

Meeting Report

2012 Fall Conference



Construction Industry
Round Table



A memorable 25 year celebration held at the spectacular cliffside resort of the Ritz-Carlton Half Moon Bay, CA, CIRT members — a record number of 86 — and their spouses came together for some deep thinking, sharing best practices and a little fun. Truly a special meeting!

Jim Collins Keynotes Fall Conference

“The single most important strategic pillar of any great enterprise is people,” best-selling author **Jim Collins** said in his opening remarks. After spending nine years studying why some companies thrive in uncertainty or even chaos, while others do not, for his latest book *Great by Choice: Uncertainty, Chaos, and Luck—Why Some Thrive Despite Them All*, Collins concluded that “it all begins with people.”

The most important executive skills for building a great organization are “the ability to pick the right people, to make disciplined people decisions and to make sure all key seats are filled with the right people,” Collins told CIRT members.



*Jim Collins (second from left) meets with the CIRT Board of Directors before his afternoon session with the full group. Also pictured from left to right are **Paul Franzen** (Barnard Construction); **Patrick MacLeamy** (HOK Group) and **Mark Casso** (CIRT President).*



Collins, whose previous works include *Good to Great*, *How the Mighty Fall* and *Built to Last*, has spent nearly a quarter of a century studying great companies that endure—how they grow, how they attain superior performance, and how good companies can become great companies.

“It’s very dangerous to study success ... so we don’t,” he said. “We study the contrast between success and failure ... between great and good. Greatness is not primarily a function of circumstance ... it is a matter of conscious choice and discipline,” he noted.

Collins described five levels of leadership competence. The first level includes highly capable individuals, followed by contributing team members at level two, competent managers at level three, effective leaders at level four and executives at level five.

According to Collins’ research, the greatest leaders share a common trait: they are level five leaders. “Level five leaders have an ‘X factor’ that is different than level four leaders,” Collins explained: humility. Though Collins mentioned a few great leaders with “very healthy confidence,” such as Bill Gates and Steve Jobs, he said that the critical difference is that for level four leaders, “it really is about them.” By contrast, level five leaders’ “ego and ambition and confidence and drive are channeled outward into a cause, into a purpose, into an organization or into a quest that is not about them,” he said. “No single leader by himself or herself can make a great company,” Collins added. “Level five leaders understand this; they have to build an entire team to make a company great.”



*Collins spent more than three hours with CIRT members and facilitated small group discussions for much of the afternoon. Here, **Joe Adams** (MWH Global); **Ray Messer** (Walter P. Moore & Associates); **Joe Cibor** (Fugro Consultants); and **Patrick MacLeamy** (HOK Group) discuss their thoughts on one of the topics that Jim Collins raised. If you are interested in receiving a copy of “Jim’s Twelve Questions for Leadership Teams”, please contact Jane Bonvillain at jane@cirt.org.*

Incident & Injury Free (IIF): An Alternative to Improving Safety & Business Results

A group of CEOs who were dissatisfied with the number of safety incidents in the construction industry came together to form the Incident and Injury Free (IIF) CEO Forum. Each of the companies had been working independently to form IIF programs, but realized what was really necessary to achieve success was a philosophy shift in the entire industry.

Charlie Bacon (Limbach); **Tom Gilbane** (Gilbane Building Company); **Craig Martin** (Jacobs Engineering Group); and **Ross Myers** (American Infrastructure) shared their experiences from the CEO perspective of leading business cultures built around caring for people and the impact it has had on their firms' results, which go way beyond improved safety statistics.

Without an outstanding safety record, everything else becomes secondary with respect to a firm's performance and success. To achieve such a standard takes more than just hoping for the best or accepting the odds – it means an entire organizational commitment (top to bottom) with the full "buy-in" to procedures, practices, and to a culture that accepts nothing but perfection.

Tom Gilbane commented that his company road to IIF and said that it has had a huge cultural impact not only on safety but wellness, well-being and sustainability. **Craig Martin** shared with members that Jacobs has implemented a program called "Beyond Zero" which came about after CIRT's Fall Conference in Santa Barbara in 2008. "It's been hugely powerful," commented Martin, who also said that Jacobs' safety program has also gotten traction with insurance companies who are interested in working with companies that have such safety programs. **Ross Myers** told members that AI is on a journey everyday that never ends with continuous improvement. Training, discipline, and caring are the three key factors, and "caring is what changed AI's company," noted Myers.



*Practice what you preach in action! **Ross Myers** (American Infrastructure), above center, leads the CEO panelists and CIRT members, below, in a "stretch and flex exercise" before the start of their Incident & Injury Free (IIF) discussion.*



Charlie Bacon told CIRT members who are interested in learning more about Incident & Injury Free are encouraged to contact any of the panelists directly as

CEO-to-CEO conversations would be best to get into a Q&A discussion and make sure the individual understands the depth of the undertaking and the benefits. "We

have some real experiences of what it is, the benefits, the opportunities and the heavy lifting it requires," stated **Charlie Bacon**. "Any firm that takes this on needs to understand it's a cultural endeavor, and as far as I am concerned, a culture shift must be driven by the CEO," noted Bacon.

Pictured right is a slide used in Charlie Bacon's presentation that illustrates direct and real results for companies that are implementing an IIF culture. And it all starts at the top!

IIF Forum Member Companies

Hunter Roberts – commenced IIF in 2009

- Incident frequency rate down 76%
- Incident severity rate down 65%
- Observation rate up 40%

Gilbane Building Company – commenced IIF in 2008

- OSHA recordables down 10% per year every year
- Lost Workday rate down over 30%
- Correction of unsafe acts and conditions up more than 300%

Skanska USA – commenced IIF in 2003

- Lost Time Accident Rate down 86%
- Workers Comp Claims down 84%
- Bodily Injury Claims Costs down 97%

Strategic Trends Impacting the A/E/C Community

We've all heard the phrase "It's a Mad, Mad, Mad, Mad World" which is the title of a classic, comedy movie from 1963, and while that may conjure up images of a madcap cross-country rush to find some treasure, "it's a VUCA World" is much more sobering for the A/E/C community that is trying to survive and thrive in a Volatile—Uncertain—Complex—Ambiguous world.



Ron Magnus, Managing Director of FMI's Center for Strategic Leadership, facilitated this session with the members and asked them to think about how to navigate in a world of VUCA. With all

of today's critical uncertainties – changing demographics' no clear immigration policy; threats of terrorism and unrest in the Middle East; stock market and financial volatility; an aging and crumbling infrastructure; banks tightening their lending practices – it is more important than ever that industry leaders continue their personal development to navigate through what many are calling the "new norms" of our world.

According to Magnus, all the trends and uncertainties will require that leaders play four distinct roles over the near future to survive:

CIRT Vice Chairman Steve Halverson (The Haskell Co) introduces Ron Magnus of FMI Corp.

Role #1 will be the **Change Leader**— who's focus must be to develop and master organizational change models and to identify and develop talent that can lead in VUCA. And with the unpredictable change that will come, a Change Leader must develop organizational adaptability/agility.

Role #2 will be the **Talent Developer**—who must know what to change and know what NOT to change; the more time leaders spend developing and coaching their team, the more successful the organization.

Role #3 is the **Master Strategist**—who must ask these questions and determine a plan of action: Where is the construction industry headed? What does your company need to do to capitalize on these trends? What assumptions are you making about your company or the construction industry? Is there anything on the horizon that could be a game changer for the industry? What is your approach to strategy? What role will Jim Collin's research play in your strategy (20 mile march etc.)?

Role #4 is the **Alliance Builder**—who must view his or her business as an ecosystem. Relationships/alliances with whom? It is all about building the business.

"The value of a strategic thinking organization and its peak leaders is the ability to achieve smart, sustained growth in spite of a VUCA World," Magnus concluded.



Bill Stout (Gannett Fleming, Inc.) and several other members discuss one of the topics during the small group discussion time.



From L to R: Ed McSpedon (HNTB); Al Barkouli (David Evans and Associates); and Peter Vigue (Cianbro Cos.) share their thoughts

Photo Highlights



During one of the many small group discussions, here **Bob Alger** (Lane Construction); **Greg Cosko** (Hathaway Dinwiddie Construction); and **Bill Siegel** (Kleinfelder Group) engage in lively conversation.



Cheryl McKissack (McKissack & McKissack) and **Julie Casso** (CIRT).



Mike Re (Swinerton Inc.) and **David Moody** (C.D. Moody Construction).



Paul Shea (CDM Constructors) and **Joe Adams** (MWH Global).

New Members & Guests

CIRT conferences provide a place where members can deal exclusively with other chief executives in a setting that is conducive to the exchange of timely information while being relaxed enough to build personal contacts. We were very pleased to have the following new members and guests:

New Members

- ◆ Ken Aldridge, President & CEO
Aldridge Electric Inc.
- ◆ Al Gerhardt, COO
Kraus-Anderson Construction Co.
- ◆ Bruce Lake, President
McHugh Construction Inc.
- ◆ Randy Lake, CEO
Oldcastle Materials, Inc.—Randy takes over the membership from Kirk Randolph.
- ◆ Blair Lavoie, President
MWH Constructors—Blair takes over the membership from Joe Adams who is now President of MWH Global division of Energy & Industry.
- ◆ Charles Mouzannar, Executive Vice President
AMEC Earth & Environmental, Inc.
- ◆ Paul Shea, President
CDM Constructors—Paul takes over the membership from Dick Fox who is retiring at the end of 2012.

Guests

- ◆ Rob Burton, President
Hoar Construction LLC
- ◆ Ben Fisher, Principal & COO
Perkins + Will
- ◆ Perry Hand, Chairman & CEO
Volkert Associates, Inc.

NEXT MEETING:

2013 Spring Conference

April 30 - May 2, 2012

The Fairmont Hotel
Washington, DC



Construction Industry Round Table

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Jane Bonvillain / Director of Association Programs

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