

**CASE RMP Convocation
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Building a Firm Culture

Talk Notes
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1. Self Introduction

2. Summarize position, action and benefits

People don't sue people they value, trust and like

3. Position: Culture dictates a firm's attitude toward Risk Management

a. **Culture** = "integrated pattern of human behavior acquired by intellectual training"

- i. How we do things around here, from marketing to the end of the lawsuit
- ii. Starts to show after the orientation period is over
- iii. Learned as you observe what really happens day in and day out
- iv. Unwritten rules, one may be to not follow the written rules
- v. The walk, not the talk
- vi. What gets rewarded
- vii. What the hero's do
- viii. Set by the behavior of the leader
 1. Not what he says, or writes
 2. What the leader tolerates
- ix. Values, Vision, Mission, Purpose, Direction, Norms
 1. Everyone has them, written or not
 2. If not written, there is likely no agreement
 3. Written yields agreement on paper, action must follow
 4. Collins Built to Last and Good to Great best resource
 - a. Right people on the bus
 - b. Shared vision, purpose
 - c. Big hairy audacious goal
 - d. Will naturally do what is right

b. Degenkolb Culture

- i. Consulting Services firm that practices SE and Earthquake Engineering with 65 years of artifacts, shared values, knowledge, learning and unspoken assumptions
- ii. Core Ideology to define the practice and the business
- iii. Norms to tackle the tough problems
- iv. Annual Business Planning to keep it fresh through change
- v. 360 degree review process annually for accountability
- vi. Reward programs
 1. CEO Award, glass pyramid with 100 dollars. When they have shown they understand the core ideology
 2. Annual special 25th paycheck awards to recognize extraordinary efforts

c. Understand your culture, use the tool kit

- i. Read the flash disk
- ii. Create Awareness daily. Talk, posters, RMP activities and web sit
- iii. Share values, knowledge and learning. Tell stories
- iv. Develop a Risk Management commitment statement
- v. Be persistent, takes times and some things never change

4. Action/Outcome:

Think about your culture in terms of the major project phases

a. Business Development, winning commissions...manage perceptions

- i. What is the promise at the start?
 1. Our firm is the best, always will be
 2. We stay within our expertise....
 - a. Henry –never be afraid to take a job if you know what you are doing.
 3. Stress teamwork, problem solving ability, on time
 - a. Just in time detailing
 - b. You actually do guarantee your work
 4. We involve the staff to assure follow through
 5. We are committed (unspoken assumption) to finish right, regardless
- ii. Who is promising? People hire people they like to work with.
 1. We don't stand in for each other
 2. We introduce the project engineers....wins jobs

3.

b. Project Planning

- i. Set the scope and fee
 1. Set a scope that asks/insists on full service for a full fee
 - a. Have you ever hired a design professional?
 - b. Hotel Del...developer, "I'm on a fixed fee"
 2. Define the extent of the work
 - a. We define the general project, not the exclusions
 - b. Provides lots of stuff to "get" when you "give"
 3. Understand your costs and negotiate a proper fee
 - a. Fee is the best indicator of missed expectations
 - b. It's about value, not cost.
 - c. We involve the project engineers and cad specialists
 - d. Low fees and limited scopes always lead to trouble
 4. Develop a project work plan
 - a. We use burn rates including contingencies and track "bill aheads"
- ii. Obtain a contract
 1. We have rated our clients A, B, C
 - a. For A's, we send proposal with terms and conditions
 - b. We need a signed contract
 - c. We need a signed contract and retainer.
 2. Our own terms and conditions cut to the core of what we need.

c. Project Production – On Time, on budget, no change orders, coordinate

- i. Be an effective team player
 1. Be involved from the beginning
 2. Show up on time, return calls
 3. Stay awake and alert
 4. Watch out for all disciplines, share experiences
- ii. Requires
 1. Principal participation throughout
 - a. Our PM's are principles and seal their own drawings
 - b. Use of project advisors, internal peer review
 2. Sense of personal responsibility- self administered QA and employee ownership
 3. Appropriate compensation to encourage finishing the job
 - a. Payment of overtime
 - b. Balanced distribution of earnings, everyone pays
 4. Life long learning
 - a. Stay current with new codes, technology and processes

d. Project Construction

- i. Be involved proactively in all aspects, report along proper channels
- ii. Solve problems
- iii. Own your mistakes, part of the guarantee
- iv. Report efforts that are beyond scope
- v. Document carefully

5. Benefits

- a. Few if any claims, lower insurance costs
- b. Repeat business with good clients
- c. Healthier work environment
- d. Higher profits