



AGC OF WISCONSIN

AGC of Wisconsin
Strategic Planning Retreat
May 12 & 13, 2015

Supplemental Conditions

- **Review of 2010 Plan**
 - Made progress on all 3 major initiatives: Membership, Building Reserves, and Improving Government Relations
 - Maintained membership in difficult years
 - Built strong reserves
 - Made new legislative and agency friends, but still have work to do
 - Lessons Learned: GCs need to be involved selling memberships to other GC's and Subs; it is tough to deliver safety services and other services to the outlying areas; it is tough to get young people to serve on the board; we can build reserves; you need to be properly armed in the legislative battles

- **Market Outlook (Next 3 Years)**
 - Overall market should continue to be positive
 - Contractor revenues should rise
 - General contractor margins will remain flat however; market forces only give pricing power to the subs, suppliers and labor
 - Chapter revenues should remain positive

- **Current Issues and Trends - Table Discussion on Legislative Representation and Government Regulations**
 - Government will become more conservative over the coming years - spend Less
 - Less money for infrastructure and services
 - Slower responding to our needs (e.g. permits etc.)
 - We have many friends; we need to support them with PAC \$\$\$ and we need to make new friends
 - Our relationships with most agencies are strong; had good input into the capital budget; have some agencies where we need to rebuild our relationships
 - We need to plan and execute well on our issues

- **Current Issues and Trends - Table Discussion on Workforce Challenges**
 - Craft workers are the biggest challenge –the state lost 30-40% of this workforce in the last recession
 - There is a shortage of both skilled and unskilled craft workers
 - There is an ageing issue with those left
 - The recent legislative changes did nothing to help this problem; prevailing wage challenges and the right to work change
 - They need high quality continuous training; they need to be recruited out of high school
 - Administrative employees
 - There is ample supply, and they are paid well in our industry (perhaps because they often have information about craft pay rates)
 - Managers and professionals
 - Both estimators and senior project managers are needed
 - The industry is getting quality graduates from the schools and need to develop them once they are hired
 - Many companies are using the internship approach as a long interview process
 - Executives
 - Most continue to be “home-grown”
 - There is concern about the current group of executives having the capital accumulated to be able to make buyouts of existing owners
 - A pervasive challenge with all categories: How do we bridge the generation gap?
- **Current Issues and Trends - Table discussion on jobsite technology**
 - Technology has surely improved jobsite productivity
 - When all parties buy in, it definitely improves the communication and collaboration
 - There is still occasional pushback from superintendents to the use of required technology, which may necessitate an extra engineer and add to costs
 - Is there a role for AGC with a technology specialist, similar to safety?
- **Current Issues and Trends - Table Discussion on Delivery Systems**
 - There is still a concern at the state level about the use of multiple prime method versus the single contract with a GC method
 - There is limited use of the Integrated Project Delivery (IPD) or Public Private Partnerships (P-3) Methods
 - What is emerging is a modified DB approach with the GC’s in charge of everything, assisted in design by the MEP’s and architects as a sub to the GC’
 - Prefabrication is on the rise and the trades are embracing it

- **Current Issues and Trends - Highlights from Member Survey (Copy Attached)**
 - The workforce challenge, especially for craft workers was rated as the major challenge; the charter schools and high school recruiting was valued highly
 - Safety Training and Services remain of high value
 - Members consider legislative representation; sensible government regulations and relationships with government agencies a top priority

“The McKinsey 7 Analysis”

Current Reality	Needed to Reach 2018 Goals
Strategy (Serve GC’s; SC’s; Assoc.) (Serve All Wisconsin except Milwaukee)	No change needed
Structure (Board, ExecCom, 2 Standing Committees, Task Forces)	No basic change (Recruiting partnerships?)
Staff (8 now, one short, competent)	Add person for workforce
Skill Sets (Adequate; contract additional lobby (legal and technology))	No change needed
Systems (Association Mgmt. Software-old)	Probably replace software
Style (Culture & Communication - solid, welcoming – print and email)	Develop Social Media Twitter/Facebook
Space (Very adequate; remodel underway)	No change needed

Parking Lot

Board Make up/ Dues Structure
Merger with Milwaukee when timely

