

Kane Construction Inc. specializes in interior construction, building renovations and tenant improvements.



VESPER FINANCIAL, WASHINGTON, DC

BREAKING THE MOLD

As a privately owned company, Kane Construction says it employs a staff that approaches projects with unparalleled professionalism. —KATE BURROWS

IN A DEPARTURE FROM THE TYPICAL HIERARCHY OF MANY companies, President and CEO Dennis Kane says Kane Construction promotes a culture where employees are encouraged to make decisions and take calculated risks without becoming overwhelmed by paperwork. With innovative operating procedures, Kane has “streamlined the backroom functions of a paper-intensive industry,” he explains. “We outfit our field staff with laptops for use on the jobsites and control the information and documentation flow through an easy set of forms that serve as a guideline to manage the financial responsibility associated with every procurement. Every form, with a specific name, numeric convention and purpose is centrally located on the companies file server and is accessible from any computer with the proper access codes. We call the system K-Forms and it serves to keep the internal information delivery system consistent and complete despite the range of communication styles inherent in the construction industry. In an industry where college degreed project managers must communicate with career carpenters, it is important to get them all on the same page. This is particularly true when documenting a problem or disseminating information to be acted upon at 5:00 am when the other guy is still in REM stage. As a platform, that is what K-Forms does.”

“Remove the fear of failure and you’re removing the handcuffs from middle management. They get more done in less time and with less errors.”

As one of nine children, Kane says, he grew up in a business-oriented family, and always felt the need to know where he stood with people. “The dinner table was like a daily board meeting and we all had assigned seats – no kidding. Of course, my dad was the chairman and a terrific role model. Accordingly, I made it a habit for those around me to know where they stood with me at a young age. I guess you could call it expectation management,” he adds. “Those traits are a perfect fit for the construction industry – an industry where the product and performance is centered on specifications and details, but the individuals responsible for delivering it are often overwhelmed by communication style, paper and process. The failure on any of those parts is what generates risk.”

After 10 years in construction, the adult Kane noticed certain trends in the industry that create com-

PROFILE

Kane Construction Inc.
www.kaneconstruction.com
Sales: \$23 Million
HQ: Rockville, Md.
Employees: 30
Product: Interiors
Dennis Kane, president and CEO: “success in the construction industry starts with a good reputation”

plications for many companies, and set out to build his own organization without making common mistakes. “The problems in the industry always seems to center on clarity of communication or a timely responsiveness,” he says. “If I could create an organization where everything we did was ‘clear’ and with purpose, employees, vendors and clients would flock to it. Everyone dreads surprises in the construction industry. I thought that I could create a successful firm – one which reflected my straightforward style of management.”

The company maintains its headquarters in Rockville, MD, and also operates a regional office in Columbia, MD that serves the Baltimore Metropolitan Area. Since its inception in 1997, Kane has worked toward creating a company culture that is unique in the industry and ultimately promotes the successful development of all its workers. “We put all field employees in company uniforms so that our clients know they are on the job and can differentiate them from every other trade worker moving at warp speed,” he says. “We also provide a fleet of late-model company vehicles and convey a very high-brow, serious corporate image – just like our clients.” As a commercial general contractor, the company specializes in interior construction, building renovations and tenant improvements for clients in a number of industries. “Essentially, we build office space, life science labs and mission critical information technology facilities for professional real estate managers, corporate end-users, law firms, associations, banks, research institutions and biotech companies,” Kane says.

With projects ranging extensively in size, Kane says it completes jobs ranging from \$200,000 to \$3 million for the average tenant improvement project. “Basically, our projects are \$20 to \$200 per square foot of space,” Kane says. “But our largest project to date was an \$11 million renovation of a 300,000-square-foot distribution facility where we upgraded the existing infrastructure to meet the needs of twice the original occupancy load and current codes.”

The company is loosely affiliated with other Kane family owned firms in the region including Office Movers, Inc. (www.office-movers.com) and International Limousine Services, Inc. (www.internationalliom.com) Together, the Kane brother’s entities generate over \$100M in revenue selling complimentary services to an overlapping client base of Mid-Atlantic business and government clients. With a combined 1,500 employees, the brothers act as each others informal board of directors. “Suffice it to say that if you or work live in DC, Maryland or Virginia, you probably know at least one of us. That is a pretty big deal - because success in the construction industry starts with a good reputation,” says Kane. “My experience has been that clients want to know that there is a real person behind any service business – not some faceless conglomerate entity. Further, once the firm has proven to be qualified and capable, the market tends to reward those firms with the high profile projects where gambling on success is not an option over a few points of margin. Really, the whole business approach is to be the company the client wants to have build the project because of the value you offer in terms of service, quality and professionalism, as opposed to simply being the low bid.”

Although the company seeks to provide its employees with every opportunity to achieve success in the industry, it sees certain trends in general contracting that affect all aspects of the business. Kane explains that general contractors recently have been in more of a managerial role than ever before. “The general contractor no longer performs much of the work at all, but now engages in the art and science of an at-risk manager of the trades,” he continues. “This in turn puts an importance on the ability to procure clean and comprehensive subcontractor scopes that parallel the obligation to the client in the general contract. Developing a staff that understands this exposure and procures and manages accordingly takes time. We essentially take experienced, service-oriented construction professionals and try to get them to better understand risk management and the business of construction.”

Kane adds that these management development strategies contribute to the company’s competitive advantage in the industry. He notes

that the greater-Washington area is a highly competitive environment among tenant contractors, and is home to the most advanced organizations in the industry. As a result, “we do things here in half the time as other markets, because of the competitive forces at work in the marketplace,” Kane says. “Regardless, as a firm, we believe that we set higher standards for ourselves in terms of our integrity, quality of product and professionalism. Given that our balance sheet is substantially stronger than most mid-sized general contractors, we have the flexibility to manage the client and project like a smaller firm - while at the same we possess the financial resources to handle the larger projects without a hitch.”

The company stresses the importance of proper training and hiring the right people for the job. “We tend to train internally on the job,” he explains. “Oftentimes, seemingly qualified candidates come to us and we find that they have their own way of doing things and can be difficult to manage in our system. We have found that grooming people in the KANE culture and providing an opportunity for advancement makes for a more loyal environment – that loyalty goes both ways.”

With strong company philosophies, he adds, the company is structured to provide an accessible management team. “Clients will most often reward companies with accessible senior management,” he explains. “As the president, I prefer to walk the jobsites unannounced at least as much as I do the hallways of either of our offices. I find that “management by walking around” is really the most rewarding part of my job. I get to check in with my employees, inspect for quality and help solve little problems before they become big ones. I think the employees and clients appreciate that more than memos from the ivory tower.”

Although the company can only benefit from having such an involved president, Kane has only one complaint — “I go through a lot of shoes as a result of walking those job sites.”



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