

Business

Management by Meeting

by Paul Eldrenkamp

After years of trial and error (mostly error), I've become a firm believer in management by meetings. Whether I like it or not, my primary job as company owner is overseeing meetings. To be effective, I need to make sure that each one adds value to the company. That requires a clear agenda; in the case of regularly scheduled meetings, it's a repeating agenda.

Of all my regular meetings, perhaps the most important is my weekly get-together with my production manager. I view this as an opportunity to keep tabs on the company by asking questions — a very specific set of carefully thought-out questions that explore the health of both the business as a whole and of each project. In this article, I'll explain the detailed agenda we use for this meeting.

Stage I: Get the Overview

By using a series of forms and checklists that we've developed over time, we can methodically run through the

status and progress of all our jobs — those in the final phases, those in early phases, and those planned for the future. We start our meeting by reviewing reports compiled by the production manager and end by asking questions about that information.

Review the job-site-visit report. We have a written form for this report, though my production manager rarely needs to use it. Instead, she gives me a verbal run-down of each of her job-site visits over the past weeks and lets me know how each project is shaping up from a more subjective point of view.

Review the job-cost report for each project. We perform this review with our bookkeeper and estimator. The two-page report — one summary sheet, one detail report — lets us know how we're doing on each job in terms of estimated vs. actual costs.

The summary sheet uses a formula that extrapolates from the percent-completion calculations to give us an anticipated total for the overall job.



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Production Hand-Off Checklist

Job name	Lead carpenter & subs orientation meeting (note date)	Construction document review checklist meeting (note date)	Construction contract signed (note date)	Job launch meeting (note date)	Preconstruction conference	Weekly meetings & notes	Punch list generated (note date)	Project closeout complete (note date)
BUCKLEY	✓ 1/17	✓ 1/30	✓ 2/17	✓ 2/27	✓	✓	✓ 5/27	
MILTON	✓ 3/21	✓ 4/13	✓ 5/9	✓ 5/17	✓			
HENDERSON	✓ 4/2	✓ 4/20	✓ 5/30					
NEWMAN	✓ 6/13							
DWYER								

For a successful outcome, every job must pass a series of critical milestones; this checklist, filled out by the author's production manager, monitors the process.

Our goal is to be within 2 percent of estimated cost; jobs that veer beyond 2 percent warrant more conversation (and, potentially, intervention by the production manager) than jobs within the targeted range.

Review the schedule update for each project. Next, for each project we look at the initial schedule on which the substantial-completion date and payment-draw schedule were based and compare it with where we actually are.

This allows us to see if we need to rearrange staffing to beef up a job that's behind schedule, postpone the start date of that lead carpenter's next project, or take other actions to accommodate or re-energize a job that's behind schedule.

Review our production hand-off process grid. Over time, we've identified a handful of critical milestones in the design-to-production hand-off process: the lead carpenter and subcontractor orientation meeting, the construction-document review meeting, the contract signing, the job-launch meeting, and a few others. These steps are crucial to proper setup of a project — if we follow them carefully, we can be confident a project is positioned for success.

We track the steps with a grid (see example on previous page).

Across the top are the milestones, in chronological order, and in a column on the left are the job names. As each milestone is completed, we check the appropriate box to the right of the job name. We can tell at a glance what the next milestone is for a particular job and whether it's time to schedule it. More important, we know if we're at risk of skipping an essential step and undermining the entire process.

Review small-jobs hand-off forms. We've always had a hard time fitting small jobs into the schedule. Typically, these are jobs we do not as part of our core business but to maintain past client loyalty. Poorly handled, they are a nuisance for the crew and a liability for the company (a small job handled badly does nothing to cultivate loyalty).

The root cause of the problem had been my inability to hand off the project in an organized fashion, which ended

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Small-Jobs Checklist

Client contact information: SUZANNA MONTGOMERY 125 NEWBURY STREET BOSTON 617-555-1212

Scope of work: INSTALL NEW EXTERIOR TRIM ON TWO 2ND FLOOR MANSARD DORMERS TO FINISH UP AFTER ROOF SLATERS

Skill level required: CARPENTER OR MASTER CARPENTER

Expected duration: 2 PEOPLE ONE DAY

When do we expect to be able to do this: NEXT 2-4 WEEKS

Materials: 5- 10' 1x6 3- 10' LENGTHS 1 1/2" BAND MOLDING 2- 7' LENGTHS 3 5/8" CROWN NAILS AND FASTENERS PRIMER

Tools: CHOP SAW 32' LADDERS TABLE SAW HAND TOOLS

Subcontractors: NONE

Budget range the client is prepared for: From \$1200 to \$1500

Hourly labor rate: \$60 Markup on materials and subs (%): 20%

Small jobs done for past clients can take more time than they're worth unless approached systematically. This form gathers in one place all the information needed to complete the job.

up meaning I was the de facto production manager for small jobs because I was the only one with all the necessary information.

We now have a one-page form, easily integrated into an e-mail, on which we've listed all the information required to complete a small job (see example on page 62). The rule is that if there's no small-job form for the task, it doesn't exist as far as production is concerned. So the production manager and I make sure at our weekly meetings that I've provided sufficient information for production to complete the small jobs that past clients have asked us to do.

Review job closeout worksheets for each job in closeout phase. It came as a rude shock to me to realize that closing out a project properly is as much work as launching one properly. We've developed a one-page worksheet of all the essential closeout steps, which — if carefully followed — improves our chances of wrapping up a project with a bang rather than a whimper.

Review overall schedule grid for crew and for company. The production manager uses this week-by-week grid — which extends about three months into the future — to make sure that all employees are accounted for and all jobs are adequately staffed.

Reviewing it helps me manage my sales efforts: I know whether I need to push a little harder on closing some contracts because the schedule is opening up, or back off on start dates if it looks like we're overcommitting.

Prepare for upcoming production employee evaluations. I have been relatively weak with regard to crew evaluations over the years. We now have a regular annual schedule of evaluations. Having this item on our meeting agenda reminds us when we have an evaluation coming up and prompts us to prepare for it.

Stage II: Questions

Once we've gathered and discussed the above information, we are able to ask — and accurately answer — the following questions. This exercise forces us to step back and think about how we're *really* doing as a company. Most of these questions are self-explanatory; for a few I've added some notes to clarify the purpose of the question.

Schedule questions

- *Are we overcommitted right now?*
- *Will we be overcommitted any time soon?*
- *Will any subcontractors be overcommitted in the next few months?*
- *Will any lead-carpenter transitions from one job to the next be too tight or haphazard?*
- *Have any small jobs or warranty issues lingered too long and so risk losing us credibility with a client?*

Process questions

- *Do we have the right process for handing off jobs from design to production?*

We ask this question periodically because even if we are adhering diligently to our process, we may still be making major mistakes. If so, the problem is not with implementation but with the process itself.

For example, it was by stepping back and asking "Do we have the right process?" that we figured out we needed to add the small-jobs form review to our weekly meeting agenda. The small jobs were causing more scheduling headaches than the big jobs, not just proportionately but in absolute terms.

- *Are we enforcing the process?*

One glance at the design-to-production hand-off grid tells us the

answer to this question. If it's "no," we're forewarned that we're overextended and need to step back and regain control before moving ahead.

Crew questions

- *Do we have the right crew?*
- *Are crew members holding to schedule and budget?*
- *Is quality high?*
- *Is client satisfaction high, as measured by customer surveys and client exit interviews?*
- *How's job-site morale?*
- *Are we making the most of our crews?*
- *Is everyone doing his/her job?*

We ask this last question to red-flag any looming personnel issues. Asking the question doesn't make it any easier to fix the annoying little problems — like getting folks to submit weekly reports without a reminder — but it sure keeps us from avoiding the big issues that can be solved only by firing someone.

- *Is everyone advancing along a career path, or does someone seem to be stagnating?*

Personal growth consistently shows up as a major employee motivator — more important than wages, in many cases. By asking this question, we're able to tailor training efforts to help employees get over hurdles they might be facing, or give them opportunities that otherwise may not have occurred to us.

- *Do we have the right subs and suppliers?*
- *Quality issues?*
- *Reliability issues?*
- *Any attitude problems, or is there a good sense of teamwork among the subs?*

A Worthwhile Investment

I won't claim that we go through every item on the agenda every week.

Sometimes we're simply too busy, so we hit just the high points by phone, which typically means reviewing the reports and not asking the questions. If the reports are good, there are fewer questions to ask.

But to give the list short shrift two weeks in a row would in itself be a big red flag, and we don't let this happen.

Another red flag is glossing over a question — which usually happens because we don't really know the answer. It takes

discipline to pause at that point and tackle the issue head-on, to get through the discomfort and find out what the problem really is.

In the end, this process of managing by meeting has proved to be a very good investment of time and energy. It's a high-leverage effort: A one-hour conversation can yield benefits that save weeks of time and thousands of dollars in unneeded costs.

In fact, with this system in place, production management at our 18-employee company is a part-time job; our production manager typically runs

a project in addition to her production-management duties. She prefers it that way because it gives her a chance to do the carpentry she loves while still creating a reliable career in higher-level management.

Most remarkable of all, our meetings — guided by this comprehensive (but surprisingly quickly covered) agenda — have evolved into something I actually look forward to each week.

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