KNOW YOUR BUILDER: COMPANY CULTURE IN CONSTRUCTION





TABLE OF CONTENTS

Company culture matters	3
Company culture in the bidding process	4
Company culture during the build	8
Company culture after the initial build is complete	. 12
The Company Culture Questionnaire	. 16
About The Korte Company	. 20





COMPANY CULTURE MATTERS

You can't underestimate the importance of company culture in any field, but especially in Design-Build construction. When you work with a Design-Builder, you don't just shell out cash for a structure, you hire a team to physically help build your business.

By definition, company culture includes the values, vision, systems, standards and thinking of a business. Taken together, those things influence every decision a builder makes, so it's fair to say company culture touches every aspect of your facility.

We'll guide you through how to evaluate the company culture of a quality Design-Builder as you progress through the phases of the building process: before, during and after construction. And as an example, we'll give you a sense of how The Korte Company approaches many facets of company culture.

COMPANY CULTURE IN THE BIDDING PROCESS

Before you can break ground on any new building, you'll typically go through a bidding process and get a feel for your prospective contractors. Through the years, we've seen time and again that a few areas of company culture hold special importance in the bidding process.



Listening

There's nothing worse than the frustration of getting a low bid that sounds great, but seeing the actual price double because your contractor never listened to you in the first place. Do your bidders actually take the time to understand your needs? It's imperative they do.

We're currently renovating Mooresville
High School in Indiana, and intent listening on the part of the school board
and our builders helped the people of
Mooresville, Indiana save \$30 million and
a tax increase. Your contractors' ears
are often their most powerful tools since
your initial agreement influences every
aspect of the build.

Honesty and transparency

Honesty and transparency form the basis for relationships. In construction, we believe you're buying not just a building, rather an ongoing relationship with your builder. Do you get the sense that you can actually trust your contractor to deliver a quality build?

When you meet with the people who will build your facility, you should leave with a sense of trust, honesty and integrity. At The Korte Company, honesty and integrity is central to everything we do.

Reputation and track record

In our world, we can't ignore reputations. What do the people who've worked with your prospective contractors have to say about them? We recommend speaking to your prospective contractors' previous clients. After all, a contractor's previous work gives you the best indicator of what you'll get.

Ask your bidding Design-Builders to provide references for their previous builds. A reputable builder will happily comply and you should get honest and positive reviews that make you more comfortable with the builder.





HITACHI

We've built up great working relationships. Dave Robison was our point of contact when we built and later expanded a distribution center for Carlisle SynTec Systems. Here's what he had to say.

"Korte has a very good reputation. We talked with people who had built with Korte in the past. I wouldn't hesitate to go back to them again," said Dave Robison, Manager Engineering/Technical Services Carlisle SynTec Systems.

Your interested contractors should not only provide you with references, they should be quick to show you their past projects. At The Korte Company, we publish summaries and photos of our construction projects <u>on our website</u> and have an <u>extensive company time-line</u> to showcase some of our proudest moments.

Building philosophy

Every builder has a different approach because we all have different styles, techniques, preferences and mindsets. Honing a craft takes time and attention to detail along with a healthy mix of expert knowledge, implemented best practices and unique creativity. Ask builders to quickly sum up their philosophy and approach. We've laid our foundation on building smart every step of the way.

We believe a good builder should aim to work as efficiently as possible to deliver sustainable, energy-efficient builds on budget, on time, and to the desired specs and designs of their clients.

Architectural and artistic approach

Ask your Design-Build bidders how their architects approach building. You want a beautifully functional building that's just right for you. You don't want something architects designed just to serve their own artistic desires.

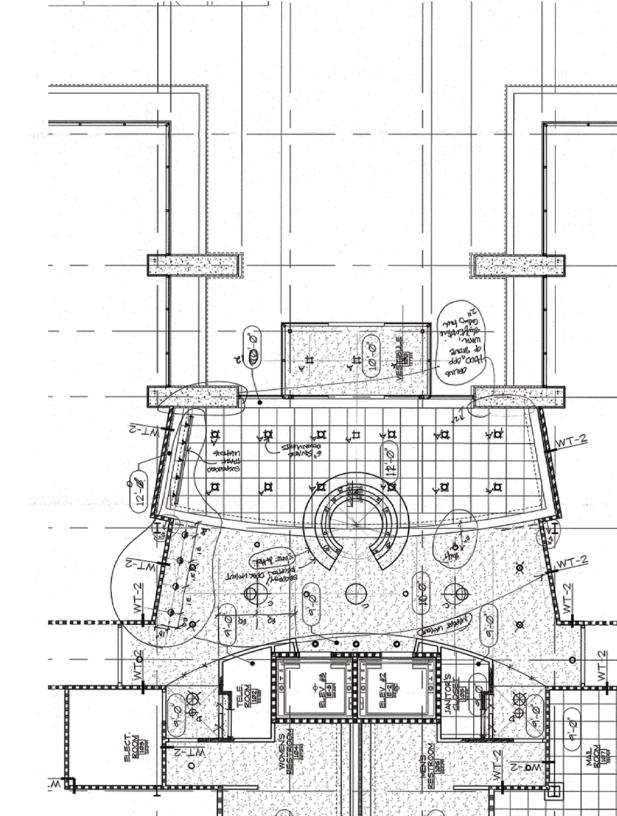
We believe creativity should serve a purpose in Design-Build construction. The finished product should both catch

your eye and function perfectly, and your builder should deliver it on budget.

Budget and schedule

Make sure when you head into a construction project you have a level understanding of your builder's scheduling approach and previous record. Good builders respect schedules. Are your builder's timelines realistic, or do they overpromise to get you on-board? What's really a "competitive" bid? Do they stay on budget and on schedule? Many contractors, sadly, will often come in over budget and late on delivery after their unrealistic bids win contracts.

We believe the best bids are realistic and show quality reasoning behind the time-lines and budgets they propose. At The Korte Company, we're proud that we've delivered every single build we've ever done on schedule and on budget.



COMPANY CULTURE DURING THE BUILD

Since we began building in 1958, we've identified a number of things a good builder does when it's time to make big decisions and execute a build. We're talking about the way contractors handle communication, schedules, methods, management, materials, tools and technologies at a high-level. A builder that gets high marks in these "during the build" areas will be able to execute your build.



Speed of implementation

When you evaluate competing contractors, consider how quickly they can actually get the ball rolling. It's one thing to have a meeting and talk about what you want, but it's entirely another to actually start hammering nails and tilting up concrete panels. If you choose a given contractor, will you be waiting for weeks on end as they assemble a team, structure sub-contractor relationships, bring in project-specific talent and source materials? You want to work with a company that's ready to go, now, not one that's going to start things off behind schedule

For our part, we've been building since 1958, and we've established all the business relationships and partnerships necessary to get moving on a project within the hour. We employ a full design staff, specialized LEED-certified personnel, advanced job-site safety professionals, specialized vendors and a full construction team. And we have dedicated sources for construction materials, so we're always prepared to build, even in emergency situations.

Project communication and project updates

Your builder should have systems in place to keep you in the loop through

each stage of construction work. This becomes particularly important when you want to phase out a build to avoid downtime (e.g. when you expand a distribution center or a factory). You need to know what's going on because you never want to face a situation where construction holds up your work or limits your ability to get a product to market.

We think your contractor should even make you look good when you show up in a meeting with your executives. Just ask Dave Robison, Manager Engineering/ Technical Services at Carlisle SynTec Systems.

Through the years, Dave has been our point of contact as we've completed a number of Design-Build projects for Carlisle SynTec Systems. As an internal build manager, he can tell you the importance of project communication.

"In a corporation you're often asked by people: 'how's (the build) going,' and it's



nice to be able to give them a detailed update," he said.

At The Korte Company, we include a point of contact from our clients directly into our weekly meetings and provide a detailed summary for them to show to others in their organization.

Contingency planning

The weather has a mind of its own, especially here in the Midwest. One moment, you're putting up panels in 65 and sunny, the next, you're huddling in a job-site trailer to get out of the pouring rain.

Your builders should have procedures in place to protect their work from bad weather and leave time for Murphy's Law. Ask your prospective builders to discuss their weather emergency procedures and planning.

Job-site safety

We put a heavy emphasis on job-site safety at The Korte Company, as does any builder worth their salt. You, as a facilities manager, never want to get snarled in safety issues your builder can and should avoid. You'll want to know your builder's safety record, because an unsafe contractor can cost you time,

worry and a lot of money. We're proud of our safety record, and we're certified with ISN.

We recommend you gain a thorough understanding of your prospective contractors' safety procedures. For us, job-site safety is ingrained at the organizational level, and we have invested heavily in Safety Trained
Supervisors. We perform risk assessments before every build, hold weekly project management/safety meetings throughout a build and have our crews begin each day on a job-site with a supervised morning stretch routine.



Every builder will have different procedures, but it's always nice to see milestones like <u>1 million hours without a lost-time accident</u>, safety <u>awards</u> and <u>recognition</u>.

Sustainability and energy savings

Today, part of building smart is building sustainably. Throughout a build, your contractor can choose a variety of different materials for ease of use, energy efficiency and project efficiency. The idea behind energy-efficient building is simply to build in such a way as to keep a "tight

envelope" and reduce energy costs over time. On a practical level, that means the most energy efficient buildings do the best job of keeping out the elements and utilizing energy-efficient lighting, HVAC, plumbing and insulation systems.

For us, it comes down to being good stewards of the world around us while maximizing ROI. We build our structures to be as energy efficient as possible because it makes an impact on the world around us, and over time, you see major energy savings.

We have an extensive staff of LEED-certified construction professionals who evaluate every material decision based on energy efficiency. We've built LEED-certified structures across the country. And it's all with an eye to lower our clients' long-term energy consumption and costs.

Paperwork and foresight

A deluge of paperwork can sometimes seem like it's taking over your life. But, an experienced, quality builder will cut that paper mill down to size before he even pours the foundation.

Ask builders what kind of paperwork and assessments they need and how they handle them to save you time. You want to work with builders who efficiently and proactively fill out the government compliance forms and don't let papers turn into a bureaucratic mess.

COMPANY CULTURE AFTER THE INITIAL BUILD IS COMPLETE

Picture this triumph. You've cut the ribbons and opened the doors to your perfect, new facility. It looks great, and pictures are getting you publicity in the local paper. You know exactly how to best use your space and operate all facets of the facility, you're secure in the status of all the paperwork, and you even have a plan to handle future expansions. You see smiling faces from your workers who take pride in their new space, and you see them producing at maximum efficiency.

And now, picture this. Your facility is built, but you have a massive stack of papers on your desk, and you're completely in the dark on how to use or maintain any of the complex systems in your facility. You take one look around and immediately get a sense of dread that this building may not meet your needs, and you sense that a frustrating expansion process lies ahead of you. Now you wish you hadn't plunked a bunch of money down for a new building.

Only a sloppy contractor would leave you frustrated and in the second situation. Good ones silently make your morning as you confidently step into your building, looking smart for properly managing the build. What's the difference? Good builders know construction work isn't done when you open your doors.



Executing the handoff

During the last phase of construction, your builder should provide you all the knowledge and tools you need to properly manage your new facility. We recommend you learn about your builder's handoff process before your build begins.

At The Korte Company, we have a handoff procedure we apply and tweak when necessary. We provide final, asbuilt drawings and detailed operations manuals so you understand your building's layout and technical systems. We'll take you and your team through an in-depth training on the proper and safe use of the building and equipment. Later, we follow up with an 11-month checkup to make sure all systems still run smoothly.

More than anything else, we believe when builders hand the reins to you, they should stand behind their work. That means being there to walk you through managing your facility and ensuring the quality of their craftsmanship over time.

We make a point of standing behind our work. While all buildings have many unique pieces, each with their own set of warranties, if it's something we can fix, we'll be there. If it's something that means working with our subcontractors or outside engineers, we'll make sure it gets done. People and companies who build smart have no problem standing behind their work.

Records and government compliance

You don't want to spend countless hours on facility-opening legal documents and paperwork that your contractor should handle. Make sure to ask prospective contractors about their continued support with records and facility paperwork. The ones that consider it will have an answer for you.





We assist our partners with facility accreditation papers, legal documents, licenses and surveys. We also help facility managers with their Master Life and Safety documentation, usable square footage records and other government compliance documents.

Building for future expansion

Your facility may need to grow as your business and product offerings expand, so you'll need a builder who can keep up with you. But no one likes playing catchup. We believe it's much better to plan for facility expansions before a build begins than deal with a whole new expansion process and the unknown. This speaks

directly to a builder's philosophy. The good ones smartly take future expansions into account and make sure to walk you through those plans during the bidding process. Planning ahead saves you time and money while keeping your facility more consistent over time. Part of our initial process involves a financial assessment and, if we're renovating your existing facilities, detailed traffic flow analysis to chart exactly how you actually use your space. Construction is all about aligning expectations and goals with reality, and that includes taking into account your budget for future expansion. Make sure your builder has a sound track record

with facility expansions and expansion planning. We've worked with a number of organizations on expansion builds, including Anderson Hospital, among others.

Turnover and continued support

Turnover affects every builder, but it shouldn't affect the quality of your build or your experience with your builder.

Ask your bidders how they'll handle turnover and project continuity when different people come out to your job site. You want the next guy to have the same professionalism as the first guy, and you want seamless communication throughout so you're always in the loop.

Organizationally, turnover doesn't keep us from pouring concrete or hammering nails. Why? Because we take pride in the people we bring into our family and the way we train them. Dave Robison at Carlisle SynTec Systems has worked with us for more than 30 years, and we're proud of what he has to say:

"In terms of Korte's personnel, the people we started with when we first built the warehouse have retired. And every person that shows up is very professional, and we've never had a bad apple. Whenever you continually get good people no matter who shows up at your door, to me, that tells me there's a systematic way of treating customers, training people, hiring people.

Unfortunately, not every company you deal with is like that."

In addition to talking with their former clients, we recommend you even

consider what your bidders' former employees have to say about their companies and their Design-Build work. Websites such as <u>Glassdoor</u> allow you to read reviews from former employees.

Would you actually want your builder as your neighbor?

Business is built on relationships, and you're going to spend a lot of time in meetings and on the job site with your builder. Would you mind living next to your closest contacts at your contractor's company?

After all, you'll be walking, breathing and working in their finished product, so they'll be a big part of your life for a long time. Ralph Korte founded The Korte Company in 1958 to help his neighbors build their livelihoods. That philosophy still sticks with us today, and you can see it in every build we've ever cut the ribbons on.



THE COMPANY CULTURE QUESTIONNAIRE



This guide has taken you through the core elements of company culture that define a Design-Builder. We could cover many other areas as well, but if you cover these bases with your builder and still feel confident afterwards, you'll be in good hands. This boiled down questionnaire provides you the essential questions to ask your bidders so you can learn what it would really be like to work with them.

"Before the build" company culture

What's your process for gathering information before you fill out a bid form? What information do you need in order to put together an accurate bid?

What kind of experience do you have in building the kind of structure I need? Who would I directly work with and what's their experience?

Do you have a portfolio of projects you can show me?

Can you name 5 – 10 client references and provide their contact information? Can you also include a list of contacts at several vendors who work with you?

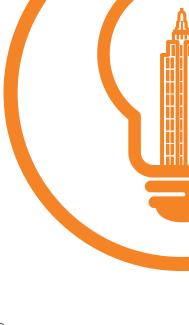
(For another contractor who isn't competing for the bid) How would you describe the company I'm evaluating? What's their reputation?

What can you tell me about the history of your company? How does your company history impact the way you build today?

Can you sum up your company philosophy and what you stand for in just a few words? What are some real examples of how your core values impact your company and your work?

What do you value most from an artistic and architectural viewpoint when designing for a build? What is the purpose of artistic creativity in your builds?

What is your track record of delivering projects on budget and on schedule? Are there any references who can attest to your track record?



Company culture during the build

How quickly can you actually implement a plan?

What kinds of specialty certified construction professionals do you have on staff? Do you currently employ the people necessary to start building or will you be assembling a team specifically for this job?

What existing relationships do you have with specialty vendors and materials providers?

Have you ever built in emergency situations when clients vitally needed something ASAP? Can you provide any references for your emergency construction work?

What communications process do you use to keep clients up to date both in the design and construction phases?

Can you walk me through the different phases of construction as it pertains to my structure? What kind of information and action do you need me to take throughout each phase in order to keep the project moving?

How do you account for Murphy's Law as you schedule out your build? What do you do when you face bad weather?

What safety procedures do you have in place when you're on a job site? Do you have certified, specialty-trained safety professionals on staff?

Can I see your safety track record? Have you been recognized for being particularly safe on the jobsite? Can I talk with any of your job-site supervisors to get a sense of how they handle safety?

How do you decide which energy-efficient materials and systems to use in your builds?

Do you have LEED-certified personnel? Have you built any LEED-certified structures?

What site assessments do you perform?

What paperwork do I need for this construction job and how much of it do you handle?

Company culture after the initial build is complete

What handoff and training procedures do you offer your clients so they can best manage their buildings?

What in-house training programs do you have for your staff?

Do you do any follow-up procedures? Do you offer warranties to stand by your work?

Can I talk to any former employees who work elsewhere now?

What records and government compliance documents do you provide? What kind of paperwork can I expect to do once my facility is complete? Do you have any lasting relationships with clients whom you've worked with for a long period of time?

How do you plan for future expansion? Do you include future expansions into my facility master plan?

How do you align future expansion plans with my budget?

Have you done any expansion projects for your former clients? If so, what buildings did you expand?

How much turnover do you have internally within your company? How will you ensure that the next guy can pick up right where the last guy left off if you work with me for a long time?



ABOUT THE KORTE COMPANY

In our almost 60 years of building, we've established ourselves as leaders and innovators in Design-Build construction. We've built hospitals, schools, distribution centers, factories and everything in between. Throughout every project, our approach to Design-Build has stayed the same: Build Smart. Take a look at our portfolio.



We'd like to hear about it. If nothing else, consider it a very educated second opinion. Contact our team now.

