TOP CONTRACTORS
What’s their SECRET?
BY JIM BARNES

How Canada’s biggest construction contractors plan to stay on Top
or years, a few Canadian companies have dominated the upper reaches of On-Site's annual Top Contractors listing. What's their secret? And more importantly, what are their plans for maintaining their position on the list? We asked industry experts for comments on what it will take to be at the top of the list in 2020.

Plan for constant change...intense competition and rapid change are the norm in this business, notes Paul Douglas, president and CEO, PCL family of companies, Edmonton.

Ongoing technological change is a daunting challenge for every contractor, including PCL—the largest construction contractor in the country. “I’m sure we have the largest internal technology group (in the industry) working on this stuff, and we can’t keep up,” says Douglas. “The opportunities out there are endless. The demands from both internal and external clients are huge. I can’t imagine how some of the smaller contractors are keeping up with it.”

It’s a long-term investment. “You have to make [technology] a priority and make an investment, both in capital and in people. Those people may not be the same people you had yesterday. It’s a different skill set and it may require new training or different people,” says Tim Smith, executive vice-president, Buildings/ICI, EllisDon Corp., Toronto.

“We're trying to be a change leader and stay ahead of those changes. It's easy to say that...You have to look at these opportunities and assess them, in terms of which are here to stay and which are fads,” says Smith. “You can't be everything to everybody.”

Sorting out useful innovation from the gee-whiz novelties is key. “We want to be relevant, but not leading edge. There is too much change in this aspect of technology to be out in front and make a mistake in the approach that is taken. Some things will be the flavour of the day and will disappear in time. Others will take hold where the technology is a proven benefit to the advancement of productivity,” notes Tim Talbott, president and CEO, Bird Construction Inc., Mississauga, Ont.
Based on written responses to research conducted by On-Site. Some contractors declined to participate in this research.
Clients expect more from contractors, says Michael Atkinson, president, Canadian Construction Association, Ottawa. “Clients in general are looking for a more full-service approach from the industry...If you just do construction and you don't do design/build, you may want to take another look at that. Clients are looking to the private sector to take on more and more of that responsibility,” says Atkinson. “There's a tendency not to say, 'We don't do that kind of work anymore.'”

“You should be looking at becoming a more full-service, one-stop shop. Our clients—both public and private—are looking more and more to one point of contact,” says Atkinson.

You can no longer put all your eggs in one basket. Canada is a small market dispersed over a huge area, and diversification is a key to riding out tough times and building market share. “Diversification is one thing that many companies are looking at in terms of a five-year plan. Capacity is another, and I think the two are linked,” says Douglas.

“We've worked at being diversified by sector and geography. We are decentralized as well, and we have entrepreneurs in every market—reading that market and adjusting accordingly,” says Douglas.

Flexibility counts. “We follow economic development. We pay attention to the forecasts and stay compatible with those needs,” says Smith. “You can't say, 'I'm strictly a commercial high-rise builder.' If you did that, you'd be dead. You have to be nimble and you have to be prepared to go where the work is...”

You can no longer put all your eggs in one basket. Canada is a small market dispersed over a huge area, and diversification is a key to riding out tough times and building market share. “Diversification is one thing that many companies are looking at in terms of a five-year plan. Capacity is another, and I think the two are linked,” says Atkinson.

“We've worked at being diversified by sector and geography. We are decentralized as well, and we have entrepreneurs in every market—reading that market and adjusting accordingly,” says Douglas.

Flexibility counts. “We follow economic development. We pay attention to the forecasts and stay compatible with those needs,” says Smith. “You can't say, 'I'm strictly a commercial high-rise builder.' If you did that, you'd be dead. You have to be nimble and you have to be prepared to go where the work is...You have to expand your skill sets to cover whatever that work requires.” You also have to be prepared to build

THE ROAD TO THE TOP

**What do small or mid-sized firms need to do to move toward a top spot?**

We got a few pointers from Matt Stevens, senior lecturer in Construction Management, University of Melbourne, Australia. He has been an active construction management advisor in the U.S. since 1994 and has worked for clients in Canada.

Focus on your value proposition. “Sophisticated clients buy on value, not price. They have a limited number of people they are willing to deal with. These are the folks you can build a business around. They always have money during a recession.”

Efficiency and communication are vital. “This is a variable-cost business—it really is a three-per-cent business. It's incredibly risky, and just one project can cause you a lot of problems...The leading companies have minimal conflict between the office and the field. Some companies have a disastrous war going on.”

Your human resources department must do three things consistently well:

1. **Recruit the best candidates.** That includes knowing who is a good, long-term fit for your company. Start with great craftspeople.

2. **Provide the training to make the staff who are good, great and the staff who are mediocre, better.**

3. **Support staff in times of stress.** “The business is so tough, physically and emotionally, that personal issues are going to creep into your job performance. Somebody's going to have to listen. You deal with all the stresses of construction and then suddenly your baby is sick. That might be more than some people can handle,” says Stevens. Help staff through the rough patches to retain them.

Niches can be a powerful way to protect your business. Specialized equipment that you know how to use productively, certification for certain specialized work and financial strength that boosts your ability to do bonded work all have potential.

Passion is part of the equation. Companies that are run by owner/operators who came in from the field and know what a good job looks like are low-maintenance for the clients. They know how to work with their own staff on-site, efficiently.

In contrast, “You find many companies run by people who are well-educated but are not craftsmen at heart,” says Stevens. “People have a filter and they know when you're a fraud.” Apart from the effect on clients, it is a source of conflict between head office and the staff in the field.

Finally, be sure you want to make the commitment. “This business can be great at a million-dollar volume. You can work on interesting projects, make good money and be home with your family every night,” says Stevens.
relationships with all the different potential developers. Be aware of the impact of market shifts. Most of the contractors we talked to anticipate renewed private-sector activity as global economies get back on track. “There will be a day of reckoning for the governments in this country. They cannot continue to be in deficit-spending mode,” says Talbott.

The biggest single obstacle to growth in the industry is the widespread shortage of qualified people. Active recruiting, training and retention programs are on the radar of every large Canadian contractor.

All the industry leaders want their firm to be the employer of choice. “You have to be a place where your own workforce is highly engaged and committed to building their careers, but you also have to be a place that attracts other people,” says Smith.

“Work-life balance is something you strive to get right. Everyone’s trying to find that balance. We’re not in a job environment where you can finish what you are assigned to do in a day and then go home. It’s an endless pile of work and you just keep at it. We have to be respectful of people’s personal time and their health,” says Smith. Constant training has to be part of the corporate
information in some of the pre-quals.”

Strong financing is another piece of the Top Contractor puzzle. “...As the projects increase in size and the requirement for equity also goes up, there will be a demand for alternative methods of financing. Companies will be required to have strong financial positions to obtain the backing of financing to support the projects they wish to be involved in,” says Talbott.

“If there’s one thing that might be at the top of everybody’s five-to seven-year plan, it is that we are going to have to do more with less in terms of people. You have to become more productive,” notes Atkinson.

“[Our] professional development group is a priority. We’re continuing to focus on both hard and soft skills to grow our people and make them the best leaders they can be,” says Douglas.

Advanced safety programs are another way to attract staff. “We have to be the safest contractor out there. It’s an inherently risky, dangerous business. To attract and keep all these people, they have to know that they’re working for a safe contractor. They need to know that they will go home safe to their families every night,” says Douglas. “We continue to push that...If there’s one thing I want to lead the industry in, it’s the safety side of the business.”

Retention, especially with a large number of workers approaching retirement age, is winning a lot of attention. The industry will have to address the possibility of a wave of potential retirees, notes Atkinson. “If you lose all these grey hairs, do you need to put in some sort of mentor program, or become more flexible on hours?” he asks.

“The old belief that once you retire, you’re gone—that’s going to be a problem. You have to hold on to some of that grey matter and be a little more flexible about how you can accommodate those people,” says Atkinson.

Ethics and corporate social responsibility are going to grow in importance. “If you’re doing work for the public sector—governments at any level—I think that landscape’s going to change over the next five to seven years,” says Atkinson. “You’re going to see a greater need for construction companies to show that they have an integrity policy and an ethics code that they enforce within their own corporate culture...[Public owners] have started to ask for that kind of

Jim Barnes is a contributing editor to On-Site. Send comments to editor@on-sitemag.com

---

“**TOP CONTRACTORS**

"If you’re doing work for the public sector governments at any level I think that landscape’s going to change over the next five to seven years."

---

---

“**TOP 5 COMPANIES WITH 50 OR UNDER EMPLOYEES**

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosati Group</td>
<td>Windsor, Ont.</td>
<td>$35,744,870</td>
</tr>
<tr>
<td>MPM Construction Services Ltd.</td>
<td>Regina, Sask.</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>North Construction Ltd.</td>
<td>Vancouver, B.C.</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Secord Construction</td>
<td>Timmins, Ont.</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Neil Montague Construction Ltd.</td>
<td>Jarvis, Ont.</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>