The MANAGEMENT ISSUE

People, materials, waste and more

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90 Years of Doing it Right

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AN OLD SAYING HOLDS that if you do what you've always done, you'll get what you've always got. In other words, if you want change, you have to start by changing yourself.

Our industry is at a crossroads. We're facing huge shortages of skilled workers and we're competing for talent against countless other industries that depend on these kinds of people. And if we bury our heads in the sand and continue to hire and develop and promote our people in the same way we always have, we'll fall behind.

Today's workplace has changed since the days when the baby boomers or even the Generation Xers were starting out. The "my way or the highway" approach adopted by the old guard just doesn't work any more. That's largely due to the fact that people are in far greater demand today than they were 20 or 30 years ago. Employees today can pick and choose from a range of companies who need their services. And they're basing their decisions on things other than money. They're looking for employers that offer flexible work packages, that demonstrate strong social consciences and that promote based on merit. They're also looking at you and the way you handle yourself when dealing with them and with your peers. And if they don't like what you're offering or how you offer it, they'll tell you as much—with their feet.

So what's the answer to keeping more employees on board? Discover your softer side. By that, I mean that employees these days aren't looking to work alongside people who know an awful lot about construction. They want to work alongside someone who can teach them an awful lot about construction. The jobsite foreman who's worked in the business for 20 years and who relies on bluster and intimidation to get people to work is a dinosaur in today's work terms. No one today wants to work for that guy. He's old fashioned and has nothing to teach. He may know a lot, but his softer skills are non-existent. That's a hard idea for a lot of people in this industry to wrap their heads around. Our business has always attracted tougher customers than most and it's generally understood that what's said and done on the jobsite stays there because it was said or done for the good of the project.

Developing softer skills in your workplace starts with you. Get to know your own management style and those of the others you work with every day. Learn how to adapt your style to suit someone else's. Align your business goals with those of each worker. These days everyone wants something different from their workplaces. Get to know their motivators. Give them a say in their working conditions. Go out of your way to manage people differently and see how you can create a more positive working environment for everyone.

Now more than ever, our industry needs workers more than workers need our industry. If we're going to continue to attract top talent to our business, we can't just repeat old habits blindly. Workers have changed. We need to change too. And that change starts with realizing the softer side of what is traditionally a hard business.
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I want to share a pretty remarkable management strategy with you. It’s something that’s worked well for me in my years as an association manager—and even before. Some will find this idea controversial. Some will agree with it wholeheartedly. But whether you love it or you hate it, you must accept that there is some validity to this approach. After all, no business owner succeeds alone.

My advice? Get some help.

Business today is complicated. As an owner or a manager, you’re torn in a million different directions. I dare say that career-wise, you’re a long way today from where you imagined you’d be 10 or 20 years ago. And if you’re like most, your workload probably includes a ton of tasks that you never trained for, let alone imagined you’d end up doing. But that’s the reality of business today—it evolves faster than we sometimes like, and we’re forced to adapt to suit changing times.

That’s why I say you need some help.

What do I mean by that? I mean that no one can do everything alone. Even the best professional athletes—people at the top of their games who make millions of dollars every year—rely on the focused advice of experts to improve various aspects of their games, to better condition their bodies and to keep careful track of the nutrients that go into their bodies. It’s just common sense to these people that they need those kinds of advice. So why should you as a business owner or manager be any different?

To some extent, I think we all rely on outside help now and again. I’m sure you talk with your accountant once a quarter. You probably meet with a business advisor once a year. And I hope call your lawyer even less frequently than that! But could you be doing more? Of course you could. Let me share a story.

A few years ago, I hired a personal coach to help me become a more effective, better grounded person. Back then, I wanted to draw on the advice of someone who could help me get organized and set priorities for not only my business but also my personal life. The experience was incredible. It was refreshing for me to be held accountable to someone else. A regular process of checking in and reporting to someone kept me on track to meeting my goals. My coach also helped me work through the things that held me back and blocked me from going forward. The other thing I took away from the experience was renewed mental toughness. We all face difficult decisions in business, yet we all don’t always have the fortitude to stand behind those choices when the fur starts to fly. Having a coach can help you think through consequences and stand tall in the face of adversity.

The last thing I’ll say on the subject is this: coaching doesn’t have to be just a one-time thing. Think of it as an ongoing process. Sometimes you’ll appreciate the help and support. Other times, you’ll handle things well on your own. Me, I’m going back to my coach very soon. I need a bit of a refresher.

They say that no person is an island. That’s true in personal matters and in business. Being able to turn to a trusted source for advice as and when you need it is critical to anyone’s success. So stop pretending you know everything and get help. It’ll be the best management strategy you ever enact.
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IT'S VERY SURPRISING TO FIND that many businesses and wealthy individuals we work with have focused on minimizing risks in their businesses, yet have left many gaps in their own family financial plans.

We all work hard to accumulate assets, so it's important that we take precautions to protect them from the various risks that are a part of life. When it comes to protecting our wealth, there are three primary risks that to plan for:

1. A potential lawsuit
   Protecting your assets from lawsuits is about segregating your assets using common and legal strategies at a time when you have no existing or foreseeable claims. In addition to any professional, business, car or house liability insurance you can purchase, consider adopting some the following strategies to protect your assets:

2. GIFTING. Although giving assets to a family member reduces the amount of assets you have that are subject to creditors, it increases the assets subject to the family member’s creditors. This may work in some situations where family members are not exposed to risk. Please keep in mind that gifts—other those given to spouses—are considered a sale at market value for Canadian tax purposes, potentially triggering a taxable capital gain.

3. TRUSTS. Transferring assets to a trustee of a formal trust results in a loss of legal ownership and some control of the funds, thus reducing your assets subject to creditors. Be sure that the trustee is someone who will protect and manage your assets in your best interests. Consider a corporate trustee for this purpose. Offshore trusts may provide greater creditor protection than domestic trusts due to a specific country’s creditor protection laws and the potential unwillingness of a domestic creditor to chase after assets in a foreign jurisdiction.
**LIFE INSURANCE.** Based on provincial laws and court precedents, if an insurance policy is structured properly, the investment component of an insurance policy is not subject to creditors. This strategy can also help to minimize risk with regards to the way in which the investment component is structured.

**HOLDING COMPANIES.** If you are a business owner and you have accumulated surplus assets in your business that are not needed for operating expenses, then consider transferring these assets to a holding company. This can help protect the assets from the operating company’s creditors.

**Risk of market downturns**
Diversification is one of the golden rules of investing. Traditionally, it has meant allocating assets between the three main classes (cash, fixed income and equities) as well as between different geographic areas and sectors of the economy. More and more people who hold investment portfolios of greater than $1 million are considering alternative investments for further diversification. Speak to your advisor about different alternative investment options such as private funds, segregated funds and principal-protected structured notes.

**Risk of income loss**
This is one of the largest risks to you and your family. If you become disabled or die, are you confident that your family will have adequate financial resources to maintain their lifestyle? Adequate disability and life insurance coverage should be a top priority when it comes to planning your finances. Without the proper coverage, you risk rapidly depleting assets you have worked so hard to accumulate and having a much lower standard of living. Talk with an advisor about the costs and benefits of disability, critical illness and long-term care insurance. These areas are becoming increasingly necessary as more people survive illnesses and diseases than ever before, and require additional care and financial support as a result.

Risk management should be as important to your family as it is to your business. Take the time to discuss the risk to your portfolio and planning in the areas above with your advisor. Just a few hours of planning will protect you and your family for the future.

This article is for information purposes only. Please consult with a professional advisor before taking any action based on information in this article.

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MANAGING RISK IN YOUR organization is a lot more than simply renewing your insurance program. Yes, insurance is a key component of your organization’s risk management strategy, but it’s only one piece.

In order to manage your company’s risk, you first need to identify the existing risks that might jeopardize your company’s financial viability. This can be a difficult task, given you’re essentially trying to predict the future. You’ll need to leverage both internal and external expertise and experience. Internally, look to key employees and management to provide insights. Externally, consult with your accountant, insurance broker, lawyer and other specialists.

Before planning a strategy for managing risk, it’s important to determine your organization’s risk appetite, or how much risk you are willing, and can afford, to accept. You then need to identify what measures are in place or still needed to manage that risk accordingly. Once you’ve identified and prioritized the risks your organization faces, determine how you want to manage it.

There are three ways you can deal with risk: avoid it, accept it or transfer it.

Avoidance: is a conscious decision not to undertake a certain project or activity. In such cases it’s determined that the potential risk far exceeds the potential benefits.

Acceptance: is a conscious decision to engage in a certain project or activity because its payback is greater than the cost of transferring. Call this your company’s threshold for pain. What risk can be carried without a significant impact to your balance sheet?

Transferal: is shifting risk to a third-party by buying insurance or transferring it by contract to someone else.

Although you can transfer risk contractually, you also need to be conscious about contractual risks that could be transferred to you, such as the often overlooked obligation to pay deductibles. For example, in most contracts, owners typically state that where the contractor is responsible for a loss, the
contractor (and potentially any sub-contractors) will pay the deductible. The premise is that contractors, in having to pay some portion of any loss they may be responsible for, are more likely to act to reduce risk on the job site.

While this makes sense, what many don’t realize is if an owner purchased a project specific wrap-up liability policy, the contractor could be responsible for the loss and be required to pay the wrap-up deductible. At this point you’re asking “But if all policies have deductibles, what difference does it make?” The concern is that project specific wrap-up liability policies are purchased on larger projects to potentially cover all parties on the job site. As such, limits and deductibles are higher. As the contractor, you could be responsible for a deductible in the amount of $25,000, $50,000, $100,000 or more. By identifying this risk at the outset of a job, you can either price accordingly or transfer the risk to your insurance carrier who can pay the difference between your chosen deductible and the wrap-up deductible.

The construction industry has unique exposures. So when it comes to risk management it’s important to have the expertise and experience of trusted partners who can help you identify, prioritize and manage risk. Implementing a comprehensive quality assurance and quality control program will minimize risk and keep your company’s growth on track. To compliment that program solutions should also be tailored specific to your organization whether you choose to avoid, accept or transfer risk.

This article was written by Kevan Thompson, industry leader and VP construction with the Cowan Insurance Group. Kevan can be reached at 519-650-6363 or kevan.thompson@cowangroup.ca.
We look at three very different solutions for managing one of your company’s most expensive assets: its fleet.

Remember Boomerang? In the late 1990s, it was the newest and greatest technology to hit construction fleets. Here was a tiny device that you could stash anywhere on your trucks, loaders and Bobcats, and which used cellular technology to track where each machine was at any time of the day or night.

Fleet-management technology has come a long way since then. Today, tracking is done via GPS—and it’s just one of the many functions performed by proprietary and off-the-shelf equipment-management software to help companies stay on top of not just where their trucks and machines are, but also how they’re being used and how they can be used more efficiently.

GPS solutions: small hardware, big potential

Among the most common fleet-management solutions in play these days are GPS-based technologies. Years ago, they were used to pinpoint the location of any vehicle you had. Today, location-information capability is just a jumping-off point for a whole host of value-add features.

Chris Bitton, owner of Guelph-based Trillium GPS Solutions, says fleet-management applications have expanded to include information on vehicle diagnostics, driver behaviour, maintenance records, fuel consumption—and more.

“The main purpose of these devices is to help companies minimize the unnecessary expenditures they’re making to operate their fleets,” he says. “Everyone wants to use machinery more efficiently to save on fuel, to cut down on idling and or downtime, or even monitor driver behaviour to increase employee accountability. These devices help you do that.”

Bitton works with customers across a range of industries—construction included—to customize GPS solutions. With some of the big players in the game, such as Boomerang, companies are locked into basic off-the-shelf functionality. And while that’s fine for some businesses, others want more. Trillium GPS Solutions builds unique software packages that add and remove reporting modules according to the precise and varying needs of its customers. Want to track location to accurately forecast delivery times? Trillium can help. Want to cut fuel costs? Trillium can help. Want video on your front-end loader? Trillium can do it.

The cost to install Trillium-managed units varies between $150 and $300 per device. Monitoring fees for each can add $55 to your monthly costs, plus there’s an installation charge to hook up the unit to the machine itself. But such solutions usually more than pay for themselves in short order, particularly when used in conjunction with a strong fleet-management program.

“By themselves, these units won’t help you save fuel,” says Bitton. “But when you start to collect and analyze the data they feed back, you’ll begin to see opportunities to save money and reduce wear and tear on expensive machinery.”

Are you getting the most out of your fleet?
Proprietary technologies: Battlefield goes barcode

Battlefield Equipment Rentals knows a thing or two about wear and tear on expensive machinery. The company rents thousands upon thousands of tools and pieces of heavy and compact equipment every day. Sophisticated fleet-management technology isn’t a luxury for Battlefield. It’s an essential tool for doing business.

Ten years ago, the company began to think about developing its own fleet-management technologies. Back then, days could elapse between the time a machine was returned to Battlefield’s fleet and the time it was judged suitable to re-rent. Sometimes machines were returned damaged and required days to repair. Other times, the sheer volume of machines being returned in a day, a week or a month meant longer processing times. Downtime was always a reality. Something had to be done.
Over the years, the company developed a proprietary technology that used barcoding. Just as you would scan a box of cereal at the grocery store to see its price, so can Battlefield employees scan a barcode on a machine to access data on age, condition and rental history. The result? A system that’s easy to use and which can be instantly updated with the latest usage and repair data so that a machine is ready to re-rent in hours as opposed to days.

“We have to know where our equipment is, how it’s being used and what condition it’s in,” says regional manager Colin Goheen. “The quicker we can access that data and the more intelligence we can draw from it, the more time our machines can spend out in the field where they’re helping our customers and making us money.”

Battlefield tested its barcoding system in Cambridge to great effect. The solution is now being used across Battlefield’s operations throughout Ontario, Manitoba and Newfoundland. It has reduced downtime and made transfers between Battlefield outlets a breeze.

“Right now, the system’s in place only on our rental fleet, but we hope to expand it to our consumable products too,” says Goheen.

Management as a service: Enterprising!

If buying a customized, GPS-based software package or building your own fleet-management solution sounds too intensive for your business, why not consider outsourcing your fleet-management operations? Enterprise Fleet Management (EFM) is a sister company to Enterprise Car Rental. It targets companies with between 20 and 200 machines in their fleets and offers turnkey fleet-management services.

Account executive David Trott says EFM starts its intervention with a complete analysis of a customer’s fleet and recommends those vehicles that need to be replaced and which are still running efficiently. From there, dedicated account managers handle all aspects of the day-to-day management of the fleet, including billing, new-vehicle needs, and pick and delivery of new and old vehicles.

EFM also offers a fixed-cost maintenance program, a vehicle resale program, discounts on additional rentals and vehicle storage solutions.

“One of the big value-adds that we offer is the ability to find the optimal holding point for each machine in a company’s fleet,” says Trott. “There’s a point where it’s more cost-effective to replace an older vehicle with a new one, particularly as it pertains to repairs and fuel consumption. We can help companies make those decisions and manage their fleet investments that much more effectively. And the benefit for our clients is a better image, less downtime and lower costs of ownership.”

EFM’s service offering is based on long experience managing a fleet of more than 1.2 million vehicles for its sister rental car company. Because of its deep understanding of vehicle cost and usage patterns, EFM is well positioned to offer valuable intelligence to businesses that use trucks and cars of all shapes and sizes.

Fleet management is a big deal

Fleet management is far and away more advanced than it was when Boomerang first flew on the scene 25 years ago. But no matter the size of your company, it behooves you to consider ways to make this side of your business more efficient. Your cars and trucks and heavy equipment may not be the most valuable assets your company owns, but they’re certainly among the most expensive. What company couldn’t use a little help managing that investment more closely?
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by Angela Pause
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startups are celebrated and one of the world's most powerful companies is the same age as a junior high school student, what can a 90-year-old company offer in the way of business advice? How does a business survive three generations of owners as well as the economic stranglers of several deep recessions and one honest-to-goodness depression? What can Ball Construction offer the likes of construction companies everywhere, let alone the mighty Google Corporation?

Hire the best and then create a company culture that inspires loyalty. The rest will take care of itself, says Jason Ball, president of Ball Construction, and one of the three partners in the Kitchener-based design-build, construction-management firm.

Of course, creating an inspirational company culture is not easy but both Jason and his cousin Cameron Ball (vice-president of construction) have had predecessors to show them the way. This year, as Ball Construction celebrates its 90th anniversary, its third-generation owners are willing to share what they know about longevity and success in this always challenging industry.

**Passion is essential**

It begins with people. “You are as only as good as your people,” says Jason. Which is why they recruit locally and carefully. “We give preference to Conestoga College and University of Waterloo, and we look for graduates with the right attitude, which is a team attitude, and who work well in groups. So they [graduates] will exhibit a passion for extracurricular activities, playing hockey, baseball, and other organized sports.”

Proving Jason’s point, Gary Hauck was hired straight out of Conestoga College. Today, he’s vice-president of estimating and the third partner at Ball.

“The employees we bring on come into an atmosphere that is open and there’s lots of opportunity for growth,” he says. “We don’t hold anyone back and we give them incentives, including monetary incentives to improve their education, and monetary bonuses for becoming LEED AP or becoming Gold Seal certified, which is the CCA standard. We want employees to continually improve so we promote it and we reward them for doing that.”

Loyalty and excellence from the employees are the rewards the partners see in return, says Jason. “Because they are given a great working atmosphere, a lot of people feel like it’s a family here and it really is a family organization. We find that employees will work extra hours and not tell us, they are not looking for that extra notice, they just want to pitch in and help each other.”

**Company culture is key**

Jason, Cameron and Gary work hard to maintain a company culture founded on honesty, integrity and fairness—the three characteristics that the founding Ball brothers began in 1923. The second generation of Jack, Jim and Thom Ball took over in 1967, which saw a rise in the company’s fortunes and growth over the next three decades. Under Jack’s direction, the construction landscape of Waterloo region was altered substantially, including the erection of civic landmarks (the Centre in the Square), architectural masterpieces (the Clay and Glass Gallery) as well as many local industrial projects (B.F. Goodrich, Budd Automotive and Toyota) and institutional buildings (University of Waterloo, Wilfrid Laurier University, Grand River Hospital and St. Mary’s Hospital). Jack was inducted into the GVCA Hall of Fame in 2012, capping off an illustrious construction career.

**Third-generation leaders**

In 1997, Jason and Cameron became the third generation at the helm of a company that employs close to 100 people. Unlike many construction firms, Ball Construction self performs carpentry and concrete
“We have been prepared by our father’s generation and our grandfather’s generation just to expect that and plan for it. We do realize the cyclical nature of construction and by simply planning for it makes it easier to weather.”

Ball Construction’s three managing partners: Cameron Ball, Jason Ball and Gary Hauck.
work, as well as being signatory to six Ontario unions. Such agreements enable them to work anywhere from Windsor to Timmins and give them immediate access to a fully qualified workforce.

Professionalism is at the heart of everything that Ball does, says Cameron. When the company was awarded the construction-management services for the prestigious Stephen Hawking Centre addition to the Perimeter Institute of Theoretical Physics, they were delighted with the challenge of constructing a building that was intended to be complex.

“We had to deliver a facility where some of the world’s brightest minds would work. It was a very challenging design,” says Jason. “It was purposefully designed that way so the people working there would look up and scratch their heads thinking, ‘how was that constructed?’”

Cameron headed up this highly successful project in 2011, which was also the province’s first Gold Seal managed project. Gold Seal certification is vital to Ball Construction’s success—with owners and employees.

**Gold Seal makes the difference**

“We differentiate ourselves by our professionalism, quality and customer service when selling our construction management and design-build services,” says Cameron. “We thought the Gold Seal program is a great way to promote those attributes and to showcase our professionalism to owners. It’s another reason why we were on board with the program.”

Cameron confesses that the ability to tell owners about their Gold Seal Certified staff is akin to a goose laying golden eggs. “It’s an easy sales pitch to prospective owners when you explain the benefits they receive with all the extra quality assurance and the level of competency from the subtrades. The real selling point is when they realize that there is no additional cost to them as the owner to have all that extra benefit.”

The three partners are very much aware that to stay a leader in this industry, you have to invest into your business and your people, while always being aware that there will be good times and bad.
“We have been prepared by our father’s generation and our grandfather’s generation just to expect that and plan for it. We do realize the cyclical nature of construction and by simply planning for it makes it easier to weather,” says Cameron.

Jason says that “in the good years, we don’t pull the money out of the company, we actually reinvest in our firm. So our balance sheet is very, very strong because of that. Our surety partners and our banks love us for it because we are very stable financially, so if there is ever a little blip we can certainly ride through it. It’s never an issue.”

Three years ago, Ball Construction made the move from their offices on Victoria Street to a new building on Shirley Ave. Using their decades of experience in constructing some of the finest buildings in Ontario, the new Ball headquarters is a multi-level, spacious, light-filled building that features glass walls and open spaces. Complete with a full gym (with a personal trainer on the premises daily) and fully outfitted cafeteria/learning room as well as a massive warehouse space and large yard for their fleet, the new building is designed to encourage inspiration and happiness among the staff.

While abhorring micro-management, the partners advocate a hands-on leadership style that encourages collaboration between team members. From the weekly Monday-morning meetings where the staff discusses what’s going on with their projects and who might need help or can offer advice, to the company rule that “no one is ever made to feel embarrassed” in any situation, everyone at Ball understands they are part of a highly functioning team. It is why people begin and end their careers at Ball.

**Ball goes BIM**

Technology is also critical to the success of this nonagenarian organization. Currently they are using the Building Information Modeling (BIM) method in the $50-million St. Catharine’s Spectator Facility now under construction. They admit the learning curve is steep on BIM, but understand that they must adopt advanced technology to stay in the lead.

“In this industry, if you lose sight of technology you will lose market share and become inefficient,” says Jason. “We promote ourselves on our longevity, integrity, honesty but you need more than that too, you have to have other assets that you can offer like BIM or COR [the Certificate of Recognition designation], or like bringing a project in as a Gold Seal project. Those are all things that owners want to see because seriously, at the end of the day, we want the owner and the consultants we work with to walk away with that feeling that they got value for their money and it was a good experience for everyone. Hopefully, we have exceeded those expectations.

At Ball, that’s how we gauge a successful project; it’s not just on the monetary end but also on the customer-service end. If we don’t have customers we don’t have anything. Really, our success is all about the people who work here and how they keep those customers happy.”
McMaster Health Sciences building goes **GOLD SEAL**

By requiring its major subcontractors to have at least one Gold Seal certified employee working on construction of McMaster University’s Health Sciences Campus building, Ball Construction is positioned to pull off a complex project under particularly demanding conditions.

**IN MANY WAYS**, McMaster University’s new Health Sciences Campus project is far from ordinary. First, the site is highly visible. Located at the corner of Main and Bay streets in the heart of downtown Hamilton, it’s immediately across the road from Hamilton City Hall and therefore always in the public eye.

Second, it’s located on a relatively small site, which limits material storage on site to only what construction crews need each day. Consequently, deliveries are frequent and require significant coordination that occasionally calls for lane closures in Hamilton’s busy town centre.

Third, the schedule is demanding. Demolition of the building previously on site began in August 2012 and carried through to January of this year, with the client calling for full occupancy of the new building by November 2014.

Fourth, the building owners hope to earn at least LEED Silver certification for the facility. Throughout, the building incorporates features to streamline water and electricity use, reduce carbon emissions and recycle construction materials from the pre-existing building.
Finally, the building itself presents numerous end-use complexities. The 147,000-square foot structure will stand six storeys tall. None of its six floors share the same footprint and all require exacting attention to detail. Additionally, the building’s exterior mix of glass, stone and metal panels is designed to stand out from the crowd.

Ball Construction is no stranger to high-profile buildings on high-profile sites with very tight schedules. Over the past 90 years, the company has carved out a niche for itself as a skilled manager in the construction of particularly demanding projects. In this case, it enacted a requirement that all subcontractors whose contract values exceed $100,000 must have at least one Gold Seal-certified employee working on the jobsite or in the office.

Project manager Liviu Carmazan says there are a number of benefits to requiring such a high standard of professionalism from major subtrades.

“One of the biggest is knowing that the men and women working on this job demonstrate a high level of expertise on tasks such as scheduling, estimation and safety,” he says. “It’s also about professionalism and quality of work. Knowing that these companies employ Gold Seal professionals tells us they’re committed to going the extra mile on the job.”
The other significant benefit is the confidence such an approach gives to McMaster University. The Gold Seal standard didn’t cost the university any additional money, and shows the client that this construction team—more than most—is committed to doing its level best to ensure timely, on-budget delivery of the best building possible.

“It was a bit of an education process to bring the owner up to speed on what Gold Seal certification actually means,” says Ball Construction vice-president Cameron Ball. “But once they saw that the approach wouldn’t cost any more money, didn’t present any downsides and offered significant benefits, they gave it their full support.”

Ball Construction has used Gold Seal certification on two projects previous to the McMaster job. Its first—and Ontario’s first—was Waterloo’s Perimeter Institute for Theoretical Physics, which Ball completed in 2011. The other is the St. Catharine’s Spectator Facility that Ball is building as a joint venture with Rankin Construction.

“Because this is a demanding job, we knew we had to find an approach that would yield exceptional results,” says Cameron Ball. “The lessons we learned and the benefits we took from applying the Gold Seal certification process on the Perimeter Institute made this strategy an obvious choice for the McMaster Health Sciences Campus. So far, it’s helped keep everyone focused and the job on schedule.”
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RFID technology helps contractors find key materials
Contractors in the oil and gas industries are turning to RFID tracking systems to improve their materials-management practices and reduce costly downtime.

**HOW DO YOU FIND** a needle in a haystack? With ease, if you’re using radio-frequency identification (RFID) technology.

As its name suggests, RFID technology involves the use of non-contact, radio-frequency fields to transmit electronic data. Anything can be tagged with an RFID chip (which is usually about twice the size of a grain of rice) for the purposes of identifying and tracking it from distances as near as a few meters away to as far as a few hundred metres away.

RFID isn’t new technology. It’s a regular feature of business in the automotive and agricultural industries, and even in off-shore oil and gas drilling where people wear RFID tagged clothing to enable them to be found quickly during an emergency. Based on its success in other industries and its potential to help contractors locate materials more effectively, RFID is finding its way onto construction sites.
Imagine for a moment the complexities associated with life on the construction site of a billion-dollar oil and gas refinery. Setting aside the challenges of schedule, budget and quality that every builder faces, the companies that build these massive buildings must always know where the hundreds of thousands of pieces of building equipment are located. And on sites that span tens of square acres, it’s easy to lose track of essential building materials—and lose valuable man hours searching for them.

Dale Beard, co-founder of Intelliwave Technologies, was mindful of such considerations. He and a partner founded their company in 2007 with the aim of helping contractors manage their materials more efficiently.

“This industry sees a lot of large projects mismanaged due to the loss of materials,” he says. “A project is only as good as its original schedule, and if your crews spend a lot of time hunting for materials in the moments before those pieces have to be installed, schedules are being delayed and inefficiencies created.”

Enter SiteSense, the automated materials tracking system created by Intelliwave for use on large-scale construction projects. (Let’s be clear for a moment. When Intelliwave speaks in terms of large-scale, it doesn’t mean jobs valued around $100 million; it means projects worth at least $1 billion.) Developed in conjunction with a contractor who faced its fair share of materials-management headaches, the system marries standard long-range RFID tags with proprietary data-management technology.

Using SiteSense, every piece of material delivered for installation on a large-scale site is RFID tagged and critical information such as location, manufacturer’s name and date of manufacturing is coded onto the tag and stored in a database. In most cases, the RFID tags are coded to ping data back to the SiteSense software for swift analysis. Builders can log on to a secure SiteSense website via a desktop computer or mobile device to ascertain exactly the precise location of a piece of equipment. No more searching for needles in haystacks.

“The Construction Industry Institute did a series of studies of the effectiveness of our RFID technology on large sites as compared to manually locating materials,” says Beard. “In one case, contractors found a piece in five minutes using SiteSense compared to 30 minutes manually. In another case, contractors actually were not able to find a missing part by searching manually. SiteSense, on the other hand, determined that the part had not yet even been delivered to the site!”

SiteSense can be installed easily at any stage of a job. Often, contractors will require material manufacturers or suppliers to pre-tag components before they...
arrive on site for installation. In other cases, contractors will tag materials upon arrival to the site. Even in that latter case, the time spent tagging parts for storage on site is far less than the time that could be spent tracking down lost materials.

More than just a tool for finding materials, Beard says SiteSense is useful for commissioning and operations data. Using RFID-stored data, site managers can quickly and easily ascertain the age of pieces of critical equipment and build maintenance or replacement plans accordingly.

**Jovix system reports significant benefits**

Atlas RFID Solutions is also in the business of supplying tracking systems to large-scale construction sites. The company got its feet wet on site in 2008 when it helped a contractor track about 4,000 fabricated pipe spools for installation on a power plant in Virginia. Based on the success of that project, it built a full-scale equipment-management application called Jovix to better monitor RFID data.

Since that time, Atlas RFID has implemented Jovix on half a dozen major construction projects in Alberta’s oil sands. On average, each site included between 10,000 and 100,000 units, and at one, the site operator was able to reduce staff costs by 77 percent by simply cutting down the amount of time—and money—spent searching for missing materials.

Jovix works in much the same way as SiteSense. RFID tags are placed on materials and personnel given tablets with built-in readers to precisely locate pieces. Contractors who have used the system report far less time spent searching for essential components and far greater efficiencies on site.

**Still the domain of large sites**

It may be a long time before RFID technology works its way onto smaller construction sites. That’s generally because it’s easier for contractors to keep tight control over materials on such sites. It’s also because of the cost barrier associated with RFID technology. While there are obvious benefits to investing in materials-management technology on large-scale sites, the economies of scale may not exist on jobs valued at less than $250 million.
Sittler Demolition turns construction waste

Sittler Demolition first started recycling demolition materials as a way to make extra profit, says Steve Sittler. Now the company is helping contractors and owners win points toward LEED certification.
If you work in construction, you do. Try as some might to divert used building materials from landfill sites, our industry is still one of the province’s largest single contributors to landfill volumes. In an average year, Ontario’s constructors throw away between 20 to 25 percent of the total waste that occupies landfills. (Combined, businesses generate about 60 percent of total landfill volumes.) And when you consider that Ontario creates about 12 million tons of garbage every year, we’re talking big volumes. Worse, the government estimates that only a small percentage of non-residential waste (about 13 percent) is diverted from landfills.

It doesn’t have to be this way. Indeed, government is trying to force change through regulation. In 1994, Ontario enacted laws that require companies to divert more waste from disposal. The province’s 3Rs Regulations require construction and demolition companies to conduct waste audits and develop and implement their own waste-reduction plans for individual projects. Additionally, the Ministry of Environment is drafting a new Waste Reduction Act that aims to encourage more recycling and spur the construction of more recycling factories in the province.

Meanwhile, companies like Waterloo’s Sittler Demolition are carving out their own particular niches in the field of waste management. Sittler Demolition sets a target of diverting (re-using or recycling) at least 75 percent of the waste it generates on every site. That’s no small feat when you consider that the average demolition project produces as much as 30 times more waste than a new build, and when you consider that the materials harvested from every site are sometimes in less than perfect condition.

Steve Sittler explains that his approach to recycling construction waste (“up-cycling,” he calls it) just makes good business sense.

“About 10 percent of our annual revenues come from re-purposing the waste wood, concrete, metals and drywall that we collect from our sites,” he says. “What’s more, by working with us, general contractors can earn points toward the LEED designation of any new building that might be put up on site. Three points here and there over the life of a project can make a difference between LEED Silver and LEED Gold.”

When Sittler started in the demolition business 25 years ago, his goal was to try to recycle as much of the wood he tore down as possible. It wasn’t always easy to find homes for used wood. While clean wood is a desirable commodity, painted and other treated wood products have fewer applications. Over time, Sittler was able to create markets for used wood. He
sold to furniture manufacturers, businesses that used wood as fuel and recyclers who turned wood into shavings for animal bedding. He also began to consider markets for the other materials he found on site.

Today, Sittler Demolition is able to find new purposes for a great deal of the materials the company tears down. Concrete is crushed into material for aggregates, drywall shipped to local recycling plants, metals sold to scrap yards, finer materials sent to dedicated recyclers who sort and separate waste by machines. Of course the company comes across things that just can’t be re-used or up-cycled, but those are fewer and further between these days, particularly as the market for used construction materials—and opportunities to recycle them—grows. It helps too that Sittler Demolition’s employees believe in the company’s green mandate.

“It takes a lot of training to bring people up to speed on how we sort materials for recycling,” says Sittler. “But we’ve got a core group of people who live our mandate and continually reinforce the program to newer workers.”

On site at Weber Street West

Last fall, Sittler Demolition was contracted to tear down 32 houses along Weber Street in downtown Kitchener in advance of the road-widening project that began this summer. In its scope of work, the Region of Waterloo required Sittler Demolition to divert 75 percent of the demolition waste from area landfills.

“It wasn’t a problem to hit that target,” says Sittler. “I think we finished at around 82 percent of waste diverted. The amount of usable old wood in those buildings alone helped us make great strides toward our target.”

Sittler Demolition isn’t the only company in Southwestern Ontario that’s making a name—and a profit—for itself from diverting construction and demolition materials from local landfills. But wouldn’t it be nice if more businesses were similarly committed?
Mike Fronchak has brokered many corporate acquisitions and says that a strong succession plan can be as valuable a component of a sale as the company's assets.
Why succession planning matters
— and how to do it well

Succession planning is critical in any business. A good plan clearly articulates goals and helps ensure the longevity of your business. A poor plan—or none at all—can leave your business in a shambles when you finally decide to retire.

You’ve worked hard to build your business, so when retirement beckons, you want to be sure the company is in good hands. A strong succession plan can help by ensuring the right people occupy key roles across the organization.

Generating a succession plan isn’t always easy. First, it requires acceptance of the fact that you’re not going to be able to—or even want to—run your business forever. For some entrepreneurs, it’s hard to face the fact that another person will carry on their legacy in their absence. Start getting used to the idea of relinquishing control, says Mike Fronchak of Fronchak Corporate Development Inc., a Kitchener-based consultancy that offers operations, strategic planning and financial consulting services across the region.

“When it comes to succession planning, timing is everything,” he says. “Start early. There’s no harm to putting together a plan while you’re young, but there’s a real disadvantage to ignoring such a fundamental issue.”

Identifying the right people

There are two schools of thought on how to identify the next generation of your company’s leaders. Fronchak advises that you begin by studying high-potential people already working in your company. Your next leader is probably already performing a key role in your estimating, finance, project management or human resources department.

“Pick people with strong technical skills: those who do their particular jobs well and without the need for supervision,” he says. “It’s often easier to find a leader from among employees with strong technical skills than it is to teach good technical skills to someone who exhibits good leadership characteristics.”

The other school of thought suggests that potential leaders aren’t always exposed in full view. It therefore makes sense to enact succession plans for everyone from the moment they’re hired. Doing so enables you to find the diamonds in the rough that a high-potential plan might overlook.

No matter the approach you choose, experts advise that developing from within is the way to go. Although it takes more time, effort and money to train from compared to bringing in a trained executive, homegrown candidates are almost always more successful than external ones. What’s more, creating a culture of promoting from within helps to build employee morale and confidence. In other words, if your company is seen to be one that develops its employees, workers will actively seek it out and do their best to grow with the business.
Training is key

Leadership skills aren’t easy to come by. In fact, most of us have to be taught how to be great leaders. Mentorship is one strategy companies use to teach the ropes to prospective leaders. Highly regarded as it is by some, mentoring isn’t a foolproof development plan. Fronchak cautions that small owner-managed companies will partner prospective leaders with the company owner, who’s only ever worked in one or two businesses in his or her entire career. As a result, it becomes hard for the mentee to gain a real appreciation for anything other than the way the company always does its business.

“I’m a huge advocate of formal, outside training when it comes to developing leaders,” he says. “Education and training through colleges and seminars is important. If you can afford to do it, send leaders to an executive MBA program. Conestoga College offers a good one and it demands pre-requisites such as field experience or a letter of reference from an employer, so it’s easily accessible to the right people.”

Keep the following ratio in mind when identifying and training leaders: 70-20-10. Seventy percent of a new leader’s development should come from experience, 20 percent from coaching and the final 10 from classroom or other training.

Letting go

Letting go is one of the hardest things an owner-manager can ever do. But it’s also one of the most important. If you’re serious about handing over control of your business to someone else, there comes a point when you actually have to do that. It doesn’t have to be a sudden thing. Quite the opposite. It should be a gradual process where your targeted replacement assumes more of your duties on a regular basis. You want to find the fine line between giving someone an opportunity to get his or her feet wet in management and giving them enough room to succeed—and fail.
Adapting your plan

Your succession plan isn’t a static document. Expect it to change regularly and sometimes significantly. Review regularly and enact some of the following ideas to ensure the plan is a clear roadmap for your company’s future.

**Create role models**

Build specific models for every job. Each should define the kinds of behaviour, skills, experience and talent required to succeed in the role. Doing so will help employees understand what’s expected of them and will give you the chance to objectively evaluate performance.

**Know where you’re headed**

Think about future roles as well as present ones. Your succession plan should consider the need to replace leaders suddenly and take into account where the company is headed in five years’ time.

**Close gaps**

Assess the skills and abilities of everyone in the organization with a view to seeing who might take on leadership roles today, in 18 months and in three years’ time. Identify gaps and target employee training accordingly. Also, talk to employees about their wants and expectations.

**Identify roadblocks**

Since it’s not always possible to move candidates forward. Learn where your company’s roadblocks to development are. Steer around them. If they’re unavoidable, find other candidates who can move forward.

**Check the map and stay the course**

Review your plan frequently: every year at least. And ensure it’s being followed. Use talent-management tools, performance assessments and mentoring assignments to close gaps.

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**Fail to plan, plan to fail**

Succession planning may not be the most appealing thing for a business owner to do, but it’s undeniably important. Fronchak has negotiated a handful of transactions where an owner had difficulty selling his business because of a failure to have future leaders in place.

“If you don’t have a ready-made solution to get out of your business, then you as the owner become too important to the company to get out,” he says. “The lack of a succession plan can damage the value of your company, particularly in construction where intangibles such as goodwill and client relations are stock in trade.”
The top 10 mistakes most managers make—and how to avoid them

Editor's note: This list of managerial mistakes was compiled by Brian Smith, a professional speaker, leadership coach and confessed micro-manager. It is reprinted here with his permission. For more information on Brian Smith and his company Power Link Dynamics, visit www.briansmithpld.com.

1. **There is no such thing as common sense.**
   Don’t rely on common sense as part of your training program. If you haven’t taught someone how to complete a task the way you want it done, then don’t assume they know how. Remember, common sense is not common practice.

2. **You can’t motivate people.**
   You can’t motivate people to do anything they don’t want to do. However, what you can do is create an environment in which they will want to motivate themselves. If you know what people want—and you have the power to grant it—you can then use that understanding to get them to do what you want.

3. **You ruin good people by promoting them.**
   Just because people are good at what they do, it doesn’t mean they will be good at doing something else. Not everyone has what it takes to manage others. Managers must be teachers first and technical experts second.

4. **You don’t have to know everything.**
   It’s OK to let your people know that you don’t have all the answers. What’s important is that they know where to go to find them. Always be honest and up-front with your people.

5. **You’re not the most important person in the conversation.**
   Communication is everything. If the other person doesn’t receive the message the way that you intended, then whatever you said meant absolutely nothing. Effective communication takes two.
6 Park your ego at the door. It's not about being right.
You and I both know that there are a number of ways to accomplish the same task. The more that you allow your people to get involved in the process, the more likely it is that they will be interested in the results. It shouldn't be just your way. Solicit people's input. Build collaborative teams.

7 You can't control everything all the time.
Your job as a manager is to teach someone else what you know. You can't do that if you're not sharing your responsibilities with the people around you. If you don't delegate, you are robbing your people of opportunities to grow. Resist the urge to micro-manage.

8 You can't demand respect. Respect is reciprocal.
You've got to give it to get it. Gaining respect is a process. You must first build rapport, then develop a relationship before you get mutual respect. People won't trust anyone they don't respect first.

9 People hear what they see, not what you say.
You must lead by example. It's not what you say that's important. It's how you go about doing it that matters most. If you look like a pro and act like a pro, then people will perceive you to be a pro.

10 There aren't any negatives. Everything is positive.
Your attitude is the only thing that you can control 100 percent of the time. Only you get to decide how you want to react in any given situation. React in a way that is going to get you what you want. People choose to follow winners, not whiners. Always choose to be a winner.
GVCA social calendar — Fall 2013

October 11
Oktoberfest Corporate night at the Concordia Club.

October 10
Safety Group Information session

October 17
GVCA Corporate night

November 1
Random Act of Kindness (RAK) Day

November 12
WinC Holiday Sparkler

November 14
Safety Group Information session

November 27
Managing Changes and Extras

November 29
Human Resources Overview: Steering the Organization Away from Trouble

November 7
Social Networking for Construction

4 part Construction Financial Series:
September 18
Making Sense of Financial Information

October 9
Basic Budgeting

November 6
Job Costing

December 6
GVCA Christmas Lunch

FALL EDUCATION

October 1
Construction Lien Act Presentation

October 2
Microsoft Project for Construction

October 17
Microsoft Excel for Construction (Novice)

October 29
Human Resources Overview: Steering the Organization Away from Trouble

November 7
Social Networking for Construction

ONLINE EDUCATION & SAFETY TRAINING

Introduction to Construction Estimating
*Earn 2 Gold Seal Credits

Introduction to Building Information Modeling (BIM)
*Earn 1 Gold Seal Credit

First Level Supervisor Training Program
*Earn 5 Gold Seal Credits

Communication, Negotiation, Conflict Resolution
*Earn 2 Gold Seal credits

Construction Project Management
*Earn 3 Gold Seal Credits

Construction Law
*Earn 2 Gold Seal Credits

National Construction Safety Awareness
*Earn 2 Gold Seal Credits

Confined Spaces Safety Awareness
*Earn 1 Gold Seal Credit

Pipeline Construction Safety Training
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