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JUNE 2026



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FROM THE EDITOR

MEGAN BEAM



Editor-in-Chief
Megan Beam

We know the construction industry is familiar with disruption, but times are shifting. What once might've been measured as temporary is becoming structural. Supply-chain volatility, labor shortages, climate pressures, cyber vulnerabilities and aging infrastructure systems are no longer isolated challenges — they are defining conditions of the modern construction environment.

Recent industry reporting underscores how interconnected construction risk has become. Material pricing continues to fluctuate under the pressure of tariffs, geopolitical instability and shipping disruptions, complicating everything from estimating and procurement to financing and insurance valuations.

At the same time, labor pressures remain among the industry's most persistent vulnerabilities. The ongoing challenge is in building organizations capable of protecting, retaining and supporting a workforce amid a variety of demanding conditions.

The conversation around infrastructure is evolving just as rapidly. From transportation corridors to bridges and utilities, infrastructure project owners are investing in technologies designed to detect stress, anticipate failure and extend asset life before disruption occurs.

Each of these shifts reflect a larger truth emerging across the industry: Resilience is becoming as important as productivity. And that truth sits at the center of this issue's focus on risk management.

Risk management extends far beyond the jobsite fence. It now includes supply-chain diversification, cybersecurity preparedness, climate adaptation, predictive analytics, workforce wellness and contingency planning for disruptions that can originate thousands of miles away. Events affecting ports, shipping lanes, energy markets or global manufacturing can now influence schedules and budgets almost overnight. But even under these pressures, there is always opportunity.

As this issue explores these evolving challenges surrounding operational uncertainty, we remain grateful to the contractors, engineers, owners and other industry leaders who continue to move this industry forward through periods of extraordinary change. Your willingness to adapt, innovate and lead under pressure is helping shape a stronger future for construction. And as always, we're grateful to be part of your trusted network of support.

Thanks for reading,



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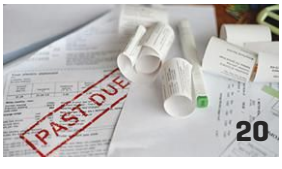
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ON THE COVER



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ACQUISITIONS

Nemetschek Group to Acquire HCSS

The Nemetschek Group, a global vertical provider of AI-powered software solutions for the architecture, engineering, construction and operations and media industries, has signed a definitive agreement to acquire Heavy Construction Systems Specialists LLC (HCSS) from Thoma Bravo, a software-focused investment firm. HCSS is a provider of construction software for the fast-growing infrastructure and heavy civil sectors in North America. HCSS will become part of the Nemetschek Group's Build & Construct segment, which includes Bluebeam, GoCanvas (including SiteDocs) and Nevaris. The addition of HCSS will further strengthen this portfolio and deepen its ability to help customers collaborate and optimize processes across all project phases and types. The acquisition is expected to close in the second half of 2026 and is subject to customary regulatory approvals and closing conditions. Visit nemetschek.com and hcss.com.

Keller Inc. Acquires Hoffman Planning, Design & Construction Inc.

Keller Inc., a design/build general contractor headquartered in Kaukauna, Wisconsin, acquired Hoffman Planning, Design & Construction Inc., a design and construction management firm based in Appleton, Wisconsin. Hoffman will operate as a Keller company while retaining its Hoffman name. Both companies will remain operationally independent, continuing to deliver the distinct services and expertise that define them in their respective markets. As part of the acquisition, Sam Statz, former president and owner of Hoffman, will transition to a business development role. Leading Hoffman moving forward will be Chad Ulman. Hoffman will continue to operate out of its downtown Appleton office location. Visit kellerbuilds.com and hoffman.net.

NEW HIRES



Conrad Lynch

Richard Purpose Builders

John "Conrad" Lynch has joined Richard Purpose Builders, a national general contractor, as executive director of environmental health and safety. Lynch brings more than 25 years of health, safety and environmental leadership. Over the course of his tenure leading safety programs across multiphase construction megaprojects exceeding $1 billion, he achieved zero lost-time incidents across multiple major projects, reduced incident rates by an estimated 25% through predictive risk assessment and cut reportable incidents by 20%. At Richard, Lynch will lead the development and continuous improvement of the company's safety program across all construction sites, overseeing everything from compliance to infection control requirements in healthcare construction environments. He will direct internal audits, risk assessments, incident investigations and root cause analyses, while developing and delivering training programs for employees, subcontractors and site visitors. Visit richardgroup.com.



Kristen Bejarano

Swinerton

Swinerton Incorporated announced the appointment of Kristen Bejarano as director, mission critical. This hire will further position Swinerton to serve its existing business partners and meet the demands of new partners in the rapidly growing mission critical and data center infrastructure market. Bejarano will lead Swinerton's mission critical strategy, partnering with clients to translate intricate technical requirements into executable plans that prioritize speed-to-market, sustainability and energy efficiency. Her leadership will enable Swinerton to deliver innovative solutions that meet the demands of a growing market while prioritizing sustainability and efficiency. Visit swinerton.com.



Kyle Epley

Caterpillar

Caterpillar announced that chief financial officer (CFO) Andrew Bonfield has elected to retire effective Oct. 1, following eight years with the company. Caterpillar veteran Kyle Epley was appointed CFO effective May 1, at which time Bonfield assumed an advisory role for the remainder of the transition. Epley brings nearly three decades of Caterpillar experience to the role. He most recently served as senior vice president of global finance services, leading global team managing enterprisewide finance operations, strategy, planning, treasury, pricing, real estate and facilities. Throughout his career, Epley has held several senior finance leadership roles across the company, including division CFO and corporate controller, giving him extensive operational and financial insight across Caterpillar's diverse businesses. Visit cat.com.



Michael T. Contos

Tarter Krinsky & Drogin

Tarter Krinsky & Drogin, a bicoastal, midsize law firm, added Michael T. Contos to the firm as a partner in its nationally ranked construction practice. Contos advises clients in the commercial real estate and construction industries and serves as outside general counsel to cooperatives and condominiums. He represents a broad range of clients, including commercial, institutional and residential real estate developers; owners and operators; condominiums and cooperatives; construction management firms and general contractors; hotel owners and operators; nonprofits; and other business entities. His experience includes prosecuting and defending construction, and real estate-related matters such as complex construction and design disputes, delay and acceleration claims, consequential damages claims, surety bond claims, lien and trust fund issues, lease and ownership disputes, access disputes, claims under the New York Lien Law and Prompt Payment Act, and a range of general contract matters. Visit tarterkrinsky.com.

INDUSTRY UPDATES

Scott Young Appointed Chair of CONEXPO-CON/AGG 2029

The Association of Equipment Manufacturers (AEM) announced the appointment of Scott Young, Head of Region North America, Volvo Construction Equipment (Volvo CE), as the chair of CONEXPO-CON/AGG 2029. Young has been an active participant in AEM leadership for many years as part of the association's boards and committees. Young became Volvo CE's Head of Region North America in September of 2023. He has more than 25 years of experience in the construction equipment industry at both Ingersoll Rand and Volvo CE. Young previously served as head of uptime, leading the implementation of new technologies and business models in partnership with the Volvo CE dealer network. He holds a bachelor's degree in civil engineering from the South Dakota School of Mines and Technology and an executive MBA from the University of Illinois, Urbana-Champaign. CONEXPO-CON/AGG is North America's largest construction trade show, showcasing the latest equipment, products, services and technologies for the construction and aggregates industries. The next show will be held in Las Vegas on March 13-17, 2029. Visit conexpoconagg.com.

Mecalac North America Announces Relocation to the FAYAT Group Campus

Mecalac North America announced its strategic relocation from Massachusetts to the FAYAT Group campus in Ridgeway, South Carolina. This move signals a renewed commitment to growing Mecalac's presence and capabilities in North America and positions the company for enhanced collaboration, training and customer support. "As we relocate to Ridgeway and join the FAYAT Group campus, we are accelerating our ability to serve customers with faster parts availability, stronger technical support and more integrated solutions across brands," said Pierre Lahutte, president of Mecalac. "This step reinforces our confidence in North America's growth potential and demonstrates our ongoing commitment to delivering value to our customers and partners." This campus will host a brand-new parts distribution center that will benefit most FAYAT Group brands, with Mecalac in particular standing to gain from improved parts logistics and faster support. Visit mecalac.com.

Sage Launches Sage HCM

Sage, a provider of accounting, financial, HR and payroll technology for small and midsized businesses, announced Sage HCM, a new human capital management solution for midmarket organizations in North America. Integrated with Sage Intacct, Sage HCM connects HR, payroll and workforce data with financial management to give organizations clearer visibility and control over workforce costs, while improving payroll accuracy and supporting better workforce planning. Launching with Sage HCM are industry capabilities, such as Sage HCM for Construction, designed to help firms connect labor, payroll and job costing in a single system, alongside a new HCM Agent that uses AI-powered automation to streamline HR and payroll workflows. As part of this launch, Sage HCM for Construction extends these capabilities for firms managing complex labor and project-based operations. It includes support for union rules, certified payroll and prevailing wage requirements, while linking labor data directly to project financials. Visit sage.com.

Tufts University Takes $15K Prize in Student Competition

In April, the Construction Industries of Massachusetts Labor Relations Division (CIM-LRD) held its fourth annual student competition at Tufts University. The invitational competition, held at Anderson Hall, brought eight finalist teams from New England higher educational institutions to Boston, striving to attract new students to the heavy construction industry while fostering creativity and strong work ethic. Winning teams were awarded cash prizes, to be allocated at their institution's discretion. Each year, the student competition asks participants to analyze a hypothetical Boston-area heavy construction project and present their subsequent proposals. The 2026 contest tasked students with the mock design, construction, pricing and scheduling of a visionary MBTA Blue Line Station at Allston Landing. Students were paired with an industry professional, who provided them with guidance throughout the development of their submission. Teams showcased their findings on competition day before a presentation analyst (SPS New England Construction) and panel of six industry volunteer. Judging criteria included originality, feasibility, practicality, and reasonableness of structural components. The first-place winners were Tufts University's student team of seven: Ashley Forkey; Adda Hennessey; Ethan Kessler; Sanaa Nicholson; Ella Voorhees; Oakley Winters and Bisrat Yismashewa. Visit cimlrd.com.

Need More News?
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Joy Rohadfox

CEO

Rohadfox Corporation

Building legacy through accountability, precision & impact

By Megan Beam

For Joy Rohadfox, Ph.D., construction has always represented more than projects and infrastructure. It represents responsibility, opportunity and long-term impact.

"My path into construction was shaped by both legacy and intention," Rohadfox said. "I grew up watching my father build Rohadfox, which gave me an early appreciation for the discipline, responsibility and impact behind the work."

Founded in 1976, Rohadfox Corporation has spent nearly five decades delivering infrastructure solutions across multiple markets, including municipal, state, federal and private sectors.

"As Rohadfox approaches its 50th anniversary, I see my role as continuing that legacy while positioning the firm for its next chapter of growth and influence," she explained.

Leadership Rooted in Vision & Execution

As CEO, Rohadfox's focus extends beyond overseeing operations. Her leadership centers on strategy, culture and maintaining a high standard of performance across every aspect of the business. "I'm focused on positioning the firm for long-term growth, strengthening client relationships and creating a culture where accountability and performance are nonnegotiable," Rohadfox said.

No two days look the same. Her schedule often moves between executive planning, client engagement, business development and active collaboration with internal teams. But the core of her leadership philosophy is a commitment to exceeding expectations.

"My responsibility is to make sure we're setting the standard for how infrastructure projects are delivered and how communities are impacted."

Evolving a Legacy Business

Taking leadership of a family-founded construction company came with both opportunity and pressure. Rohadfox understood early that maintaining the company's reputation would require more than simple continuation.

"I was inspired to lead Rohadfox by both legacy and responsibility," she said. "Watching my father build the company instilled in me a deep respect for the work, but also a clear understanding that sustaining and growing it would require evolution."

That evolution has been shaped by a deliberate balance between operational discipline and people-centered leadership. Rohadfox explained. "We don't just manage projects — we anticipate challenges, protect our clients' time and resources, and stay focused on outcomes that create long-term value."

PROspecs

Founded: 1976

Employees: 170

Primary region served: California; Illinois; Georgia; Texas; Washington, D.C.; Virginia; North Carolina; South Carolina; Florida; Tennessee

Clients: Municipalities, state, federal and private

Purpose/Mission: "At Rohadfox, our mission goes beyond building projects — we build trust, opportunity and community. Through thoughtful planning, disciplined execution and a people-first approach, we aim to create environments where both clients and communities can thrive."

> **‘Leadership is earned through performance, not titles. Over time, your consistency, discipline and ability to execute will set you apart.’**

Earning Credibility Through Performance

Like many women in construction leadership, Rohadfox faced challenges as she took on the mantle of her father’s work.

“One of the biggest challenges I’ve faced has been earning credibility in a male-dominated industry while leading a legacy business,” she said. “There were moments of being underestimated, but I stayed focused on performance and results.”

Those experiences strengthened her leadership approach and sharpened her perspective on team building and alignment.

“I’ve learned the importance of understanding the difference between being supported and simply being surrounded,” Rohadfox said. “That has shaped how I build teams and make decisions.”

Today, that mindset influences every level of the organization, from leadership development to project execution.

Creating a Culture of Accountability

Rohadfox believes strong culture begins with clarity — ensuring teams understand both expectations and purpose.

“My leadership philosophy is rooted in clarity, accountability and trust,” she said. “Strong teams are built when expectations are clear, ownership is embraced and people are empowered to perform at a high level.”

Alignment, she noted, is critical to consistency and long-term success.

“I prioritize making sure everyone understands not just what we do, but why it matters,” Rohadfox explained. “That connection drives pride in the work and commitment to excellence.”

When it comes to project delivery, discipline and foresight remain central priorities.

“We focus on anticipating challenges, protecting time and resources, and delivering with precision,” she said. “Leadership is not just about direction — it’s about setting a standard and making sure it’s felt across every level of the organization.”

Infrastructure That Shapes Communities

Among the projects that have had the greatest impact on Rohadfox personally and professionally is the company’s work connected to Hartsfield–Jackson Atlanta International Airport.

“It stands out not just because of its scale, but because of its impact,” Rohadfox said. “Supporting one of the busiest airports in the world means contributing to the economic engine of an entire city.”

Beyond the technical complexity, the project reflected the broader purpose behind Rohadfox’s work.

“It created opportunities within the community while contributing to infrastructure that touches millions of people,” she said. “Projects like that reinforce that our work goes beyond construction — it’s about shaping experiences, access and growth for years to come.”

Preparing for the Industry’s Next Era

As construction continues evolving, Rohadfox sees increasing demand for efficiency, technology integration and smarter delivery models reshaping the industry. To stay ahead, the company is investing in proactive project management, strategic partnerships and talent development.

“We’re leveraging data to drive decisions, aligning with partners who bring innovation and specialized expertise and ensuring our teams are equipped to adapt and lead in a changing environment,” Rohadfox said. “Firms that can anticipate challenges, move with agility and consistently deliver value beyond the build will lead the future of the industry.”

Lessons in Leadership & Growth

Over the course of her career, Rohadfox has learned that sustainable growth requires discipline, alignment and clarity of vision. She also believes credibility is built through consistency, not perception.

For the next generation entering construction, her advice is straightforward: Learn the business deeply, remain intentional and focus on delivering value.

“Leadership is earned through performance, not titles,” she said. “Over time, your consistency, discipline and ability to execute will set you apart.”

At Rohadfox, that philosophy continues to guide both the company’s culture and its long-term mission.

Megan Beam is editor-in-chief of Construction Business Owner Magazine & Digital Media.

The What-If Scenario

Use red teaming to effectively support strategic & tactical planning



GREGG M. SCHOPPMAN
is a partner with FMI Corporation, management consultants and investment bankers for the construction industry. Schoppman specializes in the areas of productivity and project management. He also leads FMI's project management consulting practice. Prior to joining FMI, Schoppman served as a senior project manager for a general contracting firm in central Florida. He has completed complex construction projects in the medical, pharmaceutical, office, heavy civil, industrial, manufacturing and multifamily markets. He holds a bachelor's degree and master's degree in civil engineering, as well as a Master of Business Administration. Schoppman has expertise in numerous contract delivery methods, as well as knowledge of many geographical markets.
Contact Schoppman by email at gregg.schoppman@fmicorp.com.
Visit fmicorp.com.

My family decided to take a short cruise right after the Christmas holiday. While the cruise line shall remain unnamed, it was definitely the happiest place on earth. However, when cruising with a 5-year-old, there are a million horrible safety hazards that come to mind — which can transform a happy place into an exhausting chamber of horrors.

As we settled into our stateroom, my wife and I went through the safety checks to ensure we could at least dial back our travel anxiety to a nine. It was almost as if the shipbuilder/cruise line/master mouse in charge had already done this, creating real safety measures where so many other businesses leave you to your own devices. As I looked from the door to the outdoor patio, the locks were clearly placed at the highest spot possible. The railing did not allow for climbing and gymnastics. Even common areas seemed to be kid-proofed to an extreme level. Of course, for a kid-friendly cruise line, it is incumbent that they know their clientele and their proclivities. Plus, unfortunate tragic situations more than likely amplified the need to ensure every possible outcome was well-thought-through. As I sat pondering how I just paid $25 for a silly, fruity drink and even more for a kid-themed mocktail, I came to the realization that this ship/business had done their due diligence and effectively "red teamed" the ship.

Red teaming is hardly new, and authors like Bryce G. Hoffman ("Red Teaming") and Micah Zenko ("Red Team") discuss in their books not only the origins of red teaming, but also how organizations and businesses have implemented it in everything from thwarting terrorist attacks to preventing vicious cyberassaults. Construction businesses, which seem to live in an ever-evolving canyon of risk and hazards, can capitalize on creating a forum where project teams actively challenge project assumptions, confront potential rocks in the road and implement margin enhancing tactics.

Think of red teaming as a simulation. The blue team — the good guys — realize they are ripe for an assault. The red team — the figurative enemy — is actively probing for weaknesses and areas that are susceptible to failure. The good news is the red team is simply an actor, poking and prodding to help the blue team shore up those defenses.

Now consider how a construction business can use this technique at both a strategic level and project level to supercharge their business.

Enterprise Level: The Strategic View

Most organizations engage in either an annual business planning event or a periodic strategic planning event that looks at the long view. The business leaders leave the sessions having batted around a series of strategies that may not be pressure-tested appropriately.

For instance, consider a firm that wants to grow its revenue 10% each year in its current market. It decides that it will do so in three to four particular sectors with some modicum level of team growth as well. As the adage goes, "the devil is in the details," and there are subsequent tactics that need to be refined to support that growth.

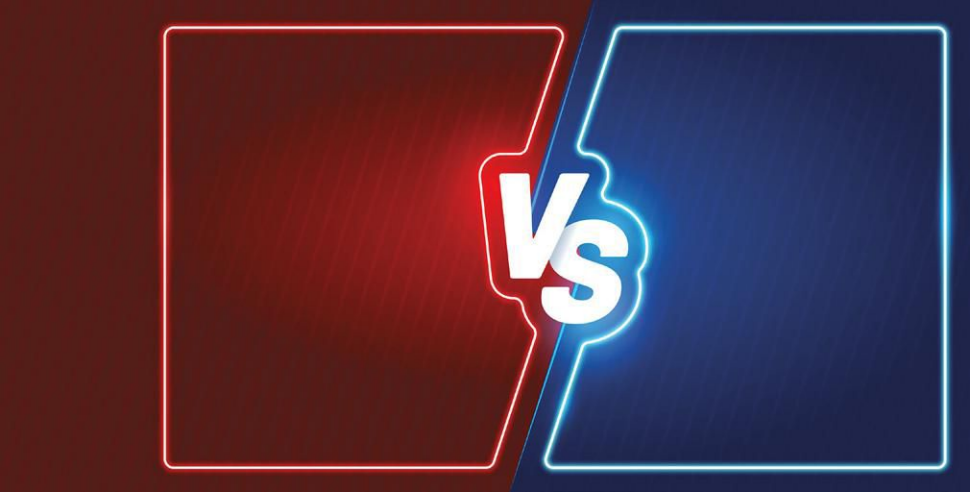


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Create a strategic business plan? Check.

Now think of this same strategy where a subset of the leadership team is responsible for picking the plan apart. We know how everyone loves to be critiqued and how feedback is relished amongst our teams. Put another way, having an armchair quarterback look over your shoulder after you have slogged through hours of conversation is about as much fun as working a children's club on a cruise line. However, think of the red team's assault on the plan and the potential outcomes.

Revenue Target & Sector Viability

- **Why 10%?** This sounds incredibly arbitrary. Furthermore, is it naive to show equal growth across three to four sectors when our current revenue is not even equal?
- **What is the projected sector growth saying?** This business is in an area where the population is declining and certain demographics show potential sector contraction.
- **What about profit?** We have a service arm that generates five times higher margins than our traditional construction business, yet we seem to ignore growing that business at a higher rate.

People: The Scarcest Resource

- **Where will the managers and supervisors come from?** Once again, this area is showing a population decline, so what will our value proposition be to a newer manager/supervisor?
- **What about attrition?** We show adding people, but did we account for that fact that there will be some level of attrition? Instead of X managers, we will need X+3.
- **Why will our team stay?** Our culture is already on a decline — we've lost five people in the last 18 months to the competition, so are we just bolting on new people/more work without treating the real issues?

Competitive Response

- **How will our known competition respond?** With market compression, are we adequately considering how our two to three key competitors will respond with pricing and talent?
- **What about the unknown competition?** Granted, they are unknown as of now, but are we being naive to think that there will be no new competitors within the next five years?

There are plenty of questions that could be utilized as a test case. However, strategic planning in a vacuum is dangerous and creates a risk of having a "best-case scenario" as opposed to a best-, middle-of-the-road and worst-case scenario, as well as an appropriate "break glass in case of emergency" plan.

Project Level: The Tactical View

Red teaming at the project level is extremely practical, and it also provides an appropriate level of training for personnel. Consider how your team kicks off a project in the preconstruction phase. Often, there is the "hand-off" where estimating transitions to the project manager and/or that same hand-off occurs with the field leader.

Project information to the front line? Check. However, the imagery invoked in this situation looks a little like the baton transition in a relay race: "Quick, give me the information so I can get back to work."

Is your process adequately assuring that the project will be successful from day one? The red team becomes that first line of the assault to verify that the project team is ready:

- What if you don't receive the permit in time?
- What if the trade contractor with the largest scope/critical path/etc. fails or goes out of business?
- What if there is a labor issue (i.e., strike, work stoppage, worker shortage)?
- What if there is unseasonable weather?
- What about that school down the road, nosy neighbors, high-crime area — what's your plan?
- What are the two materials that, if not ordered in time, will delay the project?
- How will you improve the project duration by one day, one week, etc.?
- How can you add one point to the margin on the project?

The red team might fear that they don't know enough about the project since they are on the outside looking in. Questions they ask might sound a little mundane or even elementary at the start. On the other hand, even the smallest project — in terms of revenue, risk or duration — will benefit from having an "outsider" pierce the veil and create real thought provocation.

Red teaming helps avoid the biases and groupthink that can serve as a stumbling block for construction organizations. It is not meant to be contrarian or "the wet blanket" smothering team members in negative "that won't work" mindsets. It is an effective risk mitigation tool to ensure long-term success.

I only hope my cruise line friends eventually use red teaming to find a way to crowbar chicken nuggets on every menu on the ship.

Murphy Cares: Connecting the Dots of Holistic Employee Well-Being

How this contracting firm educates, trains & equips teams



CAL BEYER, CWP, is senior director of SAFE Workplaces for SAFE Project. Beyer is a longtime national advocate for workplace mental health, substance misuse, suicide prevention, and opioid risk reduction and overdose prevention. This grew out of his work on human capital risk management and worker well-being. SAFE Project is a national 501(c)(3) nonprofit committed to overcoming the addiction epidemic in the U.S. Established in 2017 by Admiral James and Mary Winnefeld after the tragic loss of their 19-year-old son Jonathan due to an opioid overdose, SAFE Project aims to save lives impacted by substance use and mental health challenges through overdose prevention and response, education on stigma, and development of prevention and recovery programs. SAFE Project also provides tailored guidance and programming for workplaces and organizations; within college and university campuses; for veterans, service members and their families; and within communities. Since 2016, Beyer has served as a member of the editorial advisory board for Construction Business Owner. Reach Beyer at cal@safeproject.us or 651-307-7883. Visit safeproject.us.

Murphy Company is a nationally recognized leader in workplace mental health. Employee well-being is a core value of the company. Ricky Reams, vice president of safety and quality, said: "Support for our workers' overall well-being, both physical and mental, is shared across every level of the company, from ownership to the field."

Human Resources Director Barry Engelhardt added: "Our culture is built on trust grounded in employee well-being, enduring relationships, integrity and professionalism. Employees experience that trust through consistent transparency from leadership, and this openness creates an environment where people feel comfortable speaking up and asking for help when they need it."

These values and beliefs are at the foundation of Murphy Cares.

The Birth of Murphy Cares

Reams reminisced how the Murphy Cares initiative was born: "Like many construction companies, Murphy had experienced the loss of employees to suicide over the years but did not fully understand the depth of the connection between the construction industry and employee mental health." As data began to emerge showing alarmingly high rates of suicide and addiction within the industry, it became clear that action was necessary.

The realization became deeply personal once conversations about mental health and suicide prevention began in the field. The response was overwhelming: Nearly every craft professional shared they had been affected in some way by suicide or substance use, either personally or through someone close to them. "The stories we heard of individuals struggling silently and of lives lost were devastating," said Reams.

Engelhardt also recounted his personal connection to these challenges, as well as the impact a program like Murphy Cares can have. "Suicide prevention is deeply personal to me," he said. "As a veteran, I've lost more friends to mental health struggles than to combat, but I've also seen the difference support can make when someone feels safe asking for help. I firmly believe that creating environments where people feel comfortable admitting they need help can save lives."

From those conversations, Murphy Cares was born. Murphy Company leadership committed to educate, train and equip employees with the resources they need to confront these challenges and support one another.

Weaving Mental Health & Substance Use Education Into Safety Practices

Murphy maintains a "Lifesaving Commitment" calendar focused on the 12 potential serious injury and fatality (SIF) hazards common in the industry. The company decided to address SIF hazards every month by focusing on one physical safety lifesaving topic through targeted training and toolbox talks. Recognizing the critical importance of mental well-being, mental health was added as a 13th commitment. This means that every

month, a specific mental health, addiction or suicide prevention topic is also addressed. This helps to normalize these conversations and embed these lessons within workplace and worksite culture.

The mental health and addiction-related topics in the Lifesaving Commitments Calendar include:

- Reducing stigma
- How to get help
- Alcohol and substance use
- Opioid risks versus safety practices

Strategies to Promote Workplace Supported Recovery

Murphy Company is increasingly emphasizing best practices for promoting recovery in the workplaces as endorsed by SAFE Project. Murphy focused on removing barriers to care and building bridges to help employees and families seek care for substance use and mental health challenges. Representative actions Engelhardt and Reams highlighted include:

- Promoting awareness, understanding and utilization of employee and member assistance programs (EAPs/MAPs) for employees and their family members
- Partnering with multiple union halls to ensure their MAPs are effective and that members are educated on the benefits and resources available to them
- Implementing support for employees navigating mental health or substance use challenges while maintaining dignity, respect and accountability
- Maintaining flexible policies that support treatment and recovery
- Providing opioid safety education and promote evidence-based alternatives to opioids for pain management
- Establishing partnerships with community recovery organizations to connect employees with peer support specialists and treatment resources

Murphy Company is partnering with SAFE Project to continue addressing the intersection between substance use prevention, mental health, suicide awareness, overdose prevention and recovery.

Helping Address Challenges Industrywide

According to Reams, the company recognized early on that this was not a Murphy-specific challenge but an industrywide issue. In the early days, there were very few mental health resources tailored specifically to the construction industry. To address that gap, Murphy partnered closely with the Associated General Contractors of Missouri and several other metro St. Louis contractors to develop a program that was both practical and effective for the field.

This collaboration resulted in a set of best-practice tools, including a guidance framework, dozens of toolbox talks, videos, posters, stickers and the widely adopted "HOPE 988" chips.

"These resources helped educate our workforce and gradually break down the stigma surrounding mental health," said Reams.

"The company then focused on moving beyond supporting the mental health of our own employees and to help drive meaningful, lasting changes across the construction industry," Reams explained.

Through various industry groups, including the Construction Industry Alliance for Suicide Prevention (CIASP), the Associated General Contractors (AGC) Mental Health & Suicide Prevention Task Force, and the Mechanical Contractors Association of America (MCAA) mental health committee, Reams met SAFE Project and had the opportunity to highlight this integrated approach combining substance use, mental health and suicide prevention. This also led to dozens of presentations at industry events nationwide, raising awareness and helping contractors build practical, effective mental health programs.

"Today, employees are comfortable engaging in these discussions and are well-informed about the resources available to support them," Reams said. "Ultimately, mental well-being, addiction treatment and recovery, as well as suicide and overdose prevention, are no longer viewed as programs at Murphy; they are simply part of who we are. Employees at Murphy are introduced to these conversations and the accompanying resources on day one, often before anything else, because the company cares as deeply about them as people as we do about them as workers."

"This commitment is woven into our safety culture and ingrained in our DNA."



Photo Credit- Tanya Selez - adobestock.com

The Hidden Cost of Growth

Strategies for scaling a construction company safely



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Growth is often viewed as the ultimate sign of success in construction. Backlog is up, crews are busy and new opportunities seem endless — especially in high-demand regions. But behind many fast-growing contractors lies a quieter reality: Growth, if unmanaged, can erode profitability, strain cash flow and even threaten the business's survival.

From a CPA's perspective, the most dangerous phase for a construction company isn't downturn — it's rapid expansion. In 2026, with tighter credit, persistent labor constraints and volatile material pricing, scaling safely requires more discipline than ever.

Growth Doesn't Equal Profit

One of the most common misconceptions in construction is that more work automatically means more profit. In reality, growth often introduces inefficiencies faster than revenue can keep up. As companies scale, overhead increases, including management, office staff and systems costs. Further, project complexity and execution risk on larger jobs become a profit drain. It's critical to establish operational infrastructure to support growth so the financials don't show declining gross profit and work-in-progress (WIP) volatility.

The result? A company that looks successful on paper — high revenue, strong backlog — but is quietly losing efficiency and profitability.

The Cash Flow Squeeze

Growth consumes cash — often faster than contractors anticipate. Even profitable jobs require up-front cash outlays for labor, materials, equipment and subcontractors.

Meanwhile, payments from project owners lag due to billing cycles, retainage and approval delays. As a company grows, this gap widens. Larger jobs mean higher up-front costs, and without proper planning, contractors can find themselves in a constant cash crunch. Key warning signs include increasing lines of credit, stretching out payables and overbilling to compensate for cash shortages.

Labor: The Constraint That Breaks Scale

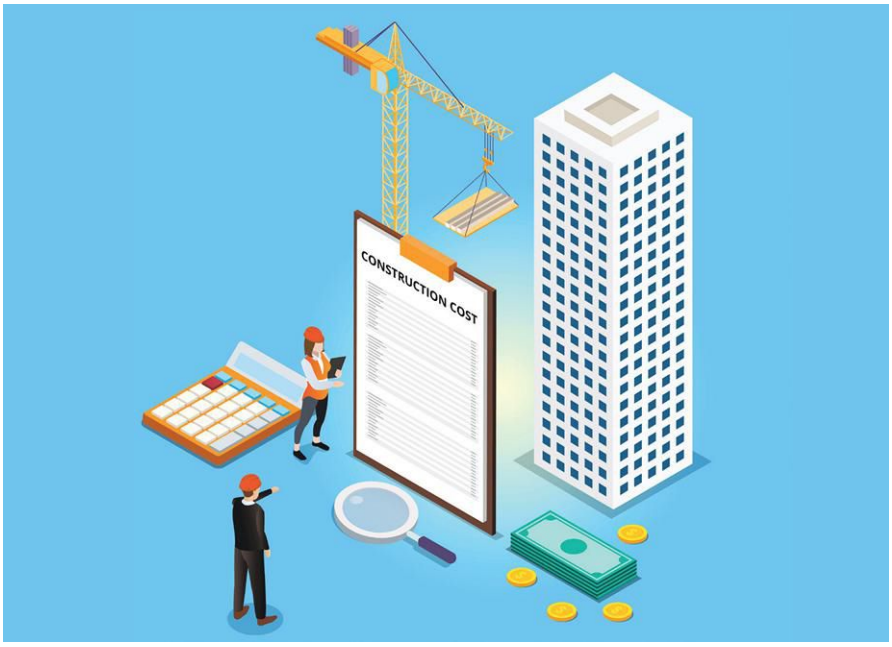
In 2026, labor remains one of the most significant constraints in construction. Growth magnifies this issue. The labor market is still fighting for the best-in-class talent, and when companies are in growth stages, the current workforce can feel the pressure. From scheduling inefficiencies to rework caused by poor oversight or unqualified staff, labor inefficiency is one of the hardest issues to detect early — but one of the most damaging to margins.

A key mistake contractors make is assuming their current team can simply "handle more." However, scaling requires deliberate investment in leadership, not just field labor.

Systems That Don't Scale

For many construction companies, the systems that helped reach $5 million in revenue can quickly become inadequate

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when growth pushes that figure to $15 million or beyond. In smaller operations, spreadsheets for job costing, manual billing processes and informal project tracking might suffice. But as a business expands, these makeshift solutions start to show their limitations.

The lack of robust controls and visibility leads to delayed or inaccurate financial reporting, poor insight into job performance, missed billing opportunities and generally weak internal controls. Without reliable, real-time data, management is forced into a reactive mode, responding to issues as they arise rather than proactively managing risk and performance. From a CPA's perspective, this environment allows risk to multiply rapidly. Inaccurate WIP schedules, delayed cost recognition and flawed forecasting can all combine to distort the company's true financial health.

The Hidden Risk in Backlog

Backlog is often seen as a badge of honor in construction, a sign of demand and a busy future. But not all backlog is created equal. During periods of aggressive growth, contractors may find themselves taking on lower-margin jobs to keep their crews busy, accepting unfavorable contract terms or underbidding to win larger projects. This approach can result in a backlog that looks impressive on paper but is financially weak beneath the surface.

The consequences of a poorly constructed backlog include compressed margins across jobs, increased exposure to cost overruns, higher working capital requirements and a heavy reliance on flawless project execution.

In fact, having a large backlog with thin margins can be far more dangerous than having a smaller but more profitable backlog. Contractors need to evaluate not just the volume of their backlog, but also its quality — considering gross margin, contract terms, cash flow profile and overall risk exposure.

Overhead Creep

As construction companies grow, overhead costs often expand even faster than expected. New expenses such as additional administrative staff, higher insurance premiums, office space upgrades, new technology, and increased compliance and reporting requirements all contribute to rising overhead. The problem is that these costs do not scale perfectly with revenue. If overhead is not managed carefully, it can quickly outpace growth and erode profits.

A common misstep is hiring ahead of actual revenue — adding roles in anticipation of growth, expanding infrastructure without a clear return on investment or duplicating responsibilities due to poor organizational structure.

Financially, it's crucial to monitor overhead as a percentage of revenue and to benchmark these figures regularly against industry standards.

The Role of Financial Controls

Sustainable growth requires more than just increased activity; it demands greater financial discipline. As companies scale, certain financial controls become critical. Accurate job costing, for example, provides contractors with real-time visibility into labor, materials and subcontractor performance, allowing for early detection of issues. Reliable WIP reporting is equally essential, as WIP schedules must reflect actual job progress, accurate cost-to-complete estimates and proper revenue recognition. Without this rigor, serious problems may remain hidden until it's too late.

Cash flow forecasting is also vital; growing firms need forward-looking projections that account for billing cycles, retainage and upcoming project costs, enabling better cash management decisions.

Finally, as organizations add more team members, risks like errors, fraud and miscommunication increase. Segregation of duties and well-defined approval processes become essential safeguards.

Scaling in Phases, Not Leaps

One of the most effective ways to achieve sustainable growth is to scale in controlled, incremental phases rather than attempting to double revenue overnight. Successful contractors expand gradually, testing

systems and processes at each level and building out infrastructure in tandem with revenue. Each stage of growth should involve a thorough review of operations, financial performance analysis, staff evaluation and potential system upgrades. This measured approach significantly reduces the risk of overextension and allows any issues to be resolved before they become major problems.

Building a Financial Strategy for Growth

Growth should be a deliberate, well-planned endeavor. A strong financial strategy starts with defined targets — setting revenue goals that align with operational capacity, establishing margin expectations by project type and clearly understanding risk tolerance. Capital planning is another pillar, requiring a sound understanding of working capital needs, access to appropriate financing and care to avoid overreliance on short-term debt. It's also essential to track key performance indicators such as gross profit by job, overhead as a percentage of revenue, operating cash flow and the quality of backlog. Regular financial reviews — monthly or quarterly — enable management to analyze variances, update forecasts and make strategic adjustments promptly.

The CPA's Role in Sustainable Growth

A certified public accountant's (CPA) contribution during periods of growth goes far beyond routine compliance. As advisors, CPAs are instrumental in identifying financial risks early, improving reporting accuracy, helping structure cash flow strategies and evaluating new opportunities. Contractors who view their CPA as a strategic partner rather than just a tax preparer are better equipped to manage growth and position themselves for long-term success.

Final Thoughts

Ultimately, growth in construction isn't inherently positive or negative; what matters is how it's managed. Today's environment, marked by rising costs, tight labor markets and mounting financial pressures, demands even greater discipline and planning. The most successful contractors recognize that sustainable growth is not just about winning more work; it's about building the infrastructure, systems and financial foundation required to support that work. When executed thoughtfully, growth creates long-term value. But if managed poorly, it can expose vulnerabilities that quickly spiral out of control. The difference lies in identifying hidden risks in advance and planning for them before they become threats to the business.



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NOMINATIONS CLOSE SEPTEMBER 4, 2026

Construction Business Owner Magazine is excited to spotlight some of the industry's standout talent with a special section celebrating exceptional women in construction.

From general contractors and CEOs to skilled trades professionals, your nominations help shine a light on the dedicated women driving progress across the industry.

Know someone who's making a real impact? We'd love to hear her story.

Visit constructionbusinessowner.com/owic2026 to learn more and submit a nomination.

OUTSTANDING WOMEN IN CONSTRUCTION

Construction Has Embraced Technology but Still Runs on Heroics

Unpacking what truly makes a business run well



Scott Cannon is the CEO of BigRentz and SiteStack, construction procurement technology companies helping contractors and facilities teams manage equipment and services across thousands of jobsites. He previously led the turnaround of MNX Logistics, which UPS acquired, and has spent more than two decades building and scaling logistics businesses. Visit bigrentz.com and site-stack.com.

For all the investment in tech poured into construction in recent years, many critical decisions are still made the same way they were decades ago.

Ask folks responsible for delivering projects at scale and you'll almost certainly hear a common refrain: When something goes wrong, it often leads to a few deeply experienced people stepping in to figure it out. New tech and tools help, but the instincts of those individuals carry projects across the finish line.

That's a problem. This reliance on "heroics" got the job done historically, but today, projects are more complex, margins are tighter, and supply chain and labor challenges are constant. The room for improvisation is shrinking, and even the most seasoned, heroic employees can't be expected to protect bottom lines.

If the construction industry actually wants to meaningfully improve outcomes and productivity (a feat which hasn't been accomplished in decades, according to a Goldman Sachs study) it can't keep relying on its best people to save the day.

The Illusion of Control

The continued reliance on heroics creates a dangerous illusion.

When teams consistently find a way to make things work, it's easy to assume the system and processes themselves are working. In reality, those workflows are often inconsistent and difficult to scale, which is a problem that becomes more visible as organizations grow.

A process that relies on the instincts and insights of a few individuals works across five jobsites starts to strain at 20. At 50, it breaks in ways that are harder to diagnose. Information becomes harder to track. Decisions become less consistent. This creates a scalability bottleneck where growth is capped not by capital or company vision, but by the limited bandwidth of a company's most experienced people.

What Breaks at Scale

In my experience working with organizations — ranging from mom-and-pop independent contractors to large, multisite construction teams — many follow a similar path.

In a company's early days, operations are fragmented. Jobsites tend to run independently, decisions are made locally and processes vary widely. As organizations grow, they layer in approvals, policies and systems in an attempt to create control. But those additions often sit on top of a fragmented foundation, adding complexity without fully solving the problem.

Over time, some begin to standardize, aligning processes and reducing variation across sites. It's real progress, but visibility is still partial and adoption is inconsistent. Only a small number reach true operational alignment, where systems, processes and decision-making work together, allowing the organization to scale without relying on individual heroics.

The gaps don't always show up until leaders try to get a clear, real-time view of what's actually happening across projects, and realize how difficult that is.

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More Tools ≠ Sustainable Solutions

At the point organizations realize something isn't working, many instinctively try to fix it by adding more tools, layering in more tech or adopting more dashboards. But this isn't a tool problem; it's a decision-making problem.

In construction, critical decisions like what to order, from whom, at what price and under what constraints, are often made without complete information. Most systems aren't designed to support those decisions in real time, so organizations fall back on experience and improvisation. This might result in problems such as equipment sitting idle or materials arriving late. Such examples aren't just oversights. They directly contribute to the cost overruns that eat at a project's margin.

Instead of reflexively asking, "Do we have the right tools?" leaders need start wondering, "Do we have a clear system for how decisions get made?" That means defining ownership, standardizing where it matters and building systems that support decisions as they happen, not after the fact.

Self-Assessment

One of the simplest ways to understand where an organization stands is to see how easily it can answer critical operational questions.

In more mature environments, leaders can quickly see what's being spent across sites, which vendors are being used and how decisions are made. In less mature ones, that same visibility depends on pulling reports, calling teams or piecing together information across systems.

Another signal is consistency. When processes are working, outcomes tend to look similar across sites. When they're not, decisions vary, exceptions become common and teams rely on experience to navigate situations that should be standardized. Over time, that variability creates cost, risk and complexity that's difficult to see.

Great Teams Don't Only Rely on Heroes

Construction doesn't lack technology, and it certainly doesn't lack talent. What it often lacks is alignment between the two.

Heroics will always have a place in this industry, because unexpected challenges are part of the job. However, those heroes must not be the foundation upon which a problem-solving infrastructure is built.

If a business only works when its most experienced people step in to solve problems, it will struggle. The companies that move ahead won't be the ones with the most reliable heroes, they will be the ones that don't need to rely on heroes as heavily.

Common Risk Mitigation & Allocation Tools in Construction Contracts

Essential contract coverage to consider

Laura Fraher & Adrien Pickard

Construction projects are inherently risky undertakings. A well-drafted construction contract both defines the scope of the work and allocates risk to protect project participants in the event of nonperformance or defective work.

Effective risk allocation assigns responsibility to the party best positioned to control or mitigate a given risk, reducing uncertainty and disputes. Without a clear framework, participants face increased exposure to liabilities and litigation.

Construction contracts allocate risk through mechanisms such as surety bonds, indemnification provisions, insurance requirements and warranties, often using an "all of the above" approach to create a comprehensive risk management scheme.

Bonds

Surety bonds are among the most fundamental risk allocation tools in construction. Their primary purpose is to provide security to project owners and, in the case of payment bonds, subcontractors and suppliers, ensuring that contractual obligations will be fulfilled.

The Tripartite Relationship

A bond creates a relationship among three parties: the principal (typically the contractor), the obligee (usually the owner) and the surety (the bonding company). The surety guarantees the performance of the principal's obligations to the obligee. If the principal defaults, the surety must step in to remedy the default, subject to the terms of the bond.

Performance & Payment Bonds

These are the two primary types of bonds commonly used on construction projects.

A performance bond guarantees the completion of the contractor's work according to the contract. If the contractor defaults, the surety may complete the work itself, arrange for completion by another contractor or compensate the owner for the cost of completion up to the penal amount of the bond.

A payment bond, by contrast, protects subcontractors and suppliers by guaranteeing payment for labor and materials furnished for the project up to the penal amount of the bond.

Miller Act & 'Little Miller Act' Requirements

On federal public works projects, the Miller Act requires prime contractors to furnish both performance and payment bonds. All 50 states have enacted analogous "Little Miller Acts" that impose similar bonding requirements on state and local public projects.

Bond Claims

Bond claims are not self-executing and are subject to strict procedural requirements. These include providing timely notice of a claim, satisfying statutory prerequisites and complying with contractual conditions precedent. Failure to adhere to these requirements can result in forfeiting bond rights.

Qualified Surety

Qualified sureties are insurance or bonding companies authorized by a state insurance commissioner and/or the U.S. Treasury to issue bonds. These corporate sureties are regulated, ensuring they have the necessary financial resources and stability to back large projects, providing far greater risk mitigation for the obligee and the project.

Indemnity

Indemnification provisions are another cornerstone of construction risk allocation. Their primary purpose is to protect upstream parties — typically owners and general contractors — from liability arising from third-party claims caused by downstream parties' acts.

Personal Injury & Property Damage Claims

Indemnity clauses are particularly significant for these claims. For example, if a worker employed by a subcontractor is injured on the job or a subcontractor causes damage to third-party-owned property adjacent to the project or to the project itself, the owner and general contractor are often named as defendants.

A properly drafted indemnity provision shifts the financial burden of such claims back to the subcontractor responsible for the work, ensuring that liability rests with the party whose actions caused the loss.

Duty to Defend vs. Duty to Indemnify

This is a critical distinction in indemnity law. The duty to defend typically requires the indemnitor to provide a legal defense to the indemnitee upon the assertion of a covered claim, often at the outset of litigation.

The duty to indemnify concerns the ultimate obligation to pay damages or settlements, which typically is known only at the end of litigation.

Contracts should clearly articulate whether both duties apply and when they are triggered.

First-Party Versus Third-Party Claims

Most construction indemnity clauses focus on third-party liability and protect the owner or general contractor from lawsuits filed by outside parties. Some parties extend indemnity to cover first-party losses (i.e., the direct losses between the contracting parties) such as damages arising from a contractor's defective work.

Anti-Indemnity Statutes

Most states have anti-indemnity statutes that limit or prohibit clauses requiring one party to indemnify another for the latter's own negligence. These laws are intended to prevent parties with superior bargaining power from shifting liability to others for losses they did not cause. Because the statutes vary by state, enforceability depends on the project's jurisdiction.

Insurance

Insurance is a critical component of construction risk management. Unlike indemnity, which reallocates liability among project participants, insurance transfers risk to an external insurer.

Appropriate Insurance Types

Construction contracts typically require a range of insurance coverages, including commercial general liability, workers' compensation, employer's liability, and in some cases, builder's risk or professional liability insurance. The adequacy of these coverage types depends on both the scope of the project and the nature of the risks involved.

Coverage Limits

Ensuring sufficient coverage limits is essential. Inadequate limits can leave parties exposed to significant uninsured losses, particularly in cases involving catastrophic injury or substantial property damage.

Qualified Insurer

Equally important is the financial strength and reliability of the insurer as coverage is only as valuable as the insurer's ability to pay claims.

Endorsements & Waivers

These two key contractual mechanisms play a central role in maximizing the effectiveness of insurance coverage.

Additional insured endorsements extend coverage under one party's policy to other project participants, typically upstream parties such as owners and general contractors. This allows those parties to access the subcontractor's insurance directly in the event of a claim.

Waivers of subrogation prevent insurers from pursuing recovery against other project participants after paying a claim. These waivers reduce the likelihood of intraproject litigation and promote a more collaborative risk-sharing environment.

Cost to Defend

Insurance also affects claims defense. When coverage is triggered, insurers typically assume the defense, appoint counsel and control litigation strategy. While this can reduce costs, it may create tensions if the insurer's interests diverge from those of the insured. In addition, defense costs are often deducted from policy limits, potentially reducing funds available for covering the loss.

Warranty

While bonds, indemnity and insurance primarily address third-party risks and financial exposure, warranties provide direct assurances regarding the quality and durability of the contractor's work.

Guarantee of Work Quality

The primary purpose of a warranty is to ensure that the work conforms to contractual requirements and that it is free from defects. Warranties provide owners with defined remedies if the work fails to meet contractual standards, typically requiring the contractor to repair or replace defective work at their own expense.

Long-Term Assurance of Quality

Warranty provisions typically require the contractor to agree to repair or replace defective work, including into the warranty period, which may range from one to several years, depending on the contract and applicable law.

Latent Defects

Warranties are particularly important in addressing deficiencies that are not apparent at the time of completion but emerge later. By extending the contractor's responsibility beyond completion, warranties provide a mechanism for resolving such issues without resorting to litigation.

A construction contract should function as a coordinated system of complementary risk management tools. Bonds, indemnity, insurance and warranties each address different risks, and no single mechanism is sufficient. These provisions must be aligned to reduce uncertainty, promote project stability, and meaningfully lower the likelihood and impact of disputes.



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The Hidden Cost of Late Payments

How cash flow disruptions derail construction schedules

Scott Peper

You win the project. You mobilize your crew. Equipment is delivered, materials are ordered and the schedule is set. You do the work and invoice it. Then the payment that keeps everything moving doesn't arrive when expected. Within days, the timeline begins to slip.

Most construction business owners have lived this scenario. Weather delays and material shortages are visible and widely discussed. But it's the cash flow disruptions that happen behind the scenes that wreak havoc on productivity and project timelines.

A national report from Mobilization Funding sheds light on how payment timing affects construction schedules. According to the 2025 Construction Delays and Payment Timing Report, 76% of contractors say projects affected by late payments lose at least a week, and nearly 40% report that delays add three weeks or more to their timelines. For trade subcontractors managing multiple jobs across different general contractors, that kind of slippage creates ripple effects on crews, supplier relationships and future commitments. These are the exact kinds of scenarios that add massive costs to construction projects.

How Late Payments Undermine Project Performance

While weather is the most frequently cited source (43%) of disruption on a project, payment delays can have deeper consequences.

Subcontractors know this challenge all too well. When receivables lag, pressure comes from every direction. General contractors expect the work to stay on schedule. Suppliers expect terms to be honored. Your crew expects to be paid. And your business depends on cash flow to fund the next job.

On the jobsite, these payment delays set off operational challenges that affect every phase of the project. Forty-seven percent of respondents said late payments typically add one to two weeks to a project. Another 30% said they add three to six weeks. Fifteen percent reported no timeline extension.

When cash flow tightens, trade subcontractors make hard decisions that impact their entire operation. Mobilization Funding reported that "56% move workers to other projects, 21% pause work until payment clears, 15% keep crews on reduced hours and 6% lose workers entirely." Each decision affects productivity, momentum and morale.

If crews are pulled off a job due to cash constraints, it triggers a chain reaction. Downstream trades are forced to reschedule, equipment sits idle and your reputation takes a hit. The lost momentum is hard to quantify, but it's just as damaging as the idle time. Projects rarely recover those lost days without additional cost.

The Cash Flow Strain Behind Growth

One of the most striking findings in the report is that 56% of construction professionals say they have walked away from projects due to cash flow or payment risks. Another 34% take on fewer jobs to manage cash flow, 32% decline projects and 31% don't hire additional labor.

These decisions have a real effect on the trajectory of construction businesses. Firms have no shortage of opportunities, yet the financial risk tied to payment cycles limits their ability to pursue available work.

High up-front costs compound the problem. Fifty-one percent of pros cite up-front expenses as a major payment challenge, and 38% cite waiting on payment. For trade subcontractors, this means fronting labor, materials and equipment costs while waiting weeks (sometimes months) for payment to flow from owners through general contractors to you.

When subcontractors carry the float, they face increased strain. The report notes that 66% of respondents believe small construction businesses face more financial delays than larger firms. The stakes are high. Limited access to capital forces difficult decisions that affect both stability and growth. Some scale back expansion plans or decline new work. Others delay hiring, stretch payables or turn to high-cost financing that creates new financial pressure and additional risk to the project and the entire industry.

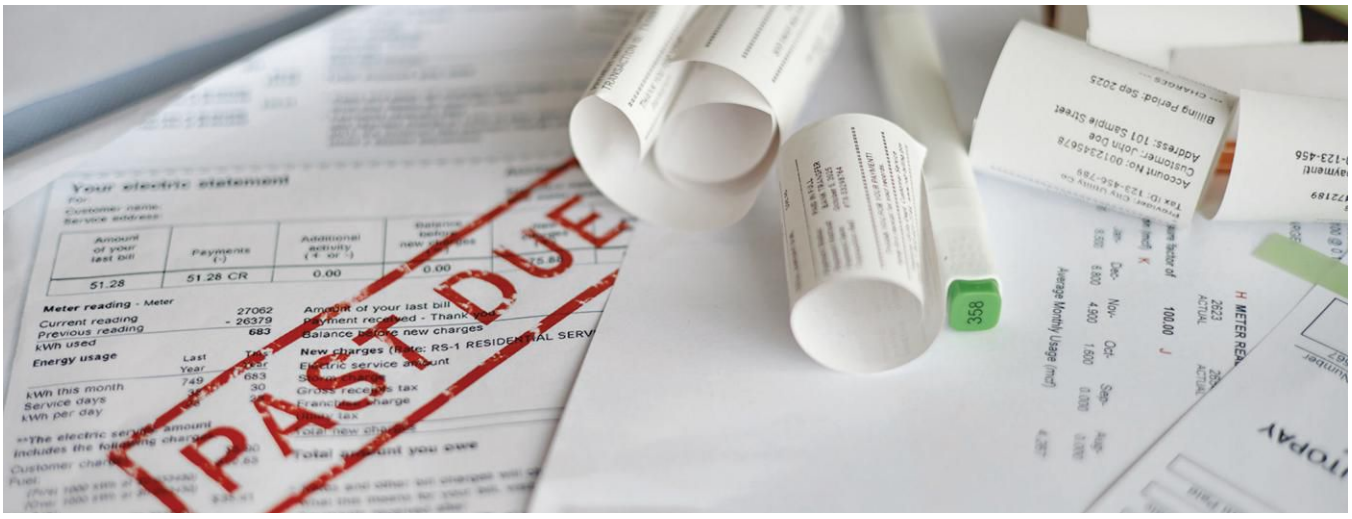
Managing Payment Risk as a Business Discipline

Late payments will never disappear entirely. The question for construction business owners is how to manage the risk proactively.

Payment calendars are one tool. Establishing clear, written payment terms with general contractors — including release dates and milestone-based payments — creates predictability. Visibility into payment status allows firms to plan labor and material deliveries more effectively.

Some general contractors and owners are exploring accelerated pay options or early pay programs. As a trade contractor, advocating for these structures can improve your liquidity significantly. These structures can improve liquidity across

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all contractors on the project team when used strategically.

Access to working capital also plays a role. The survey asked professionals what would help keep schedules intact. Twenty-two percent cited access to up-front working capital, closely aligned with the 21% who pointed to faster client payments. Financial flexibility reduces the likelihood that a temporary payment delay becomes a multiweek disruption.

This means viewing cash flow forecasting as a core operational function rather than a back-office task. Integrating financial planning with the project schedule allows leadership to identify stress points before they cascade into delays and safety concerns.

Protecting Productivity & Reputation

Negative cash flow creates delays. If they aren't addressed proactively with general contractors, it can create a perception problem. In an industry where reputation travels quickly, subcontractors can't afford to appear unreliable, even when the cause is outside their control.

Maintaining predictable performance requires alignment between the work schedule and the money schedule. Preconstruction planning often focuses on sequencing trades, procurement and risk mitigation. Cash flow modeling deserves equal attention.

When payment timing aligns with project execution, crews stay staffed, suppliers are paid on time and work progresses at full speed. When misalignment persists, even well-managed projects can stall.

Practical Steps for Construction Business Owners

Construction business owners can take several practical steps to reduce the impact of late payments:

1. Integrate cash flow forecasting into project kickoff meetings. Align project management and accounting.
2. Build contingency reserves or credit access proportional to project size.
3. Strengthen communication with general contractors regarding payment timelines.
4. When evaluating your customers, track payment performance as a key metric alongside safety and productivity.

These steps do not eliminate risk, but they create buffers that protect schedules.

The broader lesson from the report is straightforward. Weather and material shortages will always influence construction timelines. Cash flow, however, is a variable that business owners can manage more deliberately, and that project owners should pay more attention to.

Building Resilience When Cash Flow Drives the Schedule

The construction industry operates in an environment where margins are tight and schedules are compressed. Payment timing can determine whether a project runs smoothly or bleeds weeks from the calendar.

Subcontractors must treat cash flow as a strategic lever. Strong forecasting, transparent payment processes and access to working capital support momentum across projects.

When the money runs with the work, crews remain in place and schedules hold. When it doesn't, even the best operational plans struggle to keep up.

As the industry continues to face labor shortages and rising costs, addressing payment friction may be one of the most effective ways to protect productivity, job schedule and strengthen the long-term growth of the industry.



Scott Peper is the CEO and founder of Mobilization Funding. He is the host of the business and entrepreneurial podcast "The Mobilization Mindset" and author of "The Big Book of Cash Flow." Peper is known for the content and education he offers to the community and his expertise in helping businesses successfully cash flow their projects and customers. Visit mobilizationfunding.com.

Photo Credit: Sally Spencer-Thomas



Construction Mental Health & Wellbeing Summit

The record-setting 5th annual construction Mental Health & Wellbeing summit signals a movement coming of age

Sally Spencer-Thomas, Cal Beyer & Eli Embleton

When hundreds of construction industry leaders, workers, researchers and advocates gathered in Portland, Oregon, from Feb. 23–27, it was clear: The construction mental health movement has reached a remarkable inflection point. The 5th Annual Construction Mental Health & Wellbeing Summit shattered every previous attendance record, welcoming 562 registered attendees — up from approximately 400 in 2025 — representing 37 U.S. states, three Canadian provinces, one U.S. territory and one Australian state.

What began five years ago as a bold, scrappy experiment in cross-industry convergence has matured into the premier gathering of its kind in the built environment sector. This year's overwhelming success was underscored by the incredible support of its numerous sponsors; a vibrant exhibit hall showcasing vital tools and services; and the heartwarming presence of emotional support dogs and llamas, creating a truly unique and engaging atmosphere.

The summit's mission remains unchanged: Bring together leaders, changemakers and industry pioneers to advance the latest in mental health promotion, suicide prevention, addiction recovery and overdose prevention in construction — and send every attendee home with tactical strategies they can implement immediately. Judging by this year's energy, engagement and expanded reach, that mission is resonating louder than ever.

5 Tracks. 1 Movement.

Across five days and five content tracks, attendees moved through sessions designed to connect the dots between well-being, health and safety priorities. The tracks — Culture of Care and Psychological Safety; Suicide Prevention and Hope Through Action; Substance Use Disorders, Overdose Prevention and Recovery Support; Innovations in Mental Health Promotion; and Physical and Environmental Root Causes of Mental Health Challenges — offered something for every role and every level of the industry, from C-suite executives to frontline tradespeople. Unions, contractors, professional associations, researchers, mental health advocates and, critically, people with lived and living experience of mental health challenges all shared space, shared stories and shared solutions.

The Mental Health Toolbox Talk Competition continued as one of the summit's signature events. Toolbox talks are a well-established practice in construction safety culture, and competitors demonstrated that this familiar format can be powerfully repurposed to normalize mental health conversations on jobsites. Winners modeled safe, effective, stigma-reducing messaging and provided ready-to-use templates for organizations just beginning to build their mental health literacy programs.

The summit also recognized standout organizations and individuals through its Industry Awards, honoring those leading the way in workplace well-being and demonstrating that culture change is not only possible — it is already happening.

From the Co-Chairs On Leadership: Why the C-Suite Must Lead

(Sally Spencer-Thomas, Psy.D.)

One of the summit's most powerful moments took place not in the main conference hall but at the historic Portland Golf Club on Feb. 24, where an invitation-only leadership roundtable on construction worker well-being and mental health safety convened 52 senior executives — including leaders from Baker, Skanska, Hoffman, Mortenson, Hensel Phelps, Rosendin and Zachry.

Cosponsored this year by Google and Milwaukee Tool, the roundtable reflected a

growing recognition that the construction industry's well-being crisis demands coordinated, top-level leadership. The room confronted difficult truths: psychosocial hazards and structural root causes of mental health decline; cultural barriers rooted in masculinity norms, production pressure and stigma; and the urgent need for systemic policy change. Incremental fixes are no longer sufficient.

As Co-Chair Sally Spencer-Thomas put it directly to the room: "It is not good enough to punt to HR and hope your EAP will take care of things. Leaders need to be in the center of the arena — investing in strategic, comprehensive and sustainable approaches. Not only to help people who are struggling get support, but also to shift the very drivers of despair that exist at work."

What emerged from that conversation were high-impact leadership commitments — executives publicly aligning mental health and safety priorities and pledging to move the dial at the industry level. When the most powerful people in the room say, "this matters" — and back it up with action — culture begins to shift.

On Language as a Well-Being Issue

(Eli Embleton)

A theme that resonated deeply throughout the week was the relationship between language and psychological safety.

As Co-Chair Eli Embleton noted, "On a construction site, language and cultural differences are more than a communication issue; they become major barriers for health and safety, especially mental health. When employees cannot fully express themselves, ask questions with confidence or connect easily with those around them, the result is often isolation."

That isolation quietly erodes trust, engagement and, ultimately, safety. What the summit affirmed is that when English-speaking leaders are willing to attempt Spanish — even imperfectly — they model vulnerability that gives Spanish-speaking colleagues permission to try English without shame. That act of bridge-building strengthens human connection and creates the kind of psychologically safe culture where people feel seen, respected, and willing to speak up.

On Recovery-Ready Workplaces

(Cal Beyer)

Perhaps no area of the summit reflected more growth than the continuing expansion of substance use prevention, harm reduction and recovery-ready workplace programming. Across sessions and hallway conversations alike, the message was consistent: The construction industry is ready to move beyond punitive approaches toward cultures of recovery support that recognize addiction as a health issue — not a moral failing.

Encouragingly, recent research from The Center for Construction Research and Training (CPWR)1 suggests positive trends: "Drug-related overdose deaths among construction workers aged 16-64 declined 28.8% from 2023 to 2024, decreasing from 15.9K to 11.3K, with the overdose death rate falling from 135.0 to 94.8 per 100,000 workers. This significant reduction is attributed to a series of actions, including education on opioid risks, fewer opioid prescriptions, widespread naloxone availability, decreased stigma, and improved treatment and recovery support within the industry" (CPWR, 2026).

"This downturn in overdose deaths is not a coincidence; it's a direct result of our industry's increasing commitment to creating recovery-friendly workplaces," stated Co-Chair Cal Beyer. "When we invest in comprehensive addiction recovery support — from stigma reduction to accessible treatment options and peer support — we save lives, retain skilled workers, strengthen our entire workforce, and build a more compassionate and resilient industry."

Beyer admonished all industry leaders: "The work is not done; it is a clear call to action that naloxone should be in every workplace and worksite."

A Movement With Momentum

As the summit closed and attendees departed Portland — many already registered for next year — it was evident that the construction mental health movement has crossed a threshold. The emotional support llamas were a memorable highlight, but the real story is this: 562 people showed up, stayed present and went home committed to change. That is how movements are made.

Reference

1. CPWR & NABTU. (2026, February). Construction worker overdose deaths plummet, suicides decline. tinyurl.com/wn5abjxw

Sally Spencer-Thomas, Psy.D., is a clinical psychologist, an in-demand international keynote speaker, and an impact entrepreneur recognized for her leadership in mental health promotion and suicide prevention, particularly in high-risk industries like construction. She is co-founder of the Construction Working Minds (constructionworkingminds.org) initiative and Man Therapy (mantherapy.org). Visit sallyspencerthomas.com.

Cal Beyer is a recognized catalyst, champion and advocate for workplace mental health, substance treatment and recovery, and suicide prevention. With over 30 years of experience in risk, insurance and safety management, he serves as senior director of SAFE Workplaces for SAFE Project and an executive committee member for the National Action Alliance for Suicide Prevention. Visit safeproject.us and theactionalliance.org.

Eli Embleton is the dream manager at Zachry Corporation, a global keynote speaker and thought leader known for helping leaders master their instincts under pressure and fostering psychological safety in high-stakes environments. His work emphasizes the critical role of language and compassionate leadership in building stronger, more connected and safer workforces. Connect with Embleton on LinkedIn or visit zachryconstructioncorp.com.



CONEXPO-CON/AGG 2026

Unpacking the biggest talking points & takeaways from this year's show

Carmen Capoccia

Another CONEXPO-CON/AGG has come and gone, leaving an unforgettable impression on the industry. This year's show welcomed 140,000 attendees and 2,000-plus exhibitors and covered 3 million square feet. Held every three years, CONEXPO is one of North America's biggest trade shows, and it's a chance for all members of the construction industry to come together and experience what's new.

To help share the scope of this year's event, we talked to these five exhibitors about the show, the state of the industry and where construction is going next.

- Kevin Smith, vice president, Ditch Witch
- Angelica Hedge, marketing manager, off-the-road, Bridgestone Americas
- Darin Gronwold, product manager, Ignite Attachments
- Rachel Palmer, product marketing manager, AlignOps
- Kevin Kruck, director, earthmoving marketing, John Deere

1. What's one word you would use to describe CONEXPO-CON/AGG 2026? And why?

Gronwold: Appreciative. CONEXPO-CON/AGG 2026 was an incredible opportunity to connect with contractors, operators and business owners from across the industry. For Ignite Attachments, it was our first time exhibiting. That made it even more meaningful.

The best part was the conversations. It was great to meet so many people, learn about their operations, and show how Ignite's attachments can help them get more done. There was a lot of interest in the products, but just as much interest in what happens after the sale. That opened the door to talk about our commitment to supporting customers and making the buying experience as straightforward as possible.

The show was full of innovation, but the biggest takeaway was simple: People are looking for solutions they can count on right now. Being part of those conversations was something the team truly appreciated.

Palmer: Huge! The scale is hard to comprehend until you're there — massive booths, massive equipment and nonstop traffic. It's an overwhelming (in a good way) reminder of how big and dynamic this industry really is.

Hedge: Unifying. Whether you're an exhibitor or attending the show, you know CONEXPO-CON/AGG brings together like-minded people who speak your language. Everyone at this show understands the industry, its challenges and successes, and shares the same goal of moving it forward.

For Bridgestone, CONEXPO-CON/AGG 2026 was an opportunity to connect with our long-standing partners and form new relationships with businesses focused on learning about our three new products: the MasterCore VMTD, the 24.00R35 3-Star VRDU and the Firestone Multi Block T. All of these tires are designed with the latest technologies and elevate productivity, to advance the industry.

Kruck: Connection. CONEXPO-CON/AGG brings the industry together in one place. Nowhere else can you meet face-to-face with such a wide range of customers, dealers and passionate industry members within a single event. It's a rare opportunity to strengthen existing relationships, spark new ones and have meaningful, in-person conversations that just can't be replicated elsewhere. Beyond the equipment and innovation on display, it's really the connections that make the event so valuable and memorable.

2. What emerging trends are you keeping an eye on?

Smith: One of the biggest trends we're focused on is the shift toward smarter, more connected jobsites. Contractors are looking for real-time visibility into their equipment, productivity and overall job performance. Telematics platforms like Orange Intel are helping lead that shift

by turning machine data into actionable insights. Instead of reacting to problems, contractors can make proactive decisions that improve uptime, reduce costs and ultimately increase profitability. At the same time, automation continues to gain momentum as companies look for ways to do more with fewer people.

Gronwold: One of the biggest trends we're watching is the growth of the mini loader market. There are more manufacturers entering the space, and more contractors are adding these machines to their fleets. That creates a clear need for well-built attachments designed specifically for that size class. We're especially excited about this growth because Ignite offers one of the only dual interface options available, making it easy to pair attachments across different machine brands.

We are also seeing skid-steer loaders and compact track loaders continue to grow in size and capability. These machines are getting more powerful, and that opens the door for attachments that can take on heavier-duty applications. It's something we are paying close attention to as we look at future opportunities.

Another trend that stood out at CONEXPO is how the attachment buying process is evolving. More original equipment manufacturers are exploring e-commerce, but we've been here for several years and continue to enhance the customer experience. We're focused on making it easier for customers to find the right fit, understand pricing and get what they need quickly. That shift toward a more streamlined, transparent buying experience is something we expect to keep growing.

Hedge: A key trend for 2026 is the advancement of data collection to enhance operational efficiency and product development or enhancements. Although data collection technology is well-established in the industry, CONEXPO-CON/AGG served as a powerful reminder of how companies are increasingly using these insights to build solutions that benefit the entire ecosystem.

At Bridgestone, analyzing field-acquired data has been crucial in developing new premium tires specifically designed to enhance productivity. As technology advances, our ability to create and improve mining, quarry and construction tires will only get better.

Palmer: Wireless/GPS tracking and tech consolidation. Contractors want real-time visibility into equipment and operations — but without adding complexity. At the same time, they're actively looking to replace fragmented systems with one connected platform.

Kruck: Autonomy and AI continue to dominate the conversation. But an area that we've identified that needs to be harnessed is the massive data flood coming from machines, sensors, telematics, timecards, etc. Data is quickly becoming just as critical to the jobsite as concrete and steel. Every project, every machine, every operator interaction creates insights that, when harnessed, can help customers build jobsites that are smarter and safer. Customers are asking for holistic visibility into their jobsites so they can understand how to optimize their operations, fleet management and production tracking. They want easy-to-understand, simple views on if they are making money as the work happens, not a week later. We're excited about solving this for customers because all the cool technology in the world doesn't matter if it's too complicated to set up or too hard to manage and understand.

3. What are you hearing from your end users about the future of the industry?

Smith: Contractors are telling us they need solutions that help them work more efficiently with smaller crews. Labor shortages aren't going away, so there's a growing demand for technology that simplifies operations and reduces the learning curve for operators. They're also looking for tools that give them better control over their business, especially when it comes to tracking productivity, managing fleets and maximizing equipment utilization. The future, from their perspective, is about working smarter, not harder.

Hedge: Data will become increasingly important. Currently, the industry is working to transform collected insights into streamlined operations that enhance efficiency. This work is essential to the success of newer innovations, such as the autonomous vehicles being developed by original equipment manufacturers.

As a tire manufacturer, Bridgestone is dedicated to supporting the growth of innovations driven by data through our tire offerings, which are designed to deliver optimal performance and provide extended tire life. We recognize that even small improvements in tire life and efficiency can have a significant impact on our customers, enhancing their profitability and ability to innovate.

Gronwold: We're hearing that customers are being asked to do more with the equipment they already have. The mini loader market continues to grow, especially for jobs in tighter spaces, while full-size skid-steer loaders and compact track loaders are more capable than ever. That combination is encouraging customers to think differently about the value attachments can offer and how they can get more out of every machine.

Automation is part of that conversation, but it's not the whole story. What we're really hearing is a focus on versatility and ease of use. Customers want attachments that can handle multiple tasks, reduce downtime and deliver consistent performance without adding complexity.

There's also more emphasis on making smart purchasing decisions. End users are doing their homework. They want the right fit, the right value and something that will hold up over time. That continues

to shape how we approach both product development and the overall customer experience.

Palmer: They want simplicity and visibility. The focus is on tools that are easy to adopt in the field, actually get used by crews, and provide clear, real-time insights without adding more systems.

Kruck: Our customers are optimistic about the future and where the industry is headed. There's enormous growth in this industry. In about five years from now, the market is anticipated to reach $16 trillion worldwide. Many customers have healthy backlogs of work, which is giving them confidence about the future.

At the same time, there's an added layer of optimism tied to infrastructure investment, as there are still a number of major projects in the pipeline that haven't yet been fully awarded. If you take into consideration the sheer number of data centers that are being developed, as an example, that also relies on the power and grid infrastructure, as well as water and wastewater projects, there is a lot to be optimistic about.





4. In which areas of the industry do you see the most room for growth?

Smith: There's significant opportunity in the continued adoption of telematics and automation in underground construction. Many contractors are still in the early stages of using connected technology to its full potential. As these tools become more intuitive and easier to integrate into daily operations, we'll see broader adoption across fleets of all sizes. Additionally, solutions that help contractors maximize efficiency with smaller crews will continue to drive growth, especially as workforce challenges persist.

Gronwold: The mini loader market is certainly growing, and we see a lot of opportunity there as more contractors look for maneuverable equipment that can handle a wide range of jobs. At the same time, there will always be a strong need for full-size skid steer loaders and compact track loaders. Those machines continue to be the backbone of many operations. We're watching both segments closely to ensure we have the right lineup to support how our customers work.

That's where our design approach comes into play. We focus on building attachments that balance strength, weight and performance so customers can get the most out of their machines. At the same time, we stay nimble. As customer needs shift or new opportunities emerge, we're able to adapt quickly and refine our offerings.

Growth isn't just about new categories. It's about continuing to improve what already works and making sure customers have dependable solutions that help them get their projects done efficiently.

Palmer: Connected jobsite technology. The biggest opportunity is bringing together time, equipment, safety and reporting into one system.

Kruck: The growth in infrastructure investment also presents the fact that jobsites are becoming more constrained, especially in urban environments. Therefore, contractors are increasingly turning to smaller, more versatile machines that can do more in tighter spaces. Compact equipment is playing a key role in residential construction, utility jobs, landscaping operations and infrastructure projects, with strong projected growth and adoption over the next decade.

Access to a connected jobsite, and the insights it provides, will be increasingly critical to how a customer bids, executes and profits from a job. We've laid the

groundwork for a smarter, connected jobsite, and we're excited about the evolution in how work gets done.

5. What is the most common pain point brought to you by attendees this year?

Smith: A common theme we heard was around visibility and control. Contractors want to know what their machines are doing at all times and how they can improve performance across jobsites. Many attendees were looking for ways to reduce downtime, improve job efficiency and make better data-driven decisions. That's where telematics really stood out. With platforms like Orange Intel, we were able to show how contractors can take the guesswork out of their operations and directly impact their bottom line.

Hedge: The most common inquiry we're hearing this year centers on a single challenge: capacity. With most customers operating at their peak, the question is no longer just about the tire — it's about how tire performance can drive total site efficiency. This aligns perfectly with Bridgestone's CONEXPO theme: Move More with Less. Whether that means hauling increased payload per cycle or maximizing uptime, we showcased the new Bridgestone VMTD and VRDU as direct solutions to those needs. Beyond the rubber, we're demonstrating how our dealer network and engineering services provide the on-site support necessary to sustain that efficiency over the long haul.



Gronwold: One of the most common pain points we heard was long lead times. Contractors and business owners can't afford to have equipment sitting idle while they wait on attachments. When timelines are tight, delays can impact the entire job. It stood out when we shared that if a product shows "add to cart" on our website, it's in stock and ready to ship, often the same day. That level of availability gives customers confidence they can keep projects moving.

Pricing transparency was another big topic. Many attendees are frustrated with having to request a quote just to understand cost. It slows down the decision-making process and adds unnecessary friction. We've taken a different approach by making all of our pricing visible online, along with free shipping, so customers can evaluate the full cost up-front and make decisions quickly.

After-the-sale support also came up often. Limited warranties, hard-to-find parts and slow service can lead to costly downtime. We focus on supporting customers through the entire life cycle, including easy access to parts and resources, such as in features like the QR codes on our attachments, which link directly to manuals, how-to content and parts breakdowns, so operators can quickly find what they need and get back to work.

Palmer: Two themes came up constantly: disconnected systems and durability. Contractors are frustrated with juggling multiple platforms without a single source of truth. At the same time, one surprising but consistent question was, "Is it rugged?"— especially around GPS and tracking hardware. They need technology that can withstand dust, vibration, weather and constant movement. At the end of the day, it has to be both connected and built for the realities of the jobsite.

Kruck: The labor shortage is a persistent challenge. As John Deere noted in the CONEXPO/Con-Agg keynote, by 2040, some projections show this industry growing by 70% — far outpacing the workforce needed to support it, with labor growth projected to rise only modestly by 2040. In the U.S. alone, the construction industry will need to add nearly 700,000 new jobs by 2031 to keep up with demand. To help customers solve for this challenge, John Deere is focused on connecting the physical jobsite with the digital world to make equipment smarter, easier to use and more productive.

Technology grounded in purpose is enabling crews to do more with fewer people and thereby reduces the experience required to deliver consistent results. Machine automation and assist features can automate repeatable tasks, improve grade and material placement accuracy, and help minimize rework, while AI-powered tools can turn jobsite data into practical guidance — such as predicting and minimizing bottlenecks, optimizing equipment utilization, and supporting safer operations through object detection and alerts. Just as important, stronger jobsite visibility is becoming a competitive advantage: When contractors have near real-time insight into production, cycle times, fuel and idle, material movement, and actual versus planned progress across mixed fleets, they can estimate and bid with far more confidence. These are real solutions that are tackling the labor shortage challenge today and setting up contractors for success tomorrow.

Carmen Capoccia is senior managing editor of Construction Business Owner Magazine & Digital Media.



5 Strategies to Help Construction Leaders MITIGATE RISK

Limit bad jobs & focus on profitable projects

Donna Powers

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When the construction industry undergoes changes like tariffs, supply chain constraints and labor shortages, general contractors might be tempted to explore new opportunities for growth beyond their established customer base and expertise. However, it is during these uncertain times that it is best for companies to evaluate and test their financial, operational and risk resiliency before taking on new and different development projects.

While economic and geopolitical events can affect contractors in every business environment, it is important for contractors to have their most valuable risk discussions around project selection and how their historic successes can be duplicated elsewhere. A long-term project focus can help general contractors become the go-to contractors in their respected specialty. And a well-planned specialization strategy can be one of the best paths to growth and profitability.

However, when external factors are beyond a contractor's control, there are five strategies that may help them succeed. These business resiliency practices can be employed and adopted to protect relationships and manage change.

1. Build Best Practices Around Profitable Projects

Construction companies have one of the steepest failure rates among major industries, according to 2022 Labor Department statistics. This makes it important for contractors to identify their most successful jobs, measure their profit margins and employ technology that can boost safety, efficiency and savings to better understand and build their company's current resilience and growth potential.

Additional tactics include realistically assessing potential clients and working with transparent customers. A large part of ensuring project success is client fit and getting paid. When selecting which customers to work with, it is important to pay attention to risk factors such as transparency with funding and pricing sources. Clearly outlining details such as payment schedule can save a project from disruption.

While contractors may not have control over the price of materials, they do have control over the time it takes for a customer to make critical decisions. Paying attention to clients who are disorganized or only prioritize money when making decisions can help avoid delays in the timeline.

In addition, encouraging collaboration and participation from

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new employees, as well as diversifying the workforce, can help increase the experience and acumen of the business. Employees from different backgrounds, ethnicities, races and genders can provide new perspectives that may not have been considered previously.

Project selection is an integral part of the success of a construction company. While there are some factors (like inflation or the tight labor supply) that are beyond a contractor's control, there are other things to focus on that can ensure the company is prepared for successful project completion.

2. Find & Leverage Strong, Long-Term Relationships

Maintaining strong relationships with project owners who demonstrate disciplined planning and transparent communication is essential to long-term success for contractors.

When sureties discuss project selection and going into new territories with construction leaders, they listen for strong relationships that will make the job go smoothly. It is usually a good sign to see a construction firm that sticks with owners they've already done a lot of work for, especially if they are pursuing a much larger contract than they may have completed in the past.

3. Ask Experienced Risk Experts for Input on Contract Language

Even when working with the most trusted owners and project partners, construction leaders should request an expert risk opinion on every contract they propose or receive. Experienced surety partners are generally not legal experts, but they can provide suggestions that may improve contract language overall.

Contract evaluation is such a big part of what goes into the overall success of a project. However, even with qualified financial and legal experts already reviewing contracts, a team of experienced insurance claims attorneys can often spot terms and conditions that may become impossible to meet, which elevates the risk factors of a bonded construction project.

4. Watch Global Events That May Affect Current & Future Work

Over the past five years, macroeconomic and geopolitical events have had a significant impact on all aspects of construction work, from the availability of talent and raw materials to the way projects are designed. It is imperative that construction leaders, including general contractors, stay informed about global events and economic data. Construction companies of any size need to be aware of how world events may affect their future financial and project considerations.

5. Use Strategies to Build a 'Go-No-Go' Project System

Typically known as "go-no-go," a standardized project selection system like go-no-go works alongside a construction company's existing business plan to help leaders evaluate potential project challenges before any bid is entered or contract signed. While a construction company can build a go-no-go process in any way it chooses, there is value in a framework that can separate projects worth doing from ones that could potentially damage a business.

Construction companies pitch to new clients and evaluate project proposals every day. The challenge for growing businesses is to find time, focus and a standardized process to select which projects and clients to take on.

Go-no-go gives leaders and staff a customized framework to identify and document potential risks before any project is greenlit. It is meant to reflect a company's business scope and realistic tolerance levels for capacity, capital, risk and return. Most importantly, a go-no-go system is meant to be reevaluated over time so that project successes or failures are recorded, improving the overall process.

It is not uncommon to hear construction leaders say that their best project was the one that they did not get. However, companies with an institutionalized and process-based go-no-go procedure can better identify and limit bad jobs. They can focus instead on the specific work that keeps them successful and profitable.



Donna Powers is head of construction bonds at The Hartford. Visit thehartford.com.



BUILDER'S RISK INSURANCE: An Elegant Risk Solution for Complex Construction Projects

Understanding insurance's role in protecting major jobs

Angelia D. Wesch

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In the construction industry, risk manifests in a myriad of ways — specific and detailed contractual risk requirements, complex insurance programs and technical understanding of what the project requires.

At a fundamental level, not fully understanding the critical role insurance plays in bidding, building and successfully completing a complex construction project is not only a lost business opportunity; it can lead to unexpected or catastrophic results.

Insurance is where the money is, and when a project experiences loss, delay or impacts on a project insurance should always be a part of the initial triage of deciding what to do next to get the project back on track.

1. Builder's Risk: Why Choose It?

Builder's risk insurance is, in a nutshell, property insurance designed to cover the interests of multiple parties involved in the construction, erection or fabrication of structures against physical loss or damage, usually written on an "all risk" basis. Builder's risk insurance allows the transfer of construction risk from the contractors to the insurer. In the U.S., Builder's risk insurance is derived from the British Contractors All Risk (CAR). The main difference is the CAR may also include liability coverage.

Most builder's risk policies are written as a manuscript policy, not insurance services office or "ISO" forms more commonly used with liability or commercial general liability (CGL) policies. The elegance of a manuscript policy is that it can be tailored to fit the project, to cover complex risks, highly specialized work, and equipment often seen in very large construction and infrastructure projects. Because most builder's risk policies are "all risk" policies, the breadth of coverage is found in the "lead-in" language to the exclusions and the specific wording of the exclusions themselves. An "all risk" policy does not mean an "all loss" policy. The lead-in language that embodies a jurisdiction's principles of causation can be dispositive.

2. What Does It Cover?

Builder's risk insurance typically covers "direct physical loss or damage" to:

- Buildings or structures during construction. There is usually an inception date and a completion/termination date.
- Other specified property intended to become part of the building or structures under construction; may include improvements such as civil works, foundations, excavations, tunnels and underground property.
- Demolition is not usually included.
- Temporary structures related to construction.
- Can also contact separately endorsed coverages for bodily injury, extra expense, soft costs from delay in completion or opening.

3. Who Is Insured?

Most builder's risk policies should include a broad omnibus

insured clause covering as named insureds, the project owner, general contractor and subcontractors of every tier.

Product and material suppliers and vendors are not usually included as insureds. By broadly covering these professionals performing the work on the project, the often-complicated contractual insurance compliance and additional insured endorsement forms issued can be eliminated.

Because such issues are often an area that generates an abundance of disputes resulting in litigation, selecting an insurance policy such as a builder's risk policy can allow for better risk management practices. Fewer arguments over whether the correct additional insured endorsement form was selected, more time spent on getting the work done.



4. What Exclusions to Watch For?

The most litigated exclusion is the generically styled "faulty workmanship exclusion." Understanding how the language of this exclusion has evolved is helpful.

American London Sturge (ALS) 1967/1972 Policies

The ALS 67 exclusion contains the following language: "Cost of making good faulty or defective workmanship, material, construction or design, but this exclusion shall not apply to damage resulting from such faulty workmanship, material, construction or design."

The ALS 72 exclusion changed the scope slightly by slightly altering the "damage resulting from" language and instead referring to "physical damage" resulting from "such faulty or defective workmanship or material."

Neither of the ALS forms contain causation language; loss or damage "caused by" or "resulting from" the defective workmanship are not excluded.

In Allianz v. Impero 654 F. 2d 16 (E.D. Wash 19E) a federal court in Washington interpreted the language of ALS to require damage to property separate from that being worked on. Many courts have held the exception to the exclusion retain coverage for all aspects of the repair/rebuild except for repairing or replacing the project.

London Engineering Group (LEG) Exclusions

Because the dollar value, sizes scope and complexity of many construction projects are always increasing, construction professionals managing complex works within their organizations are aware of the important roles builder's risk policies can fulfill in meeting the insurance needs of such projects. Most construction risks or large projects are insured by a number of builder's risk insurers, each taking on a participating share of the risk being insured. Many builder's risk policies contain LEG exclusions. There are three types of these exclusions:

- LEG 1: An outright (total) defect exclusion.
- LEG 2: Excludes the cost that would have been incurred to rectify a defect prior damage taking place.
- LEG 3: The least restrictive of LEG exclusions. Allows coverage for the defective damaged property but excludes the cost of improvement of materials, workmanship, design, plans or specifications.

The LEG 3/96 was slightly amended in 2006 to include a reference to the patent detrimental change (a "patent defect" is a deficiency apparent by reasonable inspection). In 1996, the London Engineering Group (LEG) introduced the three LEG defects exclusions to foster insurance industry consistency, while allowing insurers latitude to provide the breadth of the coverage

they desire. These LEG exclusions have become more popular in the U.S., particularly with the large construction projects. But up until Sept. 29, 2023, there had not been one published court decision in the U.S. interpreting the meaning of the LEG 3 exclusion. South Capital Bridgebuilders v. Lexington Insurance Co. changed all that when the federal district court in Washington, D.C., found such a clause ambiguous, ruling against the insurer, and denied the insurer the ability to restrict coverage. The court stated: "to find the clause ambiguous one need only attempt to read it. Lexington managed to squeeze in a run-on sentence, an undefined term, several misinterpretations, and a scrivener's error ... The Extension is internally inconsistent and bordering incomprehensible. SCB's [contractor] statement that the Extension is 'convoluted' is an understatement."

Ouch. With that assessment, the court held the insurer liable for breaching the builder's risk policy.

5. Where Are We Now on LEG 3 Exclusions?

If the intent of the LEG underwriters was to cover only damage and exclude the cost of improvements after the South Capital Bridgebuilders opinion, what constitutes "damage" under a builder's risk policy is certainly open to argument. American courts currently interpret "damage" more broadly than many insurers believe it should be interpreted. It is also presently unclear whether "improvement" means:

- Remediation of a defect, or
- Improving a nondefective condition

Leaving such issues unresolved can have profound implications in the cost of remediating defects, depending on whether the defect is in workmanship, design or materials.

Compared to other types of insurance policies needed and available to insure complex construction projects, builder's risk policies can provide a viable business alternative to traditional CGL policies with various additional insured endorsement forms.

Angelia D. Wesch is a partner at Smith Currie Oles LLP. She helps construction clients, real estate developers and property owners solve complex problems related to heavy civil infrastructure projects, differing site conditions, and delay and impact claims where knowledge of insurance and insurance recovery strategies is essential. Visit smithcurrie.com.







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Cyberthreats Are Rising in Construction. IS YOUR BUSINESS READY?

6 steps to strengthen your digital security

Tim Nunziata

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It often starts with something routine.

An accounts payable employee receives what looks like a legitimate invoice from a known subcontractor. The formatting checks out. The timing aligns with the project. The amount isn't unusual. With multiple jobs moving at once and dozens of invoices coming in, the payment is processed without a second thought.

Only later does the business realize the email was fraudulent and the funds are gone.

For construction companies operating on tight timelines and high volumes of transactions, this type of attack is becoming increasingly common.

And as cyberthreats grow more targeted, the consequences can extend far beyond a single payment — disrupting operations, delaying projects and damaging relationships with clients and partners.

Cyberrisks Are Building Alongside Construction's Digital Shift

Cyberrisk in construction is evolving quickly. What were once considered occasional or opportunistic threats are now more targeted, more sophisticated and more disruptive.

Across the building sector, we're seeing an increase in:

- Phishing attempts designed to mimic vendors, partners or internal employees
- Ransomware attacks that can shut down systems and halt operations
- Business email compromise schemes tied to active projects and payment cycles
- Attacks targeting shared data across subcontractors and third-party vendors

At the same time, construction businesses are becoming more connected. Firms rely heavily on third-party partners creating a web of interconnected systems and data. If one link in that chain is compromised, it can quickly impact others.

In this environment, cyberrisk has become a significant operational issue, capable of affecting timelines, budgets and company reputations.

Understanding the Most Common Cyberthreats in Construction

To effectively manage risk, construction leaders need a working understanding of the most common cyberattack types impacting the industry today.

- *Ransomware* — Attackers lock critical systems and data, disrupting projects and operations.
- *Phishing and credential theft* — Fake emails trick employees into revealing login credentials or opening malicious links.
- *Business email compromise* — Scammers impersonate trusted contacts to redirect payments or banking details.
- *Supply chain and third-party vulnerabilities* — Weak vendor or subcontractor security can expose company systems and data.
- *Unsecured Internet of Things and field devices* — Connected jobsite equipment, sensors and mobile devices can create cybersecurity risk.

The Operational Fallout of a Cyberincident

The financial impact of a cyberattack can be significant, but the operational consequences are often just as damaging.

In one recent example, a Chicago-based general contractor experienced a ransomware attack that shut down its systems

and exposed sensitive personal information tied to more than 1,000 employees. According to a recent report from Honeywell, these events are becoming more frequent, as ransomware attacks against the industrial sector specifically jumped by nearly 50% from Q4 2024 to Q1 2025.

For construction businesses, even a short disruption can have cascading effects:

- Project delays that impact contractual obligations
- Loss of access to critical plans, documents or financial systems
- Interrupted communication between field and office teams
- Reputational damage with clients, partners and employees

As projects become more complex and timelines more compressed, the margin for disruption continues to shrink.

Practical Safeguards to Implement Today

Managing cyberrisk doesn't require overhauling your entire operation. Many effective safeguards are practical, repeatable and aligned with how construction businesses already operate.

Here are key actions to prioritize:

Strengthen email & payment verification processes.

- Require verbal or secondary confirmation for any changes to payment details.
- Train employees to recognize phishing red flags, such as urgent requests or slight changes in email domains.

Improve password & access security.

- Use strong, unique passwords across systems.
- Enable multifactor authentication wherever possible.

Secure your vendors & digital supply chain.

- Vet third-party vendors for basic cybersecurity practices.
- Clearly define who has access to shared systems and data.

Protect devices on & off the jobsite.

- Ensure company devices are updated with the latest security patches.
- Secure home and remote work networks used by employees.

Educate employees on social engineering tactics.

- Provide training on phishing, smishing (text-based scams) and vishing (voice scams).
- Encourage employees to report suspicious activity.

Prepare for potential incidents.

- Back up critical data regularly and store it securely.
- Develop a cyberincident response plan outlining roles and next steps.

These steps don't eliminate risk entirely, but they can significantly reduce the likelihood and impact of an attack.

Why Cyberinsurance Deserves a Closer Look

Many construction businesses assume their existing commercial insurance policies will respond to cyber-related incidents. That coverage is often limited or nonexistent.

Cyberinsurance is designed specifically to address digital risks, helping cover costs related to data breaches, ransomware events, business interruption and recovery efforts. Beyond financial protection, many policies also provide access to specialized resources, such as incident response teams, legal support, public relations counsel and forensic experts.

As cyberthreats continue to evolve, reviewing your coverage — and understanding what is and isn't included — has become an important part of overall risk management.

Talk to Your Insurance Partners About Cybersecurity

Next time you talk to your insurance agent or broker, ask them about your business's potential cyberexposure and coverage options to protect against it.

Some important questions include:

- Do we have a standalone cyberinsurance policy, or are we relying on limited coverage within other policies?
- What types of cyberincidents are covered, including ransomware and business email compromise?
- Does our policy include business interruption coverage related to a cyberincident?
- How are third-party and vendor-related risks addressed in our coverage?

These discussions can help ensure your coverage aligns with how your business operates today and where your digital exposures may be growing.

Turning Awareness Into Action

In an industry where time is money and delays can ripple across an entire project, staying ahead of cyberrisk is quickly becoming just as important as managing safety on the jobsite.

By strengthening internal processes, improving awareness across teams and taking a proactive approach to both cybersecurity and insurance, construction businesses can better protect their operations and keep projects moving forward.

Tim Nunziata is senior vice president and cyber risk practice leader for Nationwide's Management Liability & Specialty team. He's been with Nationwide for over 16 years. Visit nationwide.com.



MANAGING RISK IN PUMPING SYSTEMS

How package pump systems can improve project flow

Sanne Godfrey

Photo Credit

Any construction project that involves one specialty embedded within another carries inherent risk. These risks often translate into schedule delays, cost overruns and coordination challenges. Pumping systems — whether for sewer and wastewater, stormwater, potable water or industrial process applications — are an example of this.

Understanding where risks arise, and how to manage them, can make the difference between a smooth project and a difficult one.

The Planning Phase

Pumping systems are rarely standalone items. In most cases they are indicated within civil plans and require coordination across multiple disciplines: civil, structural, mechanical, electrical, and control and communication.

As easily developable land becomes scarcer, projects increasingly require lift stations, stormwater pumps or water booster stations to make a site work. Most pump systems today are sophisticated, customized and interdependent, and many of their components have long lead times. That complexity increases the likelihood of scope gaps, requests for information (RFIs), redesigns and field changes — especially if these are not addressed early.

Traditionally, a civil engineer might design the pumping system, while fabrication and construction are left to others. This can introduce:

- Design details that are difficult or expensive to build
- Gaps between engineered intent and field execution
- Additional engineering time and cost during construction

One of the most effective ways to reduce pumping system risk is to engage a package pump system supplier — a firm that can design, fabricate, supply and support installation of the complete system.

In a package pumping system model, the supplier integrates system design into the overall scope and cost. The same entity that designs the system also prefabricates major components and supports construction and startup. For contractors, this can mean:

- Fewer coordination points
- Reduces design risk
- Clear accountability for performance

Requirements & Owner Preferences

There are hundreds of ways to design a pump system. Owners and operators often favor solutions they already understand and know how to maintain. Public owners often require specific brands or equipment standards based on long-term maintenance preferences.

The best way to design a pumping system is to design one the owner can operate confidently. Aligning the design with operator familiarity reduces commissioning risks, startup issues and post-construction callbacks.

Contractors can reduce their risk by confirming early that the selected pump system supplier can accommodate any required

brands or materials without redesign or delays.

Flexibility at this stage prevents costly substitutions, or possibly delays, later in the project.

When a high-rise mixed-use development in the middle of Phoenix, Arizona, needed a lift station, a package pump manufacturer came to the rescue. The development included about 750 residential units, as well as commercial spaces and several pools. The lift station needed to be able to accommodate sewer from the residential units, as well as flush water from the pools and spa.

B&F Contracting Project Manager Frank Smerekanich said, "[The prefabricated pump system supplier] effectively managed all material requirements, ensuring full code compliance, while addressing the needs and concerns of on-site installation crews as well as investors and stakeholders."

Coordination

Most projects rely on multiple disciplines working in close coordination, and when that coordination breaks down, it can create design conflicts, scheduling issues, rework, delays and added costs. Even small misalignments can quickly ripple across a project.

Packaging pump systems help reduce these risks by combining design, engineering, manufacturing and project management into a single-source solution. Rather than coordinating multiple vendors, the system is engineered, built and tested by one provider before arriving on-site as a preengineered, pretested unit.

This approach can streamline schedules, reduce field modifications and improve both accountability and project predictability.

In a recent Washington state project, a packaged pump system provider came up with a stormwater lift station solution for an apartment complex.

Kevin Chisholm, the pacific northwest general manager for Arbor MD — the general contractor on the project — said the project could have been a logistical nightmare, but instead it was one of the smoothest parts of the job. He said having a company handle the design and supply of the pump system under one roof, and providing a single-source approach made a difference in keeping things on track and on schedule.

"Bottom line: The system performed exactly as designed, the timeline held and our team wasn't bogged downplaying middleman between a dozen different parties," Chisholm said.

Installation

Inadequate planning, unclear installation requirements and field-built systems can create risks such as misalignment, incomplete connections, inspection failures, delays and added labor costs. These issues often force contractors to make costly field adjustments that impact schedules and project performance.

Package pump systems help reduce installation risk by arriving preengineered, assembled and factory-tested before delivery. By shifting much of the complexity off-site, these systems simplify installation, reduce field assembly and create a faster and more predictable construction process.

When a Wyoming military base was under construction for a new helicopter hangar and repair facility, a packaged pumping system was the short-term solution to accommodate a quick installation and the long-term solution for minimal impact on day-to-day operations on base.

"Having Romtec design the system and provide all required materials was a major coordination piece that mitigated many risks during field installations, and they were on-site during installation and startup to ensure the system was complete and functioning as intended," said Travis Johnson, estimator and project manager for Mechanical Systems Inc. "Their prefabrication and packaging was a huge benefit in the field, and our crews greatly appreciated the effort and thought put into every step."

Training & Documentation

Training and documentation can become major risks when systems are complex, poorly documented or difficult to operate. Incomplete manuals, staff turnover and limited training can lead to downtime, safety issues and premature equipment failure.

Package pump systems can help reduce these risks by providing standardized documentation, simplified controls and support from a single provider. Because the systems are engineered and manufactured as complete units, operators benefit from clearer operations and maintenance manuals, startup assistance and more consistent long-term maintenance practices.

At a sewer lift station project near Ketchikan, Alaska, the contractor needed not only a pump system but also a building. The contractor was able to find a company that was able to do both of those things, which helped keep the risks in check.

All pumping systems tie together multiple engineering discipline and are often among the longest lead items on a project. From concept through design approvals, prefabrication, delivery, construction, startup, testing training and documentation, pumping systems take an average of 1-2 years to fully execute.

For contractors focused on risk management, the strategy is clear: Start the pumping system process as early as possible.

If you want to mitigate risk across civil design and construction, don't treat the pumping system as a late-stage detail. Treat it as a foundational element.

Sanne Godfrey is the marketing and business development coordinator for Romtec Utilities, a packaged pump system engineering and manufacturing company. Godfrey oversees strategic communication initiatives for prefabricated pumping solutions for the company. Visit romtecutilities.com.





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Building a Safety Culture That Lasts

Protecting jobsites from the inside out

Amelia Doll

For construction business owners, safety performance has long been measured by numbers like incident rates, recordables and compliance checklists. While these metrics remain important, they don't always tell leaders what they most need to know: whether crews will make the right decision when conditions change, schedules tighten or no one is watching.

That confidence comes not from paperwork but from culture. Today's most successful construction companies recognize that lasting safety performance is built on something less tangible but far more powerful than metrics alone: a strong safety culture. One that shows up in daily decisions, jobsite conversations and leadership behaviors at every level of the organization.

When safety becomes part of how work is planned, discussed and executed, it stops feeling like a requirement and starts becoming a shared value. And when that happens, safety isn't something crews comply with; it's something they actively engage in.

Safety Starts With Leadership

Building a safety culture begins with visible and consistent commitment from leadership. Safety professionals in the industry often note that employees take their cues from what leaders consistently do, not from what is said once during orientation. When leaders model safe behaviors and make time for regular safety conversations, they reinforce that everyone on the jobsite has both the permission and the responsibility to speak up.

When owners, supervisors and managers prioritize safety by planning safer work, allowing time for training and addressing hazards proactively, it sends

a clear message to the workforce: Safety is not optional, and safe work practices support productivity.

This mindset helps support safety as a proactive approach that focuses on prevention before work begins. Pre-task planning, regular safety huddles and open communication all support this approach and encourage shared ownership across crews and projects.

Training as a Cornerstone of Culture

Effective safety training is one of the most practical ways to reinforce a safety-first mindset. However, training is most impactful when it is continuous, relevant and tailored to the work being performed, not treated as a one-time requirement.

Construction environments are constantly changing. Equipment evolves, crews rotate and jobsite conditions shift. Ongoing training can support workers in building the skills and awareness needed to identify hazards and use tools and equipment safely. When training is viewed as an investment rather than an obligation, it supports both safety and productivity.

Many contractors are supplementing internal programs with a mix of hands-on instruction, digital resources and equipment-specific education. Manufacturer-provided equipment safety training, when aligned with company policies and jobsite practices, can help reinforce safe operating practices for machine operation, situational awareness and hazard awareness.

Training is most effective when it connects directly to real-world tasks. When workers understand why a procedure matters and how it applies to the equipment and conditions they encounter, safe practices are more likely to become part of their routine rather than something remembered only for an audit or test.

Empowering the Workforce

A strong safety culture depends not only on leadership direction but also on employee engagement. Workers on the jobsite are often the first to notice changing conditions, emerging hazards or unsafe behaviors. Empowering them to speak up is essential.

This starts with trust. Companies that encourage reporting near-misses, asking questions and sharing suggestions create an environment where issues are addressed early rather than overlooked or hidden. Recognition programs that highlight positive safety behaviors can further reinforce these expectations.

Mentorship also plays an important role. Pairing experienced employees with newer workers helps transfer not only technical skills but also safe work habits. These informal learning moments often leave a lasting impression and help new hires feel supported as they learn the demands of the job.

Integrating Safety Into Daily Operations

Safety culture becomes clear when it is built into everyday operations. Teams should factor safety into estimating, scheduling and job planning rather than addressing it only during inspections or after incidents occur.

Technology and tools can support these efforts, but culture ultimately drives results. Checklists, digital platforms and training resources only work when organizations set clear expectations, involve leadership consistently and hold employees accountable at every level.

Measuring What Matters

While lagging indicators such as incident rates remain important, they do not tell the full story. Leading indicators, including training participation, near-miss reporting and safety observations, offer valuable insight into how well a safety culture is functioning day to day.

Tracking these indicators helps companies identify trends, address gaps and continuously improve. More importantly, it reinforces the idea that safety is an ongoing process, not a static goal that can be checked off once achieved.

A strong safety culture is never finished. It evolves as people, equipment and projects change. Organizations that commit to learning, listening and improving are better positioned to sustain strong safety performance over time.

A Competitive Advantage

In an industry built on trust, coordination and shared responsibility, safety culture is more than a program; it's a daily practice. One that evolves with every project, every crew and every decision made in the field.

Construction leaders who invest in visible leadership engagement, meaningful training and open communication create environments where safety is built into the way work gets done. Over time, that commitment pays off through fewer disruptions, stronger morale and increased confidence from clients and partners alike.

When safety becomes part of who a company is, not just what it requires, the impact extends well beyond the jobsite. And that's when the results truly speak for themselves.

Amelia Doll is a product safety communications specialist at Bobcat Company, where she has spent the past seven years supporting proper equipment operation across the brand's lineup. She partners closely with product development teams to help define the safety communication system, and she plays a key role in developing operator training materials. Visit bobcat.com.





Photo Credit tippapatt- adobestock.com

Supply Chains Are Under Pressure. Here's How to Guard Against the Impacts.

Breaking down the volatilities

Craig Tappel

The last several years have seen a prolonged period of intensifying pressure on global supply chains. As the challenges mount, so do the costs, with businesses and consumers alike paying the price.

Research shows supply chain disruptions cost businesses a 3% to 5% increase in expenses and a 7% drop in sales. Further, when supplies of goods are spotty, sales are missed, revenues lost and the customer relationship and brand reputation suffer.

Various factors are behind this continuing supply chain destabilization — geopolitical tensions and trade disruptions, a rise in extreme weather events and the effect of inflation on costs, among others.

Understanding the forces shaping this changing landscape and having the resilience and tools to adapt have become a critical business priority for 2026. In an increasingly unpredictable market, this will better position organizations to mitigate risks, optimize operations and maintain a competitive edge.

What's Shifting the Supply Chain Ecosystem

Four major trends are influencing supply chains:

1. *Nearshoring* — The practice of outsourcing production closer to end markets (from Asia to Mexico or Canada, for example) exploded during the pandemic, and today 90% of respondents to one survey said it's essential to keep their supply chains safe. Further, 70% of industrial companies will increase the practice in the next five years. It's a defining supply chain trend for stability and cost efficiency as businesses adjust to new tariffs.
2. *Geopolitics* — A volatile global political environment is influencing trade dynamics, opening new opportunities but also making supply chain planning more complex and uncertain.
3. *Natural disasters* — Extreme weather is on the rise, and no continent escaped the impact in 2024 as natural disasters caused global losses of around $320 billion. The threat to supply chain integrity is serious, from overall logistics to warehousing disruptions.
4. *AI integration* — Global investment in AI for supply chain optimization is expected to reach $157 billion by 2033. For all the benefits (think dynamic inventory replenishment), this poses risks, too:

cybersecurity and regulatory compliance among them.

Strategies to Bolster Supply Chain Sustainability

Three strategies will help the construction industry take advantage of the positive trends affecting supply chains, while gaining operational efficiencies and a competitive edge. Managing the risks will influence supply chain sustainability over the long term. Here's how.

- *Guard against disruptions with resilience planning* — Disruptions on any front are inevitable. Preparing for them helps control their impact. For those most vulnerable to supply chain fractures, backup options are key. Companies are well-advised to partner with logistic experts to devise a well-defined, comprehensive resilience plan that positions them to best manage any potential supply chain threat. The spate of tariffs being imposed by and against the U.S. will likely continue to be a major supply chain disruptor, particularly affecting consumer goods, automotive and energy.
- *Leverage the power of AI tools* — Smart businesses are quickly getting up to speed on deploying AI, and that includes its capabilities for supply chain risk management. AI software solutions, for example, allow insurers to take a multifaceted, real-time approach to inventories. Not only does it lead to tailored coverage, but its optimized capabilities for procurement, forecasting, visibility and inventory management can boost cash flow.
- *Partner with a broker that really knows the territory* — Supply chain risks are far better managed when the business's broker partner brings industry-specific supply chain expertise (and integrated solutions) to the table. Capabilities must utilize cutting-edge technologies and a deep grounding in sector-specific supply chain coverage that is customized and holistic. And having a worldwide network of carriers is essential for the best rates and coverage options for supply chain challenges.



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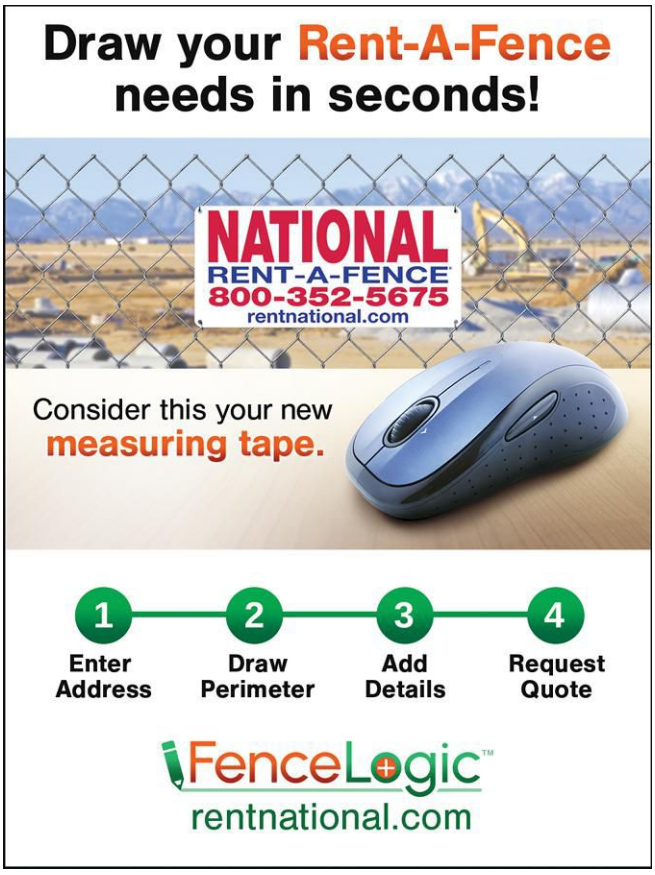




Photo Credit Rattanachat- adobestock.com

A Safety Blind Spot Is Costing Construction Workers Critical Time in Emergencies

Wearable panic buttons can save time, money & lives

Kenny Kelley

Falls, equipment malfunctions, medical emergencies.

On a construction site, the danger isn't just the incident. It's what happens next. A worker goes down. No one sees it. Minutes pass. Then more. And in too many cases, help doesn't come fast enough.

That's where jobs turn fatal.

In 2023, 5,283 workers lost their lives on the job in the U.S., with construction one of the leading sectors in fatalities. Many of these incidents, including falls and medical emergencies, are survivable. The problem is that help doesn't always arrive in time.

However, getting help to workers quickly is often more complicated than it sounds. Construction workers frequently operate in remote locations, behind structures, alongside highways or in confined spaces, far from immediate access to medical aid or emergency services. They may be alone at the time of an incident, with no one around to witness what happened, and have no immediate way to signal for help.

A worker falls from a ladder behind a structure. He's conscious but can't move. His phone is out of reach. His crew is working on the other side of the site. No one knows he's down.

This is the safety blind spot: the moment between, when something has already gone wrong but no one knows.

While safety regulations and prevention protocols have long been a focus in construction, this real-time response gap has remained largely unaddressed. And it's this gap that is now becoming one of the most critical challenges in construction worker safety.

The Growing Concern: Emergency Response Time

In any emergency, the sooner help arrives, the better the outcome. But traditional methods of alerting emergency responders still rely heavily on phone calls, radios or secondhand relayed communication. By the time the right person is notified, critical minutes have already been lost.

The issue is compounded by the nature of construction work itself. Crews are

often spread out. Some workers operate independently. And when something goes wrong, there isn't always someone there to see it happen or make the call.

In those moments, the burden falls entirely on the worker in distress, who may not be able to readily move, reach a phone or even speak.

Closing the Gap With Real-Time Response

This is where wearable, real-time response technology is starting to change the equation.

Some organizations are beginning to implement technologies that support this shift. Wearable safety devices are designed to give employees a simple, direct way to call for help in an emergency.

With one press, the devices can simultaneously alert 911 and internal safety or management teams, while sharing real-time GPS location. In critical situations, two-way communication can also be enabled, so the worker in crisis can talk directly through the device to speak to emergency responders. And in more sensitive situations, a "silent mode" allows workers to send discreet alerts without escalating a sensitive or hostile situation.

If the situation poses a broader risk, internal teams can also quickly alert other workers on-site, helping prevent additional injuries and allowing crews to respond in a more coordinated way.

Enhancing Worker Safety

Construction has never lacked safety protocols. Hard hats, harnesses, training programs, compliance standards. All of these are essential. But they are designed to prevent incidents, not respond to them in real time.

When a worker is in distress, the ability to immediately alert both emergency responders and internal teams can save critical time. Instead of relying on chance, whether someone sees the incident, hears a call for help or notices something is wrong, response becomes immediate and intentional.

There's also a human impact that often gets overlooked. Workers who know they have a direct line to help, especially those working alone or in high-risk environments, operate with a different level of confidence. It affects not just outcomes in emergencies, but retention, morale and trust in the employer.

Mitigating Liability Exposure

For construction companies, safety is an operational, legal and financial issue.

When an incident turns serious or fatal, the question isn't only what happened: it's also how quickly the company responded and whether faster action could have changed the outcome.

How long did it take to locate the worker? When was help contacted? Could the outcome have been different if the response had been faster?

By improving how quickly emergencies are identified and acted on, companies can reduce both the severity of incidents and the exposure that follows.

It also signals something important to insurers. Companies that invest in real-time safety infrastructure are demonstrating a proactive approach, which can influence how risk is evaluated over time.

Preparing for Expanding Compliance Requirements

Regulators are starting to recognize the same gap. New York's Retail Worker Safety Act, which mandates panic buttons for large retailers, is an early signal of where expectations are heading. While the law applies to retail, the underlying shift is broader: Workers, especially those operating alone or in high-risk, unpredictable environments, are expected to have a direct way to call for help.

Construction won't be far behind. As awareness grows around response time and worker isolation, companies that adopt these technologies early will be better positioned to meet future requirements, rather than scrambling to catch up.

The Future of Worker Safety Technology

The next generation of worker safety tools is already evolving.

Wearable devices are beginning to integrate additional capabilities, from fall detection to environmental monitoring, creating a more comprehensive safety ecosystem. But at the core of all of it is the same principle: reducing the time between incident and response.

From Policy to Reality

As June marks National Safety Month, many construction companies will be revisiting their safety protocols, reviewing training programs and reinforcing compliance measures. But it's also an opportunity to look beyond prevention and ask a harder question: What happens when something still goes wrong?

The construction industry has spent decades focused on preventing incidents. And that focus has saved lives, but prevention is only part of the equation.

Because when something happens, and it inevitably will, the only thing that matters is how fast someone responds. And in this industry, time is the difference between a close call and a call no one wants to make.



Kenny Kelley is the founder and CEO of Silent Beacon, a workplace safety technology company that provides real-time emergency communication solutions across industries like construction, healthcare, and retail. Inspired by a life-threatening accident, Kelley developed the wearable panic button to improve emergency response and worker safety. Visit silentbeacon.com.

New Products to Watch

Selected by the editors of Construction Business Owner, these new-to-the-market products are just a few of our favorites recently released to the construction community. Stay tuned in every issue to find out what you need to know about the latest gear, solutions & industry-leading innovations.



1 PANASONIC CONNECT

Toughbook 56

Released: 4/16/26

Availability: North American market

What's new? TOUGHBOOK 56 is a powerful, modular rugged laptop purposefully built to empower mobile workers in sectors including construction, public safety, utilities, enterprise and federal. It delivers high performance computing, expanded connectivity speeds options, enhanced thermal management and advanced security. New software provides added visibility for managing smart cards, a timeout for the keyboard backlight to preserve battery and software-selectable pass-through for maximum convenience and adaptability.

Specs: Equipped with an Intel Core Ultra Series 2 processor designed for AI-enabled tasks. Six modular areas, including 3 xPAKs, battery, RAM and SSD. Up to three ethernet ports. New vehicle docks will be available that feature a more durable docking connector, expanded IO and refreshed technology.



2 ARTEC 3D

Artec Jet

Released: 4/3/26

Availability: U.S., Canadian & European markets

What's new? Artec Jet is Artec 3D's first SLAM-powered LiDAR scanner. Operational in seven different modes, this versatile device captures entire environments from a range of 300 meters with an accuracy of up to 10mm. The device uses captured LiDAR data for navigation, meaning it can be used in GPS-denied areas. Captures as-built structures at construction sites, mines and civil infrastructure.

Specs:

- Mapping method SLAM-based LiDAR mapping, ±0.03% drift
- LiDAR sensing range 0.5–300 meters (1.6–984 feet)
- LiDAR accuracy ±10 millimeters (3/8 inches)
- Mapping accuracy (general) ±15 mm (19/32 inches)
- Mapping accuracy (indoor/underground) ±10 millimeters (3/8 inches)
- Change detection capability ±5 millimeters (7/32 inches)
- Field of view 360 degrees-by-290 degrees
- Acquisition (single return) up to 640,000 points/second
- Acquisition (triple return) up to 1,920,000 points/second
- Max travel speed (vehicle) 60 kilometers per hour (37.3 mph)



3 MACK TRUCKS

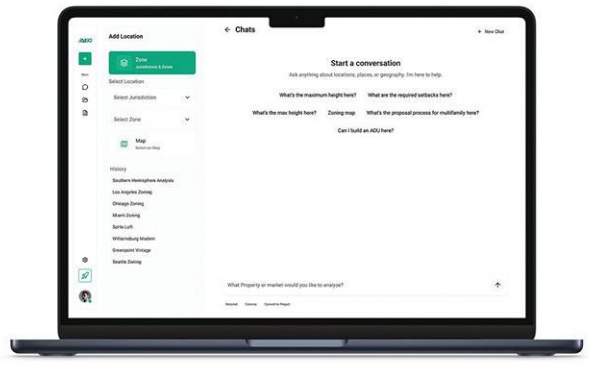
Mack Granite

Released: Q4 2026 (preorder)

Availability: North American market

What's new? Reimagined and redesigned, Mack Granite delivers an all-newcab, cutting-edge safety technologies, enhanced driver comfort and industry-first features designed to set a new standard in the vocational segment. Features feature an Electronic Park Brake (ePark Brake) with rollaway protection in conjunction with auto release when shifting into gear. Additional safety features include standard front and available side-curtain airbags, standard LED headlamps and fog lamps with available cornering lights.

Specs: Available in day cab and 44-inch sleeper configurations in both axle-forward and axle-back positions, with multiple front and rear axle ratings to handle specific requirements. optional hatch provides fluid access for snowplow applications. Features the new Mack MP 13 engine, delivering greater power, up to 540 horsepower and 1,950 pound-feet of torque, while providing up to 3% improved fuel efficiency compared with the previous engine.



4 AIAEC

ChatAEC

Released: 3/17/26

Availability: U.S. market

What's new? AIAEC is applying AI to one of the biggest bottlenecks in development: zoning and regulatory research. Its first product, ChatAEC, provides fast, site-specific answers and generates due diligence reports in minutes instead of hours of manual research. ChatAEC helps developers, architects, engineers and planners reduce risk, save time and move projects forward with greater clarity early in the process.

Specs: ChatAEC retrieves and interprets jurisdiction-level zoning and land use regulations to deliver site-specific, source-backed outputs.



5 KEEN UTILITY

KS86 Utility Work Sneaker

Released: 3/9/26

Availability: U.S. & Canadian markets

What's new? The KS86 work sneaker is a throwback trail runner design, made workday-ready. This ultralight work sneaker is built with a featherweight carbon toe, KEEN.ReGEN midsole cushioning that returns up to 50% energy with every step, and an oil- and slip-resistant, lugged rubber outsole for secure footing. All-day trail runner support, reimagined for the jobsite, the KS86 is available for both men and women in several colorways.

Specs: Featherweight carbon toe, KEEN.ReGEN midsole cushioning, oil- and slip- resistant lugged rubber outsole.



6 NEW HOLLAND CONSTRUCTION

C314X Electric Mini Track Loader

Released: 3/2/26

Availability: North American market

What's new? Built on the design of New Holland Construction's Mini Track Loader, now in a fully electric configuration. Available in both narrow and wide-track configurations, the machine also offers standard rubber or optional nonmarking tracks for sensitive environments. Enhanced LED lighting, including standard boom-mounted lights, improves visibility in low-light and indoor conditions.

Specs: Powered by a 102-volt lithium-ion battery system with a 23.5 kWh gross capacity, the C314X charges in approximately eight hours. The machine also has eco, standard and power motor speed settings to allow operators to balance efficiency and performance based on the attachment in use. Bucket options include 36- and 42-inch configurations, depending on the machine width selected, and an optional beacon strobe light for added jobsite safety.



7 MATTRACKS

TD300 (Tandem Drive)

Released: 2/5/26

Availability: U.S. market

What's new? The TD300 (Tandem Drive) heavy-duty rubber track conversion system engineered specifically for road graders operating where tires fail, and steel tracks fall short. Designed for soft, sandy and unstable terrain, the TD300 Tandem Drive grader track system enables full grading capability in environments where wheeled machines typically stall. With a current gross vehicle weight rating of 30,000 pounds, and engineering capability extending beyond 40,000 pounds for larger platforms, the system opens new operational territory for construction, infrastructure, energy, mining and military support operations.

Specs: Unlike conventional track designs, the TD300 Tandem Drive system utilizes a floating bearing, hub-mounted drive architecture, a configuration rarely used in track systems and not previously applied at this scale for graders. The design drives the track from a single axle, eliminating torsional stress and track folding.



8 KOMATSU

HM460-6 articulated haul truck

Released: 3/3/26

Availability: North American market

What's new? This next-generation articulated dump truck is engineered to help contractors move more material with greater consistency across challenging ground conditions. Designed around a new high-output powertrain, an advanced traction control system and a redesigned operator environment. The HM460-6 is built for quarry, construction, large-scale site development, mining and infrastructure operations where variable terrain, soft ground and haul road conditions limit productivity.

Specs: Features a new Komatsu DBA127 engine equipped with a two-stage turbocharger system designed to deliver efficient boost across a wide operating range, supporting strong low-speed torque while maintaining consistent performance at higher speeds. This new truck also features the Komatsu Traction Control System, paired with cross-axle differential locks, to help maintain traction. A powered tilting engine hood, ground-level service points and extended service intervals are intended to help reduce downtime and simplify routine inspections and scheduled maintenance.

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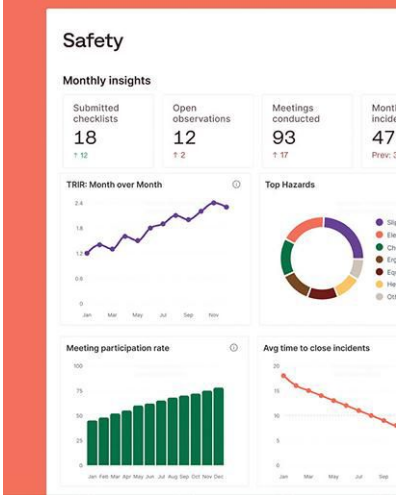
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MITER

Miter Safety

Released: 5/4/26

Availability: U.S. market

What's new? Crews can capture hazards, complete inspections, conduct toolbox talks and report incidents directly from their phones. Instead of managing safety through a mix of spreadsheets, standalone tools, and manual processes, Miter Safety brings these activities into the same system contractors already use to run their business, giving leaders a clearer view of safety performance and making it easier for field teams to participate as work is happening.

Specs: Miter Safety brings safety into the same system contractors already use for payroll, HR, time tracking and workforce operations, so activity is tied to jobs, crews, supervisors and hours worked from the start. It makes safety part of day-to-day work on construction jobsites, not something managed separately in the back office. It also uses AI to reduce the manual work involved in safety reporting, lowering the barrier to participation and helping teams surface issues before they become incidents.

DEVELON

DEVELON -9 Series excavators

3/3/26

North American market

What's new? The DEVELON -9 Series excavators (the DX230LC-9, DX260LC-9, DX360LC-9 and DX400LC-9) represent a fundamental shift in how operators interact with heavy machines. DEVELON moved from pilot-operated controls to a sophisticated electronic hydraulic (EH) system, unlocking a suite of smart features designed to increase jobsite safety and precision while lowering the barrier of entry for newer operators. These machines include several new smart solutions to give operators greater comfort and control: larger touch screen, Smart Control 2D and Machine Guidance 2D, and advanced prognostics and health management (PHM) technology.

Specs: The newly designed joystick gives operators the ability to personalize controls for maximum comfort and ease. These excavators utilize the smart around-view monitor camera system and human detection system: Six cameras, radar sensors and AI-powered human detection provide a 360-degree view around the machine. Up to 8% greater fuel efficiency and up to 20% increased engine output.

GEOFORCE

GT1c

5/5/26

U.S. market

What's new? The GT1c is a long-life cellular tracking device. It will operate on AT&T's network, which was purpose-built for the next era of Internet of Things connectivity. The device's launch brings carrier-supported industrial asset tracking to market.

Specs: Captures and feeds smart location updates into Geoforce's mobile-enabled asset intelligence platform, providing field operations and asset managers with visibility into the location, movement, and utilization of industrial assets and equipment. Rugged cellular tracker purpose-built for nonpowered assets. Up to 10-year battery life delivering low total cost of ownership and near-zero maintenance. Scalable deployment with low-cost hardware.

CONSTRUCTION BUSINESS OWNER

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STATS

Annual Value of Construction Put in Place

March 2024/2025/2026 Annual Rate Comparison

This chart compares the two previous years' total value of construction put in place to an annual forecast based on March 2026 figures. (Millions of dollars. Totals may not add up perfectly due to rounding.)

$2,185,455

MARCH 2026 TOTAL ANNUAL VALUE OF CONSTRUCTION PUT IN PLACE

	2024	2025	2026
Total Private Construction	**1,600,780**	**1,687,970**	**1,659,049**
Residential	884,285	937,668	929,690
Nonresidential	716,495	750,303	729,359
Total Public Construction	**483,146**	**508,090**	**526,406**
Residential	11,641	11,801	12,013
Nonresidential	471,505	496,289	514,393
TOTAL Construction	**2,083,926**	**2,196,060**	**2,185,455**

*Seasonally Adjusted Annual Rates. Source: U.S. Census Bureau

"While billings could soon see positive growth for the first time in three years, ongoing economic and geopolitical challenges, such as the Iran conflict and labor shortages, pose significant risks to recovery. These external issues will have a significant impact on the health of construction activity in both the near and long term."

Richard Branch, AIA Chief Economist

AIA Architectural Billings Index (ABI)

	National		*Regional - Billings				*Sectors - Billings			
Month	**Billings**	**Inquiries**	**Northeast**	**Midwest**	**South**	**West**	**Multifamily Residential**	**Commercial /Industrial**	**Institutional**	**Mixed**
Dec-25	48.5	52.9	44.2	51.7	47.7	45.3	45.5	47.8	48.7	44.0
Jan-26	43.8	49.3	42.3	46.3	50.2	46.3	48.4	43.9	46.8	43.4
Feb-26	49.4	52.3	41.9	46.3	50.0	47.2	48.2	45.7	49.2	41.8
Mar-26	49.8	56.8	44.2	49.4	48.5	50.6	50.9	52.5	52.6	40.7

For more information on the index or to subscribe to the complete historical data going back to 1995 for your internal analysis, please contact economics@aia.org.
The ABI presents monthly construction billings data, using a base score of 50. A score of more than 50 indicates a growth from the previous month, and a score of less than 50 indicates a contraction from the previous month. A score of 50 indicates no change. Source: The American Institute of Architects (AIA), Architecture Billings Index (ABI).

*Regional and Sectoral indexes are three-month moving averages, due to small sample size. All data is seasonally adjusted.
**Every January, the AIA research department updates the seasonal factors used to calculate the ABI, resulting in a revision of recent ABI values.

Free | June 25 | 1 p.m. Central

Simplify Your Tech Stack & Do More With Less!

Construction tech stacks rarely start out complicated. A team adds a tool to solve a real problem, then another team adds another tool and another team adds yet another tool ...

Before long, organizations are juggling multiple systems with too many logins and data that doesn't always line up. This ultimately creates extra work and makes it harder to see what's really happening across projects and finances.

This webinar looks at how construction tech stacks end up this way and where companies miss the mark when adding new software.

You'll learn how to:

- Spot the common mistakes that lead to tech sprawl
- See how disconnected systems affect costs and cash flow
- Take steps to simplify and strengthen your tech stack

Speaker



Nick Overmann
Product Marketing Expert
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