

Good morning, everybody. Dennis Engelbrecht, Digging Deeper.

Today, I want to talk about four ways to make your largest projects successful. A couple of weeks ago, Wayne did a video blog about a book he read, *How Big Things Get Done*. Well, the title maybe should have been *How Big Things Don't Get Done* because at least according to this book, more than 90% of all mega projects fail, fail to achieve their objectives get done and on budget, on time, et cetera. And I guess, if you're in construction, that would be a pretty expensive way to go through business because if things aren't done on time, on budget, you're losing money. So that's not good. So, your biggest, most difficult projects, how do you get them done successfully? Four steps, a very simple plan.

Number one is preparation. And this is a twofold piece, but let's start with the first part.

Preparation, team meeting. One of the reasons more than 90% of mega projects fail is because people aren't on the same page. They don't understand the purpose objectives of the projects. So, number one, preparation. Get together, have the top people all together, the people involved. Make sure everybody understands the purpose objectives, and everybody's singing from the same sheet of music going forward. They also found that you need multiple planning iterations. You've got to look forward, look out into the future, identify all the things that can go wrong, and then before you start, go through the iterations, and figure out how to identify and resolve those potential problems before you start. They're a lot less expensive, a lot quicker to solve if you get them all solved upfront in the planning stage before you begin construction. So that's number one, preparation.

Preparation number two, identify the right team early and provide sufficient planning time for your team to do the project turnover, the launch meetings, et cetera. So, you'd say, "Well, that sounds really simple," except what I've seen and experienced in construction is at least 90% of the time, the person who's taking on the next project is still stuck doing the last project. And maybe not, they'll get replaced when they start the new project, but there's very rarely any time in between when they can actually prep for this next project. Instead, they generally are hitting the ground running, and that's a huge mistake. Even if you look at, many companies will have a superintendent planning schedule, this person will take on this job when it starts, when this job finishes, et cetera.

And I don't know if you've ever seen any of those Gantt Charts or whatever, but there's no wiggle room in any of them. The day he finishes here, you got him scheduled to start here. Well, when's the preparation? So, people will hold a project turnover or project launch meeting and they'll say, "Okay, meeting's at 2 o'clock on Thursday. We're letting them know on Monday that we're going to have this meeting." They haven't had time yet to review the plans, look at the specs, anything else, so they come to the meeting unprepared and then you have a meeting that doesn't produce a great plan. What a surprise?

And you maybe don't even have all the right people at the meeting to make that meeting effective, but if you identify the team early, you provide sufficient planning time in their schedule so they can be well-prepared, and then you have a very effective project turnover and launch meeting, making sure you have all the right people there, remember these are largest projects, including your top construction people in the company even if they're not involved in the project because they should be there to see what the plan is that the project team's coming in poke holes in it, going back to planning number one to find out what could go wrong so you can fix it before you hit the ground running, you get in construction. So that's prep one and prep two.

Number three, you get what you pay for. The cheapest solution is not the best solution. Unfortunately, construction is designed to seek out the cheapest solution, the lowest bid in a lot of cases. And when we're to run into a problem, all along the way, we're trying to get a better number from this person, a better number from that person. We're trying to hone in on our general conditions, which means the people that we have, the number of people, the cost of the team that we're going to have running it. Well, we need all of those things to be the best, not the cheapest. If we're going to get our

biggest, most important projects done and done on time, we need the best teams, we don't need the cheapest teams. Now unfortunately, you have an owner on one end who is squeezing that thing down. And by the way, that's when you want to run from those projects.

If you're going to do the mega project, you're going to do the biggest, most difficult, you're going to need A team. You're going to need all kinds of support from your best people in the company, so you can't be doing this on the cheap and that goes down to all the team members, the materials you use, the equipment you're going to put on the job, start to finish, the cheapest solution is not the best solution. And why? Because those things will break down under stress and pressure, and then the fix will cost you a boat loan. So, number three, you get what you pay for, you better pay for some good solutions.

Number four, keep your fee high and your risk low. I know that's basic construction. But why high fee? Well, I already mentioned, you need a high fee because you're going to have your best people on it. You're also going to have all sorts of executive level people in your company contributing to that. "These are ours, these are costs," you need high fee to cover these costs, plain and simple. This is going to take a lot of resources right down into your back office, accounting, everywhere else, this project's going to take a lot of resources, so you need a lot of fee. If they're trying to do the mega project, they give you the minimal fee, run.

And then keep your risk low. Don't agree to do what is high risk, just very, very simple. If they're squeezing a schedule, squeezing a budget that are negative for their job, if they're trying to make you sign a contract that is oppressive. Schedule, poor resources, those are things that can kill you. You've got to make sure that those are adequate, that you have adequate schedule, adequate resources, and you've also got to have adequate contingencies in there for all the things that can happen.

So, your largest projects can be successful, just follow those four things. Great preparation, get the right team early with plenty of time, you get what you pay for, so pay for quality. And number four, just keep looking for high fee and low risk because you're going to need it.

Dennis Engelbrecht, Digging Deeper.