

Good morning, everybody.

Third session today on Digging Deeper about productivity. In the first two sessions, we talked about means and methods, having the best or better way of doing something. In the second session, we talked about logistics, controlling the supply of material, plans, and people to be able to make sure that things can always move forward, that there aren't any bottlenecks. The final issue in productivity is motivation, and no doubt because it involves people. Motivation has to be the most difficult part of productivity to really achieve. Obviously, we've got some folks out there that are driven. They work hard. They work efficiently. They get on their job on time.

They don't waste time going to the restroom, having lunch, and all those things. They do those things, but they don't waste time as they do those things. And they get a lot more done than other folks. All right. How do we get all of our people getting a lot more done, having a team of people that works together, and getting that accomplished? With logistics, we talked about there being both internal and external aspects of that. Well, in motivation, there's also internal and external aspects. The internal part of motivation, well that's pride, confidence, a can-do attitude. As leaders, what we have to do is bolster that pride, that confidence, that can-do attitude.

We also have the responsibility for providing overall vision, purpose, mission. When people are out there, they can see that what they're accomplishing has a reason to it. Why should I do 10 of these things an hour, versus eight of these things an hour? Well, it's going to make the company more successful. Well, if you haven't tied me into that success in any way, maybe I don't understand that, or maybe I haven't bought into the whole fact well, that's your success, it's not my success. As leaders, you got to make sure that people feel it internally, that they feel the pride, that they have a pride around the company. This morning as I was working out, I put on a sweatshirt from one of our former clients.

And on the back, it says, "Build with the best." And it's a funny thing, it's not a great fitting sweatshirt. It's not a color I particularly like or anything else. But every time I put on that sweatshirt, the words build with the best just rings to me, and I feel good wearing it. Okay, crazy little thing, but that somehow induces a boost of morale and thinking. Now, think about that company. Each one of those people perhaps in that company feels like they're building with the best. Are you outfitting your people with stuff? Do you have a nice slogan on there, something that's meaningful, that's part of the company, the vision and where you're going? Just one small thing that you can do to help bolster that pride, confidence, the can-do attitude.

Well, let me move to the external. The external are the things you bring as leaders to hopefully make people move faster. One of those would be the carrot and stick approach, right? We go back and all right, you put the carrot in front of the horse, the horse moves forward to get the carrot. Well, there is some of that that can work. Certainly, a good incentive system can help to motivate people, make them move a little faster. If they share in the success from that, it can make some teams work better together. There are also a lot of fairly simple things, goal setting, just setting a goal. "Hey, we want to be here by the end of the day or by the next hour, we want to get this done, so we can move on to the next thing."

Those little goals, daily goals, weekly goals, all of those can help motivate performance. But as leaders, somebody's got to be setting those goals and keeping that goal in front of folks. Score keeping. Okay, we set goals, but how are we doing with that? Simple story here. Had a client that by virtue of being on Procore was able to track their submittal turnaround time in their company. They tracked their time, and they were coming in at about, I think it was 23 days of average submittal turnaround time. Well, they went into a deeper database that I guess Procore provided, and they found out the average out there was 16 days. All they did was start score boarding this.

They let everybody know individually where the team was, where they were individually. And they let people know about this goal of 16 days, versus the 23 days where we are today. They didn't exert any, "You better do this, you better get this done," or any incentive, "We're going to give you this if you get there." They simply kept score. Lo and behold within 30

days, they're not only at the standard. They're several days below the standard, simply by score boarding it, by score keeping. There are many external things you can do. One of those is certainly performance tracking, one of them is goal setting incentives. There's also sharing successes. Storytelling is one of the most powerful motivators.

Telling people about the successes we had, why we had the successes, showing your appreciation for those successes, citing folks doing good, citing the team that got from here to there, and however many hours and got this much accomplished. All of those things can be motivators. Biggest point here again is productivity can be a huge variable, and you can be on the right side of that variable, but it takes good means and methods, it takes good logistics, and it takes motivation. And motivation, you can only hire motivated people, but let's face it. Even motivated people aren't motivated to their best every day. You're always going to have to work with folks to hopefully get the best out of them, and they're going to feel good about it having spent a great day being productive as well.

In conclusion, just think about what's at stake productivity wise. What if you could get 10% more accomplished with the same amount of people, what does that equate to in dollars? If you're like most companies, probably 70% of your revenue dollars are spent on people. Well, that would be if you had a 10% improvement in productivity, that would be 7% of revenue. That's more than the average profit margin in construction, just by improving 10% in productivity, but let's look at it another way. What if you produced 10% more gross profit with the same number of people? Let's say, you're producing 10% gross profit on \$100 million, so you got \$10 million of gross profit the company is producing.

Well, a 10% improvement in that is a million dollars of gross profit. All right. That's even much higher than the 7% net than you are going to save. Productivity is a huge variable. Just 10% can make a huge impact.

Dennis Engelbrecht, Digging deeper. Thanks for tuning in.