

**mindshift**

rex.cnf.io



# Dark Humor

- **Contractor:** A gambler who never gets to shuffle, cut or deal
- **Bid Opening:** A poker game in which the losing hand wins
- **Bid:** A wild guess carried out to two decimal places
- **Low Bidder:** A contractor who is wondering what he left out
- **Engineer's Estimate:** cost of construction in heaven
- **Project Manager:** Conductor of an orchestra in which every musician is in a different union
- **Critical Path Method:** A management technique for losing your shirt under perfect control
- **Completion Date:** The point at which liquidated damages begin
- **Liquidated Damages:** A penalty for failing to achieve the impossible
- **Auditor:** A person who goes in after the war is lost and bayonets the wounded
- **Lawyer:** A person who goes in after the auditors to strip the bodies

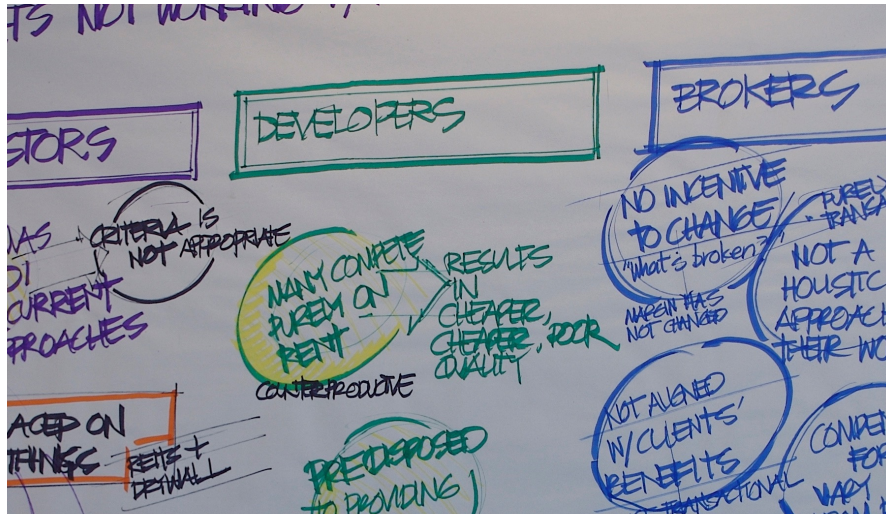


# How I Got Dragged Into This

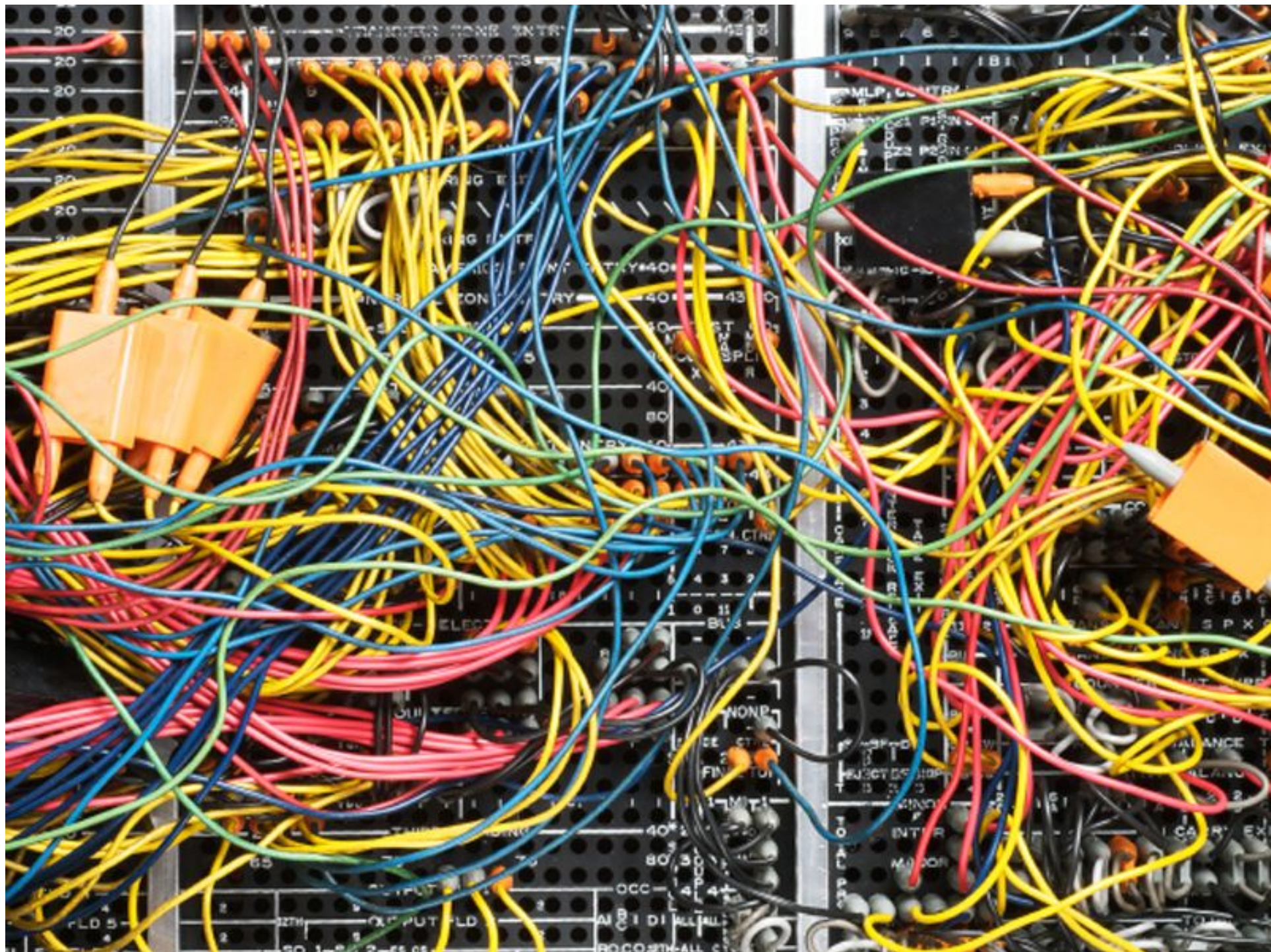




# Seeing Is Believing









## *Live Content Slide*

*When playing as a slideshow, this slide will display live content*

**Poll: What percent of projects come in late and over budget?**

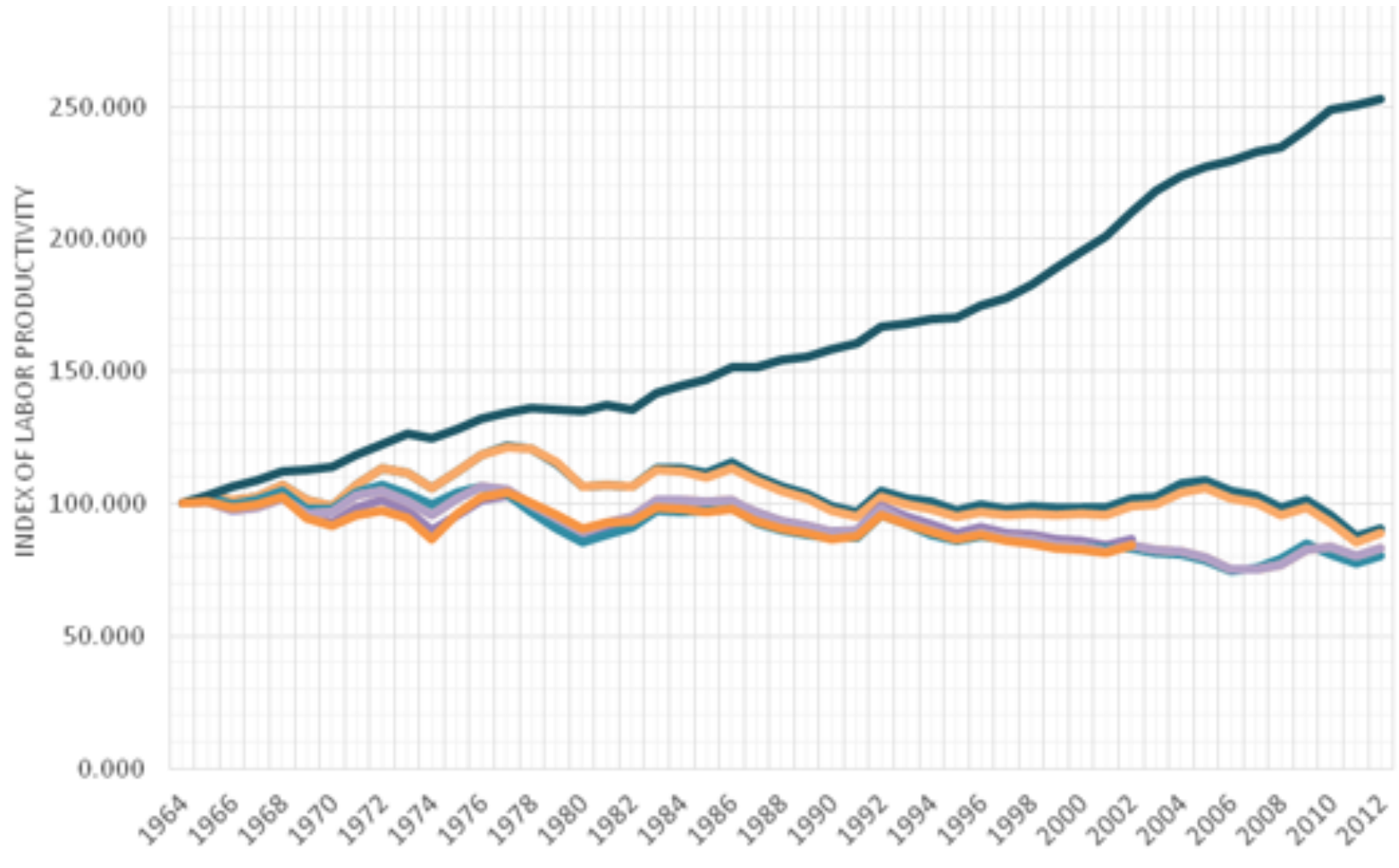


## *Live Content Slide*

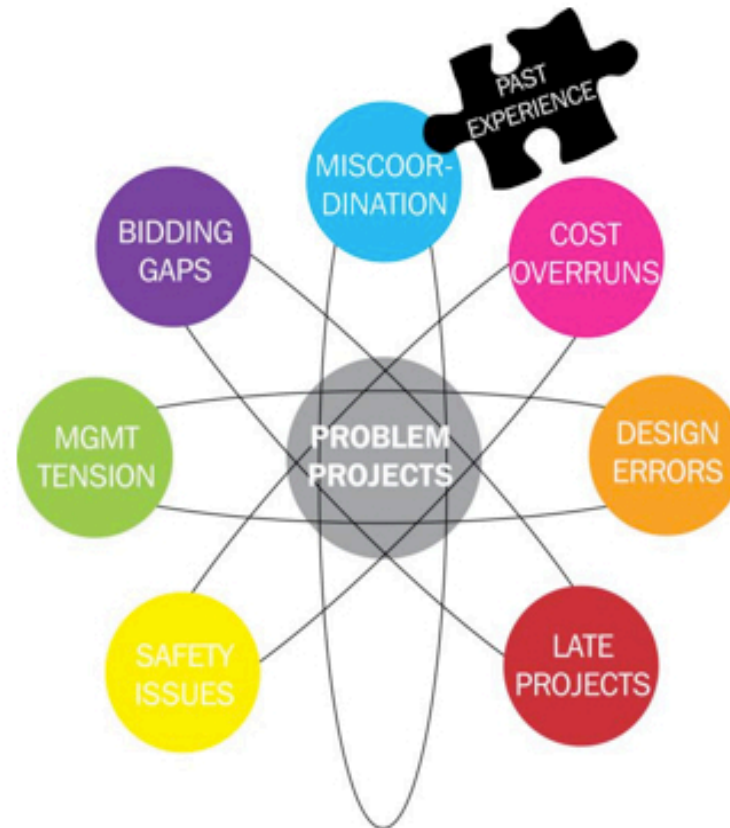
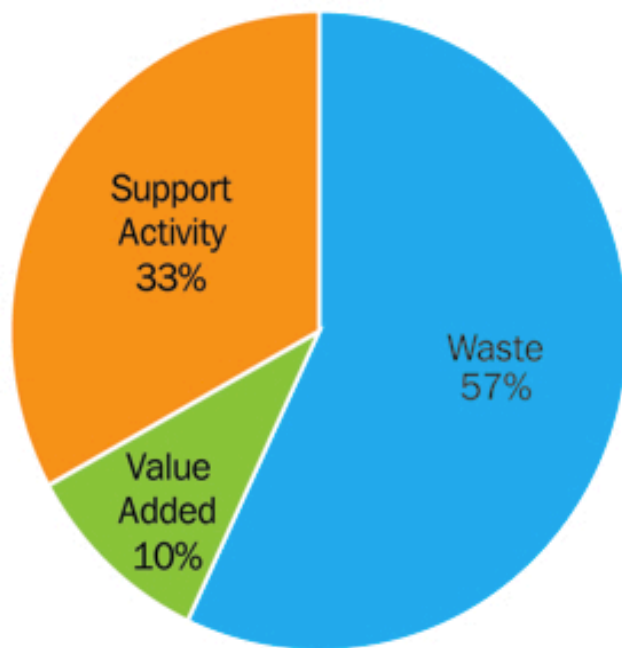
*When playing as a slideshow, this slide will display live content*

**Poll: How much waste and non-value activity makes up an average project?**

# Declining Productivity 1964 - 2012



# Sutter Health's Past Experience





# The OMG Factor

- **\$500 billion** annual **WASTE**  
(buildingSmartAlliance)
- **50%+** **Waste in the System**  
(buildingSmartAlliance and Lean Construction Institute)
- **70% Over Budget and Late**  
(Egan report)
- **48% of Green House Gases**  
(Energy Info Admin Statistics and Pew Climate report)



# Identify the Key Categories of Waste and Assign a Percentage to Each

Discuss for 5 minutes at Your Table

# Where to **Attack Waste**?

- Labor = 50% @ 30% efficiency = **35% waste**
- Materials = 40% @ 70% efficiency = **12% waste**
- QTO = up to **10% of the cost**
- Bidding = **5%+** of the cost of a project
- Change orders between **2-10% of the cost**
- Contingencies up to **7%**
- Team Learning Curve = **1-2%**
- **3-7% is lost** in project cost reduction by not maximizing Construction Tax Planning





# How Many Players Can Work on a Project?

Discuss for 3 minutes at Your Table

## *Live Content Slide*

*When playing as a slideshow, this slide will display live content*

**Poll: How many different trades, sub-trades, consultants, vendors etc. can be involved in a project?**

- Owner
- Developer
- Broker
- Project Manager
- Architect
- Contractor
- Civil Engineer
- Landscape Engineer
- Mechanical, Electrical and Plumbing Engineers
- Structural Engineers

- Boilermakers
- Carpet, floor etc.
- Drywall and ceiling tile
- Electricians
- Masons
- Carpenters
- Glazer
- Roofers
- Sheet metal workers
- Inspectors
- Lawyers



More than 250 trades

More than 250 manufacturers

50 states

3000 counties

25,000+ cities

# What Have Been the Biggest Drivers of Change in Our Business?

Discuss for 3 minutes at Your Table

Volatility,  
Ambiguity,  
Speed &  
Complexity  
(VASC)

What conditions for success  
are necessary to successfully  
deliver a **VASC** project?

Discuss for 5 minutes at Your Table

Safety  
Alignment,  
Coordination &  
Integration  
(SACI)

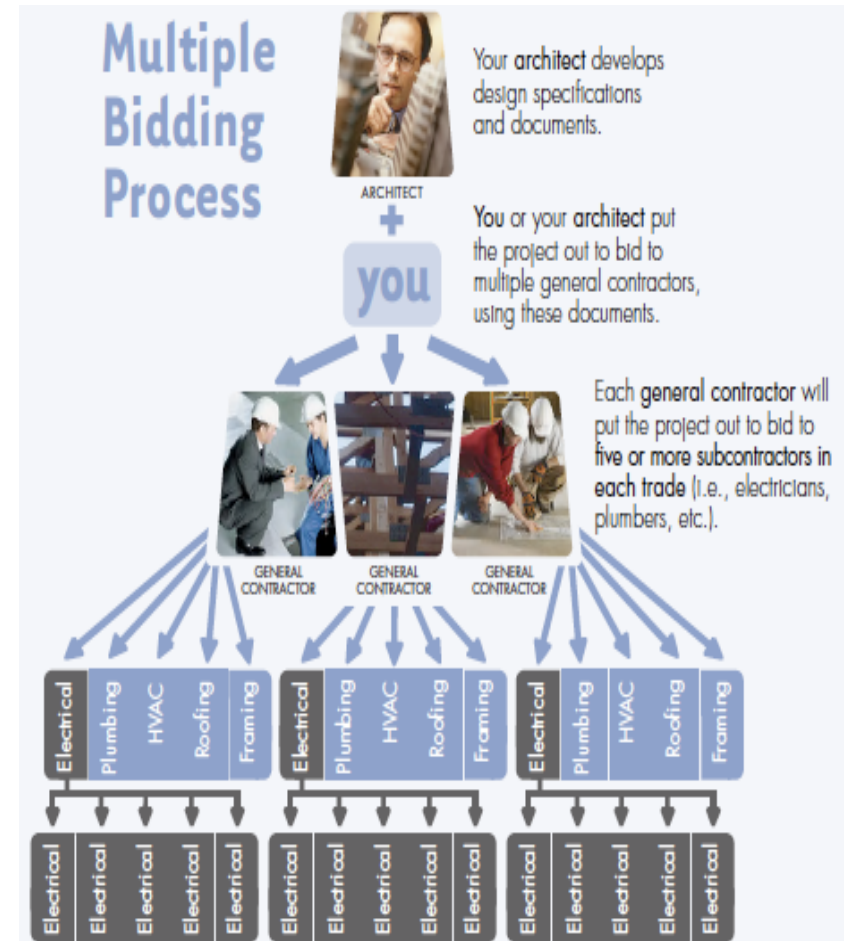
All the big mistakes  
happen on the 1<sup>st</sup> day

Big Bim, Little Bim – Finith Jernigan



# The Bid Game vs. Project Success

- The bid  $\neq$  the business case
- Negative correlation between low bid and final cost
- Dilution of commitment
- Boiler plate pricing
- Winner's curse
- Cost of bidding gets recouped
- Fallacy of value engineering
- What does the bidder actually win?
- **Factors out the Team Dynamic!**
  - The #1 reason for success or failure



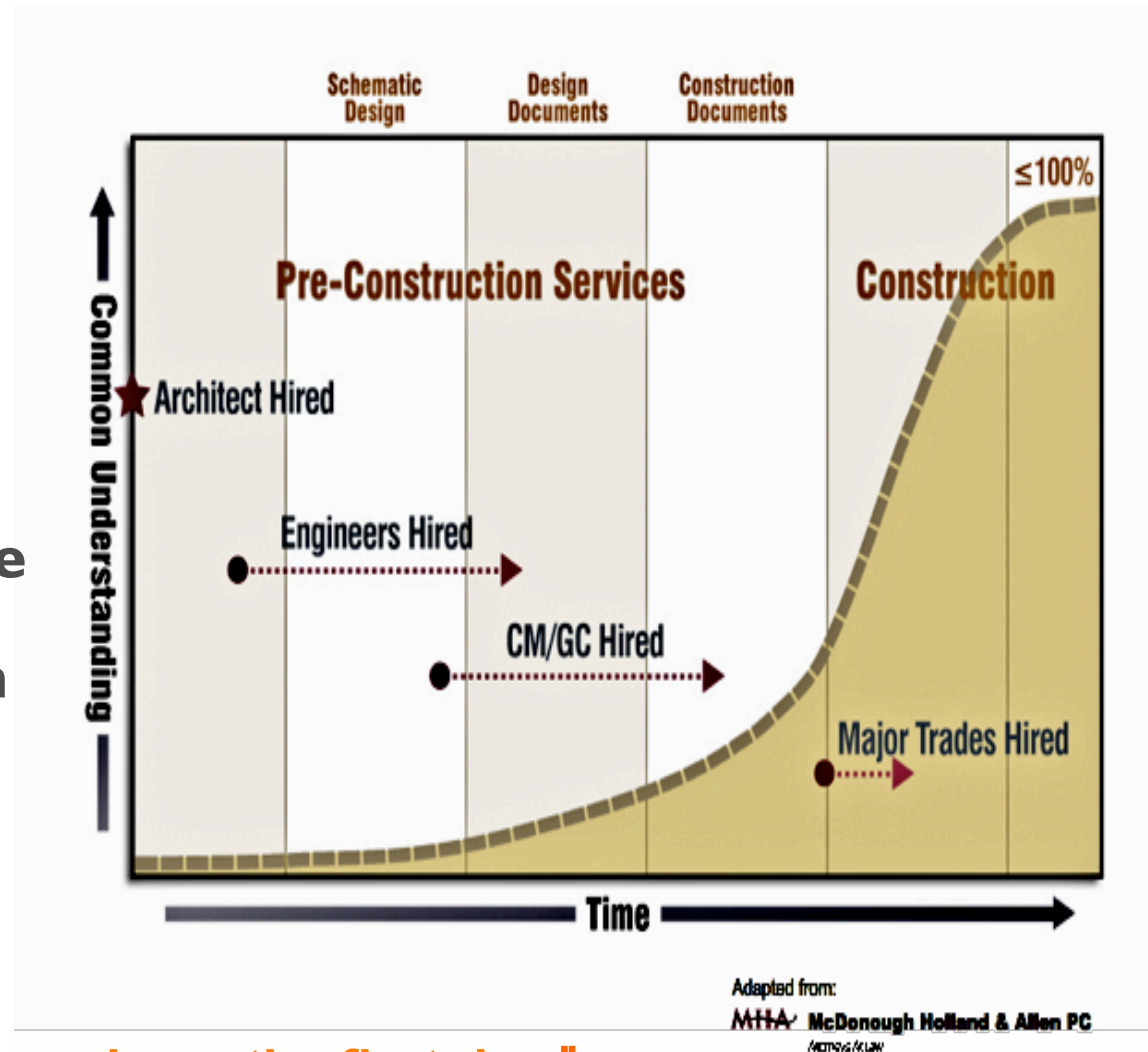
# CATNAP

Cheapest Available Technique  
Narrowly Avoiding Prosecution



# Knowledge Enters at the **Back End**

- **80% of the Knowledge**
- **80% of the Cost**
- **All Key Decisions Made**
- **Cost of Change is High**



**“All of the big mistakes are made on the first day.”**

*Big BIM little bim*

# Leaks Happen at the **Intersection** of Contracts



Adapted from: Todd Zabelle, Strategic Project Solutions



# Ryder Cup Winner Every Year Except...

## 2008





# Team **Psychology** and **Pods** - 2008







HAWORTH<sup>®</sup>  
exchange

My name is \_\_\_\_\_

I was born in \_\_\_\_\_

I speak \_\_\_\_\_

My formal role is \_\_\_\_\_

What I really do is \_\_\_\_\_

I get great satisfaction when \_\_\_\_\_

I become extremely frustrated when \_\_\_\_\_

\_\_\_\_\_ keeps me up at night

I hope we can \_\_\_\_\_ together



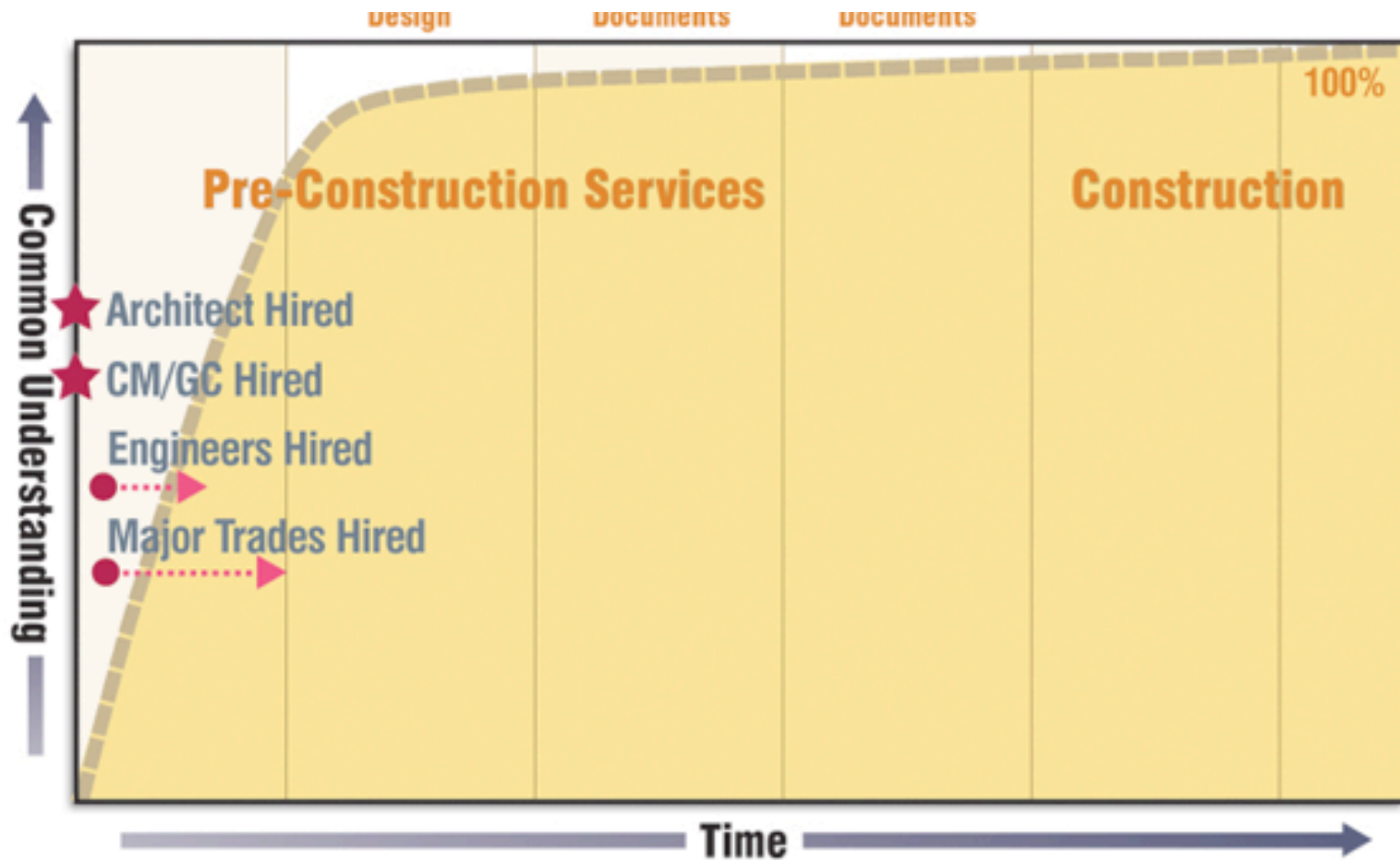








# Knowledge Forward: Early Team Involvement & Alignment







# Trust Matrix

	-3	-2	-1	0	1	2	Totals
<b>Trust Balance</b>	-60%	-40%	-20%	Neutral	20%	40%	
<b>Environment</b>	Toxic	Stressful	Worry	No worries	Positive	Uplifting	
<b>Focus</b>	Escalation	Pre-emption	Process	Scope	Outcome	Mutual success	
<b>Relationships</b>	Hostile	Disrespect	Indifferent	Cordial	Cooperative	Collaborative	
<b>Process</b>	Sabotage	Hidden agendas	Chain of command	Task at hand	Keeping promises	Making it easier for others	
<b>Behavior</b>	Micromanage	CYA	Do my job	Respect	Partnering	Transparency	
<b>Outcomes</b>	Gotcha	Politics	Slow	Efficient	Learn from mistakes	Improve	
<b>Systems</b>	Dysfunctional	Distracting	Hassle	Does not get in the way	Supportive	Adaptive	
<b>Ethics</b>	Your Harm	Self-interest	Compliance	What is expected	What is right	What is good	
						<b>Grand Total</b>	

What are some some key  
factors for creating a trust-  
based project?









**Brian  
Ahmes**



Strategic
Futuristic
Individualization
Ideation
Learner



**Robin  
Bass**



Arranger
Futuristic
Adaptability
Connectedness
Relator



**Feliks  
Bezati**



Context
Learner
Self-Assurance
Activator
Harmony



**Chad  
Bittner**



Competition
Achiever
Self-Assurance
Significance
Learner



**Ian  
Cameron**



Strategic
Arranger
Futuristic
Learner
Activator



**Steve  
Carter**



Input
Belief
Strategic
Ideation
Connectedness



**Wyn  
Channer**



Arranger
Self-Assurance
Responsibility
Woo
Futuristic



**Ed  
Chinn**



Adaptability
Intellection
Developer
Positivity
Activator



**Stuart  
Colby**



Strategic
Arranger
Individualization
Self-Assurance
Ideation



**Calvin  
Crowder**



Belief
Analytical
Significance
Learner
Achiever

Talent	DB%	Group%
Learner	28.9 %	46.3 %
Strategic	25.0 %	43.9 %
Ideation	13.3 %	31.7 %
Individualization	14.3 %	29.3 %
Achiever	33.6 %	29.3 %
Futuristic	10.2 %	26.8 %
Arranger	16.5 %	24.4 %
Input	18.7 %	22.0 %
Connectedness	17.6 %	19.5 %
Relator	28.9 %	19.5 %
Activator	10.9 %	17.1 %
Responsibility	32.6 %	17.1 %
Self-Assurance	5.1 %	14.6 %
Positivity	16.4 %	14.6 %
Competition	7.9 %	12.2 %
Woo	11.7 %	12.2 %

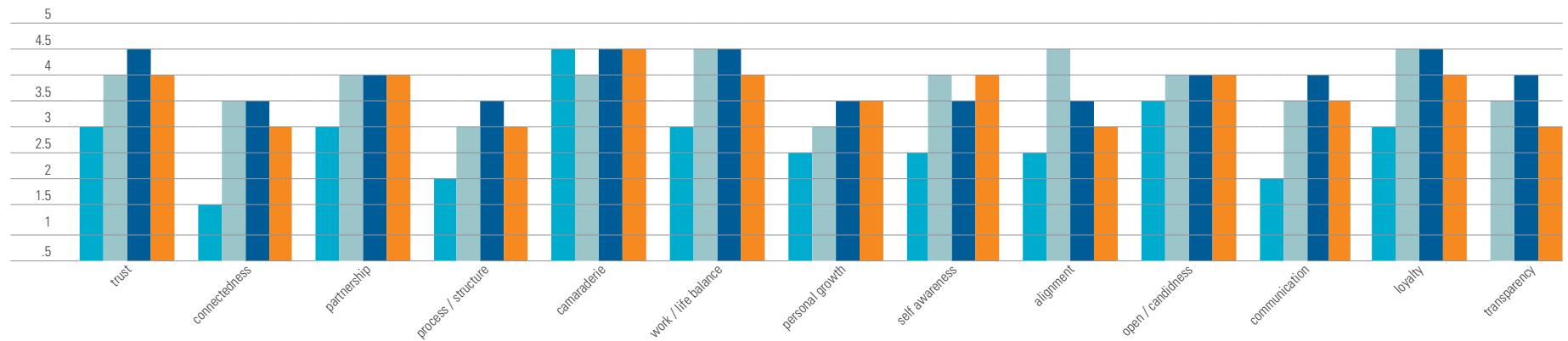
Intellection	11.8 %	12.2 %
Communication	12.3 %	12.2 %
Analytical	13.7 %	12.2 %
Belief	15.7 %	12.2 %
Command	4.4 %	9.8 %
Significance	4.7 %	9.8 %
Adaptability	14.1 %	9.8 %
Maximizer	14.9 %	9.8 %
Focus	7.5 %	7.3 %
Developer	16.6 %	7.3 %
Context	9.3 %	4.9 %
Empathy	16.6 %	4.9 %
Discipline	6.4 %	2.4 %
Deliberative	9.9 %	2.4 %
Harmony	18.0 %	2.4 %
Restorative	12.7 %	0.0 %
Consistency	10.4 %	0.0 %
Includer	9.5 %	0.0 %

# Team Health Survey - Q1 2014

## AVERAGES

June 2013\* August 2013\* December 2013 Q1 2014

\* focus group only



## BREAKDOWNS

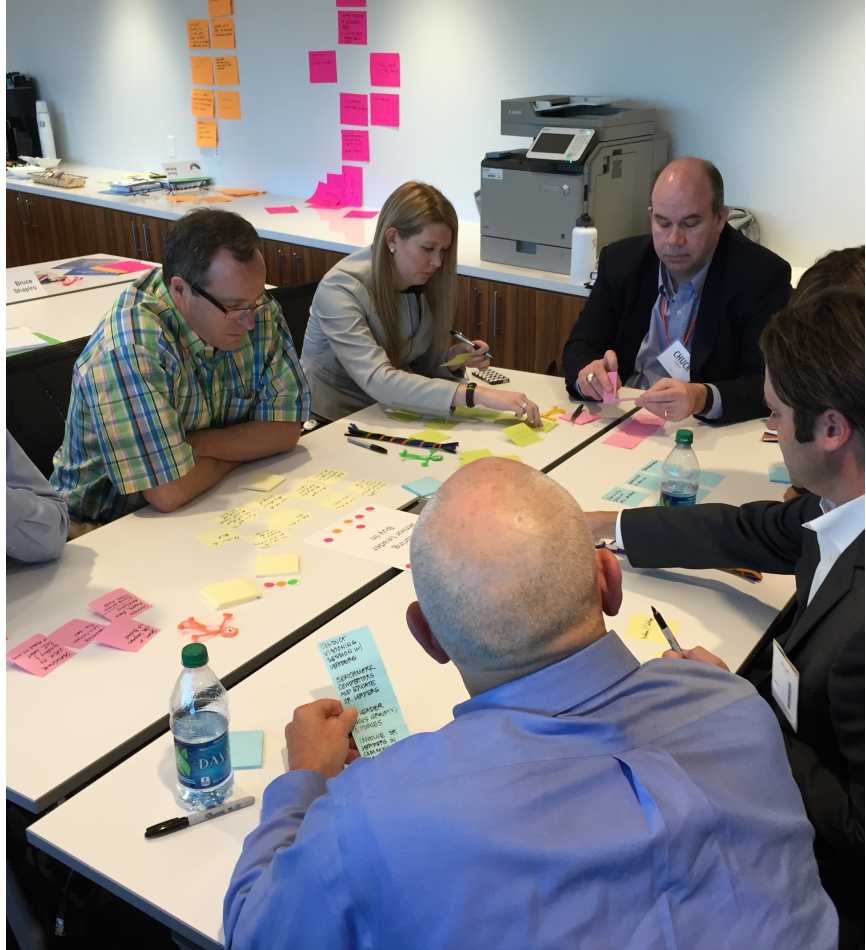
		1	2	3	4	5
Trust	Q1 2014	11.76% (2)	17.65% (3)	17.65% (3)	29.41% (5)	23.53% (4)
	Q4 2013	0% (0)	5.88% (1)	23.53% (4)	64.71% (11)	5.88% (1)
Connectedness	Q1 2014	11.76% (2)	47.06% (8)	17.65% (3)	23.53% (4)	0% (0)
	Q4 2013	0% (0)	23.53% (4)	41.18% (7)	35.29% (6)	0% (0)
Partnering	Q1 2014	5.88% (1)	5.88% (1)	47.06% (8)	17.65% (3)	23.53% (4)
	Q4 2013	0% (0)	0% (0)	47.06% (8)	41.18% (7)	11.76% (2)
Process/ Structure	Q1 2014	0% (0)	35.29% (6)	47.06% (8)	11.76% (2)	5.88% (1)
	Q4 2013	0% (0)	17.65% (3)	70.59% (12)	11.76% (2)	0% (0)
Camaraderie	Q1 2014	0% (0)	11.26% (2)	17.65% (3)	52.94% (9)	17.65% (3)
	Q4 2013	0% (0)	0% (0)	17.65% (3)	70.59% (12)	11.76% (2)

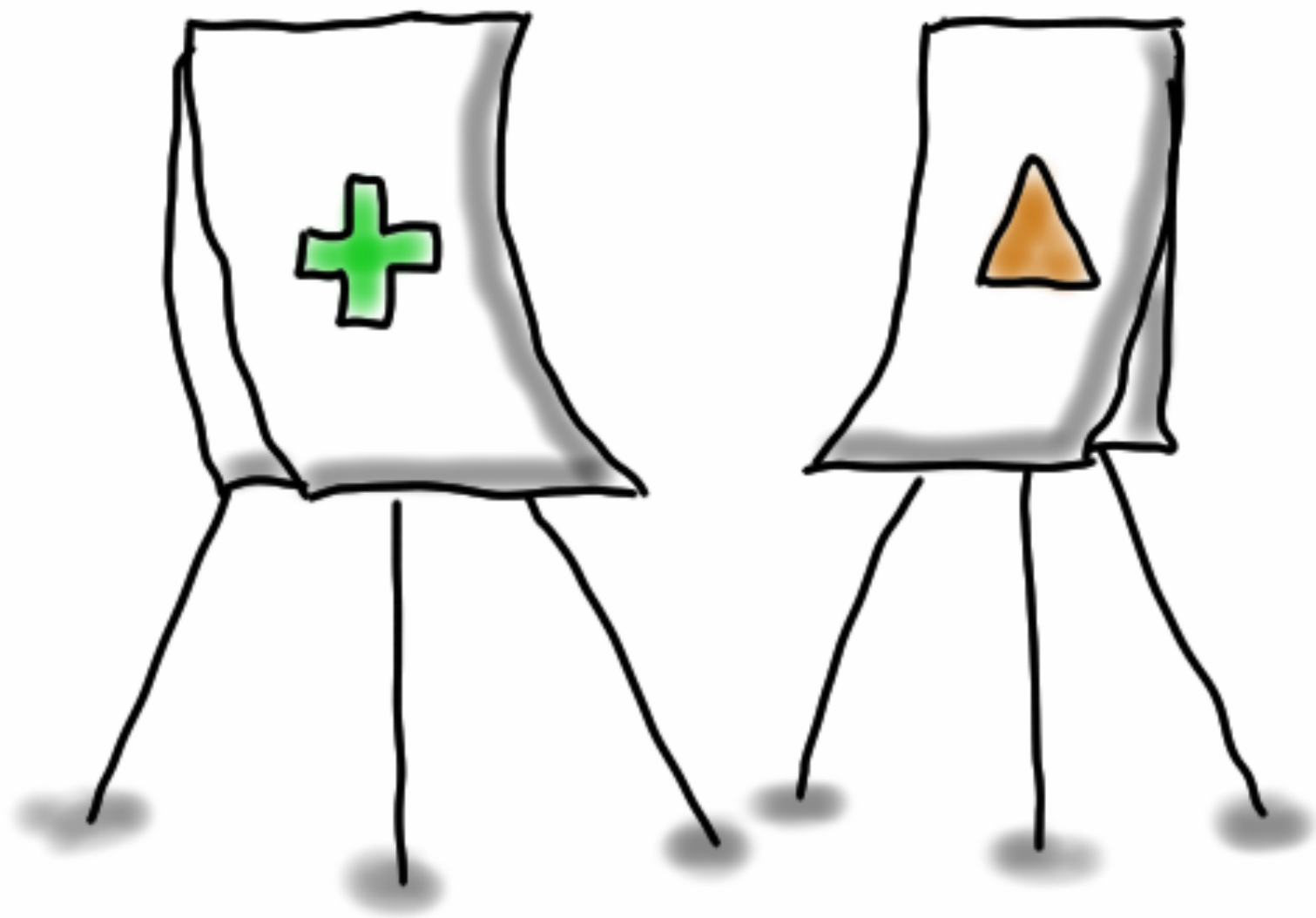
		1	2	3	4	5
Work/life balance	Q1 2014	0% (0)	0% (0)	41.81% (7)	52.94% (9)	5.88% (1)
	Q4 2013	0% (0)	11.76% (2)	17.65% (3)	52.94% (9)	17.65% (3)
Personal growth	Q1 2014	23.53% (4)	17.65% (3)	5.88% (1)	47.06% (8)	5.88% (1)
	Q4 2013	5.88% (1)	5.88% (1)	58.82% (10)	29.41% (5)	0% (0)
Self awareness	Q1 2014	0% (0)	0% (0)	47.06% (8)	47.06% (8)	5.88% (1)
	Q4 2013	0% (0)	5.88% (1)	41.18% (7)	52.94% (9)	0% (0)
Alignment	Q1 2014	11.76% (2)	41.18% (7)	23.53% (4)	23.53% (4)	0% (0)
	Q4 2013	0% (0)	23.53% (4)	58.82% (10)	17.65% (3)	0% (0)
Open/ candidness	Q1 2014	5.88% (1)	17.65% (3)	5.88% (1)	47.06% (8)	23.53% (4)
	Q4 2013	0% (0)	5.88% (1)	29.41% (5)	58.82% (10)	5.88% (1)

		1	2	3	4	5
Communication	Q1 2014	5.88% (1)	29.41% (5)	35.29% (6)	29.41% (5)	0% (0)
	Q4 2013	0% (0)	17.65% (3)	47.06% (8)	35.29% (6)	0% (0)
Loyalty	Q1 2014	11.76% (2)	0% (0)	29.41% (5)	41.18% (7)	17.65% (3)
	Q4 2013	0% (0)	5.88% (1)	11.76% (2)	47.06% (8)	35.29% (6)
Transparency	Q1 2014	17.65% (3)	35.29% (6)	11.76% (2)	29.41% (5)	5.88% (1)
	Q4 2013	5.88% (1)	5.88% (1)	23.53% (4)	58.85% (10)	5.88% (1)

# Your Game Plan

- Tomorrow?
- Next Week?
- Next 6 Months?





## *Live Content Slide*

*When playing as a slideshow, this slide will display live content*

# Social Q&A



# mindshift

[rex@rexmiller.com](mailto:rex@rexmiller.com)

214-498-3055