

Ep.3.50 - Mark Kramer

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SPEAKERS

Announcer, Ed Clemente, Mark Kramer

- A** Announcer 00:01
Welcome to The Michigan Opportunity, an economic development discussion series featuring candid conversations with business leaders and innovators across Michigan, you'll hear firsthand accounts on how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and talented workforces in the nation. And now, your host, Ed Clemente.
- E** Ed Clemente 00:29
Hello, welcome to the show. I'm your host, Ed Clemente. And we're very fortunate today to have Mark Kramer, he's a professional engineer, PE, he's got that on his title, as well as the chair and CEO of SME, and welcome to the show, Mark.
- M** Mark Kramer 00:45
Ed, thanks for having me.
- E** Ed Clemente 00:47
Oh, it's my pleasure. And I think, I've worked a lot with engineering firms in the past, but you're much more than just an engineering firm because you do so many other things. Why don't you sort of explain what you guys do? Because it's such a broad band, if you don't mind?
- M** Mark Kramer 01:07
Yeah, I guess try to simplify it because we do do a lot of things. But usually when people ask I share that we're material experts in a lot of different areas related to construction,

development and infrastructure. So we have over 400 people with varying specialties, but really focused on the ground underneath us, how to build things in the ground and dealing with soils and groundwater, with the environment around us and the materials that go into all forms of construction. So concrete, asphalt, steel, masonry roofing, building, enclosures surveying, but we have experts in all these areas, and we partner with owners and their design teams to help make their projects successful, make them better.

E

Ed Clemente 02:09

And with 400 roughly employees, depending on seasonal, I'm sure some of it during the construction season. Where are you guys based. Where's your home office, and then I know you have a couple other offices too.

M

Mark Kramer 02:23

So we're we're in the Great Lakes region, but you know, founded in Detroit, our headquarters are in Plymouth, Michigan. We've got 14 offices in the region, and most of the larger cities in Michigan, Indiana, Ohio. So we've got three offices in the metro Detroit area. We've got our headquarters in Plymouth. We have an office down in the city in Detroit. We've got an office over in Macomb Township. And then we've got offices up in Bay City area, Traverse City, Grand Rapids, Lansing, Kalamazoo. We've got Offices in Fort Wayne, Indianapolis, the greater Louisville area, and New Albany just across the river. And then we've got offices in Columbus and Cleveland as well.

E

Ed Clemente 03:19

Is across the river, is that like in a different state?

M

Mark Kramer 03:23

New Albany is actually in Indiana, but it's in the Louisville Metro area.

E

Ed Clemente 03:29

Right, right, no, it's a huge area of the Louisville area. I know. I was going to prepare you for this question, but I'll give it to you anyway. But all those unique specialties. I mean, obviously, the one I think that's probably the growing is probably sustainability things. I would guess. So what sort of unique things have you been having to adapt to that maybe a few years ago, you guys weren't even thinking about?

M

Mark Kramer 03:56

Yeah, that's an interesting question. And we talk about that a lot. When I was in school back in the 80s. I'm a civil engineer by training, focused on geotechnical engineering, but I took a lot of

environmental classes. And even back in the late 80s, we were talking about sustainability, and everybody has caught on to it now. But in the civil engineering world, we've been recycling materials and doing all kinds of things for many, many years. And so we see a lot and it's nice to see when the owners and communities and that are excited about that, because we've been sort of looking at that for many, many years. And, whether it's trying to reuse materials, like we do some real interesting thing with full depth reclamation on asphalt pavements, where in the past you used to tear out all the pavement and take that to a landfill and bring in all new pavement. With many smaller communities, we help them recycle those pavements in place, and then they just bring in an new layer of asphalt and it's much less expensive and you don't have to have all the truck traffic coming in. So all that fuel and all the all the impact to the roads around that area. So there's all kinds of things like that. A lot of concrete from demolition used to go into landfills, almost all of it is reused now, in the form of stabilizing the sites. Filling in undercuts where you have poor soils, we'll use crushed concrete, things like that. So there's a lot of things that we do that people really never see unless you're out on construction sites.

E

Ed Clemente 05:39

Yeah, I think I had a friend once who drove one of those big massive vehicles, the one that chews up the asphalt and then kicks it back out. [The reclaiming machine.] I don't even know what it was called. But all I know is, I just went out to his site once and I was just so amazed by how that's such a huge amount of recycling, especially because it's actually a petroleum based industry asphalt. So how much good we can use it over?,

M

Mark Kramer 06:05

Yeah, and the whole industry has been doing this for years. And again, people don't see it. At first, it wasn't as economical. But now it's economical, because of the cost of oil, the cost of new aggregates, the cost of transportation has gone up. All that recycling, it's both good for the environment, but also makes economic sense as well.

E

Ed Clemente 06:33

Yeah. And also, you sort of touched on, but is there beyond sustainability, is there other unique fields that have been popping up that you never would have thought about, like 10 years ago?

M

Mark Kramer 06:45

There's so much, there's so much going on right now with building enclosures. And how do you improve the insulation value and the air transfer across? You look at just the whole EV market, and we're doing a lot of work with charging stations. People are redoing their parking lots and putting in the system [EV chargers.] EV chargers. And seems very easy, right? But does the building have enough power, right? So you got to get electrical engineers, and you got to get other people involved in looking at that. And so we've got a lot of clients, including like Ford, who is updating their parking lots and wanting to put chargers in to support their vehicles and

they have to look at the infrastructure that they have, like we all are going to have to do with all these chargers, there's a lot of infrastructure work that has to be done to provide the charging network for electric vehicles.

E

Ed Clemente 07:49

We had a guest on a while back now. But he was like an expert, and I don't know if you know this term, edge computing. So what it is, basically, is how they're trying to create more data centers along the sides of roads to collect data, so it's computers basically. So you don't have to put as much computers into the vehicle. They're just more like uploading. Maybe you got a better turn.

M

Mark Kramer 08:16

I'm not as familiar with that. I've got a good friend at a local civil engineering firm that does a lot with mobility. And I think that's what you're talking about is that, they're using telemetry rather than having the car that all the data in the computer. There's data on the road, and it's sharing data with traffic and all that kind of stuff. Yeah.

E

Ed Clemente 08:37

I would imagine a lot of that's got to be challenging, too. Because once again, you have to have power, unless it's solar something and even in the solar panel, it won't last forever.

M

Mark Kramer 08:46

You can see MDOT and others along the roads are putting in, whether it's cameras or information feedback, and yeah, they've got to run power to the infrastructure, to the poles, and then the data lines back and forth unless they're doing Wi Fi and people probably don't notice it. But there's actually a lot of it out along the roadway system right now.

E

Ed Clemente 09:09

Would the average person be surprised or what would be some of your bigger projects that people might have thought about? You know, if we drove by something, like, Oh, yeah, we worked on that.

A

Announcer 09:09

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M

Mark Kramer 09:43

That's interesting, right? I was thinking about that. And we touch so many projects because we're a small piece of every project and when I look at it, we do like 5000 projects a year and we are 1% of every project and if you look at our revenue, it means we probably touch seven to \$10 billion in construction here. And so, you know, back early on in our career, we worked on the Renaissance Center when they originally did that. Many of the high rises in downtown, at least the ones in the last 20-30 years. The redevelopment of the Pontiac Silverdome into an Amazon facility.

E

Ed Clemente 10:30

Fulfillment, yeah.

M

Mark Kramer 10:32

The Hudson's Tower going up downtown. I've worked on that project. And our teams worked on that project multiple times. We were there when they imploded the building originally, and helped the city put an underground parking facility there. And then we worked when Gilbert came in. And we've been working on that project as they've constructed the tower, doing construction testing and foundation engineering. We've worked on the S-curve project in downtown Grand Rapids.

E

Ed Clemente 11:06

Oh yeah. I know I'm in Detroit, but people have no idea what to pain that is.

M

Mark Kramer 11:11

I mean, it's a really interesting road right through the middle of town with a big curve in it. And it has some really unique geological conditions in the river there, that MDOT had to deal with during that project. So we've worked on projects all over. And that's the fun of what we do, we get to drive around all day and point at all the different things that we've worked on, or had a hand in, but we're not the designer, we're not the contractor. So we didn't have a major piece but we got to say we were part of the team.

E

Ed Clemente 11:46

And speaking of the team, do you have any partners or stakeholders?

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Mark Kramer 11:53

We are very fortunate we get to work with so many owners, and large construction managers

like Barton Mallow and Wallbridge and Clark Construction and Christman and AWK, and people like that. And we work with the automotive companies and the tier ones who we do work for GM and Ford and many others. We get to work for the universities, University of Michigan, Michigan State, Western Michigan, the list just keeps going on. Many of the large hospital systems. And then we work with a lot of the architects and engineers in town that support them as well. On any given day, we're working with a lot of different clients on a lot of different roles, depending on what that team needs in their project.

E

Ed Clemente 12:47

I would imagine, depending on the project, say like the Hudson site one, like it's a long ramp up, just like they're trying to do the Gordie Howe Bridge. They've been working on it for almost eight or nine years before anything, people always complain because they're not seeing movement. But you need that do it right, with pylons and things like that, and you can't just put up a building.

M

Mark Kramer 13:09

Yeah, those projects have been going on for years. We're working for the contractor out at the Gordie Howe Bridge on certain parts of the contract. And that work will continue for a couple more years. And the original geotechnical engineer NTH Consultants, I think they started on that five, six plus years ago, looking at that. So some of these projects go on for a long, long time.

E

Ed Clemente 13:34

And I would imagine, too, that you have to have staff, so you mentioned architecture firms, but you have to have people who have architectural experience on your staff, so they can talk to each other to make sure, because either you're bringing in a best practices idea to tell them for something maybe they want to do that might have some challenges. So you can have that discussion, I guess.

M

Mark Kramer 13:59

Yeah, we have people with a lot of different experiences. And again, where we have areas of specialty, we do have architects on staff, and they do work with architecture design firms to help them with very specific issues like the team we have really focuses on building enclosure, and how to construct all the various things that have to go together to make sure the building stays watertight. And that's a unique specialty with a few people that we have. And so we help contractors and architects that are doing the project to review their things or help them with specific details and that kind of thing.

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Ed Clemente 14:44

So you might even come in as like a consultant just for one unique niche that you have expertise on your staff for

expertise on your staff for.

M

Mark Kramer 14:52

Yes, sometimes it's a very specific ask on a very specific thing. There's many times on some bigger projects where we bring all our services or many of our services together. The Marshall site, we're doing a bunch of different things out there. Jimmy John's, the stadium over in Utica, we're able to help with the design and help with the foundations and with the environmental conditions and really help Andy Appleby and that community create a gem, using a piece of property that had sat there for a long time and couldn't be developed, because there was a landfill on the property.

E

Ed Clemente 15:37

Yeah, yeah. And when that gets back to the sustainability thing. How much can property be decontaminated?

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Mark Kramer 15:48

Jimmy John's stadium, that ended up, we won awards for that. And that ended up being a perfect use for that piece of property. Because we're able to cover everything over with the fields, and it's open air. And so you dealt with a lot of the challenges and issues of the site to make, and it's a perfect location. I mean, you couldn't have you couldn't have picked a better place for a ballpark.

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Ed Clemente 16:15

I'm gonna give you a few more. And once again, our guest is Mark Kramer today. He works with SME, he's the head of it. So welcome to the show again, Mark. But one other question, too, I wanted to ask you. Do you guys do anything like international, obviously the Gordie Howe Bridge is somewhat international, but have you got any clients that because your expertise that you might have.

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Mark Kramer 16:37

Usually local clients, Ford, GM and some others who were down in Mexico a fair amount and Canada. In the past, we've done work for some private developers and people like GE Energy Systems, we did work over in Mongolia, and we did work in the Middle East, and again, for very specific talents that we had, that they couldn't hire locally that it was easier for us to travel with our equipment and do the evaluations that we needed to do.

E

Ed Clemente 17:13

So the next question, you probably have already touched on this a couple of times, but is there any future trends you see for your industry? Because I know, for example, when we were

talking about sustainability, that's like the biggest demand there is right now, to have staff that understand how to do that transition, the sustainable stuff, and the demand of the general public or government and all that stuff.

M

Mark Kramer 17:35

Yeah, there's a few really big interesting trends that are both challenges and opportunities. The need for infrastructure is significant. There's more and more people coming to the region. And the infrastructure is aging. So we have to replace and upgrade things. We're seeing a lot of reshoring of manufacturing and things like that. So we're seeing a lot of large projects, things that went offshore 10, 20, 30 years ago are coming back due to supply chain issues. So there's a lot of work going on right now, and a lot of need for construction, and infrastructure and engineers and architects. At the same time, we're having a brain drain. In the sense that the baby boomers are retiring and so in a lot of companies, we're seeing a lot of retirement, which is creating challenges in terms of both for ourselves, and the owners and the contractors, and having the talent and the people needed to do these really large, complicated projects. And then, there's less and less people going into STEM going into the universities. So there's a huge opportunity for people to come into our industry and help. The demand is significant, and the supply is less. At the same time you have technology, right? You have AI and digitization and there's a huge drive within the construction industry over the last four or five years, even before that, but really figuring out how do we make construction more productive? How do we bring technology to a fairly non technology based industry, right? So when you put those three together, there's a lot opportunity there. But there's also a lot of challenges. And you know, when you lose a lot of experience, you create a lot of risk in projects, because having a lot of good qualified people with experience makes the projects go easier. So it requires more training, more development, more oversight, to make things work.

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Ed Clemente 19:58

Yeah, that's sort of unusual. I didn't think about it that way as more stuff is coming back and more projects, and then we're having less people who probably fit the mold for what you need for these new projects. It's a big challenge.

M

Mark Kramer 20:12

The trades are having the same challenge, trying to get people into great jobs, well paying jobs, but they're having trouble attracting people. We look at what we do, and we have so much fun in what we do, because all we do all day long is help build things that help people, right? We build the roads, we help put in water lines and sewer lines, we help build the buildings that people are in or the houses that they're in, or the warehouses to get your Christmas gifts, right? I mean, all kinds of stuff. It's necessary and needed. But it's a challenge right now.

E

Ed Clemente 20:57

All right, your last two questions. What advice would you give your 17 year old self? Because

you kind of grew up in the business, though, I guess somewhat or no?

M

Mark Kramer 21:07

Yeah, my father didn't start our company. But my father was sent here from Chicago to open the office. And then he eventually took the company over. He had a falling out with the original founders. And so I grew up in the business. I took over back in 2001 when he was diagnosed with an early form of dementia. So I've been around a long time. So the advice that I would give myself and I try to give that to our team, and anybody that will listen to me. Engineers, and what we do is so important, but the stereotype is we're shy, quiet people, we're thinkers, right? We need to work on our communication skills and our confidence, right? We usually know the right answers and that, but we don't necessarily have the confidence to speak up and engage and get involved, we tend to sit back. You can be the best engineer in the world. But if you can't communicate and get your ideas across, you won't get things done. And so I wish, like I've learned so much now, over the last 20-30 years, that I could go back and tell myself, Hey, have more confidence in yourself. Really focus on your communications and your message, so that you can get a lot more of what you think is appropriate, or what you think should get done along the way. I learned through the school of hard knocks, right, being in a lot of meetings, a lot of conversations, but my life would have been so much easier if I would have just believed more of myself, and just had that ability to communicate my ideas.

E

Ed Clemente 21:13

Yeah, I think you could say that for a lot of fields actually.

M

Mark Kramer 22:59

Yeah, it's sort of it's generic, but I think it's really important to be able to get things done.

E

Ed Clemente 23:07

Yeah, no, it's good. So last question for you, is that you've lived in Michigan now a long time, your whole life, looks like. What's your favorite part of the state? Or what do you like doing best with your family or with?

M

Mark Kramer 23:23

I've lived here almost all my life. I went away to school in Arizona and lived in North Carolina for a while and Washington DC for a while and then came back when we had kids. I think there's so many great places and things to do, golf and skiing up north and I think right now my favorite thing to do is the pontoon boat out on the lake on a on a nice Saturday afternoon in the summer. With friends, I think that's pretty special. And there's so many places to do that, right?

E

Ed Clemente 23:58

Yeah, no, I think we have more lakes than Minnesota just so people know. They say they're the land of lakes, but we have more than them, I believe. Well, anyway, once again, I want to thank Mark Kramer, PE. He is the chair and CEO of SME. And, Mark, I know you're busy guy. We appreciate you taking the time to do this and sharing your insights with us and great to have you on. And

M

Mark Kramer 24:23

thanks so much for having me and I appreciate the opportunity to share my thoughts with you.

E

Ed Clemente 24:28

Join us next week where our guests will be Dan Wyatt. He is the chairman and president at the Edward Lowe Foundation, and Rodney Parkkonen. He's a small business consultant here at the MEDC and how they are assisting small businesses here in the state.

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Announcer 24:42

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