

Case Study

KBS Constructors, Inc.

Location: Topeka, Kansas

2015 Revenues: \$32 million

Employees: 70

Industry: Contractor

Highlights



Challenge

Finding a way to create a unified team between field and office staff and get employees to think beyond just punching a timecard on a daily basis.



Solution

Implement business literacy training, open the books, and share information across the company.



Results

Thanks to tearing down the barriers that had formed inside the company, KBS has become much more of a "Connected Community" focused on chasing shared opportunities.

"KBS is not the company I work for anymore. It's the people with whom I work."



KBS is a commercial general contractor.

Company Background

The founders of KBS Constructors started their commercial construction company in 1989 with the belief that their firm would create value and trust with their clients beyond what might exist on a set of blueprints. Using W. Edwards Deming's philosophy of Total Quality Management, KBS grew into a Leader of Critical Environment Construction. While the company has consistently stood out from its competitors thanks to expert craftsmanship, something was still missing. The company struggled with keeping future work lined up, keeping craftsmen engaged and learning new skills, and most importantly, there was a growing divide between office and field staff. On January 1, 2015, the company's board of directors decided to implement the Great Game of Business to address that challenge.

"The information that we receive lifts the darkness that we previously felt like we were kept in as employees."

Playing the Game Together

Prior to the adoption of the Great Game of Business, KBS seemed to operate on islands. Each project felt as if it was an individual's success or failure and there was a disconnect between the office staff and job site employees. Hourly employees were just showing up and were not engaging in the company's overall success or bottom line.

To increase engagement within the company, KBS began including each employee in the company's weekly playbook and recordings. The playbook and recordings are distributed to 20 or more job sites and various topics are discussed to include MiniGame results, safety, the financial forecast, future projects, and financial education.

Now with the implementation of the Great Game of Business and expanded weekly huddles (that all employees attend), everyone feels like they are not only making a difference, but their voice is being heard and their ideas are being applied. "Everyone is in this together," says president Dan Foltz. "Now that everyone understands how we all share in the rewards, we have found new momentum."

The first six months were admittedly rocky; the transformation the team was looking for did not happen overnight. But slowly, by teaching the financial side of business to everyone, a change started to occur. By teaching financial literacy through exercises like the "popcorn game," which helped teach employees that revenues didn't equal profits, employees began to recognize what it means to think and act like an owner. People felt more like a family unit and the topic of conversation changed. Individuals began discussing financial statements and thinking more like owners. Craftsmen were coming up with ideas to help work toward a common goal – improving the bottom line. Field and office staff began collaborating more yielding positive results.

"Employee engagement has allowed me to think strategically and not just operationally," says Foltz. "The basic culture from quality management had gaps and little pieces that never seemed to come completely together. With engagement of all of our employees, KBS has moved out of survival, and into thriving mode, which creates opportunities."

"The communication has been the biggest improvement. It has bridged the gap between the office and the field."

Rapid Financial Results; Lasting Cultural Change

Communication within the company has become circular due to the fact that everyone now discusses the month's numbers together and how they impact each other. That's helped engage employees, who now openly talk about where the company is heading.

By gaining knowledge of the income statement and balance sheet, employees have gained the confidence that if they can implement a cost savings measure and show how it can improve profitability – that their idea may be put into place. By asking questions about how and why a specific item is accounted for, everyone in the group learns. "When you learn to feel like part of something larger than yourself you feel like a member of a team," says Foltz. "Working as a team you can achieve much greater things than as an individual."

Not only has the company's reenergized culture become a recruiting tool for top talent, it has seen impressive financial returns as well. KBS boasts record profits for the year – pre-tax net profits were up an incredible 1,416% from June 2015 to June 2016 – and in the first two months fully funded the bonus program for the first and second quarters of 2016.

"Ownership makes you feel part of a family; it shows that each person can make a difference."