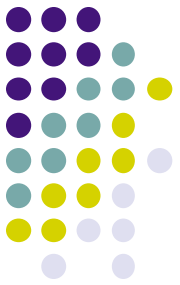


Six Habits of the Highly Effective Foreman

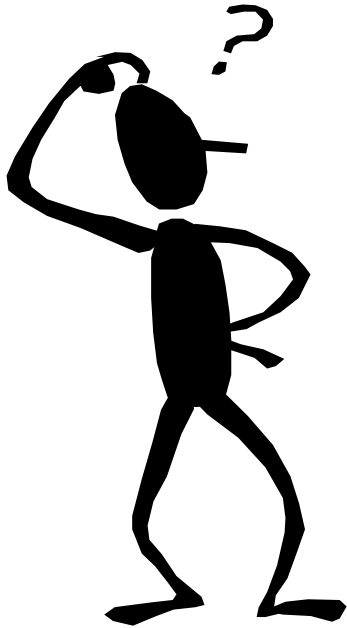




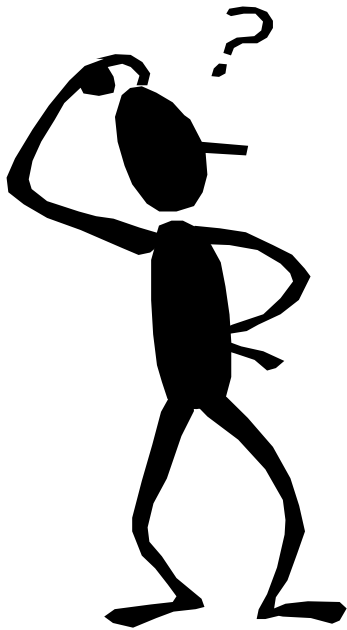
Introductions

- Your name
- How many years in the industry
- What you do now
- Short story about one of your experiences with leadership

WHAT DO YOU WANT TO TALK
ABOUT TODAY??



What are the Characteristics of
the Highly Effective Foreman?



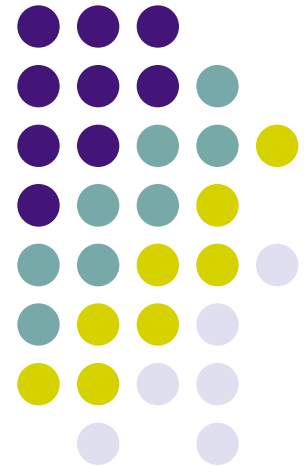
30 Best Apprentices Feedback on Leadership Characteristics

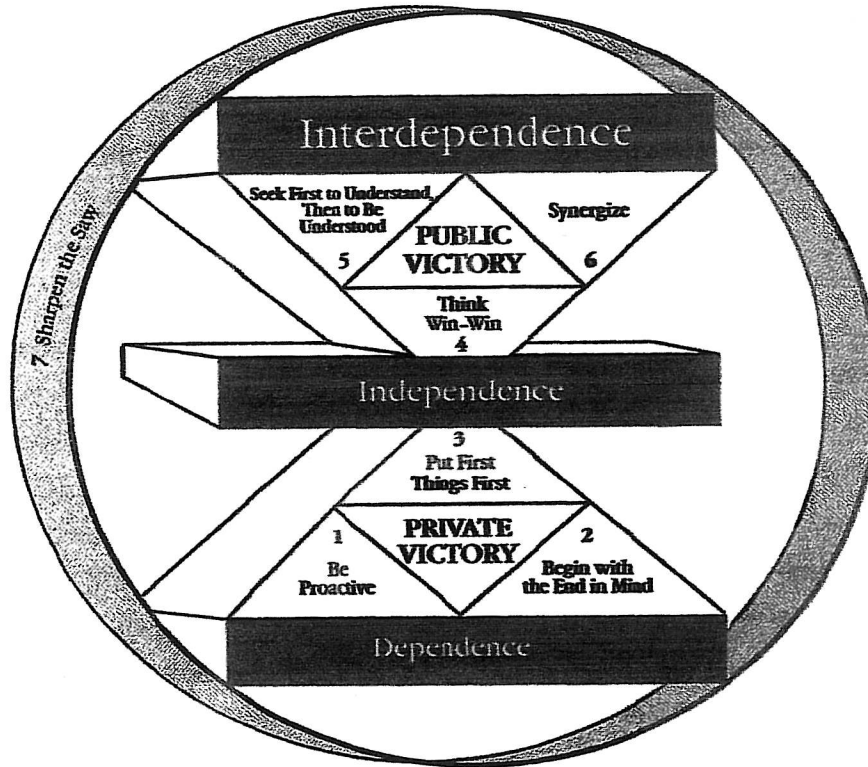


- Even tempered but passionate
- Explains the whys
- Friendly, differentiated role model
- Information that motivates
- Mentors apprentices
- Great communicator
- Better care of his guys than himself
- History of success

7 Habits of Highly Effective People

Stephen R. Covey

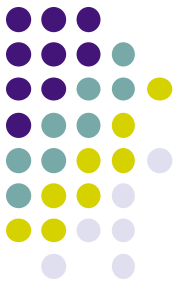




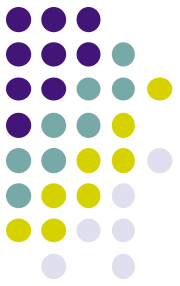
THE MATURITY CONTINUUM

Dependence

- You take care of me
- You come through for me
- You did not come through for me
- You are responsible



Independence

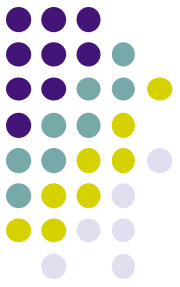


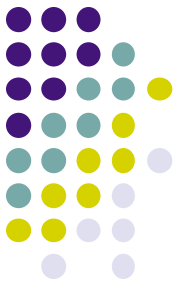
- I can do it
- I am responsible
- I am self reliant
- I make it happen



Interdependence

- We can do it
- We can cooperate
- We will be successful
- We can combine our skills and build something great together

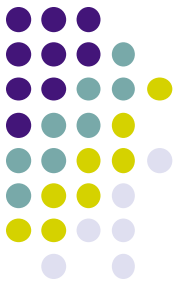




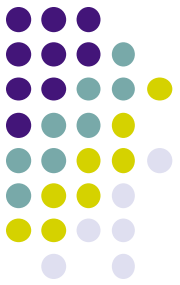
HOW DO YOU BUILD CUSTOMER LOYALTY?.

Perform Flawlessly!

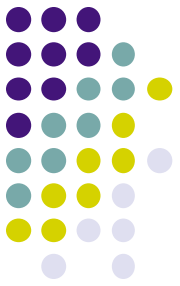
Company Philosophy



- We will sort of do what we said we would do, kind of like we said we would do it, close to when we said we would do it _ maybe.
- We will do what we said we would do, as we said we would do it, when we said we would do it_ period.



BE PROACTIVE



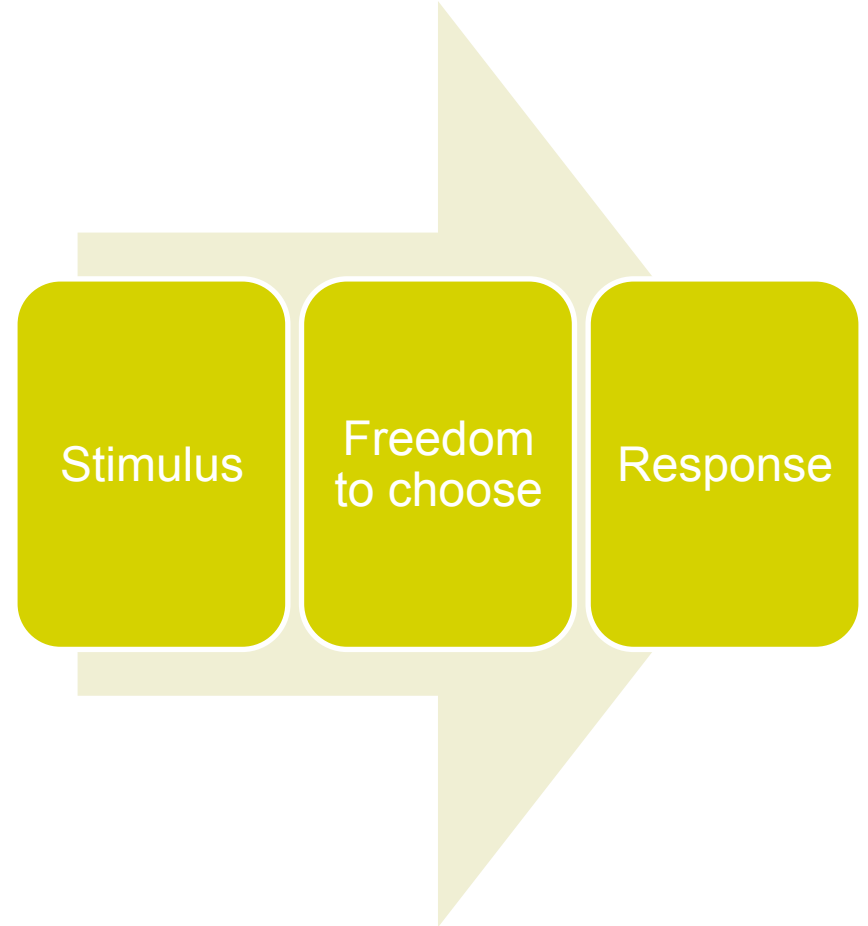
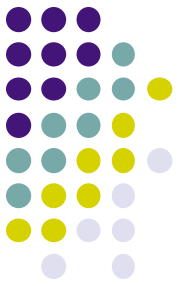
What is “Proactive”?

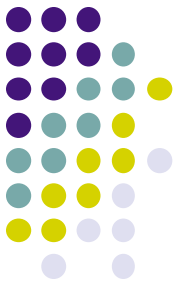


Habits of Proactivity

- Behaving as a function of decisions, not conditions
- Taking the initiative and responsibility to make things happen
- Living a life driven by values, not circumstances
- The same you every day

Response-Ability





The **UMEC** Way

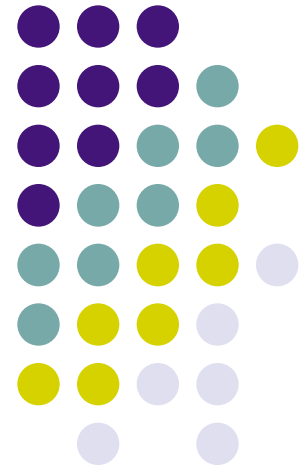
- **1. Safety** is number one.
- **2. WOW** the client; earn the fee.
- **3.** Productivity & **QUALITY** are the keys.
- **4. Teamwork** backed by performance & commitment.
- **5. Superior** knowledge & technical expertise.

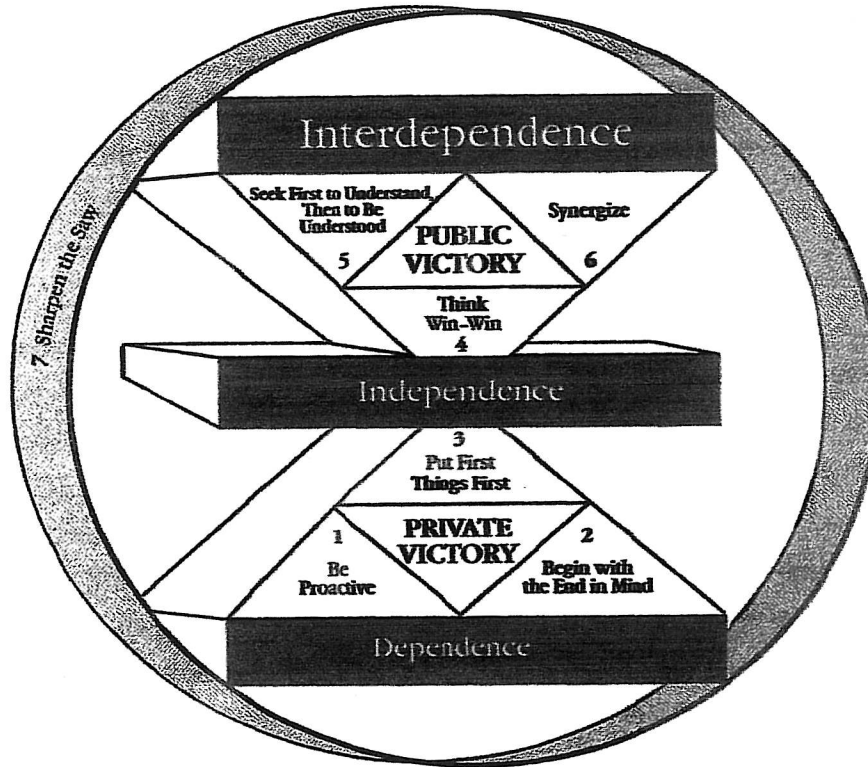


The **UMEC** Way

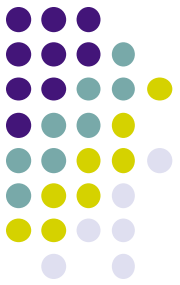
- **6.** Anticipate.....**solve.**
- **7.** Be a **HERO**, not a victim.
- **8. Always** take the high road.
- **9.** It's all about valued **relationships.**
- **10.** Collective **performance**: Our best sales tool.

Using the feedback form rank your self as a value added builder



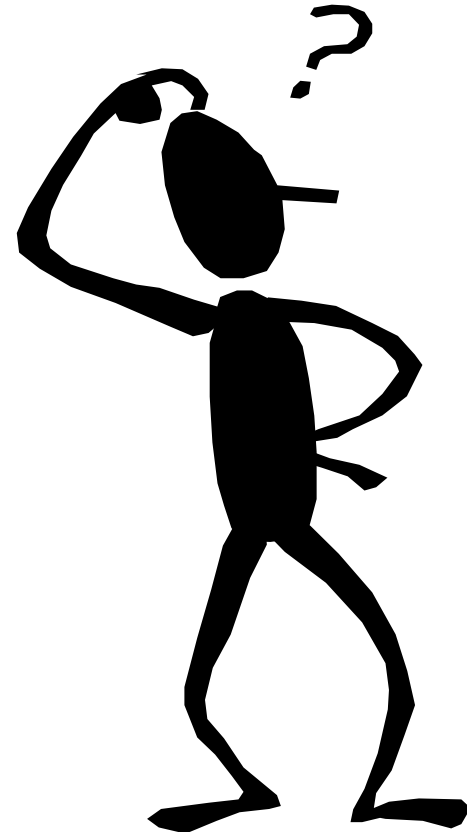


THE MATURITY CONTINUUM

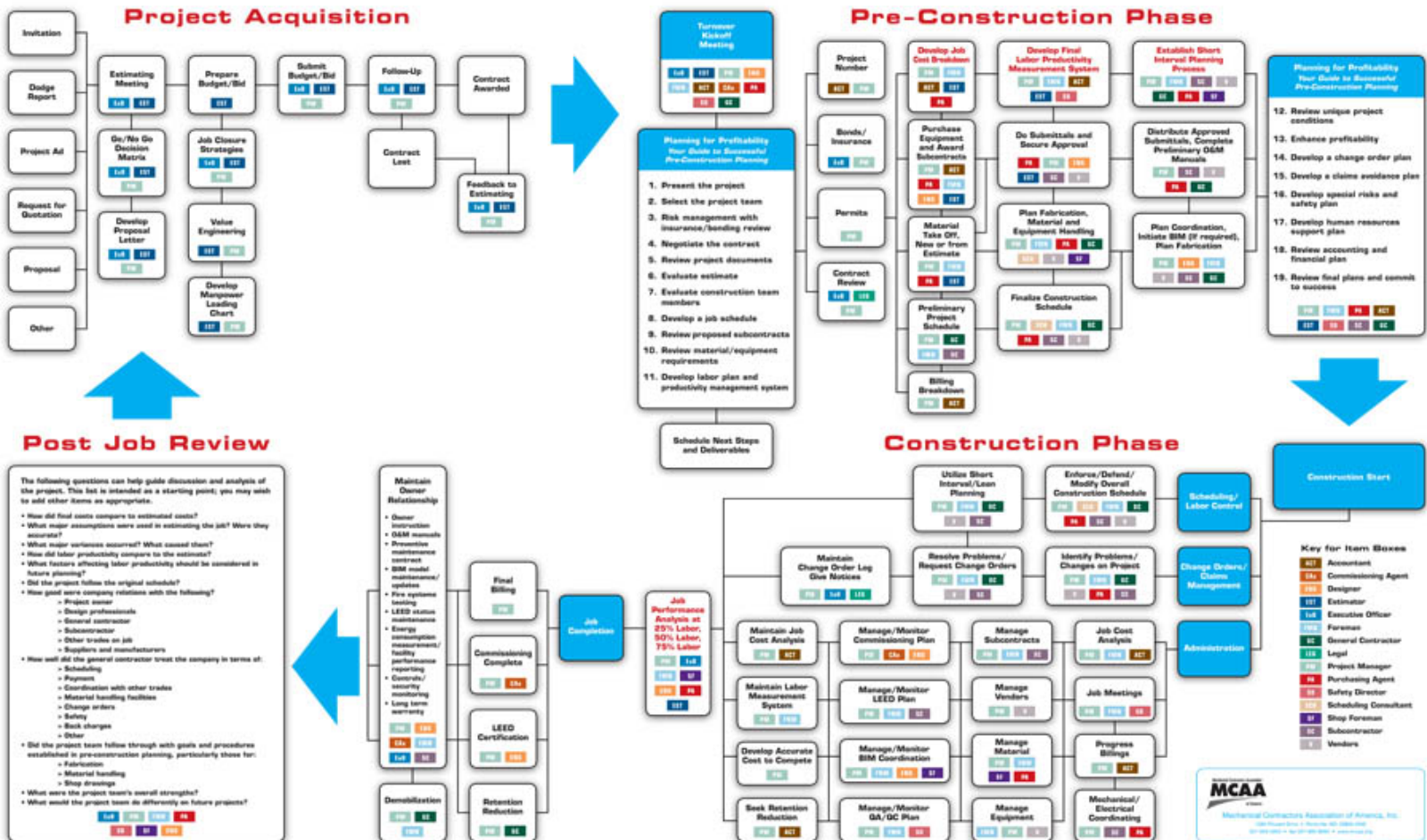


BEGIN WITH THE END IN MIND

**HOW MANY TIMES DOES A JOB GET
BUILT?**



SUCCESSFUL PROJECT MANAGEMENT FLOWCHART



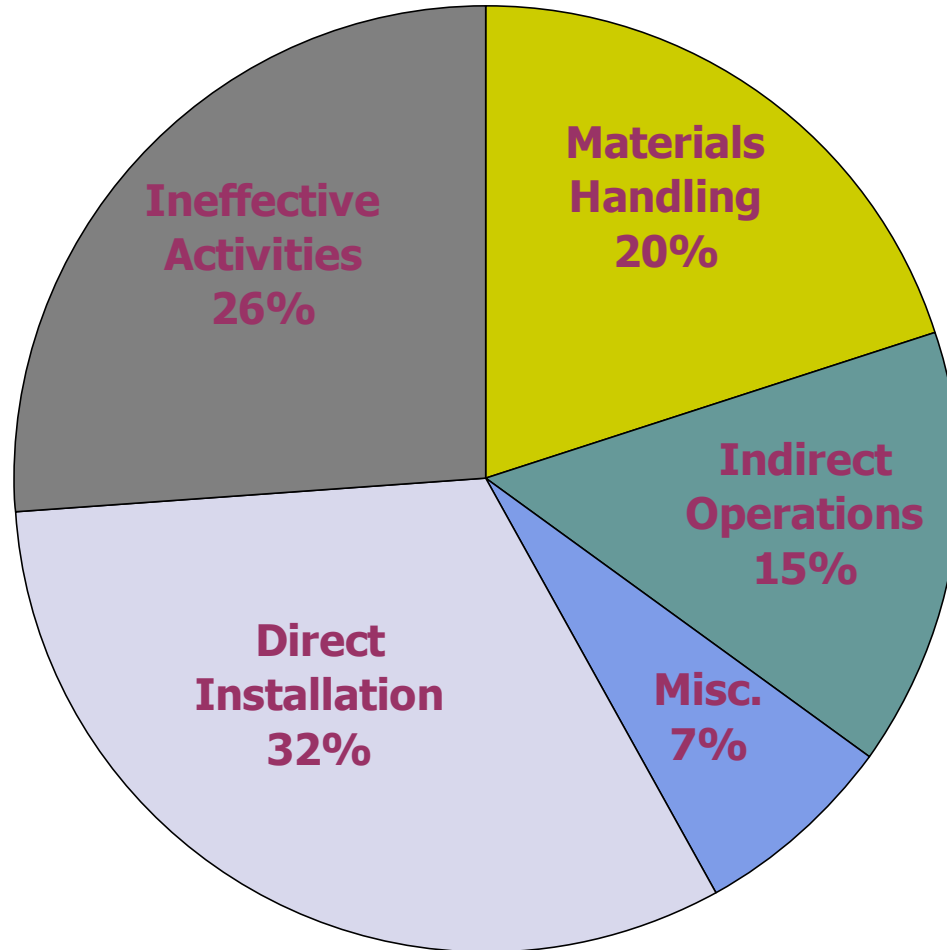
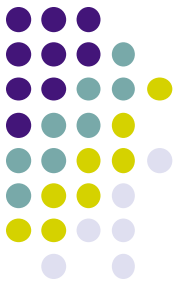
The new Successful Project Management Flow Chart.

- Project Acquisition
- Pre-Construction Planning
- Construct the Project
 - Administration
 - Change order/claims management
 - Scheduling/labor control
 - Job close out
- Post Job Reviews

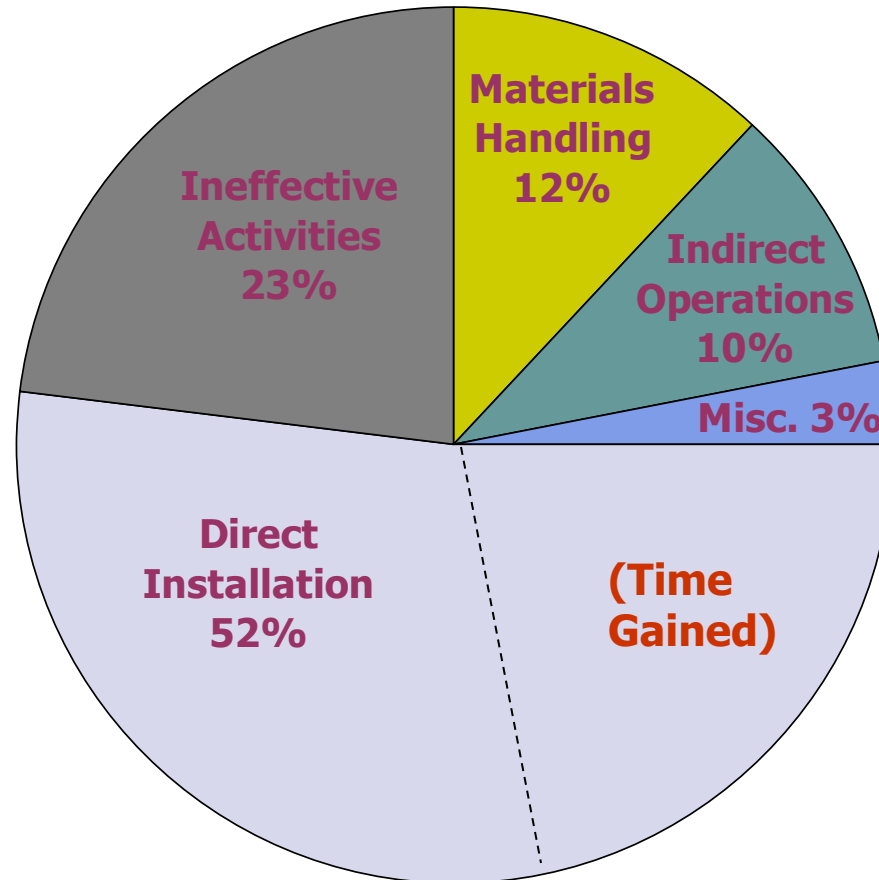
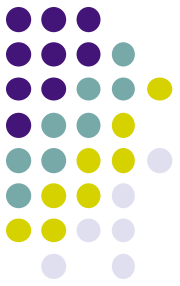
Work Sampling Categories

DIRECT INSTALLATION	<ul style="list-style-type: none">• Actual Direct Installation• On-Site Pre-Fab Operations• Testing Operations
INDIRECT OPERATIONS	<ul style="list-style-type: none">• Set-Up Operations• Talk About Job• Receive Instructions• Planning Job• Tools-Get Out, Set Up, Put Away
MATERIALS HANDLING	<ul style="list-style-type: none">• Unload Truck• Hoisting• Move Materials and Tools to Installation Area
INEFFECTIVE ACTIVITIES	<ul style="list-style-type: none">• Late Start, Early Finish• Early Lunch, Late Return• Coffee Breaks• Other Rest Periods
MISCELLANEOUS	<ul style="list-style-type: none">• Get Coffee for Crew• Other

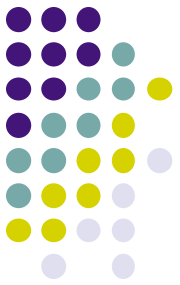
Time Spent on Trade Activities



Time Gained in Improved Situation

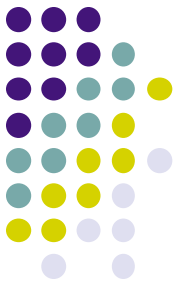


Direct installation increased from an average of 32% to an average of 52% - a 63% improvement in productivity.



What Changed

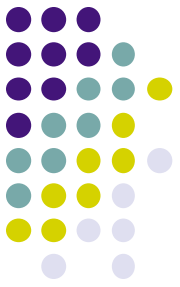
- Materials Handling 90 to 54m [36]
 - Indirect Operations 68 to 45m [23]
 - Ineffective Activities 117 to 104m [13]
 - Miscellaneous 31 to 13m [18]
-
- Direct Installation Gain Total 90min
[assumes a 450 minute day]
 - $90 / 144 = 63\%$ Productivity Gain



Cost of a Labor Hour

- The cost of a labor hour to a contractor far exceeds the money *on the check*.
 - Union benefits
 - Social Security and Medicare Insurance
 - State Unemployment Insurance
 - Federal Unemployment Tax
 - Workers Compensation Insurance

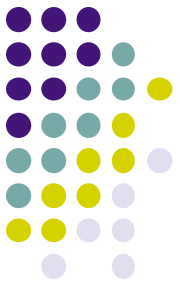
Example of Cost of a Labor Hour in Salt Lake City



- | | | | |
|-------------------------------|----------------|------------------|--------|
| ● Hourly wage | \$33.75 | ● Health/welfare | \$7.01 |
| ● Fringe package | \$13.96 | ● Local Pension | \$2.93 |
| ● Payroll taxes | \$ 4.80 | ● N'tl Pension | \$2.70 |
| ● Insurance | \$ 4.40 | ● Education | \$.79 |
| ● Safety costs | \$ 1.00 | ● Int. Fund | \$.10 |
| ● Small tools/
consumables | \$ <u>2.00</u> | ● Other | \$.43 |
| ● Total | \$59.91 | | |

● **2080 hours = \$124,612**

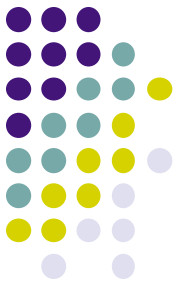
<u> </u>	
Total	\$13.96



The Real Impact

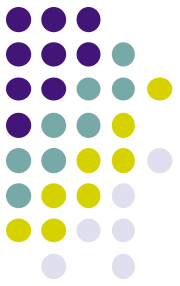
- Use a Salt lake package of \$60.00 + truck+ communication + other = \$70 per hour.
 - That is about \$1.15 per minute.
- If a crewmember:
 - Begins work 15 minutes late
 - Takes an extra 10 minutes to make personal phone calls
 - Is 10 minutes late coming back from lunch
 - Takes extra 10 minutes at break
 - Starts cleaning up 15 minutes early

The Real Impact



- This is a total of 60 minutes per day.
- What is the cost to the contractor for this 60 minutes every year?
 - \$15,600 per year
- For a workforce of 20 workers that is
\$312,000.00
- For a workforce of 1200 workers that is
\$18,720,000.00
 - The owner and the contractor received no benefit for this money

Typical Mechanical Contractor



● Sales	\$25,000,000	● Average credit line?
● Labor	10,000,000	
● Materials	10,000,000	
● Equipment	875,000	● \$2 million
● Subcontractors	<u>625,000</u>	
● Direct costs	21,500,000	
● Gross margin 25-21.5=	3,500,000	
● Overhead	<u>2,500,000</u>	
● Profit before taxes	\$1,000,000	

Typical Mechanical Contractor 10% Labor Overrun



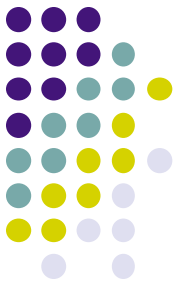
● Sales	\$25,000,000	
● Labor	10,000,000	● 1,000,000
● Materials	10,000,000	
● Equipment	875,000	
● Subcontractors	<u>625,000</u>	
● Direct costs	21,500,000	
● Gross margin 25-21.5=	3,500,000	
● Overhead	<u>2,500,000</u>	
● Profit before taxes	\$1,000,000	● 0000000

Typical Mechanical Contractor

10% Labor Savings

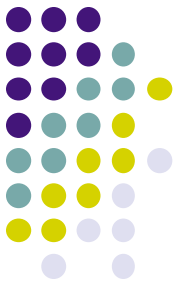


● Sales	\$25,000,000	
● Labor	10,000,000	● 1,000,000
● Materials	10,000,000	
● Equipment	875,000	
● Subcontractors	<u>625,000</u>	
● Direct costs	21,500,000	
● Gross margin 25-21.5=	3,500,000	
● Overhead	<u>2,500,000</u>	
● Profit before taxes	\$1,000,000	● 2,000,000



Job Schedule

- The key component to improve labor productivity
- Based on information available when final pricing was established
- Influenced by manpower loading chart [hopefully done when price was set]
- Forms the basis for all three week look ahead schedules



Effective Scheduling

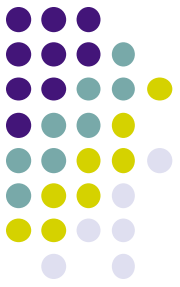
- Includes procurement process
- Includes delivery process
- Shows precedent activities
- Has labor breakdowns following a logical construction sequence [use the building blocks]
- Shows durations for your activities
- Includes manpower loading chart

Success in building a wall or any other construction job is based on using basic building blocks.

The basic building blocks of mechanical construction are labor loaded job site activities.

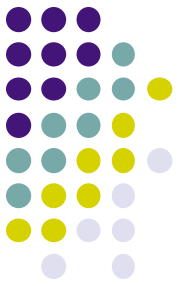


Labor Loaded Job Site Activity



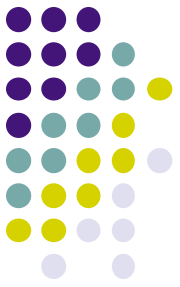
- The activity is a logical part of the construction sequence
- Foreman understands the activity & scope
- Duration when possible is 3 to 22 days
- Crew size can be controlled by 1 foreman
- Activity is defined by specific geographic or contract boundaries and often is identified by system

Characteristics of a Good Labor Coded Breakdown

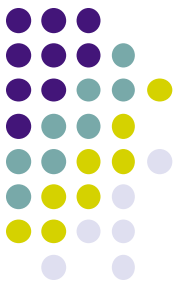


- Consistent with the job cost accounting system
- Consistent between job sites to allow comparison between projects and to minimize confusion
- Conforms with any labor scheduling software
 - Note: Use the same labor coding in all systems [estimating, planning, job cost,]

When consistently used they allow these and more.



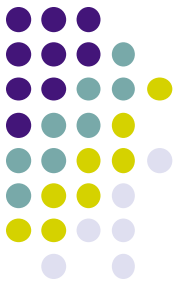
- Understandable feedback to estimating
- Based on the manpower loading chart
- Basis for short interval planning
- Ability to track individual change orders
- Validating the estimate using measured mile
- Track and document impacts by individual areas of the project



Part I - Situation

- Today the owner's project manager indicated that for job site safety and cleanliness, all lunches and breaks would be taken at the owner's cafeteria facility approximately 200 yards from the job site.
- You have 11,500 man hours remaining to be done. Your current crew size is three and your manpower loading chart says you will peak at seven men.
- What is your potential loss?

Why Short Interval Planning?

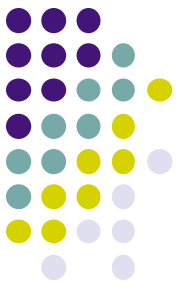


- Greatest opportunity for management to affect field productivity
- Helps field foremen to feel in control
- Gives opportunity to celebrate success
- Structures regular conversation between “field” and “office”
- Allows management to serve the field most effectively

What do you do with your short interval schedule?

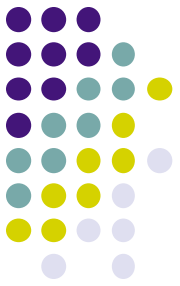


- Share with the GC every week to establish priorities and schedule
- Schedule material and equipment with vendors
- Schedule subcontractors and show them the plan
- Identify/correct issues causing labor overruns
- Effectively schedule shop/vendor fabrication
- Monitor daily and use the back-up plan when conditions change



SIP Basics

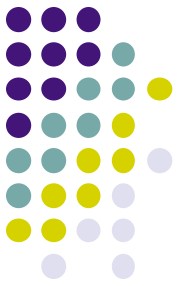
- Every week project manager & foreman meet
- Establish specific goals for next 5-10 workdays
- Schedule equipment, material, fabrication, subcontracts, cranes, rentals, etc
- Review what went well and what went poorly
- Discuss RFIs, change orders, conflicts, disruptions, and develop plan to manage
- Make “ready work” list and “loose ends” list



Measured Cost of Activity

- **What is it?**
- **How does it affect my bottom line?**
- **How do I determine it?**

Price ≠ Cost

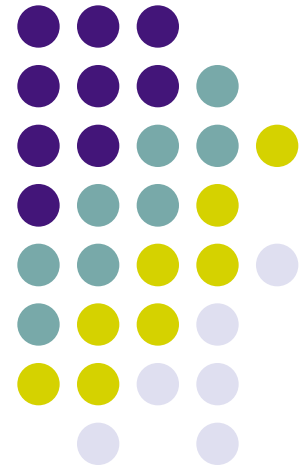


Cost = Price +

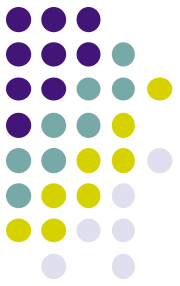
- Completion time
- Labor inefficiency
- Rejected products
- Shipping inaccuracy
- Assembly difference
- Materials availability
- Extra crane charges
- Impact on cash flow

Material Cost Exercise

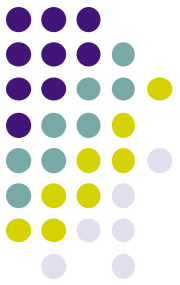
Your job site has ordered \$75 of pipe and fittings to be delivered by your truck, what is the cost?



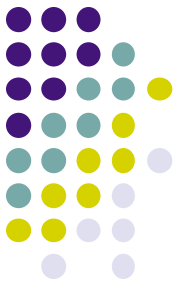
Fill Rate of Supply House Orders



- Next day delivery
 - 6.3 out of 10
- Second day delivery
 - 9.1 out of 10
- Third day delivery
 - 9.9 out of 10

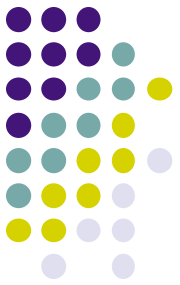


**SEEK FIRST TO
UNDERSTAND, THEN TO
BE UNDERSTOOD**



Negotiation

- Negotiation
 - A process by which two or more people come to agreement on some matter
- Everybody negotiates
 - Union officials
 - Company presidents
 - Diplomats
 - Husbands/ Wives/ Teenagers
 - Terrorists



Negotiation

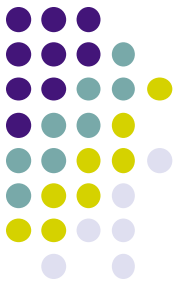
- What are some things you would negotiate and with whom would you negotiate?
 - Crew
 - General Contractor
 - Owner
 - Subcontractors
 - Suppliers
 - Other trades



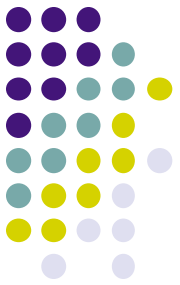
Preparation – The Key

- Having time to prepare makes it easier to keep emotions in check.
- Every football coach has a “Two Minute Offense” plan. This plan is practiced and practiced. The purpose is to be prepared for the final two minutes of a football game. There is less chance emotions will take over.

Attributes of a Successful Negotiation

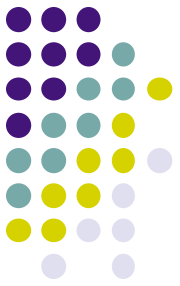


- Be win/win oriented.
- Be a good question asker.
- Be sincere, honest, trustworthy, and keep your commitments.



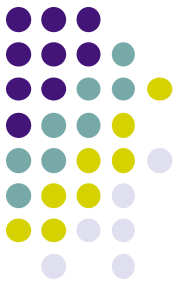
Exercise 9.3

- The Ugli Orange
 - This is a role play with two roles, Mr. Roland and Mr. Jones.
 - You can communicate anything from your information sheet you feel is necessary.
 - You cannot let the other person read your sheet.



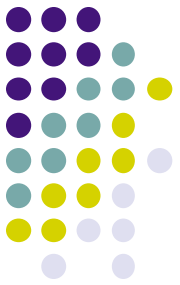
The 5 Strategies

- There are 5 strategies for responding to and dealing with conflict.
 - Forcing
 - Avoiding
 - Compromising
 - Accommodating
 - Collaborating



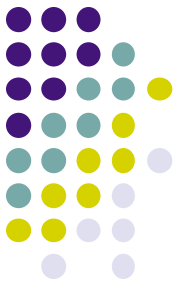
Where is the Focus?

- Forcing
 - Be a winner at any cost
 - High concern for outcome
 - Low concern for relationship
- Avoiding
 - Take whatever you can get
 - Low concern for outcome
 - Low concern for relationship



Where is the Focus?

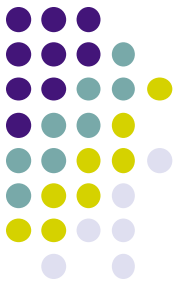
- **Compromising**
 - Split the difference
 - Moderate concern for outcome
 - Moderate concern for relationship
- **Accommodating**
 - Build friendly relationship
 - Low concern for outcome
 - High concern for relationship



Where is the Focus?

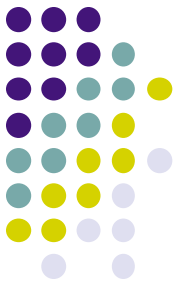
- Collaborating
 - Creatively problem solve so both parties win
 - High concern for outcome
 - High concern for relationship

The Collaborative Problem Solving Process

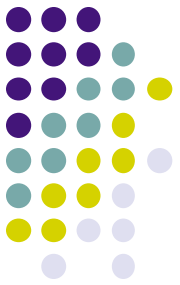


- In most cases, collaboration is the best way to achieve a resolution.
- The Collaborative Problem Solving Process contains five steps to resolve the issue.

The 5 Steps to Collaborative Problem Solving



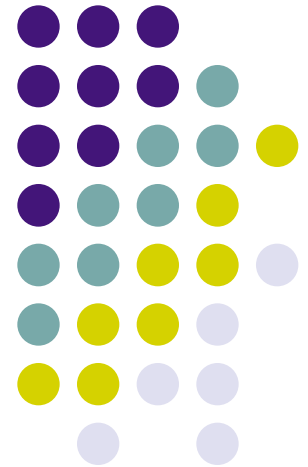
1. Communicate about the issues.
2. Identify interests.
3. Generate options.
4. Evaluate options.
5. Develop a plan.



SYNERGIZE

SYNERGY

Two or more people working together to produce a result not obtainable by any of the people independently.

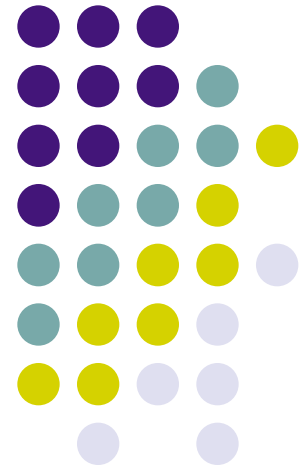




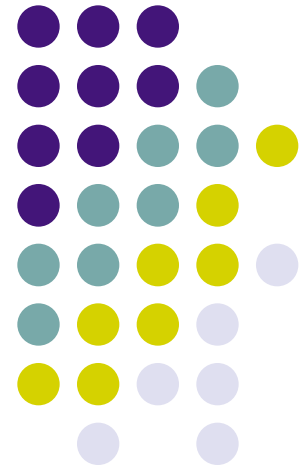
Whitewater Exercise

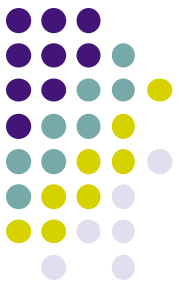


THINK WIN/WIN



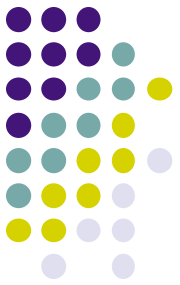
UA Standard for Excellence





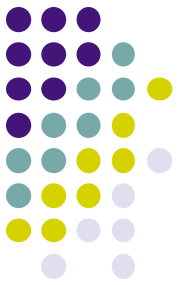
The Standard for Excellence

- It outlines the obligations of:
 - UA members.
 - Local unions.
 - Signatory contractors.
- It provides for how problems are resolved.
- Among those obligations are standards regarding start and quit times, absenteeism, personal cell phones, tools, substance abuse, productivity, and appropriate dress.



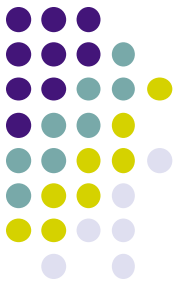
The Standard for Excellence

- Also included are standards the contractor is accountable for, such as treatment of ineffective workers, worker recognition, tools and equipment, being fair and consistent with discipline, and creating a safe work environment.



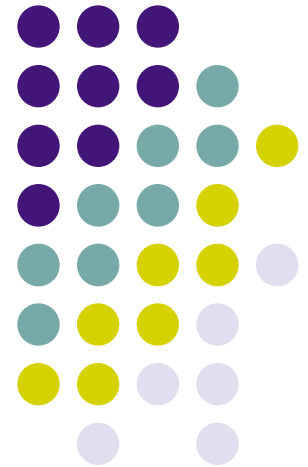
The Standard for Excellence

- The Standard for Excellence provides the vehicle to assist in gaining market share.
- It is only a vehicle, however.
- The vehicle needs fuel to gain momentum and more fuel to increase momentum.
- The fuel comes from UA members like you performing and contractors obtaining projects.

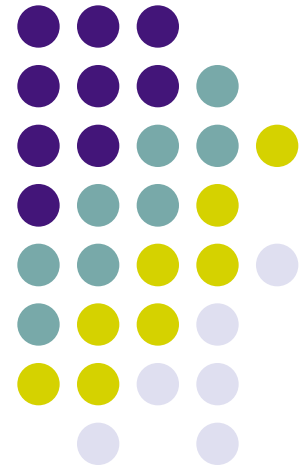


PUT FIRST THINGS FIRST

The Power Within – Goal Setting

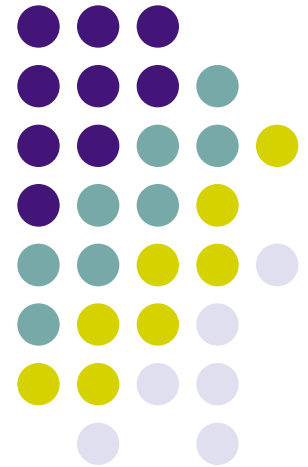


What is Success??



SUCCESS

The progressive realization of
worthwhile goals.



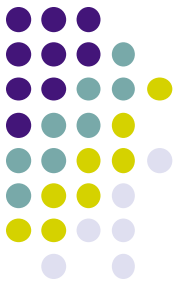


Four Human Endowments

- Self Awareness
- Conscience
- Independent Will
- Imagination

Four Human Needs

- To Live
- To Love
- To Learn
- To Leave A Legacy

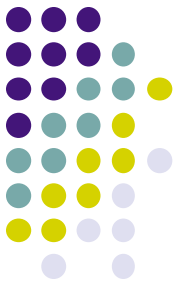




Yale Survey Results

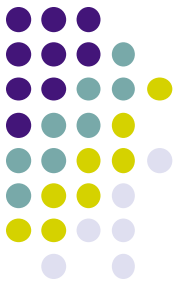
- 3% had specific written goals
- 10% had goals but not written
- 60 % had an idea of what they wanted
- 27 % had no idea of what they wanted
- At the end of ten years the 3% had accomplished more than the 97% combined

Nationwide Survey Results



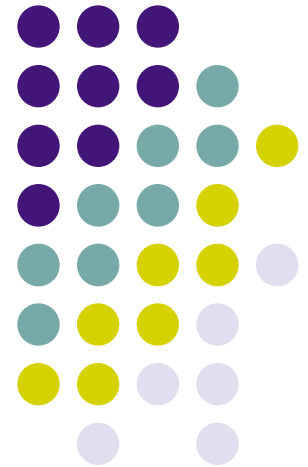
Written specific plans or goals for their life	3%
Fairly good idea of objectives but not written down	10%
Some ideas about retirement	60%
No idea	27%
Highly successful people	3%
“Comfortable” people	10%
Modest means people	60%
Struggling people	27%

Goalsetting-6 reasons for no goals:

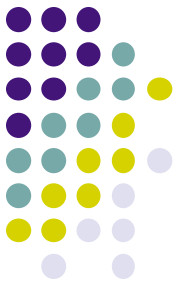


- 1. Don't believe goals work. Yale study shows goals work. Three percent achieved more than other 97% in 11 years.
- 2. Don't know what we want.
- 3. Don't understand difference between wishes and goals. Wishes excite me but do not drive me to action.
- 4. Don't understand difference between activity and accomplishment. You get further by working hard but not as far as with written goals.
- 5. We are afraid to set goals. If we don't get the goals, people will see us as failures.
- 6. We have the wrong definition of a goal. Goals give power, not limitations.

Harlon Sanders, Failure at 65

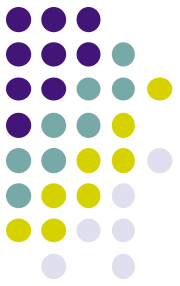


Goalsetting-6 things goals will do for you:



- 1. Will help you concentrate your efforts. Thomas Edison was asked why he was so successful and he said, “I only do one thing at a time.”
- 2. Will help you become enthusiastic. Not about now, but about where you’re going.
- 3. Goals give you self-confidence. You get positive feedback from your accomplishments.

Goalsetting-6 things goals will do for you:



- 4. Lets you make decisions quickly. Seven Habits of Highly Effective People
- 5. Helps you recognize opportunities.
- 6. Helps you overcome defeats and roadblocks. Example of Winston Churchill: “I shall stay, and I shall learn, and one day my time will come.”
-

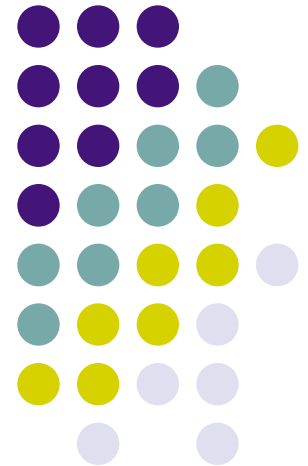


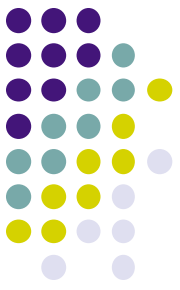
How to Write Goals:

- Goals must be personal. We cannot write goals for someone else.
- Goals must be handwritten. Can't dictate 'em or type 'em.

**Thoughts disentangle
themselves when they pass
through your fingertips.**

Dawson Trotman





How to Write Goals:

- Should cover 6 areas of your life. Can be more or less. The list is **not** in order of priority. Number one varies from individual to individual and will usually vary in individual's lifetime.
 - Financial goals-career/money
 - Family goals
 - Mental goals-one book per month puts you in top 1% of intellectuals in the U.S.
 - Physical goals-how do you deal with the daily wear and tear of living?
 - Social goals-how do you give back as you've gained?
 - Spiritual goals-satisfy who am I? Where did I come from? Where am I going?

NOTE: Goals must be compatible. If they aren't, rewrite your goals.



How to Write Goals:

- Goals must be continual. As you accomplish intermediate goals, your final goals will change. As you achieve bigger goals, others will open up for you.
- Goals must be specific. They must be measurable, time stated. They must be a picture.



How to Write Goals:

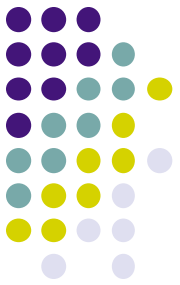
Answer 6 questions specifically:

- What do you want?
- Why do you want this?
- When do you want it? Long-range goal (5 years max). Intermediate goal. Short-range goal.
- Who benefits the most when I achieve this goal?
- Where will this take place? Specifically. Picture must be complete.
- How will I know when I have achieved this goal? Taste, touch, feel.

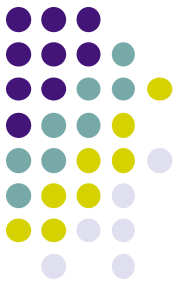


How to Write Goals:

- Goals must be challenging.
 - Must be believable.
 - Must be big and exciting.
 - Must be encouraging. Makes you feel worthwhile.
 - Must be visual.
- Goals must be workable. If you're not spurred to action, its useless.
 - List all obstacles.
 - Take each problem and list what you can do to overcome the problem. Then prioritize.
 - Have intermediate goals that support long term goals

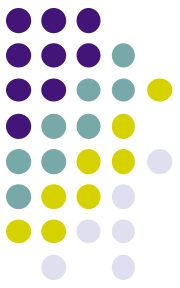


Put your goals in writing. If you can't put it on a sheet of paper, you probably can't do it.



Suggested Reading List:

- Born to Win – Lewis Timberlake
- Business at the Speed of Trust-Stephen M R Covey
- Seven Habits of Highly Effective People – Stephen R. Covey



Six Habits

- Proactive: Use the interval to make decisions based on values, the same you every day
- Synergize: Group grope=Best results
- Understand/then be understood: Use the collaborative problem solving process
- The end in mind: Use turnover meetings and complete pre-construction planning
- Win/win: Use the Standard for Excellence
- First things first: Goal setting & SIP planning