



# DO-GOOD DNA

## KDC MAKES SAFETY PART OF ITS GENETIC CODE

Like comic-book heroes Spider-Man and Captain America, KDC's genetic code has been altered, transforming the company into something stronger and better than it was before.

"Safety has become part of our DNA — it goes bone-deep," says Mike Rosamond, executive vice president with KDC. "It's who we are and how we do business."

Over the past several years, KDC has invested significant resources — time, money and people — to integrate safety into the company's DNA, says Don Mills, executive vice president with KDC. And the return on investment is both tangible and intangible. "We've really stepped it up, and we've had some really impressive results," he notes. "We've learned that it's important from both a human perspective, but it's also important from a financial perspective."

### Benefits of a Safety Culture

The consequences of having an unsafe work environment range from problematic — increased liability insurance and a poor reputation — to severe, with jobsite injuries. "Corporate America wants to work with a developer that has a quality safety program because our reputations are connected," says Bob Browning, vice president with KDC. "If something terrible happens on a construction site, people will identify the project with the name of the company. No one wants that."

In contrast, the benefits of creating a safe work environment are multiplied. The most obvious and important outcome is that every person working on a KDC project goes home to his or her family safe and without injury. In addition, safety influences the quality of projects, including meeting deadlines and budgets.

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"If you've got a safe and clean project, you're going to get the best workers who want to work on your project," Browning says. "Ultimately, it benefits the clients because their project will be built by the best, generally ahead of schedule and below budget."

### The Transformation Begins

While KDC has always been committed to safety, safety was not part of the company's overall DNA. Like many developers, the company



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previously relied on its general contractors and subcontractors to be responsible for any safety programs and to handle all compliance with the Occupational Safety and Health Administration (OSHA) — trusting them to create a safe work environment for their employees.

KDC's genetic transformation began when it took on a post-Hurricane Katrina project for Chevron Corp. to develop the oil and gas company's regional office in Covington, La. The 300,000-square-foot facility, located 40 miles north of New Orleans in St. Tammany Parish, houses the company's Gulf of Mexico business unit. It was completed in 2008.

Workplace safety is the keystone of Chevron's corporate culture. Known as "Safety First," the company's safety culture is focused on making sure its employees experience zero injuries while at work. That culture wasn't limited to only Chevron's drilling or refining sites — it also applied to KDC's Covington worksite.

Together, Chevron and KDC rolled out a campaign to encourage workplace safety. The "Why Not" campaign was created to make safety a daily priority on the job. Most days, all workers go home safely, so "why not" every day? The campaign encouraged people to think about all the ways a safe workplace can be a reality.

"Working with Chevron changed our whole perspective," Rosamond explains. "Before Chevron, we were safe developers, but when we worked with Chevron, they took us to a different level. We have a deeper understanding of what is possible as it relates to safety, and that has had a tangible impact on our subsequent projects, especially the Blue Cross Blue Shield and EnCana projects. They've really benefited from what we learned from Chevron."

### Extraordinary Safety Efforts

In the commercial real estate industry, it's uncommon for safety to be part of a company's DNA. "Everybody says they want to have a safe project

— there’s no question about that — but there are things that we do that are extraordinary,” Browning contends. “We go the extra mile on safety and do a lot of things that most developers do not do on their projects.”

For example, KDC is one of the few development firms in the nation to employ an executive dedicated exclusively to safety, Frank Butler. And, for larger projects, the firm devotes an employee to focus on safety and to work with the general contractor and subcontractors to ensure a safe worksite.

Getting buy-in from subcontractors is a significant part of KDC’s safety efforts. For example, as KDC kicked off the Encana development project, the firm held a meeting with senior-level executives from each subcontracting firm — about 19 in total — to specifically talk about safety.

KDC broke ground on the 320,000-square-foot, 12-story office building in January 2011. It is situated on one of the last available parcels in the 150-acre master-planned Legacy Town Center in Plano, Texas. The facility, which will include a conference and training floor, along with a seven-level parking structure with pedestrian bridge, will initially house between 500 and 600 employees.

“At the meeting, KDC asked those executives to make a commitment to safety at a level higher than they have made for other projects,” Brown-

ing says. “We had each one identify himself and then tell us that he was personally committed to having his employees work safely.”

One of KDC’s biggest challenges is correctly evaluating and assessing a project’s risks and creating a site-specific safety plan that addresses those risks. “The risks are different from project to project, and the safety program must be customized to each client,” Browning notes.

Moreover, the risks change as the project progresses through construction to completion, Browning explains. “Your major exposure evolves as the project evolves, so it’s critical to stay ahead of the risk,” he says, adding that KDC conducts a “Toolbox Talk” every Tuesday morning on the jobsite to address upcoming safety issues.

In addition, KDC hosts quarterly jobsite safety luncheons complete with catered meals, incentive-based safety awards and raffles for gifts. The firm also celebrates safety with daily incentive awards such as T-shirts and tokens for the traveling food truck.

“While these methods may seem simple, they send a very loud message to the people working on our projects that we care about them and that we’re serious about safety — that we reward and recognize the people who exemplify our safety culture,” Rosamond says.

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