



Erhardt Construction self-performs much of its work, such as on the new headquarters of the Holland, Mich., Police Department.

Taking a New Approach

Long-time Michigan contractor Erhardt Construction says adopting new techniques are essential in a changing market. The company says lean construction is a 'win-win' situation.

By CHRIS PETERSEN

With the belief that "the best way to build something right is to get it right from the start," Erhardt Construction has been constructing buildings for more than 43 years in western Michigan. Erhardt Construction conducted a survey of 100 of its clients and suppliers last year to help it develop a marketing strategy. Senior Vice President Dale Bramer says the results speak to the dedication and hard work Erhardt is accustomed to putting into every project it takes on.

According to Bramer, the independent firm that conducted the survey found that Erhardt's clients and suppliers

commented that the company was "revered as an exceptionally capable firm." The survey firm noted that the response was substantially higher than the industry average for that question. Erhardt scored well above average in every other category, as well.

Although Bramer says the company is proud to have the reputation it does in its

market, survey numbers alone don't win contracts. "The survey won't do us any good if we just let it sit on a shelf," he says.

Bramer says Erhardt Construction will continue to focus on the strengths that brought it to its position within the industry, as well as to develop new strategies that could enable it to serve its clients even better in the future. The company has used the survey results in developing its current marketing strategy.

Bramer says building strong relationships, performing quality work on the job site and keeping commitments remain the best marketing tools in the world.

"The majority of our work is repeat business and word-of-mouth," he says.

Based in Ada, Mich., Erhardt Construction has a long history that encompasses many types of projects in and around western Michigan. The company was founded in 1962 by Larry Erhardt Sr., and at its beginnings focused on educational and commercial work. Later, the company branched out into municipal work, and throughout the 1970s and 1980s, it took on major commercial and industrial projects.

Today, the company is led by Larry Erhardt's son Joe Erhardt, who was named president in 1989.

Do-It-Yourself

Bramer joined the firm in 1964 and says Erhardt brings great value to each job through its diversity of skills and ability to self-perform work. The company also has a strong presence in construction management and pre-construction services.

Self-performing some of the work means greater control over quality and a greater sense of accountability for Erhardt, as well as a savings to the client, Bramer says. "It does add a great benefit to the owner through us self-performing the work." The company is capable of self-performing work including concrete, rough and finish carpentry and hand demolition. The more challenging the work, the more likely Erhardt will take it on itself, Bramer says. "We like the sophisticated projects," he says.

Lean Construction

Erhardt has differentiated itself from the competition by leading the western

Michigan construction industry in the implementation of lean construction. "We are doing it because it is a win-win-win," Bramer says. "First, it benefits our clients by reducing costs and shortening construction durations, while maintaining quality. Second, it benefits our subcontractors because our jobs run more smoothly, with more reliability of work flow, which means cutting waste and reducing job duration. That means money in their pockets and lower bids. Third, satisfied clients mean more work opportunities for Erhardt Construction. And as lean is applied to our self-performed work, we become even more competitive at putting work in place.

"Every day when we're on the job site, we're not working in controlled conditions like in manufacturing," Bramer adds.

Lean construction focuses on eliminating waste in seven areas: defective work or products, overproduction, idle inventory, unnecessary processing, unnecessary movement of people, unnecessary movement of supplies and waiting for decisions from above. Bramer says smaller initiatives such as just-in-time supply

delivery, phased scheduling and empowering employees to make decisions on-site have helped the company reach its lean construction goals.

Erhardt Construction currently meets about 80 percent of its commitments on time and to the client's satisfaction, compared to the 55 percent industry average, according to Bramer. The process is an investment for the company, but lean construction will pay big dividends in the future, he says.

Change is Constant

Changing with the times is something Bramer says Erhardt Construction has to do continually or else face becoming outmoded. At the same time, he says, the company doesn't want to stop doing the things that brought it to where it is today.

New endeavors such as lean construction and new marketing strategies are necessary, Bramer says. "After being in the business with Erhardt Construction for 42 years, change is hard, but necessary. He adds that "it is a lot like riding a bike; you don't fall off unless you stop pedaling." ■

Erhardt Construction

Sales: \$60 million
Headquarters: Ada, Mich.
Employees: 100
Specialty: General contractor
Dale Bramer, senior vice president: "When riding a bike, you don't fall off unless you stop pedaling."