

Innovation leads Mavcon to new profit streams

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By DAVID DAVIS MiBiz Correspondent KALAMAZOO - Maverick Construction has changed its name to Mavcon as part of the company's plan to expand into Indiana, Ohio and Illinois. The company has also revamped its infrastructure to take better advantage of growth opportunities. The name change is indicative of its president's commitment to innovation. "Management change is a paradigm that is not easily accepted and difficult to embrace at best," Mavcon President James Dally said. "We have realized that habits are both made and broken in 30-day intervals. Just try altering the way you perform a present habit knowing that it will save you time for 30 days. At first it is so mentally painful that you feel it's not worth the challenge, but by day-seven you realize it's bearable and showing a benefit." Mavcon exceeded \$18 million in sales for 2005 and is on track to reach \$30 million for 2006. The growth has come on all fronts, and is the result of a 16-month overhaul of the company's operations systems. "You're not going to become a \$100 million company if you don't operate like a \$100 million company," Dally told MiBiz. "We wanted to stop and sharpen our ax." Rather than selling more work, he brought in professional consultants to help streamline the company's operation. Dally now believes that with the help of Mavcon's new out-of-state markets, the company will achieve 20-30 percent growth each year. He attributes Mavcon's success to the company's innovative approach to design and construction. "Preconstruction services such as site selection, preliminary design and estimating allow clients a guided and staged decision-making process to aid them in identifying their needs," said Dally. "This is in contrast to fully designing a facility and not knowing the total investment until final bid letting." A founding principle of Mavcon is increased emphasis on the "front end" of a project, or

- Mavcon has completed close to 200 projects of various sizes and complexity from private to municipal bonded contracts since the company's founding in 1997.
- It has also developed a reputation for constructing medical testing facilities and completing dozens of laboratories for clients. Those labs are used for necropsy, surgical, histology, and analytical pursuits.
- The firm constructed the Parker Hannifin World Headquarters located in Richland and the Oneway Products facility in downtown Kalamazoo as well as specialty projects like communications towers and power plant facility upgrades.

the pre-planning stages. That includes holding meetings with clients, trade contractors, suppliers, architects and local government bodies. "The cost to correct a problem far exceeds the investment necessary to develop an infrastructure capable of preventing the problem," said Dally. "It seems absurd, but if you analyze many of your procedures, it is utterly amazing how much repetition takes place, causing unnecessary wear on staff." Dally also said that many companies deal with similar cost-inflating problems but are unwilling to resolve the issues. He believes that firms continue to deal with the same types of issues without ever effectively solving them because the pain to change the procedures is feared to be greater than continuously dealing with the problem that they have now become used to. Mavcon is able to fast-track its projects by "sub-stacking," a procedure where the company intricately plans each work day to have the highest possible number of work activities taking place at one time with the highest possible efficiency. Dally's firm also offers clients a financing option to complement its designing and constructing arms. Dally stated that clients find it helpful to finance through Mavcon, keeping their funds unencumbered by balance sheet liability for working capital and investment in infrastructure. In order to increase the company's efficiency, Mavcon has invested in software provided by Constructionware. This management software allows all stakeholders concurrent access to information necessary to perform their job task, he said. "The initial investment of a heavy five figures was at first intimidating, but we found that with the right tool, the job can be performed better and more efficiently," said Dally. "We have continued to critique our management processes to ensure we are working smarter and not unnecessarily harder." Mavcon's goal is to become completely paperless, remarked Dally. Field supervisors are equipped with laptop computers and are trained to perform daily log information electronically. They also download daily digital pictures and have access to electronic blueprints and shop drawings. "Being close-minded to more efficient management procedures and having an unwillingness to adapt to new technologies is like going on a long road trip and being in such a hurry you will not stop to get gas," Dally said.