

Continuous Trade Selection

**The guide to
power-up your
trade partner
selection process**



HAMMERTECH

Compliance | Risk | Safety

hammertech.com | connect @HammerTech_NorthAm | 866.443.1769

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Developed in partnership with



James Alexander

Solutions Engineer and Safety Leader
HammerTech



Thomas Barnard

Director, HSE – Design and Construction
Digital Realty



Steve Duff

Regional Safety
DPR Construction



Today's Headwinds



The project was inefficient, the safety ratings were low, the workforce was not engaged, and in the end, the profit margin exposed these truths. If this has ever been you, you're not alone. Few construction companies work independently, and those without the right processes in place often face these consequences.

Third party collaborations offer many benefits, however managing them is a significant, ongoing task. That is why it is essential to build strong relationships with the right trade partners – this essential step is the first towards timely, effective, and safe operations.

If those relationships begin at the start of a project, as they often do, then your opportunity to safely scale while increasing profit margins, is to transition into ongoing partnerships. And action-based compliance, risk and safety data is key to get you there.

Construction companies are diligent when hiring employees. They provide coaching and new project opportunities to grow their careers. With the reliance on out-sourcing, a similar level of care with contractors and subcontractors is needed.

Some of the prevailing constraints inhibiting our ability to select and mature quality trade partners are:

- One-time partnering culture
- Manual process
- Too many systems
- Unintegrated systems
- Lack of data and meta data
- Reliance on historical lagging data which has limited use for predicting future performance
- Labor shortages

If any of these sound familiar, read on to learn how the industry is overcoming these.

“ The biggest headwind is transitioning the mindset from a paper or static process to a digital dynamic process. Our dynamic processes allows us to connect globally, and draw action from a single source of truth. ”

– Thomas Barnard, Director HSE- Construction, Digital Realty

Continuous Selection Maturity

A shift in the use of compliance, risk and safety data is emerging to improve trade partner selection.

These trends are emerging three-fold:

<p>1</p> <p>The use of action-based data to assess the performance of a trade partner.</p>	<p>2</p> <p>Data-based selection of trades on a continuous basis (rather than ad hoc) to paint a forward-looking picture lagging metrics cannot.</p>	<p>3</p> <p>The sharing of general contractors' safety data with trades to improve action-based coaching.</p>
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Let's dive into their method.

More mature companies evaluate the safety performance potential of vendors, not just the past. In turn, this means knowing which variables should be measured and given extra weight in the selection process.

The benefits general contractors are seeing as a result of shifting selection practices are:

- **Increased efficiency** – returning trades have a faster onboarding time and know what is expected of them
- **Better project outcomes** driven by improved trade compliance, risk and safety performance
- **More engaged workforce** lowering injury rates
- **Improved profitability** with reduced re-work, efficiency gains and lower safety incidents.

Continuous Selection Maturity Model

Leverages Lagging Results

Organization actively monitors metrics like:

- Experience modification
- Recordable and lost time
- Property damage
- Near-Miss
- Workers comps costs / incident type trends

Tracks Leading and Intent Data

Organization has:

- A safety team or person in a senior role.
- A safety plan with identified accountability.
- Hazard assessments for work scopes.
- An inspection process / tool.

Tracks Leading and Action-based Data

Organization does:

- Holds safety and health meetings regularly.
- Supervisor and employee training at regular intervals.
- Inspections weekly at a minimum
- Tracks close-out rate and completes corrective actions in a timely manner.

Least mature
➔
 Most mature

Forward-Looking Indicators for Success

Data under all pillars is important. Lagging indicators when used across an organization can deliver significant value. This said, we don't see consistent investment in processes and practices that give us leading insights and this means we are leaving significant opportunities on the table.

Let's consider the lagging data that is typically collected and measured when assessing subcontractors - and why they are not sufficient when taken on their own.

Statistical measures that correct totals to 100 person-years create the impression that the incident rate is higher for companies with fewer employees. For instance, one in three workers getting injured over the course of a year is an alarmingly high rate. In a very small operation, however, a high percentage might represent just a single incident.

To have more confidence they will perform, we want to balance past performance with potential every time we appoint them to a project. We also want to see over the course of different projects if they're adjusting for the better or perhaps for the worse. That's why it's important to understand the limitations of lagging data as a predictive tool.

Lagging indicators of safety performance aren't without merit. Sometimes, they're the best yardstick available. But it's important to understand their limitations as a predictive tool.

Let's look at indicators used to anticipate future success that are used by maturing construction organizations.

Action Metrics



Certified Employees



Hazard Assessment Trainings



Weekly Stand-downs Attendance



Labor Hours



Observations



Inspections



Pre-Task Plans



Corrective Action Close out Rate



Facilitated communication e.g. Daily Briefings

Most importantly, focusing on these items drives actions that support a pro-active safety culture. Secondly, these activities generate documentation, statistics, and trends that can be used to determine how well a safety management system is implemented and to what degree safety is "owned" within the company.

“ While it's important to learn from the past, past performance is not necessarily indicative of future results. What drives the future are the actions we take today. ”

- James Alexander, HammerTech

Making Action Visible to Drive Desired Outcomes

Growing with suppliers orients an organization toward continual improvement, which should be the headline goal of every compliance, risk and safety management system.

Establishing and cementing those relationships should include demonstrable performance metrics in line with your benchmarks and specified goals. Outsourcing work is too often seen as offloading risk. In reality, our trade

partner's successes are our successes. For example, we win on schedule and quality when we invest to make processes more efficient for our trades. Conversely, their incidents cost time, money, delays, damage and overall inefficiency for our projects.

Here's a tested approach to shift mindsets to be open to providing visibility. This empowers everyone on the team to monitor their status and improves collaboration.



Make it **simple**
for trades to **engage**



Make it **simple**
to **measure**
the engagement



Share results early & often
with trades & project team
(not just safety) to
progressively course correct

The key is to determine the most imperative metrics to your project or organization and how they will be monitored. This builds the relationship between general contractor and a trade partner. There should be clearly-defined performance objectives, a shared understanding of how these will be measured and what success looks like.

In an ideal scenario, all jobsite processes will be completed via a mobile-first platform that ensures everyone on the jobsite can engage and collaborate with compliance, risk and safety processes appropriate to their job. Whether a concreter, a site supervisor or safety manager.

Everyone should have access from orientations to pre-task plans, permits, equipment management, inspections and more. This way you make it easier, they save time and you all have better visibility with data to support how you're winning together and where you need to improve.

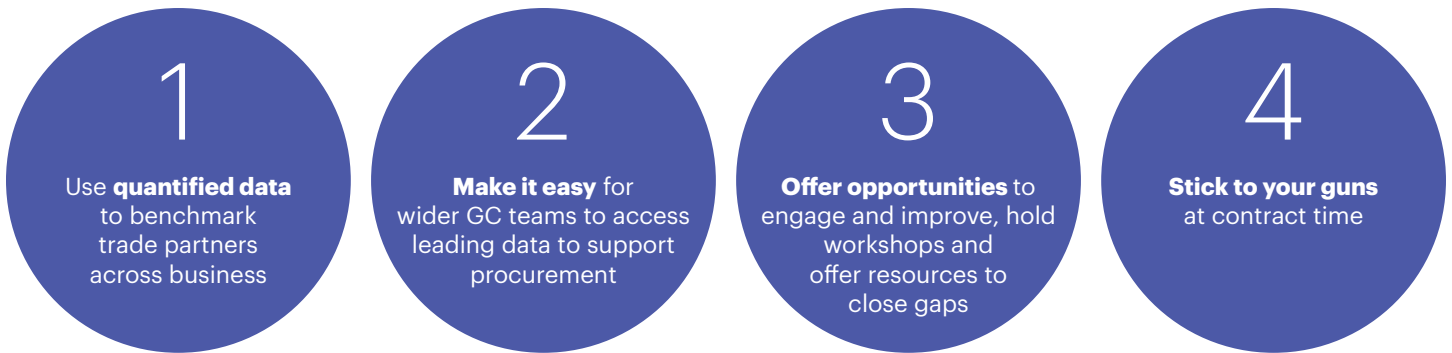
The payoff of this approach is that general contractors and trade partners grow together.

“ Both site supervisors and trade partners have quick access to the processes they need anywhere, anytime. Plus, dashboards help to focus on their day-to-day on truly urgent items. In the mid-term, they can also see trends and address coaching opportunities—progressively. ”

– Steve Duff, Regional Safety, DPR Construction

The Continuous Selection Cycle

This is the most critical stage to ensure you realize value from your efforts. This is how we turn engaged trades and action-based data into a cycle for continuous selection.



Continuous gains are made methodically. Sure, you might get some big leaps here and there, but success comes from the day-in and day-out effort. Make engaging in the process easy, report back early and often, and create opportunities for improvement.

With an established track record of performance, you can have confidence in your trade partners. This helps release your teams from the cycle of evaluating new partners from square one and the stress, uncertainty, and risk that come with it.



A trade performance dashboard can aide to visualize data and benchmark performance. Ideally it's populated with data directly from jobsites with an algorithm to rank based on metrics most important to your company.

Reach out today
to speak with our experts

about levelling up your trade partner selection method process.



Turn risk reduction into
a work-winning strategy with HammerTech—
the Compliance, Risk and Safety Control Tower
that improves productivity and profit.

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