

# THE MANAGEMENT CHALLENGE

By FRANK RACZON, Senior Editor

## Meet the New Boss Not the Same As the Old Boss

Today's up-and-coming equipment managers are markedly different than their predecessors as they work to tackle a profession in transition

*Fifth in a series, this installment of The Management Challenge explores the new generation of equipment managers affecting the "Fleet and Asset Management" segment of the management hexagon.*

**H**ow is today's equipment manager different than the wrench-turning, grizzled baby boomer generation starting to retire? It's more than the new guys knowing the importance of maintenance, learning shortcuts within Excel spreadsheets, and keeping up with constantly changing technology from OEMs.

One 38-year-old equipment manager in charge of \$500 million of rolling stock even told us that his training has included developing "soft skills" and improving "emotional intelligence," of all things.

That's a far cry from years in tech schools, grease-drenched hands-on repair in the field, and weekends spent tearing engines apart.

"These days there are many more personnel issues, dealing with different personalities and personal conflicts," the manager told Construction Equipment. "I'm better equipped than some of my predecessors, who were maybe the hard-hat-throwing-type of folks. Today you can't yell and get in people's faces; that's not acceptable."

Yes, this is not your father's equipment manager position.

Where old-school equipment managers brought complete blue-collar, "hard knocks" experience to the

position, perhaps moving upward from the shop, today's managers are more likely to have white-collar backgrounds and a number of office-based positions on their resumes.

It's necessary for acquiring and adapting the diverse skills needed today. There's understanding the business from front to back, including the financial operation, knowing emissions and environmental compliance, safety, and of course, personnel management.

Tim Karle will also tell you that the position is far more than it used to be. Karle, 35, is equipment superintendent for the California operations of Atkinson Construction, a highway and heavy civil contractor with multiple offices in the Western U.S.

"Your equipment superintendent always used to be your 'head wrench,'" Karle says, "but he didn't think further out than that day and that month. Being in the field, you didn't care about the cost, you just want whatever you need to get that day's job done. Now you have to think about life cycle cost and longevity before you reach out and purchase or rent a unit. Now you're involved in it from the start. You constantly question. Why are we renting a machine for six months, why didn't we RPO [rental purchase option] it?"

Chad Burdick, CEM, 43, equipment manager for Hawkins Construction, Omaha, Neb., was a wrench. "My whole career has been about 100-percent uptime," Burdick says. "But now I don't have to deal with the technical end day-to-day. I used to keep a full set of tools and I would run outside and help out, but I needed to get away from that to get to the next level."



Telematics, GPS, and grade control are just some of the changing technologies the new generation of equipment managers must master.



Karle and Burdick took slightly different routes to their positions than the book-smart finance-type guys. You might call them “lavender collar”—the mix between blue collar and white-collar if you left them together in the wash.

“I don’t have the college education that most guys today do, I have the hands-on training,” Karle says. “While other kids were playing on the beach, at age 12 I was rebuilding engines and transmissions with my fa-

ther. So I’ve had to transition from a hands-on guy to learning life cycle cost, computers, GPS tracking and all to ensure the fleet is running at optimum efficiency and getting the most bang for the buck.”

Burdick has a two-year associate’s degree in Diesel Technology, and after his hands-on service work on the front lines, has sought additional education in 30 to 40 different seminars and at the Construction Equipment Institute, now known as the Construction Equipment

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Management Program (CEMP).

Karle started out as a mechanic and became a re-power specialist with Sukut Construction. He once took a Tier 3 C15 truck engine, added an aftermarket DPF, and put it in the rear of a 657E scraper to attain near Tier 4-I performance when Caterpillar said it couldn't be done.

"I like to bring newer ideas," Karle says. "Traditionally, many people are set in their ways and think about things one-dimensionally, not thinking outside the box. I think outside the box and look for weird, creative ideas to make things safer, better and more efficient. That's a huge asset nowadays."

Atkinson had no experience with rental purchase

options before Karle came on the scene three years ago; now it accounts for one-fifth of the company's big iron on the job in California.

"You can RPO a piece and have the purchase almost paid for over a term of 12 months or 9 months," Karle says. "When you rent that way, that money goes to the purchase price and lowers it. When it's time to buy, the full price doesn't hit your books as badly as it would have."

"You have to make sure you're using all the options and all the technology that's available to you," Burdick says. "The lower we keep maintenance costs, the cheaper we can buy, the more we can keep rental rates low—all of that makes it more likely I can get the job on bid day."

Karle's mechanic's background served him well when he took a fresh look at Atkinson's vehicle fleet and found a problem rooted in company history.

"We always hired engineers, not mechanics, for the equipment superintendent position," Karle says. "First we tried a safety guy, then engineers. But those engineers weren't raised with maintenance—they didn't understand the importance of a preventive maintenance program."

With a fleet of 250 vehicles that is often running all night on night-shift highway and bridge jobs spread all over California to the tune of 180,000 miles a month, you can understand the desire to catch problems before they happen.

"Atkinson used to flip its vehicles at 150,000 miles and didn't give them optimal care," Karle says. So he installed a preventive maintenance program that includes changing fluids every 30,000 miles or per spec, and spark plugs every 60,000 miles.

"We go 200,000 miles-plus now before we even think about replacing vehicles," Karle says.

In addition to preserving uptime with the program, his reasoning was that if the company could find a way to run vehicles to 200,000 miles or more, they could be paid off for a year before replacement. "During that last

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Today's equipment manager has to view equipment not only from an operational and maintenance standpoint, but also as assets to be evaluated in terms of cost, useful life, and value to the fleet.

year, you're only paying for maintenance, which is nothing but money in the bank for the company," he says.

As for soft skills, Karle cites this example: "I keep tools in the back of my truck and I've been known to still turn a wrench. If I get a call on a blown hose and if my guys can't get to it, I'll run out there. I feel that if you work side-by-side with your guys, show them you're with them, that's leading by example. If they see you jump, they'll jump. And it brings respect."

Hawkins' Burdick uses his tech background to provide similar motivation. "If a phone call comes in about a problem, I can walk the techs through some things and get them going," Burdick says. "The tech guys we have now love it. One of the reasons I came to work here was that I communicate with techs very well. They like to work for someone who has knowledge rather than someone who just wears nice clothes to work."

With many of the baby boomer generation managers retiring, Burdick sees opportunity, but also problems.

"There's a ton of need, and we don't have enough

young people to fill their shoes," he says. "I see a huge generational gap; today everyone wants to sit behind a desk. I wouldn't be as effective at this if I hadn't gone through the trenches. Right now, we don't have enough good, qualified people that want to do this—they don't want to put in the hours."

True, the equipment manager almost never works a 9 to 5 day, and can't dislike getting down and dirty at a job site. "You have to be very passionate about this business," Burdick says.

And you have to embrace change not only in ascending to the role at a young age, but also as time and technology march on. "What's surprised me is the amount of time, research and paperwork involved," Burdick says. "Things have become much more complex managing the entire operation instead of focusing only on equipment repair and maintenance. You have to have a much broader vision for the entire operation."

"You know what else is different?" the 35-year-old Karle offers. "I've got gray hair now." ☞