



THE ACADEMY OF ELECTRICAL CONTRACTING

PAPER PRESENTED BY FELLOW
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INTERNATIONAL STUDY MISSION:
A WORLD OF ELECTRICAL CONTRACTING

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The NECA International Study Mission was founded in 1988, the brainchild of NECA CEO John Grau and the American Travel Association's Geoff Robertson. The idea was to visit other countries to form closer relationships with international associations, to tell the international community about NECA, to experience how the same work is done in different parts of the world, and, we hope, to promote international business opportunities for NECA contractors.

I got involved with NECA early in my career. I figured if I was going to be serious about electrical contracting, I'd like to contribute to the industry as a whole and have a say in how it develops. It was my wife Marlene who read about the first International Study Mission trip to China in the national NECA newsletter and, since she's always game to travel, she suggested we go. At that time, China hadn't had its doors open to outsiders for very long and we thought it would be great to represent NECA and American contractors and that it would be an interesting personal experience.

Since then, we've been on 15 of the 25 Study Mission trips. In addition to China, we've been to Japan, Turkey, Greece, Russia, India, South Africa, Kenya, Chile and Dubai, just to name a few. This year, we'll be going on a trip to the Netherlands, Luxembourg and Brussels. As with all of these trips, we hope to build rapport with our hosting contractors and glean info about their methods.

Throughout these trips, we have seen practices that made me worry about turning on a light in any building in the country, and others that made me want to take photos to show as an example to my own crew. In Santiago, Chile, on a trip in 1998, I saw what may be the best electrical project I've ever seen in any country. All the wires in the panels were beautifully trained and labeled. The panels were Seimens

and the emergency generators were Caterpillar. Real high-quality work. We learned that the company recruited and trained all its own workers.

During the first Study Mission trip to China in '88, all the Chinese workers were recruited and trained by the companies but with dramatically different results.

Forty or so of us went on that first trip and visited Xian, Shanghai, Hong Kong and Beijing about seven months before the Tiananmen Square protests. The government sent guides with us, mostly young, university people since they spoke English so well. They went everywhere with us, which we expected. After all, it was a tightly controlled country. What surprised me the most, especially because it was such a controlled country, was how open the students were about wanting visas to come to the U.S. I assumed it would be a problem for them to admit wanting to leave but they were very open about it.

I'm sure they're turning it around now, but at the time the desire of young people to move elsewhere was a big problem. They were losing all of their smart, young people – kids who didn't see a future in China – to other countries,. At the time, they were realizing that they needed a capitalistic economy to have a successful socialistic government. For example, say you're a farmer and you grow cabbage. The Chinese government conscripted your entire crop at a low price they dictated, so there was no incentive to excel at growing cabbage. The tractor broke or the farmer was sick or what-have-you – it just didn't matter because you weren't going to make enough to live on anyway.

Just before we arrived in '88, the government had changed that policy so they were conscripting 80 percent of the crop and the

farmer would get 20 percent to sell on the open market. Most times, you'd make more money on your 20 percent than the remaining 80 percent. Being a poor farmer living in poverty you realize pretty quickly that 20 percent of a large crop is more lucrative than 20 percent of a small crop and suddenly you have incentive to fix your tractor or work through your sick day.

The work sites were a whole other experience altogether. Like I said, they were recruiting and training most of their own workers. This was because most of the contractors and engineers working in construction were foreigners. To create opportunities for their people, the Chinese government decided that the percentage of Chinese workers had to equal the percentage of completion on the job. So, for example, if the job is 50 percent done, then 50 percent of the electricians and 50 percent of the foremen and 50 percent of the superintendents had to be Chinese.

As you can imagine, it was an expensive prospect since crews had to be constantly reconfigured to meet the regulation. Not only that, but the most readily available Chinese workers were poor farmers brought in from the countryside – guys who didn't know a conduit from a switch – so enormous amounts of time and money had to go into training.

I recall speaking with a Singaporean project manager for an electrical contractor. I don't remember the exact numbers but because of the regulations, they had gone over their bid price by more than 100 percent. The only reason the company hadn't been completely devastated was that the Singaporean government refused to fail in China and so financed the overage.

Something I'll never forget about that conversation was watching four workers install a two-foot long piece of half-inch conduit while I talked with the project manager. One person on one of our crews could get that task done in, what, 15 minutes? Whether it was because of

the training limitations or because they had to have so many Chinese workers, each of the four workers had a separate, specific job: one bent the pipe, one cut the pipe, one threaded the pipe and one installed the pipe. Or, I should say, tried to install the pipe. In the hour that I stood talking to the project manager, watching these guys work, they failed to get the single length of conduit installed because it didn't fit.

One of the many things I've gained from these trips is an open-mindedness about other means and methods, so I'm not saying we're better and they're worse or anything like that. I can say, though, that the U.S. and Europe tends to have more expensive, more skills-oriented labor than in other parts of the world. Those Chinese workers were trained for specific tasks, instead of our approach of training every electrician to a place of equal skill and knowledge.

North America and Europe also tend to be the only areas that use conduit for large feeders. Most other parts of the world use cable and cable trays, which, again, allows them to use cheap, untrained labor to horse them into place instead of buying expensive benders and investing in the extensive training required to operate them.

On the other hand, we've seen some surprising innovations. During a tour of a hospital in Hong Kong, we noticed they were using high-efficiency fluorescent lighting, and that was in 1991. As you know, it's only been in the last few years that we've seen widespread use of those in the U.S.

In Dubai, we saw the most magnificent complex of seven high-rise buildings – amazingly overbuilt projects, no expenses spared. They were about 90 percent done, only they had no commercial electric, no commercial sewers, no facilities to service their utilities and no hard date as to when they were going to get them. But the sheiks financing the project had so much oil money they could afford to start

projects on ego, not knowing when they might be able to sell or lease the space. And they'll keep on building, just as long as we keep on buying gas.

Now, I can't tell you that, because of these trips, I did \$10 million more a year in business. In fact, I can't exactly put my finger on any financial benefit to having gone. But I can tell you that these trips have made me a better, more well-rounded person. I'm more comfortable in groups of strangers, more open-minded about how things are done, more willing to consider new ideas and alternative practices. I've returned from these trips feeling refreshed and ready to go, and often it seems as though there are more opportunities than when I left. I have to believe that because of all of these things, these trips have had an impact on my business.

It's so easy to just stay in our cubbyholes, keep our noses down and keep cranking. I mean, we all have bills to pay, and employees and families to support. Though the point of the International Study Mission is to see the differences and commonalities of electrical contracting internationally, I've gained as much benefit from the relationships I've formed with the other Americans on the trips.

I think it's probably easy to imagine that it's only large contractors taking trips like these. But before I retired and sold my business to my three sons, I was a medium-sized contractor. I've been on trips with just as many small- and medium-sized contractors as I have with large contractors, and I've never felt for a minute as though my perspective or practices were not valued and respected by every member of the group. They're all just regular people, and if you have something interesting to say, they want to hear it.

Like me, most of them don't go on every trip but I have made friendships across the country, which is like having a resource pool from coast

to coast. Not that long ago, a new general contractor came to Portland, Oregon, and requested a bid. I called a friend I met through the study mission, a guy who lives on the East Coast, and asked if he knew anything about the contractor. Turned out, my friend had done two contracts with them and had since been tied up in court, trying to get payment on both of them. A little networking and one phone call, and I had saved myself five or six thousand dollars on a bid that, if successful, I likely would have had to fight to get payment for.

On the same note, I've had experiences where I wanted some information on a process or new product and have discovered with a little digging that someone from one trip or another works with those things on a regular basis and can tell me everything I want to know. I might be friendly with a contractor in Portland, but because of competition, he might not tell me the whole story, while a contractor across the country can be pretty free with info.

Last year, Marlene and I went on the study mission trip to Japan and decided to do a little R&R in Bali first. Twenty-two years after the first trip, and Bali customs almost didn't let us into the country because our passports are so full that there wasn't room for the page they needed to staple in. I've seen bamboo lashed together with rope to make scaffolding going up six, eight stories, and I've seen elephants and lions roaming the African bush. And in all those travels, I've seen two universals in electrical contracting: across the globe, contractors struggle to get work, and struggle to get paid.

If I can leave you with one thought, it's that there's a vast world out there, and we have more to share than we have to fear. I hope you'll all consider updating your passports today, and then put them to good use.

Over the past four decades, Max N. Landon, owner of McCoy Electric in Portland, Oregon, has worked in many ways to improve our industry. He served every leadership role in NECA's Oregon-Columbia Chapter and on committees addressing labor negotiations, legislative affairs, and pension-trust oversight.

He also served with distinction on several NECA national committees, including Government Affairs; the Codes & Standards Committee, which he chaired; and the Council on Industrial Relations, which he co-chaired.

Under his leadership as vice president of NECA District 6 (1999-2002), contractors in the Northwest increased their contributions to ECPAC by more than ten-fold. More importantly, he inspired each NECA chapter in the district to become pro-active in state legislative affairs, gaining many victories for the local industry.

Max Landon's many contributions have been honored with the Oregon-Columbia Chapter's LIFE Award for Leadership, Integrity, Fidelity, and Ethics in the industry. His past and ongoing service was also recognized with the 2009 James H. McGraw Award.