

The Greatest Construction Company of Which You Have Never Heard: *The McDevitt & Street Story*

TRAVELERS 

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Webinar

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This material is for general informational purposes only and is not legal advice. It is not designed to be comprehensive and it may not apply to your particular facts and circumstances. Consult as needed with your own attorney or adviser.

Unless otherwise specified, the figures and statistics contained herein are produced by FBI using data compiled from FBI's Performance Roundtable Program.

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McDevitt & Street

	1978	1991
Volume	\$50 mil	\$1.3 bil
Profitability (net)	<1%	4%
Net Worth	(\$50,000)	\$75,000,000
Divisions	2	12
ENR 400 Rank	n/a	#4
Annual Turnover	15 - 20%	< 1%
B.D. Professionals	1	30

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The Catalysts

1. Strategic planning
2. 100% Commitment to the plan
3. Mission – EVERYBODY lived it!
4. People – Executive Committee actually underestimated the impact

**People, Planning, and Business
Development: the Three Legged Stool**

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The Keys to McDevitt & Street's Planning Success

1. Bob's commitment and leadership
2. Living the mission. Executive Committee members had to demonstrate they spent at least 20% of time on PEOPLE
3. Monthly plan reviews (all divisions)
4. Monthly stress testing (all divisions)



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The Importance of a Mission

McDevitt & Street's Mission: Identify, hire, train, and retain the very best people



How seriously did Bob Street take the mission?

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The Importance of The Right People

How did Street cultivate leaders?

1. Which came first: the chicken or the egg?
2. Needed to hone the skills necessary to identify great people and future leaders
3. Psychometric assessments helped “clone” top performers
4. Bench strength

A big problem contractors create is they “hire under fire”

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The Importance of Strategic Planning

What makes a Strategic Plan Successful?

1. 100% commitment of senior leader(s)
2. Monthly evaluations and stress tests (good times and bad)
3. Plan must be participant-driven. Cannot be the CEO's plan
4. Accountability

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The Importance of Strategic Planning

What could torpedo a plan?

1. Too complicated – a big, thick book has little value
2. Leaders are not committed, don't focus on, or fail to communicate the plan
3. Leaders put hands on everything and get distracted
4. Leaders don't inspect and hold people accountable

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The Importance Setting Long Term Goals

How does a contractor set and achieve long term goals?

1. The best people WANT to be challenged! Leaders must challenge them
2. Do not self-impose limitations! You have to get outside your comfort zones
3. Set achievable goals and mileposts along the way. Little things EVERY day add up!

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The Importance of Business Development

What's the low hanging fruit for most contractors?

1. Bid your brains out!
2. Get the right people doing business development
3. Make sure each BD person has a plan synched with the company plan
4. Evaluate BD people every 30 days

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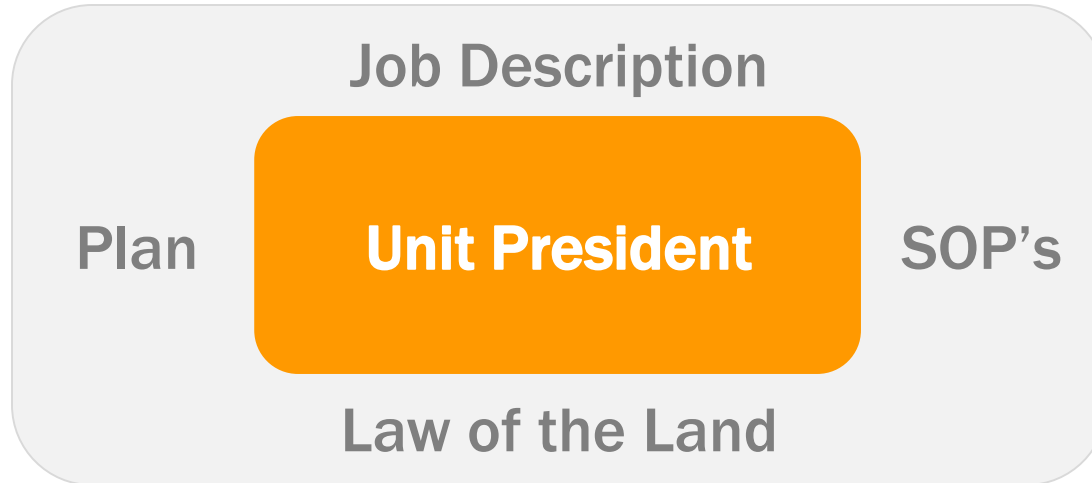
Operations: The Unit President Concept

What do most contractors need to fix first?

1. Contractors have to have a plan which includes:
 - a. SOPs
 - b. Job descriptions
2. Cannot erect a 10 story building without a good foundation
3. “Stay out of jail!”

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Operations: The Unit President Concept



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The Importance of Mission, Values, and Vision

“All this Mission, Values, and Vision stuff: It sounds too highfalutin! Are they legitimately useful? Why?”

1. They define whether or not you're successful
2. Hiring – do prospective hires match your culture?
3. The plan echoes the vision. How can you plan without a vision?

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What Happened to McDevitt & Street?

Bob Street died from ALS April 5, 1990 at the age of 51. His demise took place over six short months. The Executive Committee had asked for a succession plan, but there wasn't one. The Street family had no viable successors. The Executive Committee sold the company...

**The Family Business Institute's mission is to
build better contractors!**

**We welcome your questions and feedback –
please call or email us at**

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