



The High-Performing Contractor Assessment Program Update

March 2004

This Update highlights some of the interest in and provides related information regarding the SMACNA High-Performing Contractor Assessment Model.

CONTRACTOR magazine is carrying six articles on the SMACNA High-Performing Contractor Assessment Model beginning with its September 2003 issue. The first article introduced the model; the second discussed leadership and strategic planning; the third article discussed customer focus; and the fourth article was featured in the January issue.

***** SMACNA Sponsored Overviews

The following SMACNA sponsored event includes an overview of the High-Performing Contractor Assessment Model:

Sheet Metal Industry Week - Las Vegas May 2-7, 2004

Depending on the chapter needs, Dennis Sowards is available for one-hour to four-hour consulting sessions. If you are interested in your chapter sponsoring an overview of the High-Performing Contractor Assessment Model, contact Tom Soles at SMACNA national or your local SMACNA chapter leaders.

***** Process Management

The approach to manage the processes is straightforward but requires the following details:

- Identify the core processes. (Not every process needs the same management attention - only those critical to the work and/or those that have resulted in customer complaints.)
- Define the steps to do the process correctly. Ask your employees what steps they go through. The first red flag is when several people, who do the same job, describe how they do it in very different steps.
- Look to the hand-offs between people, functions, and/or steps. Define the rules of release for handing off the work properly.
- Document the steps and rules of release. Train those who need to follow the process.
- Identify key indicators or measures that tell if the process is/is not working.

***** Process Improvement and Six Sigma

Someone once said, "Nothing improves unless something changes!" This is true! However, to bring about improvement, one must do it one process and one project at a time. High-performing contractors will manage their processes by instituting projects to improve them. *Six Sigma* is gaining national attention for its success with improving processes and saving money. Six Sigma is basically the *COPIS Plus* method I have often used for process improvement.

COPIS is the acronym for:

Define the Customer and customer requirements.

Identify the Output that we produce to meet customer requirements. Validate that the output satisfies the customer. Identify where we have had a missed requirement – where the output went wrong.

Map the Processes that produce the outputs. Focus on the critical processes that produce the critical outputs or that produced the error output.

Identify the Intputs (resources) that are used by the processes to produce the outputs. Validate the input requirements to ensure that they meet the processes' requirements.

Identify the Suppliers that provide the inputs. Work with them to make sure they understand the input requirements and can meet the requirements. The suppliers need a feedback so they know if they are doing it right.

Six Sigma is '*COPIS Plus*' because it adds *measurement* to the **COPIS** steps. First, we measure at the output side. We measure the key requirements and to what degree we meet them. We then work backwards through the system to measure as needed to make sure we know when we are doing it right or wrong. When we make improvements, we look at the measures to validate we have an improvement. (Perhaps we should call it COMPIS?)

In the end, it takes work to improve processes but the investment is well worth it.

***** Teaming Works for Suppliers and Contractors

Teaming is essentially "partnering;" however, to some owners and contractors, "partnering" carries a legal connotation and becomes a barrier to applying the valuable concepts of working together as a team. Teaming is a process for getting the contractors, construction managers, suppliers and owners/customers of a construction project to commit to work together for each other's mutual success. Teaming is how one relates and deals with differences and conflicts that naturally come from construction. It is not a contract but recognizes that every contract includes an implied commitment of trust and good faith. Teaming provides a departure from the adversarial context typical of construction projects; it improves communications and it reduces wasted time in back-end disputes and finger pointing. It has proven to be more cost effective than traditional contracting.

One of the biggest complaints relayed at the end of most projects is that there wasn't enough communication, especially between the sub-contractors, the general, and the owners. Often people think this is because someone else was unwilling to cooperate. More often it is because no formal pathway or



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commitment exists to facilitate communications. Teaming provides the pathway to more effective communications by defining how issues are resolved and by clarifying expectations, roles, and responsibilities.

Teaming is applicable to large and small projects. Teaming works best when done in conjunction with the start-up of a project but is still effective after the project has already begun.

Teaming starts with a kick-off meeting to establish the mutual success criteria agreements and the team charter (commitments). It continues with a few meetings to work out detailed methods, periodic check-in meetings, and ends with a post-project assessment session.

Teaming *kick-off meetings* are most effective when facilitated by someone not involved with the project and one skilled in teaming/partnering facilitation. The kick-off meeting should generate the following:

- An agreed-to mission of the project;
- A discussion of typical construction irritants;
- An understanding of each party's definition of success and areas of agreement;
- A defined resolution process to manage and resolve any conflicts on the project; and
- A team charter (our commitments of how we will act and treat each other).

Where can you team with your customers and suppliers to produce a more successful project?

***** Lean Thinking Improves Processes

Most of the time when we look to improve a process, we map out the steps and then focus our efforts on the main steps. While that is a useful approach, Lean Thinking has another way to do it. Lean Thinking is a term coined by James Womack (author of the book, *Lean Thinking*) to describe the Toyota way of improving and problem solving. Lean Thinking looks at the process steps and mainly focuses on the activities between steps. It reasons that, for the most part, we have the main tasks (steps) well defined but it is in the hand-offs between steps where problems arise. Think of how this applies to shop fabrication. We know how to operate the plasma cutter or coil line very efficiently. But what about the hand-off of the job from the field to the shop? Is everyone

clear on the *rules of release*? This means the requirements to make sure the drawings are released (handed-off) with all information and requirements are completed. Do we have all the measurements? Are the critical ones verified? Is it the most current drawing revision? At each step there are rules of release that define the requirements that must be made ready to pass the work on to the next step. Unfortunately, we usually do not define the rules of release in any formal way. Sometimes we end up with an 'oops!'

***** 5S's Help Organize Our Work

In applying the 5S's to construction, I am always amazed at how easy it is to get people started on implementing these principles. Craft employees have always taken pride in their work and the 5S's fit naturally into their approach to an orderly work place. A few hours of training and employees are ready to take the ball and run with it. While their efforts do require coordination from supervision, there are no capital investments needed. No computer software is required. The 5S's just use common sense approaches that are not yet but can be common practices. Visible results follow almost as quickly.

***** What Others Are Saying

Read what Tim George of Niagara Frontier Sheetmetal, Inc. (Orchard Park, New York) is saying about the High-Performing Contractor process. - http://www.smacna.org/news/smacnews//index.cfm?fuseaction=show_detail&id=1494

***** Quote of the Day

Only the mediocre person is always at his best. Spencer W. Kimball

For more information about the High-Performing Contractor assessment process, contact Dennis Sowards (telephone: 602-740-7271; e-mail: dennis@YourQSS.com) or Tom Soles (telephone: 703-803-2988; e-mail: tsoles@smacna.org).