

Case Study

Published March 2008

Henkels & McCoy Inc.: Maintaining Success by Committing to Performance Improvement

Stephen J. Stilwell

As engineering and construction firm Henkels & McCoy grows its business, the organization has been challenged by demands around project management proficiencies. The company has turned to its learning function to support its continued expansion.

How do you succeed in business? It's a good question — one that has plagued business executives, MBA students and even reality-television contestants for years. But there's another question that seems to get far less press in the business world today, and its answer has proven to be equally as elusive: How do you continue to succeed in business once you've already succeeded?

The problem of maintaining success — which many of us would consider a good problem to have — was exactly what Henkels & McCoy faced several years ago.

Henkels & McCoy, which boasts 4,600 employees in 80 permanent offices throughout its organization, is one of the largest privately held engineering, network development and construction firms serving the communications, information technology and utility industries in the United States.

Upon winning significant utility infrastructure contracts ranging from the building of transmission lines to inside wiring for the Pentagon — one of the world's largest office buildings — and Citizens Bank Park — home of the Philadelphia Phillies — Henkels & McCoy has established itself as one of the country's premier specialty contractors.

However, as the company began executing these large-scale, large-budget projects, and as they continued to set their sights on winning many more, senior executives began identifying subtle weaknesses regarding the standardization of project management methodologies throughout the organization. Essentially, the heads of this well-performing company understood that to continue their success and to take it to the next level, changes needed to be made.

“Our industry has become increasingly more sophisticated over the years as people look for enhanced productivity and safety,” said Kathy Mills, director of human resources. “The complex projects we were winning required that our staff keep pace with industry knowledge.”

Improving Project Management Practices Through Training

The company realized there was a need for project management training among its team members. The leaders determined that the benefits to improved project management practices would be numerous, including increased efficiency internally and seamless communication with the company's many large general contracting partners.

The company eventually partnered with ESI International in early 2003. From the beginning of this project management initiative, Henkels & McCoy's executives were committed to providing training to staff members across a variety of internal levels, ranging from project team members to senior

executives. Executive involvement, including participation from the CEO/president, COO and CFO, helped staff members understand that creating a project management culture was a significant initiative supported at the highest organizational levels.

“We strongly believed all along that, regardless of whether an employee is running projects or running operations, project management skills are important to have,” Mills said. “So, we added everybody to the training program, not just project managers. Skills such as team management, motivation, resource management and planning were competencies we wanted all members of our staff to exhibit. Our training program brought a formalized approach to these skills.”

Like any major change management initiative, this move toward a new project management culture initially was met with resistance. Many throughout the organization were reluctant to change longstanding habits and procedures. Fortunately, thanks to good communication, strong leadership and unwavering commitment, employees at Henkels & McCoy began to embrace management’s vision and understand that their customers and their highly competitive market demanded that they apply a more advanced set of methodologies than ever before.

Continuing its project management transformation, the executive team at Henkels & McCoy issued an internal Project Management Challenge in 2004, one year after launching its training program. The initiative challenged employees to establish and implement a methodology based on the Project Management Body of Knowledge (PMBOK Guide), which was customized to Henkels & McCoy’s industry and internal procedures.

Then in 2006, Henkels & McCoy established a Project Management Office (PMO). The office was created to be responsible for defining and maintaining the organization’s standards of process, as well as to act as the internal source of documentation, guidance and metrics for all project management activities.

Delivering Expected Returns

“Our bottom line has improved year over year since we implemented the training,” Mills said. “We used to bid a high number of projects. Today, we’ve learned not to bid as much. We have a solid methodology and bid-review process in place, enabling us to look at the associated scope and risk before we get too deep. There was a time when we might have placed educated guesses on whether opportunities represented a good project for Henkels & McCoy. Now, we use our processes to more closely pursue work that fits our corporate strategy and that will deliver the return we expect.”

In addition, the training has enabled Henkels & McCoy to begin the process of creating an entirely new culture among its employees.

“Slowly but surely, you reap rewards as people recognize that the skills they are learning are helping their projects,” Mills said. “When people begin speaking the project management language and using the methodology, you realize you’ve been successful in developing a project management culture.”

University Affiliation and Support

Since the program’s launch, 60 Henkels & McCoy employees have earned associate’s certificates in project management, including the company’s COO, and 10 employees have earned master’s certificates in project management. These certificates are awarded by ESI and its academic partner, The George Washington University.

“Our team has taken great satisfaction in the accomplishment of receiving associate’s and master’s

certificates,” Mills said. “Another source of value is that [the] training is backed by The George Washington University School of Business. That affiliation is a significant source of pride for our people.”

Next Steps

Henkels & McCoy has no plans of slowing down its training initiative. As of spring 2007, 119 Henkels & McCoy employees have enrolled in a total of 311 courses, and the company is working hard to develop and further refine its new project management culture.

Projects are grouped into one of four levels based on strategic importance and complexity. The Henkels & McCoy project management methodology applies to levels 3 and 4. The company is developing a leaner version of its methodology for level 1 and 2 projects.

With expanded project management expertise and systems, Henkels & McCoy also is considering new partnerships and taking on a larger number of complex projects, which are expected to help the company continue to grow and cement its reputation as an industry leader.

“We’re committed to continuous improvement,” Mills said. “We have a solid understanding of what has worked historically, and we’re also keeping an eye on what will make us successful in the future. A commitment to further developing the Henkels & McCoy project management culture is an integral part of our future success.”



Stephen J. Stilwell is director of online services product management for ESI International and has more than 20 years of varied experience in the training industry, including instructional design, management and sales support. He can be reached at editor@clomedia.com.