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# Share Common Problems and Solutions in Contractor Peer Groups

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Construction-industry executives never want for new problems, large and small, in good times or bad. You look everywhere for innovative ideas. Internally, you form teams and task forces; externally, you are active in your local trade associations. You read several business journals regularly. These are all tried and true sources of information and ideas that help you improve your company. But wouldn't it be interesting to meet with a few of your peers and open up?

Forming a peer group to discuss common problems and solutions isn't something you can do with your local or regional competitors. Besides the legal ramifications, you just can't tell your counterpart that you're losing your shirt on that project you outbid him on. You could, however, trade information with your counterparts in other regions or in market sectors in which you don't compete. Chances are these companies have many of

the same problems and questions you do.

Peer groups are formed for a variety of reasons, but the main reason is that we are working in a highly competitive and increasingly complex business. The construction industry is characterized by closely held local or regional firms, managed in large part by people who grew up in the business. If your firm fits that general description, if you are willing to learn from and share with others, and if you welcome new ideas and honest critiques, you may be a good candidate for a peer group.

Peer groups may be formed to exchange ideas focused on shared problems and issues, or they may be nearer to formal alliances with a deep sharing of confidential information. Each peer group is self-governed and decides on the objective and type of relationship that the member companies desire. Group members draw up and agree on "rules of engagement"

spelling out confidentiality agreements, who should attend, meeting dates and locations, and other binding restrictions. We recommend an optimal group size of six to eight firms with a normal meeting schedule of three to four times a year. Groups frequently adopt a "host company" concept where a different company hosts each meeting, and that particular company's operations are reviewed and critiqued. Essentially, a company audit is performed with a particular emphasis or theme.

Generally, the principal of each firm is the primary participant in the peer group. Other members of the senior management team may be involved on a regular basis or only occasionally. Many groups have a stated objective to provide personal and professional development for key managers and next-generation leaders. A peer group can accomplish many things. You might want to think of it as an opportunity to have an outside "advisory board," as well as an opportunity to make business friends on a national scale.

*To become a peer group member or to get a peer group started for companies like yours, call Rick Dutmer or Kevin Kilgore of FMI at 303.377.4740.*