

## The Characteristics of a Great Company

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Unfortunately, most companies do not even think about becoming a "great company". Many are simply reactive to market conditions, are "me too" companies which follow the templates of management by others. However, there are some companies which raise their bars of performance from average to excellent, from good to great. **They do so intentionally.** In today's market, these are the companies which owners are seeking to do their work. So, how do companies move up the food chain of great performance?

First, they **commit** to do so. Greatness becomes the goal, the daily goal, the big tasks and the small ones alike, the culture. They have a **vision** about their company and it is a shared vision with all of its personnel. The vision is a three legged stool: it is a vision about serving the external customers better than its peers; a vision about developing and taking care of its internal customers (its employees); and a vision about contributing to its community and to its profession. Some of the common characteristics of the great companies that we have studied:

- Strong value systems which are practiced by all.
- Priority management. Knowing the right things to do and doing the right things.
- A culture of excellence at every level and the pride that goes along with being an A+ company.
- Open and free communication.
- A fear free environment.
- A company without walls.

- Hiring applicants who have the technical potential to perform the job as well as the values that are consistent with those of the company
- Putting the right people in the right positions.
- Attracting, training and motivating young people to the industry through making the company a rewarding and fulfilling place for a person to work, to have a decent income and opportunity for advancement.
- Business planning which stays on top of the trends in the industry and organizing to take advantage of those trends.
- Building teams, intra and intercompany. Collaborative approaches.
- A commitment to individual development and opportunity. Continuous training programs.
- Measurement is essential for raising the bar; to raise it, the company has to know where it is and where it can and should go, how it is progressing and have a mechanism for measuring those metrics.
- The tools are in place. The tools are the processes that are required to run the company, the project, to manage the supply chain. Foremen have laptops, projects may have their own websites.
- The great companies develop (and continue to develop) **edges** which separate them from their competitors.
- The great companies have a concept of **customer for life**, meaning that their performance will earn them the spot of being the preferential contractor among its various customers.
- Great companies are risk managers. They are not risk averse, but they know the risks that must be avoided and how to manage those which they do undertake.

- Great companies have few punchlists because they practice built in quality instead of inspect and correct.
- They have best practices committees among field personnel so they can continue to share good ideas and practices, and improve productivity.
- They have **lessons learned** programs after projects are completed and during the projects themselves.
- They are committed to accountability and to transparency.
- The philosophy of the company is that for the company or project to be successful, everyone must be successful; everyone supports everyone else.
- Meritocracy. There are opportunities for excellent performing personnel to improve their financial and responsibility positions.
- Courage. This is not an industry for the weak.
- Plan, plan, plan. Execute, execute, execute.
- Leadership, creative leadership.
- High standards which are communicated and measured.
- Annual strategic planning meetings with key personnel to lay out the game plan for the next few years and more defined plan for the following year . . . followed by quarterly retreats to re-evaluate how things are going, to get out of the trenches for a while and look at how the company is doing from a broader perspective.

I have found that even though most of the great construction leaders may not have read some of the better books on how to be successful, that nevertheless they seem to intuitively know the secrets. The following is a condensation of the key points made in some of the “must read” books of the

several decades that have meant something to me:

### **Covey**

- ✓ **Be proactive**
- ✓ **Begin with the end in sight**
- ✓ **Think win/win**
- ✓ **Seek first to understand**
- ✓ **Synergize (1+1=3)**
- ✓ **Sharpen the saw**
- ✓ **First things first**

### **Deming**

- ✓ **Consistency toward improvement**
- ✓ **Drive out fear**
- ✓ **Break down barriers**
- ✓ **Customer obsession**
- ✓ **Continuous training (Kaizen)**
- ✓ **Measurement**

### **Drucker**

- ✓ **Purpose of business is to provide value to customer**
- ✓ **Identify needs of customer, organize to fulfill those needs better than the competition on a profitable basis, then DO IT.**

### **Disney**

- ✓ Give every member of the team a chance to dream and tap into his/her creativity to capture what those dreams embody
- ✓ Stand firm on your beliefs and principles
- ✓ Treat your customers like guests
- ✓ Build long term relationships (customers for life)
- ✓ Dare to take calculated risks (as opposed to gambles) in order to bring innovation to fruition
- ✓ Train extensively and constantly reinforce the company's values
- ✓ Align long term vision with short term objectives
- ✓ Strategy: To take the castle. Tactic: how to do it.
- ✓ Growth of a company means growth of its people
- ✓ Insistence on excellence
- ✓ Values: honest, reliability, loyalty and respect for people as individuals
- ✓ Everyone involved in decisions (decision thinking)
- ✓ Kashima Monkeys (Maslow theory as well: When one person improves and helps others improves, entire organization benefits)
- ✓ When values are clear, decisions are easy.
- ✓ Live your beliefs

### **How to Make Profit**

- ✓ Hire, train the best people\
- ✓ Culture of values
- ✓ The three P's (Purpose+People+Processes)

- ✓ **PLEX (Plan+Execution)**
- ✓ **Continual Improvement**
- ✓ **Solution provider**
- ✓ **Go beyond what is required**
- ✓ **Superior people provide superior service**
- ✓ **Common focus (1+1=1; i.e., unity)**

### **In Search of Excellence**

- ✓ **A bias for action (momentum)**
- ✓ **Customer obsession**
- ✓ **Quality obsession**
- ✓ **Productivity through people**
- ✓ **Value driven**
- ✓ **Hands on management**
- ✓ **Lean top management**
- ✓ **Stick to the knitting**
- ✓ **Dualism (rational plus creativity)**
- ✓ **Intensity (greater purpose)**
- ✓ **Niche markets**
- ✓ **Not a “me too company”**
- ✓ **Create markets**
- ✓ **Adaptability**

- ✓ X+Y management (fear plus individual goals: stick and carrot)
- ✓ Open communications
- ✓ Distinctive competence
- ✓ Do it, try it, fix it, do it
- ✓ Celebrations
- ✓ Refuse to take short cuts just to get to bottom line
- ✓ Responsibility to society

#### **John Paul Getty (How to Be Rich)**

- ✓ Individual can be “rich” through sense of proprietorship (this is “my company”)
- ✓ Avoid the postal employee mentality

#### **Vince Lombardi (When Pride Mattered)**

- ✓ Don't shoot the dog to get rid of the fleas
- ✓ Drawing from a person's philosophy without becoming submissive to those beliefs
- ✓ The “seven pillars of granite” (Grantland Rice)
- ✓ Perseverance
- ✓ Duty, obedience, responsibility and free will
- ✓ Find deeper meaning in your work
- ✓ Some pain is an unavoidable part of life
- ✓ Defeat is not an option
- ✓ Develop yourself to the maximum (The Juggler of Notre Dame)

- ✓ **Wherever you go, remember you represent the team: in other words, character is what you do when no one is watching.**

### **Jack Welsh (General Electric CE)**

- ✓ **Be involved with people (1/2 his time was so dedicated)**
- ✓ **Involved with every aspect of company, products, services, people and customers**
- ✓ **Passion for success**
- ✓ **No walls or barriers. Open communication.**
- ✓ **Six Sigma devotee. (Quality, quality, quality)**
- ✓ **Carrot and stick but with great understanding of how to use both.**

### **Frisby-isms**

- ✓ **Do not be true to yourself. Be better than you are. Prove that the scorpion can change)**
- ✓ **Take mini-vacations to clear the cobwebs**
- ✓ **“We’re going thataway”, meaning that we look forward and not be a hostage of the past.**
- ✓ **What are you working for? Who are you working for? Answer those questions and it may make the day go by a tad better.,**
- ✓ **Dream, but do not let dreams be your master (Kipling)**
- ✓ **It is important to experiment and that means some mistakes will be made. (Wright brothers brought extra plywood and nails with them as they were experimenting with the construction of the first plane to fly; they were always prepared to learn from the mistakes of a crash and attempt to improve. The fear of mistakes or the acceptance that you made a mistake can be paralytical. We**

should try to minimize them but we cannot have the dilemma of encouraging creativity and punishing mistakes.)

- ✓ Believe it or not, the Golden Rule is about all you really need to live by.
- ✓ Rich is he whose needs are small. What a great lesson for America.
- ✓ Yield and overcome. (Tau). Pick your battles.
- ✓ Great men seldom do great things. They avoid the need to do great things by dealing well with the small things properly and timely.
- ✓ The “acceptance of death” (Samurai), meaning that if things are going to hell around you, be as realistic as possible, accept worst case without losing your mind over it, and figure out a strategy to improve the situation. I was once told by a wiser man than I that he had worried himself sick over a thousand things that had never come to pass.
- ✓ Use our minds before we use the computer.
- ✓ Be a financial Mormon. Study their financial discipline, avoid most debt, live within your means, have enough in the cupboards and in the peach orchard to live a while in case your financial world collapses around you.
- ✓ Be an Einstein. His spirituality was in the wonderment of discovery. He also believed in our interconnectivity (Tau as well) with people, all living things, and nature.
- ✓ Be a deVinci or Gallileo. Do not be blinded or dysfunctional by blind faith. Else we would still believe the earth is flat and that the earth was the center of the universe.

- ✓ **Be a Lincoln and a Jefferson and believe that all men and women are created equal and have a right to the opportunity for life, liberty and the pursuit of happiness.**
- ✓ **Try to exercise free will , as difficult as that may be. It is not being a flower child, or a member of a cult, or being a “me too” company or person. It is being like Michael, my grandson, who examines and evaluates as objectively as possible various choices and makes considered decisions instead of simply “going with the flow”.**
- ✓ **Be engaged. With your spouse, your company employees, your community. Don’t talk so damn much about what you believe but just do things that demonstrate what you believe. Have fun, enjoy life, even your work. The Japanese and Kahlil Gibran believe that work is spiritual. What do you think.**