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Business Section

Proven results of
working with CMI

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MY BIGGEST MISTAKE

'We did not have a set of established processes'

Name: Joseph R. Krusinski

Company: Krusinski Construction Co.

Founded: 1973

Number of employees: 60

When our firm was smaller, for our first 20 years or so, the principals handled most client contact, and we worked so closely with our small group of construction superintendents and project managers that we were always aware of what they were doing.

As our business expanded and we began to add staff, our grip on the details began to slip. Nonetheless, we resisted the need to abandon our freewheeling old ways. Before long, problems began to emerge.

Our biggest mistake was that internally we did not have a set of established goals, processes and clear lines of responsibility. So with each new job we were forced to reinvent the wheel. We were constantly involved in meetings to do that, which reduced our productivity and hampered our continued ability to grow.

In operations, for example, our dealings with subcontractors and suppliers suffered from a similar problem--each of our people did things a bit differently, so the subcontractors and suppliers we dealt with didn't know what was really expected of them. Instead, we were periodically confronted with misunderstandings and delays that detracted from our efficiency.

The second problem, clearly related, was that we lacked a consistent approach to customer service. A case in point is that we lacked a standardized approach to familiarizing clients with their new buildings. They need to understand the systems, the maintenance requirements, all the warranties, etc., but at times we did a less-than-flawless job of communicating that information to a client.

Moreover, we had never developed a good way to measure client satisfaction or communicate with clients on that subject. As managers, we could see that we weren't achieving the levels of repeat business or of client referrals that our firm had previously enjoyed.

Eventually, we realized that the old ways just weren't working. To address the problem, we hired an outside facilitator, who met with the company's 12 key managers to create written mission and vision statements, as well as a long-term strategic plan.

Next, we divided our staff into action teams charged with developing detailed plans to implement our strategic approach. For example, through the teams, we have:

Implemented the company's first formalized departmental budget.

Initiated a comprehensive client satisfaction program that includes a face-to-face meeting at the conclusion of each project.

Put in place a stronger job safety program that includes everyone in the company, not just field personnel.

Developed a marketing and sales incentive program in which every employee participates.

Created and implemented a plan to expand the use of computer technology.

Now, the decisions we make promote our long-range goals and strategic plan. Every employee participates in our annual planning process, and that results in greater understanding of how and why decisions are made.

We now have a comprehensive set of policies and procedures that establish organizational consistency and set out the processes we want to use in some detail, establishing clear lines of responsibility and tying the job of meeting those responsibilities into our compensation program.

We implemented that approach about five years ago, and since then our annual revenues have risen 32 percent, our employee count is up 37 percent and the number of computers in our office has increased more than 200 percent. Our repeat business and referrals have increased significantly as well.

My only regret is that we didn't implement those organizational changes several years earlier.