

General Session

Tuesday, October 30, 9:00 a.m. - noon

**FORECASTS AND CHALLENGES FOR THE
CONSTRUCTION INDUSTRY**

Presented by



Craig P. Damos
President and
Chief Executive Officer
The Weitz Company

The Conference will have keynote presentations by two construction company CEOs. They will share their perspectives on the importance of risk management, lessons they have learned, and best practices their companies have implemented.



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Craig P. Damos
President, Chief Executive Officer
The Weitz Company

Mr. Damos is a keynote speaker, copresenting "Forecasts and Challenges for the Construction Industry" on Tuesday morning. He is Chief Executive Officer of The Weitz Company. He joined the company in 2000 as Strategic Chief Financial Officer and was appointed in 2004 to the position of Vertical Growth Officer.

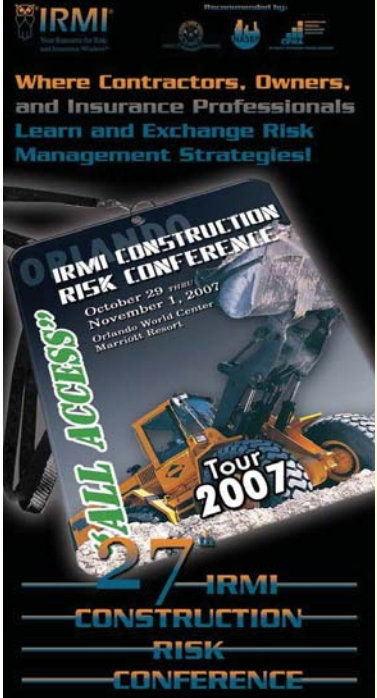
Prior to joining The Weitz Company, Mr. Damos was Senior Vice President of Economic Units for RSM McGladrey, Inc. He had also served as Partner-in-Charge of the Des Moines location of McGladrey & Pullen and sat on the Board of Directors for McGladrey & Pullen.

Mr. Damos was the 2004 chairman of Anawim Housing, a non-profit organization that offers affordable housing to people at the lowest income levels.

Mr. Damos graduated from the University of Iowa with distinction in 1977. He holds a Bachelor of Business Administration degree.

Notes

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WEITZ

Taking Safety to the “Next Level” at The Weitz Company

Presented By:
 Craig Damos
 CEO & President
 The Weitz Company
 Des Moines, Iowa

General Session

Overview of The Weitz Company



- General Contractor
- 153 Years Old
- Locations – West Palm Beach, Florida to Guam
 - 16 locations
- 2600 Employees – hourly & salaried
- 2007 Construction Volume - \$1.5 billion
- Employee Owned – 320 shareholders

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A Weitz Cornerstone



- Our Core Values
 - Honesty & Integrity
 - Respect for People
 - Performance with Absolute Reliability
 - Long Term Perspective
 - Nurturing Personal Growth

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Safety Performance



- The Weitz Company prides itself on it's Safety Performance
 - EMR has ranged from .49 - .68 over the last 10 years

Year	Hours	TRIR	LTIR	DART	\$ / HR
2004	2,985,805	4.80	1.30	3.00	\$0.24
2005	3,741,532	4.80	0.50	2.24	\$0.29
2006	4,291,553	3.64	0.50	1.69	\$0.10
2007	4,668,598	3.45	0.15	1.69	\$0.07

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Safety Pride & Performance



- In March 2005, the Weitz Company won the following Safety Awards:
 - National AGC Safety Award for the “Building Division” (hours worked > 1 million); and
 - National AGC “Grand Award” (Best of the Best) for Safety Excellence – all General Contractors

The Weitz Company CEO Role & Responsibility



- Role
 - Visionary
 - Strategic Thinker
 - Change Agent
 - Cheerleader
- Responsibility
 - Build our People
 - Build the Business

CEO Safety Role & Responsibility



- Role
 - Visionary
 - Strategic Thinker
 - Change Agent
 - Cheerleader
- Responsibility
 - Safety “Czar”
 - Make sure everyone on the project site returns home in the same shape they left

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Getting a “Pulse” on the Organization



- Became CEO June 1st, 2006
- June 2006 – June 2007
 - Walked approximately 80 job sites and interviewed project teams
 - Key Questions:
 - Do we have the programs and tools to keep people on our job sites safe?
 - How can we improve our Safety Performance?

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Getting a Pulse (continued)



- What I Observed; What I Learned
 - We are good at safety – not great
 - Self performance sound; continuous improvement required
 - Subcontractor safety performance and our ability to select/manage/influence is a key issue
 - We need to elevate the safety ***awareness*** on the job site to avoid serious incidents and deaths

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Moving Safety to the “Next Level”

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“Next Level” The Risk of Cliché



- To Avoid Cliché- Weitz Senior Leadership needs to:
 - *Step up;*
 - Recognize the need to *Change;*
 - Elevate our *Commitment to Safety.*

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Weitz Senior Management Safety Boot Camps



- September 2006 – “All hands huddle”
 - 80 members of our senior management – 3 different sessions
 - ACIG’s Senior Management Team participated in design assistance and attended the sessions as audience support
 - Program Content
 - Not about safety training, tools or programs
 - An opportunity for our management team to discuss our Commitment to Change

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Change Management – Business Case for Change



- Why the need to elevate safety performance?
Why the need to change?
 - Reviewed each job site death in detail
 - Reviewed the human impact and aspects
 - Unanimous agreement that a “Strong Case” was established to “Change”
 - It’s not about the business;
 - It’s the morally right decision; the right thing to do!

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Change Management – Safety Vision



- Safety Vision
 - Serious incidents and deaths are eliminated from our job sites
 - Measurement: You and I would be comfortable with a close family member working on any Weitz project

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Change Management – Safety Strategies



- Elevate project site high hazard awareness
 - Beyond hard hats and safety glasses
 - Elevate pre construction safety planning
 - Elevate daily/weekly construction site planning
 - Weitz employees
 - Subcontractors

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Change Management – Safety Strategies



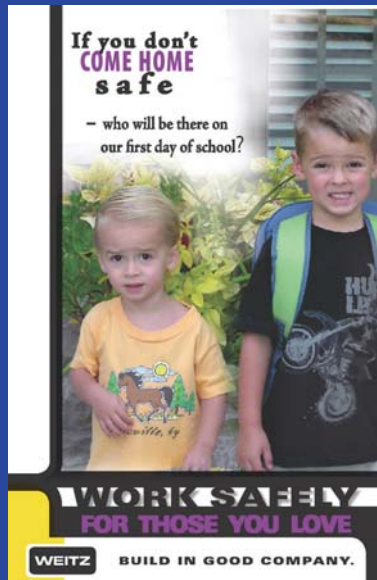
- Enhance project site supervision
 - Ensure all supervisory staff are properly trained
 - Get project engineers out of the trailer onto the site
 - Safety becomes everyone’s responsibility

Change Management – Safety Strategies



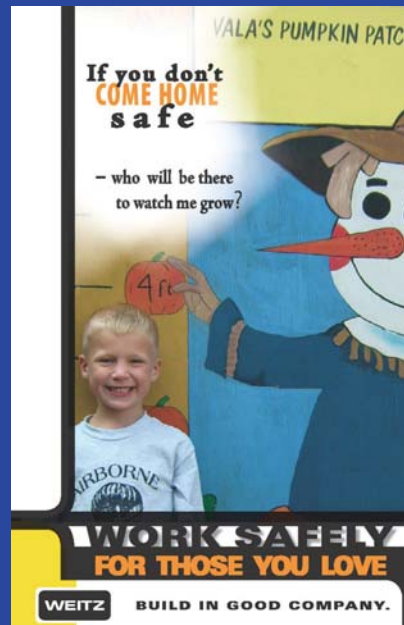
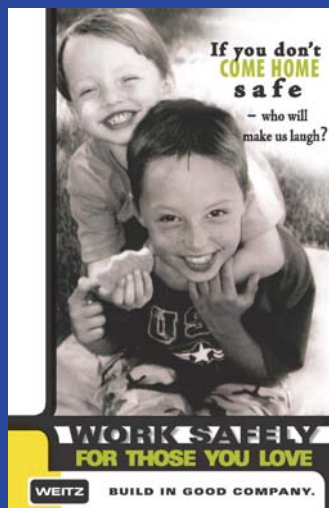
- Begin to humanize safety – play to our strengths
 - “We care”/TWC family – we need to keep each other safe

Change Management – Safety Strategies



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Change Management – Safety Strategies



Change Management – Safety Strategies



- Elevate Subcontractor Safety Performance
 - Better subcontractor selection
 - Set expectations up front with the subcontractor
 - Subcontractor training
 - Meeting with subcontractor owners – get their buy-in

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Change Management – Safety Strategies



- Subcontractor buy-in / involvement
 - CEO and Corporate Safety Director meeting with subs
 - Subs that “get it”
 - Embrace Sub’s expertise
 - They become part of the process; they become part of the solution
 - Lead by example
 - Challenge to all our BU Leaders to begin to do the same

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Change Management Process – Accountability



- Formation of Executive Safety Committee
 - Decision making body with authority focused on policy
 - Agile, but representation should ensure buy-in by the field
- Recent Committee Decisions
 - Consistent Drug & Alcohol Testing
 - Consistent approach to violations re: return to work
 - Serious Safety Violations
 - Disciplinary Action (fall protection, trench, and electrical – working hot)
 - Project Site Supervision

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Change Management Process – Accountability



- Every Near Miss, Recordable, Lost Time, Serious Incident
 - How It Happened Report
 - Reviewed by CEO, COO, & National Safety Director, BU Management Team, BU Safety Committee
 - HIH Report Shared with entire Company
- Business Unit – Safety Accountability Committee
 - Determines Disciplinary Action
- CEO Follow Up- Lost Time Incidents

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Key Elements to Ensuring Effective Change



- Leadership Commitment
 - You ought to be able to see it ; feel it.
 - Each member of Senior Management Team (80) commit to elevate safety – in writing
 - Posted on our intranet for all employees to see
 - Fall 2007 survey on their safety performance

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Changing Culture



- Cultural Change- Beyond Programs and Tools
 - Change the way we think, act & behave
 - Awareness (and planning)
 - Humanizing
 - Approach to Subcontractors
 - Accountability – carrot and stick
- Communication
 - Effective messaging;
 - Utilize a medley of forums and mediums; and
 - Constant communication
 - Ultimately need to get the message to the Field – the Field needs to buy-in

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Culture Change and the Role of Senior Leadership



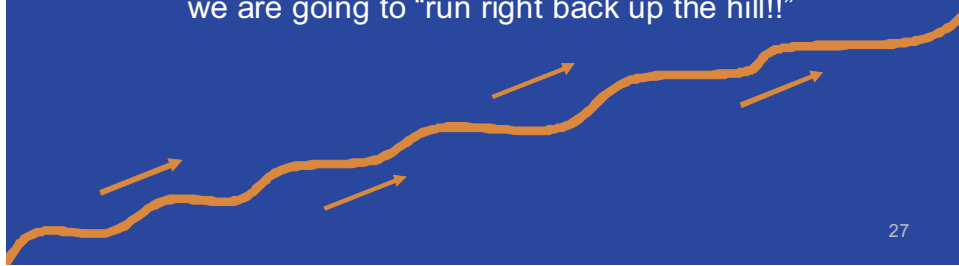
- Elevating safety performance
 - This initiative/effort is about changing our culture; our safety culture
 - It's about high performing leadership – communicating the vision and strategies down through the ranks of our Company and effectively implementing

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Culture Change and the Role of Senior Leadership



- This will not be easy – and this is why a lot of companies probably don't get there
- My commitment as CEO:
 - If our Vision is wrong; if our strategies don't work – we are going to “run right back up the hill!!”



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