



Palm Beach, FL – 2005 Fall Conference

The rescheduled conference, due to hurricane Wilma, was a great success. Although we had about 25% fewer members at the conference than normal (around 50 were in attendance) – the energy, spirit, and interest appeared to be as high as ever. In fact, the new members and guest attendees really seemed to enjoy the event and added a lot to the conference. The speakers were well received, and the project CIRT is working on with FMI was a big hit. Following are highlights of the conference.

MIDDLING REPORT

Uncovering Hidden Shareholder Value



Ray Manganelli

A recent survey of more than 500 executives revealed that the average business fails to capture *as much as 40 percent* of its potential value. In the opening session at CIRT’s Fall Conference, **Raymond L. Manganelli**, Senior Managing Director of Tunnell Consulting, corporate consultant and co-author of “Solving the Corporate Value Enigma—A System to Unlock Shareholder Value,” explained how all strategic decision must be considered from four closely integrated perspectives: that of the **business model**; the company’s **portfolio of holdings**; its **financial structure**; and the

efficiency and efficacy of its **management and operations**. The “40 percent solution” that Ray described applies to the corporate, business unit, individual, and departmental levels of companies. “Value is best understood not as a discrete entity, but as a multifaceted system that is greater than the sum of its parts,” Ray told attendees. “The optimal arrangement and interrelationships of the system’s components re dictated by the needs and purposes of the whole.” If you wish to contact Ray, he can be reached at Tunnell Consulting, 516-582-0202.



Tying Your People to the Bottom Line: ROI for Human Capital

Jeffrey A. Schmidt, Managing Director of CDI Global B.V. and Third Path Consulting, led a breakout session in which he discussed dynamic modeling frameworks that help companies measure how their people’s investments contribute to the bottom line. The outline of the session was broken into four key elements: Human Capital Perspective; The Measurement Challenge; The Holistic Measurement Tool; and Future of Competitive Advantage. Members who attended this session said

Jeff’s knowledge and content was excellent. If you are interested in getting a copy of Jeff’s handouts, please contact Jane at jane@cirt.org.



Right: **Jeff Schmidt** talks with **Kevin McMahon** (Edwards and Kelcey, Inc.) before the start of his session.



Program Highlights

Autopsy of Failure—Lessons From Beyond Looking for the Causes Behind the Causes



Ron Magnus discusses the “Failure Chain Reaction Model”

After months of gathering information from some noted failures in the design construction community over the past several years, as well as surveying many of the CIRT members, FMI Corporation in partnership with CIRT, identified and benchmarked factors that may signal trouble for companies. **Ron Magnus**, Managing Director and **Arthur E. Heimbach, Sr.** Consultant with FMI Corporation, led an interactive session which provided members with an “in-process” update of their findings. FMI has developed the Failure Chain Reaction Model and discussed the aspects of the model including company performance; nature of the construction industry; general economic conditions; culture and



and systems of the organization; and the mind of the contractor. All of these aspects work together and if not understood and addressed, can lead to the “Bankruptcy Doom Loop”. This topic will continue to be of interest and will be addressed at future CIRT Conferences.



*Pictured left are **Chuck Greco** (Linbeck), **Gilberto Neves** (Odebrecht Construction); and **Scott Lynn** (Atkinson)*

**2006
Spring
Conference
April 25 & 26, 2006**

**The Mandarin Oriental
Washington, DC**

Make your reservations
no later than
March 27, 2006
1-888-888-1778

Synergy & Efficiency from Pan-Program Management



***Irv Richter** (Hill International) and **Fred Brune** (CH2M Hill Lockwood Greene) listen as **Chuck Thomsen** talks about pan-program management.*

CIRT members attending this session, which was led by **Chuck Thomsen**, Chairman of 3D/International, were given insights into how managing projects as a continuous process instead of one-by-one can save time and money for both owners and contractors alike. Chuck has seen a growing body of evidence to support this and he discussed the elements of this process and the potential efficiencies and savings such synergy can generate. If you would like more information about this, please contact Chuck at 713-871-7265; or thomsen@3di.com.



*New Member **John Rakolta** (Walbridge Aldinger); **Ron Gafford** (Austin Industries); **Tommy Holder** (Holder Construction); and **Jerry Morgensen** (Hensel Phelps) listen closely during the general session.*

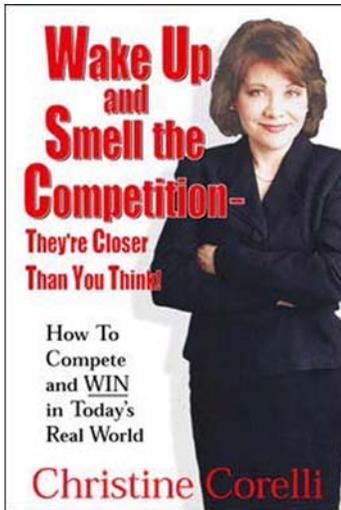


*L to R: **Murray Savage** (PSI, Inc.); **Len Rodman** (Black & Veatch); **Ron Drnevich** (Gannett Fleming, Inc.); and **Mike Fratianni** (Hunt Construction) take notes during the FMI session.*

See more conference highlights



Conference Highlights



Christine Corelli concluded CIRT's Conference with a 3-hour presentation titled "*Businesses Don't Do Business—People DO!... Creating High Performance*". Christine, who is best known as the author of the popular book **Wake Up and Smell the Competition**, and is also a professional speaker, consultant and facilitator for companies and associations internationally, provided members with methods and techniques to help them meet the challenge facing many businesses today of attracting and retaining quality employees.

During her lively presentation, Christine talked about the dynamics that drive the culture of companies beyond excellence. Some of those that she highlighted included:

- Values are practiced and demonstrated by all.
- Value proposition is taken seriously.
- Culture fosters employee empowerment and involvement.
- Excellence is viewed, not as a destination, rather a continuous journey.
- People are solution-focused.
- There is constant evaluation of the way leaders think and the way leaders lead.
- Dynamic leadership is displayed and continuously reinforced.
- Desire to be one of the best organizations in the world.

In addition, Christine talked about breeding high-performance and maintaining morale; remembering what quality employees need to reach their full potential; and how to confront poor performance or negative behavior. In conclusion Christine said "being a great boss, creating a great place to work and keeping your people motivated is one of the BEST things you can do to impact your bottom line." Christine can be reached at 1-800-417-9967; or visit her website at www.christinespeaks.com.



*In response to a question to the members from Christine Corelli, new member **Deryl McKissack**, CEO of **McKissack & McKissack**, shares how she involved her employees in decision-making as it related to her companies expansion.*

***Ron Drnevich** (Gannett Fleming, Inc.); and new member **Ron Ewing** (Dewberry) share a laugh while performing an exercise in resistance.*



Welcome to New Members, First-Time Attendees & Guests

We are always pleased to see new faces at the CIRT conferences including new members, first-time attendees and special guests. To that end, we would like to highlight some of those people who experienced their first CIRT meeting:

New Members/First-Timers

Dick Fox, President, CDM
Charlie Bacon, President & CEO, Limbach Facility Services LLC
Deryl McKissack, President & CEO, McKissack & McKissack
Bruce Grewcock, President & CEO, Peter Kiewit Sons', Inc.
Mark Santacrose, President & CEO, Tecta America Corp.
Dan Cuoco, President, Thornton-Tomsaetti Group
John Rakolta, Jr., Chairman & CEO, Walbridge Aldinger

Guests

Len Rodman, Chairman, President & CEO, Black & Veatch
Fred Brune, President & CEO, CH2M Hill Lockwood Greene
Ron Ewing, CEO, Dewberry
Gilberto Neves, CEO & Chairman, Odebrecht Construction, Inc.
David Gaboury, President & CEO, Terracon

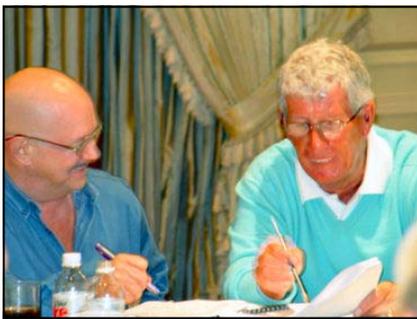
If there is someone you would like to recommend for CIRT membership; or if you have someone within your company that will be one day soon serving as your successor, then having them join you as your guest at a conference is an ideal way to introduce them to the industry leaders and to the unique group that comprises the Round Table. It's not too soon to begin thinking about the Spring Conference, April 25 & 26, 2006.

Photo Highlights

Building Business Relationships



Steve Halverson (The Haskell Co.) discusses an issue during the Board Meeting as Chairman-elect Ron Drnevich; Linda Figg and Bob Alger (Lane Construction) look on.



Dan Baker (Baker Concrete) and Bob Fee (Hunter Roberts Construction)



John Rakolta (Walbridge Aldinger) shares some of his company's experiences with the CIRT members.



Ken Isaacs (Graycor Cos.); Irv Richter (Hill International); and Jeff Levy (RailWorks) take a break from the gaming.

After a day of speakers and meetings, CIRT members, spouses and guests had plenty of time to relax and enjoy themselves by dining on a wonderful Caribbean-inspired buffet as well as trying their hand at 'lady luck'. Some were luckier than others.

The pictures say it all!

Networking

Interactions

Camaraderie



Bob Luffy (American Bridge Company); Matt Walsh (The Walsh Group); Dan Baker (Baker Concrete Construction); Joyce Walsh; and Ron Magnus (FMI Corp.) place their bets before the roulette wheel is spun.

Ruby Ile (Gannett Fleming, Inc.); Rebecca & Ron Gafford (Austin Industries); and Scott Lynn (Atkinson Construction) hope to beat the dealer at the Black Jack table.

Building Social Relationships



Patricia & Dick Fox; and Deryl McKissack & Leon Albritton enjoy the evening.



Mark Santacrose (Tetra Tech Corp); and Craig Davis (Performance Contracting Group) watch as Linda Figg (Figg Engineering Group) tosses the dice down the table.



Jerry Morgenson (Hensel Phelps); Murray Savage (PSI) and Pat Strickland (Bilfinger Berger Civil) enjoying themselves at the Casino Night.

