

The Successful Contractor of the Future



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Welcome - the program will
begin at 10:00 am

Jack Kehl, AFSB – “The Bondguy”

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Insurance and Bonding

140

After 4 years in business...

MEET THE TEAM

that provides over 140
contractors with
Construction Insurance
and Surety Bonding.



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The Successful Contractor of
the Future:

“How to Prosper in a Cyclical Industry”



December 1, 2015; Columbus, OH

Thomas C. Schleifer, Ph.D.

Advance

Collaborate

Enrich

Beliefs



Author & philosopher Barry Kaufman says:

- **Everyone, without exception, holds to beliefs that are largely unexamined**
- **but are often our deepest convictions**

Beliefs



- **Because we are familiar with our beliefs they make us feel safe**
- **We constantly collect evidence to support them and it is almost impossible to dislodge beliefs**
- **Even if they are patently false and threaten our well-being in the future**

Construction Industry Beliefs that need to be Reconsidered



- **Growth is always good**
- **The construction industry is not necessarily cyclical**
- **Down times are bad news but a natural part of the industry**

Construction Industry Beliefs that need to be Reconsidered



- **Overhead is a symbol of success and not to be surrendered unless absolutely forced to**
- **Cutting overhead is an admission of failure**
- **Unprofitable work is just part of the business.**

Rediscovered



**Construction industry
Cycles are not new.**

They are the “Norm”

Business Model



**However the standard
“business model” for
the construction
industry is GROWTH**

Growth Model



Why it continues

- **The rebound from prior slow downs were robust**
- **Validating the belief**

No Reason to Question it



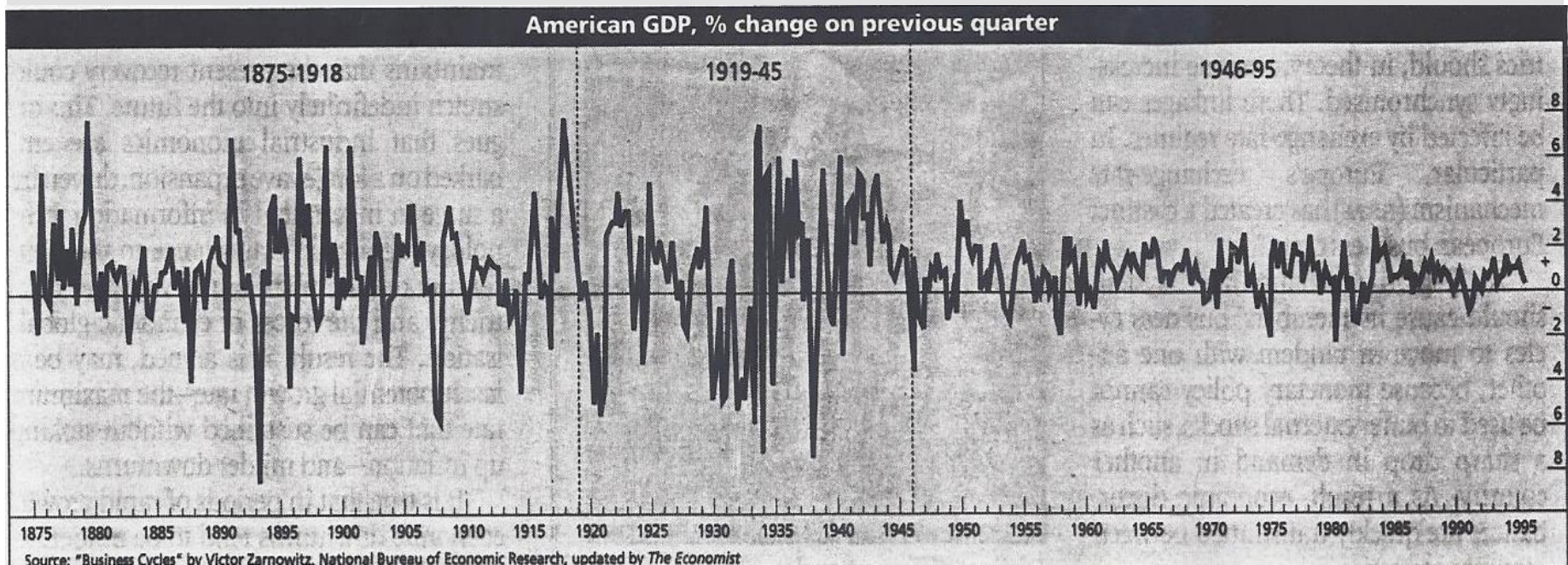
Until Now

The length and depth of the recent recession and construction slowdown finally brings the growth model into question

The Basics



- The US Economy has always been cyclical



The Basics



- **The exceptional growth and prosperity from WW II through the 60's caused growth to seem like the norm**

Growth Model



The industry has not changed

- **The norm is cyclical**
- **The growth model has not and simply does not work**

The Current Recovery



Predictable Risks During the Current Recovery

Continuing Research



The study of prior recoveries uncovered nine serious issues related to market cycles

Recovery Issues



- 1. Aggressive pricing continues**
- 2. Growth creates cash flow needs**
- 3. Which require financing**

Recovery Issues



4. Banks reaction uncertain

5. Surety reaction uncertain

6. Labor shortages

Recovery Issues



7. Labor skill level impacted

8. Material shortages

9. Labor / material inflation

The Successful Contractor of the Future



- **Will be profitable in good markets and bad**
- **The drive for size will be substituted with a drive for prosperity**

Measured in profitability

140

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How?



This is accomplished by:

Not having losing jobs

Reality Check



Question:

- **Pick one project from any prior yr.**
- **That you wish you hadn't done**
- **If “Yes” saying in effect: You want a smaller size Co. and have more profit**

The Successful Contractor of the Future

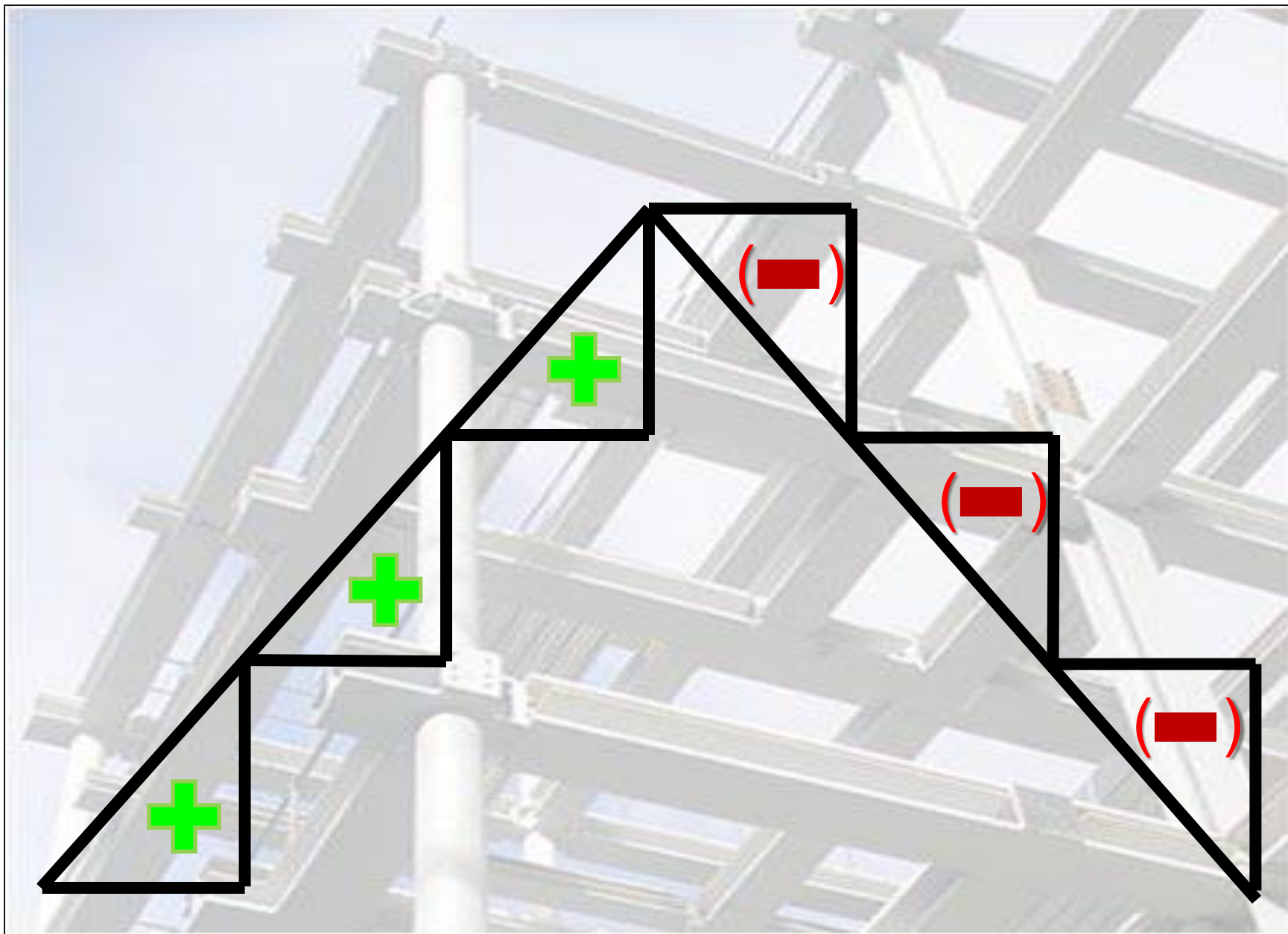


- Will be able to go up and down in sales
- Easily cope with market cycles
- And not be forced to take inappropriate work to maintain sales

The Overhead Paradox



We Need to Understand the Dynamics and Patterns of Overhead Costs in Order to Manage Them



Growth and Risk



**Controlled growth in-and-of itself
is not a cause of business failure**

**However, continuous growth over
15% annually increases risk**

Potential Threats of Growth



- **Incremental sales growth being considered “permanent”**
- **Increased Overhead believed necessary for the new & larger organization**

Challenges



- **The growth model works fairly well in a growing market**
- **But negatively impacts margins in a declining market**

Challenges



- **Most of us refuse to give up hard-earned growth**
- **The Fallacy -- Construction has always been a cyclical market**

Flexible Overhead



Misconception

**You can't get half a person, half
a truck--or Half of a piece of
equipment**

You Can!

Concept of Flexible Overhead



- **15% to 25% of all OH costs**
- **Can be turned off in a week or less**
- **Not taken on as permanent expenses**

Flexible Overhead



- **Rental**
- **Temporary personnel**
- **Interim office and/or shop space**
- **Other quick-response solutions**

Arguments Against



- **15% to 25% range to accommodate skepticism**
- **Many will suggest impractical—too expensive**
- **Temporary persons less qualified—expensive**
- **Cheaper to own than rent and so on**

The Reality



- **These are in error because:**
- **In bad years many companies give back in losses**
- **What they gained in good years**

The Reality



- **Measurements made & realities tested**
- **The extra costs are simply low-cost insurance**
- **Against times when OH can't be reduced when not needed**

Overhead Research



- **Almost 500 respondents**
- **92% cut overhead**
- **73% cut bonuses, functions or charity**
- **41% cut business development**

Overhead Research



- **24% cut OH as much as 25%**
- **15% cut OH by more than 75%**
- **Cuts made in salaries, training, education, travel**
- **Large cuts in retirement plans**

What it Means



- **Every category of OH needs to be scrutinized regularly**
- **And adjusted annually**
- **Decrease not after downturns**
- **But in anticipation of**

What it Means



- **Data shows 2008 to 2013 reduced sales and profits**
- **Industry should have cut sooner**
- **Because did cut but only after profits suffered--or losses**

Question is?



Will industry absorb the lessons:

- OH needs to be put in place with greater care
- Reduced sooner
- Some portion flexible- can be easily cut on short notice

Sustained Profitability



- **When you get control of Overhead**
- **Sales no longer drive the organization**

Sustained Profitability



Absent a desperate need for sales the company is:

Able to go after only good, risk-balanced work

Sustained Profitability



Risk-balanced projects are the:

- **Size, geographic area, and type you “normally” profit from**

Flexible OH Enables to:



- **Stop chasing non-typical, greater-risk work to cover fixed, permanent overhead**

Contractor of the Future



- **Able to Reduce Overhead practically overnight**
- **Will Do only work that is normally profitable**
- **Will Avoid all projects that are out-of-the ordinary**

Conclusion



- Options are clear:
- If there is work in the past you wish you had not taken
- You should consider some Flexible Overhead

The Successful Contractor of the Future



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Lunch – 12:00 – 1:00pm

Complements of...



FIRSTMERIT®
Bank



.....

Revenue Recognition – The New Standard for Contractors

.....

GBQ Partners LLC

Columbus, Ohio

December 1, 2015



Presenter

Today's presenter:

Robert A. Biehl

Director of Construction Industry Services

GBQ Partners LLC

Columbus, OH

Core Principle

Recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity *expects to be entitled* in exchange for those goods or services.

Five Steps

The five steps to apply the core principle are:



Introduction and Transition

ASU 2015-15 Effective dates (August 2015):

Public entities - 1st interim period within annual reporting periods beginning after Dec. 15, 2017. Early adoption permitted only as of annual reporting periods beginning after Dec. 15, 2016.

Nonpublic entities - Annual reporting periods beginning after Dec. 15, 2018 and interim periods within annual periods beginning after Dec. 15, 2019. Early adoption permitted as of either:

- an annual reporting period beginning after Dec. 15, 2016, including interim periods within that year.
- An annual reporting period beginning after Dec. 15, 2016 and interim periods within annual reporting periods beginning one year after adoption.

Introduction and Transition – *Construction Contractors*

Debunking the myths:

1. Percentage of completion accounting has been eliminated.
2. Revenue can be recognized on uninstalled materials.
3. All contracts will have multiple performance obligations.
4. Cost to cost can still be used to determine percentage complete on contracts in progress.
5. Contractors will need to add significantly more footnotes to the financial statements.

Other Key Areas

ASC 606 specifically addresses the following topics as they relate to revenue recognition for the construction industry:

- i. Contract costs
- ii. Unapproved change orders
- iii. Uninstalled materials
- iv. Provision for losses

Contract Costs

A distinction is made between incremental costs incurred in obtaining a contract, and costs incurred to fulfill a contract. If costs would not have been incurred had an individual contract not been obtained and these costs are recoverable, then they must be recognized as an asset and amortized over the transfer of goods or services to the customer. If amortization period would have been less than one year then can expense immediately. *This could be a substantial change.* Costs to fulfill a contract that are not covered by other accounting topics can be capitalized if certain criteria are met.

Unapproved Change Orders

A contract modification may exist even though both parties to the contract have a dispute about the scope or price (or both).

Contractor will need to determine whether the contract modification has created or modified any rights and obligations that are enforceable, and the entity shall consider all relevant facts and circumstances.

This can be written or oral!

Uninstalled Materials

In specified circumstances, an entity should recognize revenue for the transfer of the uninstalled materials but only in an amount equal to the cost of those goods. In those circumstances, an entity also should exclude the costs of the goods from the cost to cost calculation to be consistent with the cost to cost methodology.

Provision for Losses

The new standard did not change the guidance for determining the need for a provision for losses for construction-type and production-type contracts.

ASC Topic 605-35 is still applicable.



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**Questions
&
Thank You!**

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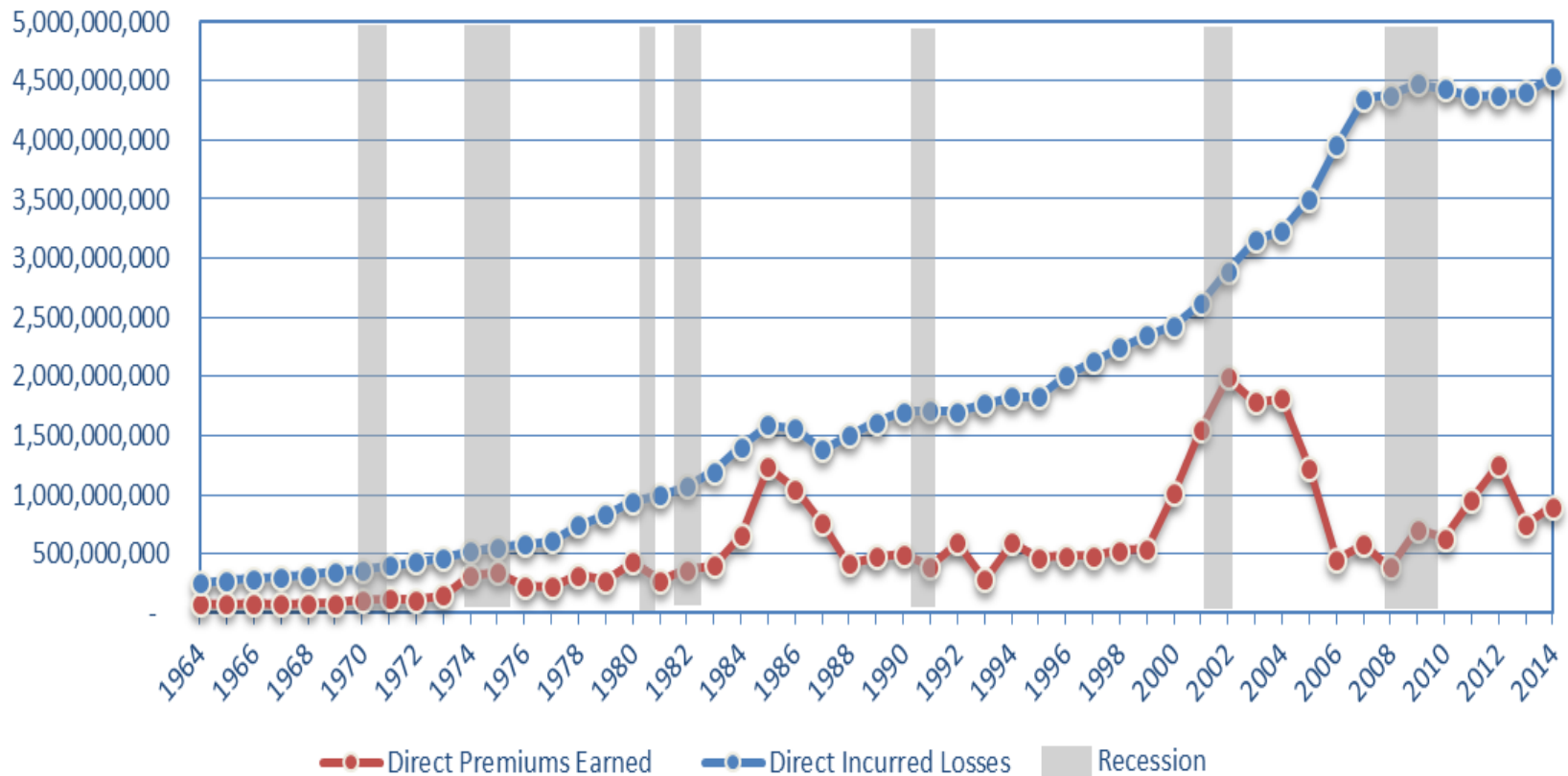
The State of US Surety Market

Where are we and how did we get here?

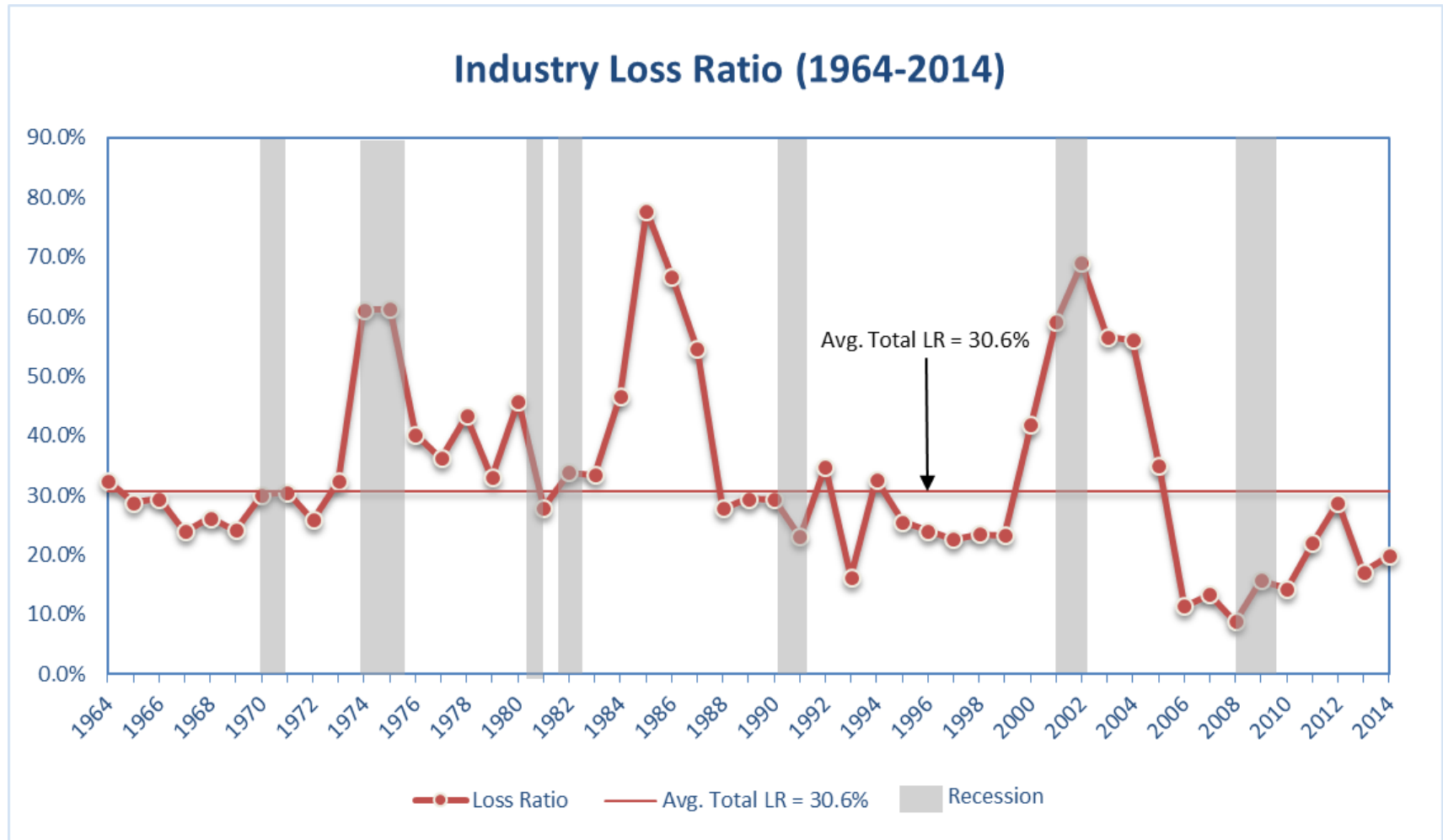
- Sustained period of underwriting profitability (2005–2015)
- The last downturn in the underwriting cycle was 2001-2003 caused by a convergence of several factors
 - Recessionary period around 9/11
 - High profile contractor defaults: Modern Continental, Dick Corp
 - Corporate bankruptcies: Enron, Kmart,
 - Soft market underwriting from excessive competition
 - Cheap reinsurance
- Back to underwriting basics along with better portfolio management
- Surety industry performed very well post The Great Recession
- Contract Surety loss ratio buoyed by Top 5 reserve releases
- Commercial Surety is now masking increasing Contract Surety loss ratio

Surety Industry Results 1964-2014

Direct Premiums Earned vs. Direct Incurred Losses (1964-2014)

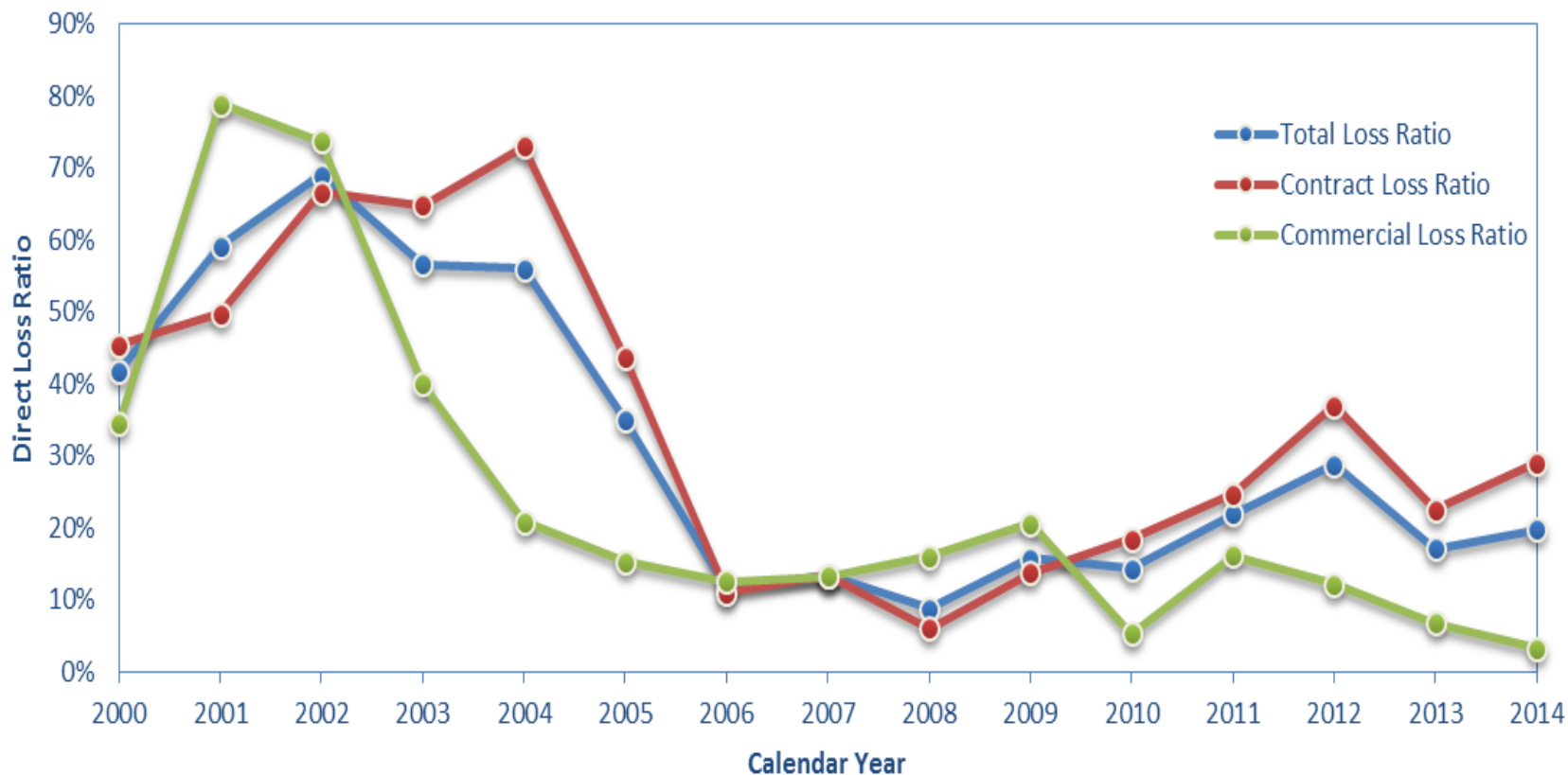


Surety Industry Results 1964-2014



Surety Industry Results 2000-2014

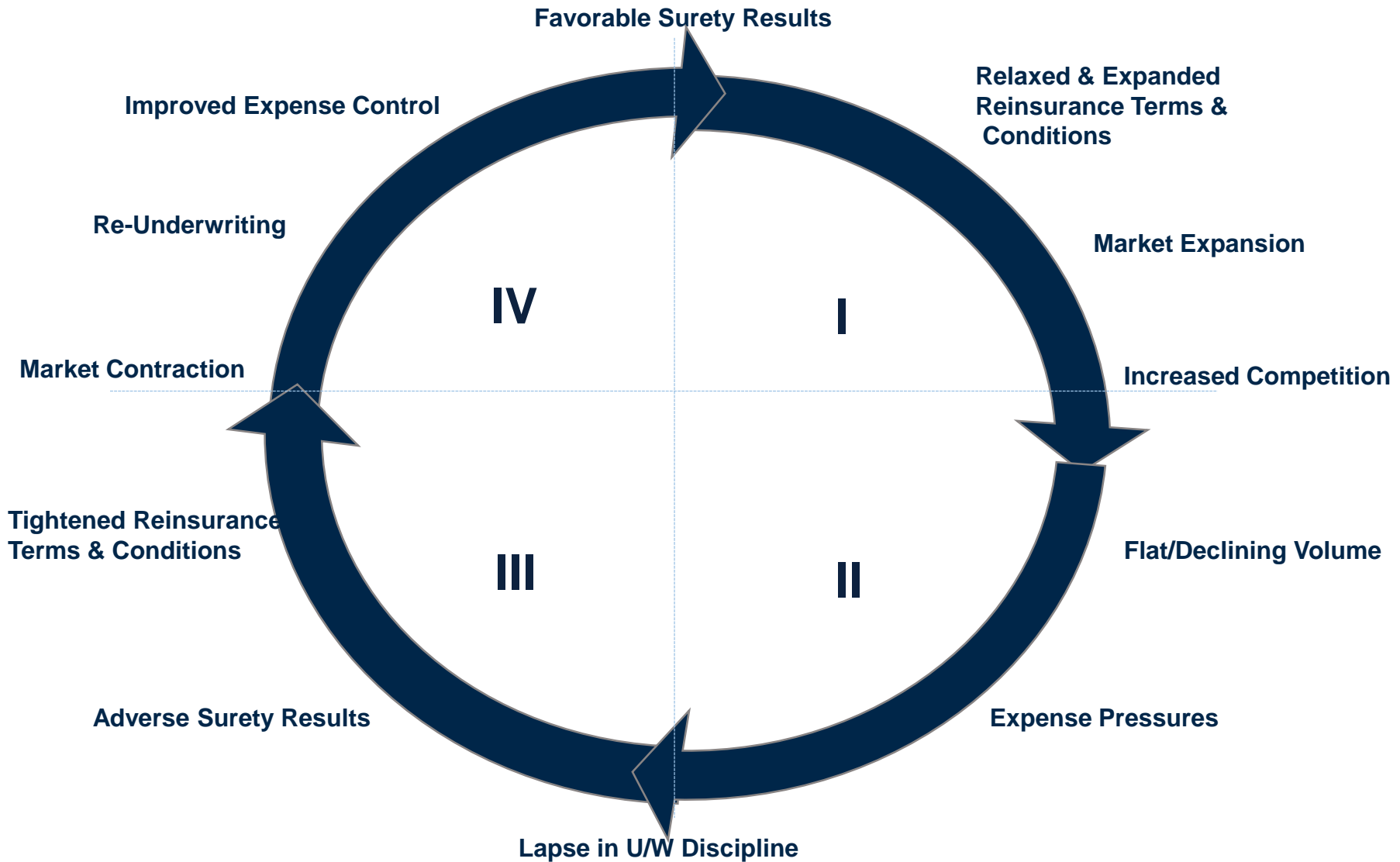
Total LR vs. Contract & Commercial LR (2000-2014)



5-Year Loss Ratios By Segment

Year	Total Surety Loss Ratio	Contract Surety Loss Ratio	Commercial Surety Loss Ratio
2010	14.3%	18.4%	5.3%
2011	22.0%	24.7%	16.2%
2012	28.8%	37.0%	12.2%
2013	17.1%	22.5%	6.8%
2014	19.8%	29.0%	3.3%

Model of the Surety Underwriting Cycle



Economic Factors

- Economic cycle calls for technical US recession by 2017-18
 - Expected to be brief and shallow e.g. 1991-92
- US Presidential election years are a drag on economy
- Global GDP decline is starting to impact US economy particularly corporate earnings
- Public construction continues to lag private building

What Matters To Your Surety

- Demonstrated ability to fulfill contractual obligations and generate a profit
- Do you have a business plan?
- Talent to execute the business plan
- Surround yourself with professionals knowledgeable of construction (banker, agent, accountant, legal)
- Access to cash and credit to finance work, especially in a tough situation
- Good internal cost accounting systems
- Continuity plan
- Communicate early when a problem arises

Underwrite Your Surety

- Long-term commitment to the business?
 - What is the track record in surety?
 - Do the insurance executives understand the product?
- Do they have an executable business plan?
 - Can the surety team get to scale?
 - Do the underwriters have to write business?
- Can your local underwriter make decisions?
 - Is there local authority to get deals done?
 - Do they have the support of home office?

The Guarantee Company of North America USA

Key Facts

- Founded in 1872
- Oldest continuous Surety and Fidelity underwriter in North America
- Entered US Surety Market in 2001
- 10th Largest Surety Writer in North America
- Monoline Surety Company in US
- Multi-Line Specialty Insurer in Canada
- AM Best Group Rating: “A” (Excellent)

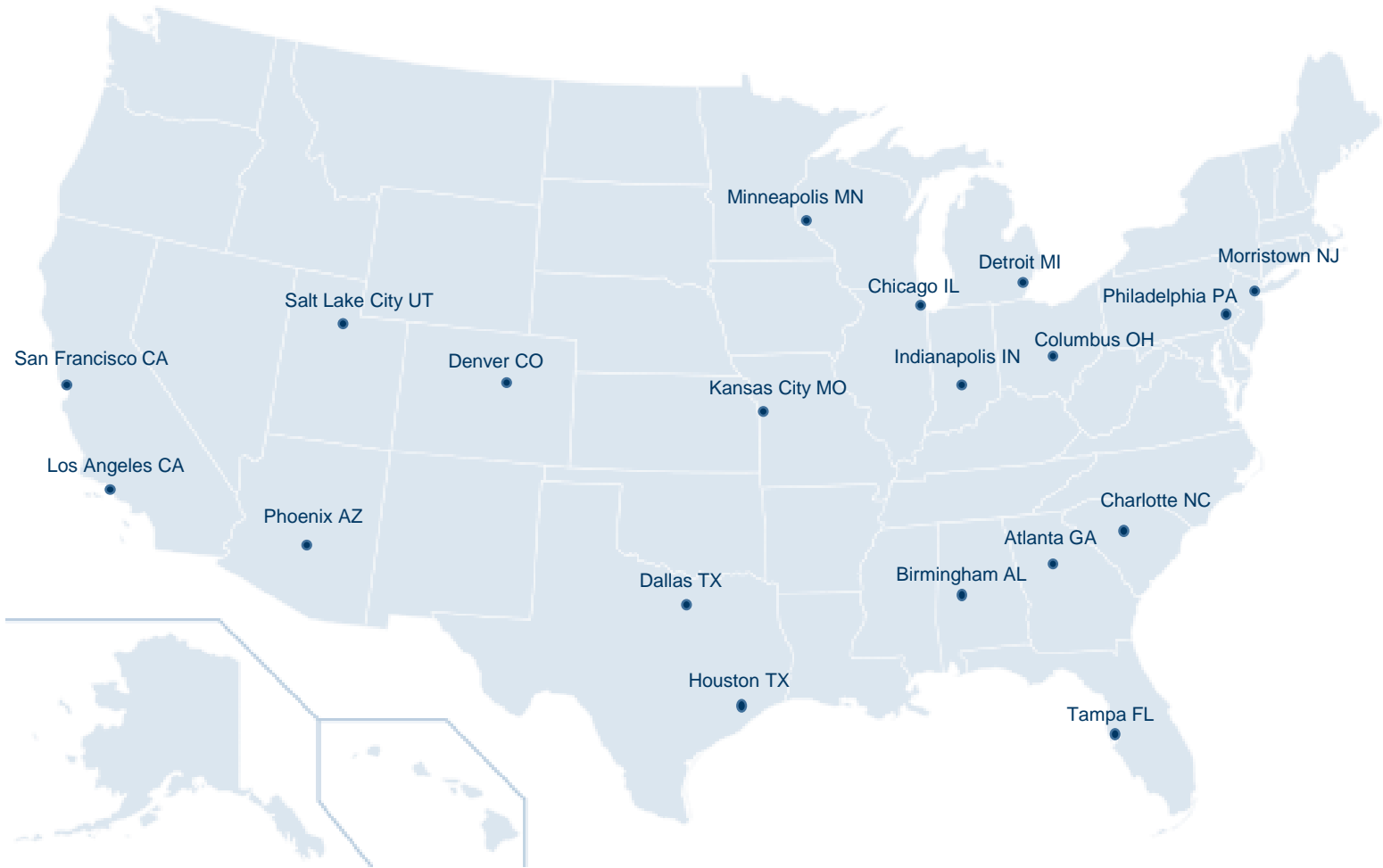
Key Facts

- Top 25 US Surety by GWP (#21)
 - 2014: \$48 million 2015: \$55 million (est.)
- US Company Surplus: USD\$170 million
- Group Surplus: CAD\$490 million
- 73 US based employees
- 18 Branch Office Locations
 - Newest branch (Columbus, OH) anchors the Ohio Valley Region

Appetite Statement

- Contract appetite of \$50 million single project and \$100 million aggregate with ability to support larger requests where it makes sense
 - General contractors and major sub-trades
- Commercial Surety accounts with programs of \$15 million single bond and \$35 million
- Environmental surety capacity of \$10M single and \$20M bonded aggregate work
- 360° Platform to write cross-border surety seamlessly
 - US Principals operating in Canada and vice versa

US Office Locations



Thank You!

Questions?

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Insurance Issues & Outlook

- Professional Liability – not just for GC's/CM's, review limits
- Cyber Liability
- Crime Coverage – Limits, Computer Theft, Social Engineering
- Fiduciary Liability – ACA issues
- Equipment Theft Increase
- Wrap-ups/OCIP/CCIP
- Drones/UVS
- Rates for 2016



Insurance Rates for 2016

- Property – down (again) 10% to 15%
- General Liability – Flat
- Auto – down 5% to up 5%
- EPL – Up 5 to 15%
- Professional – Flat, but exposures are up
- Inland Marine – Flat to up 10%
- Workers Comp (not Ohio) – Flat to up 10%
- Umbrella/Excess – Flat but exposures are up



Questions?

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Improving Productivity: Keys to Success

December 1, 2015



Who is FMI?

Position for Growth

- Strategy
- Market Research
- Business Development
- M&A - Buyer Representation

- M&A - Seller Representation
- Valuation
- Ownership Transfer
- Management Succession

Transition Successfully

Optimize Performance

- Productivity and Operational Efficiency
- Risk Management
- Compensation
- Peer Groups

- Leader Development
- Training & Talent Development
- Organizational & Team Development
- Performance Management

Build Capacity



Industry Focus. Powerful Results.

Typical elements of FMI Operational Excellence engagements include

- Leadership coaching
- Organizational Design/structure
- Interactive Training
- Development of a shared vision
- Incentive compensation (Short and Long Term)
- Systems development and implementation
- Integrated, simple and well-used best practices
- Accountability improvement
- Field Metrics/Dashboards development
- Staff Dashboards development
- Intense Leader field presence

Testimonials

“I think everyone really knows what they need to do. But without FMI’s help, we probably wouldn’t have resolved all of our issues and overcome our challenges.” President/Chief Operating Officer, Large Mechanical Inc.

“The strategy and expertise FMI brought to Miller Pipeline was and continues to be a ‘game changer’.” Dennis Norman, Vice President of Corporate Performance, Miller Pipeline

“FMI’s productivity training forced us to shift our focus from solely building projects to reevaluating our processes on how we run our business.....” CEO, Large SubContractor, Inc.

“Thanks to the processes FMI introduced to our company, productivity increased by double digits.” President, Mechanical Contractor

“We’ve seen significant gains in productivity since we hired FMI. In just the first year, we improved productivity by 10-12 %. Today, we’re about 20-25% more productive on an average man hour compared to when we first started working with FMI.” VP/Owner, self-performing General Contractor.

Things are different!

- Tesla vs GM
- Kodak vs Instagram
- AirBnB
- Uber
- Alibaba
- Google vs governments
- Facebook
- IoT, Sensors, nano, more...

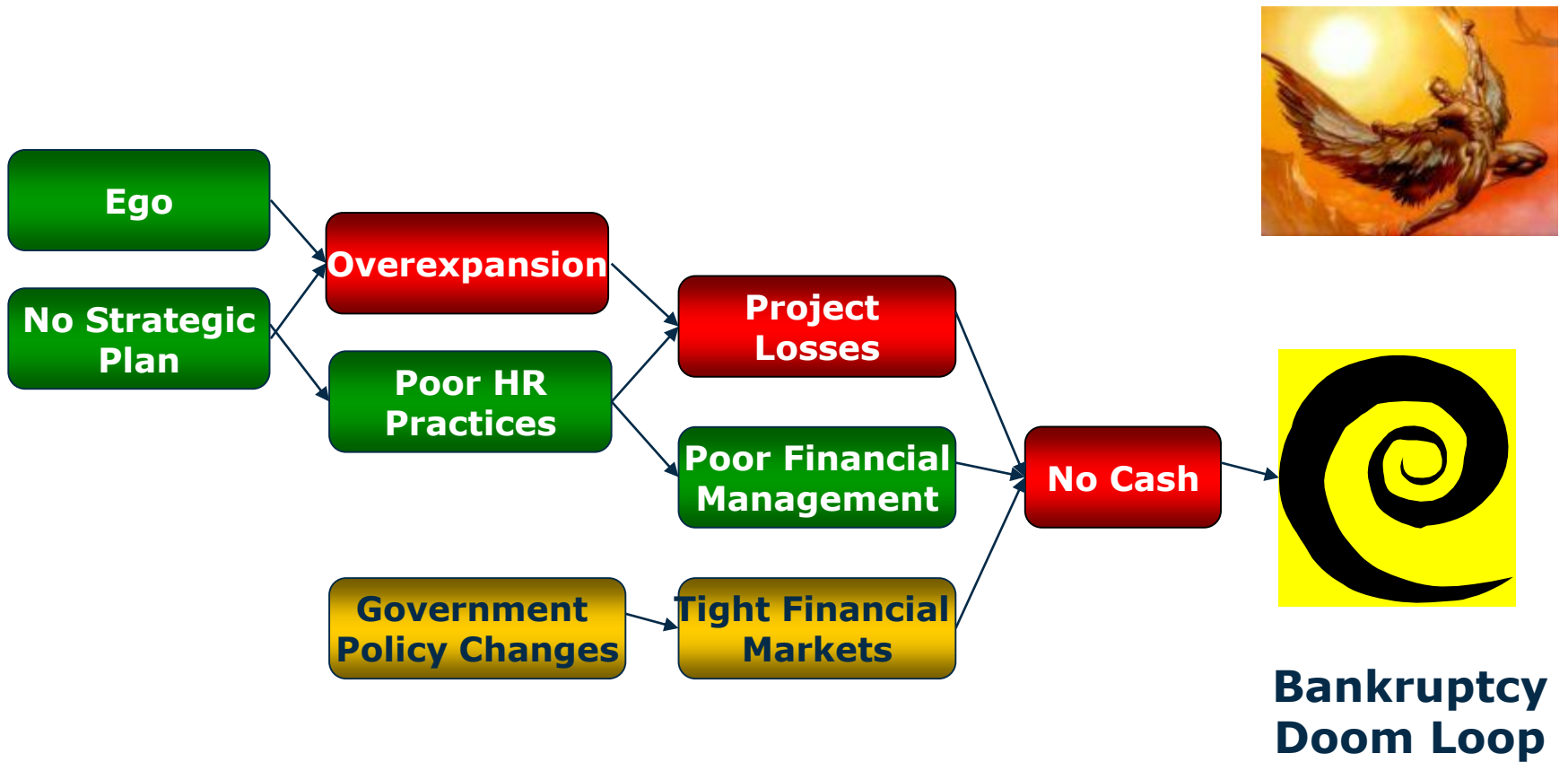
Really different!

- Drones vs Surveyors
- BIM is the norm
- BIM and manufacturing vs stick build
- Mobile Time Cards
- PlanGrid
- Rhumbix
- Telematics and CAT
- Point cloud
- Oculus Rift
- Project Tango
- 3D Printing
- More.....

"What I thought was fifty years away, was only ten years away. And what I thought was ten years away... it was already here. I just wasn't aware of it yet."

- Bruce Sterling

The Icarus Effect



Source: FMI Research on "Why Contractors Fail", FMI Quarterly, Issue 2, 2007, pg 63.

Talent Shortage



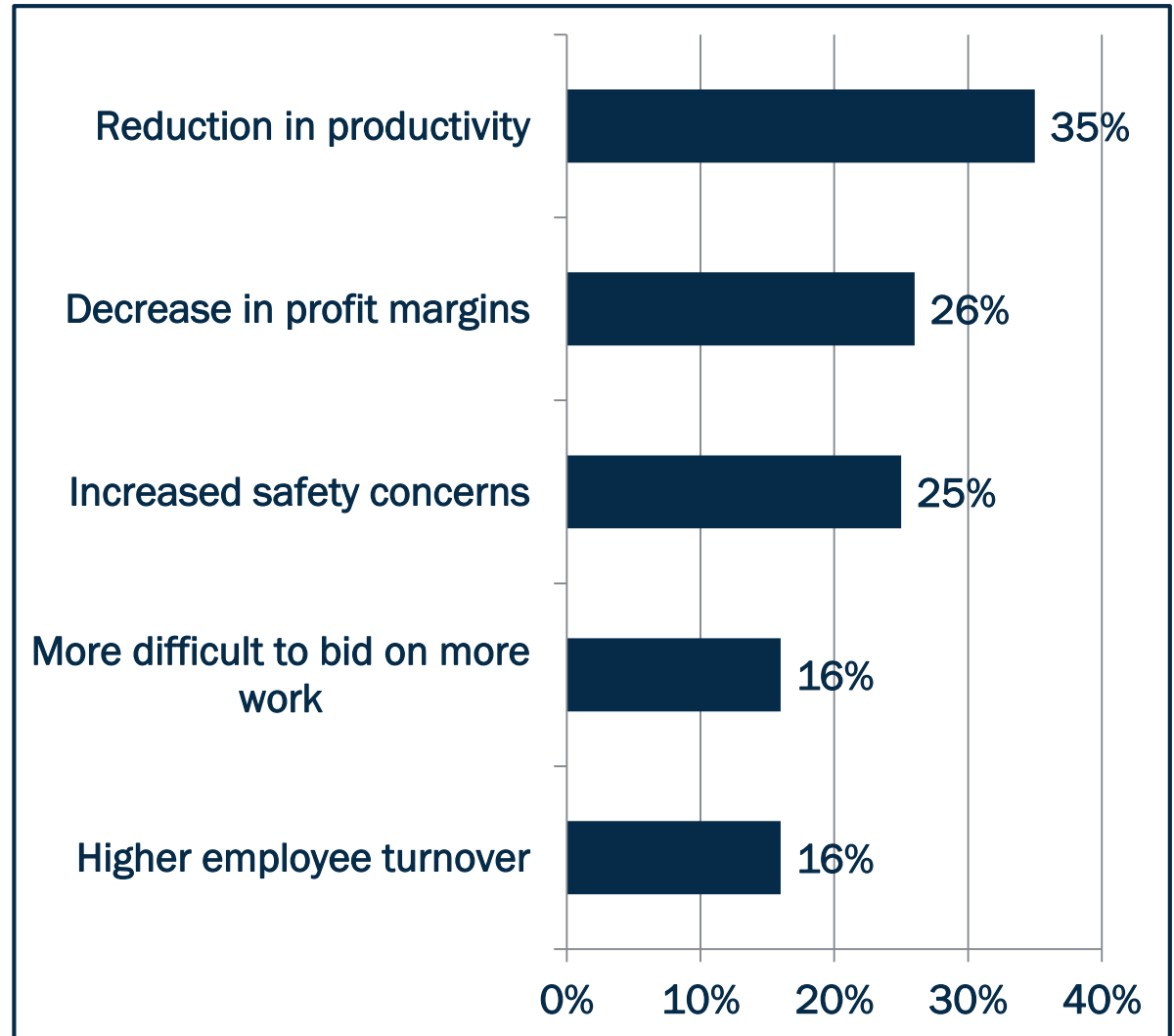
The talent shortage
is intensifying

A person wearing a brown suit and a watch is kneeling on a sandy beach. Their head is buried in the sand, and their hands are also on the sand. The scene is lit with warm, golden light, suggesting late afternoon or early morning. The overall mood is one of despair or failure.

Biggest Leadership Mistakes

Impact

What is the impact of decreased skill levels in the workforce



What do great operations look like?

- _____
- _____
- _____
- _____
- _____
- _____

What do Great Operations look like?

- Growing
- Engaged employees, highly motivated, inspired
- Financial Strength
- All of the correct inputs are in the fields' hands
- Well-developed and articulated vision
- Safe
- Measurements
- Cultural belief in values
- Teaching atmosphere
- Training opportunities
- Development
- Extraordinary leadership (here)

What are the greatest obstacles you face regarding productivity? What's keeping us from achieving great operations?

- ---
- ---
- ---
- ---
- ---
- ---

Obstacles in the way of Great Operations

- Workforce availability
- Derailment
- Changes
- Strategy – GC demands
- Engagement/Ownership
- IT – systems inefficiency
- Micromanagement
- People are overtasked and experience role migration
- Mis-alignment of vision
- Urgency – reactive habits
- Cash/capital for investments
- Admin staff efficiency
- Lack of teamwork
- Flexibility and understanding
- Decision Making Rights
- Implementation of Systems
- Dilution of positions

Who is responsible for productivity?

What are their roles?

- _____
- _____
- _____
- _____
- _____
- _____

Roles and Responsibilities

- **Vice President:**
 - Talent management
 - leadership
 - Chief cheerleader for initiatives
 - Top led, bottom-driven
- **Foreman:**
 - Leadership
 - Connection
 - Effective/Efficient
 - Communicate the plan
 - Set expectations
 - #1 customer contact
 - Remove road blocks
 - Hour by hour/day by day
- **General Super:**
 - Clear objectives
- **Fleet Manager :**
 - Provide resources

How do we know we are excellent in operations?

- _____
- _____
- _____
- _____
- _____
- _____

How do we know we have great operations?

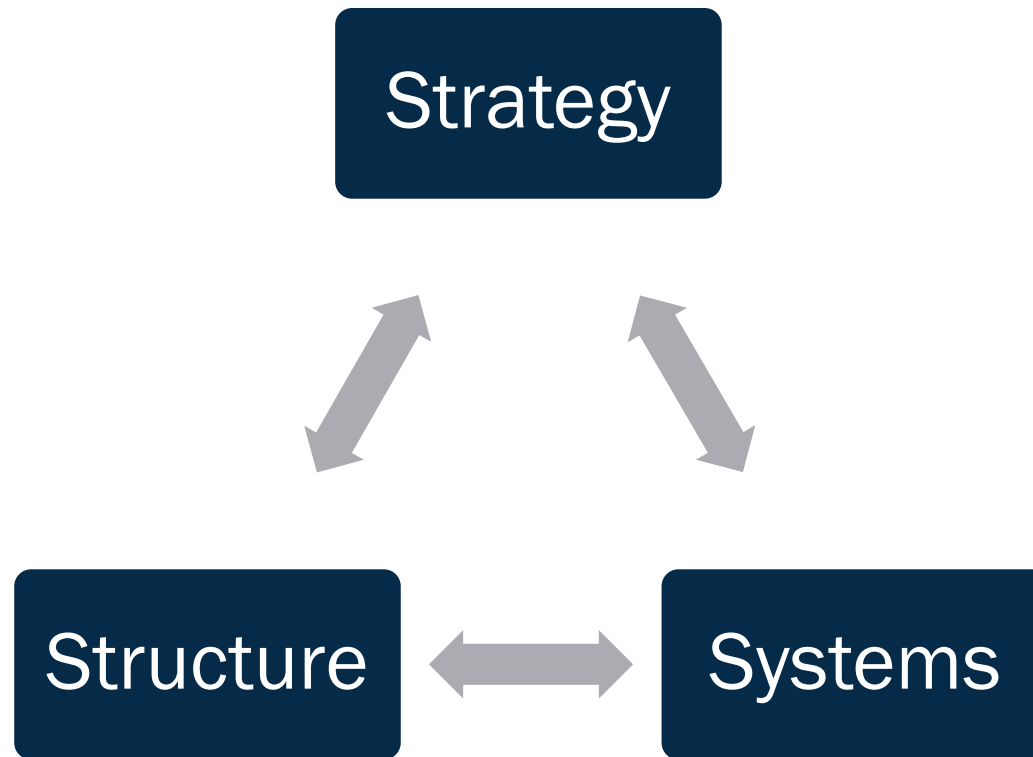
- Growth
- Revenue
- Backlog
- Cash Flow
- Profit
- Opportunities for employee Growth
- Client Loyalty
- Retain Talent/Employee Loyalty
- Defined and communicated vision and mission plan
- Minimal lawsuits/claims
- Safety/EMR/TRIR
- Attract talent
- Beat historicals/KPIs

What is our company (or division) strategy?

- _____
- _____
- _____
- _____
- _____
- _____

Great operations

Profitable Companies have well-synchronized business models. They remove waste in delivery of value to customer.



Cascades of Strategy

Strategy answers:

- What is our winning aspiration?
- Where will we play?
- How will we win?
- What capabilities must we have in place to win?
- What management systems are required to support our choices?

Remove the “buzz words” from your vision, mission, value and strategy statements.

How are you really answering these questions?

PORTER'S GENERIC STRATEGIES

“Strategy is stuck,

Sustainable

Competitive Advantage is fleeting,

COMPETITIVE ADVANTAGE



Source: M.E. Porter,
Competitive Advantage,
Free Press 1985

And Companies must learn to change and adapt more rapidly.”

Adapted from The End of Competitive Advantage: How to Keep Your Strategy Moving as Fast as Your Business

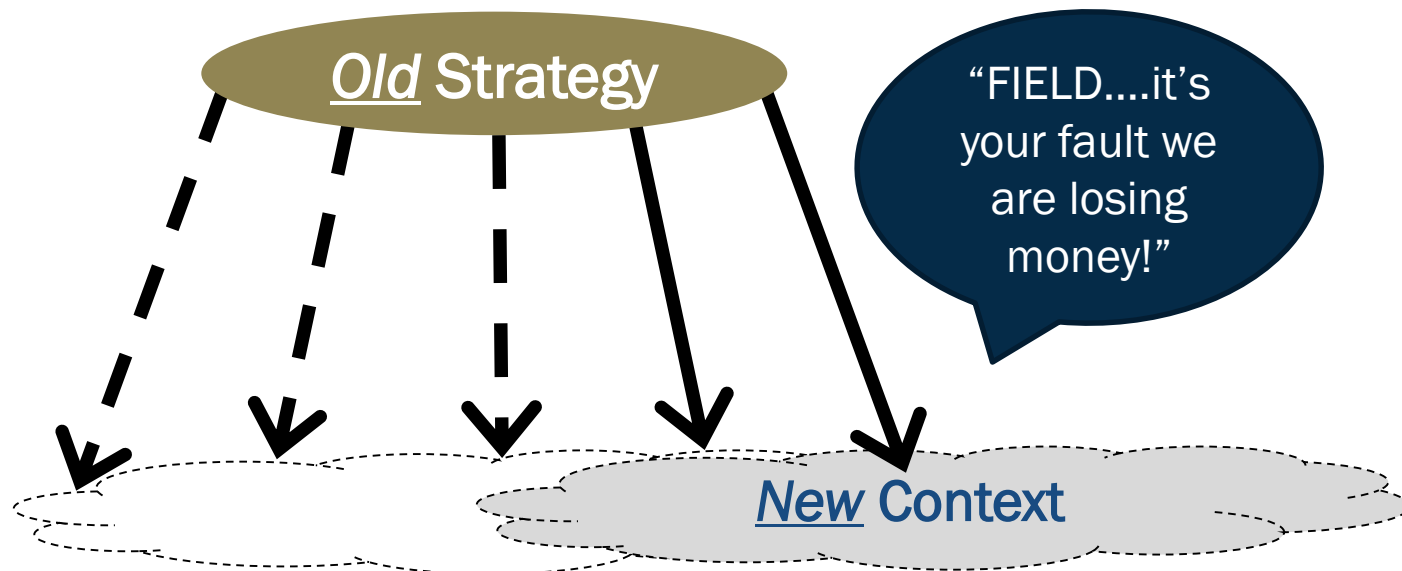
– Prof. Rita Gunther McGrath

Our context has changed.....

Our strategy has shifted -

Our systems and structure must shift also

or else we'll experience profit margin fade and not know why

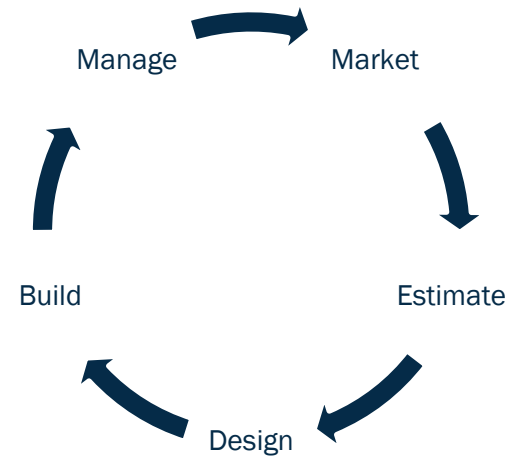


Great operations

Who are our customers? What do they value?



Can we build a sustainable business to provide our customers this value?

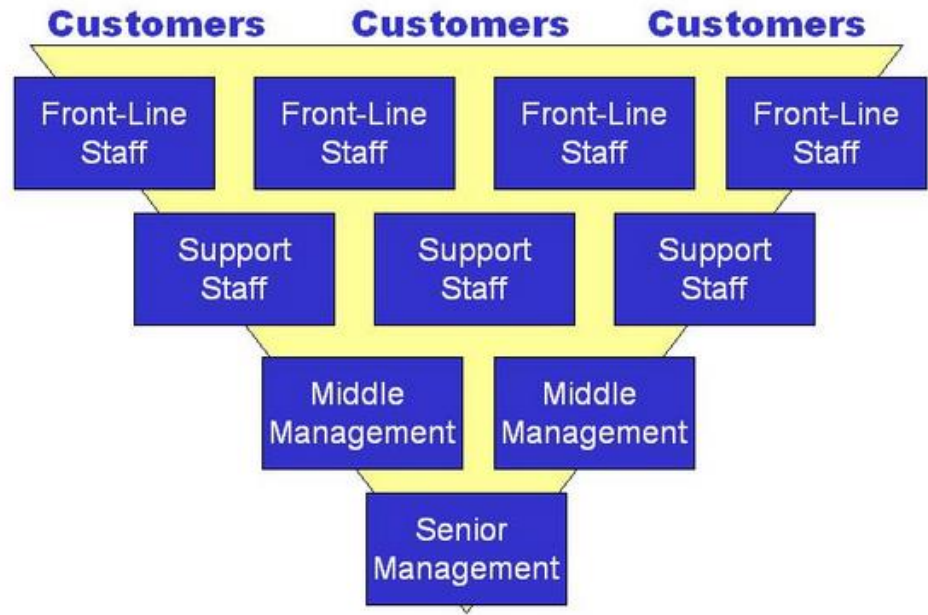
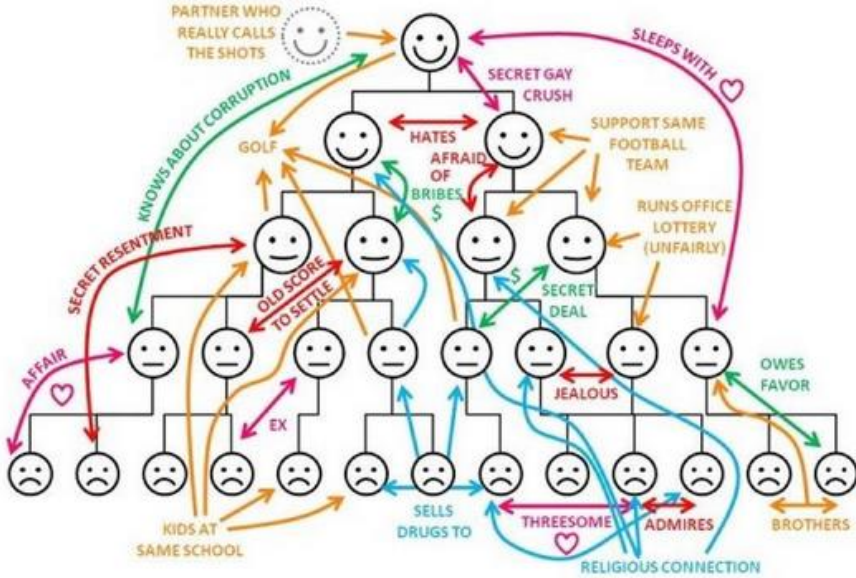


How do we create a repeatable system that minimizes cost and maximizes delivery?

Structure

REAL ORGANIZATION CHART

INTEGRATION TRAINING
www.integrationtraining.co.uk



What does your organization and decision-making rights look like?

What should it look like?

Illustrative Responsibility Matrix for Typical Construction Roles (Varies by Type/Structure of Company)

	Business Dev.	Standard-ization	Customer Mgmt.	People Dev.	Financial Mgmt.	Technical Approach	Budget	Schedule	Scope	Man-power Mgmt.	Material Mgmt.	Sub / Vendor Selection
VP of Ops	◐	●	◐	◐	●	◐	◐	◐	◐	◐	○	○
Project Executive	●	◐	●	◐	◐	◐	●	◐	◐	○	◐	◐
Project Mgr.	◐	◐	◐	◐	◐	●	●	●	●	◐	◐	●
General Super.	○	◐	◐	●	◐	●	◐	◐	◐	●	●	◐
Superintendent	○	◐	◐	◐	○	◐	◐	◐	◐	◐	◐	◐
Foreman	○	○	◐	◐	○	◐	◐	◐	◐	◐	◐	◐
Estimator	◐	◐	◐	◐	○	◐	◐	◐	◐	○	◐	◐

Key: ○ Minimal/no ownership ◐ Some Ownership ● Primary Owner

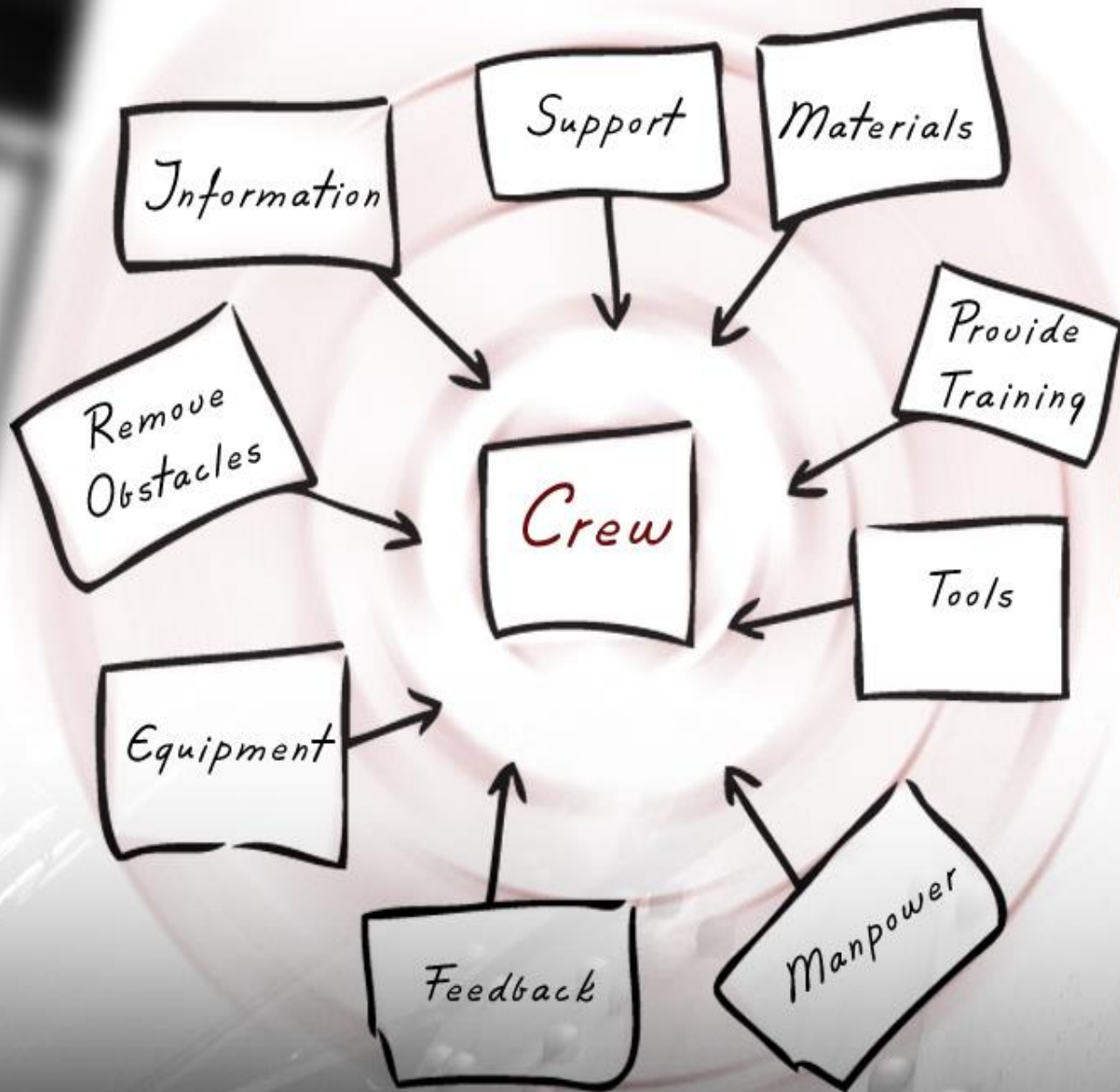
Yellow indicates targeted growth focus

Green indicates current skill set

What are the correct roles/responsibilities in your Division?

How do they support the field?

Crew Centric Model



Key Processes Needed?

- What processes do we have that need adjusted?
- What is/isn't working?

140

After 4 years in business...

MEET THE TEAM

that provides over 140
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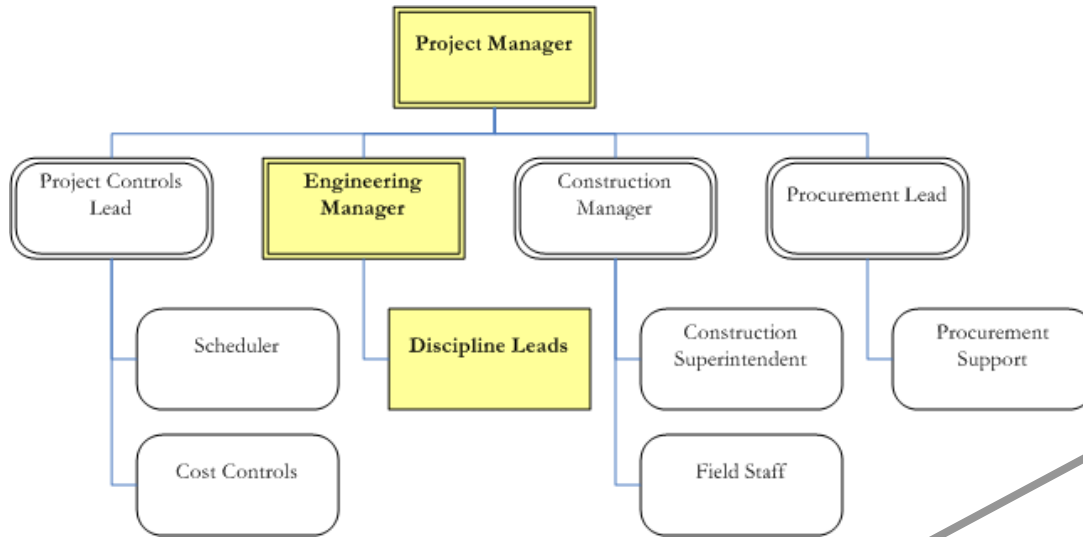
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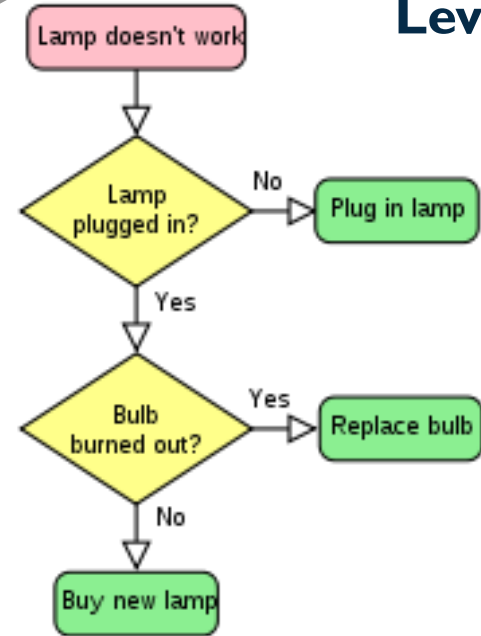
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Tools Used to Create Clarity

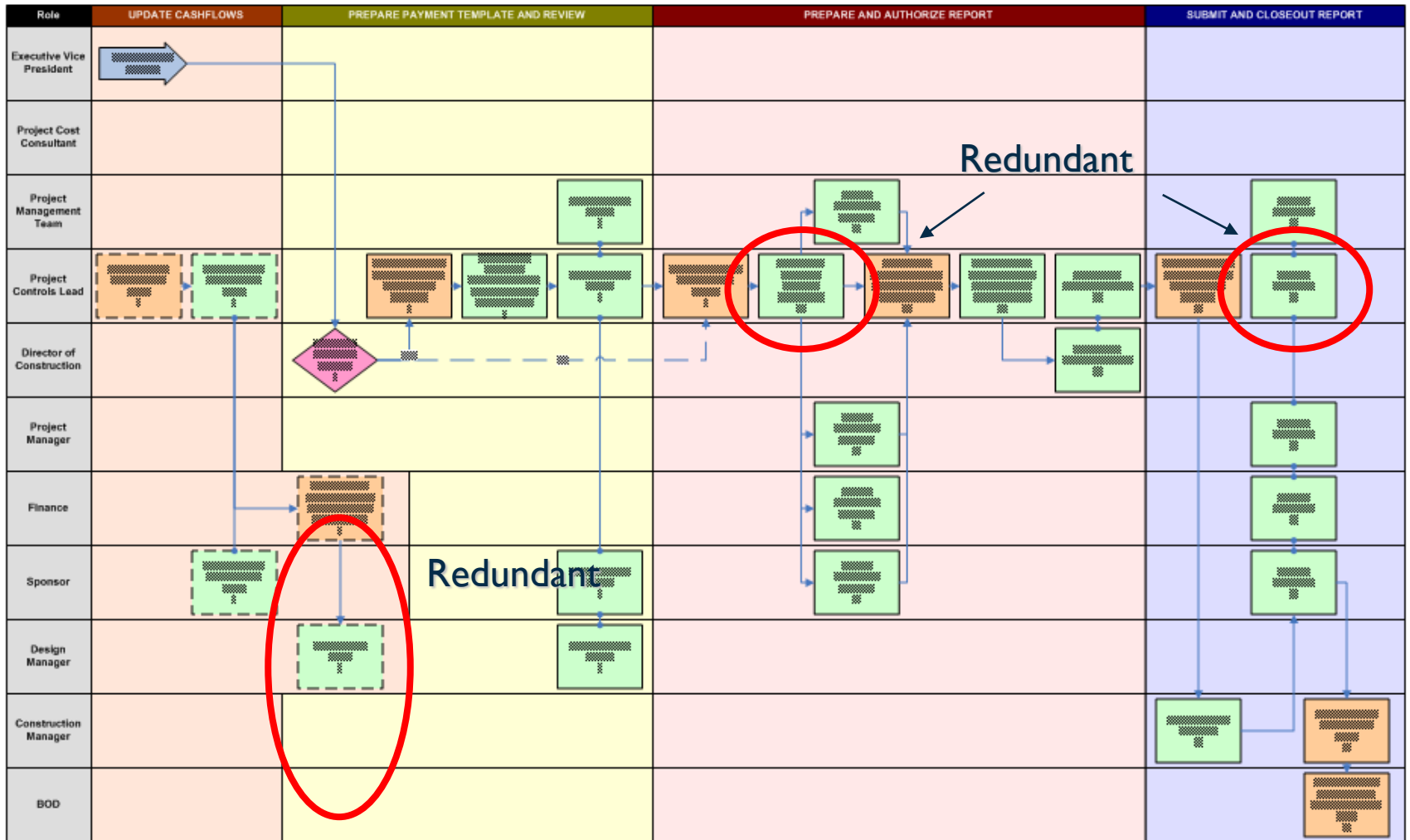


Organizational Level

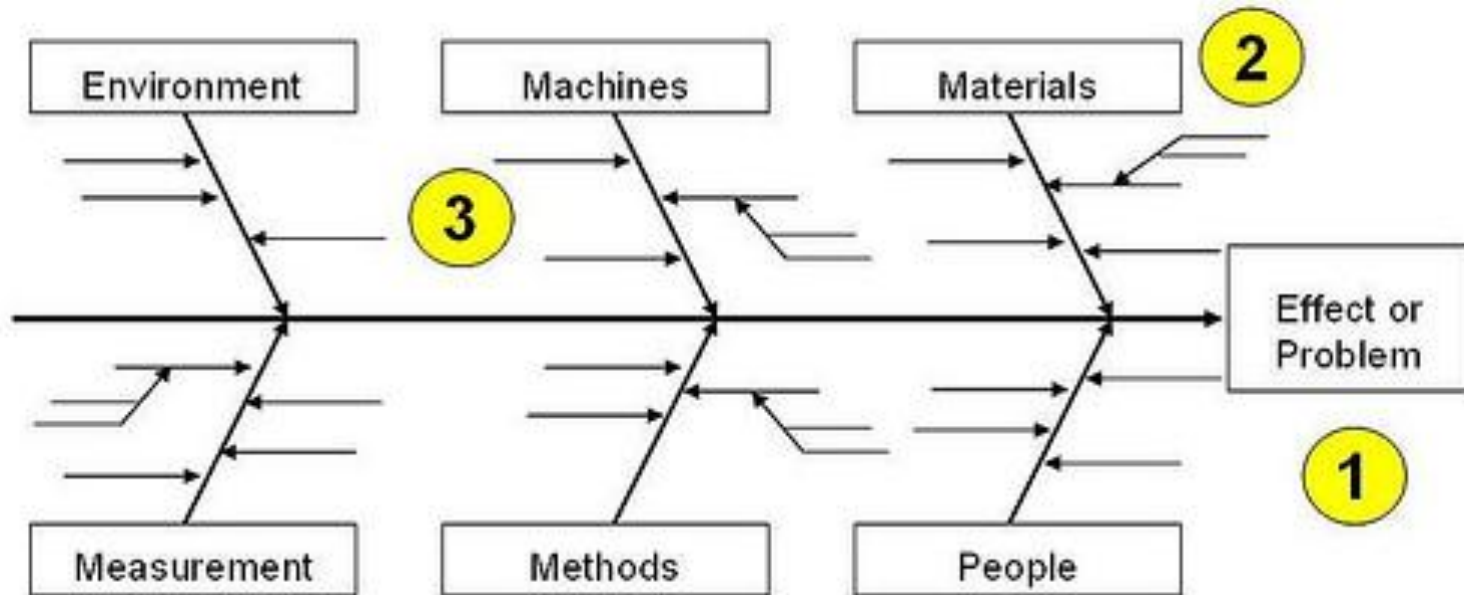
Process Level



Tools Used to Identify and Eliminate Redundant Efforts



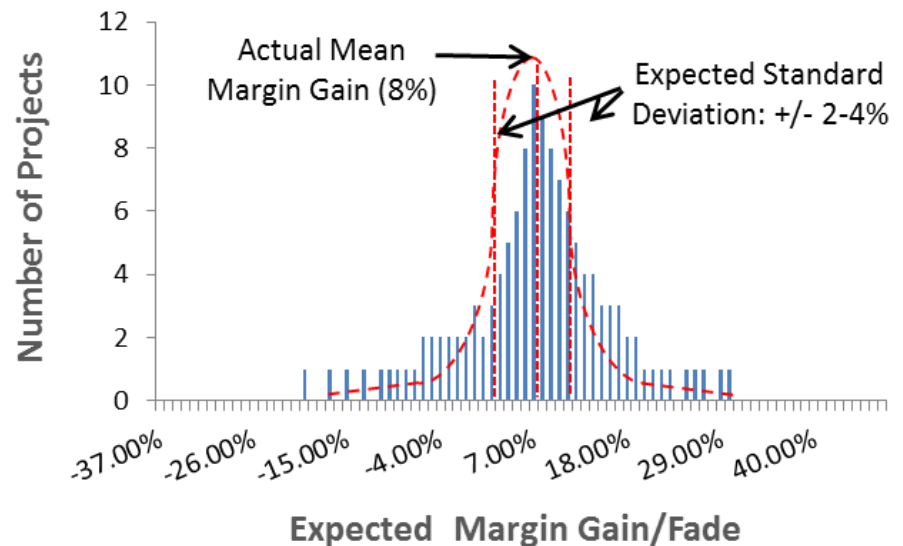
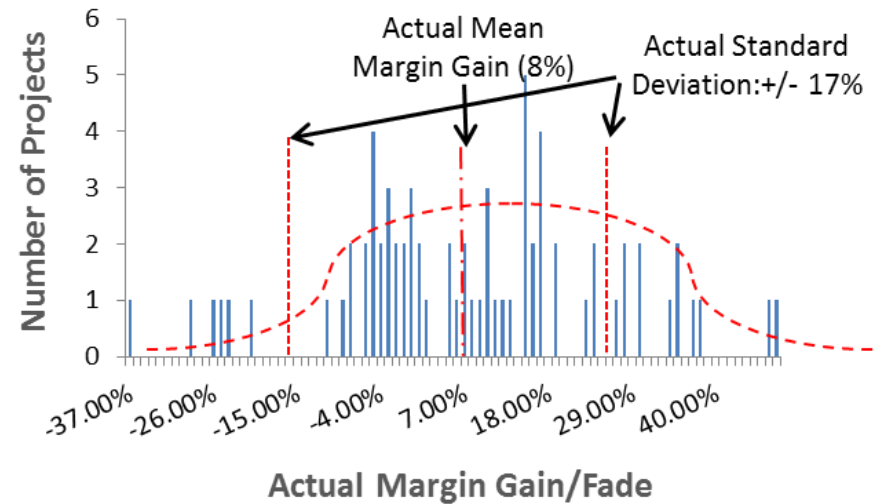
Tools Used to Identify Underlying Causes and Address Them



Having the Right Data Allows for Great Insights

Real-Life Example of a Construction Company's Margin Gain/Fade Spread

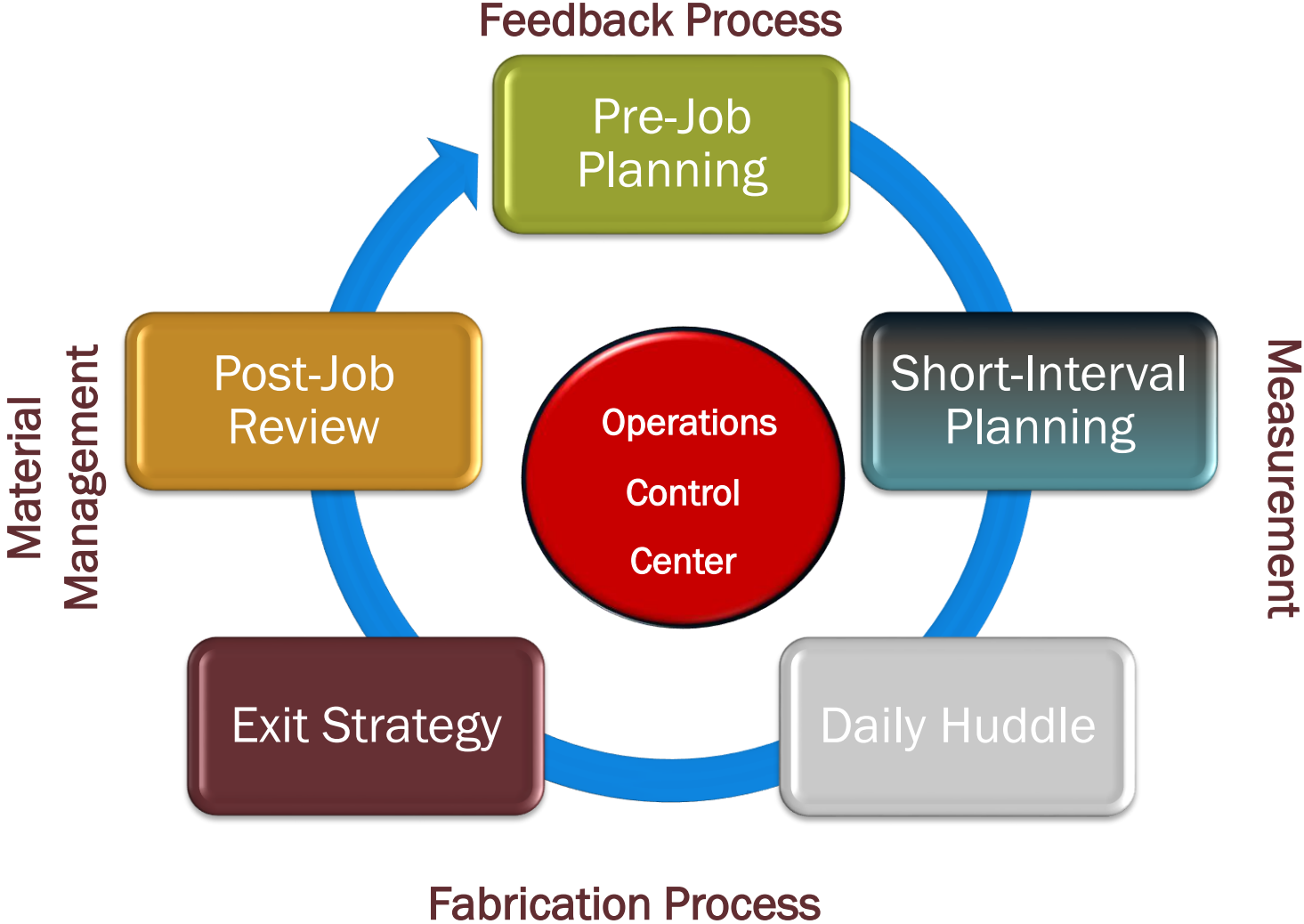
- ✓ What is the difference between the top spread (actual performance) vs. bottom spread (expected performance)?
- ✓ What field or office management techniques could improve the consistency of margin gain/fade?
- ✓ Would improvements to technical skills and/or control processes improve this?
- ✓ What could project managers do to help improve this?



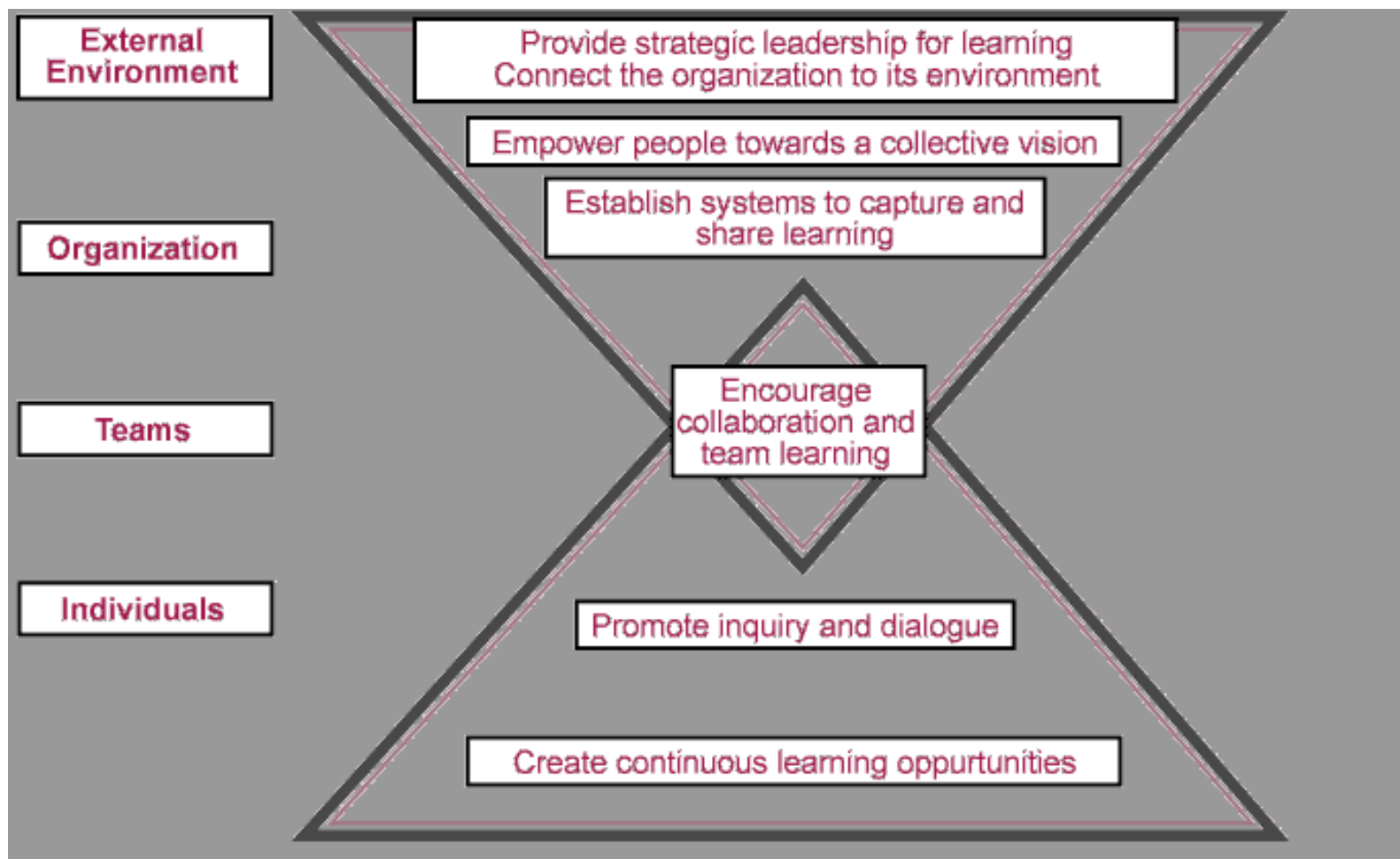
The Process Improvement Cycle “DMAIC”

Planning & Team Selection	Problem Identification & Analysis	Identify Solutions	Building the Business Case	Implementation	Reporting Results
Define	Measure & Analyze	Improve	Improve	Control	Control
Reason for Improvement Identify Problems Problem Statement PI Plan Assemble the Right Team	Root Cause Analysis Process Mapping Data Collection / Benchmarking	Identify Countermeasures Evaluate Practical Solutions	Quantify Benefits Identify Barriers and Aids	Change Management Strategies Training Roll-out	On-going Data Collection/ Comparison Against Benchmarks “Stand and Deliver” Reporting Celebrating Successes

Field Management Process



Build a Learning Organization built on field management tools



Adopted from Dr Judy O'Neil www.partnersforlearning.com

Turning Project Managers into Business Managers/Leaders...

...what does this mean? Turning PMs into business managers means *developing leadership skills and increasing business focus* – giving PMs the skills to advance and add further value to the organization

Career Focus Matrix (with Example Positions)

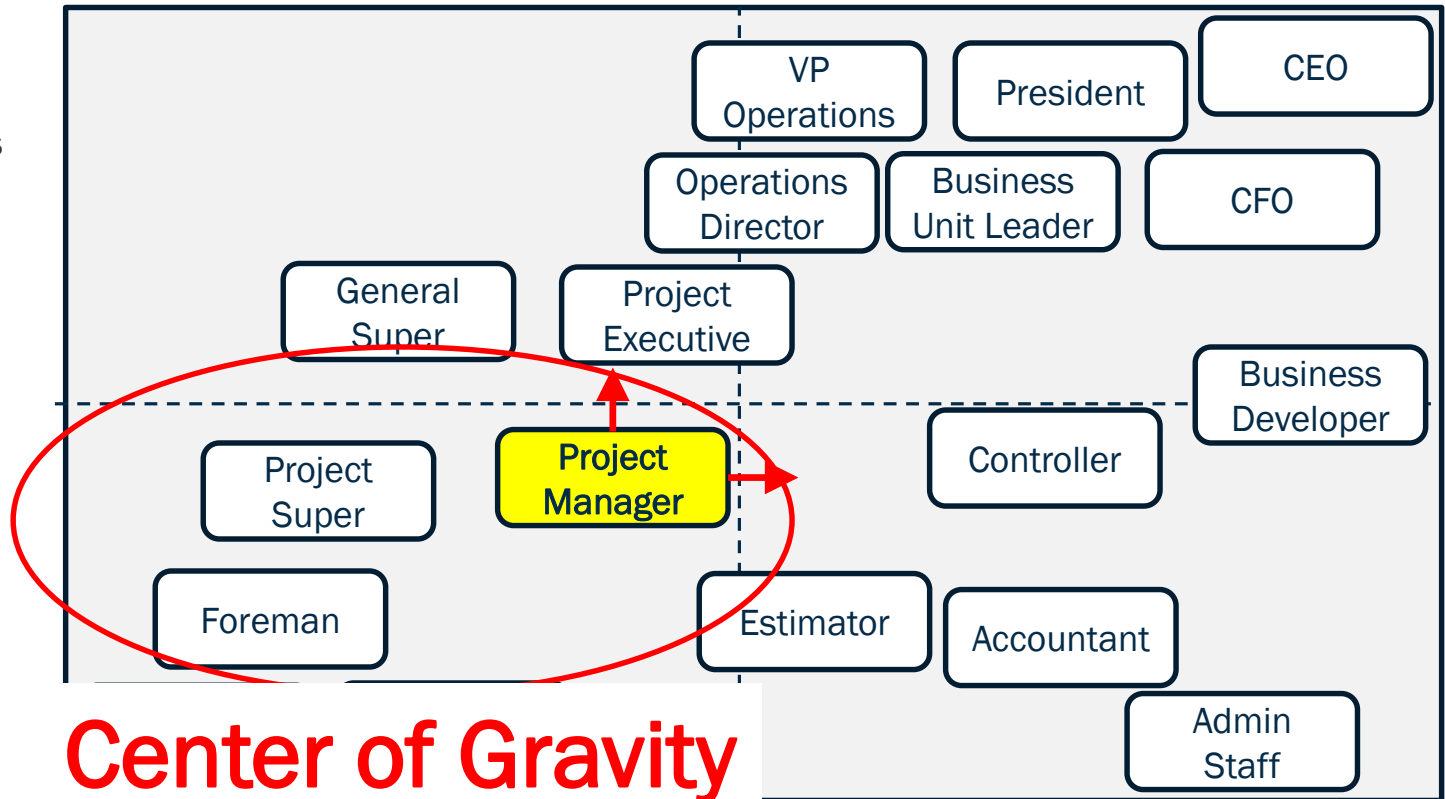
Leadership Needs

- Set Goals
- Align Resources
- Motivate Staff



Managerial Needs

- Plan
- Organize
- Control



Center of Gravity



Business-Focus

How do you influence this center of gravity?



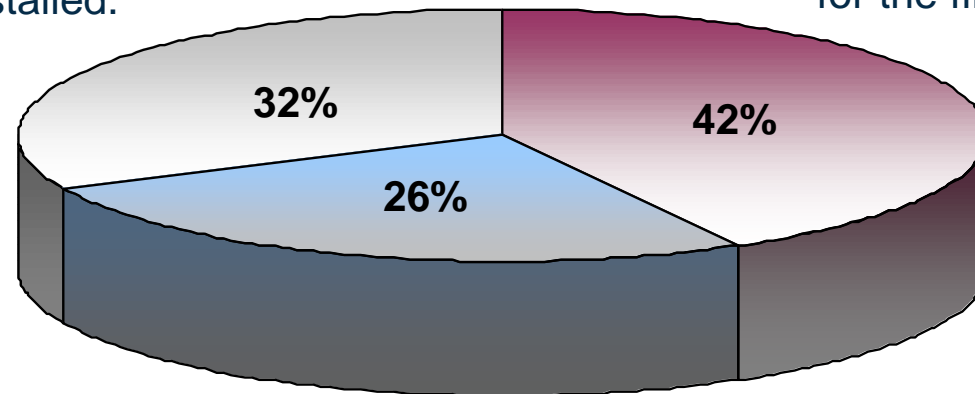
How Field Employees Spend Their Time in the Construction Industry

Recoverable Lost Time (32%)

Waiting for information, materials, equipment, tools, manpower, or other trades. Rework on items already installed.

Primary Time (42%)

Installing units of work for the first time.



Secondary Time (26%)

Planning, scheduling, material handling, lay-out, set-up, mobilization, etc.

Do You Have Project Leaders or Project Witnesses?

- **Leaders:** Do more than just follow procedures. They make positive things happen!
- **Witnesses:** Watch the project go by and wonder what happened at the end

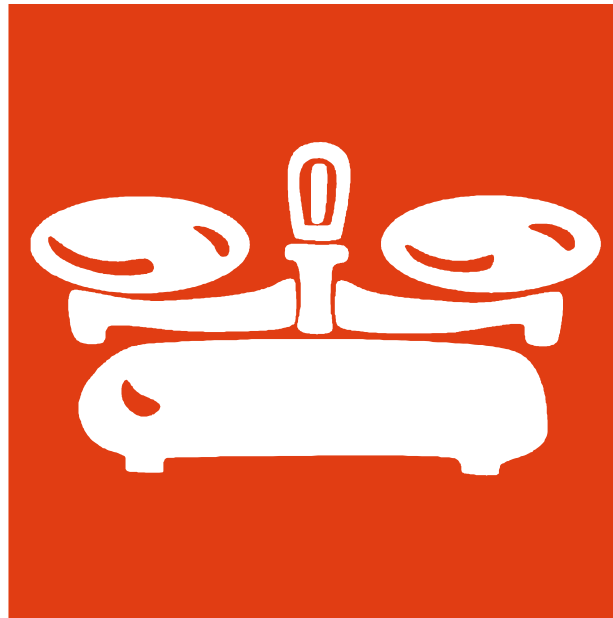


What type of analysis do we conduct?

How do we know we are on track?

“That which is measured is taken seriously.”

What is measured in your company?



Upstream vs. Downstream Measurement

Proactive

Caloric Intake &
Energy Output

Weight Management Program
----->

Reactive

Weight
Gain/Loss

Correct
Management
Behaviors/Processes

Project Management Process
----->

Safety
&
Profitability

- Pre-Job Planning
- Customer Pre-Construction Meetings
- Schedule Management
- Proactive Change Order Management
- Exit Strategy
- Post-Job Review

Implementation challenges?



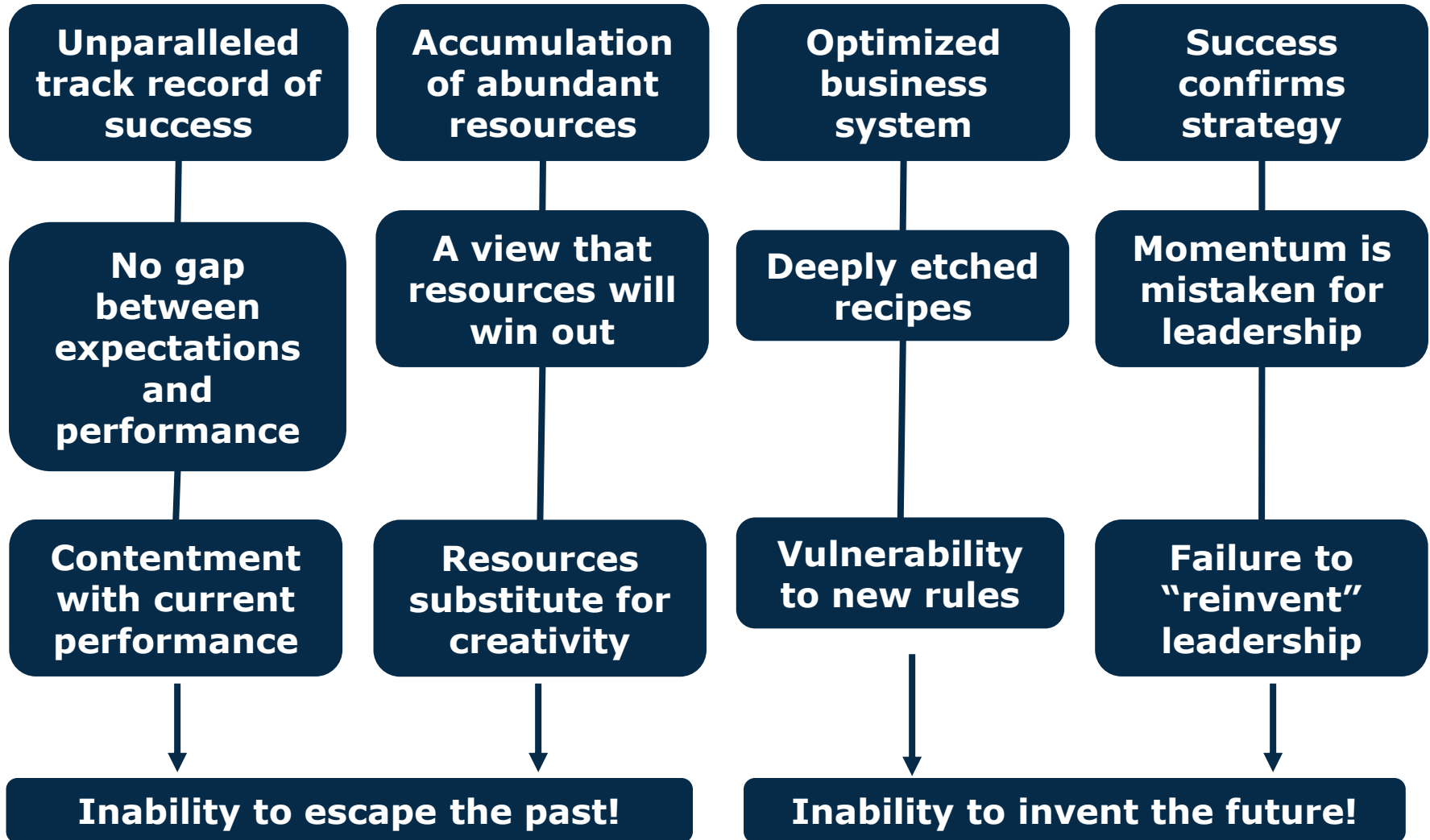
Potential Next steps – methods FMI can help

- Productivity survey by Division
- Completed contracts analysis
- Field interviews
- Plan development
- System and structure alignment
- Skill development

Why Great Companies Fail

Competing for the Future

Gary Hamel and C.K. Prahalad



Action Plan

What needs to be done?	Who needs to do it?	When does it need to start?	When should it be completed?

Thank you

Jim Schug Principal

Jim is a principal and engagement manager with FMI, management consultants and investment bankers for the engineering and construction industry.

With more than a decade of experience as an Army Officer, Jim led operations in complex and challenging environments. Some of his roles included strategic planning, training across large organizations and command with honors. He refined these skills working for a national builder, repeatedly leading his teams to successfully integrate operations, sales and customer service.

Today, Jim is passionate about developing customized strategy and best-in class operations with his clients. He applies practical experience with an in depth understanding of leading lasting behavioral change in dynamic environments.

Jim earned a bachelor's degree in quantitative economics from the United States Military Academy at West Point and a master of science in engineering management from the University of Missouri. Jim has completed post-graduate work with Cornell University in Achieving Competitive Advantage. He has served in leadership positions on various local and national non-profit industry associations and is frequently invited to speak at industry events.



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About FMI

FMI is a leading provider of management consulting, investment banking† and people development to the engineering and construction industry. We work in all segments of the industry providing clients with value-added business solutions, including:

- Strategic Advisory
- Market Research and Business Development
- Leadership and Talent Development
- Project and Process Improvement
- Mergers, Acquisitions and Financial Consulting†
- Risk Management Consulting
- Compensation Benchmarking and Consulting

Founded by Dr. Emol A. Fails in 1953, FMI has professionals in offices across the U.S. We deliver innovative, customized solutions to contractors, construction materials producers, manufacturers and suppliers of building materials and equipment, owners and developers, engineers and architects, utilities, and construction industry trade associations. FMI is an advisor you can count on to build and maintain a successful business, from your leadership to your site managers.

† Investment banking services provided by FMI Capital Advisors, Inc., a registered broker-dealer and wholly owned subsidiary of FMI.