

ASSESSMENT TOOLS

Helping Contractors Grow Profitably

D. BROWN
MANAGEMENT

www.dbrownmanagement.com

FIELD PRODUCTIVITY

Interviews, Observations, System
Review And Industry Best Practices
Comparison



A Hands-On Approach

Assessment Tools for Contractors

A key to driving consistent operational improvements is to conduct regular assessments for the purposes of setting goals, tracking progress, and benchmarking against best practices in the construction industry. D. Brown Management has created a series of **Assessment Tools** specifically designed for contractors that focuses on different aspects of the entire operation.

Strategic Plan & Implementation

Field Productivity

Contractor Technology Systems

Estimating and Bid Processes

Contractor Valuation Factors

Customer Satisfaction

Organizational Structure – Talent

Marketing and Business Development

Financial Management and Controls

Project Management Systems

Operations and Accounting Integration

Work-In-Progress Forecasting Systems

Purchasing and Subcontract Management

Construction Software Utilization

Service Management

D. Brown Management's **Assessments Tools** for contractors are designed to provide quantitative and qualitative feedback relying both on structured 360° interviews and observations, as well as analysis of key metrics. This combination provides complete feedback for everyone in the organization and forms the basis for implementing and measuring change.

- Executive Self-Assessments:** Designed to be implemented by the contractor's management team, these valuable tools will help owners and managers gain additional insight into their business.
- Assessment Services:** A third-party review of your company provides additional insight that isn't often available when assessments are conducted by the contractor's management team. Third-party interviews provide a neutral ground, giving the contractor's team an increased feeling of comfort so that they are more apt to talk freely about the problems and possible solutions. A core component of all D. Brown Management assessments is how the contractor is performing against industry benchmarks of similar sizes and types of companies, as well as what needs to be put in place to reach the next levels of growth.

If you are interested in learning more, please go to our website or contact us:

www.dbrownmanagement.com

(916) 912-4200 PHONE

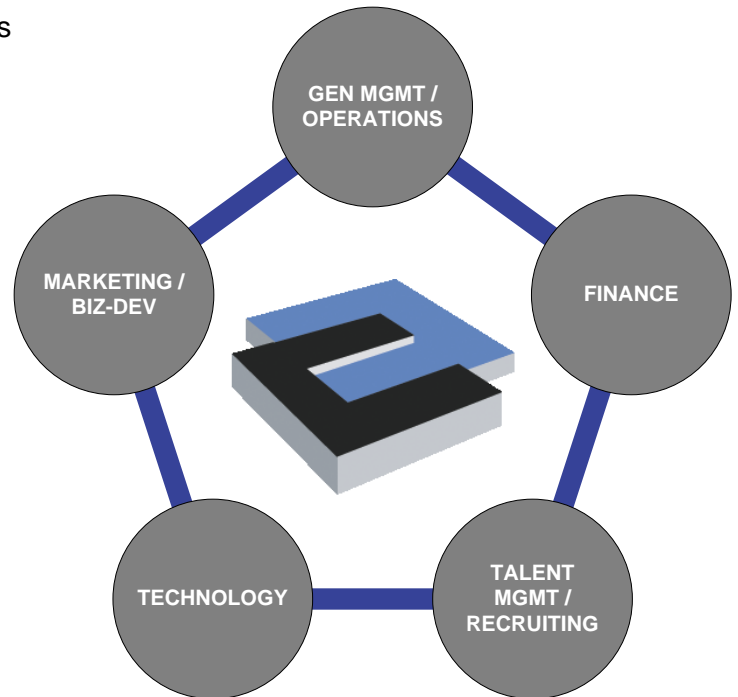
david@dbrownmanagement.com

A Hands-On Approach

About D. Brown Management

Headquartered in Northern California, D. Brown Management provides a comprehensive scope of general management solutions to construction clients nationwide, including strategy, planning, operations, field productivity, workflow, financial management, technology, and marketing. With D. Brown Management, organizations can improve processes, productivity, and ultimately profitability.

Working with D. Brown Management is like having a team of very well-rounded executives working closely with you to solve a variety of business problems on an as-needed basis.



Assessment Management (Field Productivity)



DAVID BROWN is the Founder and President of D. Brown Management, a consulting and management firm that helps construction companies improve profitability. Headquartered in Northern California, the company provides a comprehensive scope of general management solutions to construction clients nationwide, including strategy, planning, operations, field productivity, workflow, financial management, technology, and marketing. With D. Brown Management, organizations can improve processes, productivity, and ultimately profitability.

Beginning his construction career in 1988 as an electrician, Dave quickly worked his way up the ranks to foreman, superintendent, and project manager before moving to executive management. In addition to managing client projects nationwide, he frequently speaks to groups such as CFMA, Electric West, the Engineering & Utility Contractors Association (EUCA), and the Western Electrical Contractors Association (WECA) about how to increase profitability. Recent speaking engagements have addressed integrating accounting and operations, production tracking, change order management, construction technology, and cash flow.

A Hands-On Approach

Field Productivity Assessment

For a contractor, field productivity represents the single biggest risk and differentiating factor when it comes to project execution. The table below shows the savings that can be achieved by a contractor with only moderate increases in productivity.

A 5% increase in productivity means adding about 15 minutes per day to actual installation.

The numbers increase significantly if the contractor utilizes a lot of equipment or if the contractor can complete more work in a given period of time with the same crew.

FIELD CREW	PRODUCTIVITY INCREASE			
SIZE	5%	10%	15%	20%
10	35,000	70,000	105,000	140,000
20	70,000	140,000	210,000	280,000
40	140,000	280,000	420,000	560,000
80	280,000	560,000	840,000	1,120,000
150	525,000	1,050,000	1,575,000	2,100,000
300	1,050,000	2,100,000	3,150,000	4,200,000

The **Field Productivity Assessment** is designed to analyze all areas of the contractor's business that affect field productivity – both directly and indirectly. The assessment is broken into five key phases as described on the following page. Areas reviewed include:

- Historical analysis of completed project performance to identify trends in productivity
- General cultural attitude toward field productivity
- How well the project team members understand the factors affecting productivity
- Productivity feedback mechanisms – “What gets measured gets managed”
- Detailing of the project to minimize field layout and installation time while minimizing rework
- Material logistics – a key factor in improving actual installation time
- Communication effectiveness between project team members
- Tool and equipment management, including the use of labor-saving equipment
- Use of pre-fabrication to minimize field labor
- Feedback to estimating in order to improve bidding accuracy and competitiveness

SUMMARY REPORT & EXECUTIVE REVIEW MEETING

Comparison against construction industry benchmarks and best practices

Comparison against contractor's prior performance

Recommendations for improvement

90-day action plan

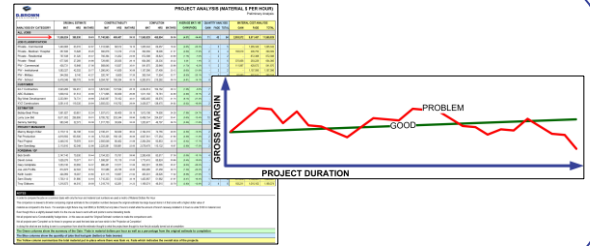
A Hands-On Approach

Field Productivity Assessment – 5 Key Phases

Project Financial Performance Evaluation

The initial step in the assessment is to do a financial review of completed projects during the prior 24 months, with a focus toward identifying trends based on type of project, foreman, estimator, customer, etc.

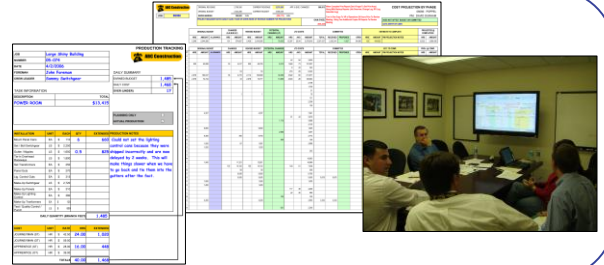
This financial review provides the basis for some of the questions asked during the interview process.



Feedback & Reporting Systems Review

- Proper feedback mechanisms drive performance improvements

Like a scoreboard at a sporting event and the post-game reviews that the coach leads the team through after each game, the reporting mechanisms that a contractor uses drive productivity improvements. This assessment will include a thorough review of these systems, how well they are understood and utilized by the team, their accuracy, opportunities for improvement, and how the process can be streamlined with technology.



Structured Interviews & Observations

As a tool for assessment and change, structured interviews are critical for helping identify problems and opportunities. These interviews are designed specific to each client, and are typically done in phases for each group of people. This is so the interviews can be refined based on information gathered from other groups. For field productivity assessments, the following groups of people are interviewed: About 30 % of the Foremen + selected crew members from jobsite visits, Project Managers, project support including detailers / purchasing / pre-fab, Estimating / Business Development, Senior Management, and selected support positions (Accounting, HR, Safety, etc.)



Field Support Systems Review

Optimum field productivity depends heavily on many other support systems. These systems will be evaluated as part of the assessment.

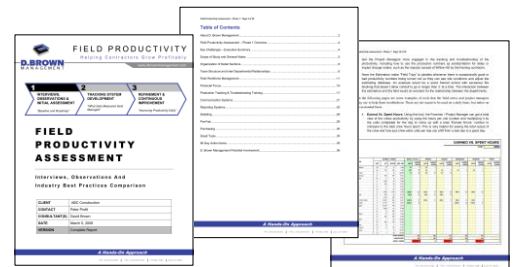
- Purchasing and material logistics
- Tool and equipment management
- Detailing
- Pre-fab shop / systems



Summary Report & Executive Review Meeting

Upon completion, a final report will be prepared with detailed recommendations, flowcharts for critical processes where we find potential for improvement, mock-ups for improved productivity reporting, quantitative analysis information where applicable, and summaries of anecdotal information learned during the interview and observation process.

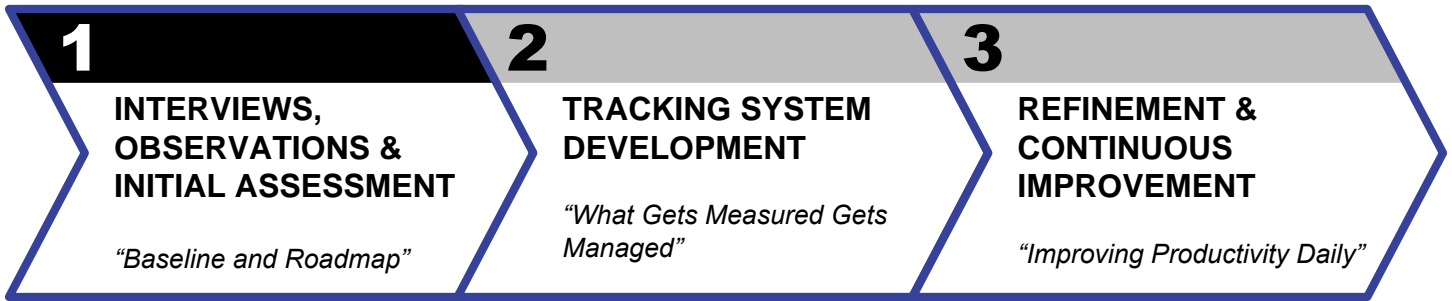
This report will be reviewed with the executive team and, as an option, can be reviewed with a wider audience of the Foremen and Crew during a facilitated on-site session.



SIMPLE GUARANTEE: If you are not satisfied with the quality of the work, you are not obligated to pay.

A Hands-On Approach

Beyond The Assessment – Improving Field Productivity



The Field Productivity Assessment is only the first phase of improving field productivity and profitability.

PHASE 2: Tracking System Development – It is important to have the right measurements in place so that everyone knows the score at any time and can tell if they are making progress. All project team members, from the Project Manager to the Craftsperson, should focus on a goal of productivity. This will allow us to shift toward comparative measurements internally, as well as benchmarked against competition (where data is available). These visible measurement systems will be designed to create friendly internal competition that drives continual improvement.

PHASE 3: Tool Refinement / Implementation / Continual Improvement - Based on input from Phase 1, we will refine current tools, develop new ones, and work to implement as many of the ideas generated by the team in Phase 1 as possible. This will help move the culture forward because people will start to see their ideas implemented. Seeing the results of these via the tracking systems developed in Phase 2 will spur additional changes and improvements.

The goal of this phase is to help Foremen and Project Managers learn to identify and troubleshoot productivity problems faster and more effectively. The tools and processes created for troubleshooting will be visible to the crew members in order to help drive the culture of productivity out to the apprentice level.

If you are interested in learning more, please contact us:

www.dbrownmanagement.com

(916) 912-4200 PHONE

david@dbrownmanagement.com

A Hands-On Approach

Scheduling a Field Productivity Assessment – The Process

- ❑ **CONTACT:** Contact D. Brown Management to discuss your company and whether the Field Productivity Assessment would be a good fit for your organization.

David Brown | david@dbrownmanagement.com | (916) 912-4202 DIRECT | (916) 716-1696 MOBILE (Best)

- ❑ **PRICING PROPOSAL:** After the initial discussions, we will provide a pricing proposal along with scheduling information. Pricing varies per assessment based primarily on current status, complexity, size of the company, geography covered by projects, and the number of office locations.
- ❑ **KEY POINT OF CONTACT:** This will be the person on your side who will coordinate the majority of the activities related to the assessment, including scheduling, jobsite visits, interview set up, and information as required below.
- ❑ **SCHEDULING:** D. Brown Management will provide several potential weeks for the on-site interview and observation phase for you to select from, depending on what best fits your management and job schedules.
- ❑ **NON-DISCLOSURE:** There will be exchanges of critical information. D. Brown Management will provide a Non-Disclosure Agreement (NDA) before getting started.
- ❑ **ORGANIZATIONAL CHART:** If an in-depth chart is not available, a sketch is suitable for the purposes of this assessment.
- ❑ **JOB DESCRIPTIONS:** For key field and project team positions, if available.
- ❑ **PROJECT SUMMARY:** Part of the assessment is a historical review of completed projects over \$50K in revenue during the last couple of years. A template will be provided to gather and organize this information. Depending on the accounting software utilized, our technical group may be able to help you extract the information quickly.
- ❑ **JOB COSTING REPORTS:** Samples of various job cost and productivity reports used throughout the company to manage projects.
- ❑ **CURRENT JOB LIST:** Including all jobsites we may want to visit, the information above, plus the jobsite address, current crew size, and any special notes about that project that you feel are relevant to field productivity.
- ❑ **CONTACT LIST:** Including name, position, phone number(s), e-mail (if applicable), and their time with the company for positions who will or will potentially be included in the review process. A more detailed list of titles and format will be provided for gathering the information after review of the organizational chart and job descriptions.
- ❑ **PRELIMINARY ANALYSIS:** Based on the information provided, D. Brown Management will begin the analysis, which will include defining the initial, structured interview questions.
- ❑ **ON-SITE INTERVIEWS & OBSERVATIONS:** For most companies, this is about one week in length, as scheduled. Larger or more geographically diverse contractors may require additional time.
- ❑ **SUMMARY REPORT / EXECUTIVE REVIEW MEETING:** Scheduled within approximately 30 days of the completion of the interview phase. Review meeting will take approximately two hours via phone / web meeting.
- ❑ **FOREMAN MEETING (OPTIONAL):** An on-site Foreman's meeting may be facilitated as an option at the end of the project to share findings and help align the organization even further.

A Hands-On Approach



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Retainer Programs – RESULTS!

"Execution is a **systematic process** of rigorously **discussing** hows and whats, tenaciously **following through** and ensuring **accountability**."

Larry Bossidy & Ram Charan / Execution: The Discipline of Getting Things Done

▶ Retainer Overview

Producing results is about the balance of fresh ideas combined with a structured system designed to help execute those ideas as quickly as possible.

Long-Term Development Plan: A 12-60 month plan with quarterly milestones.

Executive Meetings: Regular meetings with senior management focused progress and major corrections as required.

Operational Meetings: Regular hands-on meetings with entire team keeping everyone on the same page and all action-items on track.

Facilitation / Implementation: On-site consulting built into the program to help maintain focus, generate fresh ideas and get past roadblocks.

Coaching: Follow-up between meetings with individuals by consultant helps with training and personal development of team members.

Online Management System: Web-based tool to keep track of all project correspondence, files, action-items and milestones with e-mail notifications.

Follow-Up: Proactive follow-up with individual team members regarding their action items by Project Coordinator.

Resources: D. Brown Management is constantly developing new training content and operational programs to help contractors grow more efficiently. All retainer clients have full access to this content.

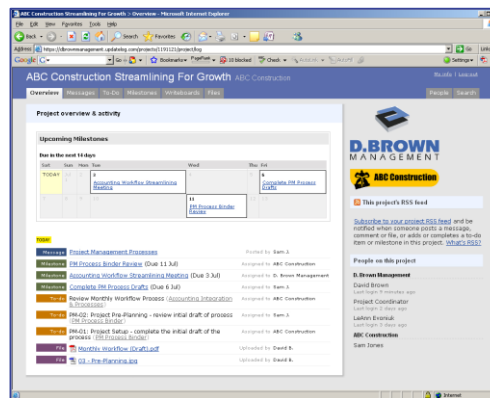
▶ Your Custom Development Plan

NO	DESCRIPTION	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Financial System	[Bar chart showing progress from Q1 to Q4]																			
a	Regular Reporting, Current Status	[Bar chart]																			
b	Processes & Controls	[Bar chart]																			
c	Historical (Forensic) Analysis	[Bar chart]																			
d	Accounting System Upgrade	[Bar chart]																			
e	GL To Match Organizational Structure	[Bar chart]																			
f	Automatic Reporting	[Bar chart]																			
g	Medium Sized Adjustments (GL & Rep)	[Bar chart]																			
h	Minor Adjustments (GL & Rep)	[Bar chart]																			
2	Project Management					[Bar chart]															
a	Processes & Controls					[Bar chart]															
b	Budgeting & Production Tracking					[Bar chart]															
c	Projections (Estimate-To-Complete)					[Bar chart]															
d	Refinements (Process & Software)					[Bar chart]															
e	Minor Adjustments					[Bar chart]															
3	Talent					[Bar chart]															
a	Formal Review & Development Process					[Bar chart]															
b	Organizational Structure (Market Driven)					[Bar chart]															
c	Results Measurement Process					[Bar chart]															
d	Talent Gap Analysis					[Bar chart]															
e	Recruiting & Training Plan					[Bar chart]															
f	Continuous Improvement Training					[Bar chart]															
4	Market Development					[Bar chart]															
a	Current Customers/Markets					[Bar chart]															
b	Future Market Goals					[Bar chart]															
c	Current Market Expansion					[Bar chart]															
d	Market Opportunity Analysis					[Bar chart]															
e	Business & Marketing Plans					[Bar chart]															
f	New Market Start-Up					[Bar chart]															
ANNUAL RESULTS		[Text: Better financial controls & historical analysis of business]				[Text: Financial and PM processes in place, starting to develop client processes, improve organizational structure and strengthen current markets]				[Text: Developing performance measurements and determine future Talent needs, looking for new Market Opportunities]				[Text: Defining your Talent while developing plans to enter new Market Areas and starting to develop the best opportunities]							
<p>Timeline and results vary based on the company size, resources and ability to execute. Start of process designated by when overall plan is laid-out and financial controls have started to be put in place.</p> <p>© 2009 by David Brown</p> <p style="text-align: center;">CCD (Construction Company Development) is a multi-year plan and service for improving the performance of a contractor</p> <p style="text-align: right;">D. Brown Management Business Planning Construction Management Training Presentations</p>																					

Each client is unique in their needs and a specialized plan will be tailored around their goals, current status and execution ability.

This plan is strategic in nature and is designed in conjunction with the owners / management team prior to the start of the project.

Adjustments are made to the roadmap milestones on a quarterly basis during the Executive Meetings.



A 3rd party can substantially accelerate implementation and change by bringing in outside ideas, perspective and energy.

Call today for more information

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