

business issues

PRE-PLANNING TIPS AND TOOLS

BY STEPHEN BURKHOLDER

If you're "pre-planning" after a job has already started, you're not really pre-planning.

AS WE CONTINUE TO COME BACK from the recent economic downturn, job planning is more important than ever.

Gone are the days of people handing out negotiated contracts and when there was plenty of skilled labor to handle the demands of the steel industry. Today, if you do not have a solid plan, you may not survive too long.

In fact, as important as planning is, there's an equally important step that should come first: pre-planning. As you might guess, the idea is to plan as early as possible in the project (namely, at the beginning). I also describe it this way: Pre-planning is the ability to create opportunity for greatness within an organization before the organization is ready to be great.

The first time I spoke those words to my team, the looks on their faces were those of puzzlement. It took time for me to convince them that we had to be prepared to succeed well before we were asked to proceed. The day they all "got it" is the day that my company, S&R Enterprises, started to change for the better. Of course, presenting the concept of pre-planning brought up questions such as: Who should start the process? When should the pre-planning commence? What exactly should be pre-planned?

So as we started this new way of thinking, we quickly determined that the answer to the *who* question is "everyone involved." For years I have preached that the number of valuable, team-oriented people you have in your boat has a direct correlation to how fast that boat will travel and in what direction. In other words, leave your ego at the door and be part of the team!

In the steel industry the life of a project is typically outlined as follows:

- Invitation to bid
- Estimating process
- Sales process
- Project management process
- Operations
- Archiving

When it comes to the *when*, based upon my experience, most firms start what they consider to be the "pre-planning" phase during the project management process—but why? By the time you get to the project management process, you have already passed the halfway point of the project. If you wait until that stage, it's much too late to pre-plan! Pre-planning should start prior to the invitation to bid stage.

Executive leaders of every firm need to review each bid invite to see if it fits into the company's business model. All too often firms take a bid-it-all approach, then they get overbooked and this opens up door to lower quality, less safe operations and the potential for damaged or strained business relationships. In other words, pre-planning for a job can mean whether to even commit to the job at that time. Once it is determined that a job is a fit for the company, the estimating department needs to have a plan on how to complete a full and detailed estimate of the job. By pre-planning for each job, the estimators will know what kind of resources will be required to get the estimated ready for review. Never should a project be bid on a "reaction" that is likely just asking for disaster.

After a complete and thorough estimate is prepared, including a thorough review by executive management and the operations team, the sales teams need to step in and start the dialogue with the project's potential fabricator and general contractor. These relationships should already be established, as the sales

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team should be constantly pre-planning for who your firm wants to do business with; a work-for-anyone mentality typically breeds more failure than success.

After the bid is awarded—which should be viewed as confirmation that your firm is the best one for the job—it is time to turn the project over to the operations team. Field managers are constantly learning from previous successes and mistakes and are generally the biggest “pre-planners” on the team, as this is all too often assumed to be the stage that pre-planning makes or breaks a job. But again, it’s way too late in the process for pre-planning at this point. If real pre-planning is implemented, they will encounter fewer mistakes to learn from and will go into each job with the right information from the get-go.

Now that we’ve discussed the when and the who, let’s wrap up with the *what*. The answer is very simple: everything needs to be pre-planned. Just think, when everyone in an organization does their job to the best of the abilities, the company will succeed. So why not make pre-planning a part of everyone’s job and encourage them to pre-plan all aspects of their work? It helps to avoid mistakes further along in the process, encourages constant improvement with subsequent jobs and contributes to the success and happiness of your employees and company. ■

This article is a preview of Session N35 “Pre-Planning Tips and Tools” at NASCC: The Steel Conference, taking place March 25–27 in Nashville. Learn more about the conference at www.aisc.org/nascc.