

The logo for FMI Quarterly Issue Three 2019. It features the letters 'FMI' in a large, white, serif font, centered within a dark blue rectangular box. Below 'FMI', the words 'QUARTERLY' and 'ISSUE THREE' are stacked in a smaller, white, sans-serif font. At the bottom of the box, the year '2019' is displayed in a large, white, sans-serif font. The background of the entire page is a vibrant, abstract image of a construction site at night, with silhouettes of cranes and buildings illuminated by colorful lights in shades of blue, purple, and orange.

QUARTERLY  
ISSUE THREE

2019

## Message From the CEO

Chris Daum

### What's Really Keeping E&C Leaders Up at Night?

Welcome to the third edition of the 2019 FMI Quarterly. We dedicated this issue to a concern that's top of mind for E&C and many other industries right now—namely, what's keeping our leaders up at night and why.

Throughout this issue, you'll find articles that dig into some of the leadership challenges that firms are facing in today's market. In one, we explore the growing prevalence of megaprojects, which today account for as much as one-third of all construction put in place. That's up from less than 3% just six years ago.

Billion-dollar megaprojects are increasingly dominating certain regions of the country and are expected to impact all industry players up and down the supply chain in the coming years. In fact, there are currently more than 670 projects that are in some phase of planning (or coming out of the ground) that represent a combined \$2 trillion of anticipated construction put in place.

Given the fact that we're all operating in an extremely tight labor market, human resources—or a lack thereof—are definitely keeping E&C leaders up at night right now. Knowing this, we included an article on how to get compensation right in a tight labor market. Authors revealed that as many as 1 out of every 2 jobs is either overcompensated or underpaid relative to the local market. That has significant implications for companies that want to remain competitive—particularly for those positions where employees are being undercompensated.

Other topics that we explore in this issue include one that looks at the three distinct leadership styles and how they play out in a bull market, and another that explores the topic of management succession. The latter article is titled “Executive Handoffs” and presents a host of new insights on the topic of leadership transition.

To wrap things up, we all know that we're operating at the top of an economic cycle right now, and that effective leadership will go a long way in E&C companies' present and future success. As projects increase in size and complexity, as industry dynamics start changing, and as baby boomers continue to exit the workforce, having solid industry leadership is more important now than it's ever been.



**Chris Daum** is the president and chief executive officer of FMI Corporation. Chris oversees the management of all FMI businesses and services and leads the firm's strategic growth efforts. He can be reached via email at [cdaum@fminet.com](mailto:cdaum@fminet.com).

# Who We Are

FMI is the leading consulting and investment banking firm dedicated exclusively to the Built Environment.

We serve the industry as a trusted advisor. More than six decades of context, connections and insights lead to transformational outcomes for our clients and the industry.

## **FMI** CONSULTING

FMI has more relationships in the industry than any other consulting firm. We leverage decades of focused experience and expertise to advise on strategy, leadership and organizational development, performance, technology and innovation.

### **PRACTICE AREAS**

#### **Strategy**

- Market Research
- Market Strategy
- Business Development
- Strategic Planning

#### **Leadership & Organizational Development**

- Leadership & Talent Development
- Succession Management
- High-performing Teams
- Corporate Governance
- Executive Coaching

#### **Performance**

- Operations
- Risk Management
- Compensation
- Peer Groups

#### **Technology & Innovation**

- Tech Market Accelerator
- Tech Partner Program
- Tech Readiness Assessment
- Tech Sourcing & Adoption
- Integrated Business Intelligence

## **FMI** CAPITAL ADVISORS

We are the leading investment banking firm exclusive to the built environment. Our dedicated team of more than 35 experienced M&A finance professionals has completed hundreds of transactions in the industry. FMI offers the broadest and deepest M&A coverage of the Built Environment.

### **SECTOR EXPERTISE**

- Architecture, Engineering & Environmental
- Building Products
- Chemicals
- Construction Materials
- Contractors
- Energy Service & Equipment
- Energy Solutions & Cleantech
- Utility Transmission & Distribution

### **SERVICES**

- M&A Advisory
- ESOP Advisory
- Valuations
- Ownership Transfer

### **EXECUTIVE EDUCATION**

- Acquisitions in the Construction Industry
- Ownership Transfer & Management Succession

## TRAINING PROGRAMS

Over 10,000 industry leaders have completed FMI training programs, which span the entire management spectrum, from new managers to senior executives.

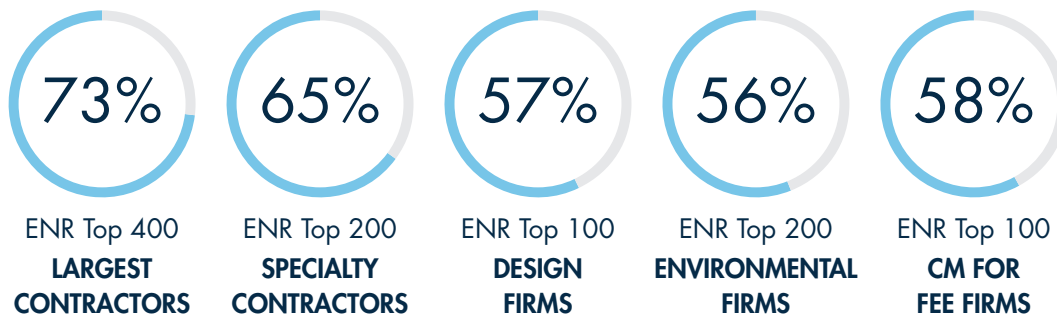
- Emerging Managers Institute
- Field Leader Institute
- Project Manager Academy
- Construction Executive Program
- Leadership Institute
- Leading Operational Excellence
- Construction Selling Skills
- Market & Selling Strategies
- Ownership Transfer & Management Succession
- Acquisitions in the Construction Industry

## FMI PEER GROUPS

FMI manages nearly 50 individual peer groups across the industry. Connecting businesses through networking, expanding visions and providing feedback.

- Organizational Structure and Development
- Human Resources
- Business Development
- Information Technology
- Operations Management
- Financial Management

## FMI CLIENT HIGHLIGHTS



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