A. Why CICE Is Critical to Your Success.

As the nation’s largest industry, the construction industry has been the focus of a major productivity study commissioned by the Business Roundtable; an association of our country’s 200 largest buyers of construction services. The study, entitled the “Construction Industry Cost Effectiveness Project” (CICE), is the result of more than five years of detailed examination of how to remove the many inefficiencies from the construction process. To date, the CICE Project has cost the Business Roundtable more than $10 million, a strong testimonial to their seriousness.

As a contractor, this study is addressed to you. The owners who comprise the Business Roundtable will share with you some of the responsibility for the condition of the construction industry today, but increasingly will expect that you become familiar with and utilize the CICE Project to increase your own productivity. In the near future, the extent to which you have implemented the reforms suggested by the project will in all probability determine whether or not you remain a viable competitor in the wall and ceiling industry. This article will review the CICE Project and what AWCI is doing about it.

The central thesis to the CICE project is that owners, who pay the
bills, no longer get their money’s worth for the construction of factories, office buildings and power plants in North America. This fact, in turn, increases the costs of goods and services produced, which, while creating economic havoc with the nation’s balance of payments, also significantly lowers the rate of internal economic growth that has led to the highest standard of living in the world.

B. The Problem Defined.

Since the mid-sixties, productivity in construction has been falling at a rate that the nation’s industrial leaders find absolutely appalling. The trained, supervised, motivated, and paid. Changes are needed in what owners permit, require and accept responsibility for.”

These and many other changes are specified in a series of twenty-four reports developed by the CICE project team, composed of more than 250 seasoned construction professionals representing 125 companies such as Exxon, Honeywell, E.I. duPont, Proctor and Gamble, A.T.&T., and others. Contained in this series of reports are 220 specific recommendations in the areas of labor, management, safety, regulation and technological innovation.

C. Our Industry’s Track Record.

The good news for AWCI members is that as a whole, the CICE Project has given our industry relatively high marks for its past history of cost-effectiveness, especially in the area of technological innovation. In its report entitled, “Construction Technology: Needs and Priorities,” the authors of the CICE Project conducted an in-depth survey of corporate level owners, contractors and designers in an attempt to discover which trades (i.e., mechanical, electrical, piping, interior finishes) and which categories of construction (i.e., buildings, heavy industrial, power plants) could benefit the most from technological advances. The results indicate that interior finishes, enclosure skins, and insulation, show relatively only minor overall potential for improvement, and only in one of the four sectors: buildings. Essentially, the CICE Project Team believes that piping, electrical and mechanical equipment installation offer the greatest potential for improvement, as can be seen in the accompanying chart.

II. Impediments to Implementation: Owners Themselves

A. Setting the Reforms in Motion

Following the release of the final series of recommendations in October, 1982, the 200 CEOs who comprise the Business Roundtable entered the next major phase of the CICE project, implementation of the suggested reforms. At considerable expense, the Roundtable has offered to the industry free of charge over 1 million sets of the twenty-four report booklets. A film entitled “More Construction for the Money” has been produced, and offered to interested
“The central thesis of the CICE project is that owners, who pay the bills, no longer get their money’s worth for the construction of factories, office buildings and power plants in North America.”

PARTIES AT A NOMINAL CHARGE. AWCI has purchased this 11 minute film to make it available to its chapters and individual members who are interested in reviewing it and setting up implementation programs of their own.

On both the local and national levels of the contractor association community, there is much implementation going on across the country. The Business Roundtable recognizes, however, that the national associations, such as AWCI, are perhaps most important in getting the CICE message out. Contractor-owner cooperation is “really the key” to implementing the productivity-improvement plan, according to Charles Brown, a DuPont executive who chaired the Roundtable’s CICE Task Force from 1978-1981.

The Roundtable notes that due to the association involvement, the industry is rapidly becoming aware of the project’s great potential, while adding that “as Charles Schultz’s comic strip character Linus once observed: there is no heavier burden than a great potential.” According to Mr. Theodore Kennedy, President of B.E. & K. Construction, the owners themselves are partially responsible for the existing problems in our industry. He mentioned the following in an address to the Business Roundtable’s 26th National Conference, held last November in Tucson, Arizona:

1.) There is a lack of a local user-group network.
2.) The CICE Project, by virtue of its 223 recommendations, is more applicable to cost-reimbursable projects.
3.) Not enough owners believe in the potential results of the CICE project.
4.) Not enough owners and users have read the booklets.
5.) Users have not supported their contractors during union negotiations and strikes.

Just as they targeted many of the 223 recommendations to themselves in the project reports, the Business Roundtable seemingly agrees with many of Kennedy’s points. “We’ve still got our work cut out for us,” says a Roundtable spokesman. “No question about it.” The Roundtable has prepared to launch a major push to raise the project’s profile among the chief executives of major corporations who are not members of the Business Roundtable.

A. An AWCI Recommendation to the Roundtable.

The major problem with further implementation according to AWCI is the continuing lack of direct communication between owners/users and subcontractors. AWCI President Robert L. Whittle has argued that the Roundtable appears to be looking only toward the general contracting community in its attempt to solve the industry’s productivity declines, perhaps losing sight of the fact that subcontractors perform a majority of the actual building process. AWCI believes that more acceptance of direct disbursement would be a major factor in allowing subcontractors

THE INDUSTRY-WIDE POTENTIAL

Though technological needs vary among the four sectors of construction, there are also many similar needs, based upon the same criteria of indicator difficulties and proportion of project cost as shown in the following table.

**INDUSTRY-WIDE AREAS FOR TECHNOLOGICAL RESEARCH**

- **Areas of highest overall potential**
  - Piping
  - Mechanical-equipment installation
  - Electrical

- **Areas of high overall potential**
  - Structure
  - Vessels
  - Heating-ventilating-and-air-conditioning
  - Special-equipment installation
  - Instrumentation

- **Areas of medium overall potential**
  - Foundations
  - Enclosure skin
  - Interior finishes
  - Earthwork

- **Areas of low overall potential**
  - Roofing
  - Plumbing
  - Insulation
  - Coating and painting
  - Fireproofing and protection
to assume a greater role in implementing the CICE reforms.

III. History of the AWCI-CICE Task Force.

A. Formation of the Task Force.

At AWCI’s 66th Annual Convention in Montreal in April of 1983, Immediate Past President Jim Biddle spearheaded the formation of a task force to prepare an official AWCI response to the Business Roundtable. Serving as Chairman of the task force is Daniel McClone. Other members of this body include Lloyd Martin, Sr. as Vice Chairman, James Biddle, C.J. Coakley, Jimmie Crane, Mike Chambers, Steve Watkins, and Steve Wilders. The author serves as secretary for the task force.

The goal of the task force is to study the 24 booklets published by the Business Roundtable, select perhaps a dozen recommendations and develop a management program to communicate and promote these recommendations within the wall and ceiling industry.


Even before its first AWCI meeting, several members of AWCI’s CICE Task Force were actively involved with the Business Roundtable, attending a two-day CICE meeting in August, 1983. Discussed at this meeting was what had been accomplished by trade associations for CICE implementation (closer rapport between owners and contractors), what was preventing further accomplishments (diversity and fragmentation of contractor and owner groups alike), and steps that would enhance greater implementation (recognition by owners of the up-front costs of the recommendations).

The first meeting of the AWCI Task Force was held during Committee Week in Salt Lake City last October. A general discussion was held regarding the purposes of the AWCI group, and plans made for how to proceed with implementing the reforms through the association. Mr. Bill Chambers, an executive with the Dow Chemical Company, actively participated in the meeting and offered a user’s perspective on the CICE Project.

(Editor’s Note: Part II of this series on CICE will appear in the April, 1984 edition of Construction Dimensions Magazine.)