FCIA
Memphis
Frontline Project Profitability
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Four Critical Areas

• Financial
  – Know how we effect the financials of the job
  – Make Money
• Sell and Market
  – We have be professional
  – Who sells in your company
  – Differentiate your company
• People and Production
  – Build your team
  – Know production rates
  – Be productive, know the job details
• Safety
  – Safety is a primary responsibility
  – A safe job equals a productive job
Keep It Simple

• Raise standards: Upgrade your talent pool
• Understand your crew rates and how to maximize your production
• Crew culture you are in charge. You create the culture you want
• Strategic crew management review: a small percentage of your activates can make a big impact
• Crew Structure-build structure that fits your needs and allows you to hit production rates (You control Manpower)
• Set Crews-can’t hold men accountable if people shift
• Days and hour goals-workers must know goals
• Identify winners-find which workers will, won’t or can’t perform
• Influencing skills-Supervisors /managers must learn to communicate, negotiate and handle conflict
• Systems/process-basic, simple and focused
Day to Day Realities

- Five reasons jobs Lose Money
- Jobs don’t go bad on the last day
- Rarely does only one sub make money
- You have to understand your production rates; know the goal.
- Estimator’s job
- PM’S job
- Foreman’s job
Day to Day Realities Cont.

- Street rate Vs. Industry Rate VS. Internal Rate Vs. Foreman Rate
- Anticipate, monitor, capitalize, adapt.
- Know the rules of the job
- We have got to be assertive but fair, no charge changes
- Ask questions up front and clarify
- If there is poor job leadership then you must run job
- Test your production rates against the estimate
Running Your Team

- Consistency and integrity
- Self-Awareness
- Walk the Talk
- Admit your shortcomings
- Coach, train and mentor
- Make your intentions known
- Create a positive environment
- Be Honest
Focus on the Focus

Control what you can control

• You have control of your actions
  – What you do first
  – We can’t control the consequences
• What is the one activity that if you did it would make a huge impact? Why don’t I do it?
  – Urgency Vs. Important
• What is your purpose for doing it?
• Schedule the action/ develop a plan
• **If not now then when?**
• Chop action plan into small pieces.
Who should run Kick-off meeting?

• The person who estimated the project should run the meeting.
• This person must be prepared
• The whole team should be present
  – PM, Superintendent, Foreman, Shop Foreman
• All jobs need a kick-off...
• IF you don’t make it happen it won’t
How, What and Why

• Have everyone prepare for the meeting
• Create a written agenda with action items before meeting
• No interruptions, no excuses and hold everyone accountable
• Jobs don’t go bad on the last day, they start bad and get worse
Kick-Off Goal

- Determine quickly if you have a winner or loser and make adjustments to maximize profits or minimize losses.
  - The field should know the benchmarks and production rates and how to make it happen.
  - The PM team should understand the rules and what is and is not included and what makes this job different.
  - The strategy needs to be communicated!
  - Goal should be documented and distributed.
Kick-Off Goal

WHAT DO WE OWN?
CAN WE MAKE MONEY?
HOW?
Document, Document, Document
47 Steps to a Profitable Job

1. Provide a narrative of the job, your price along with competitors prices (How do we look?) If yes than what? If not than what?

2. Provide project specifics: inclusions exclusions, stuff, the weird, etc.

3. Your initial estimating concept

4. Your money saving ideas: list

5. Why this is a good job?
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6. Provide the contract with details
7. Highlight specifics in the contract
8. Concerns or issues with contract, who signed it, when can we start?
9. What type of contract?
   • Firm Price
   • Time and Material
   • Negotiated
   • Guaranteed Maximum Price
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10. What type of contract does our customer have and how will they make money and measure success?

11. How will we make money?

12. Will this be an aggressive job? Or a passive job?

13. Any other contract items that may cause concern or seem unfair?
14. Plans and specifications

- Problems omissions with engineering or other
- Any gray areas with plans, estimate the percentage complete?
- How many sets of plans?
- Does the field have a complete set, and have a copy of the estimators set?
- Electronic files? How about CAD? How about BIM?
- Have you documented and communicated issues
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15. Alternatives
   – Last minute changes
   – Have the alternatives been provided to the field and shop
   – Have all the last minute changes been included?

16. Scope Letter
   – Highlight and go over inclusions and exclusions, and provide copy.
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17. Explain project perceptions, concerns and concept for hitting target

- Discuss the opportunities and ideas for increasing productivity. (Be creative)
- Explain all the pitfalls and open up discussions for overcoming these pitfalls
- Any PINK ELEPHANTS?
- How will we determine quickly if we are tracking correctly?
18. Does the field know how many hours they have to do the job? Are they in agreement? If not why and what do they think it should be?

Discussions should get heated

19. Do the production rates make sense?
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20. Field Labor
   – What if anything could effect it?
   – Do we have the right people to man the job?
   – Your estimated production rates
   – Project duration, crew size, peak crew size, crew mix
   – Has the BA been contacted?

21. How will we measure production?
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22. List all your subcontractors with their scope and contact information

23. List all subs on project with contract information
   – Who will make contact with them and when?
   – Have we worked with them before? How would we rate them?
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24. Equipment and Material
   – List material with suppliers, phone numbers and expected delivery dates
   – List potential problems, IE storage, delivery
   – Are there any material alternatives? If so what? If so when will we know?

WHO IS RESPONSIBLE FOR MATERIAL TAKEOFFS AND INSURING THE MATERIAL IS ACCOUNTED FOR?
25. Are there production improvement opportunities? When will we know? Who is responsible? Can we save $$ if we do? How much?
26. Do we have the current schedule of the project?

27. Do we have the bid day schedule? How do we handle the difference and will this effect our production?

28. Estimated start dates, benchmarks, completion dates, addendums

29. Who is required to submit schedule, how often and by whom?
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30. What are the incentives and damages for performance and non-performance?

31. How will we handle out-of-sequence work? By us or other subs or mandated by the GC or CM?
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32. Does the field and shop have a current copy of the schedule? Who will insure that the field and the shop continually get schedule updates?
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33. What are the tool/equipment requirements for the job? List
34. Does the field agree?
35. Any special lifting devices?
36. Any special order tools?
37. Who is responsible for insuring proper usage and a good ROI?
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38. Any special safety considerations? Does the field have a copy? Who is responsible for administrating and documenting?

39. What are the documenting protocols? Job logs, etc.

40. Any testing requirements? Documentation requirements?

41. Special inspections?

42. Delivery and parking requirements?
43. What are the other site logistics such as, parking, lunches, smoking, breaks, storage, trucking, delivery?
44. What are the job close out needs?
45. What are our commissioning responsibilities?
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46. How will change orders be handled?
   – What is your internal strategy? Who will be the good guy and who will be the bad guy?

47. Is there any reason why this job will not make money or hit the number? List?