مدیریت کسب‌وکار در صنعت ساخت
(Construction Business Management)

ماژول ۴: توسعه کسب‌وکار

بخش هشتم: توسعه برای نسل آینده

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What we will learn?

- Construction Industry Consolidation
- Succession Planning
- Exercises
- Professional Development
- Exercises

Construction Industry Consolidation

Construction industry consolidation

- Industry consolidation is characterized by the amalgamation of **smaller organizations into larger ones**,

  resulting in **fewer but more powerful** industry participants.

- The **rationale for consolidation** includes
  1. Greater **negotiating power** with suppliers and customers,
  2. Access to **new technology** and **practices**, and
  3. **Expansion** of markets and product lines.

Figure 14.1 Industry consolidation is characterized by the amalgamation of smaller organizations into larger ones.

Consolidation in the construction industry

- The construction industry in the US has been **leaning in the direction** of consolidation for a long time but began to get traction **after the first decade** of this century.
- **Around year 2010**, consolidation of the construction industry was measurable and heading in the **direction of 25% fewer enterprises**, which is a generally accepted definition of **industry consolidation**.
- In the **September 18, 2000** issue of **Engineering News-Record (ENR)**, one of the authors of this book projected that the number of existing construction enterprises would be **reduced by more than 20% by 2020**, which is about where the industry is at the time of this writing.

Consolidation in the construction industry

- When **large construction enterprises** grow at a rate faster than the remaining firms in the industry,

  it is at the **expense of the midsize and smaller** organizations

  who are **left with a smaller portion** of the market.

- **Big** construction companies are **getting bigger**,

  while **midsize organizations** struggle with **proportionately less work**.

Consolidation in the construction industry

- For example, one of the authors and his team also analyzed this phenomenon specifically for design-build firms using revenue data from the top **100 design-build firms.**
- The authors divided the firms into statistical subsets (also called clusters) and analyzed the growth rates of each subset compared with the average of the top 100 design-build firms as a whole.
- They found that the top **17 firms (by revenue)** actually have **70% of the revenues** of the **top 100 firms**.
- Moreover, looking at these **top 100 firms** between 2003 and 2013, revenues for the top third of these firms grew at a rate **double that of the bottom two-thirds**, significantly increasing their market share.

Comparison with other industries

- To better understand the issues, let’s **look at other industries** that have consolidated. **Before WWII**, the **majority of the food and groceries** consumed in the US came through small **“mom-and-pop” grocery stores**.
- In **1950 when one** of the first grocery store **chains opened**, all the “mom-and-pop” grocers said in unison: ***“They’ll never make it.*** *A person needs to know their* ***grocer personally****.”*
- The **same goes with privately owned gas stations** (formerly referred to as filling stations) having been replaced with **franchises or oil company-owned stations**.
- This is **even the case for farming**, where most small and independent farms in the US have been consolidated into large corporate operations.

Maybe construction industry customers will be ***more loyal****, but other industries became commodities with* ***minimal resistance*** *from customers as these industries consolidated.*

What changed?

- In the past, success in the construction industry demanded a rare combination of talents, including the abilities to muster resources; put an accurate price on the work in advance; manage labor, subcontractors, and vendors through a long and arduous process; and tolerate a high degree of risk. Many projects were built with a backhoe and a box full of tools. In the old days, some used to say, “all you need to be a contractor is a pickup truck, a cast-iron stomach, a forgiving spouse, and a bad temper.” Contractors of this breed were successful as long as their methods of bidding and costs for individual items of work were closely guarded secrets, and as long as their production of complex projects remained a mystery.

What changed?

- But all of that has changed. New technologies and wide access to information have demystified the processes of estimating, organizing, and producing the work, resulting in construction being perceived as a commodity. This led to a belief that there is little difference between construction enterprises, which resulted in less concern over which contractor is selected. Note that this belief is slowly starting to change again, with the emergence of alternative delivery methods such as CMAR and design-build DB where contractors are selected in large part based on their qualifications and not just their price. But that’s still the exception, not the norm.

What changed?

- But again the most important reason is arguably construction being perceived as a commodity, in a world where processes are evolving and efficiencies are improving. Here's a simple example: not that many years ago, wooden forms for concrete were built from scratch to custom design even for complex projects. Competition for that type of work was limited to contractors with craftsmen who knew how to do that. But since the process has been revolutionized by patent form systems, it now requires much less skill to build forms. Standardized processes and lower costs invite new competition, and some small and midsize construction contractors resist change or lack the resources or motivation to change. Moreover, technology is improving standardization, efficiency, and productivity. It is also streamlining planning, scheduling, and production to the point that construction is no longer the custom product or service that it was.

What changed?

- **Fifty years ago**, construction was a custom effort, with **double-digit profit margins** compensating for **inherent inefficiencies**.
- **Margins** have slipped into the mid **and low single digits**, and even lower for larger contractors.
- Construction has **become increasingly standardized**, leading to efficiency and productivity becoming major differentiators among competitors.
- **Economies of scale and homogenous** processes reduce cost and schedule where **larger firms** have the advantage of **greater resources**.
- **Many small and midsize** construction companies **lack the means to reduce cost and schedule** to the extent today's customers are demanding.

Consequences

- The **reduction of margins** over time makes it **harder for small and midsized** businesses to **invest in increased efficiencies**.
- **Larger companies** suffer the same low margins,
  but their size enables them to invest in production improvements
  because they can **better afford the upfront costs** involved, to satisfy the shifting demands of owners.
- Because **continuous improvement** is a necessary cost of doing business,
  consolidation will become critical to survival for some contractors.

Consequences

- **Some small contractors** will fare **better than midsized** firms because there is usually a place for **niche players**.
- **Specialty contractors** can **earn higher margins**,

  but that may be **impacted as consolidation** continues.
- **Small and midsized** firms may attempt to **match larger-scale efficiencies** through cooperation, trade associations, or seeking to work together,

  but their **window of opportunity is brief**.
- **Profitable well-managed midsize** organizations have the **options of**

  1. **Becoming part** of larger organizations or
  2. Finding and **serving niche markets.**

Consequences

- Many contractors will resist losing independence through acquisitions and mergers, but this reaction has not been very successful in other industries that have consolidated – unaffected by the resistance of the participants.

- The talents, aptitudes, and temperament of the traditional successful contractor generally fit the mold of the headstrong entrepreneur who loves to lead (not to follow), which partly explains why the industry has remained fractional for so long.

Consequences

- **Consolidation** leads to standardization, which demands **efficiency**.
  - Therefore, the **future leaders** of the construction industry will likely be efficient, well led, well trained, large regional and national organizations.
- Consolidation does not just mean a few roll-ups, but rather a **serious reduction** in the **number of US construction companies**.

  Because everything **moves fast** in the information age, the **timing is unpredictable.**

Consequences

- **Travel agencies**, for example, **disappeared almost overnight**.
  - The **more quickly consolidation** occurs, the more **difficult** it will be on **practitioners**.
    - ✓ **Although the same construction professionals** will continue to manage and perform the work, **leadership will shift** toward larger firms.
      - The **structural changes** will create **uncertainty**, which is generally **unpopular**.

        This subject is not easy to digest, and we suspect will be rejected by many.

Construction Industry Changes that Support Consolidation

- These changes may add to the **willingness of contractors** to sell, merge, or otherwise leave their businesses:
  - Reduced margins make the business less attractive
  - The return on investment (ROI) is not as appealing as it was in the past
  - Inheritance tax is difficult on successors
  - Lack of family successors
  - Projects becoming more complex over time
  - Increasing demand for speed
  - This already high-risk business continues to get riskier

Construction Industry Changes that Support Consolidation

- The **above realities** often cause immediate **family members** to be less interested in the long hours and hard work required

  when taking over a **family-owned** construction business.

  - This will make a number of current construction entities **"last generation."**

Drivers of consolidation

- As mentioned earlier, economies of scale provide larger enterprises **price and competitive advantages** not available to small or midsize organizations.
  - These include:
    - ✓ Buying materials in bulk
    - ✓ Attracting subcontractors to larger jobs and the potential for repeat business
    - ✓ High and consistent use of equipment
    - ✓ Efficient use of labor, technology, capital, and management
    - ✓ Cost-effective assembly of standardized parts and prefabrication
    - ✓ Standardization of construction practices
    - ✓ Separate experts in design, purchasing, production, quality control, safety
    - ✓ Resources to continually explore the latest technologies, and more.

Drivers of consolidation

- The large firm advantage is cumulative and provides
  1. Buying power,
  2. Cost savings, and
  3. Leverage

  that cannot easily be matched by small or midsize companies.
- The **threshold** of the profit percentage it takes to satisfy a large firm's single or multiple owners or stockholders is often **less than** the profit percentage required to support a family-owned business or satisfy the independent small or midsize contractor

Drivers of consolidation

- **Buyers** of construction services are also **changing**.
- The **average size of buyers** is increasing as corporate America grows and consolidates.
- The size and number of **multinational companies** is growing.
- **Government agencies** at all levels are often **aggregating projects** for more efficient management.
- When buyers' preferences shift,

  project delivery does too,

  new providers emerge, and

  the potential for consolidation increases.

Impact of consolidation

- The standard practice is to select what the large firm considers the **strongest**, **well-managed contractor** in the location and pay a **fair price, occasionally overpaying** for a quality firm that may be a good fit.

- Contrary to some opinions, **enlightened large firms** are <u>not attracted </u>to the cheap price for a **weak firm** or one that may be **struggling with financial difficulty**.

Impact of consolidation – Case study #1

- A **very successful second-generation non-family midsize** contractor in a growing city was approached by a **well-respected national firm** expressing an interest in acquiring them.
- The professional owners of the midsize firm were **surprised** because they had **never considered selling their business** and **asked why** they were being approached.
- The representative of the national firm advised that they were going to **expand their operation into the area** and that their research indicated the **case study firm** was the best in the area.
- After disclosing that they were **not necessarily for sale** but would be interested to learn more details, an **all-day meeting was scheduled**.

Impact of consolidation – Case study #1

- The partners met with **senior executives of the national firm** and were **overwhelmed with the purchase amount** they were offered.
- At **lunch time** it was suggested that they **dine separately** so the partners could have a discussion among themselves.
- The partners were **genuinely flattered** with a commitment that they would still be running the operation and by what they considered a **very generous purchase price** but **decided they were not interested in selling**.
- They advised accordingly and the **meeting ended cordially**.
- The partners did not give it another thought **until three months later** when it was announced that the **national firm had acquired** the **partner's direct competitor** that was somewhat **larger than the partner's firm** and had **always been a serious challenger** for the best work in the area.

Impact of consolidation – Case study #1

- Within months it **became apparent** that the **newly acquired** firm had home office **marching orders** to increase their market share considerably, and the funding to accomplish it.
- **Shortly thereafter** it was learned that the acquired firm **planned to double in size**, which explained why they were so **aggressive in pricing the work**.
- Within two years they were able to **capture the majority of the larger projects** that the case study firm's partners were counting on.
- During that time, the **acquired company was awarded two projects** so large that they were outside the partner's range because they did not have the bonding capacity to even compete.

Impact of consolidation – Case study #1

- **Despite a growing healthy market**, the midsize case study firm was **unable to capture enough work** to maintain their size.
- In the first year after their competitor’s acquisition the firm was involuntarily **downsized by 15%**, then by **another 10% the following year**.
- Over the same length of time, the **competitor, now owned by the national firm, doubled in size** in the rapidly growing market and **increased their market share**.
- That was **later determined to be the national firm’s plan** from the start.
- That business plan originally had the partners’ name on it but when they declined it went to their competitor

Impact of consolidation – Case study #1

- The lesson:
- Construction professionals need to see beyond their internal perspective and understand what the initial inquiry might mean to the firm, the area construction market, and to the local construction community.
- One thing that should have been considered is that the national firm was coming into this area no matter what (which they were told).
- That fact changed the circumstance and question from: “Do we want to be acquired?” to: “How will this affect our competitive position, our area’s construction market, and the local construction community?”

Impact of consolidation – Case study #1

- This is a very different circumstance that the partners were not aware of.
- They decided later, that had they known that their company would be so negatively impacted by not being acquired, that they would have agreed to the offer.
- They are now convinced they made the wrong decision.
- The **lesson is that consolidation** is occurring in the construction industry and it will impact those firms that consolidate and those that do not because it alters the competitive balance and the construction market.
- An exception might be a midsize company in a rural area where large projects are rare and there is limited competition because that circumstance does not readily attract large or national firms.
  - However, that may change over time, so awareness of consolidation is critical for all senior construction professionals.

The Construction Company Life Cycle

Stages of growth

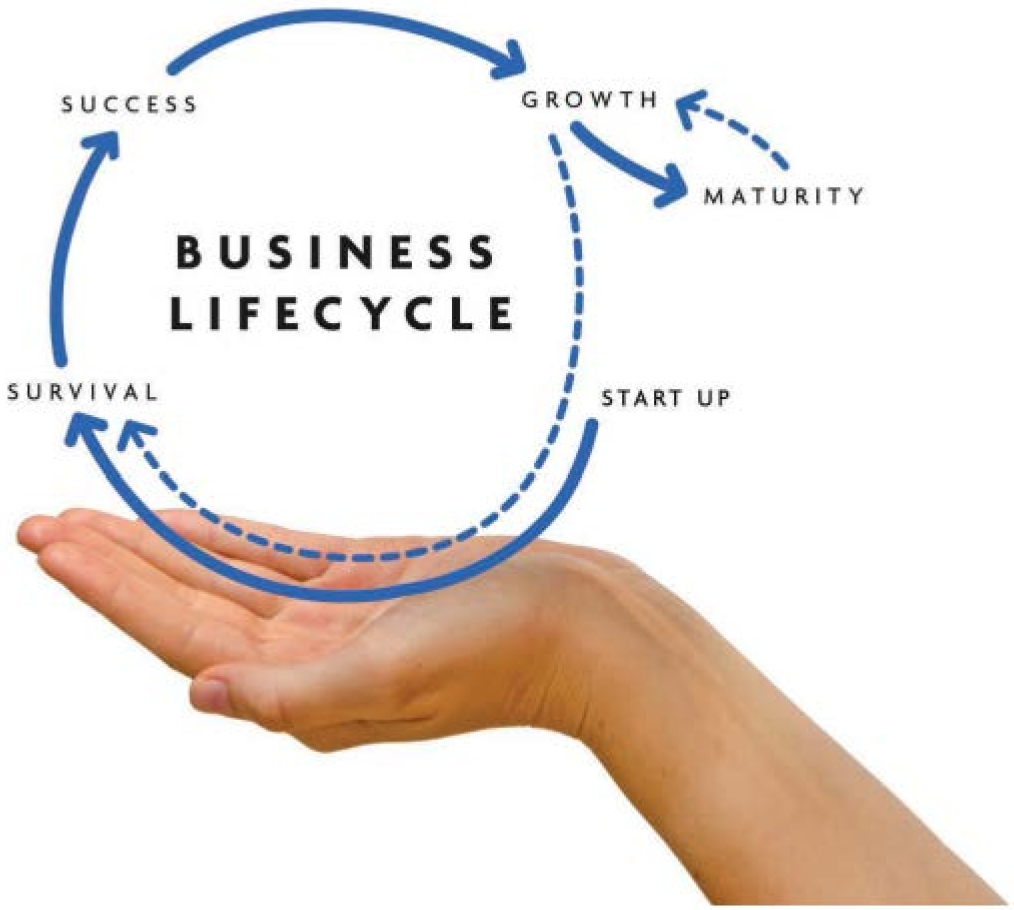

Figure 15.1 The five stages of growth.

Succession Planning

Succession planning

- A **closely held construction company** can be defined, at any given point in its life cycle, as the sum and substance of **its experience**.
- Almost all of that sum and substance has been created by, and resides in, people, particularly and proportionately in the **firm's senior managers**.
  - Sum and substance includes talents, abilities, and attributes of a manager.
    - ✓ When **key people leave** a closely held construction enterprise **expectedly**, such as in planned retirement, or unexpectedly, such as in **illness**,

      some of the **"essence"** of the organization is **lost**.

Succession planning

- A **portion** of the sum and substance **can be transferred** from one person to another with **deliberate and diligent effort**; these include

  customer relationships, union contacts, production and process knowledge, and so on.

  - However, a **considerable portion** of the sum and substance **cannot be institutionalized**, is <u>not easily transferable</u>, and, in spite of the leaders' best efforts, is **forever lost to the organization**.

The basic of succession planning

- To **salvage** as much of the **sum and substance as possible,**

  it is best to have around **three years to enact** the process for middle managers, and **around four to five years** for senior managers who will be leaving an organization.

  - For **key senior management departures**, five years of preparation is appropriate.
    - This **timing is not always possible**, but when it is, it can **significantly improve the outcomes** for the organization.
      - If a **key person leaves** without notice, the same principles apply, but the **risk is much higher**.

The basic of succession planning

- When there is **uncertainty about when** a person may leave, such as an intention to retire in a non-specific length of time, or uncertainty about health issues,

  it is prudent to plan to the shortest time.

  - If the person ends up **staying longer**, that's even better.

The basic of succession planning

- During the **final year or six months** of this period,

  it is recommended that the **replacement be promoted** into the position with full responsibility.

  - There is a **considerable advantage** of having the **retiring person still there** to mentor, assist, and encourage.

- It should also be understood that the **selection of an individual** to be advanced or promoted has the **potential to cause emotional reactions** from others,

  particularly **some who think they should have been selected instead**, which can lead to early departures of **disgruntled employees**.

  - This **potential disruption** of the management team during the succession process can **further complicate the issue**.

The risks associated with succession

- The construction business failure rate at succession is in **excess of 50%**, with one study **estimating a 65% failure rate** at that juncture.

- At a minimum, the succession process is to be respected as a **high-risk event**; some would even call it a **"dangerous" event.**

- Succession must be **diligently planned** for, well in advance of a **key person leaving** the organization, and

  must be well **executed**,

  ideally while the **key person is still with the company**

The risks associated with succession – Risk of sudden departure

- If **departure is sudden**, the firm is immediately at extreme risk.
  - A **good defense strategy** when faced with a sudden departure of a key person is to **reduce sales volume immediately** by about 15%, and preferably 25%.
    - ✓ The purpose is to allow **greater concentration** on less work into the future **until the impact** of the sudden absence of the key person is **able to be evaluated.**
      - **No matter what actions** were taken to replace the person, the **results** of the **"new" organization** will **not be known** for at least a year of working together.

The risks associated with succession – Risk of sudden departure

- A **serious reduction** in volume reduces the strain on the remaining managers and company resources

  as the succession process unfolds and **allows the new team** to be tested under less pressure.

  - This is critical, as **experience shows** there is less than a 50% chance that the succession will be **successful**.
    - If it does **not work**, that may not be visible for a year or more, at which time the succession process will **have to be repeated**.

- This type of circumstance is **one of the most serious crises** the firm will ever face, and

  a **good first reaction** must be to downsize,

  analogous to **saving a sinking ship** by lightening the **cargo load**.

The risks associated with succession – Succession in family businesses

- **Succession in family businesses** has its **own unique risks** because the successor is often chosen by birth, and **not necessarily qualifications**.
  - This is not a critique, nor a suggestion that family members are automatically not qualified.
  - **Owners** have the right to select **whomever they like for senior** positions.
    - ✓ What tends to happen is, with the **successor a foregone conclusion**,

      few firms utilize a well thought-out succession plan, diligently managed, supervised, and measured.

The risks associated with succession – Succession in family businesses

- The **family member** is put at a **disadvantage without the value** of a group of senior managers evaluating, developing, and managing the preparation for the new position.
  - Compare that to **competitors** in non-family-owned businesses, where a non-family member would normally be the recipient of this intentional development and coaching process.
    - ✓ The **disadvantage** is compounded when some are put into a **senior position at a very young age**,

      especially positions for which a non-family member would never be considered because of **lack of experience**.
      - The **ability** to manage a construction enterprise successfully is **not inherited.**

The risks associated with succession – Succession in family businesses

- The **retirement** of a founder of a small or midsize construction business, particularly a **first-generation founder**,
  - has exposures that **may not be anticipated**.
- As described in the previous sections on stages of growth,
  - **founders** of most construction companies are typically self-made contractors
    - that **lead and direct everything** and
      - have **not had to delegate** much authority during the startup, survival, or success stages of their businesses.

*As a result, they may **not delegate enough authority** to their family successor to **learn enough** about running the business and being successful doing so.*

The risks associated with succession – Succession in family businesses

- With the **prosperity of the founder**, the successor has usually **spent years in higher education** before joining the firm, and then often as a **trainee in the office**.
  - When this is the case, there is usually minimal field experience, a lot of which was **gained by watching**, not by doing.
    - As explained in the stages of growth chapter, c**ompanies in each stage, other than maturity**, require a hands-on leader/entrepreneur to be successful, which may **not be within the training and experience** of the successor, exposing the firm to serious **succession risk**.

The risks associated with succession – Succession in family businesses

- Contractors who have **achieved the success stage** have another risk exposure that might be described as **"too much of a good thing."**
  - Prosperity in the success stage,

    combined with a **reduction** in the demands on the **founder's time**,

    has led to **distractions from the business**.

The risks associated with succession – The succession planning process

- The **steps necessary to minimize** the loss of sum and substance to the organization are referred to as a **"succession plan."**

The risks associated with succession – The succession planning process

- Succession planning process includes:
  1. Discovering,

     evaluating, and

     delineating

     exactly what sum and substance is embedded and engrained in a **key person**

     well before they **leave** the organization.

The risks associated with succession – The succession planning process

- Succession planning process includes:
  2. **Determining** which of these elements can be institutionalized, and outlining steps to be taken to ensure that they will be **instilled** and **firmly** engrained into the **"fabric"** of the organization.

The risks associated with succession – The succession planning process

- Succession planning process includes:

  3. **Identify** the sum and substance that can be **transferred to another person**,

     determine who they should be **transferred** to, and

     devise a method for **systematically transferring** them over time,

     including by whom and by when.

     - ✓ This process usually takes **three to five years**,

       depending on the **seniority and role** of the person leaving

The risks associated with succession – The succession planning process

- Succession planning process includes:
  4. **Establish** which sum and substance are **not transferable** and will be lost to the organization.
     - **Minimize** the resulting impact by recognizing which missing talents, abilities, or attributes will **not be applied** to some future business decisions.
     - Realize that in each instance, **management will need** to evaluate the **impact**

       that **missing ingredients** may have on the **risks** associated with future decisions, and

       attempt to compensate for the increased risk by

       introducing additional people and collaborations before making the decision.

The risks associated with succession – The succession planning process

- Succession planning process includes:

5. **Cultivate** similar talents, abilities, and attributes, to the **extent possible** and **practical**,

    in the **successor of the key person** who is leaving,

    through a **carefully developed** and diligently pursued multiyear professional development plan (PDP), as described in the remainder of this Section.

The risks associated with succession – A sample succession plan

- The **following succession plan** is intended as a **guide** because plans vary considerably from one firm to another.
- The **format** and **content** of the sample plan should be altered and adjusted to suit the needs of the planning group and the candidate.

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The risks associated with succession – A sample succession plan

OK CONSTRUCTION FOUR-YEAR SUCCESSION PLAN

Individual Succession Plan for: Name: Senior Manager 1 Dates: From ____ To ____

Plan Manager/Mentor:

Introduction

Senior Manager 1 (SM1) will be retiring in four years after 34 years with the company. As VP Operation, SM1 manages the firm's construction operations in the many states we work in. The people responsible for the purchase, maintenance and transportation of company-owned equipment report to SM1. SM1 is the primary contact with the many union business agents we deal with.

Sum and Substance

Identifying SM1's contribution to the organization is critical to understanding exactly what sum and substance may be lost to the organization, what can be transferred and to whom, and what is already institutionalized. The list will be continually expanded as new items are discovered.
The list to date includes:

Have been institutionalized
Safety champion
Company dedication and loyalty

The risks associated with succession – A sample succession plan

Can be transferred	to:
Client contacts	to Manager A
Union contacts	to A and B
Interns	to C
Assigning superintendents, mobilizing and moving equipment	to A
Mentoring and moving superintendents to different projects	to A
Annual reviews	to A and B
Relationships with engineers	to A
Vendor relationships	to C
Equipment department	to C
Team building, mentoring, moral	to A, B, and C
Sounding board for top management	to A and C
Planning winter meeting and company events	to be determined

May be lost - SM1 will attempt to teach these skills to others while he is still here
Pre-bid evaluation, job pricing knowledge, risk assessment
Negotiator (get work) responsible for repeat business
Hiring knowledge, seeing the hidden value in people, reading people between the lines
Source of energy, calming effect

1/3

The risks associated with succession – A sample succession plan

Company psychologist, cheerleader, second chances
Exploring new frontiers
Experience with all the types of work we do
Anticipating and identifying problems in advance

Training and Transfer of Knowledge to Successors

The three Project Managers A, B, and C will be promoted to Operations Managers immediately so that SM1 can transfer portions of his project responsibilities to them and concentrate more time on training, mentoring and transferring proprietary knowledge and his business contacts to them as well as to estimators and others. The transfer process will include:

- regular ride-alongs
- introduction to clients, union contacts and vendors
- interactions in field decisions to gain understanding of SM1's thinking
- attendance at association meetings, golf outings, vendor events, etc.
- participation in the selection and movement of superintendents
- participation in company-wide thinking and decision making to become acquainted with SM1's thinking
- twice a month scheduled 2-hour training and Q&A sessions with each new Operations Manager. Operations Managers to bring questions and select the topics for discussion.

The risks associated with succession – A sample succession plan

Transfer Process

The new Operations Managers will be included in selected projects' final pricing and coordination with estimating, to become prepared to fill that role under SMI's supervision and tutelage in year two and three, then independently thereafter.

SMI will include the appropriate operations manager in all interaction with candidates for employment, interviews and hiring decisions, and specifically teach and mentor the managers on how he handles those issues, what he is thinking, and what influences his actions and decisions.

SMI will include the three managers, to the extent practical, in his "Senior Statesman" role in the organization so that they can assist with that over the next three years and can assume the role after that timeframe.

SMI will also include the three managers in his "big picture" ideas and share his thinking, insights and "gut" reactions in an attempt to preserve some of the "intangibles" that will be lost to the organization.

A new more delineated equipment assignment protocol will be developed over the next two years.

The assignment of projects and customers to individual Operations Managers will be transferred to the Senior VP Estimating.

2/3

The risks associated with succession – A sample succession plan

Professional Development of Successors
Skills will need to be developed and measured in the broad areas of technical skills, leadership, business/finance, and marketing. The minimum skill sets under each heading are:

Technical: An understanding of equipment utilization/management, concrete forming systems, characteristics of concrete and mix design, planning and scheduling, productivity measurement principles, estimating takeoff/pricing, field safety, OSHA regulations. An exposure to soil mechanics, strength of materials, and basic physics.

Leadership: An understanding of leadership styles, leadership ideologies, principles of motivation, differences between management and leadership, use of authority and power, impacts of change, maintenance of trust coalitions, significance of vision.

Business/finance: An understanding of basic accounting, bank credit granting principles, how surety works, importance of cash flow, business planning methods, basic contract law, contract administration, construction cost accounting, alternative dispute settlement techniques. Exposure to basic statistics, basic risk analysis, insurance principles, business ethics, computer technology, General Accepted Accounting Principles (GAAP).

Marketing: An understanding of basic marketing principles, public relations, the persuasiveness of selling, marketing intangibles and the importance of measuring the competition, market analysis principles, types and purpose of advertising, concepts of consumer behavior.

The risks associated with succession – A sample succession plan

Assumptions

The candidates have mastery of written and oral communication skills, are computer capable, have good people skills and have been educated in basic accounting methods and principles, micro-economics and macro-economics, business law, basic psychology, report writing, business research methods, management theory, personnel management.

Learning Methods

Skills can be learned and/or enhanced through on-the-job training, in coursework or self-taught, primarily through reading. Some skills are learned more efficiently or effectively through one method rather than another. It is believed that at least some coursework (evenings) will be necessary, but attempts will be made to minimize that method. Alternative methods will be suggested where possible. Experience, by definition, can only be gained by doing; but carefully designed field and office experiences that are vigorously pursued is a learning alternative. A Professional Development Program (PDP) will be developed for, and in consultation with, each candidate to accelerate their learning. The first step will be a self-evaluation of current skill sets, proficiencies, and interests. The PDPs will be customized to needs perceived by the candidate or SM1, and candidate preferences and interests.

3/3

The risks associated with succession – A sample succession plan

- **One of the senior managers** involved in the preparation of the succession plan should be **selected to**
  1. **Manage the plan** through its **entire multiyear duration** and
  2. **Mentor** the candidate **one-on-one**.
  - If qualified, appropriate, and willing, the **key person** planning to **leave** the organization could be the **one managing** the plan and mentoring the candidate.
    - ✓ This activity requires a non-aggressive personality and the ability to establish a **comfortable working relationship** with the candidate.

Managing the professional development plan of leader-in-the-marketing – Skills inventory

- To **initiate** the professional development process in preparation for developing a PDP, it is helpful to have a **skills inventory of the candidate.**
- While the skills inventory is **not an objective measurement**, in part because it is **self-administered**,

  it is **helpful to understand** what the **candidate believes** their skill level is in **various areas**.
- The **sample skills inventory** shown in next Figure is for the candidate in the **sample PDP presented** later in this section (next Figures),

  so the **questions parallel the skill sets management** believes are significant in the position under consideration.

Managing the professional development plan of leader-in-the-marketing – Skills inventory

OK CONSTRUCTION SKILLS INVENTORY

Name: Date:

Return to:

As part of your company-sponsored Professional Development Plan, an initial skills inventory will assist you and I to design the areas of advancement you are interested in or will need in your new position. Please evaluate your knowledge and proficiency in each of the subject below from 1 to 10, with 1 being none, 5 being modest knowledge and proficiency, and 10 being totally proficient. Please return the completed inventory to me and we will discuss.

___ Mechanical systems
___ Equipment utilization/management
___ Concrete forming systems
___ Characteristics of concrete/mix design
___ Planning and scheduling
___ Productivity measurement principles
___ Advance understanding of plans and specifications
___ OSHA regulations
___ Soil mechanics
___ Strength of materials
___ Basic physics
___ Personnel management
___ Estimating takeoff/pricing
___ Differences between management and leadership
___ Change management
___ Significance of vision
___ Bank credit granting principals
___ How surety works
___ Importance of cash flow
___ Business planning methods

Please add any business or personal skills you want me to know about beyond your resume

___
___
___
___

Managing the professional development plan of leader-in-the-marketing – Skills inventory

CONFIDENTIAL

FOUR-YEAR PROFESSIONAL DEVELOPMENT PLAN (PDP)

Name of Candidate: Year: From ____ To ____

Name of Plan Manager/Mentor:

Introduction

A multi-year professional development process will also impact personal development. To comprehend the power of a formal, multi-year Professional Development Plan (PDP) one should understand that in four years a person could significantly change if they wanted to. While this is not the primary objective of this plan, most people want to advance themselves over time, and with this process you have the opportunity to design the Construction Professional you want to be in the future.

A formal PDP is intended to advance a person well beyond their current level of understanding through accelerated learning over and above the work and life experiences that most people gain each day. It is up to the individual to decide which areas they wish to advance, both professionally and personally. You should determine the skills and knowledge you wish to enhance, and/or decide which entirely new skills or knowledge you want to possess.

Managing the professional development plan of leader-in-the-marketing – Skills inventory

Skills Inventory

To establish a baseline, current skills and interests need to be understood. The skills inventory you completed was used in evaluating current skills, aptitudes and interests and provided guidance in the plan development. We will meet to go over the skills inventory and to discuss which areas you choose to advance in, and how you can get there in the shortest amount of time. A schedule of learning activities will be developed to accomplish your goals, after which you will need to decide how much time and effort you intend to devote to it. The plan will rely heavily on reading and independent study along with selected seminars and possibly short courses. I suggest you set your goals in harmony with your aspirations and the time commitment you wish to invest in your future.

You will be investing considerable time and energy to accelerate your growth, so your thoughts and feelings are critical to the initial decisions and should influence the content and "texture" of the plan. You and I will discuss alterations to the plan to accommodate your requirements now and as you progress. To be effective this plan needs to be customized to your needs, so your input at this stage and over the life of the effort will have acute influence on the path forward.

Reading

Life-long learning is a commitment to continuous advancement in one's professional and personal life and is directly proportional to a person's determination. The world body of knowledge is captured in books and the ultimate recommendation is to create an attitude

1/4

Managing the professional development plan of leader-in-the-marketing – Skills inventory

and/or change behaviors so that reading becomes a permanent habit. Many people avoid reading non-fiction text material because they consider it boring and hard to get through. However, when something you learned from a book solves or avoids a problem, your job becomes easier, and when the reading effort pays off it seems a lot less difficult. Serious managers read as many as six or eight non-fiction books a year. We recommend a minimum of three such books per year after this plan is completed as part of continuing life-long professional growth.

To kick start the learning process and to maximize achievement from initial efforts I suggest we start with some books that address subjects you will be advancing in.
The initial list of recommended books is below.

Personal Development
Body Language; Julius Fast – This is old and basic, but I like it. If you find a later text on the subject it will probably be as good.
Unlimited Power; Anthony Robbins – Good for self-motivation
Leadership
Leadership Secrets Of Attila The Hun; Wes Roberts – a classic
Seven Habits of Highly Effective People; Steven Covey – a classic
Management
The One minute Manager; Kenneth Blanchard – A classic easy fast read.
Business Development
Raving Fans; Kenneth Blanchard – Another easy to read classic.

Managing the professional development plan of leader-in-the-marketing – Skills inventory

Personal Resource Material

I strongly recommend that you begin a personal reference library and get into the habit of reading with a highlighter in hand and highlight phrases or sentences that interest you or facts you may want to remember or refer to later. Make notes directly on the pages. In the unlikely event you come across words you are unfamiliar with, look them up and this will also be a vocabulary-building exercise. We often think we will remember what we read if it is informative or interesting, but it escapes us over time. Highlighted and marked up books that you have read are a tremendous resource in problem solving that you can refer to throughout your life to recapture information you can't quite remember, but know you have seen somewhere. If you prefer, feel free to use a tablet to electronically save your notes, highlights, bookmarks, and so on.

Trade Publications

Another valuable source of information are trade magazines and journals. I suggest Engineering News Record at a minimum, the American Concrete Institute trade association magazines, and any others of your own selection. At least one business magazine such as Forbes, Business Week, or any others. They do not have to be read carefully but should be scanned for articles and subjects that you find of interest. Even then, the articles need not be carefully read if interest or time does not permit. Tear them out and file under general

2/4

Managing the professional development plan of leader-in-the-marketing – Skills inventory

headings like equipment, tools, products, management, leadership, etc. Use a system of file headings that makes sense to you and this will become an invaluable personal reference source. You can then find reference material when working on a subject or problem and recover information you already have, providing data and insights into the topic at hand. Many use their personal reference source regularly when writing reports or solving problems.

These are good habits to get into even if you may not see the value up front. They are proven techniques that work well with earnest reading habits, and even better after you have collected some information in your files and on your bookshelves. When you start the last book on the list, let me know and I'll send more titles.

Self-Study

Many skills, particularly communication and negotiating skills can be advanced in self-study. After you read the body language book, put into practice what you learn. Become more conscious of studying people more thoroughly through their actions as well as their words when you interact. This is an excellent skill to perfect. It is valuable in managing, marketing, negotiating and presentations. After you try this for a while, if the subject has more than a passing interest to you, we will include another book on it in the next selections and we will move on to the study of group dynamics.

Managing the professional development plan of leader-in-the-marketing – Skills inventory

We recommend you become modestly active in one or more trade associations because just being with other construction professionals is a learning experience. The firm is a member of a number of association; mingling at local chapter activities has the added advantage of meeting sources of information and potential clients. The company is a member of a number of other trade associations which you may want to glance at the mailings, newsletter, etc. These types of activities and relationship can bring you into the "fabric" of the regional construction community. Because of time constraints you may need to start slow, but we should include trade associations in the plan.

We should talk about effective subcontract management techniques, change order management, customer service and marketing, and estimating issues, to advance your knowledge in those areas. I suggest we develop a schedule of the variety of activities you would like to become familiar with, such as the customer service and marketing meetings you should attend as a learning activity. These should be listed and scheduled, including a determination of who you will learn from. The options are to address one area at a time for a given period of time, say three months, or all at once as opportunities arise. This should be enough to get us started and we can expand the list as we go.

Learning about these subjects will also include selected readings, mostly copies of articles I will send you. You will need to understand the company's subcontractor management philosophy and all field-related policies. You should study the written corporate policies because one of the attributes of the well-managed company is consistency which is

3/4

Managing the professional development plan of leader-in-the-marketing – Skills inventory

fostered by written corporate policies along with better quality control and risk management.

Seminars And Conferences
These need to be selected as they become available. I recommend you attend two or more per year. Most are announced months in advance, so it is an ongoing selection process. You and I can look for available programs.

Short Courses
There are a number of one-week and two-week powerful courses available that may form a part of this plan, but not the first year and not until definitive progress is made. We may want to identify several courses and plan for you to find time for them in years three and four. They are excellent and very appropriate but time consuming so we will address them carefully and not necessarily initially.

Follow Up
I will follow-up with you regularly. It will be helpful for both of us if you periodically present a written or oral report on your progress, perhaps every three months. It will help you do a self-assessment and we can discuss your development and needs so that I can assist in your efforts.

A Continuing Process
A multi-year Professional Development Plan is not set out in its entirety because the pace of professional development is set by the participant. It is also dependent on the availability of learning opportunities, and the bodies of knowledge we will be drawing on can change over time. The plan will be updated periodically in consultation with you. I will be available for assistance and consultation, but most of the interaction should be prompted by you as you see the need. Your plan and progress will be confidential between you and I, however you are certainly at liberty to discuss it more widely if you chose.

Measuring succession planning progress

- **Several months** into the succession plan it is appropriate to **measure progress**.
- **One method** of self-evaluation and measurement of progress by management is to use a short questionnaire, such as the **template provided** toward next Figures.
- The template questionnaire is embedded in a **sample memo** to the candidate who will be evaluated.
- It should be **modified to fit** the circumstances and customized to the candidate and the **position being explored**.

Measuring succession planning progress

OK CONSTRUCTION SUCCESSION PLAN
PERIODIC EVALUATION

To: (candidate) Date:

From: (mentor)

The company is investing in assisting you to accelerate your growth to assume the responsibilities of (name of person retiring) SM1_________________ so please take the time to think these questions through. Your thoughts and feelings in each area are critical to the evaluation process and will form the basis for you and I to discuss your company-sponsored Professional Development Plan progress (unless this is the initial evaluation). After this we will discuss progress and any alterations to the plan to accommodate your requirements, or if either of us thinks appropriate changes or improvements to your professional development can be made. This plan is customized to your needs so evaluation of progress at this stage will influence where we go from here.
Please answer the following questions on a scale of 1 to 10, with 1 being little progress, 5 being some progress, and 10 being excellent progress. Feel free to add comments that you feel apply.

Measuring succession planning progress

Please return the completed form by ____[DATE HERE]____

1 2 3 4 5 6 7 8 9 10

Little progress Some progress Excellent progress

___ Progress in being introduced to client contacts Comments:

___ Your progress in establishing relationships with new clients

Comments:

___ Your progress in managing and improving existing client relationships

Comments:

___ Progress in being introduced to engineers

Comments:

___ Your progress in establishing and improving relationships with engineers Comments:

___ Progress in being introduced to vendors

Comments:

___ Your progress in establishing and improving relationships with vendors

Comments:

___ Progress in attendance at association meetings, golf outings, vendor events, etc.

Comments:

___ Progress in being introduced to union contacts

Comments:

___ Your progress in establishing and improving relationships with union contacts

Comments:

___ Your progress in understanding how to assign superintendents—what to consider

Comments:

1/2

Measuring succession planning progress

Comments:
___Your progress in understanding mobilizing and moving equipment effectively
Comments:
___ Progress in Participation in regular ride-alongs with senior managers
Comments:
___ Progress in interactions in field decisions to gain understanding of management's thinking
Comments:
___ Progress in twice-a-month 2-hour training and Q&A sessions with supervisors
Comments:
___ Progress in being included in interactions with candidates for employment, interviews and hiring
Comments:
___ Progress in being instructed in production and process knowledge
Comments:
___ Progress in being instructed in project risks
Comments:
___ Progress in being instructed in hiring selections and solutions to personnel issues
Comments:
___ Progress in being instructed in pre-bid evaluation, pricing and risk assessment
Comments:
___ Your progress in understanding how to mentor superintendents
Comments:

Measuring succession planning progress

___ Your progress in understanding issues of micro-managing superintendents or projects
Comments:
___ Your progress in managing morale and effective team building
Comments:
___ Your progress in becoming a safety champion
Comments:
___ Your growth towards understanding a company-wide view over consideration for just your area
of responsibility
Comments:
___ Your growth towards understanding the skills required to be an outstanding manager
Comments:
___ Your understanding of areas you need to improve in—list in comments below
Comments:
___ Your progress in knowledge growth through your PDP learning activities
Comments:
___ Your progress in mastering negotiation skills
Comments:
___ Relevance of the subjects included in you PDP to date
Comments
Include here subjects or activities you would like included in your PDP the future.

2/2

Succession planning and risk management

- It is also prudent to develop **abbreviated succession plans** for all key managers in a firm for the possibility that they may **leave unexpectedly** for health or other reasons.
- While succession planning is most important at the executive level,

  the **concept** applies more **broadly in the company**.
- **This planning** causes management to take into consideration the sum and substance **each key person possesses and evaluate**

  if **any portion** of their job description or responsibilities can or should be institutionalized or shared with others for the eventuality of a **sudden departure.**

Succession planning and risk management

- This does **not mean** you would necessarily **begin a search for a replacement**, but may cause you to **instigate a better distribution** of the sum and substance more widely within the organization to the **extent possible**.
  - This type of succession planning is an **excellent exercise** in risk management as it exposes typically unexplored risk of the **sudden departure of a key person**.
    - ✓ The **risk may be minor**, but it's **better** for it to be a known risk than an unknown one.

Follow-up after succession

- **When the succession is accomplished** and
  the **key person leaves** the firm,
  it is helpful to **their replacement** if they can be accessible periodically for about a year.
- **Depending** on the retiring manager's health, availability, and willingness, it is of value to make arrangements for them to be **reachable by**
  phone, virtually, or in person to answer questions or offer advice to their **replacement if asked for**.
  - This may **require compensation** but has great value if it can be organized.

Follow-up after succession

- The **high failure rate** following succession in construction businesses emphasizes the critical importance of the **founder or leader** to the success of a construction enterprise.

Succession planning is critical for any key person planning to retire or to leave the firm.

Exercises

Exercises

- Discuss the issues you consider most important in succession of a family business.

Professional Development

Professional development

- **Decades ago**, the construction industry did **not formally practice continuing education.**
- With time, such activities were considered fine additions, but not necessary.
- **Today**, continuing education is a **necessary** for a contractor’s success.

Figure 17.1 Continuing education is necessary for a contractor's success.

Professional development

- In our experience, **construction industry skills** (including management skills) have a **half-life of five years or less**,
  - which means that **about half of the skills workers** use to do their job will be **obsolete to that job in five years**, and
    - most skills will need to be replaced with **new skills every ten to fifteen years.**
- The **construction industry lagged behind** the continuing education and training thrust of the **90s and was late** in recognizing that maintaining the skill levels necessary for executives, supervisors, managers, and the labor force to do their jobs is in large part the responsibility of the company, not the employee.

The need for continuing education in construction

- **Back when construction** was still considered a **custom product**, the average **contractor enjoyed sufficient margins** to profit in spite of built-in inefficiencies.
- As construction moved closer to becoming a **commodity in many sectors** of the industry, efficiency and productivity became critical to profitability.
- **Larger companies** started to embrace **training and education** as a necessary cost of doing business.
- **Small and midsize** organizations can accomplish this through their **trade associations**, but time is short.

The need for continuing education in construction

- **Many contractors** consider continuing education and training **expensive**.
  - However, the **term expensive** is **relative**, and education and training typically provide a **superb return** on investment.
- **Some** contractors are starting to view education and training as a **wise investment** rather than an expense.

Company-sponsored education and training

- **One reason** company-supported continuing education and training may seem expensive is that in the past that **was not a regular cost** of **doing business**.
- Contrast this to **banks**, for example, who **train people to be bank-tellers** because they do **not expect people** to come out of school knowing how to be tellers.
- **Banks continue training** on a regular basis as their systems, procedures, policies, and regulations **change**, and they continue to provide their employees with the **education and information to advance** within the firm.
- The **construction industry has evolved**, becoming more complex to the point that the successful contractor of the future has **no choice but to embrace continuing education and training** as a cost of doing business if they expect to succeed in construction.
- The **organization that delays this investment** or disputes this reality will remain **static as competitors advance**, resulting in shifts in an already competitive marketplace.

Company-sponsored education and training

- The **timing** of this need is critical as profit margins decrease while industry business **risks remain constant**.
- This elevates the demand for efficiency and productivity from essential to survival-level.
- **Our industry** has often overestimated on-the-job training and years of service, **overvaluing** some people with **25 years of experience** who in fact have five years of experience and 20 years of repetition.

Continuing education versus on-the-job-training

- *If you are gaining experience at work, why should you be interested in continuing education?*
  - **Long hours** are common in our industry and should therefore **generate a lot of experience.**
    - ✓ But if that is the case, **everyone** is getting the **same amount of experience**.
      - So, in order to **get ahead**, one needs to add something else to the on-the-job experience.
        - Moreover, **work experience** is often similar every day, to the extent that, as mentioned earlier,

          some will tell you they have **25 years of construction experience** when they actually have five years of experience and 20 years of repetition.

Continuing education versus on-the-job-training

- **Experience** is not enough to **progress** your career beyond your peers.
- You need to add **some "new" information** to on-the-job learning to advance your professional development.
- You would not go to a **doctor 25 years out of medical school** if you knew he or she did **not read medical journals and textbooks** to keep up on the latest medical developments.
    - The same is **true of construction professionals**.
        - ✓ Working **long hours may help you** keep up with the competition, but to get ahead of the competition you need to add **new information** to your experience.
- The process is referred to as **"professional development"** and takes the form of a **formal professional development plan**.

Self-directed professional development

- **For those who** do not have access to company-sponsored education programs but **wish to advance** in the construction industry, there is an option: a self-directed professional development plan.
- The process includes **personal development** because your **people skills** are as important as your business skills, management skills, and technical skills.

Self-directed professional development

- The **next step** is to **identify** subjects or areas that need improvement or should be learned.
- Then **create** a **multiyear** self-directed plan and pursue it diligently.
- It is recommended planning for **three to five years** because the objective is **not just to learn a few things**,

  but in-depth learning of volumes of information to **accelerate your career** to **new heights**.

  - *Too many construction professionals argue they are too old to go back to school, but in a self-directed plan, school comes to you.*

Establish a baseline

- To establish a baseline, you may benefit by seeking out a test of skills, interests, and/or personality, such as

  Myers-Briggs, DISC (which stands for the Dominance, Influence, Steadiness, and Compliant personality types), or one of the many other tests available.

- You can learn a lot about your preferred learning methods, aptitudes, motivations, and interests, some of which you may not have had the opportunity to think much about.

Establish a baseline

- You need to consider **which areas** you choose to advance in, develop processes to get you there, and schedule specific learning activities to accomplish these goals.
- You will need to decide **how much time and effort** you intend to devote to this plan.
- A plan like this relies heavily on **reading and independent study**, and could include **selected seminars and possibly short courses**.
- You should set your goals in **harmony with your ambition** and the **time commitment** you wish to invest in your future.

Time commitment and self-motivation

- A multiyear professional development plan should be **flexible** because the **pace** of professional and personal development is **set by you**, and the learning **opportunities** and **bodies** of knowledge change over time.
  - To be effective, this plan **needs to be customized** to your **needs**, which may also **evolve over time**.
    - ✓ You should be **prepared to alter the plan** to accommodate any changes as you progress.
      - The plan should be **reviewed annually and updated** as needed.

Seek collaboration and encouragement

- It is worth looking for a peer with similar ambition to join the effort, exchange ideas, learn from one another, and encourage each other; however, it would take some luck to find someone who happens to be in the same frame of mind as you are.
- An alternative that would also be helpful to you is to be able to talk with someone about your ongoing education activities as you progress.
- A relative, friend, or colleague may be willing to participate and may find it of interest.
- We are not suggesting a tutor or mentor, which would be fine but rarely available, but someone to bounce ideas off and ideally someone to encourage you.

Seek collaboration and encouragement

- One of the issues with studying alone is just that: **“alone.”**
- It is helpful to **have someone interested** in what you are doing, to **share your thoughts** and feelings with.
- With new **videoconferencing technologies** such as Zoom, Skype, and Teams, the person does not necessarily need to live locally, which opens up wide choices of individuals to collaborate with.
- It is also meaningful to be **able to discuss your efforts** with your family, friends, and associates, many of whom may be more interested in what you are accomplishing than you might think.

Learning methods

- **Seminars and conferences** are subject to your budget and should be selected as they become available, on **topics that match your needs.**
- It is recommended that you **attend two events per year**, if possible.
- **People you work** with are a good source for suggestions, and if your firm has a personnel director or human resources manager, they may be able to help.

Seek assistance

- There are **areas of the business** that you may **not need expertise** in, but where a basic understanding could give you an **advantage**.
  - For example, if you are involved in **field operations** you may have little, if any, **exposure to** the accounting, human resource, or estimating functions of the business.
    - However, as you **advance in your career**, you will need at **least a basic** understanding of those aspects of the organization.

Progress reports

- **Measuring your progress** and **establishing benchmarks** is an important element in **sustaining motivation**.
- A **very brief written progress report** is appropriate, if only for the self-satisfaction of seeing the measured results of your work.
- The report could be as simple as a **graph showing which milestones** you have achieved, which books you have read, how many hours you already have dedicated to your continuing education, and so on.
- The progress report does **not need to be formal** and can include anything that delineates progress toward accomplishing the plan, allowing you to celebrate your progress and success.

Progress reports

- If you **have a study** partner, mentor, or collaborator, it might be in order to produce a slightly **more detailed report** because it helps to “reinforce” the collaboration.
- A **multiyear effort** of this nature is **not confidential**;

  keeping others informed welcomes their participation and **emotional support**, and in many cases **generates admiration and good wishes**.

Getting started: A sample self-directed professional development plan

SAMPLE
3-YEAR SELF-DIRECTED PROFESSIONAL DEVELOPMENT PLAN

Name of Candidate: Year: From ____ To ____

Name of Plan Manager/Mentor:

Introduction
This plan is intended to advance my education, career, and professional capabilities.

Subjects
I will advance my business skills and proficiency in: Communication, Negotiation, Motivation of others, Management and Leadership skills. (You select the subjects).

I will advance my technical skills and proficiency in: Change Order Management, Subcontractor Management, Equipment Management, and Customer Service. (You select the subjects).

I will gain a basic understanding of: Estimating, Pricing, Accounting, Marketing, and Dispute Resolution. (Depending on your position and interests, this list might include: Human Resources, Bonding, Insurance, Risk Management, or any aspect of the construction business).

Time Commitment
I will spend a minimum of eight hours per week working on continuing education. (You select the number of hours and then stick to it. Also specify your intention of evenings, weekends, or both.)

Getting started: A sample self-directed professional development plan

Methodology
The primary learning method will be reading, supplemented with interviews, observations, seminars, and potentially short course(s).

First Year Activities
- I will read a minimum of six books each year of the plan.
- I will develop a personal reference library of books and articles, highlighting information of interest by making notes directly on book pages, articles, and journals, and filing the material for lifetime future reference.
- I will subscribe to and read Businessweek magazine (or HBR, Forbes, The Economist, etc.), Engineering News Record, and will scan/read at least one trade publication from the office weekly.
- I will volunteer at the office to participate in our trade association functions and become familiar with the local construction community.
- I will ask my Uncle _____ (or someone) if he will consider advising me and collaborating on my plan.

1/2

Getting started: A sample self-directed professional development plan

- I will advise senior management of my engagement in a three-year Self-Directed Professional Development Program and seek approval.
- I will develop a progress chart of planned activities and show accomplishments quarterly, sharing it with my uncle and other associates.

Second Year Activities

- Continue the first-year activities.
- I will visit with or interview people knowledgeable in my areas of interest listed above.
- I will attempt to attend one or two industry seminars. I will seek guidance at the office for recommended topics of interest, and hopefully be granted a company sponsorship.
- I will search for a short course appropriate to my work and seek company approval and sponsorship to attend.

Third Year Activities

- Continue first and second year activities.
- Double my efforts to attend at least two industry seminars.
- Double my efforts to interest the company in sponsoring a short course appropriate to my position.
- Plan a celebration of completion and announce widely to my family, friends and associates.
- I will commit to continue "Lifelong Learning" in my personal and professional development after plan completion.

Getting started: A sample self-directed professional development plan

Initial Reading List

To start the learning process and maximize achievements from my initial efforts, I will start with some recommended easy-to-read books that address subjects I intend to advance in.

Personal Development:	Body Language; Juluis Fast – A classic Unlimited Power; Anthony Robbins – For self-motivation
Leadership:	Leadership Secrets of Attila The Hun; Wess Roberts – A classic The 7 Habits of Highly Effective People; Steven Covey – A classic
Management:	The One Minute Manager; Kenneth Blanchard – A classic
Business Development:	Raving Fans; Kenneth Blanchard – A classic

Exercises

Exercises

- Explain in your own words what you see as the need for continuing education.
- Outline the advantages of a company-sponsored professional development plans.
- Explain the development and use of a self-directed professional development plan.

موسسه مهندسی و مدیریت ساخت علوی پور (ACEMI)

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