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# Turning Your Project Managers Into Businesspeople

**CFMA – Silicon Valley**

April 18, 2017

# Why Are We Here?



# Why is This Topic Important Today? (1 of 2)

- Demographic shifts of workforce
  - Does Gen Y expect to manage just tasks or be the future of the business?
  - Baby Boomers continue to make an exodus from our industry. Who will replace them?
- Availability of desired skill-sets in industry
  - Why is there a lack of qualified labor?
  - If you can't hire them, then you will need to develop them

## Why is This Topic Important Today? (2 of 2)

- Skilled labor competition in the market
  - Why would qualified project and field managers choose to stay with you?
  - Have your “most important assets” experienced “deferred maintenance” during the past recession AND while you have been in this current construction boom?
- Margin pressure
  - Does your team look through a “construction lens” or a “business management lens?”
- Your intermediate and long-term business and personal goals
  - Thoughts of growth or acquisitions?
  - Retirement or sale of business on the horizon?

# Succession Planning – What Comes First?



# True Business Leaders Understand “What Makes Their World Work”



# What is a “Business Leader/Business Manager?”

- Keen balance of project and business management
- Understanding the building technical insight as well as the financial component
- Strong emotional intelligence
- Relationship orientation, internally and externally
- Paradoxical blend of visionary and detail orientation





## Common Quotes from Senior Management and Owners...

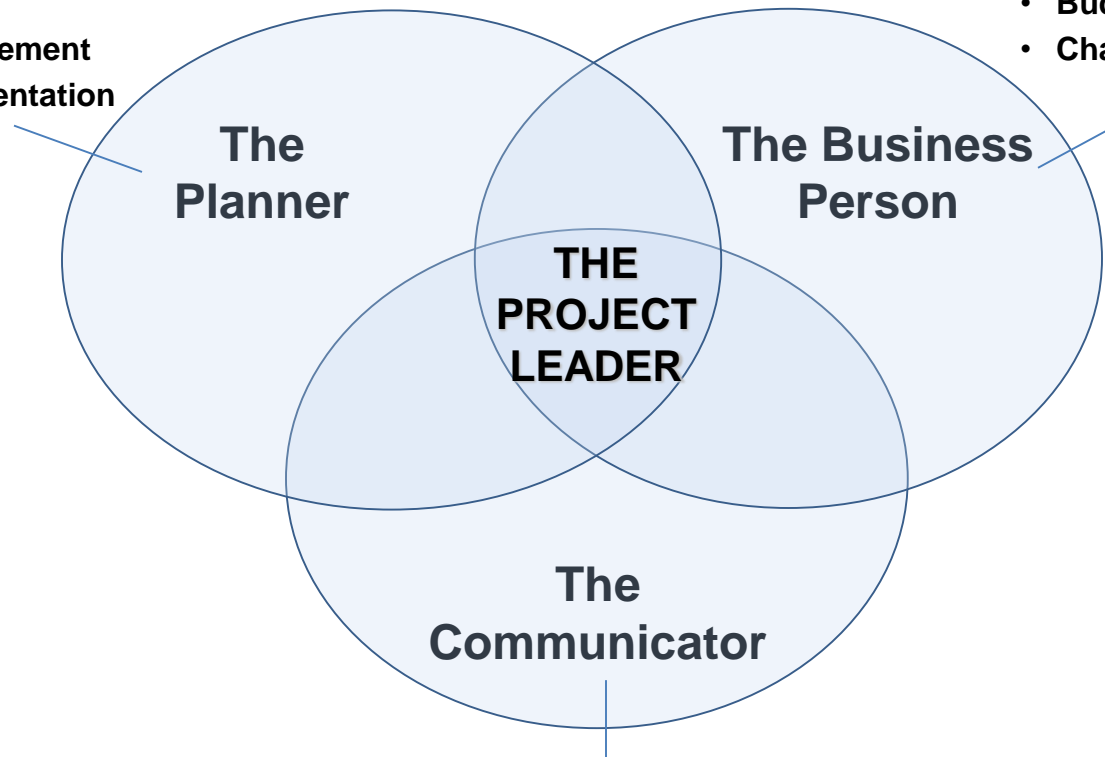
- “I want my PMs to think like an owner; I feel like I’m fighting the battle alone”
- “They just don’t ‘get it’ in terms of what it takes to run the business”
- “I’m sick of these low bottom lines every year, but I can’t run the business and keep an eye on every detail of ‘getting work’ and ‘doing work’”
- “I want to sell or transition my business in the next five years, but no one here can run it when I’m gone”



# What Makes a Great Project Manager and Future Business Leader?

- Scheduling
- Subcontractor Management
- Safety
- Meeting Management
- Project Documentation

- Procurement
- Quality Management
- Budget Establishment
- Change Order Management



- Closeout Procedures
- Project Integration
- Risk Management
- Customer Management

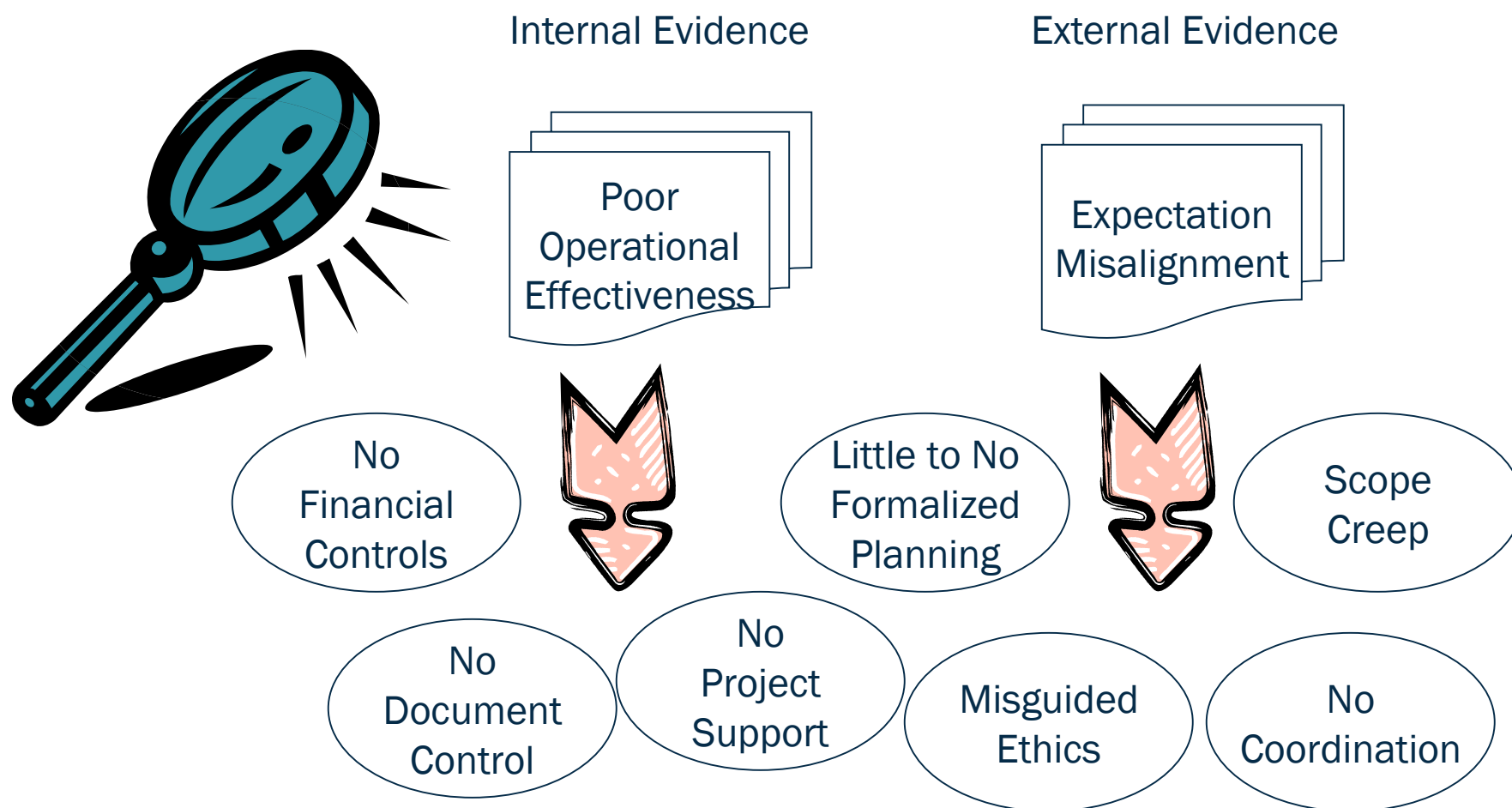
# Project Leader Processes

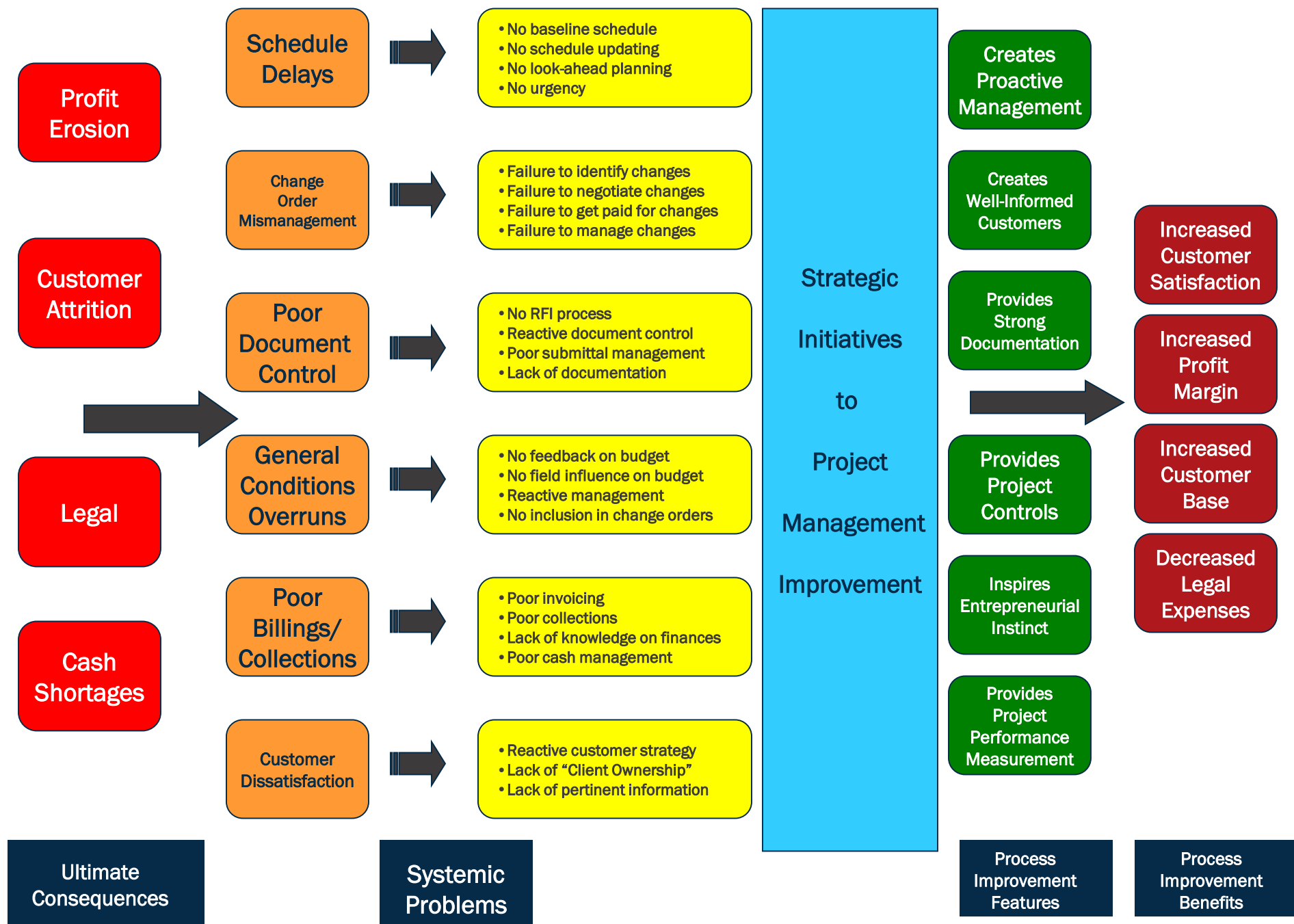
- Good Processes have structure
- GREAT Processes have structure and encompass the perspectives of PLANNING, COMMUNICATING and BUSINESS MANAGEMENT in concert
- Operation in vacuum leads to missed opportunity
- “Lone Wolves” lead to disorganization and inconsistency



# CSI: Construction Scene Investigation

## The Autopsy of a Failed Project

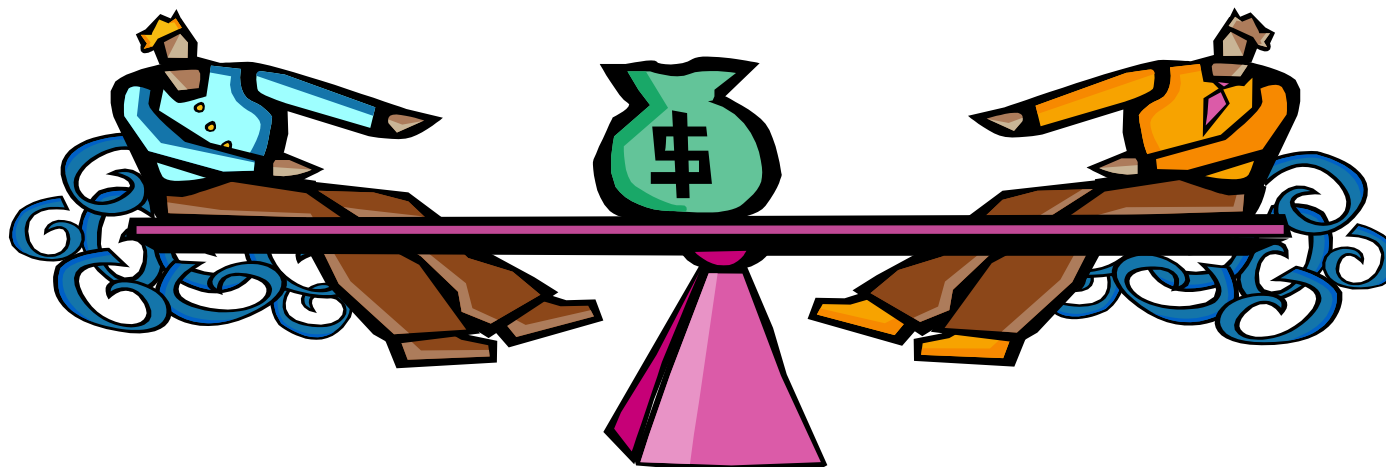




# Developing a Culture of Project Leaders

Builders

Business  
Managers



# Turning Project Managers Into Business Managers/Leaders...

...what does this mean? Turning PMs into business managers means **developing leadership skills and increasing business focus** – giving PMs the skills to advance and add further value to the organization

Career Focus Matrix (with Example Positions)

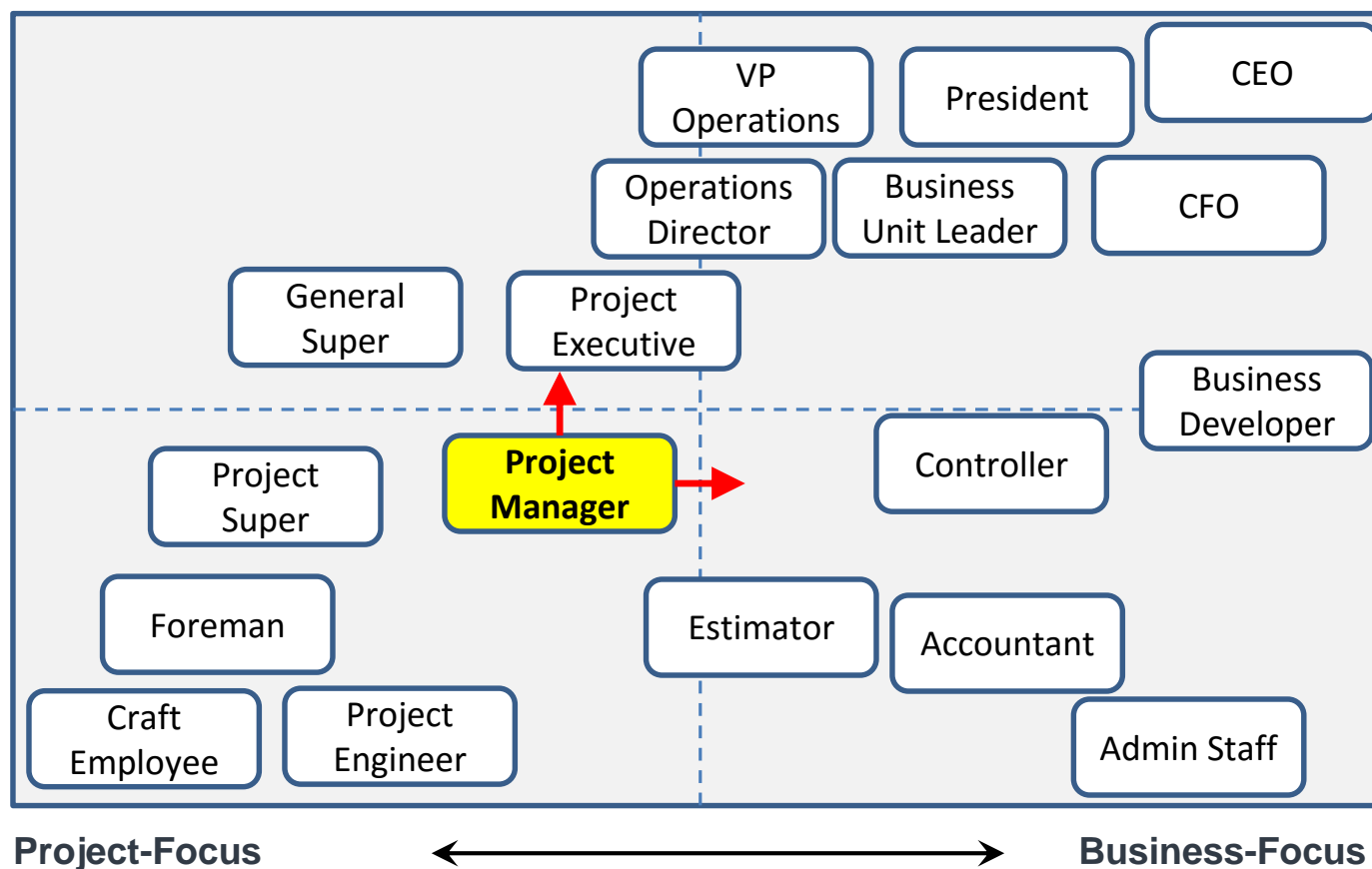
## Leadership Needs

- Set Goals
- Align Resources
- Motivate Staff



## Managerial Needs

- Plan
- Organize
- Control



# Consider the Starbucks Cup of Coffee

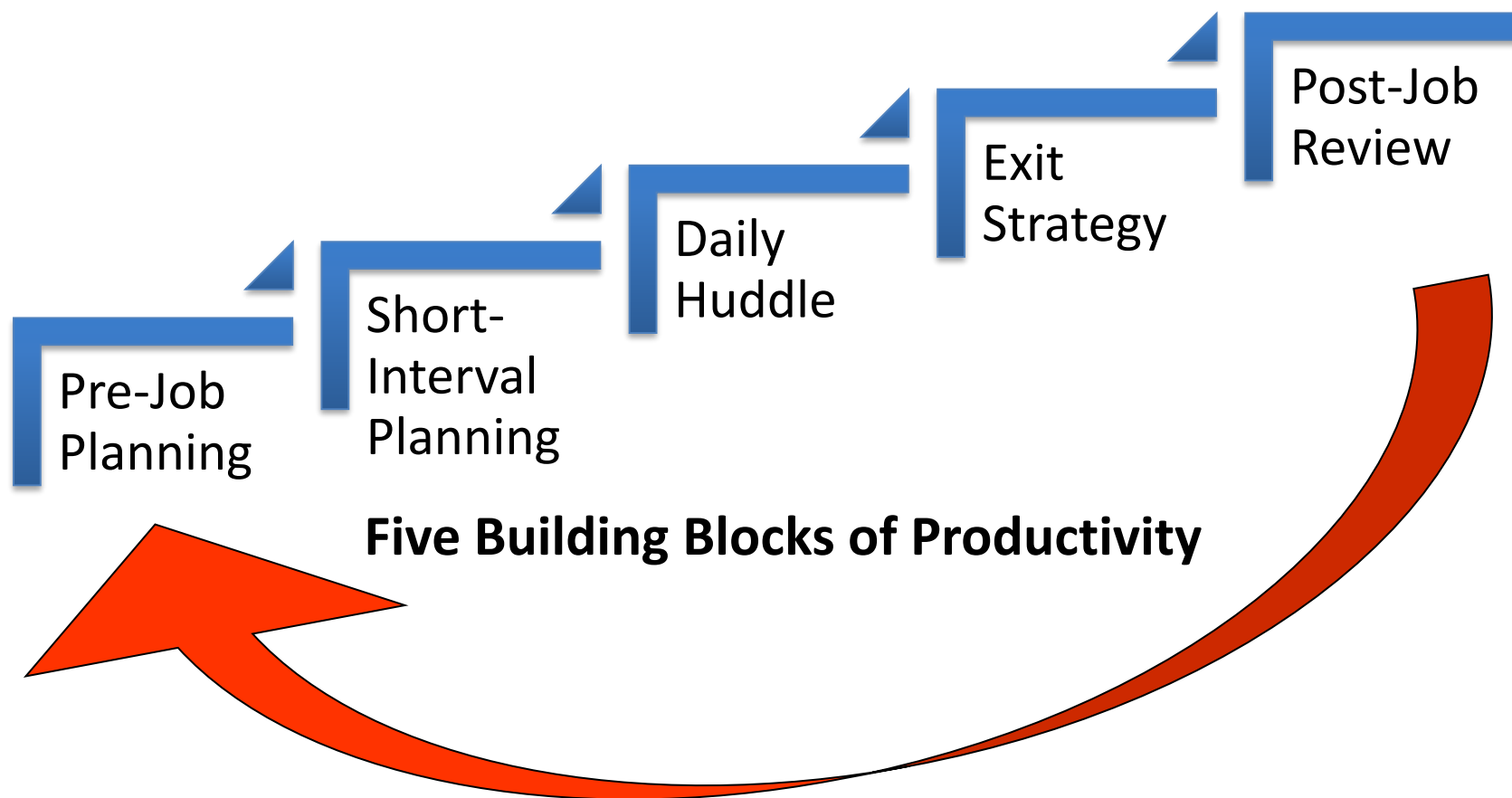
- Legacy organization – Established in 1912
- Operates within a perceived “commodity marketplace”
- Number of employees – 190,000 worldwide
- Annual approximate revenue - \$17 billion
- Menu – Infinite potential menu combinations
- With all this variability, how can Starbucks create the “same” cup of coffee in Tampa, FL as it does in Seattle, WA?
- Why is it that a construction organization with 10 managers and \$50 million in sales has 11 ways of operating?



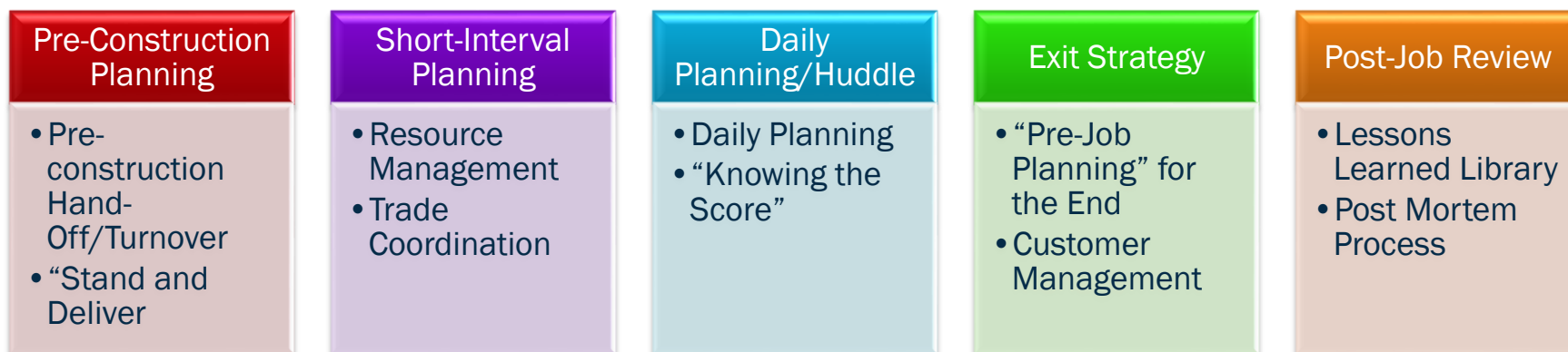


# Internal Firm-Wide Structure

**Skills development goes beyond learning how to write change orders or managing subs; your PMs should take ownership of project execution and productivity....**



# Process, Tools and Accountability



# Lack of Process and Structure Leads to a Reactive Culture

- You will not react your way to better productivity
- Are your managers firemen or arsonists?
- Being reactive comes with big costs
  - Labor costs
  - Material costs
  - Equipment costs
  - Overhead costs
  - Emotional costs



## “You Might Be Reactive if...” (1 of 2)

- Comments heard in reactive companies:
  - “We don’t have time to plan”
  - “Things change too much to plan”
  - “We’ll figure it out in the field”
  - “We’ll order 80% of the materials and the foreman can handle the rest”
  - “Our jobs are different”
- Blame lack of planning on customers and time constraints

## “You Might Be Reactive if...” (2 of 2)

- Move field managers and crews constantly
- Constant phone and radio noise
- Too many emergencies or last-minute needs from your shop or vendors
- Large number of small purchases made in the field
- Very little or no formalized processes

# The Role of Management in Today's World

- The Most Innovative Company in the World is...



- The role or “lack of management,” training and accountability
- Can you have a firm without accountability?
- How does your firm stack up? How do you stack up?

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## **Closing Thoughts**



# Top 10 Reasons Project and Field Managers Do Not Become Business Leaders (1 of 2)

1. Your company does not have a vision that motivates key employees and/or a strategic plan for executing on the vision
2. Your organizational structure and/or roles are not clear, thus impacting lines of accountability
3. Your company does not have a structured performance management and development plan for key employees, so they do not know how to work toward the “next” level
4. Top performers do not have a portion of their pay that is truly performance / incentive-driven
5. Training and development investment does not exist, or is ill-defined

## Top 10 Reasons Project and Field Managers Do Not Become Business Leaders (2 of 2)

6. Field and project managers do not have a means of tracking units of production (earned value)
7. There is an inherent fear of sharing information with the field
8. No one outside of ownership/senior management is involved in setting direction for your company
9. Your company does not have formal productivity processes in place with field and project management responsible for implementing/measuring processes
10. Field and project managers do not have any formal responsibility of providing mentorship to more junior staff

# Do You Have Project Leaders or Project Witnesses?

- Leaders  
Do more than follow procedures.  
They make positive things happen!
- Witnesses  
Watch the project go by and wonder what happened at the end



# Gregg Schoppman | Principal

Gregg is a consultant with FMI, management consultants and investment bankers for the construction industry. Gregg specializes in the areas of productivity and project management. He also leads FMI's project management consulting practice.

Prior to joining FMI, Gregg served as a senior project manager for a general contracting firm in central Florida. He has completed complex and sophisticated construction projects in the medical, pharmaceutical, office, heavy civil, industrial, manufacturing, and multi-family markets. He has also worked as a construction manager and managed direct labor. Furthermore, Gregg has expertise in numerous contract delivery methods as well as knowledge of many geographical markets.

Gregg has been a guest speaker for the International Facility Management Association World Workplace. In addition, he has been the Gulf Coast Director of the Design Build Institute of America function and regularly speaks to students in the civil engineering graduate school program at the University of Florida. Gregg has also spoken to similar groups at the University of South Florida and the University of Central Florida. He has successfully completed project management implementation engagements for general and trade contractors across the country.

Gregg holds a bachelor's degree and master's degree in civil engineering from the University of Florida and a master's of business administration with a concentration in international business from the University of Tampa. He was recognized as a Beta Gamma Sigma honor graduate at the University of Tampa and Tau Beta Pi honor graduate at the University of Florida. Gregg possesses an Engineer Intern certificate from the State of Florida as well as a Florida General Contractors license. He is a member of the American Society of Civil Engineers, International Facility Management Association and Leadership Tampa.



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# About FMI

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- Private Equity
- Owners