ELECTRICAL CONTRACTOR

POWER & INTEGRATED BUILDING SYSTEMS

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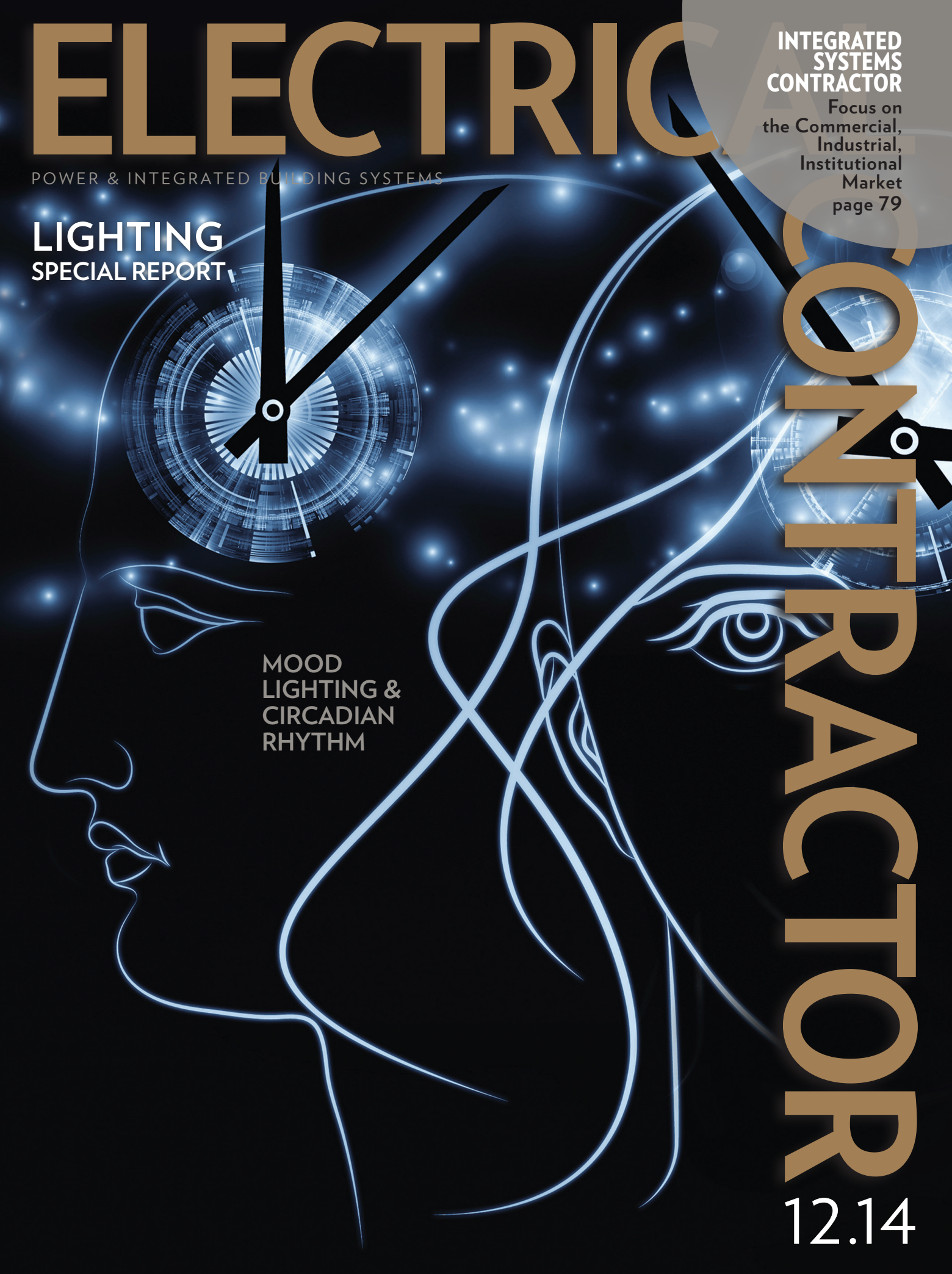

MOOD LIGHTING & CIRCADIAN RHYTHM

12.14

'Double-Handling' Can Be a Good Thing

Coffee break with Michael McLin, president, Maxim Consulting Group

WE APPRECIATE ALL OF THE POSITIVE RESPONSE to the new format for our column in which we interview industry leaders about key issues that may alter the future of electrical construction. This time, we reached out to Michael McLin, president of Denver-based Maxim Consulting Group, a busy guy who seems to be in constant motion. We caught up to him during a brief airport layover, where he was traveling from a gathering of CEOs from major contracting firms in the Midwest to a smaller meeting at a mountain resort in Wyoming.

You crisscross the country constantly, going between industry seminars and consulting assignments from which you have achieved a national reputation as a leading advocate of using prefabrication for electrical-construction projects. Putting aside for a moment the well-known concept of using it for the benefit of bigger jobs, what are your thoughts about using prefab to support service work?

Most electrical contractors think of prefabrication only in the context of large construction projects. Prefab may benefit bigger jobs, they reason, but it could never benefit service work. Nothing could be further from the truth. Properly planned prefabrication can introduce the same kind of outcomes in service work as it brings to larger projects. As a matter of fact, it can be even more important to the profitability of smaller jobs than anyone might otherwise have imagined. Take, for example, a service job that has a highly demanding, one-week completion schedule. Does it make sense to spend the first two or three days in the field building something that might have been fabricated ahead of time in the shop?

You portrayed this hypothetical situation without mention of factors normally associated with prefabrication, such as saving man-hours by using shop labor instead of field labor or lower paid shop workers versus higher paid field electricians.

That's right. There is far more to the impact of efficiently utilizing prefabrication. It necessitates effective preplanning, which makes the on-time completion of the project possible.

Many people tout the general philosophy behind prefabrication. In your presentations and publications, you have carried it a step further with your emphasis on standardization.

At this point in the 21st century, I cannot think of another industry—with the exception of healthcare—in which there is such a total lack of standardization than in the construction industry. In our consulting practice, we place a huge amount of emphasis on guiding our contractor clients into greater standardization in their operations. It is impossible to improve a business without standards, and, in this context, we mean both standardized process and standardized components for prefabricated assemblies.

"Standardization" may be a great idea for construction projects, but in service work—where no two jobs are alike—how can you expect to have any luck with standardization?

It may seem counterintuitive at first, but service work offers endless opportunities for standardization. For starters, just think about the ways in which standardizing the inventory and tools in service vans can yield amazing results. On one assignment, when we addressed that issue, we found a steel I-beam inside the cargo space of a contractor's service van. A steel beam! It was there for no reason. It was simply left over from a job that had been completed long ago. Standardization can

Michael McLin is president of Denver-based Maxim Consulting Group LLC. Maxim consults on strategies that enable electrical contractors to successfully get a scalable prefabrication facility up and running within a few short months versus years of trials and tribulations. McLin sees prefabrication as an important aspect of how savvy ECs can respond to challenges in today's marketplace. "Best-in-class organizations are able to pull 20–40 percent of their annual field labor hours into the facility, and they are executing the work at an average cost savings of 25 percent," he said.

be taken a step further by integrating the standard assemblies manufactured for the larger construction projects and utilizing a method known as "options installation" to customize a standard base product for use in a service order.

We know that you are a strong advocate of many other routines in preconstruction, including kitting, staging and other efforts that some folks might consider "double-handling."

Double-handling is a good thing—especially when you compare it to the triple-handling or quadruple-handling that we regularly witness on construction projects and in service work. The materials and tools are unloaded, consigned to a space without any forethought, then moved once or twice before they are finally installed. Yes, double-handling—by kitting and staging goods before they are sent to the field—is far preferable to what usually occurs. Think about the implications of pursuing a 100 percent kitting strategy. No job is completed without going through a preplanning, procurement and manufacturing process. All jobs are kitted at the 100 percent level, including all materials, tools and installation instructions. The skill level required for the field install is reduced, and the productivity rates are through the roof. This requires a 180-degree mindshift from the current thinking in the industry. Granted, this takes a significant organizational transition to achieve, but it can be done, and the result is a true competitive advantage.

To start doing things better, where should an EC begin?

Every contractor has to ask themselves, "What business are we in?" The correct answer is, "You're in the installation business. Your role in life is to install things." That said, ECs have to face up to the need to do everything possible to make the preparations to permit their field electricians to do what they were sent to do—and remove the burdens and constraints that prevent their electrical workers from doing what they do best.

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