

CHAPTER 9 Construction Management

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GENERAL CONTRACTING

So you want to be your own general contractor! The transition to owner-builder may be a major change in your lifestyle, at least for the duration of construction. Owner-builders must be ambitious and have large reserves of energy and fortitude. After all, building your own home is the ultimate do-it-yourself project.

There are many reasons for building your own home. A truly custom design, high quality and pride of accomplishment are all advantages that, in the long run, even outweigh the fact that money can be saved. As with most things, the time and effort given to the project will ultimately determine the success. Always keep in mind your simple goal - to build your own home. The reason for building your home is to live in it and enjoy it, not to be building it for years and years. Therefore, quite a bit of time should be spent planning the construction, with the actual building phase being completed as quickly as possible.

The general contractor is basically a manager. The impression that the dominant skills required to build a house are the traditional craft skills such as carpentry, plumbing, wiring, etc. is only partially true. A general contractor should not be ignorant of these skills, but in actual fact the dominant skill required to build a home is the skill of managing. Major building and construction companies are successful because they have good management not because they are tradesmen. The manager's job is to guide the work to a predetermined end while staying within set limitations - financial or otherwise.

The decision to become your own general contractor can be likened to starting your own small business. Many of the duties are similar: purchasing, hiring, preparing and executing (signing) contracts, scheduling, budgeting, accounting and trying to profit (save money). To be successful you should place yourself in a manager's frame of mind and look at the construction of your house through a manager's eyes.

The decision to build will be the first of many you will have to make over the next few months. No one can make these decisions for you. You must accept responsibility for your actions and bear the consequences of your mistakes. Being a first-time general contractor is not difficult if construction is approached one step at a time, but it can be very stressful because you are dealing with new unknown situations.

MANAGEMENT FUNCTIONS

Each house that a general contractor builds requires the involvement of at least 10 different subtrades. Plus the acquisition and expenditure of materials, the coordination of inspections, which are all combined with the problems of cash flow. All these things apply whether you are building 1, 10 or even 110 houses - only the magnitude of each changes.

In order to cope with these problems, builders rely on management skills. By constructing your home, you will need to do the same. The required skills are within your capability, and you may find that they become less difficult and more of a positive challenge as you become familiar with all the aspects of general contracting.

Consider these Management functions as they apply to general contracting.

Planning

- decision making
- setting goals (a plan for action, i.e. creating a pre-construction plan)
- defining limitations - financial or others
- creating or selecting a house design
- initial cost budgeting.

Organizing

- defining required resources (i.e. materials, labour, equipment and money)
- researching the marketplace (i.e. cost estimating/company selection)
- creating a work plan listing the necessary steps required to complete the project
- arranging for mortgage or credit financing
- constant review and analysis of project progress with revisions to work plan being made where necessary.

Directing

- hiring subtrades
- ordering materials
- providing leadership and motivation
- communicating objectives and ideas
- dealing with problems or complaints.

Controlling

- setting detailed construction specifications and ensuring that they are followed
- ensuring contracts are fulfilled
- job scheduling and coordination
- job supervision
- controlling finances by following up on all payments and mortgage advances
- innovating (allowing for changes, offering solutions and acting on them).

This may all seem very complicated, but a good manager is one who has learned to keep things simple. You should start out with a very simple work plan that is easily understood by everyone. Keep in the back of your mind the idea that you are not the only one involved in your management process. Set up a management process so that everyone involved in the construction of your home will know what is required of them, when and where it is required. The more clearly they understand the better they will do their part in the construction of your home.

Keep checking yourself in the months ahead. Ask yourself - Is it getting complicated? Does it sound difficult? If so, simplify it.

Good rules of thumb are:

 K.I.S.
Keep It Simple AND One Step at a Time

Pre-Construction Plan

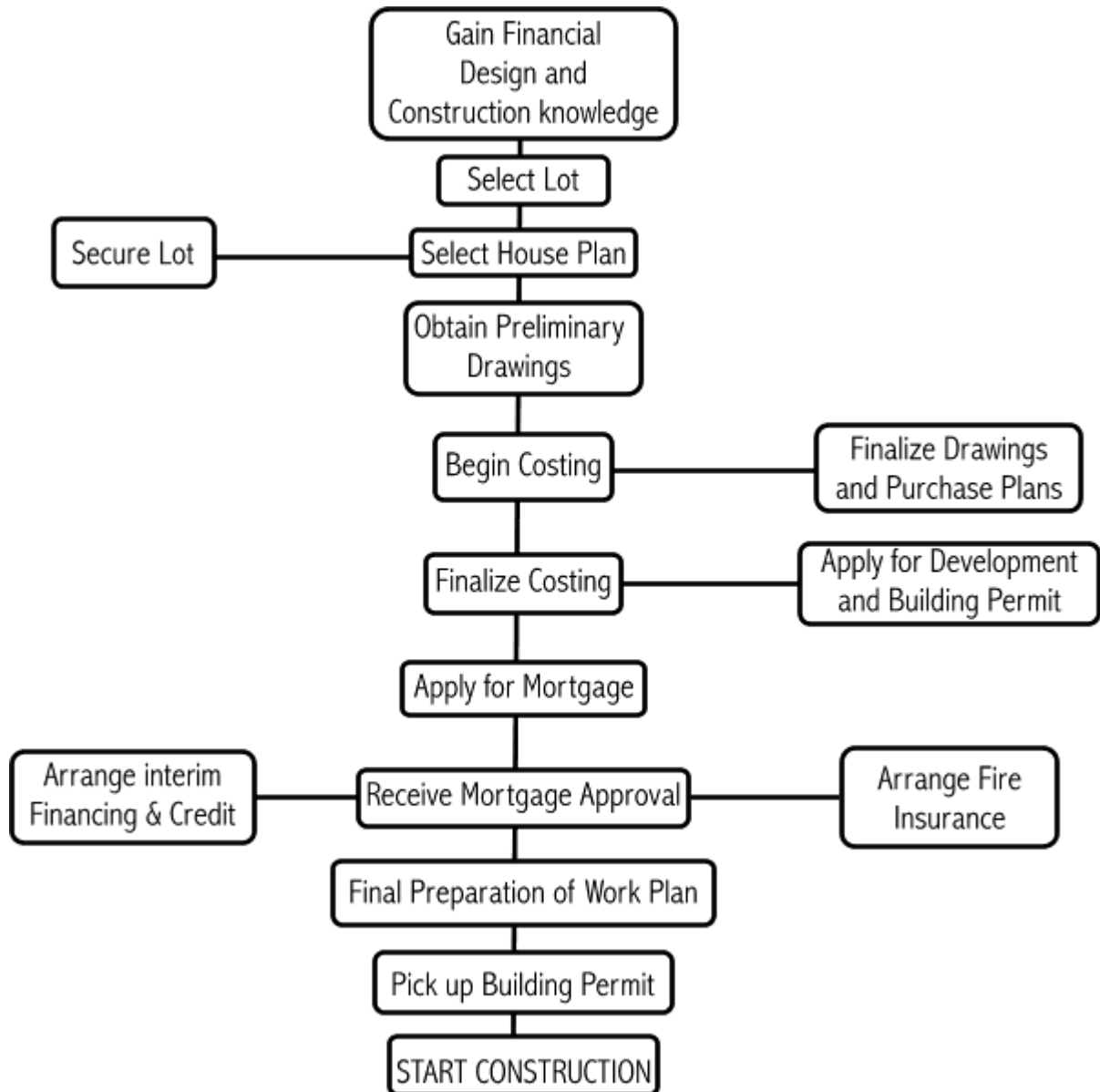
You can start your management role immediately by preparing a simple pre-construction plan. This is just a list of the steps required to get to the point where you are able to start construction. This list of jobs can then be turned into a pre-construction critical path by listing them in the sequence in which they must be carried out. By adding dates and costs you will have set some definite goals.

The items to be included on the pre-construction critical path and their exact sequence will vary from individual to individual. Spend some time to make sure that your critical path is suited to your circumstances. The pre-construction plan, like the rest of your work plan, may have to undergo a number of revisions in response to changes in circumstances leading up to the start of construction. If necessary alter your plan, but on the other hand be prepared to initiate your own actions to keep the job on budget and on schedule.

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Building a good project plan is just the beginning. As soon as you have set the project into motion, the unexpected happens. New external constraints are imposed; tasks don't stick to schedule; or unforeseen developments demand changes. Real-world management requires constant adjustment to your plans.

SAMPLE PRE-CONSTRUCTION CRITICAL PATH



COMMUNICATIONS

A general contractor should be a master at communicating with others. Communication between people has three basic purposes: to order, to teach and to learn.

In order to have effective communication you must first be willing to listen. Have you ever been so absorbed in a task you did not realize someone was talking to you, until he somehow attracted your attention? In fact, you probably heard him; it is just that you were not listening. Hearing is a simple physical act that you can do even when you are asleep. Hearing is something that happens whether we like it or not and so can be described as a passive act. Listening, on the other hand, is something that you must decide to do. Listening is a mental act that requires you to be awake, alert and prepared to absorb information - an active role.

A person who is passive has no control; the person who is active has control.

Whether you are attending a classroom lecture or on the jobsite discussing a construction problem with a tradesman, you have to be prepared to listen. The capacity to listen brings into play the physical, the mental and the psychological components of the human make-up.

- First, you must be physically able to hear.
- Second, you must be in the right frame of mind. To properly absorb information, you must approach the conversation with a willingness to learn. It is said the mind is like a parachute - it works best when it is open.
- Lastly, your mind must be free to accept what you are hearing. Fear, anger, hostility, resentment, jealousy, pride, shyness, etc. can all interfere with your capacity to listen.

Communication is basically a 2-way process. Only the direct order, which requires immediate action without question can be called one-way. All other forms of communication are two-way whether they are dialogue (conversations) or monologues (where the audience communicates back to the speaker by registering boredom, interest, etc.). Two-way communication allows both parties to teach and learn at the same time. It has been said that teachers learn from their students as much as the students learn from their teachers. In fact, possibly the best way to learn is to teach. Even if that means to teach yourself.

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When you speak, be ready to learn. Remember that communication allows learning which creates knowledge and, in turn, this knowledge gives you power to control your life.

Essentials of Communication

Humans are socially oriented creatures. One great and constant need we have is to communicate. While building a house, you will be communicating with people in a variety of situations - contractors, inspectors, workers, strangers, delivery men, friends and of course your family.

There are some universal principles that apply to communication and dealing with people. Each situation is unique and any given combination of these principles may apply.

Remember that no one is perfect. Every person is a mixture of good and bad, strengths and weaknesses, assets and liabilities, faults and attributes, abilities and limitations. These all vary constantly in quantity, intensity and manifestation. On top of all that, remember that each person is like you - a complex mixture that responds emotionally to given stimuli. Looking at all this, one can easily see why communication is a complicated process requiring tact, consideration and understanding for others. To further complicate matters, each person's position dictates the way you speak to them. You do not speak to your wife or husband the way you would to the plumber.

Remember life is full of little irritations. The attitude with which you approach each irritation can make the difference between a positive and good result or prolonged frustration and problems. You will have many moments of uncertainty. Uncertainty, if improperly handled, leads to anxiety, which leads to worry. Worry can lead to fear, which leads to hopelessness, which leads to despair, and despair to failure and defeat. You will want to avoid this self defeating path by finding out the facts and removing the uncertainty.

The greatest need everyone has is to feel worthwhile and respected by others. Oriental philosophy places great emphasis on "saving face". This is a need we all have and, therefore, we should never include in our conversations and confrontations statements that destroy "face" or self-respect, because doing so invites an immediate hostile retaliation and impenetrable barrier to communication and problem solving. When speaking to anyone, always remember to avoid embarrassment or humiliation.

Rules for Arguing

Realistically we know that people can be argumentative and unreasonable. With this frame of reference, we would like to include some rules for having a profitable argument. Building your own home can be an emotional and trying experience. Your family will not always see eye-to-eye during discussions and decisions that must be made during construction. When a disagreement arises, communicate. There has to be give and take. The best way to resolve the difference is to talk it out.

These rules apply to anyone, but obviously a little different emphasis is required depending on whether you are speaking to a contractor, labourer, inspector, banker or a family member.

- 1. ARGUE WITH THE RIGHT PERSON**
Be sure you go to the source of the problem. Do not “take out” frustration on each other. If the painter did a lousy job on the living room do not criticize your mate for hiring the painter.
- 2. ARGUE ABOUT THE RIGHT THING AT THE RIGHT TIME**
A woman once got hot under the collar about the cost of some fishing gear her husband bought. What she really was angry about, though, was the time her husband spent away from herself and the family.
- 3. NO NAME CALLING**
Self esteem and self respect are absolutely essential mental attitudes for each of us. Name calling robs self esteem and self respect from us. Take a KIND, TACTFUL approach .
- 4. NO SNOWBALLING**
Often additional problems we have allowed to build up become AMMUNITION during a fight. “And while we’re at it I saw how you looked at Jack during the party” OR “Not only do you leave a mess at the building site, but I’m tired of picking up your dirty socks and under wear. “
- 5. DO YOUR THING TO COOL OFF BEFORE THE CONFRONTATION OR DISCUSSION**
Intense physical exercise is a good release for extra “ heat “ .
- 6. NO POST MORTEMES DURING THE ARGUMENT**
Do not bring up past arguments, be they victories or defeats. “Yes, well you were wrong last time too and the time before that. “

7. TAKE A READING ON MENTAL AND PHYSICAL HEALTH OF YOUR MATE BEFORE YOU ARGUE

Stress, hypoglycaemia and chronic illness all are handicaps to profitable arguments. Building, moving and spending money all cause high stress levels.

8. HAVE A PROCEDURE FOR ARGUMENTS

Each person should be allowed to fully state their point while the other listens. Full understanding of what the beef is often solves the problem. Remember, a person who states his opinion before he fully understands the problem has a good chance of looking like a fool.

9. BE READY TO COMPROMISE

Family living is where we all learn to compromise in order to solve problems and situations. Keep an attitude and willingness to come to a solution both of you can live with and benefit.

10. GET THE FACTS

Do not be afraid to ask questions. Most often, learning all the facts will defuse a problem or dispute.

Underlying all the points is the understanding that no house, no financial situation, no imagined insult is worth breaking up a marriage and home over. Building a house should be a family project - if treated that way, the project will draw the family even closer by completing a major project in which ALL positively contributed.

Communicating with Suppliers and Subtrades

As you direct the construction of your home, you will find that communicating with the tradesmen and suppliers is very important. Be prepared to accept lots of feedback from them, especially when they find out that you are a first time builder. Even so, always be willing to learn from a conversation. Do not let your feelings toward the other party affect your ability to absorb information.

Try to keep the following points in mind when dealing with a tradesperson or supplier:

- be courteous, respectful and genuine (you depend on your contractor's integrity, so respect it and them)
- be absolutely sure that you know what you want to say before you say it

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- avoid distractions (other listeners, construction noise, crying children, etc.)
- ask questions - remember communication is a learning experience and it does not hurt to pick someone's brain
- important communication should be written down for clarity, verification and reference do not rush the conversation
- try to use the trade's language to facilitate understanding (use proper technical names instead of referring to "thingamajigs")
- make the contractor feel that they are part of the entire project. Keep them informed of overall progress which will allow them to make intelligent decisions on their own.

The telephone will likely be the most used tool, while you are acting as a construction manager. One weakness of using a telephone is that you cannot see the other person. You cannot see anger, smiles, tension, relief, etc. which sometimes allows the meaning behind words to be lost.

Be business like and use the telephone to stay in contact with your trades and suppliers.

Making Calls

1. Identify yourself and make reference to your project.
2. State the purpose of your call (complaint, information request, gratitude, etc.).
3. Use a logical sequence for items in your call (make notes to follow).

Receiving Calls

1. Identify yourself.
2. Be polite and attentive no matter the mood or urgency of the caller.
3. Write down the pertinent details of the call.
4. Take any action required as soon as the call is completed.

Giving Instructions

Tradespeople cannot be expected to carry out your wishes on the job site unless they have been given clear, understandable instructions. Depending on the situation, instruction may either be verbal or written. Written instruction is preferable since it leaves no doubt as to what information was given; but this may not always be practical.

The following guidelines may help when passing on instructions.

Oral Instructions

Giving

1. Be tactful and polite.
2. Use a logical order.
3. Use common language.
4. Let receiver ask questions.
5. Give simple, clear answers.

Receiving

1. Take an active role and listen.
2. Repeat instructions (teach yourself).
3. Ask questions.
4. Write down instructions (reminder to yourself).

Written Instructions

(i.e. a list of job deficiencies)

Giving

1. Use proper letter or memorandum form and keep a copy.
2. Make instructions sequential.
3. Use short, clear, simple sentences.
4. Ask for acknowledgement that instructions were received and understood.

Receiving

1. Read carefully until you understand.
2. Acknowledge that you have received instructions.
3. If you have questions, ask.

Remember that instructions are another form of two-way communication and that you should be prepared to receive feedback even when you are doing the instructing. Allow for feedback so you can determine if and how your message has been received.

CONTRACTOR RELATIONS

Probably the single most important thing in good contractor relations is to make an effort to keep an avenue of communication open. Much time and effort will be put into finding the “right” contractor, and you do not want to lose your contractor by some sort of misunderstanding.

Right at the cost gathering stage get off to a good start. Try to foster mutual respect between the general contractor (yourself) and the subtrades. Know what you want by doing your homework. If you are having problems making a decision or understanding something, do not be afraid to ask questions. Make sure that you do not go to extremes; do not play dumb or have a know-it-all attitude. Remember that you are fortunate to have so much expertise available, willing to give you advice and assistance. Do not give them a reason to shut the door in your face.

Gain an understanding with the subtrades as to what is expected vs. what will be done. A well written scope of work or job description will go a long way in assisting with this understanding. Take time to discuss methods and techniques to ensure both parties are in agreement. Base these discussions on cost sheets, plans and specifications to allow for clarification and elaboration.

If you want something done say so, do not waffle. If there is no reason for your wishes not to be carried out; then demand it - be firm but courteous. Once you back down this may be viewed as a weakness and trades may try to take advantage of you.

Be patient and tactful with your tradespeople. No one likes to be told they are lying, cheating or doing a poor job - even if they obviously are. The trick is to let them know you are unhappy with what they have done (or not done), while still making them feel you are happy with them personally. The whole point is to try to keep on the good side of everyone while not letting them walk all over you.

Try to be a motivating factor. Your mental attitude has a lot to do with how your trades will perform. Be optimistic by looking for solutions to problems rather than looking for someone to blame. If you have plenty of enthusiasm it should be fairly easy to persuade others to work enthusiastically. Be careful not to overdo it or instead of a motivating factor you might become a bothersome pest.

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Anticipating is better than just responding to the needs of your subtrades. Try to look into the future and stay one step ahead of problems. This will help to overcome small problems before they can turn into major obstacles. Do not be hesitant to communicate problems or delayed start times that might affect the trades. After all, your house is not the only one they will be working on and they will have their own job scheduling problems to work out.

Do not get into a verbal battle with anyone if you can possibly help it. Once you antagonize someone, it is very hard to reconcile any problem that does occur. If you do have a tradesperson that is producing bad work or does not appear at the worksite, etc., just let them know you have a very tight schedule, and if they cannot meet your schedule you will hire someone else.

One final note, make prompt payments. If all aspects of the job are satisfactory, be sure to make payments as stipulated in the contract. You will never know whether or not you will need the trades again!