



CONSTRUCTOR

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AGC AND THE WORLD OF CONSTRUCTION



PARTNERING FOR SUCCESS

AGC PRESIDENT ROBINS JACKSON BEFORE THE ONTARIO GENERAL CONTRACTORS ASSOCIATION

My invitation to join you today was contingent upon my agreeing to talk about a concept we at AGC of America call Partnering. I am delighted to do so. Nothing could be more appropriate than talking to our partners across the world's longest international border about Partnering.

Partnering is about using good common sense. It's about getting along with the people you work with and it's about getting the job done in an honorable, dignified, efficient, and profitable way.

In this talk, I want to tell you a little bit about AGC Partnering efforts. I will also share with you some of the results of this effort. I think you will be impressed.

But first, I want to provide a little background. Just a few years ago, it was not uncommon for a lawyer to get a larger fee stemming from litigation on a construction project than the contractor earned in profits for building it.

For the slightest infraction, the members of a team would resort to litigation and would tie up money and progress. Contractors had to block out large chunks of their time for the courtroom or in depositions or in defensive maneuvers to try and block litigation or win it if it occurred. It was not much fun to be a contractor.

This appalling situation caused AGC to push for alternative ways of resolving disputes. We began urging contractors and other members of the construction team to push for mediation, arbitration, and perhaps mini-trials. We wanted to do

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anything to stop or slow down the trend toward more formal law suits.

I think we made some progress. People listened, and the alternatives to formal law suits gained greater use. We are proud of that accomplishment. When it comes to disputes that cannot be resolved with good will, we still hope members of the construction team will use some form of resolution short of a formal law suit.

After success in this area, AGC began thinking about the next logical step. What if we can head off disputes before they happen? If you do that, you don't have to worry about the forum used for settling disputes.

That's when AGC climbed aboard the Partnering bandwagon. Boiled down to the lowest common denominator, Partnering is a way to *avoid* disputes so they don't need to be solved.

We don't claim to have invented this perfectly logical concept. But we perfected it for contractors, and we made sure there was no one anywhere who didn't know what it was and how it could be used for bringing peace and efficiency to a construction site.

We produced and published a brochure entitled "Partnering: A Concept for Success," and more than 23,000 have now been printed and distributed. We also produced a video and we estimate it has exposed an additional 16,000 people to the Partnering concept.

Our officers and staff have made scores of speeches and presentations on Partnering and the result is always the same: it is pronounced an overwhelmingly good, sound idea. Best of all, it works. General Hatch, the former commander

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AGC President Robins Jackson: Partnering puts the handshake back into the business relationship.

of the U.S. Army Corps of Engineers, the largest construction buyer in the states, said that claims on partnering jobs can drop to zero! That compares to hundreds of claims on typical Corps jobs where Partnering was not used.

There's no great mystery about Partnering. At its heart is simply an attitude change. All members of the team—the owner, A/E, general contractor, the subs, and specialty contractors and suppliers—simply resolve that issues be settled peacefully by employing a positive and cooperative approach.

I don't mean to suggest that only a sincere handshake is involved. AGC Partnering includes as much formal structure as you want. In our brochure, we outline plans for a meeting or series of meetings to discuss the requirements, hopes, and goals of all the team

members. We offer agenda ideas to keep the meeting on track.

There are guidelines for sending the inevitable dispute to the next rung in the corporate ladder, and there are ideas for a formal charter where everyone agrees in writing to adhere to the principles of Partnering. In some cases, a facilitator is hired just to keep everyone on track toward a harmonious settlement.

Obviously, all projects and all the principles don't fit into such a formal pattern. If you are unable to get an agreement for a formal Partnering plan, get as close as you can. You will still be ahead of the game.

The thing that's necessary is the common sense approach. Like the old saw, a debutante can't be too thin or too rich. The Robins Jackson equivalent is that you can't have too much common sense

DEMAND FOR PARTNERING PUBLICATIONS SKYROCKETING

Distribution of AGC Partnering publications to date is indicative of the intense interest in the Partnering concept.

AGC's "Partnering: A Concept for Success" brochure—more than 23,000 copies.

AGC's "Partnering: A Concept for Success" Video—more than 1,000 copies.

AGC's "An Introduction to Total Quality Management" publication—more than 7,000 copies.

"PARTNERING HELPS TO SET ASIDE THE OLD NOTION THAT IN ORDER FOR SOMEONE TO WIN, SOMEONE MUST LOSE."

on a construction job.

I particularly like the personal element. If, in the course of working out a formal Partnering agreement, you get to know the other team members better, that by itself will have a beneficial effect. The contract becomes an agreement between individuals who are known to each other by more than a formal contract on a piece of paper. You still need contracts, of course, but you administer them on a friendlier basis.

Partnering helps to set aside the old notion that in order for someone to win, someone must lose. AGC wants to continue promoting a concept that creates a win/win attitude among all team members. Partnering puts the handshake back into the business relationship.

Just one more point. The absolutely essential ingredient of Partnering is getting the team on board—the owner, the A/E, general contractor, subs, specialty contractors, and suppliers. Attempting to partner without partners is like clapping with one hand.

Partnering is not a panacea. It is a challenging concept for bringing out the best in people and people are the most important ingredient for creating a successful construction industry. □

For a sampling of agendas from Partnering and TQM conferences held by AGC chapters, contact Bill Hickman at the national office, (202) 393-2040.