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Making Productivity Visible to Everyone®

State of the Industry

Observations, trends and information for the construction industry

June 25, 2014

Volume 2, Issue 2

Special points of interest:

- Construction Is Changing
- Construction Market Growing
- Next Symposium will be in Canada
- Improve Your Business

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Welcome to our second State of the Industry report of 2014. Please let us know what you think of our new State of the Industry report format by sending us a quick email—click [HERE](#).

Standards Issue

The last few years in the construction industry have been exciting, to say the least. Amid the boom and bust cycle, leaders of surviving companies have sought out new ways to compete and new methods and processes by which to advance their businesses to an industrialized mode of operation. Clients of MCA and participants in MCA classes and Symposiums have been hearing the steady drum beat of the Industrialization of the Construction Industry™ and Agile Construction® for many months or years. One key component in the pursuit of an "Industrialization of Construction™" and Agile Construction® environment is the application of the Job Productivity Measurement (JPM) Standard practice, further identified as ASTM E2691—Which was developed at the request of the U.S. Government (NIST) in 2008.

Many construction industry professionals have come to realize that accepted and agreed-upon standards for work measures are a key ingredient in the advancement of the construction industry. A function of the collective years of research at MCA from work in the field, with clients, and in observation of jobsites, is to bring a scientific approach to the work of constructing buildings. Many of the readers of this report can be proud to have had a hand in contributing to the creation of the JPM standard, representing a significant achievement for the industry and for society.

In September, the leaders of MCA will join others in the ASTM Symposium on "Idea to Impact: How Building Economic Standards keep you on Track", which will be held Sunday, October 5, 2014 in New Orleans, LA, in conjunction with the October standards development meetings of Committee E06. The purpose of the Symposium is to demonstrate the benefits of ASTM Economic Standards and how these standards can help the economic performance of engineering projects. The E06.81 standards framework is organized around four topic areas: (1) cost data presentation and analysis; (2) value engineering; (3) risk management; and (4) economic evaluation.

Contractor News

Aldridge Electric joins the Agile Construction® family and practitioners.

Starting this June Aldridge Electric has started their journey in becoming State Of The Art construction company by adopting Agile Construction® methods of construction management. **Hardt Electric** will be celebrating one year of implementation in this Fall.



2013 Market Data is In—What's the Verdict?

Many economic signals now point to 2013 being the year of recovery that many people have thought it to be. The [net worth of US households](#) reached a record high at the end of 2013.

The Construction Put In Place (CPIP) indicates an overall modest recovery in the US Construction industry. Construction industry professionals look to be continually optimistic about hiring. The Construction industry shows some of the highest percentage of hiring projections in 2014 and the vast majority of regions in the US show growth as opposed to contraction in hiring. Where are all the jobs? Look [HERE](#).

US Construction Composition



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Oregon-Columbia NECA Chapter Market Share Study and Analysis—Tim Gauthier

"We have had very good results we are using the study to make changes to improve our competitive position."

Tim Gauthier—Executive Manager, Oregon-Columbia NECA Chapter



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Spring Symposium Review

What does it take to fly an airplane?

On April 24-25, in Seattle, the team at MCA, along with 68 participants from across United States and Canada conducted its 20th annual Symposium. Participants represented subcontractors, general contractors and developers.

Mike Holmes, President of Holmes Electric and host sponsor of the Symposium; Kevin Lytle, Vice President of Thompson Electric; and members of FB Harding and Culliton (Sponsor of the Fall Symposium) shared their experiences in their company's transformation with Symposium participants. Why do they share the practices that have been their work over many months or years? As Kevin Lytle has stated "we won't advance as a company if we aren't working to advance the industry." Participants in the Symposium included industry leaders such as Rex Ferry, CEO of VEC Electric and former NECA President, and representatives of Hardt Electric, the company of David and Peter Hardt, NECA President-Elect, show testament to the value of collaboration across the construction industry – even if you command a leading position in your market.

In a little more than one hundred years, human beings have come from setting a physical body into flight to building a complete system of air transportation. What has been done to make reliable this complex form of transportation for the hundreds of airplane flights that take place every day? According to Mike Holmes, what is the key factor in the reliability of every airplane flight? The preflight checklist is one of the most important components in modern day flight.

Northward Bound

Having concluded an energetic Symposium in Seattle, the team at MCA and Symposium participants look next to the Toronto area in September, for the first MCA Symposium conducted outside of the US. Participants will be delighted to see the team members of Culliton who will welcome Symposium participants and showcase their work and advancements in their processes.



Congratulations!

Congratulations to the team at Culliton for receiving the [Southwire SIM-pull Solutions Contractor of the Year Award!](#) Culliton "incorporates innovation in everything they do; and never stops looking to evolve their processes that will make them more successful," according to Axel Schlumberger, President of Southwire Canada, in presenting the award to Tim Culliton, President and CEO of Culliton." Culliton will host the MCA Fall Symposium, Sept 18-19, 2014 in Stratford, Ontario—mark your calendars!

Calendar of Events

Upcoming MCA, Inc. events and engagements can always be found on our website www.mca.net

[August 21](#)– Oregon Columbia NECA Chapter "Advanced Project Management"

[September 9](#)– Oregon Columbia NECA Chapter "Prefabrication Design"

[September 17](#)– Pre-Symposium Agile Construction® Tools Training—Stratford, ON

[September 18-19](#)– MCA Fall Symposium "Using Agile Construction® To Integrate MEP and Prefab" - Stratford, ON

[September 30](#)– NECA 2014 National Convention. "Higher Productivity with Prefabrication" - Chicago, IL

[October 05](#)– How Building Economic Standards keep you on Track - New Orleans, LA

[October 24](#)– 57th Annual IEC National Convention. "How to Manage Your Job Using WBS" - Baltimore, MD

[October 25](#)– 57th Annual IEC National Convention. "Industrialization/Globalization/Breaking Through" - Baltimore, MD

Thanks for the Feedback!

Industry Thought Leader—Fred Sargent

"By far, there is more take-home value compressed into one of Perry Daneshgari's sessions than a full-semester in most college-level construction management courses! While others continue to look in the rear-view mirror rehashing same-old "best practices," Perry insightfully points us ahead to where the industry is going-and provides us with a full set of practical solutions on how to get there."

Frederic B. Sargent, former CEO of [Sargent Electric Company](#) and 40-year veteran of electrical contracting

[Aldridge Electric](#)

Agile Construction® Training Series

"It presented a new way of thinking and approach to all that I do."
"Coming from a Lean Manufacturing background, it was great to see our company breaking these barriers before it is too late."
"It reiterated the importance of willingness to change and to continue thinking of new and better ways to do the work."

