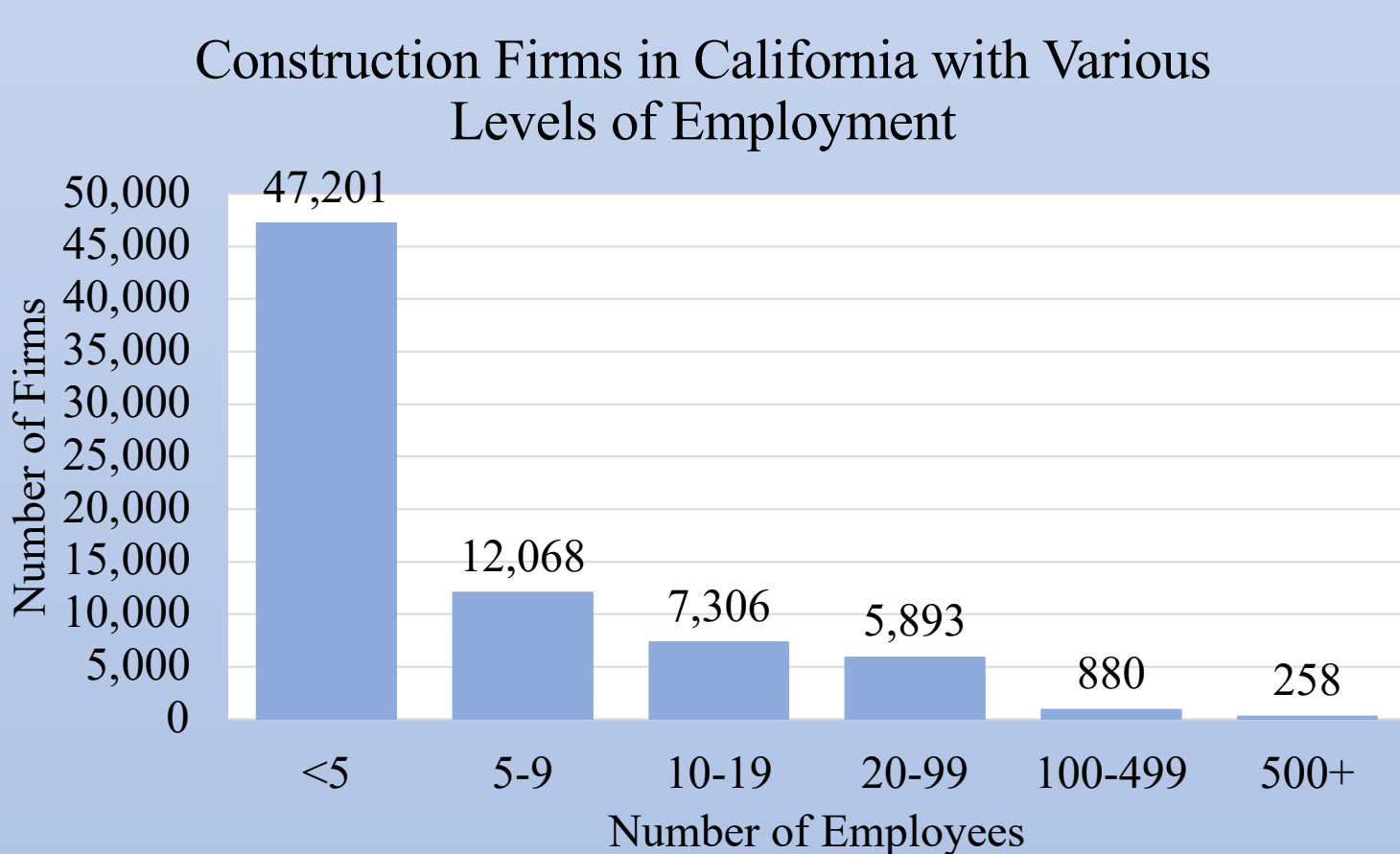
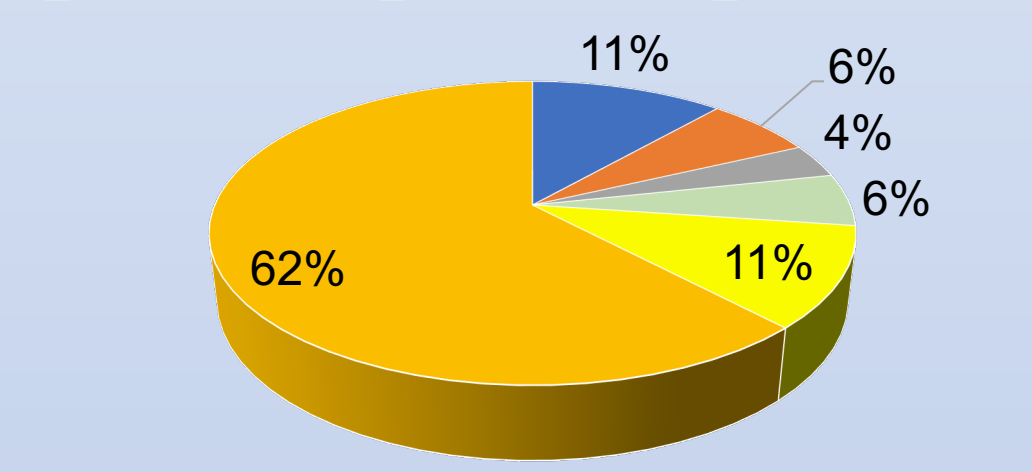
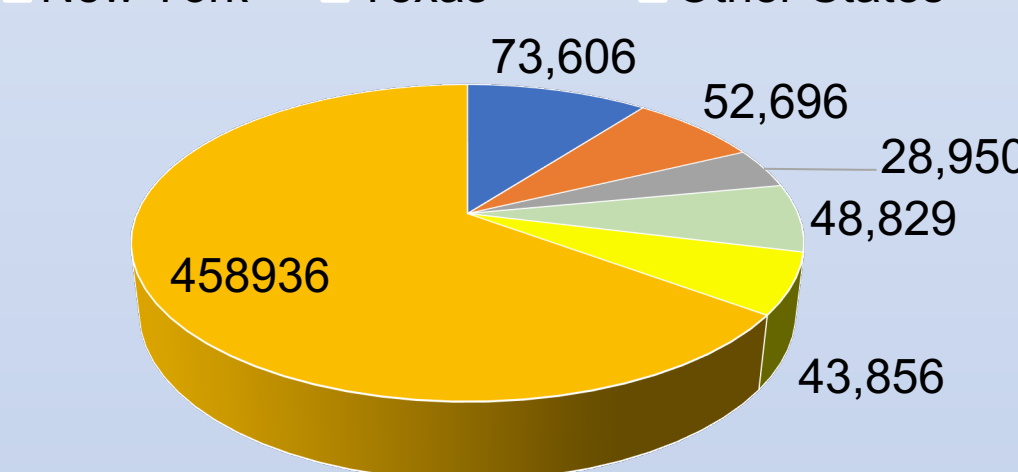
Construction sector contribution to GDP per AGC: \$118.1 Billion (3.8% of total)

Number of Construction Firms in the US (Showing Top 5 States)

California Florida Illinois New York Texas Other States

Percentage of Construction Employees in the US (Showing Top 5 States)

California Florida Pennsylvania New York Texas Other States



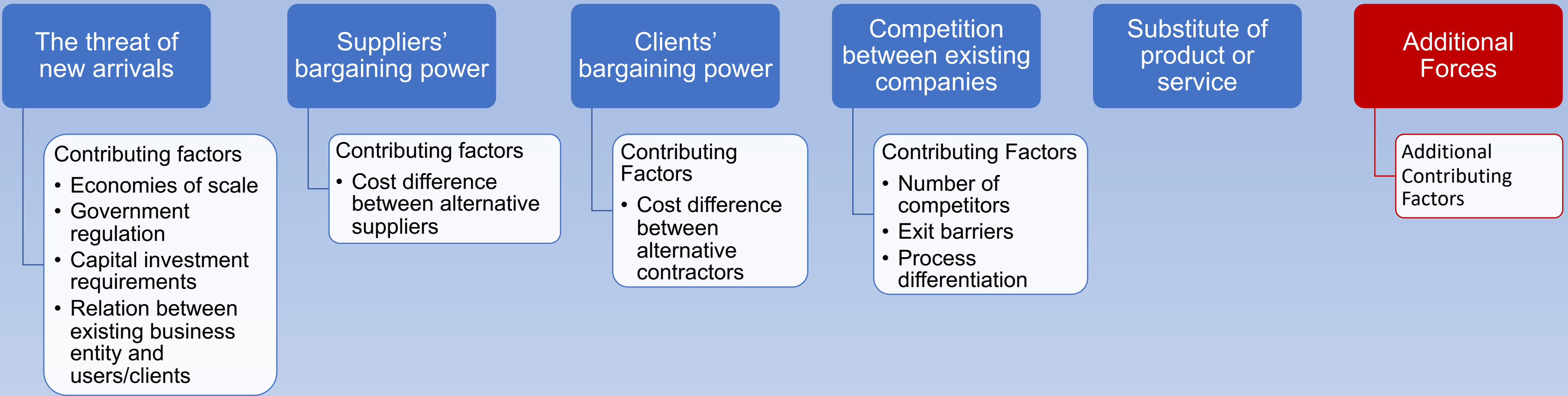
Small-Sized Business Standards

NAICS Code	NAICS US Industry Title	Size Standards in Millions of Dollars
Sector 23—Construction		
Subsector 236—Construction of Buildings		
236220	Commercial and Institutional Building Construction	\$39.5
Subsector 237—Heavy Civil Engineering Constructions		
237110	Water and Sewer Line and Related Structures Construction	\$39.5
237130	Power and Communication Line and Related Structures Construction	\$39.5
237310	Highway, Street, and Bridge Construction	\$39.5
Subsector 238—Specialty Trade Contractors		
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$16.5



Methodology

Qualitative | Explanatory Case Study | Semi-Structured Interviews | Porter's Five Forces



Conclusion

