Enabling Success

Creating Alignment Between the Field and the Office

NFBA NATIONAL FRAME BUILDING ASSOC.
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Introduction

Maxim Consulting Group Overview

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<th>Lean Transformations</th>
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<td>Strategic Planning</td>
<td>Supply Chain Management</td>
<td>Electrical</td>
<td>Mergers &amp; Acquisitions Advisory</td>
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<td>Operational Excellence</td>
<td>Design Standards</td>
<td>Mechanical</td>
<td>Equity &amp; Debt Financing</td>
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<td>Technology Integration</td>
<td>Enterprise Scheduling</td>
<td>Fire Protection</td>
<td>Ownership Transition</td>
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<td>Training &amp; Development</td>
<td>Process Standardization</td>
<td>General Contractor</td>
<td>Management Succession</td>
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<tr>
<td></td>
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<td>Heavy Civil</td>
<td></td>
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<td>Utility</td>
<td>Captive Insurance</td>
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Agenda

- Aligned Vision
- Definition of Success
- Complexity of Construction Operations
- Tools to Enable Success
- That was good, and completely necessary. This is even better
Aligned Vision

Four Tenants of the Most Successful Construction Firms

1. Hire the Right People
2. Strong Organizational Culture
   a. Communication
   b. Leadership
   c. Consistency
3. Financial Aptitude
   a. Understanding how “MY” actions create an impact
4. Discipline
   a. We do things one way, the best way

Us vs. Them – Cause and Effect

Lack of:
- Trust
- Discipline
- Defined processes
- Role definition
- Involvement
- Incentives
- Training

Causes:
- Confusion
- Impatience
- Anger
- Disengagement
- Lack of accountability
- False starts
- Lack of motivation

Us vs. Them – Root Causes

- Ego
- Loyalty to “One Side”
- Status
- Greed
- Control

Collaboration gone wrong

1. Who should have been consulted?
2. What different input may have been shared?

Overcomplication ≠ Success
Definition of Success

What Does the Client Want?

Types of Clients

- Internal Clients
  - Estimating
  - Design
  - Manufacturing
  - Project Operations
  - Field Operations
  - Etc.
- External Clients

How Do We Drive Customer Satisfaction?

Behaviors:

- Trust
- Discipline
- Defined processes
- Role definition
- Involvement
- Incentives
- Training

Results:

- Operational Excellence
- Superior Company Culture
- Financial Opportunity
- Etc.
What Does the Field Want From Operations?

- __________________________________________________________________________
- __________________________________________________________________________
- __________________________________________________________________________
- __________________________________________________________________________
- __________________________________________________________________________
- __________________________________________________________________________

<table>
<thead>
<tr>
<th>Desired:</th>
<th>Accomplished by:</th>
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<tbody>
<tr>
<td>› Right information</td>
<td>› Defined processes</td>
</tr>
<tr>
<td>› Right tools</td>
<td>› Great communication</td>
</tr>
<tr>
<td>› Right materials</td>
<td>› Effective structure</td>
</tr>
<tr>
<td>Furnished:</td>
<td>› Strong leadership</td>
</tr>
<tr>
<td>› When needed</td>
<td></td>
</tr>
<tr>
<td>› How needed</td>
<td></td>
</tr>
<tr>
<td>› Where needed</td>
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</table>
Complexity of Construction Operations

Four Tenants of the Most Successful Construction Firms

1. Hire the Right People
2. Strong Organizational Culture
3. Financial Aptitude
4. Discipline

Construction Operations – an Overview
Construction Operations – Detail

The Field Performs/Uses/Contributes to These:
Tools to Enable Success

Pre-Job Planning Process Overview
Short Interval Plans

- 3 week look aheads are done to communicate the plan including materials, equipment, tools, other needs that are not yet on site for the work, as well as production targets

Short Interval Plans – Underutilization

- Obstacles to excellence:
  - “I don’t have time”
  - “I don’t see the value”

Short Interval Plans
Short Interval Plans – Done Poorly

<table>
<thead>
<tr>
<th>Unplanned Calls to Shop</th>
<th>Planned Calls to Shop</th>
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<tbody>
<tr>
<td>&lt;48 Hours Notice</td>
<td>&gt;48 hours Notice</td>
</tr>
<tr>
<td>70%</td>
<td>30%</td>
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</table>

This means that 70% of the time, we are using HOPE as a strategy to achieve excellence.
Short Interval Plans – Done Well

How different would this be?

Operationally? Culturally? Financially?

SIP & Daily Production Targets

Metrics
- Entered in PTS by Wednesday at Noon
- Marked Final in PTS by Thursday at 4PM
- “To Plan” in PTS
- “Approved” Time & Qty in PTS

Process Overview
- Foreman or Super
  - Field Manager Documents Plan for Next Three Weeks Using PTS
- Project Manager
  - FM Sets Crews Based on SIP & Assoc Daily Prod Targets
  - FM Reports Time/Qty Against Plan
- PM Reviews & Approves SIP with Field Manager
  - PM Reviews & Approves Time & Qty Reported

Documents & Templates
- Future remote time reporting link

Review Productivity Dashboards in Excel Workbook
Time Reporting

- Time reporting should be accurate

<table>
<thead>
<tr>
<th>Phase Code</th>
<th>Area</th>
<th>Skill</th>
<th>Reg</th>
<th>OT</th>
<th>Reg</th>
<th>OT</th>
<th>Reg</th>
<th>OT</th>
<th>Reg</th>
<th>OT</th>
<th>Reg</th>
<th>OT</th>
<th>Reg</th>
<th>OT</th>
<th>Reg</th>
<th>OT</th>
<th>Final</th>
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<tr>
<td>CLEAN UP</td>
<td>00</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>46.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAFETY TRAINING</td>
<td>00</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>46.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1 BRANCH WIRE #6 &amp; SM</td>
<td>P1</td>
<td>7.50</td>
<td>7.50</td>
<td>7.50</td>
<td>7.50</td>
<td>7.50</td>
<td>7.50</td>
<td>7.50</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>46.00</td>
<td></td>
<td></td>
<td></td>
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Quantity Reporting

- Quantity reporting should be accurate
- Analysis of planned activities versus unplanned must be completed

<table>
<thead>
<tr>
<th>Phase Code</th>
<th>Description</th>
<th>Area</th>
<th>Quantity</th>
<th>UM</th>
<th>Quantity</th>
<th>UM</th>
<th>% Comp</th>
<th>% Comp</th>
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<tr>
<td>00-00-703</td>
<td>DIRECT JOB SUPERVISION</td>
<td>00</td>
<td>2,080.00</td>
<td>HR</td>
<td>1,112.80</td>
<td>HR</td>
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<td>00-00-709</td>
<td>CLEAN UP</td>
<td>00</td>
<td>470.00</td>
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<td>374.00</td>
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<td>HR</td>
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<td>100.00%</td>
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<tr>
<td>00-DH-401</td>
<td>D1 LIGHTING</td>
<td>D1</td>
<td>555.00</td>
<td>EA</td>
<td>555.00</td>
<td>EA</td>
<td>100.00%</td>
<td>100.00%</td>
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<tr>
<td>00-DH-402</td>
<td>D1 LIGHTING</td>
<td>D1</td>
<td>555.00</td>
<td>EA</td>
<td>555.00</td>
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<td>100.00%</td>
<td>100.00%</td>
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<tr>
<td>00-DH-403</td>
<td>D1 LIGHTING</td>
<td>D1</td>
<td>555.00</td>
<td>EA</td>
<td>555.00</td>
<td>EA</td>
<td>100.00%</td>
<td>100.00%</td>
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<tr>
<td>00-DH-404</td>
<td>D1 LIGHTING</td>
<td>D1</td>
<td>555.00</td>
<td>EA</td>
<td>555.00</td>
<td>EA</td>
<td>100.00%</td>
<td>100.00%</td>
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Productivity Data

- Proving the impact
Productivity Data as a Tool

Spent 296 hours. Should have spent 196.8 hours. Impact is 99.2 hours

Daily Project Report

- First-hand account of what happens on the jobsite

Weather:
Between 60 and 74

Contractors:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Crew Size</th>
<th>Comments</th>
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<tbody>
<tr>
<td></td>
<td>7</td>
<td>running conduit to tie in ceilings and rooms, pulling branch wires</td>
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</table>

Equipment Used:

<table>
<thead>
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<th>Source</th>
<th>Type</th>
<th>Hours Used</th>
<th>Date Rented</th>
<th>Comments</th>
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<tbody>
<tr>
<td>N/A</td>
<td></td>
<td>0.60</td>
<td></td>
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Materials Received:

<table>
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<tr>
<th>Quantity</th>
<th>Description</th>
<th>Source</th>
<th>Problems</th>
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<tbody>
<tr>
<td>2</td>
<td>Panel interiors, covers, and fuses</td>
<td>CRAWDORD and wholesale electric</td>
<td></td>
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</tbody>
</table>

Safety Issues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>dips, trips, cuts, and falls</td>
<td>wear ppe's, and clean up areas</td>
</tr>
</tbody>
</table>

Work Accomplished:
pulled branch wires, and ran conduits for tying in rooms and lighting.

Delays:
need antenna, furnished by others, and need all fur downs to be completed. Also need slack to complete storm lines at Nicks to be able to run conduit under ground in slab.

Additional Comments:
Opportunities for Communication – Driven by Processes

1. Short Interval Plan
   - Documents what the field is planning on working on, with needs and obstacles identified for the team to solve

2. Time Reporting
   - Record of what we spent our time doing

3. Quantity Reporting
   - Record of what we were able to get installed

4. Daily Project Report
   - Record of site conditions, delays, and other relevant facts for the operations team to know

5. Production Reports
   - Proving the impact on labor of what we spent versus what we should have spent
That was good, and completely necessary. This is even better

Making it Happen

The crews in the field are the consumer of the product. Therefore, they should have input as to the upstream activities.

Imagine This – It isn’t Just a Dream

Imagine that every job title involved contributed in defining/implementing STANDARDS for the following:
Speaker Bio

Background

Stephane McShane is a Director at Maxim Consulting Group responsible for the evaluation and implementation processes with our clients. Stephane works with construction related firms of all sizes to evaluate business practices and assist with management challenges. With a large depth of experience working in the construction industry, Stephane is keenly aware of the business and, most specifically, operational challenges that firms face. Her areas of expertise include: Leadership development, executive coaching, organizational assessments, strategic planning, project execution, business development, productivity improvement, and training programs. Mrs. McShane is an internationally recognized speaker, mentor, author, and teacher. Her ability to motivate, inspire, and create confidence among your work groups is extremely rare and very effective.

Professional and Industry Experience

Stephane possesses the rare combination of talent from being in the field as an apprentice, electrician, foreman, then working her way through each operational chair within a successful electrical construction firm. Her ability and drive defined her to be "best in class" at each position held. This talent is what makes her tremendously effective at operational and organizational assessments today. She has successfully conquered every operational position from being an estimating trainee through executive management. She has built, trained, and led her teams to become the undisputed leaders in their markets. She is able to quickly identify organizational positives and negatives and assess appropriate action steps and throughputs.