

BUILDING BLOCKS

MARCH 2012

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President's Message

Aloha Members!

Another quarter has blown by, hasn't it? It has for me, in any case. In addition to the constant pursuit of more work and the ongoing struggle to squeeze more profit out of the projects we are fortunate to have in our backlog, life has gotten more complicated (positively) with the birth of my son, Falcon (Yes, you read that right!). Beside being the first boy for me, "Falkey" is the first grandson on either side and has 2 sisters and 9 female cousins.



Needless to say, he has brought much joy to both our families! So now I have even more incentive to get home early, but it's funny how work continues to be busy despite the drop in the volume of contracts. Looking toward the future, we must balance our need to conserve cash while looking for opportunities to hire strong project managers and superintendents to fill the holes left by the group of old-timers that are coming up on or reached retirement age. I suspect many of your companies are in a similar transitional phase, and I look forward to seeing how the younger generation of supervisors and managers will take our industry to the next level. *-Continued on page 2*

**FALCON MIKUNI,
SON OF WES & KEIKO MIKUNI.**

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IMPORTANT DATES:

April 5, 2012 - CFMA Site Visit UH West Oahu Campus

April 21, 2012 - Hawaii Food Bank Food Drive on Saturday

May 4th, 2012 - Cash Management & Advanced Cash Forecasting Seminar

June 23—27, 2012 (Saturday - Wednesday) - CFMA's Annual Conference & Exhibition in Orlando, Florida. The Key to a Better Bottom Line.

President's Message

BIM, sustainability, pre-fabrication, design-build, joint ventures, and public-private partnerships have been talked about for years and have already been implemented by the larger companies, but even us smaller generals and sub-contractors cannot dismiss the importance of these trends and we must strive to keep up—even with our limited resources. I've found that in addition to CFMA's Building Profits & webinars, there are other publications out there like *Construction Business Owner*, *Construction Executive*, & *The Garrison Report* that have great articles that can help CFM's see the industry issues from a different perspective, not necessarily purely financial. To assist with guiding our companies through this highly competitive environment, I think it helps to be able to see the bigger picture beyond the numbers and start thinking strategically about the

next up-cycle even though it might be years away.

In this issue of Building Blocks, we are profiling our Vice President-elect, Neill Char. I'm sure most, if not all of you know Neill since he's a long time CFMA member (longer than me) and has been co-chair of the events committee for many years. Neill will be working closely with me this year to ensure we keep providing you with fun and educational programs, so please congratulate him and feel free to contact either of us if you have any ideas on activities or technical issues that you would like to see presented. Thank you for your unflagging support of our chapter.

- Papa Wes

CFMA Luncheon Presentation

**DAVID YAMAFUJI,
WES MIKUNI,
NOEL MAU, AND
MICHAEL FORSYTHE**



Our association's inaugural CFMA Luncheon Presentation was held at Sam Choy's BLC on February 1, 2012. Michael Forsythe, VP Business Services, David Yamafuji, VP Bankcard Center, and Noel Mau, AVP & Employee Benefit Advisor from First Hawaiian Bank were our featured presenters. They informed us of various services that banks have to offer to their corporate clients such as cash flow management tools, the use of

CFMA Luncheon Presentation

corporate credit cards, and providing employee benefit options.

Michael Forsythe spoke about cash management services. A couple of services that may be worth investigating with your banker are the “Automated Clearing House”, which manages vendor payments as well as processes customer payments, and “eDeposit”, which is a remote deposit capture system that saves you time from physically having to go to the bank to make deposits.

Noel Mau spoke of employee benefit strategies – not a topic typically associated with the banking industry. However, as banks begin to diversify, their services have expanded. You just may want to talk to your “banker” the next time your employee benefit package is up for renewal – they may be able to give you additional insight on what might work best for you and your employees.

David Yamafuji concluded the luncheon presentation by speaking about the use of corporate credit cards. He spoke of various reasons why companies have begun to expand their card programs. Reduced staffing demands, expense management, better controls, automation, greater convenience, re-



LUNCH AT SAM CHOY'S BLC.

ward programs, and insurance coverage and protection were a few of the examples he cited. There were questions from the group about the use of credit cards with high limits, security, and fraudulent use of the cards. David was able to assure the group that these issues have been addressed in their business protocol, and that the customer would not be liable for fraudulent charges on a corporate credit card. The corporate card may be another tool you might consider for your business.

The planning committee would like to thank the members and guests for attending our inaugural CFMA Luncheon Presentation. We also would like to thank Michael, David, and Noel from First Hawaiian Bank for making their banking presentations as “generic” as possible. We hope you all enjoyed the lunch format, the fellowship, and the presentation. Until next time, manage your cash wisely.

SERVICES THAT MAY
BE WORTH
INVESTIGATING...
“AUTOMATED
CLEARING HOUSE”
AND “EDEPOSIT”...

Compensation Trends & Transit Oriented Development

“TWO BIG CHALLENGES
FACING ALL
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THAT TALENT.”

CFMA’s breakfast seminar on Compensation Trends and Transit Oriented Development was held at the Honolulu Country Club on Monday, March 12, 2012. Jeff Robinson, President of PAS, Inc., spoke on current compensation trends in the construction industry and John White, Executive Director of the Pacific Resource Partnership, presented the concept of transit oriented development and its impact on Oahu’s future.

Jeff Robinson emphasized to the group that as our economy slowly recovers, two big challenges facing all employers across the board are losing top talent and not being able to easily replace that talent. Even now, with unemployment hovering around 8.3% nationally, firms are finding it difficult to recruit talent with the requisite “critical” skills needed to fill positions. PAS research has found that there were significant differences between the attitudes of the workers and the strategies used by employers during the recession. It has been estimated by several research groups that around two thirds of the employees are currently testing the job market and about the same percentage expect to leave their employer once the recession is over. Bottom line – top talent always has employment

**WES MIKUNI AND
JEFF ROBINSON.**



**CFMA HONOLULU
GANG AT THE
HONOLULU
COUNTRY CLUB.**



Compensation Trends & Transit Oriented Development

options. The question is, have you, as an employer, been proactive in this downturn to keep your competitive edge—your talent? Some proactive steps that could be taken, according to Jeff, are comparing your company's compensation package with local industry trends, considering the impact of losing top talent as the economy recovers, and blending demographic indicators that match your company's profile with trend information to get a better picture of compensation changes that may be required to retain your top talent.

John White spoke on the concept of Transit Oriented Development and the long term impacts that it will have on Oahu's future. The rail project will definitely help stabilize the construction industry for years to come but will also be the catalyst for planned development around the various transit stations. Housing will become a critical piece in the future as up to 100,000 more housing units will be required on Oahu by the year 2035 if population growth trends continue as predicted. TOD will concentrate housing development around the transit stations rather than spreading it out and encroaching on open spaces. A Transit Oriented Development Group (consisting of various stakeholders: developers, landowners, environmental groups, etc.) have been meeting to discuss the future

needs on Oahu and how various scenarios will have an impact on housing, conservation of resources, enhanced community, and policy. Their findings have shown that TOD will result in less land area used for development, less vehicle miles traveled (reduction in greenhouse gas emissions), less water usage (less irrigation required), etc. The decisions that are made today will affect our future and our children's future in their ability to live and work on Oahu. Get the facts. Stay informed. The future landscape on Oahu depends on it.

“THE RAIL PROJECT
WILL DEFINITELY
HELP STABILIZE THE
CONSTRUCTION
INDUSTRY FOR
YEARS TO COME...”



**WES MIKUNI AND
JOHN WHITE**

Member Spotlight: Neill Char



NEILL CHAR

“DIG IN AND NEVER
GIVE UP. IT BUILDS
CHARACTER...”



“I’M INSPIRED BY MY
WIFE—SHE’S SMARTER
THAN ME...”

Background info:

I am the Manager of First Hawaiian Bank’s Private Banking Division. Our goal is to be a trusted financial partner. Basically we help affluent customers at all levels from basic banking services to planning for both expected and unexpected life changing events (marriage, divorce, children, death, accidents). If you haven’t done any financial and estate planning, we would be happy to help.

Previous position: Manager of First Hawaiian Bank’s University Branch in Moiliili.

Education and certifications: BBA-UH Manoa, Pacific Coast Banking School – Honor Roll, State of Hawaii Insurance License. Almost forgot - also a Mid-Pacific Alum.

Profile:

Why I took this job: my boss didn’t give me a choice. Just kidding, it was an opportunity to grow a critical line of business with the right customer demographic – approximately 80 million aging baby boomers.

Biggest challenges in my industry: Regulatory headwinds. It feels like the tail is wagging the dog. There so many federal regulatory bodies telling you what you can and cannot do.

Best way to keep a competitive edge: Look at the forest and the trees at the same time. Strive to be consistently good at all that you do. Build a team with similar core values and work ethic. Don’t stop learning.

Strategy to overcome adversity: Dig in and never give up. It builds character and strong resolve. Be willing to confront and tackle the hard jobs first.

Long term challenge: Building a sustainable business model that can endure multiple generations after we’re gone.

Biggest risk taken in my career: Moving from Bankoh to First Hawaiian Bank. Things were good at Bankoh but FHB was a better cultural fit and I had several close mentors pushing me to grow.

Best career decision: Marriage. My wife keeps me grounded and supports my career with so many sacrifices, including having late night dinners after I get home.

Biggest lessons learned: Nothing comes easy; hard work is hard but often leads to success.

When I was little I wanted to be: a teacher – one of the greatest gifts is to help people achieve their fullest potentials. Hopefully I’ll learn enough through the years to be able to teach others although outside of the traditional

Member Spotlight: Neill Char

school setting.

I'm inspired by: Critical thinkers and visionaries; acts of kindness; community service; my wife – she's smarter than I am ☺, has a big heart, and is an ambitious cook.

Issue that keeps me up at night: Staff and customers. Banking is a people

business and you can't always please everyone.

Favorite way to spend free time: walking with my two girls: wife Liz and Scooter our dog (yes Scooter's a girl), eating and drinking wine with friends, blazing down black diamonds in fresh powder, golfing with the boys.

The Construction Financial Management Association, Honolulu Chapter

President: Wes Mikuni, Ralph S. Inouye Co., Ltd.; Secretary: Thalia Choy, Thurston Pacific, Inc.; Treasurer: Michele Kaneshiro, Carrier Hawaii
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