



MANAGEMENT
Research & Solutions
INCORPORATED

RDC Construction

RDC is a medium-sized construction company based in Casa Grande, Arizona. They specialize in paving and grading, concrete, underground utilities and structural construction. RDC is run by George Anderson and his two sons, Robert and Devin. Over the past 7 years RDC has created a reputation as being one of the best construction companies in Casa Grande.



Benchmarking

RDC's main problem was weak internal communication among the management team members. Additionally, the estimating and project management processes were below par, resulting in missed schedules and financial losses. Morale was low and stress levels were very high. The benchmarking process identified a range of gaps in the estimation, project management and reporting structure.

Implementation

- Created a scalable organization structure to support growth and implemented HR best practices to create accountability at all levels
- Designed and implemented a new estimating process to improve the accuracy of estimation, including allocation of overhead costs and allocation of machinery-related costs to jobs
- Developed financial reports on a project basis to determine RDC's performance
- Re-engineered RDC's project management methodology
- Created field reporting mechanisms to allow management to focus on real-time field issues
- Implemented management meetings and construction meetings, including project start meetings and weekly construction meetings, to improve communication across all levels in the organization

Results

- Gross Profit increased, and Net Income is up from 3% to 8%
- Estimation lead time for standard projects reduced from 5 days to 2 days
- Communication between management team members improved and now they work together as a cohesive team
- Field Superintendents now take ownership of meeting schedules resulting in significantly improved customer service levels
- The project-based reporting structure has helped the management team in making informed financial decisions
- Accountability at all levels enabled George to take a vacation for the first time in 5 years
- Revenues increased and RDC will see a 30% - 40% revenue jump in 2006 over 2005
- Equipment utilization increased by 20 percentage points

"The returns from working with MRSI have been tremendous. From a financial perspective the gains of re-engineering our estimating and project management processes alone will add \$500,000 to our net income on an annualized basis. That said, the non-financial gains were even more important. Eight weeks ago I was prepared to fire Rob and Devin. Now I have renewed confidence in their ability to manage the company and grow RDC to new heights."

George Anderson
President
RDC Construction