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BID BOSS

30-year industry veteran &
independent estimator
Jeff Eckes on what makes
bidding more bearable & how
to grow with technology

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6 HIGHLY REGRETTABLE,
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FROM THE EDITOR | Kathy Wells

On the cover this month is 30-year industry veteran Jeff Eckes. As an independent estimator, Eckes works with large, \$7 million-plus millwork companies, along with some top designers and architects in New York City, out of his office and shop in Newburg, New York. He spends hours preparing, checking and finalizing bids for his clients, which makes productivity and accuracy the keys to his success. Eckes also works as a senior estimator for Premium Millwork, where he uses advanced bidding software to meet project goals. "I have my digital tools running on four computer monitors. I can do a well-documented, \$500,000 millwork proposal in 6 hours," said Eckes. Check out "Bid Boss" on page 26 for Eckes's advice from the frontlines of bidding and estimating, including what makes bidding more bearable and how to grow with technology. Of course, Eckes isn't the only one using software and technology to provide accuracy in the industry, and there's more than one place to get it.

Bidding software can save substantial time and dramatically reduce the likelihood of oversights and calculation errors, so it's important to choose your software carefully. On page 30, "How to Find the Right Bidding Software" dives deep into some of the software platforms assisting contractors in generating more accurate bids, and in turn, more work.

Another perspective on bidding strategy comes from the team at Midwest-based Pepper Construction. For Pepper, the goal is "Estimating for Productivity, Profitability & Customer Service." According to Keith Dougherty, vice president of preconstruction at Pepper, "Model-based cost estimating is an important differentiator for us because it enhances understanding of our projects and communication with clients. When we can highlight an item in the estimate, and it highlights all relative items directly in the model, there is a level of transparency and reassurance for the client that we zeroed in on the full scope of the project." Turn to page 34 to learn how Pepper is improving its bids with database-driven numbers and project cost histories.

Happening later this month, we've partnered with Procore for "5 Things You Need to Know About Drones in Construction," a webinar that will provide the latest on one of the hottest technology topics right now—drones. We'll answer questions like: What is all the buzz about? How is this technology being used? What value do drones provide to project teams? Join us to hear about real drone program experiences from an industry expert, and learn how it could impact your business. The event takes place at 1 p.m. EST on Aug. 20, and registration is free at constructionbusinessowner.com/webinars.

Take good care,



In June, the CBO team attended the Construction Financial Management Association (CFMA) Annual Conference & Exhibition in Miami Beach, Florida. Turn to page 22 to read about the conference and the latest from CFMA.

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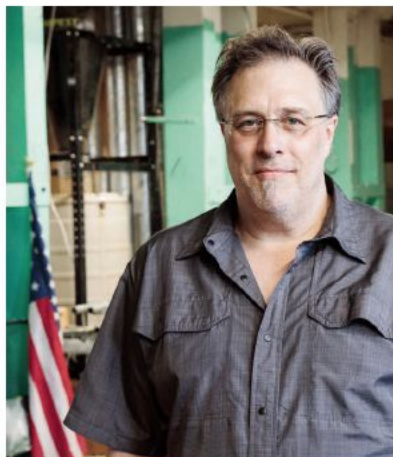
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AUGUST



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► Applied Software Hires Director of Manufacturing & 2 MEP Industries Directors

Applied Software, systems integrator for the architecture, engineering, construction and manufacturing industries, announced the addition of David Wolfe as its new director of manufacturing services. Wolfe will lead Applied Software's efforts to develop innovative CAD implementations and integration solutions for the piping industry. The company also announced the addition of two new directors. Adam Heon is the new director of electrical services, and Brett Stacks joins as director of fabrication for mechanical, electrical and plumbing (MEP) services. Heon will lead product development for eVolve, the company's add-on for Revit, as well as for future electrical products and services. Stacks has a history in the industry as a strategist, specializing in software used during MEP construction processes. He will leverage his experience to grow software and services solutions for the MEP industry. His initial focus will be on the Fab for Revit launch at Applied Software's Users Conference this month. Visit asti.com.

► Caterpillar Names Digital Enabled Solutions Vice President

Caterpillar Inc. announced that its board of directors has appointed Ogi Redzic as vice president of the company. He will lead Caterpillar's digital-enabled solutions division (DESD) and report to Group President of Customer and Dealer Support Bob De Lange. Redzic brings with him more than 20 years of global experience in delivering digital solutions like connected vehicles, digital services and autonomous technologies. DESD is comprised of the company's data analytics group, the enterprise data hub, equipment management tools, Cat Connect technologies and

customer experience portals. Caterpillar Vice President Julie Lagacy has led DESD on an interim basis; she will continue in her role as vice president of global information services. Visit caterpillar.com.

► Study Indicates Bright Future for US Commercial & Residential Construction Industry

The foreseeable future appears bright for general contractors working in commercial and residential construction, according to the 2018-2019 Vertical Market Series—Construction, a new study released by the Equipment Leasing & Finance Foundation (ELFF). The study provides an outlook on the United States construction market sector confidence, anticipated spending, and key developments and trends impacting the sector over the next 1 to 2 years. Commissioned by the ELFF and prepared by ORC International, the study indicates that the all-time high in construction spending in 2017 will carry through in 2018, with

software, announced five executive appointments in support of continued growth across the business. As VP of engineering, Sameer Merchant will oversee the engineering department, leading software development teams for product development and delivery. As VP of products, Steve Manning will develop and execute product strategy and road mapping. As VP of global customer success, Chuck Herbert will drive and maintain exceptional customer experiences throughout the entire life cycle of clients across the globe and build brand advocacy. As chief legal officer, Robert Tesler will be responsible for all things legal, with a focus on strategic business partnerships, mergers and acquisitions, commercial transactions, global legal affairs, compliance, and private and public equity offerings. As chief human resources (HR) officer, Linda Keala will lead the development and execution of HR strategy in alignment with key organizational goals and global talent priorities. Visit plangrid.com.

and field representatives in building relationships with dealerships, original equipment manufacturers (OEMs), body manufacturers, distributors and other industry contacts. Solano joins the company at a time when Work Truck Solutions introduces a simple way for dealerships to manage pricing and incentives; a social media ad-management solution; and a suite of solutions for body manufacturers and distributors. Visit worktrucksolutions.com.

► ABC Supply Co. Inc. Names Mike Jost Chief Operating Officer

ABC Supply Co. Inc. announced Mike Jost, vice president of operations, has been appointed chief operating officer. Jost will be responsible for the performance of ABC Supply branches across the country. His operations teams will also support L&W Supply branches, which were acquired by ABC Supply in 2016. Jost will continue to oversee ABC Supply's marketing and merchandising groups, as well as its real estate, education, fleet



Towmaster (Monroe Towmaster LLC) celebrates its 40th anniversary in flatbed equipment trailer manufacturing and its 10th anniversary in truck body manufacturing and truck equipment distribution. Last year, Towmaster was sold to Monroe Truck Equipment out of Monroe, Wisconsin, but retains its manufacturing facility and employees in Litchfield, Minnesota. Visit monroetowmaster.com.

predicted U.S. industry growth of 5 percent. It examines issues impacting the sector, including labor shortages, trade tariffs, corporate tax rate reductions, equipment acquisitions and technological developments. The study draws from a wide range of industry sources. Visit leasefoundation.org.

► PlanGrid Expands Executive Leadership Team

PlanGrid, producer of construction productivity

► Work Truck Solutions Announces VP of Sales

Work Truck Solutions announced that Tony Solano has joined the company as their VP of sales. Solano's previous experience in automotive dealership management software (DMS); software as a service (SaaS); and configure, price, quote (CPQ), make him qualified to lead the growth of Work Truck Solutions. Solano is responsible for leading in-house sales managers

and safety, and national business development teams. Jost joined ABC Supply in 2002 and has held several positions, including branch manager, managing partner, district manager and vice president of operations. He has a master's degree from George Washington University and bachelor's from the University of Virginia. Visit abcsupply.com.

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MARK DRURY
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Shapiro & Duncan Inc.

“Lewis Builders Inc.’s Carmel, California, location and proximity to Silicon Valley inspires us to stay ahead of the trends affecting our workplace and the homes we work on. Our four-member executive team (median age of 39) shares the belief that we must continually innovate and support progressive trends so that we continue to attract incoming generations (both employees and clients). So, we are intentional about several things:

- *Remote work*—We support two of our designers and our CFO to work remotely at least 50 percent of the time.
- *Cloud-based work*—CoConstruct’s construction management software allows us to do everything on the cloud, accessible via their mobile app. Other applications, like Expensify, manage our expenses, and soon, a quick response (QR) code app will manage our assets and inventory.
- *Progressive and green designs*—Universal design, smart home technology and green building are not only attractive to our target clientele, but they also are progressive trends that our team gets excited about.
- *Education and development*—We send members of our team to key conferences and software education seminars and pair them with experts.

“As the workforce has progressively transitioned to being comprised predominately of millennials, Sundt has had to adapt our onboarding and recruiting initiatives to align with the new generation. As leaders of our workforce development initiatives, which include recruiting, training and development, we’ve centered our efforts on developing progressive leadership programs that accelerate our early-career professionals. Consequently, we’ve focused our programs on developing strong communication skills, self-leadership, networking and strategic thinking; developed a robust internship program to prepare incoming generations; and implemented an onboarding program that exposes these individuals to who we are, what we do and why we do it.

To take this initiative even further, we’re training our mentors on how best to lead the next generation and the key attributes we need to work diligently on so that we provide an environment that is engaging, rewarding and safe.

Overall, it’s about providing purpose and an entrepreneurial mindset for this new generation, aligning their work (no matter what it is) with the organization’s strategy, and acknowledging how they are directly making a difference and having a significant impact within the organization.

“As an industry veteran, I have had the pleasure of working with five generations, from the Greatest Generation to Generation Z. Each has played a role in the development of my leadership skills.

Generalizations (both good and bad) are often tossed around describing every generation, and they are often true to the extent of that group of people experiencing the same world event(s), such as The Great Depression, the 60s, 9/11, the 21st century, which brought with it the smartphone, etc. It is important to provide opportunity for career growth and pathways to success, regardless of the assumptions made about their generation—a skill so timeless that all benefit from and appreciate it.

Through my working alongside and managing employees ranging so greatly in age, I have learned that to lead, you need to listen to and understand people, beyond their experience and capabilities. You must take the time to get to know them on a more personal level, know their passion. No matter the age of the individual, each employee has wisdom or expertise to offer. Leveraging each person’s strengths can have the greatest positive impact on a project, the company and the community as a whole, which leads to success for all.



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What's Shutting Off Your Profit Potential?

5 ways to stop your company's money leaks & blockages



GEORGE HEDLEY, CSP, CPBC, is a professional construction BIZCOACH and industry speaker. He helps contractors build management teams and get their businesses to work for them. He is the best-selling author of "Get Your Construction Business To Always Make A Profit!" available on amazon.com. Email George at gh@hardhatpresentations.com to sign up for his free e-newsletter, start a BIZCOACH program, attend a 2-day BIZ-BUILDER Boot Camp or get a discount at hardhatbizschool.com online university for contractors. Visit hardhatpresentations.com for more information.

Ask George

To submit a question for George Hedley, email Editor Kathy Wells at kwells@cahabamedia.com.

Imagine your company as a funnel with a shut-off valve controlling the flow of profit output. A steady flow of sales volume enters the funnel in the form of revenue. The funnel absorbs and reduces the profit output by paying invoices for job costs and overhead expenses. In addition, leaks cause some money to flow out of the funnel. The leftover flow is net profit cash exiting the end of the funnel into your equity account.

Now, imagine there's also a profit shut-off valve reducing the net profit output. Are any of your current company operations, systems, customers or people shutting off or reducing some positive profit flow potential? To open your flow of profit, you must take a hard look at what's slowing down the flow. The following are five ways you can repair and prevent some of the common problems causing leaks in your company, getting your net profit flowing again.

1. Stop bidding inaccurately.

Most companies don't know their current, exact overhead markup rate, can't keep accurate job cost history data and don't know their true production crew performance rates. To combat this ambiguity:

- Verify your overhead markup rate is accurate by calculating the total annual overhead expenses divided by projected total annual job costs.
- Ensure that your labor and burden rates are accurate by determining how many items one field worker

can install per hour.

- Bid using quantity per hour, not dollars per quantity (e.g., 25 square foot per hour for labor instead of \$2 per square foot for labor).
- Have the estimator review final job cost results with the foreman upon job completion to verify and update the bid production rates.
- Update your cost history library monthly to track bid rates versus actual production rates.
- Develop an estimating checklist of all items required (and often missed) when bidding jobs.

2. Stop tolerating profit margin fade.

Profit margin fade is caused by poor estimating, slow field production, incomplete bidding, ill-informed project managers, and/or superintendents and foremen prioritizing getting the job done over controlling costs. To get everyone on the same page:

- Make sure project managers and field supervisors know their budgets for labor production hours before they start work.
- Keep field supervisors informed weekly, using a production scorecard that shows job labor hours spent to date versus the budget, based on quantities installed.
- Have project managers prepare an updated monthly job cost report with costs to date, estimated cost to complete and estimated final cost.

- Make sure estimators and project managers are not overloaded, allowing them time to focus on generating accurate estimates and achieving project production and profit goals.

3. Stop doing free change orders.

Too many contractors do not capture revenue for many of the change orders they perform as a result of doing work without prior approval from customers. To keep this from happening:

- Proactively manage change orders. This must be a top priority for project managers, field supervisors and foreman.
- Never do work without a signed authorization to proceed.
- Develop a standard change order time and material rate sheet. Detailed rates must cover all your labor costs per the contract, including supervision, trucks, equipment, tools, supplies, move-on and -off costs, insurance, temporary requirements, power, barricades, etc.

4. Stop going over your budget.

Often, superintendents and foreman are too busy with scheduling, logistics and customers to focus on keeping labor costs on budget. To stop this profit leak:

- Assign someone in your company to be fully responsible for achieving field production goals.
- Implement a weekly job cost scorecard tracking system.
- Make sure someone visits jobs two days before you send crews to start working on the project.
- Make sure field supervisors complete walk-through inspections with customers, discussing photos and interim punch lists before crews move on to other jobs.
- Set company standards for crew rules, including equipment maintenance, tool



management, truck or bin inventory, job hours, start and finish times, lunch and break time standards, smoking, music, dogs, cleanup, etc.

- Never allow foreman to authorize overtime unless it's in the job budget and approved by their supervisor before noon the same day.
- Never let the foreman leave jobsites to go to the hardware store or supply house. If required, send a journeyman.
- Have every field supervisor and foreman submit a 2-week, look-ahead schedule every Friday to be reviewed with the project manager.
- Require all foreman and superintendents to attend a weekly company field scorecard meeting, in which everyone reviews their individual job results together to focus on hitting production labor goals.

5. Stop taking the wrong projects.

Contractors often continue to keep bidding and winning contracts with the same customers and project types, even when there are better opportunities with higher margins. To procure the right customers and projects:

- Develop a target list by determining which customer and project types will give your company the best opportunity to win more work at higher margins.
- Start a customer and project type tracking spreadsheet, showing which give you more work, you don't want to work for, never ask you to cut your bid, treat you fairly, have good supervision, pay appropriately and on time, nitpick change orders, and have the best long-term potential.
- Keep track of your bid/win/lose ratio to determine which customers and projects allow you to have the most success.
- Start a program to target customers with whom you want to build loyal relationships.
- Set a standard weekly meeting to determine which jobs to bid on based on the profit potential.

Only you can decide to do something about reaching your profit potential. These five steps can serve as the tools that help you repair the problem areas and prevent future profit leaks within your company's systems. **CBO**

The Disaster Artist

Examining what causes the failure of a business at its peak



GREGG M. SCHOPPMAN

is a consultant with FMI Corporation, management consultants and investment bankers for the construction industry. Schoppman specializes in the areas of productivity and project management. He also leads FMI's project management consulting practice. Prior to joining FMI, Schoppman served as a senior project manager for a general contracting firm in central Florida. He has completed complex construction projects in the medical, pharmaceutical, office, heavy civil, industrial, manufacturing and multifamily markets. He holds a bachelor's degree and master's degree in civil engineering, as well as a Master's of Business Administration. Schoppman has expertise in numerous contract delivery methods, as well as knowledge of many geographical markets. Visit fminet.com or contact Schoppman by email at gschoppman@fminet.com.

Revenue is booming, and times are swell for many construction organizations. What could possibly go wrong? Many leaders in the industry believe that the most challenging aspect businesses face currently is the availability of personnel. However, this cycle has played out several times before, and the conclusion is always the same: Undisciplined management and a lack of good strategy lead to failure.

In 2007, FMI Corporation released a groundbreaking study titled "Why Large Contractors Fail: A Causal Analysis of Large Contractor Bankruptcies." The study was a deep examination of more than 30 large engineering and construction companies that neglected to search for the root causes of their decline before failing. While each of the participating business owners had their own reasons for failure, the majority of factors could be summarized into three common key areas:

- *Strategy*—Unrealistic growth, volume obsession, etc.
- *Organization*—Poor cash flow, operational inefficiencies, legal problems, etc.
- *Factors beyond control*—Banking or bonding issues, poor economic conditions, etc.

Business owners' fixation with the last item remains a curiosity. Many view this item as the primary cause for failure when, according to the study, misguided strategy

and poor organizational performance were the leading causes of failure, and factors beyond control were simply exacerbating factors. In other words, it is always easier to blame the economy than it is to admit the role of poor leadership when a business falters.

Yet, the cycle continues to play out. Contractors are once again seeing record highs in many categories, both good and bad. With strong revenue comes increased risks due to higher receivables and demands for cash and time.

Construction companies should use their current position and internal inventory to benchmark against not only superior companies, but also against their own risk profile.

THE TALENT

Often, leaders say, "If we only had more people, we could do more." In fact, the talent crunch has served as a de facto governor for some business owners, allowing them to live within their means.

However, it often becomes hard to say no when saying yes to customers feels so good. And thus, the cycle begins. Companies acquire more work and end up shelving their strategic plan for growth and the development of people in favor of engaging new talent and unproven entities.

For example, a snapshot of what happens during this process usually includes the following events:

1. New, unplanned work is acquired.

2. The company hires free agents to complete the new work.
3. The new hires lack connection to company culture and/or require training to execute correctly
4. Project losses occur due to lack of training, accountability, etc.
5. More work is acquired to offset losses or a lack of discipline.
6. The cycle begins again.

More revenue is not a bad thing. In fact, this catalyst for growth—when handled correctly—is a good thing for the company, helping every aspect of the business grow and improve.

As the aforementioned FMI study indicated, it is the lack of discipline that leads to negative reactionary behavior. Of course, the contrarian argument is, “How do you say no to a customer?” There is no easy way to say no, whether it is by providing a hefty price tag or simply being honest with a customer about your capabilities. But, the corollary of failing to execute selectiveness will usually have graver consequences.

THE PLAYBOOK

Leaders talk about training and development often, but true talent maturation is less about sitting in a classroom and more about having a script that the team can practically apply to their jobs.

Hiring free agents is beneficial to the company in many cases because they bring a new breath of air to the organization; however, they also bring in a new set of negative behaviors that can be challenging to break. In the absence of an operational model, free agents will default to their old ways (good or bad).

More importantly, without accountability to a companywide standard, it is easy to rack up losses through inefficiencies, weak change order management and an

overall lack of proactiveness. This does not mean that companies shouldn't train. Rather, it means that training should be focused to reinforce the right behaviors within the company. Professional development should never stop, even when firms are busy. In fact, waiting for slow times to conduct training is counterproductive and once again, reactionary.

THE MONEY

“Cash is king,” is the mantra usually pounded into leaders on the part of bonders, bankers, financiers, experts, consultants, etc. This should resonate clearly, but the influx of workload volume often distorts perspective.

Working capital should be an element of every leader's dashboard, but it is often relegated to the margins while the obsession with volume and profitability dominates the business.

Profitability is vital, but without cash, companies become unsteady, finding themselves floundering as they overextend their line of credit, loosely manage collections and witness the reduction of assets resulting from poor operational performance.

There will always be economic cycles that thin the industry pool. However, it is ignorant and misguided to blame every downfall on external environmental factors. There have been countless businesses that defied conventional wisdom and thrived during years of recession.

Whether they became lean and efficient, or simply had a good strategy, many were more profitable during these times of scarcity than when volume flowed freely.

To achieve the same, business owners should pair strategy and operational performance, and, more importantly, execute discipline and commitment to avoid the disaster trap. **CBO**

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VIEWPOINT



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Common Licensing Pitfalls

6 highly regrettable, totally avoidable mistakes



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States are cracking down on unlicensed contracting, implementing everything from sting operations and construction site sweeps to consumer hotlines that identify unqualified or fraudulent operators. But professional, licensed contractors can also be cited for unlicensed practice due to innocent mistakes and quirks made during state licensing processes.

Contractors face some of the most complicated, lengthy licensing requirements of all regulated industries. With so many documents to assemble and so much variety in the requirements from one jurisdiction to the next, it is very easy to make an error on a form or to complete a step out of order. When that happens, the state just rejects the application, kicking it back to you and starting the process all over again. This process of revising and resubmitting an application can take up valuable time. Waiting to submit a proposal; playing catch-up on the licensing for a job you've bid on or won (a serious mistake); or experiencing a license lapse in the midst of a project can result in major disruptions and financial losses. The following are areas that frequently cause licensing challenges for contractors and best practices to reduce your risk.

1. EXPERIENCE DOCUMENTATION

One of the biggest causes of rejections is a lack of specifics in the contractor's experience documentation. States generally require verification of five to ten years of consecutive experience, and this

verification has to come from people the contractor has worked with. Very often, contractors will submit a summary stating that work was completed for a certain person, on a certain project or during a certain period of time, and that's not specific enough. The state wants to know the scope of work, what specific tasks were completed and what role the applicant played in those tasks.

This creates a challenge for contractors because the state wants to see a specific period of continuous experience. Contractors cannot verify their own experience, and it can be difficult to find a client or contractor who can speak about their previous work with precision. But it's essential that contractors pay close attention to those requirements and provide detailed descriptions of their work to avoid a rejected application.

2. WORKERS' COMPENSATION

Workers' compensation is another aspect of licensing that can cause problems for contractors. For example, consider a client of mine who is waiting to submit a proposal for a major project in Indiana. Because the contractor is based in another state, they don't need workers' compensation coverage in Indiana, but they still have to file an exemption, and the review is taking weeks.

Often, contractors aren't aware of the exemption requirement. They submit the license application, it gets rejected, and only then do they realize they have to

double back and file this lengthy exemption application first. Contractors generally aren't penciling in time for that as part of their prospecting plans. Without knowing the nuances of the process in each state, it's hard for contractors to anticipate the timing and plan accordingly.

Contractors are also frequently unaware that workers' compensation exemptions generally need to be renewed. For example, I recently received a call from a contractor whose license had been suspended. He was in the middle of a project in California, and he had failed to renew the exemption on time. It was late on a Friday night, and the contractor needed the suspension lifted as soon as possible so that he could continue working. Luckily, this issue was resolved quickly, but such resolution is rare.

3. TESTING REQUIREMENTS

Another major cause of rejections and delays is failure to follow testing and licensing steps in the correct order. In some states, the contractor has to get approval from the board to take the test; in others, the test comes first. If you're used to working in a state where things are done one way, and then you start the application process the same way in a new state, you may wind up with a rejection, losing precious weeks on a project. The only remedy for this is to thoroughly research requirements of the state's contractors board and the secretary of state side by side before beginning any filings.

4. BONDS & INSURANCE POLICIES

Contractors are frequently tripped up by bond requirements. In many states, bonds must include language specific to the state. For example, the bond might need to note that it covers work done within the state of New York. If a contractor submits a license package with a bond that doesn't include

the precise wording, the entire package may come back rejected. The same happens with insurance policies. When submitting a bond or insurance policy, be sure to thoroughly review the requirements of the jurisdiction, which takes less time than dealing with a rejected application.

5. COMPETING OUT OF SCOPE

Another common cause of unlicensed activity is simply bidding or completing projects that fall outside of your license classifications and licensed specialties. Acting as a general contractor when you have only a specialty contractor license, or vice versa, is a common cause of citations. Ensure that you have qualifiers licensed in all specialties of work you are performing. With different requirements in each jurisdiction, it's important to do your research and be certain that your license meets the requirements for the prospective project within that jurisdiction. If you are working with subcontractors, it's also critical to ensure that their licenses are active, since, in many jurisdictions, contracting with an unlicensed subcontractor carries the same penalty as operating without a license yourself. If you're bidding in a new territory, your

licenses generally need to be active before you advertise or submit proposals for work.

Since unlicensed contracting is a violation of the law, subject to criminal charges in many states, bidding without a license where one is required is not a risk worth taking. Licenses (and citations) are a matter of public record, and your competition can easily see if you are licensed to bid on an upcoming project. In fact, many citations result from whistleblower reports submitted by competing contractors.

6. NAME REQUIREMENTS

Contractors sometimes fail to realize that their company name in contracts, licenses and other documents needs to be exactly the same as their legal name on file with the secretary of state. Using a variation of the name can lead to charges that the business entity is unlicensed.

Contractors know it's always faster and better to build something right the first time, and your licensing is no different. By taking time to research and meet regulatory requirements where you bid and provide services, you lay a strong foundation for your business's future success. **CBO**



Protecting Your Business from Hacker-Generated Losses

11 areas of cyber insurance you should know more about

BY JEFF CAVIGNAC

Twenty years ago, no one had heard of cyber insurance, and a hacker was someone with a cough. As recently as 10 years ago, many people still did not know how exposed they were to clandestine attacks on their data.

Today, however, just about every business owner knows that their data is at risk and that the cost of a breach can be monumental. Data breaches occur every day, and not only to large companies like Yahoo, eBay Inc., JP Morgan, Chase and Home Depot Inc. Every company is at risk—big or small. Small Business Trends magazine estimates that 43 percent of cyberattacks focus on small businesses (those with 100 employees or fewer) and that 60 percent of small businesses close their doors within six months of a cyberattack. These are unsettling statistics, to say the least.

Unfortunately, the “It won’t happen to me” attitude is still prevalent, and many businesses, especially small ones, are not allocating any funds for prevention. The good news is that insurance is available, under which coverage is fairly broad, and costs are reasonable.

WHAT DOES IT COVER?

The term “cyber” implies coverage for incidents that involve electronic hacking or online activities, when in fact, this product is much broader, covering private data and



communications in many different formats (paper, digital files, etc.). While all cyber policies are different, a well-constructed policy will include a number of first- and third-party coverages. Ideally, your company’s policy would provide protection for:

1. *Privacy liability or security breach*

expenses—Privacy liability coverage should include the unauthorized release of personally identifiable information (PII) and protected health information (PHI), as well as

corporate confidential information and programming errors that result in the disclosure of PII. Covered expenses include costs incurred to notify others that their personal information has been compromised, including overtime salaries paid to employees dealing with the issue; hiring a company to operate a call center; post-event credit monitoring services; and other reasonable expenses.

2. *Security breach response coverage*

Data breaches, privacy violations & other hacker-generated losses are not going away. Cyber thieves are getting more sophisticated, & every business is exposed.

expenses (public relations expenses)—

This is a first-party coverage that reimburses costs incurred in the event of a security breach of personal, nonpublic information pertaining to customers or employees. It might include the hiring of a public relations consultant to help avert or mitigate damage to the insured's brand. It could also include costs, such as information technology (IT) forensics, customer notifications and first-party legal expenses to determine the insured's obligations under applicable privacy regulations.

3. *Security liability insurance*—This

policy specification provides coverage for the inability of an authorized third party to gain access to the insured's computer systems; the failure to prevent unauthorized access to or use of a computer system and/or false communications, such as phishing (email hacking) that result in corruption, deletion or damage of electronic data, theft of data and denial of service; attacks against websites or computer systems of a third party; and liability associated with the insured's failure to prevent transmission of malicious code from the company computer system to a third party's computer system.

4. *Privacy regulatory expenses*—In the event that a regulatory claim alleging a privacy breach or a violation of a federal, state, local or foreign statute/regulation with respect to privacy is made against you, this extends coverage for both legal defense costs and the resulting fines or penalties emanating from their aid.

5. *Multimedia liability*—Under this provision, there is coverage for costs related to allegations that include defamation, libel, slander, emotional distress, invasion of the right to privacy, copyright and other forms of intellectual property infringement



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(patents excluded) in the course of your company's communication of media content in electronic or nonelectronic forms.

6. *Cyber extortion and ransom*—To avert potential damage threatened against the insured, such as the introduction of malicious code, system interruption, data corruption or destruction/dissemination of personal or confidential corporate information, the extortion and ransom coverage protects you from payments to a "bad guy."
7. *Business income loss and digital asset restoration*—A security compromise that leads to the failure or disruption of a computer system or an authorized third party's inability to access a computer system may cause lost earnings and extra expenses for both the third party and you. Often, this is one of the most significant costs, along with costs to restore or recreate digital (not hardware) assets to their pre-loss state. All of these expenses are covered under this portion of the policy.
8. *Website publishing liability*—Nearly everyone has a website these days. This coverage protects you from liability arising out of information posted on your website, which might include actual or alleged misstatements; infringement of another's copyright, trademark, etc.; or violation of a person's right to privacy.
9. *PCI-DSS assessment exposures*—The Payment Card Industry Data Security Standard (PCI-DSS) was established in 2006 through a collaboration of the major credit card brands as a means of bringing standardized security best practices for the secure processing of credit card transactions. Merchants and service providers must adhere to certain goals and requirements in order to be PCI-compliant, and under specific agreements, may subject the insured to an assessment for breach of

such terms. This aspect of the policy covers any unfortunate missteps in this area on the part of your company.

10. *Cyber deception or social engineering*—The intentional misleading of the insured by means of a dishonest misrepresentation of a material fact contained or conveyed within an electronic or telephonic communication and that is relied upon by the insured believing it to be genuine (spear phishing) can cost you, but this policy detail covers those expenses.
11. *Computer fraud and funds transfer fraud*—Both of these coverages pertain to theft of your assets by manipulation of your computer system or the computer system of your bank. These should be included as part of a comprehensive crime program; accordingly, they cannot be discussed in detail here. Be sure to ask your insurer about the proper steps to take.

One advantage of a cyber insurance product is the help line they provide. Most businesses that are hacked have never been hacked before, and the ability to speak with a consultant or attorney who specializes in data breach events is hugely beneficial. Additionally, the cost of cyber insurance is fairly modest. While prices vary depending on the type of business, most small businesses can expect to pay from \$3,000 to \$6,000 per year for \$1 million of coverage. Rates for medium- and large-size businesses will be higher but are still quite reasonable based on the exposure.

Data breaches, privacy violations and other hacker-generated losses are not going away. Cyber thieves are getting more sophisticated, and every business is exposed. At a minimum, your company should complete a cyber insurance application and obtain a quote. Even if you elect not to buy the coverage, completing the application will provide insight on how you can manage the exposure. **CBO**

THE COST OF A BREACH

The cost of a data breach for any company can be expensive. A 2017 Ponemon Institute and IBM Security study found that the average cost per compromised record in the United States was \$225. Depending on the number of records breached, costs can run from the tens of thousands to \$1 million or more.

The costs continue to add up after a breach, from investigations and legal fees to remediation, averaging \$1.56 million in the U.S. Once a breach occurs, companies still have a 1 in 4 chance of suffering another breach within 2 years. Some companies might consider taking out cyber insurance to defray any costs associated with a breach.

Getting cybersecurity right at construction companies requires a cultural shift. The good news is that many construction companies already have the template in place to make this shift—their safety programs. The same approach should be used to facilitate cyber awareness and best practices across your organization. With executive leadership mandating security awareness and training, the industry can make tremendous progress in addressing this growing problem.

Source: "What You Can Do to Improve Your Company's Cybersecurity" by Shane Brown, constructionbusinessowner.com



Read more online

For more articles on cybersecurity, visit constructionbusinessowner.com/technology.

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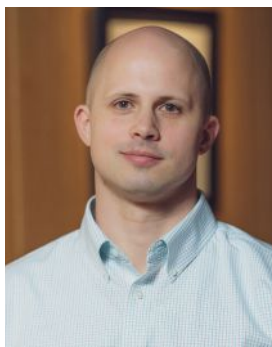
3 main ingredients in Colantonio Inc.'s recipe for success

BY GREGG M. SCHOPPMAN

As one of the largest industries worldwide, there is no shortage of great construction organizations outperforming year after year. However, there are a few companies that build a strong legacy of performance with a team that not only has created a superior culture, but also serves as a magnet in their market, geography and niches. The competition looks at these industry icons and often seeks to capture their “lightning in a bottle.”

In fact, authors of case studies, articles, books and exposes feverishly attempt to distill the attributes and strengths into some practical formula that can be replicated. Alas, there are many companies that try to assimilate ideas conceptually and ultimately fail to create enduring organizations. They look for the secret recipe through business gurus and technological innovations, only to fall short.

Colantonio Inc. is a construction company that has the secret recipe and recognizes the simplicity of its ingredients. This organization has grown from a \$20-million business—in the midst of one of the worst economic recessions in United States history—to an over \$65-million business. More important than the revenue growth is the company's ability to drive consistent, best-in-class financial performance, reflected in its margins, which are approximately three



Christopher Powers, CSI CDT, Vice President (left); Francis Colantonio, Chairman and CEO (center); George Willwerth, President (right)

to four percentage points higher than the industry average. Success begets success, and Colantonio Inc. understands how important it is to become a magnet for talent as one of the most attractive firms in the marketplace.

One imperative Colantonio Inc. focuses on is setting the right tone from the start. “You only have one chance to make a great first impression, so you need that impression to be favorable for you. Every day, you are making a first impression on someone,” said Francis Colantonio, chairman and CEO. “The only difference between a good first impression and a great first impression is the amount of effort you are willing to put into it.” However, this is just one element of the company's success.

The most fascinating aspect of this particular business is not some complex algorithm or technological game changer that created a competitive advantage. The simplicity of Colantonio Inc.'s strategy is ingenious. Colantonio and his team follow a simple, tried and true recipe, consisting of three ingredients:

1. Smart bid science
2. Superior client relationships
3. Talented people

1. SMART BID SCIENCE

When times are good, there never seems to be a shortage of work. In fact, for most contractors, there is often more work in the market than they can adequately and profitably take on, leading to poor

decision-making when it comes to choosing which projects to bid on.

Bid science is not some complex formula that supersedes focus on business development. Rather, it is about making the right decisions concerning what to bid and how to bid. Colantonio not only subscribes to this foundational mantra, but has also made it a critical aspect of the company's strategy. For instance, the organization's strategic perspective is focusing on the "dirty jobs." This is not a nod to Mike Rowe's docuseries, but rather an embodiment of projects that often have a myriad of complexities and challenges.

While many managers would love to take the easy projects, Colantonio Inc. focuses on the unconventional projects where it can leverage its superior construction acumen to solve client problems, deal with ambiguity and finish strong. The organization makes a strategic commitment to be proactive problem-solvers.

It might sound trite, but many companies steer clear of the dirty work and view it as an unnecessary risk. Having a strategy and maintaining the discipline to hold to that strategy is key.

2. SUPERIOR CLIENT RELATIONSHIPS

Many contractors make the mistake of targeting projects and viewing them as "one-offs," rather than one step in a life-long relationship. Additionally, there are many companies that view themselves as customer-centric, but lack the authenticity of operating as if that is a top value.

Colantonio Inc. not only strives for superior service, but is almost fanatical in its obsession to track specific customer feedback metrics. The leadership actively solicits its feedback on company performance. The proof is in the numbers—Colantonio Inc. has a 98-percent favorability rating, and over 70 percent of its clients have become serial buyers. Most importantly, the team integrates this feedback into its operational model to create lasting change. Far too

many organizations ask for feedback and then fail to act, frustrating customers and driving them to the competition.

To drive superior customer service, Colantonio Inc. begins all projects with a healthy dose of homework. According to Colantonio, "We do our homework long before we meet with owners. For example, we went in for an interview with a public school, and while we were responding to the request for quote (RFQ), we went online and researched each committee member. We also found that all the committee meetings were recorded. So, we viewed all 36 meetings to find the 'hot buttons' so that we could tailor our interview with responses to each concern the committee had. After the interview, the committee asked, 'How do you know so much about our project?'"

Taking it one step further, the organization uses this information in how it delivers its projects successfully. Managers and superintendents never hide the truth. While it is challenging, these associates ensure they tell the customer what they need to hear and not what they want to hear. In the end, each Colantonio Inc. customer feels as if they have a customized solution suited to their needs instead of some one-size-fits-all, canned proposal.

3. TALENTED PEOPLE

Regardless of how far the construction industry pushes toward increasing the use of technology, the most important building block is the people. Many companies claim this mantra, but fail to capture the minds and souls of its associates.

Colantonio Inc. is not the largest firm, nor is it a household name. However, the business not only focuses on creating raving fans among its customer base, but also creating raving fans internally. Loyalty in the industry often appears fleeting, but Colantonio has repeatedly demonstrated his commitment to his team, even when the short-term solution seemed to be the best fiscal response.

When asked about his decision to retain team members during a short-term lapse in backlog, Colantonio said his associates have families, mortgages, bills, etc. It is one thing to stare down a recession, but it is another to help loyal associates through several weeks while a new series of projects are beginning.

Many executives see the income statement and balance sheet as dogma, while Colantonio's CEO realizes the importance of human capital, especially in an industry that always seems to struggle with finding talent. Colantonio follows the golden rule: Do unto others as you would have them do unto you. The same is true in the board room and in the field.

Many of the same team members have been with Colantonio Inc. for years, which has enabled the company to build a strong brand. Additionally, Colantonio Inc. has become a magnet in its region. While it does not hire cavalcades of people, it makes sure it has the right ones. These new associates become indoctrinated in the company's culture, and rightly so.

There is no shortage of recipes for success, and there is hardly a patent or copyright on Colantonio Inc.'s model. However, fakers abound, and many fail to replicate this model because they lack the discipline to execute it. Colantonio Inc.'s secret is one that all organizations would be wise to adopt. As with any good recipe, the ingredients are few and simple, but they must be of the highest quality to make something great. **CBO**

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Reach Out, Branch Out, Top Out

CFMA's 2018 conference supports education & progress

BY KATHY WELLS

The Construction Financial Management Association (CFMA) held its Annual Conference & Exhibition June 23-27, 2018, at the Fountainebleau Miami Beach in Miami Beach, Florida. Since beginning in 1981, CFMA has focused on the educational interests and needs of construction financial professionals and the industry partners who serve those needs. Represented in membership by varying types of contractors, CFMA currently serves more than 8,200 members in 98 chapters throughout the United States and Canada. In its seventh consecutive year of record-breaking attendance, this year's conference hosted 1,403 attendees. A breakdown of attendees by position/role revealed the majority included controllers (25 percent), CEOs (20 percent), vice presidents (10 percent) and accounting (8 percent). Others included surety, information technology, human resources, risk, etc. (37 percent).

According to Stuart Binstock, CFMA president and CEO, "Our goal this year, like every year, is to put on a content-rich conference with a variety of topics. This year, we wanted to include more intermediate and advanced courses." This year's agenda featured four dynamic general sessions, five ignite sessions, 11 mini-conferences, 42 breakout sessions—including six advanced sessions, eight dawn peer



groups, and several social events and networking opportunities.

The theme "Reach Out, Branch Out, Top Out," according to Binstock, symbolizes "a path toward building professional success and looking at opportunities to reach out and branch out in the education and networking needed to achieve goals. However, the 'branching out' apex doesn't correlate to the end of the path; rather, it serves to point toward a new path to undertake and begin the process anew." To address the conference theme, Joe McLaughlin, CPA, CCIFP and 2018-2019 CFMA chairman, explained that in construction,

a building is "topped out" when the last beam is placed. Because this is only one milestone in the progress of a much larger project, McLaughlin encouraged attendees to continue to make reachable goals, face challenges and ask for help when they need it. A large part of the work CFMA does involves providing help—whether it's help to members by way of its educational opportunities, or help to others through its charitable efforts.

CFMA's 21st Annual Golf Tournament and Fun in the Sun 5K Walk Run benefited Construction Angels, a South Florida-based nonprofit organization that facilitates

access to financial services for immediate surviving family members of construction workers who have lost their lives while working on a jobsite.

Every year, CFMA presents a series of awards to outstanding members. This year, Kimberly A. Hullfish, CCIFP, received the 2018 Joe Quigley Memorial Award recognizing chapter participation and activity. Joe Burkett, CCIFP, received the 2018 Debra Hahn Memorial Award recognizing CFMA participation and activity on both the chapter and CFMA organization-wide levels. Herbert W. Brownnett, CCIFP, received the Danny B. Parrish Outstanding Leadership Award. Cal Beyer received the Chairman's Award for exhibiting extraordinary performance in one or more CFMA initiatives.

Educational sessions covered a range of topics. "The CFM Challenge gamification session was our first offering in the gamification space; it was interactive, fun and

educational," said Binstock. Among others, the "Active Shooter: Are You Prepared?," "Mock Trial: Change Dispute Between a General Contractor & Subcontractor," "Top 10 Contractor Tax Mistakes" and "Death of a Contractor" sessions were also popular.

Shaun Ross is a surety account analyst at Liberty Mutual Surety, where he is part of a team that provides management and strategic consulting to the contractors it underwrites. "We've had a representative attend since 2012. This was the first year we exhibited and sponsored," said Ross. As a 4-year member of the Philadelphia, Pennsylvania, chapter, Ross says strong educational content is what keeps him coming back. A session titled "Understanding the Fraud Life Cycle: A Former FBI Agent Tells All" held the most impact for him this year. Presenter Vic Hartman, J.D., CPA/CFF, CFE, is an attorney at The Hartman Firm LLC in Atlanta, Georgia, and formerly an

FBI special agent for 25 years. He also played leadership roles in both the Enron and WorldCom investigations. In the session, Hartman shared the motivations, causes and effects of fraud and corruption.

General sessions included presentations from Robyn Benincasa, Dr. Tasha Eurich, Anirban Basu and James Benham, covering topics, including "Why Winners Win," "3 Behaviors of Self-Aware CFOs," "Economic Update" and "Construction Disruption," respectively. "The information presented and the quality of speakers provides a well-rounded and relevant overview of the industry," said Ross.

The 2019 conference will be held June 1-5 at The Cosmopolitan of Las Vegas in Las Vegas, Nevada. Visit cfma.org to register and get more information. **CBO**

Kathy Wells is the editor of Construction Business Owner magazine.



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Bid Boss

30-year industry veteran & independent estimator Jeff Eckes on what makes bidding more bearable & how to grow with technology

By Conley Smith

For most independent estimators, bid day isn't (as the name suggests) one, crazy day that revolves around a single, prospective job. Unlike general contractors (GCs), who run a team of people grinding out final numbers, these estimators have rolling deadlines and proposals due daily, making every day bid day.

For an up-close look at the evolving GC-subcontractor relationship, I sat down with construction veteran Jeff Eckes to discuss bidding and estimating. With nearly three decades of experience as both a GC and subcontractor, Eckes has been in woodworking since age 9. Today, he's acting senior estimator for Premium Millwork (Premium), operating mainly in the New York City area. Our discussion yielded some fascinating insights into how GCs are currently offering increased collaboration and leveling of projects for subcontractors.

CS: What's your background in construction and what do you do now?

JE: Today, I'm an independent estimator for millwork—mainly for one company, Premium—using 100-percent digital tools. However, I've had the advantage of experiencing estimating from both sides of the table. After the economic downturn in 2008, I left millwork and started a new company as a residential GC. Later, I was recruited back into millwork estimating. Today, I'm a rarity in our industry—an independent estimator, working with large, \$7 million-plus

millwork companies (like Premium), along with some of the top designers and architects in New York City.

CS: Describe your typical bid day and what goes into your bid prep.

JE: I have my digital tools running on four computer monitors. I can do a well-documented, \$500,000 millwork proposal in 6 hours. The great thing about going digital is that I can quickly jump from one proposal to the next, using separate databases for different companies as necessary. I'm always waiting for a price or confirmation from a subcontractor, so using digital tools helps me work efficiently from one deadline to the next. On any given day, I may have one proposal due, with the possibility of two the following day. So, every day is bid day for me, which is much different from my days as a GC.

CS: As a subcontractor, what makes bidding more difficult, and how do you overcome these challenges?

JE: With rolling deadlines, I'm always scratching for missing information. I may have up to five subcontractors on a job, so I lean on other people to get my bids out—just like a GC. Receiving late information and trying to get answers to my questions can be frustrating. It all comes down to organization. My digital tools allow me to print reports that show both when I asked for and when I





received information. The ability to paste drawings into email allows me to get answers quickly, which is very helpful.

Since millworkers are usually the last ones in the door on a project, escalation costs have become a big problem. As a result, GCs are allowing us to use “time of completion” wording in our bids rather than “time to complete.” This helps a great deal with the mitigation of risks.

CS: What are the keys to winning the job on bid day?

JE: Along with organization, having a polished, professional proposal with a clear and concise executive summary is paramount. An organized proposal means an organized project. You can instill confidence in the GC and owner when you show a level of understanding in the bid sheet and scope. I try to show and explain each condition. To offer this level of detail, I may need to pick up the phone and track information down. Sure, people may ignore your emails, but when you call and ask them to dig through their inbox, you’ll usually get the answers you need.

It’s also about relationships. Whether it’s a supplier or a GC, the more you work with someone and become familiar with them, the less you have to talk. Often, you will win the project because GCs know you’re reliable, but I’ve learned that you need to pay attention to new opportunities as well. I once nearly lost a \$600,000 job, as I feared placing a bid because I wasn’t familiar with the client. Consequently, I learned that you can’t limit yourself to only working with people you know. Every now and then, you should bid on a random project that comes over the transom.

“Digital tools have radically changed my job.

Now, I can look at 150 pages of plans & review a proposal in 20 minutes; whereas before, I had to invest the time & expense of printing plans first. If you want to be relevant in this business, you must embrace digital tools sooner rather than later.”

CS: When it comes to bidding and winning jobs today, what has changed the most in the GC-subcontractor relationship versus 10 years ago?

JE: We are seeing more collaboration and transparency in the leveling of projects. The business is still competitive, but not as adversarial. This is partly due to the scarcity of millwork shops—50 percent in the Northeast went out of business after 2008. GCs don’t want to see an estimator miss project details, get hired on a multimillion-dollar project and put themselves out of business during the process of completing the project. Just the cost of finding another millwork shop at the last minute is enough to make GCs think twice. With the trend toward guaranteed maximum price (GMP) projects, you have the perfect environment for encouraging collaboration.

We also see small jobs given to subcontractors, whom GCs are helping to develop throughout the project. I’ve been part of some positive conferences, in which owners acknowledge that the project will be behind schedule, so they allow—even encourage—us to write in up to 25 percent of overtime.

Of course, the biggest change over the last decade is the lack of plan details. It’s getting worse, and subcontractors are starting to push back. We get a lot of incomplete bid plans as owners try to determine the project viability and save money on preconstruction costs.

Of course, digital tools have radically changed my job. Now, I can look at 150 pages of plans and review a proposal in 20 minutes; whereas before, I had to invest the time and expense of printing plans first. If you want to be relevant in this business, you must embrace digital tools sooner rather than later. **CBO**



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How to Find the Right Bidding Software

Why you should consider kicking Excel to the curb & bringing in a new solution

By Deborah R. Huso

Matt Vetter, vice president of Schafer Construction Inc., has tried a multitude of bidding tools over the years, with varying degrees of success. But, because his Brighton, Michigan-based firm is relatively small, he admits that “the tremendous learning curve and time commitment” involved in getting his team up to speed with an estimating software solution has not been a high priority.

“We focus on integrated project delivery and perform initial estimates at a highly conceptual level,” Vetter said. “Currently, our estimate template is a proprietary, Excel-based tool. It works very well for our purposes, [though] it’s not the most flashy option out there.”

He said he knows there are good alternatives available, but the biggest hurdle his company faces in instituting a bidding software option is “adaptability, both in the software and in our estimating staff.” Vetter isn’t alone. According to the results of a 2015 survey published

in JBKnowledge’s Construction Technology Report, 20 percent of construction companies still use spreadsheets for estimating.

The reasons so many continue to rely on Excel for bidding are manifold. Contractors cannot find software that seamlessly integrates with existing project management and accounting systems. So, they find it difficult to justify the expenditure of funds (both the initial purchase and ongoing updates) and time (training employees) required to implement the software. And some businesses are just too niche for off-the-shelf software to provide the estimating tools they need.

All that said, there are some critical reasons you might consider adopting a bidding solution beyond what Excel can offer.

- *Speed*—There is no doubt about it. Entering all that data by hand takes up time that could be better spent on direct revenue generation.
- *Ease*—Excel spreadsheets have a lot of capabilities, but you really



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Contractor Name	Address	Project Name	Location	Start Date	End Date
ABC Construction	123 Main St, Anytown, CA 90210	XYZ Building Project	456 Oak St, Anytown, CA 90210	01/01/2024	03/31/2024
Contractor's Federal Tax ID		Project's Federal Tax ID		Reporting Period	
12-345678901		98-765432109		01/01/2024 - 03/31/2024	
Contractor's State Tax ID		Project's State Tax ID		Reporting Period	
98-76543210		12-34567890		01/01/2024 - 03/31/2024	
Contractor's Local Tax ID		Project's Local Tax ID		Reporting Period	
12-34567890		98-76543210		01/01/2024 - 03/31/2024	
Contractor's Federal EIN		Project's Federal EIN		Reporting Period	
12-345678901		98-765432109		01/01/2024 - 03/31/2024	
Contractor's State EIN		Project's State EIN		Reporting Period	
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need an expert to manipulate them effectively. There's a high learning curve for proficiency in Excel when it comes to estimating job costs.

- **Automation**—An Excel spreadsheet is only as good as the person using it. Human error has its costs, and one inaccurate entry could turn into a mistake worth tens of thousands of dollars (maybe more). Bidding software offers automatic calculations.
- **Consistency**—Estimating software allows for standardization of processes, meaning bidding will happen the same way for every job in the organization. This reduces the need for data entry where numbers are always the same. Estimating software also maintains a historical record, so you can more easily price projects similar to those you have estimated in the past.

While bidding software can save substantial time and dramatically reduce the likelihood of oversights and calculation errors, it's important to choose your software carefully. Be sure to consider the following before moving forward with your decision.

- **Integration**—If you're not purchasing estimating software as part of a larger package of project management tools, make sure it will integrate with your current systems, including your accounting software. Tricky integrations are one of the key factors that cause builders to stick with Excel.
- **Employee buy-in**—Make sure you have the time and resources to devote to employee training. If the employees using the software aren't taking full advantage of its capabilities, or they aren't on board with the idea of using new technology, an estimating tool will hinder, rather than help, the bidding process.
- **Take-off estimates**—Before you buy, study the bidding software's materials database. Is it comprehensive? Does it offer price checks? Does it update with the latest offerings and pricing? Will the software import computer-aided design (CAD) images, allowing you to upload new blueprints as projects change? Many don't; so beware.
- **Post-bid usability**—Consider choosing a tool that will serve you after the bid is complete. Many estimating tools can track costs while projects are underway and automatically report changes from the initial estimate. Others even allow you to track the status of materials orders.
- **Reporting capabilities**—Most bidding tools offer many options for running reports on everything from project progress to labor needs and can be helpful in providing updates to clients or supporting requests for additional labor or materials.

Given all the above considerations, how do you choose from the seemingly endless offerings out there? After all, next to accounting, estimating has more software offerings than any other sector in the construction industry. The following are five popular picks, with a quick review of their best features.

- **ProContractor Estimating**—A top pick for its easy-to-use, intuitive interface, ProContractor also allows you to import and manipulate 3D blueprints, which makes for much greater takeoff and estimating accuracy.
- **B2W Estimate**—B2W stands out for its access to a number of supplier databases, making it easy to access up-to-date materials pricing.
- **Sage Estimating**—Designed exclusively for commercial contractors, Sage's interface is similar to Excel, which makes it a comfortable tool for cost estimators who are accustomed to spreadsheets. Almost 18 percent of respondents to the 2017 Construction Technology Report use Sage.
- **PlanSwift**—PlanSwift is a standout for its endless customization options, making it a good tool for niche companies. It's also able to swiftly measure square footage, pitches, angles and quantities. Vetter said his company uses PlanSwift for its takeoff features and has plans to integrate its customized estimate template.
- **SmartBid**—SmartBid has a secure, web-based mobile platform that makes it easy to access project data, documents and team communications from any device, just about anywhere in the world. The tool is also highly customizable.
- **QuickBid**—QuickBid automates material takeoff with current vendor and materials pricing, which you can amend without having to recalculate the entire bid. You can also download your own individual supplier databases into this product.
- **DESTINI Estimator**—With its ability to seamlessly integrate building-information modeling (BIM) 360 and adjust models to obtain different pricing, DESTINI receives high marks. Vetter, who has performed feasibility testing on several bidding software options, said, "Destini Estimator, once fully implemented, is by far the best tool I've come across for conceptual estimating."

Of course, not even the best estimating software can replace the value of employing a good cost estimator on your team, so don't assume that because you have the former, you can skip on the latter.

An experienced cost estimator will not only help you evaluate the best technology tools for bidding, but will also provide the expertise for filling the gaps that bidding software cannot—like knowing the past performance of subcontractors, understanding individual customer preferences and engineering know-how for optimizing costs based on knowledge of alternate materials and methods. **CBO**

Deborah R. Huso is a founding partner of Write Well Media LLC, a content marketing and strategic communications firm focused on the construction, design and real estate industries. Born into the residential construction industry in Charlottesville, Virginia, she has been writing on industry trends for more than 20 years. Her writing has appeared in Replacement Contractor, Business Insider, Concrete International, HousingWire and Realtor Magazine.

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Estimating for Productivity, Profitability & Customer Service

How Pepper Construction improves bids with database-driven numbers & project cost histories

By Steve Watt

It is widely acknowledged that the construction industry is ripe for digital disruption. Yet, many general contractors and construction business owners struggle to determine which technology investments will deliver the biggest return on investment (ROI) for their companies. The good news is that many contractors are finding the largest ROI by focusing on the basics—establishing standardized, database-driven cost estimating processes.

An investment in how the company prepares project bids is a strategic move that empowers construction teams to leverage their most valuable intellectual assets, which are lessons learned from past projects.

By successfully capturing this project intelligence and injecting greater efficiency into the estimating cycle, construction teams are driving continual improvements and delivering higher levels of productivity, profitability and customer service.

USING DATABASE-DRIVEN COST ESTIMATING

Builders looking to make accurate and responsive cost estimating a calculated component of their business are turning to database-driven estimating, allowing them to create, manage and update cost estimates in an integrated way.

This approach introduces more intelligence and consistency into the pricing process and gives estimators the ability to integrate detailed project estimates using cost-knowledge management.

These capabilities are a powerful differentiator for contractors because they bring greater detail and accuracy into estimates. Pepper Construction, a large Midwest-based contractor, is living proof of how upgrading cost estimation processes can impact a business.

Using a model-based estimating process gives Pepper the ability to create cost breakouts for specific areas of each project. This capability allows them to dig into the project details and show each client specific

“Model-based cost estimating is an important differentiator for us because it emphasizes our communication & understanding of our projects with the client. When we can highlight an item in the estimate, & it highlights all relative items directly in the model, there is a level of transparency & reassurance with the client that we zeroed in on the full scope of the project.”

costs at a granular level. It also enhances customer understanding about what goes into the estimate, as opposed to giving them an overall number that lacks context. The team can then suggest valuable engineering ideas and present “what if” scenarios for consideration much quicker than conventional, spreadsheet-based estimating.

The ability to create cost breakouts is a game changer for the estimation team and, in effect, for Pepper. On a recent renovation of a massive entertainment venue, costing over \$200 million, estimators created 110 different area breakouts. This allowed the owner to see the quantities and pricing for items like tile, finishes, landscaping and lighting in much more detail.

With this data in hand, the owner saw that finishes, for instance, were priced much higher than anticipated. This data gave the Pepper Construction team the opportunity to have a strategic conversation with the client about alternatives.

Keith Dougherty, vice president of preconstruction at Pepper explained this further. “Model-based cost estimating is an important differentiator for us because it enhances understanding of our projects and communication with clients. When we can highlight an item in the estimate, and it highlights all relative items directly in the model, there is a level of transparency and reassurance with the client that we zeroed in on the full scope of the project.”

LEVERAGING PROJECT COST HISTORIES

By using this integrated estimating process, contractors can also show how an estimate stacks up against past projects of a similar scope. These cost-based modeling tools start with a powerful search engine that allows estimators to pinpoint project attributes, scanning and searching the historical data to find the right mix of projects that are relevant to the new cost model.

The conceptual estimate is then used to prepare a new, detailed estimate based on additional project parameters and owner specifications. Without reinventing the wheel, so to speak, for each estimate, contractors can share valuable feedback and recommendations based on best practices and past project experiences. This may include identifying

risks, challenges, opportunities and potential cost impacts of the current project.

CLOSING THE LOOP IN THE ESTIMATING PROCESS

The goal of any early-phase cost model or detailed, design-build estimate is to provide customers with a comprehensive project cost story. To develop a complete cost picture, general contractors need to leverage historical data and close the loop in their estimating process.

A closed-loop estimation process is critical because it feeds data from past project estimates into the current cost model. The ability to mine data from past projects and use as built/actual costs for the next project allows estimators to produce feasibility budgets based on real-life experiences and credible facts.

With database-driven cost estimating as a top priority, general contractors and construction business owners have a tremendous opportunity to create more accurate and complete project bids based on historical project data.

This strategic transition will empower them to deliver high-value bids that include meaningful details and context much earlier in the estimating process. In doing so, the construction business will be well positioned to build greater trust with project owners and make more informed decisions throughout the bidding process and beyond. **CBO**



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Steve Watt has been involved in providing software business solutions for the architecture, engineering and construction (AEC) industry for over 30 years. Watt is currently the market segment manager for estimating and cost planning at Trimble. Watt has previously held a number of management roles at WinEstimator and Timberline Software, now Sage Software. Watt has spoken at various AEC conferences, delivered industry keynotes and led educational forums. Visit trimble.com.



Grow Your Business with Winter Work

3 best practices to help unlock year-round profitability

BY JASON BOERGER

For many businesses in locations with moderate climates, winter is a season that brings fewer jobs and contracts. But it doesn't have to be that way. Construction companies across the continent have started to discover that this perceived offseason holds a different set of opportunities.

Some business owners have found that cold-weather services—like snow and ice removal—help maintain consistent cash flow throughout the year. If you're looking to maintain steady revenue during the cooler months of the year, consider growing your business with winter work using the following three best practices.

1. PLAN FOR THE OFFSEASON

Before you go all in on accepting winter jobs, take some time to plan ahead and make sure your business, machines and staff can make it through the offseason. To get started, review your business plan and determine what kinds of wintertime jobs make sense. This decision will be unique to your company, staffing situation and equipment availability. Also, consider that expanding your work into a fourth season won't automatically bring jobs in the door. At the end of the day, profitability in the off-season comes down to managing operating costs and maximizing the utilization of the equipment you rent or own. The winter



season is often unpredictable, with large variations of snowfall year over year, so ensure that you have a financial cushion to get you through any possible scenario. Expanding into the fourth season is a big decision, so it is imperative that you consider every angle. Use these questions to help streamline your thought process before taking on new opportunities:

- Is your organization adequately staffed for the unpredictability of snow jobs? Will you need to hire temporary workers? Does your compensation structure need adjustments to accommodate longer hours, off-hours work and/or on-call work?
- How will you secure business during this time of year? Do you have existing clients with whom to network about your new offerings? Do you need to market your company to new potential customers?
- Is your financial foundation strong enough to take on the risk of expanding business operations?
- Do you have the appropriate insurance to ensure your company and employees are protected?
- What are your metrics of success? How will you determine whether it is beneficial to maintain offseason work as a long-term business strategy?

Beyond business planning, equipment is the next piece to consider. You may find that additional equipment will be needed to diversify your business.

Research all options for doing so, including new, pre-owned and rental equipment. If you're starting small and easing into off-season work, renting can give you a chance to adjust to new challenges and give your team the opportunity to get comfortable using the equipment in different conditions.

Afterward, you can better determine whether a piece of machinery is the right choice as a long-term investment.

However, expanding into winter work could also reveal that you already have the right machines to operate year-round. In that case, adding new attachments to your existing fleet can fill the role of equipment dedicated for snow moving, priced at thousands of dollars. Consider attachments like angle brooms, push brooms, salt/sand

spreaders, scrapers, snow blades, snow buckets, snow pushers, snow v-blades and/or snow blowers.

Whether you need a few extra pieces of equipment or an entirely new set of attachments, the old adage "You have to spend money to make money" might be true for you as a business owner considering snow work for the first time.

2. ASSESS YOUR FLEET

After you have redefined your business plan and identified your equipment needs, it's time to assess your fleet, regardless of whether you have added new equipment or are sticking with your current fleet.

This step will ensure that you're fully prepared to take on the drastically different working conditions that wintertime brings. Factors to consider include:

- Will your loader need to fit in tight spaces, like residential areas, and have

plenty of room to maneuver on sites like parking lots?

- Are you picking up snow with a bucket and loading it into a truck, requiring extra lift and reach, or are you moving/pushing snow into piles? A vertical lift machine is ideal if you are looking at loading snow into high-sided trucks. A radius lift machine works well at mid-range or lower working heights.
- Will you be switching between multiple attachments while removing snow? If so, consider looking at a machine that has a power attachment system, which allows you to quickly switch between nonhydraulic attachments.
- Consider the lighting at the sites on which you will be removing snow. Adequate lighting and road kits are very important in low-visibility situations.

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3. TRAIN YOUR EMPLOYEES

Once you have determined the right approach to taking on winter work, don't forget to think about the people you will have operating these machines. Winter and snow work can present a unique set of challenges. Consider these safety tips for working in winter conditions:

- Read the operation and maintenance manuals before operating any piece of equipment. Understand and follow the operating instructions and avoid the hazards identified on the decals installed on the machine.
- Equipment owners should refer to the maintenance instructions regarding filling equipment with the correct fluids in the correct increments to ensure the

equipment performs like it should.

- Always face the machine when getting in, grabbing the handles and using the steps that are provided, maintaining three points of contact at all times.
- Never attempt to start the engine or operate the controls from outside the machine.
- Look in the direction of travel when backing up and check each side before swinging or turning the machine.
- Stop the machine on level ground when you finish working on a site. Always fully lower the equipment's lift arms, place the attachment flat on the ground and turn the engine off before exiting the machine.
- Ensure your employees are familiar with the areas in which they are removing snow. For example, if the machines are stationed at an apartment complex or a shopping mall,

training your employees on machine docking locations and potential obstacles to overcome (e.g., parked cars) is important.

Construction companies don't have to throw in the towel for the year once the cold weather arrives. Before winter comes, start thinking about how your business can adapt to work in snowy conditions. All it takes is a bit of careful planning, proper machine maintenance and an operator-focused mindset. It could be the key to increasing revenue and steadying profits year-round. **CBO**

Jason Boerger is a marketing manager for Bobcat Company. During his 5 years at Bobcat, Boerger has held positions in both the product training and marketing departments. Visit bobcat.com.



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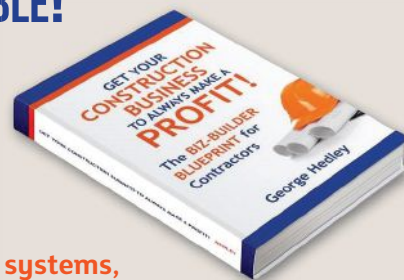
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Constructing a Plan for Hurricane Preparedness

Hoar Construction's master strategy for effectively dealing with severe weather

BY ELIZABETH MANNING

Summer is in full swing, and, for some parts of the country, that means hurricane season is too. If there is anything to be learned from the damage wrought by last year's Hurricanes Harvey, Maria and Irma, it's that having a thorough action plan is paramount. And who better to talk to than Senior Superintendent Tim Ham, who manages field-related aspects of Hoar Construction's various commercial projects in Central Florida. Ham has been an employee at Hoar for 26 years, and helped start the Florida division 20 years ago. He spends the majority of the day planning ahead so that boots on the ground can work efficiently and effectively on the jobsite. This includes ensuring his teams are ready for any potential issue or obstacle that comes their way, including hurricanes. Read his advice on prepping for storm season below.

CBO: What is Hoar's preparation process for hurricane season?

TH: We have a pretty extensive tropical storm and hurricane plan. One of the first things we do when we start a project is put together a severe weather plan, specific to the project we are working on at the time. Preplanning is extremely important when these storms are coming. We lay out detailed actions that we will take at 72, 48, 24 and 12 hours prior to the storm making



landfall, and we start that process as soon as the storm is named.

Just a few weeks ago, with the first tropical storm of the year, we went through this process, which begins with getting all of the project partners and jobsite leadership from our team around a table and talking about the volume of work we have going on and the number of areas we need to modify in preparation for the storm. The goal is to determine the amount of work that needs to be done to prepare the entire team and the jobsite for the impending storm.

Then, we go to the subcontractors/trade partners who are not from the area, or are from an area that does not get much tropical weather, and work with them to ensure they are also prepared.

Water is obviously one of the biggest issues that comes with hurricane preparation. We look at our stormwater management systems to understand what state they are in and what we may have to do to get them in a better position. Of course, we always aim to prevent any building or structure flooding. We are always modifying roadways and water-retention systems, so it's essential to pay attention to what condition they are in, which indicates how they will hold up in severe weather.

Next, we start watching all of the Federal Emergency Management Agency (FEMA) storm advisories. We encourage our team and our trade partners to follow the same source so that everyone is on the same page regarding weather updates.

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Seventy-two hours before the storm's estimated landfall, we call another meeting for general readiness, and we let the project owner know about all of the preparation that we are doing. We take photos and video of the jobsite in its current state; get the normal hurricane-prep items, such as generators, water pumps, tarps, etc.; make sure we have anything we may need after the storm to get the project back on schedule; and bring in fuel tanks to fuel any equipment in the case of a fuel shortage. At the 72-hour-mark meeting, we name supervisors and leadership that will be on the emergency list. All of these team members are included on a group email moving forward with project and storm updates.

At 48 hours until landfall, we start taking action in preparing the jobsite for a storm. We secure all the objects that could become airborne. All materials, including scaffolding, wall systems and other supplies are secured so they are not exposed to high winds. If we are far enough along in the project process to have roofing materials on-site, we make sure those are secured as well.

By the 24-hour mark, we have decided who will be staying local and have given the rest of the jobsite crew instructions for evacuation. The team allocated to remain local knows their safe location to ride out the storm. We stop all deliveries coming to the site and make sure no one is en route to the project. We alert all of our vendors and suppliers about the situation and have the dumpsters on-site emptied, which is extremely important because it controls the amount of debris flying around the jobsite during the storm, and you will need empty dumpsters for cleanup following the storm. Then, we remove all the signage from roadways.

Next, we walk the jobsite and make sure everything is in ready condition, designating a huddle point for the first meeting following the storm so that first responders know where to come. All of the equipment on-site is secured, and the team members staying local are given the codes and keys to the equipment that will be on the jobsite. This way, everything is accessible when necessary.

In the days following the storm, a recovery plan is put into action. One of the first things we do is assess the damage as a team. Then, we make sure the jobsite is safe, and first responders are filled in on what they need to know upon returning to the jobsite. We look for excessive damage and for areas that could potentially be flooded.

The water damage after the storm is often the biggest obstacle to overcome. Keeping a short-term schedule of how repairs will happen and when they will take place is helpful.

CBO: What planning issues or errors do you often see regarding preparation for storm seasons?

TH: Many trade partners we work with are not familiar with what it takes to get through a hurricane with as little damage possible. That's where I have seen the biggest issues. It's hard to express

5 TIPS FOR HURRICANE PREPAREDNESS

1. Make a plan before you need it. Start the discussion early, including the parameters and what you will need to prepare.
2. Call a formal meeting as soon as the storm is named. Include your jobsite team and representatives of your trade partners/subcontractors.
3. Pay careful attention to your water management systems. Determine how water will drain from the jobsite in its current condition.
4. Designate one source of news to follow and share this with your trade partners. Wind speeds can give insight into the damage you can expect.
5. Secure everything. Keep materials and supplies for structure protection on hand.

to some of those people how important preparation can be. In Florida, there are a couple of main roads out of the state. When a storm is coming and mass evacuation is happening, it can cause more trouble to try to move materials elsewhere, which usually involves getting stuck somewhere with no opportunity to secure those materials. A lot of companies will try to get their equipment and materials to a more northerly place and end up in trouble. Once a contract is executed with a trade partner, we make it

a point to specifically review parts of the contract that mention crisis plans. When we have our pre-project conference with the trade partner, we spend time discussing those plans. Then, we discuss this in even more detail as the project progresses.

CBO: What should businesses include in a written hurricane preparation plan?

TH: Make a plan for water management system processes. Too many companies

forget about this aspect. For example, we do a lot of projects that have swimming pools on-site. Those pools have to be drained at least a quarter of the way down. We have seen retention ponds fill up to the point that they breach the earth and dams. Understand your elevation above sea level because high tides and storm surges affect flooding as well. **CBO**

Elizabeth Manning is the managing editor of Construction Business Owner magazine.

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Ending Downtime with Telematics

Manage your equipment with systems that streamline ownership & maintenance

BY MEGAN INGLE

For business owners within the construction industry, one always challenging undertaking is that of finding the best way to manage your machine inventory. Whether you own a few machines or a few hundred, it is important to have a system in place that allows you to know as much as possible about each of your machines on a daily basis because—as we all know—time is money. Telematics systems have been around for years, but as the technology has increased in capacity, so has user acceptance, usage and expectations. Today's telematics systems allow equipment fleet managers, owners and operators to track all types of information in the palm of their hand. With just a click of a button, these systems offer access to the geographic location, engine diagnostics and many related features for each machine in a fleet.

MACHINE DOWNTIME

Operations stop when machine downtime occurs. There will always be routine maintenance and occasional breakdowns in the field. When this occurs, a telematics system can provide valuable data, regarding what may be wrong with the machine, to both the dealership and the customer, making it easier for the service team to know what items they need before they even go out to fix the machine. This saves valuable



machine downtime for both the servicing dealer and the customer to get them back up and running again. According to Flip Henry, general manager at Chappell Tractor in Milford, New Hampshire, “Our telematics system will notify us of an error code on a machine, and the customer is not even aware there is a problem yet. We can call them and tell them we are sending someone to fix the problem they are unaware of. This really impresses the customer.”

OPERATING HISTORY

Telematics systems can efficiently track machine operating history. This allows the fleet manager to keep an accurate

maintenance history on each machine. Records that tend to be on these reports include machine hours, fuel consumption, key on- and off-time, and fault codes.

Jason Wainwright, sales manager of Rob's Hydraulics Inc. in Clayton, North Carolina, said, “A fleet management telematics system is a great tool that allows customers to be alerted when their fleet is aging out of warranty.” Based on machine history data, telematics systems inform companies when they need to either extend their warranty or start planning for the next machine(s) to update their fleet. A complete machine history, available to a potential second owner, can also improve resale

value and validate current machine condition (similar to a Carfax report on a car).

MAINTENANCE & REPAIR

Telematics systems can assist with optimizing maintenance and repair schedules. Basic telematics systems will analyze conditions like tire pressure, filter states, oil level, and other circumstances that may contribute to future machine damage. Real-time diagnostics and fault codes provide essential information to help reduce downtime spent troubleshooting. Alerts can be sent directly to the display monitor to give the operator an opportunity to make adjustments in order to avoid machine failure. Henry also considers this to be “a real value-added component” and easy to maintain from “a mobile device or office computer system.” Being able to view and customize service intervals ensures timely and proper machine maintenance. Preventative maintenance leads to reduced downtime and improved return on investment.

GEOFENCING

Most systems provide GPS tracking data, facilitated through a cellular or satellite connection, can reduce theft or unauthorized usage by tracking all machine locations, movements and travel hours to reveal any irregular activity. Users can program virtual geofence boundaries on a jobsite to prevent the machine from leaving a specified location. These safety measures reduce the threat of theft and can even assist in tracking and recovering potentially stolen equipment.

OPERATOR PERFORMANCE

Another important feature telematics systems offer is the ability to monitor operator performance. Every company wants to ensure their operators are working efficiently throughout the day. Telematics can provide a general overview of their performance by tracking operations like equipment start and stop times, idle and travel times, speed, power mode selection,

and real-time fuel economy. “The technology helps keep the equipment healthy and keeps companies honest about how they use their equipment,” noted Stan Orr, CEO, Association of Equipment Management Professionals. This information can be used to enhance operator performance and operating skills, improve fuel consumption, and keep downtime to a minimum by reducing accidents.

PRODUCTIVITY

Tracking a machine’s daily performance can also be useful in increasing productivity levels. Understanding how each machine is being utilized can help ensure each job-site has the proper equipment it needs. If alerted that a machine has been idling for too long in one area, a fleet manager can contact his operator to adjust worksite efficiencies. This information will help you plan how many machines you will need on site

for the next project. Proper asset allocation is essential to improving productivity levels and reducing fuel and labor costs.

In today’s construction industry, investing in a machine equipped with a telematics system is critical to keep machines running and minimize costly downtime. Some equipment manufacturers offer a standard telematics platform with the machine, though years of service vary among manufacturers. If you are not already using this type of system, now is the time to consider implementing one. **CBO**

Megan Ingle is a public relations/event coordinator for Hyundai Construction Equipment Americas Inc. Ingle has worked in the industry for nearly 3 years. She manages the construction equipment advertising, trade show events and merchandising. Contact Ingle at megan.ingle@hyundaiamericas.com.



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New & Innovative Products

Selected by the editors of
Construction Business Owner

1 REMOTE-CONTROLLED DEMOLITION MACHINES

Brokk, manufacturer of remote-controlled demolition machines, launched Brokk SmartConcept, a set of technological features that offer improvements in power management, reliability, maintainability and ergonomics. SmartConcept consists of three features—SmartPower, SmartDesign and SmartRemote. Brokk designed the revolutionary system to withstand extremely tough day-to-day demolition forces. SmartPower helps the operator start the machine on a poor power supply while protecting the machine from harmful faulty power. SmartDesign extends machine life and provides ease of maintenance with 70-percent fewer cables, the addition of hardened components, easy-to-access grease points and hydraulic hoses, LED headlights with built-in protections, and steel machine covers. Through the technology, operators not only get 360-degree rotation abilities, but they can operate over the back, which offers heightened flexibility in confined spaces. SmartRemote consists of an ergonomic remote-control box, held around the operator's waist by an adjustable belt. Intuitive controls allow the operator to work the machine without having to look down at the display.

Visit brokk.com.
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2 SIMULATION-BASED CRANE-SIGNALLER TRAINING SOLUTION

CM Labs released its Signaller Training Station, a simulation-based solution that is the only one of its kind in the industry. Designed to work in conjunction with CM Labs's Vortex Trainer and Advantage simulators, the Signaller Training Station allows trainers to simultaneously engage multiple students in a single exercise. While one apprentice operates a virtual crane via the Vortex simulator, another uses the Signaller Training Station to provide guidance. The trainee signaller can move around a realistically simulated worksite to inspect the lifting area, identify potential hazards, gain a clear view of all site activity, and provide hand signals to direct the crane operator via webcam and picture-in-picture display. Instructors can monitor the entire operation via an operating station that provides scoring and reporting capabilities, as well as the ability to introduce challenges, such as equipment malfunctions or weather events. The Signaller Training Station is designed for use with all CM Labs crane operator training packs. CM Labs's signaller station not only reduces training costs, but it also makes it possible for organizations to train operators in ways that may be too risky or expensive to replicate in real life.

Visit cm-labs.com.
Circle 255 on card.



1



2



3



4

3 EXPLOSION-PROOF LED DROP LIGHT/TROUBLE LIGHT

Larson Electronics announced its explosion-proof LED drop light/trouble light, which features an explosion-proof inline transformer that steps 220 to 240 volts of alternating current down to 12/24 volts of direct current. This LED hand lamp is ideal for general lighting, detailed tasks, inspections and cleaning in hazardous locations, emitting 1,050 lumens of bright white light. This inline transformer provides operators with the ability to monitor and adjust input current automatically, maintaining the correct LED voltage levels across a specific range and providing protection against voltage spikes or drops. The inline transformer is located at the end of 100 feet of an oil-resistant, American wire gauge cord and ends with an E20 amp, 6-20 power, explosion-proof cord cap. This unit can be handheld or mounted.

Visit larsonelectronics.com.
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4 ASPHALT ROAD PRESERVATION PACKAGE

Neal Manufacturing, manufacturer of asphalt pavement preservation equipment, offers its Asphalt Road Preservation Package for efficiency and high-quality results on detailed and high-volume sealcoating applications. The package includes the drivable DA 350 dual applicator for quick prep work and sealcoating around curbs and gutters, along with its High-Volume Road Maintenance Vehicle. The DA 350 is a three-wheeled, self-propelled sealcoating machine that features an automatic cutting-in attachment and squeegee assembly. The High-Volume Road Maintenance Vehicle features the Generation IV pump that delivers outputs from zero to 150 gallons per minute. In-cab controls allow for on-the-go spray bar height adjustment. Individual nozzles can also be controlled from the truck cab.

Visit nealequip.com.
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9

9 ALL-IN-ONE CONTROL PLATFORM FOR HEAVY MACHINERY

Leica Geosystems, producer of measurement technology, announced the launch of an all-in-one machine control platform that supports multiple machines for heavy construction. The MCP80 panel displays information about the work in process and automatically positions tools. The heavy construction platform offers unified hardware with a common software interface across the 3D machine control portfolio. The MCP80 control unit integrates into Leica MC1. Machine-specific data is stored in the Leica MDS docking station. Users can switch from one machine to another and build complex designs with simpler workflows and less down time.

Visit leica-geosystems.com.
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10

10 FUEL STORAGE TANK

Western Global, manufacturer of fuel and fluid storage solutions, introduces EnviroCube for convenient, secure, and economical on-site refueling and fuel storage. The EnviroCube's lockable cabinet keeps fuel secure and controls access to hoses, ports and fittings, protecting them from the elements and theft. The design provides customers with convenience and efficiency. Unlike traditional round tanks, the EnviroCube stays within height, length and width standards for over-the-road transport. The EnviroCube also occupies less space on-site compared to round tanks of similar capacities. On-site, contractors can move the tank via crane lifting hooks or four-way forklift pockets.

Visit western-global.us.com.
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11

11 REVERSIBLE PLATE COMPACTOR

The **BOMAG BPR 70/70 D** reversible plate compactor features a comfort handle that reduces vibration feedback to the operator's hands, reducing operator fatigue. The large, reversible plate features a longer steering rod design that requires less effort to maneuver the compactor. With vibration and throttle controls conveniently located on the steering rod, the BPR 70/70 D's intuitive control concept delivers quick reversal times for increased productivity. The rod is adjustable and locks into operating position to quickly adapt to a wide variety of operator heights for improved comfort. It also locks into vertical position for transport. The machine's cast-iron base plate delivers high wear resistance for trouble-free operation.

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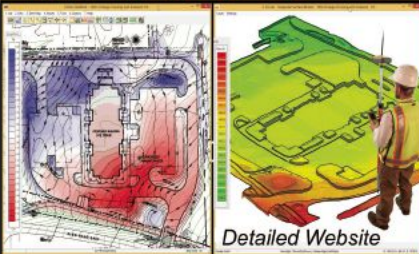
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Annual Value of Construction Put in Place

2016/2017/May 2018 Annual Rate Comparison

This chart compares the two previous years' total value of construction put in place to an annual forecast based on May 2018 figures. (Millions of dollars. Totals may not add up perfectly due to rounding.)

	2016*	2017**	May 18
Total Private Construction	888,319	963,124	1,005,351
Residential	458,283	519,556	553,809
Nonresidential	430,036	443,568	451,542
Total Public Construction	288,688	290,473	304,139
Residential	6,635	7,025	6,686
Nonresidential	282,053	283,448	297,453
TOTAL Construction	1,177,007	1,253,596	1,309,490

*Seasonally Adjusted Annual Rates. Source: U.S. Census Bureau

**Notice: With the May 2018 release, unadjusted data will be revised back to January 2016 and seasonally adjusted data will be revised back to January 2011. With each May release, seasonally adjusted data will now be revised for an additional 5 years beyond the revision period for unadjusted data. Research has shown that this revision span should produce more reliable seasonally adjusted time series.

\$1,309,490

MAY 2018 TOTAL ANNUAL VALUE OF
CONSTRUCTION PUT IN PLACE

“Architecture firms continue to have plenty of work as they enter the **busiest part of the design & construction season**,” said AIA Chief Economist Kermit Baker, Hon. AIA, Ph.D. **“This is especially true for firms serving the institutional building sector, which reported their strongest growth in billings in several years.”**

AIA Architectural Billings Index (ABI)

National			*Regional - Billings				*Sectors - Billings			
Month	Billings	Inquiries	Northeast	Midwest	South	West	Multifamily Residential	Commercial/Industrial	Institutional	Mixed
Dec-17	52.8	62.0	49.4	52.9	56.3	53.0	55.4	54.8	51.2	50.4
Jan-18	54.7	61.1	47.3	54.8	55.3	56.2	56.0	53.3	52.5	50.1
Feb-18	52.0	62.4	47.5	54.5	54.4	57.6	56.6	51.0	53.8	49.7
Mar-18	51.0	58.1	49.0	50.7	53.2	53.4	53.4	53.1	49.7	51.1
Apr-18	52.0	56.7	50.3	49.6	51.8	55.1	50.7	52.7	52.0	50.6
May-18	52.8	59.3	50.6	50.2	55.0	51.9	52.1	53.6	54.3	47.9

For more information on the index or to subscribe to the complete historical data going back to 1995 for your internal analysis, **please contact economics@aia.org**. The ABI presents monthly construction billings data, using a base score of 50. A score of more than 50 indicates a growth from the previous month, and a score of less than 50 indicates a contraction from the previous month. A score of 50 indicates no change. Source: The American Institute of Architects (AIA), Architecture Billings Index (ABI).

*Regional and Sectoral indexes are three-month moving averages, due to small sample size. All data is seasonally adjusted.

Every January, the AIA research department updates the seasonal factors used to calculate the ABI, resulting in a revision of recent ABI values.

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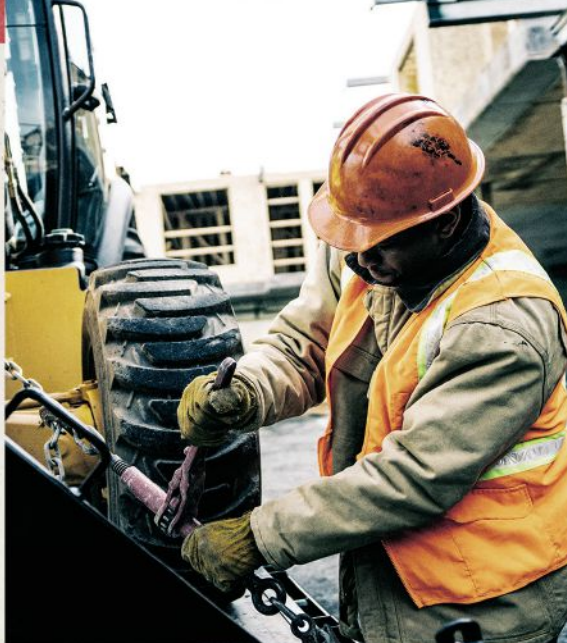
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