



Advanced Project Management Symposium

Fall 2011

Omaha, Nebraska

Transformation



Making Productivity Visible to Everyone™

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Contact MCA now to register for the Spring 2012 Symposium:

“The Journey Begins with a Commitment to Improve”

How to Start with Agile Construction®

Phoenix, AZ

April 12-13, 2012

For registration, contact Anna VanWagner:

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Focus



The focus of the Fall 2011 Symposium was “Transformation.” MCA’s 14th symposium was a great success with the help of 81 participants representing 26 companies, which included owners, general contractors, subcontractors and distributors. Hosted by Thompson Electric Company (TEC), this symposium aimed to showcase the practitioners’ true transformation of a traditional contracting company to a participative and Agile Construction[®]-based, productive, profitable and a great place to work. Demonstration of the productivity tools, SIS[®], JPAC[®], Prefabrication and vendor partnership by TEC’s team members reiterated the required commitment and direction-setting by the leadership of the company.

Transformation

Capturing the market begins with changing the operation “Theory”. Dr. Perry opened the 2011 Fall Symposium by empowering attendees to learn how to unlearn -- the basis of improving is learning to let go of the illusion of certainty. The Symposium began with an overview of the current market, which is shifting from mainly industrial to more commercial and residential. With this market shift, the competition is also shifting and the customer’s wants and needs are changing. Customers are demanding that the work be completed in a timely manner, at the lowest possible cost and at the highest possible quality. However, it is nearly impossible for the customer’s needs to be fulfilled with the tools and processes being utilized today. If we continue to use the same methods and tools, the union contracting as well as the United States construction industry will be less competitive and could lose the entire market to the international competition.



One of the essential trades of good construction management is the amount of attention paid to the labor. The labor cannot be treated as an operator but, instead, should and must be used as a resource to help improve the processes and productivity. At the end of the day, labor that is focused on productivity is what will produce more, with less, and guarantee a better life for ourselves and those around us.

In closing, profitable and productive organizations:

- Have the serenity to accept the things we can't change (i.e., the general contractor's mismanagement);
- Have the courage to change the things we can (i.e., use of Agile Construction[®] elements); and
- Have the wisdom to know the difference – use data.



Thompson Electric's Journey

The CEO's Perspective

Thompson Electric, a midsize Midwestern electrical construction company, was established in 1933 as a typical contractor. Since then, TEC has expanded to three offices in Omaha, Nebraska; Sioux City, Iowa; and Sioux Falls, South Dakota. Skip Perley CEO of TEC emphasized the importance of **recognizing that something needs to be transformed**, communicating this to employees, and providing all employees with educational opportunities in order to understand that there is a better, more productive way to complete the projects they are working on. Two major events realizations caused Skip Perley to set up a partnership between MCA and Thompson Electric to try to fight the external conditions that their company had no control over:

1. He realized that if he did not figure out a better way to do the work, someone else will and Thompson will be sitting on the sideline.
2. He saw that the available workforce to support the industry was diminishing. Nonetheless, he had to work with the talent that was available to him.

MCA and TEC worked together to make a fundamental change in the way workers thought about each job. This change pushed TEC to be a more proactive instead of reactive company and completely changed the culture of the company. The company's transformation has allowed them to compete in the larger market while still maintaining the relationships with companies they have done work with for many years



"There is a different way to build an electrical system on the job and, in order to do so; we have to come together as a team to make it happen"
- Skip Perley, Thompson Electric

Skip Perley shared a few "lessons learned" at the conclusion of his session:

- (1) It is a lot easier to change someone who hasn't had great success than someone who has had a lot of success doing their work a certain way.
- (2) It is important to get involved in these kinds of symposiums to learn from the other companies involved in this type of work, as well as other types of work.

- (3) Don't get hung up on the tools and procedures! A good electrician has to learn the tool and understand the concepts and ways in which the tool can be used. However, **it isn't about the tool, it is about the process.**
- (4) Be Committed! Look at whatever transformation that needs to be made, decide if it is good for the company, and be committed. **If you are not 100% committed, a transformation will not be successful.**

A General Manger's Perspective

Kevin Lytle, Vice President and General Manager of TEC, began his session by explaining the TE2010 Vision. Seven years ago, Thompson Electric's leadership met in Kansas City, Missouri. Skip Perley challenged the leadership to restructure the operating procedures. A major part of the change was putting together three teams: field teams, office teams, project management teams and consequently sub-teams such as, service, estimating and prefabrication. Additionally, Thompson Electric began to integrate JPAC[®] and Short Interval Scheduling (SIS[®]) into their daily operations. SIS[®] allows the foreman to assign tasks and helps the workers manage their time and be productive.



Visit to Thompson Electric and Prefabrication Shop

This year, the participants were invited to visit TEC's Prefabrication Shop. TEC's



performance in the application of SIS[®], JPAC[®], and Prefabrication has enabled them to become a formidable competitor in their market. Their successful application of the new construction productivity measurement standard ASTM E2691 or JPM (Job Productivity Measurement) has helped them to transfer the final value to the customer with safer, more reliable, and more predictable construction projects with better cost, timing and quality than ever before. Please join us to celebrate TEC's transformation and listen to their story.

The visit to Thompson Electric was broken down into four sessions:

- *A foreman's experience with JPAC[®], SIS[®], and prefabrication.* During this session, foreman Jeff Bonham stressed the importance of breaking down his JPAC[®] into very small tasks so he can see the progress very clearly. Jeff also emphasized the fact that JPAC[®] is a continuously changing document.

- *Thompson Electric's use of a Total Station:* Adam demonstrated how Thompson Electric uses a Total Station. The equipment is used for scanning and developing the layout of jobsites with electronic points that are transferred into CAD so the company does not have to do the layout by hand.
- *Prefabrication shop walk through:* Tom Babb, foreman for Thompson Electric's prefabrication shop, walked people through the shop to see the area where the prefabricated materials are put together.



- *Discussion of guiding and leading Thompson Electric through the transformation process:* Kevin Lytle and Skip Perley provided more in-depth explanations of the transformation process from a company leader's perspective. They discussed the importance of blending and training crews and shared how their apprenticeship program works.

Lessons Learned from Thompson Electric

Symposium participants unanimously agreed that the one thing common about the Thompson operation was passion: every single employee was passionate about their position within the company and their day to day work. Cindy Austin, Manager of the Cascade Chapter of NECA, commented that the visit gave her "hope for a different tomorrow. We know it can be done but it helps to see it." Symposium participants also commented on Thompson Electric's:

- JPAC[®] breakdown into very small tasks
- Sharing of "secrets" and visibility of the work
- Focus on constantly improving the process
- Intricate thought process in getting every job done efficiently
- Interest in not only improving themselves, but, more importantly, improving the industry.

Finally, Thompson Electric discussed what they had to do to get their transformation started. A variety of project managers, general managers, and field workers responded:

- Recognize the need to transform and using outside involvement, such as MCA, to get the process underway.
- Always put the customer first.
- Get all levels of people involved in the process to improve all aspects of what is at hand.
- Preplan and continue to have meetings between field workers and foreman as the project progresses.



[Thompson Electric] has learned to conquer everything with their team and accepted no weaknesses"
- Larry Stevens, VECA

- Be transparent and keep open lines of communication between the project manager and supervision.
- Give the employees the best software and tools to take the business forward.
- Build trust between the field and the office.

Closing Comments

The symposium closed by insights from the group. Participants expressed that the session was well worth the travel and the concept of company Transformation is exciting. The difficulties of Transformation are also acknowledged, and will require effort and paradigm shifts to achieve. With a win-win goal in mind, Transformation will require commitment and trust on all levels. Overall, participants appreciate the opportunity to bring together companies dedicated to improving the industry in order to compete in a constantly changing world.



Coming next, Spring 2012 Session:

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