

2016 Spring Meeting — Washington, DC

Rich Karlgaard Keynotes CIRT Spring Meeting — “Good Times Are Ahead, But Lots of Turbulence Along the Way”



Rich Karlgaard addresses the CIRT members.

There is a tale of two nations occurring in the U.S. these days. One has people thinking that “we’re ripping and roaring” like the late 90’s; the other has 63% of Americans still believing the U.S. is in recession. So, which tale is accurate? In a fast-paced and highly visual presentation, **Rich Karlgaard**, Publisher, Columnist, Author of *Forbes*, shared his insights into the 2016 Election making some observations on the coming “disruption” period as well as predictions on what he sees as “megatrends”. “Predicting the future is easy,” said Karlgaard. “Getting it right is the hard part.”

With the disruption period Karlgaard refers to (2016–2030), he noted that there is a proven “disruption formula” comprised of three factors: 1) rapidly dropping costs; 2) customer behavior changes; and 3) outside entrepreneurs. He led members through examples of the above three areas and then explained the five laws that rule the world — 1) Moore’s Law 2) Metcalfe’s Law 3) Joy’s Law 4) Andreessen’s Law and 5) McGrath’s Law — and how each supports the various factors. Karlgaard also highlighted several iconic industry leaders and how they applied the various laws in their corporations for success.

Also as part of his presentation, Karlgaard named the following five (5) Megatrends:

- 1) **Population Growth** in global, middle class and urban populations which will require “huge re-thinks”: Food (higher protein); Water / Energy (electricity 2-5x more); Housing; and Transportation Infrastructure.
- 2) **The World Is Not Flat, But SPIKEY:** Growing % of tech wealth is produced and consumed in global high IQ cities: London > Poland; San Francisco Bay Area > Argentina; Singapore > Egypt and this will certainly have real estate implications.
- 3) **Long U.S. boom in Pretty Cheap and Stable Energy:** Dirt Cheap Energy Era (1930s – 1972), Volatile Energy Era (1973 – 2015) and Pretty Cheap Energy Era (2016 onward)
- 4) **Low Capital Costs for Forseeable Future**
- 5) **America is the Place to be** with a Manufacturing and Infrastructure renaissance ahead.

Bold Guess

Trump Wins

*Draws inside straight: Pennsylvania, Ohio, Michigan
plus Florida plus Romney states*

In his closing remarks and leaving his boldest prediction for last, Karlgaard commented on the 2016 election and quoted the betting markets (as of 5/17/16) as having Clinton winning 60% to Trump 31%. He also described the advantages and disadvantages for each candidate, but in the end, he believes Trump wins. Again, predicting the future is easy. Getting it right is the hard part.

To receive a copy of Rich Karlgaard’s powerpoint presentation, please send a request to jane@cirt.org.

Eric Chester: How Great Companies Ignite Passion in Their People Without Burning Them Out



Eric Chester impressed members with his high-energy and informative presentation.

Eric Chester, a workforce researcher, speaker, and author of 4 books on the emerging workforce shared insights from his latest bestseller *On Fire At Work: How Great Companies Ignite Passion in Their People Without Burning Them Out*.

Chester began by articulating the 7 fundamental core work ethic values that every contractor and design firm leader/manager/supervisor demands from every person they employ: Positive Attitude, Reliability, Professionalism, Initiative, Respect, Integrity, and Gratitude.

He proved that those non-negotiable values are equal to, and in most cases, even more important than the technical skills most employers prioritize as essential. "It's now essential for leaders/managers to be able to develop those essential values in their young workers; values that used to be inculcated by parents and teachers but in many cases, no longer are," said Chester.



CIRT President Mark Casso expresses his thanks to Eric for his dynamic presentation.

Then Chester did a 180 by asking CIRT leaders, "Now that we agree on what WE want from THEM, what is it that THEY want from US?" This ushered in a detailed look at culture from an employee's vantage point as he laid out the 7 cultural pillars that today's top organizations are continually striving to improve; compensation, alignment, atmosphere, growth, autonomy, communication, and acknowledgement. By citing case studies and best practice examples that Chester researched by interviewing the CEO's of award-winning cultures across numerous industries (i.e. Marriott, Wegmans, Siemens Industrial, WestJet, etc.) he showed CIRT leaders how to win the war for top talent by creating a culture where employees are inspired to work harder, perform better, and stay longer.

On Fire at Work proves that employee engagement isn't the ultimate goal—it's merely the starting point. All CIRT members who were not able to attend the Spring Meeting will receive a copy of Eric's book in the mail in the coming weeks. Eric has provided a follow-up summary for members, so if you would like to receive that information, please contact Eric directly via his EA (christie@ericchester.com); or call .303-239-9999.

Dan Clifton: Governing & Managing In A Slow Growth Economy

Over the years, many CIRT members have had the opportunity to see and hear from policy and political expert **Dan Clifton** of **Strategas Group**, and we were happy to bring him back once again so he could share with members his keen insights and research which culminate at the crossroads of politics, policy and the stock market. And with this presidential election turning out to be one for the record books, his presentation was at times humorous ("*angry is the new hope*") but mostly serious as to what is at stake.

Dan named four drivers of economic growth which he views as: 1) Federal Reserve & Monetary Policy; 2) Fiscal Policy Takes Over; 3) Regulatory Policy Pendulum; and 4) Trade Policy & Protectionism.

In terms of the monetary policy Dan said this will be immediate. "The big question," asked Dan, "will monetary policy be replaced by fiscal policy?" Dan believes that the tax code will be reformed; and that there will be a big infrastructure bill. As for regulatory policy? Dan told the members that half of bank capital is being held for regulatory policy, and the negative effect is lowering U.S. productivity.



Dan with Mark Casso and CIRT member Greg Nook (J.E. Dunn Construction Group).



Dan Clifton brings a very unique perspective to the world of policy and politics.

Not surprising, Dan told members that this election is becoming an "anti-globalization election". With TPP flailing and the high number of geopolitical challenges, trade policy & protectionism has become a major factor in this election; and there is a lot at stake from an economic perspective in the election," said Dan. "No matter who gets elected, the president will have a mandate on fiscal policy."

If you would like to receive a copy of Dan's comprehensive slide presentation, please send an email request to jane@cirt.org.

KT McFarland: The World is NOT Flat!



KT McFarland remains optimistic about the future of America.

Kathleen Troia “KT” McFarland, a national security expert and commentator, wrapped-up the CIRT Spring Meeting by fascinating the audience with her knowledge and in-sights. With the U.S. political season in full swing and the many world hotspots/conflicts percolating, KT had little trouble finding topics to discuss.

McFarland began her “world tour” by focusing on the perpetual war between Shiite and Sunni Muslims in the Middle East; explaining there will be 30 years of intra-Muslim conflict that will expand across other regions. “You have the Iranian Shiites versus the Saudi Arabia Sunnis,” KT said. “Who’s going to lead the Sunni part? Isis? The Reform Party in Saudi Arabia?”

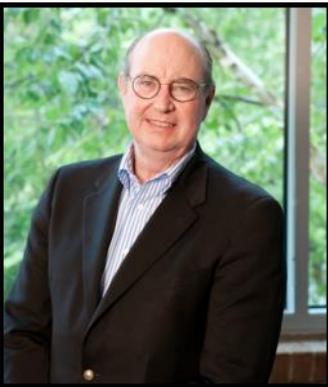
She pointed-out that the deputy crown prince of Saudi Arabia (Prince Mohammad bin Salman Al Saud) is the “guy” to watch. KT explained that in the last three months he has embarked on a very large reformation program called Vision 2030 with the goal to push Saudi Arabia off its “oil addiction” in the next 15 years. “But remember,” KT noted, “Saudi Arabia controls the two major Holy sites for all Muslims, so what is the pivotal role the Saudis will play (in the intra-Muslim struggle)?”

KT holds the view that there will be more and more political instability in Saudi Arabia and that the Middle East will split into two sectarian camps. Unfortunately as a result of what is happening in the Middle East, the instability has spread to Europe. KT predicted that the EU will die in the coming years; “The immigrants/migrants will not be a productive part of the (European countries’) economy, or (adopted) societies for at least a decade.”

Commenting on Russia and specifically Putin, KT believes that he will become more aggressive in the coming months. “Putin’s “little green men” (Russian forces in unmarked uniforms) have destabilized the borders along Ukraine,” she said; and “he may go one step further.” KT foresees Putin may do something this summer — during Olympics? — such as going into the Baltics or other bellicose moves into areas he wishes to expand Russian influence. “In the long run, however, he’s in big trouble because Putin hasn’t reformed the Russian economy,” KT explained.

Despite all of the threats around the world KT is quite optimistic. “Canada, the U.S. and Mexico are countries that have the ability to replace the Middle East as the world’s energy/oil suppliers, with the U.S. possessing the potential to become the world’s energy hub.” Closing her time on stage KT encouraged the members by saying “I think we’re on the verge of an economic/manufacturing renaissance.”

CIRT Elects Ralph Hawkins as Chairman



*CIRT Chairman
2016–2017
Ralph Hawkins, FAIA,
FACHA, LEED AP
Chairman Emeritus
HKS, Inc.*

During the Spring Meeting, **H. Ralph Hawkins, FAIA, FACHA, LEED AP** was elected as Chairman of the organization for a term of one year succeeding Thomas F. Gilbane, Jr. Commenting on his election, Hawkins said “It is a privilege to be selected as chairman of such a prestigious organization providing leadership across the vast industry of construction and design. I look forward to a continuation of positive impact on our industry by CIRT.”

Hawkins is Chairman Emeritus of HKS, Inc. HKS is an international architectural firm providing services for a number of markets including healthcare, sports & entertainment, hospitality, education, commercial, residential/mixed use and government projects. HKS consistently ranks in the top 10 firms around the globe.

Reflecting on Hawkins’s election to Chairman, CIRT President Mark A. Casso noted “The strength of CIRT is in its outstanding membership who are executives of leading firms representing the full continuum of the design and construction community. Ralph will bring his insights and experiences from the architectural end of that spectrum to bear on issues affecting not only our industry and its clients, but also our future.”

The following members were also elected as officers: **Wayne A. Drinkward**, Chairman & CEO of Hoffman Corporation, Portland, OR as Vice Chairman; **Charles A. Bacon III**, Chairman & CEO Limbach Facility Services LLC, Pittsburgh, PA as Treasurer; and **Thomas F. Gilbane, Jr.**, Chairman & CEO of Gilbane Building Co., Providence, RI will continue on the Executive Committee as Immediate Past Chairman.

In addition to the executive committee elections, CIRT also welcomed the following four industry leaders as new directors who will serve on the board through 2019: **David R. Gaboury, P.E.**, Chairman, President & CEO, Terracon, Olathe, KS; **Greg Nook, AIA**, Executive Vice President, JE Dunn Construction Group, Inc., Kansas City, MO; **Thomas R. White, P.E.**, Chairman, President & CEO, Sargent & Lundy, Chicago, IL; and **Shaun Yancey**, President & COO, PCL Construction Enterprises, Inc., Denver, CO

“CIRT is fortunate to have a dedicated board of such highly regarded industry professionals. We offer congratulations to our new officers and directors, and thank all of our current and outgoing directors for their service to CIRT and its members as well as the design / construction industry” said Casso.

Welcome New Members

- ◆ Greg Hesser, President & CFO
Alberici (St. Louis, MO)
- ◆ Rick Volk, Global Alternative Project Delivery Director
CH2M (Richmond, VA)
- ◆ Bruce Bornhurst, President
Enclos (New York, NY)
- ◆ Bill Hellmuth, CEO
HOK Group (Washington, DC)
- ◆ Doug Dayton, President & COO
Intertek PSI (Oakbrook Terrace, IL)
- ◆ Al Young, Vice President & General Manager
Johnson Controls Inc. (Minneapolis, MN)
- ◆ Bart Schubert, Chief Marketing Officer & SVP
Kleinfelder (San Diego, CA)
- ◆ Alessandro Gomes, President & CEO
Odebrecht Construction, Inc. (Coral Gables, FL)
- ◆ Donald Graul, President
Parsons Construction Group (Westminster, CO)
- ◆ Bill Massey, President & CEO
Performance Contracting Group (Lenexa, KS)
- ◆ Scott Murray, EVP & COO
Stantec (Lexington, KY)
- ◆ Kevin McClain, President
The Weitz Company (Des Moines, IA)

In addition to welcoming the new members, we were pleased to have the following guests join us:

- ◆ Brendan Bechtel, President & COO, **Bechtel**
- ◆ Mike Lewis, President, SR VP, General Manager, Americas Civil Infrastructure, **Bechtel**
- ◆ Rob Taylor, President, **Brasfield & Gorrie**
- ◆ Mike McKelvy, President & CEO, **Gilbane Building Co.**
- ◆ Kim Lum, President, **Pankow**
- ◆ David Casey, President, Civil Group, **The Walsh Group**
- ◆ William G. Yates, Jr., President, **The Yates Cos., Inc.**



**Construction Industry
Round Table**

Photo Highlights



*Mark Casso recognized **Charlie Bacon** for his vision and dedication to National Safety Week with a special gift.*



***Rick Whitney** (Adolfson & Peterson Construction) and **Herb Morgan** (Fluor) take time for a picture during a break.*



***KT McFarland** was most gracious with her time and here she is pictured with **Ray Oneglia** (O&G Industries).*

SAVE THE DATE:

Fall Conference
October 31—November 2, 2016
The Lodge at Torrey Pines
La Jolla, CA

Featuring Keynote Speaker

Patrick Lencioni



Registration is now open on the CIRT website:

www.cirt.org