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CBO Editor
Megan Beam

In our industry, overcoming challenges is par for the course, but you don't have to do it alone. Whether you're facing minor setbacks or major obstacles, solutions are out there. Our Real Jobsite Solutions section, kicking off on page 20, showcases a variety of offerings from industry leaders tailored to tackle your issues regardless of size. From next-gen equipment integration to precision surveying techniques, each solution is crafted to enhance efficiency, safety and sustainability in your projects.

In addition to our spotlight on practical solutions, we delve into crucial accounting-focused features. Explore "The Interoperability Imperative" (page 44) for insights into the pivotal role of data integration in ensuring financial accuracy and efficiency within your operations. In our second feature spotlight, navigate the complex terrain of financing in the construction sector with "An Unsteady (or Misunderstood?) Outlook" (page 46) as experts provide strategic guidance for positioning your construction and engineering businesses for success in a cautious market.

As we continue curating expert content to bring solutions to the challenges our industry faces through multiple platforms, don't forget to visit us at constructionbusinessowner.com/webinars to browse our collection of archived educational webinars and sign up for upcoming events. This month, we invite you to join us for "5 Tips for Maximizing Profitability With 3D Reality Capture" on May 9 and "The Basics of Construction Accounting" on May 16. Both sessions are free to attend, and registration is open to all. We look forward to seeing you there!

As always, thanks for your continued readership and support.

See you next month,



CONSTRUCTION[®] BUSINESS OWNER

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The Basics of Construction Accounting

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CONSTRUCTION
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FREE > May 16, 2024 > 1 p.m. CDT

When a contractor has decided it's time to make the transition from standard accounting methods and tools to construction-specific accounting methods and tools, it's best to start by reviewing the fundamentals of construction accounting and what role it will play in the contractor's business. When a contractor conceptually understands the basics of construction accounting it accelerates the contractor's ability to build upon that knowledge effectively.

In this session, you will learn:

- The construction company structure and what key partners to include
- The basics of debits and credits
- The different types of accounting and revenue recognition methods
- An overview of job costing and why it should function as the center of your business
- What key financial reports are critical to your financial success

SPEAKER



John Meibers
*Vice President &
General Manager*
Deltek ComputerEase

John has been a leader at Deltek ComputerEase for over 25 years. Deltek ComputerEase serves over 6,000 contractors. In today's rapidly changing, fast-paced world, a big part of John's role is to ensure that Deltek ComputerEase equips customers with the most cutting-edge technology. Prior to Deltek ComputerEase, John spent 10 years working as controller for a large mechanical contractor.

>> Register at constructionbusinessowner.com/webinars



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Photo Credit: Volvo Construction Equipment

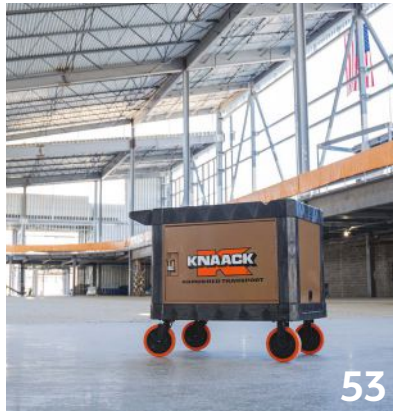


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► José Cuadrado Appointed Global CEO of Yanmar Compact Equipment



José Cuadrado

José Cuadrado has been appointed Global CEO at Yanmar Compact Equipment (Yanmar CE), and chairman of the board at Yanmar Holdings Co. Ltd. Cuadrado replaces Giuliano Parodi, who is transferring to manage the Yanmar Group's strategy division as chief strategy officer. In a career spanning more than 25 years, Cuadrado brings with him a wealth of relevant construction, industrial and automotive experience. He joined Yanmar CE in early 2023, where he was managing director of the company's Europe, Middle East and Africa region; markets that equate to a third of the company's global sales. A search has begun for his replacement, and Cuadrado will combine both Global CEO and EMEA roles until his successor is appointed, from his current base in Europe. In his new role, Cuadrado will be responsible for leading increased organizational integration and improving financial performance, as well as driving customer success through product development. Visit yanmar.com/global/construction.

► Morgan Truck Body Acquires Transit Truck Bodies Inc.

Morgan Truck Body LLC has acquired Transit Truck Bodies Inc. (Les Fourgons Transit Inc.), a manufacturer of truck bodies in Laval, Quebec, Canada. The acquisition of Transit increases the total number of Morgan Truck Body locations to 14 manufacturing facilities in North America. Founded in 1978, Transit Truck Bodies has been in truck-body manufacturing for over 45 years, with Louis Leclair leading as Transit's president. Transit Truck Bodies is headquartered in Laval and includes a product line of cutaway, dry freight, refrigerated and tailor-made solutions. The acquisition provides greater North American coverage, joining Morgan Truck Body's 13 existing manufacturing facilities in Canada and the U.S. Visit morgancorp.com and transit.ca.

► Western Specialty Contractors Opens Austin Branch & Appoints Aaron Williams as Branch Manager



Aaron Williams

In his new role as branch manager, Aaron Williams will be responsible for overseeing sales, daily operations and field personnel at the new branch, plus developing new projects within the branch's territory. Opened at the start of 2024, the branch employs six office staff and a field crew of 20-25. Williams started at Western's Minnesota branch in 2003. In 2020, Williams transferred to Austin, where he worked as a superintendent. In 2023, he was promoted to assistant branch manager, then to branch manager of Western's new Austin branch. Construction is underway on a new office in Mustang Ridge, Texas, for the Austin branch. The new office is expected to be completed by the end of summer. Services offered include building cleaning, concrete/masonry restoration, epoxy and chemical grout injection, expansion joint systems, exterior wall coatings, parking/plaza deck restoration and waterproofing. To date, this branch has completed a number of restoration projects at Darrell K. Royal Memorial Stadium, and at student housing facilities at Texas State University. Family-owned and operated for more than 100 years, Western Specialty Contractors is a large specialty contractor in masonry and concrete restoration, waterproofing and specialty roofing. Visit westernspecialtycontractors.com.

► Mattracks Celebrates 30 Years

Mattracks, the inventor and manufacturer of the original rubber track conversion system, is celebrating a milestone: its 30th year in business. The original Mattracks model was built exclusively for full-sized pickups, transforming them into a dual-purpose machine with never-before-seen tank-like features. One huge advantage of the company's track design remains the "conversion" aspect, allowing the user of the vehicle to conveniently

switch from tires to tracks or vice versa in under an hour's time. Three decades later, Mattracks is recognized not only for being the first rubber track manufacturer but also for its product quality, safety and service. The Mattracks product line has experienced significant growth and innovation with over 170 different models and counting. Today, Mattracks rubber track conversion systems are manufactured for virtually any multi-axle vehicle including ATVs, UTVs, SUVs, trucks, heavy-duty agricultural and construction equipment, the military and even the motion picture industry. Visit mattracks.co.

► Takeuchi-US Promotes Scott Utzman to Attachment Specialist



Scott Utzman

Takeuchi-US has named Scott Utzman as its new attachment specialist. In this role, Utzman will be responsible for attachment sales and support for the company's dealer and national rental accounts throughout North America. He will work with dealer management, sales personnel and their customers to demonstrate, promote and support the Takeuchi attachment product line. Utzman will also train dealer sales personnel on attachment features, benefits and applications. Utzman joined Takeuchi-US in 2005 as the company's regional parts manager, eventually promoting to assistant parts manager and national parts manager. From there, he applied his extensive parts experience to a new career path as a customer support manager, eventually managing Takeuchi's attachment program when it launched in early 2021. Founded in 1963, Takeuchi is an ISO 9001 certified manufacturer of an extensive line of compact track loaders, compact excavators, compact wheel loaders and skid steer loaders. Visit takeuchi-us.com.

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Insight from industry aces & answers to construction's biggest questions

ASK THE EXPERTS

How do you cope with weather damage on the jobsite?



Reggie Asare
EHS Director for Houston/North Texas
Skanska USA Building

// The best coping mechanism is preparation. To adequately be prepared for a weather event on the jobsite, every project team must have a before and after plan for all potential weather events. On a new project, it's important to implement a plan for potential weather events, such as weather tracking, jobsite protection measures and an emergency response plan. Tracking weather is crucial for project teams to understand what type of weather they may face. When a project is under construction, it's important to be prepared to install temporary weather protection like windbreakers and drainage systems to help mitigate the amount of weather that can disrupt the jobsite. Make sure all materials are secured to prevent the material from flying due to high winds. Devising an emergency response plan is vital. This plan should outline various tasks to prepare the jobsite for any weather event and pre-assign duties so each person knows what they need to do. Ensure there are clear lines of communication within the project team and a notification system is in place to evacuate the site. Roll calls need to happen once everyone is at the muster location to ensure everyone is accounted for, and an all-clear when it is safe to return. Working quickly and efficiently can greatly minimize damage on the jobsite.

The post-weather event plan should include documentation, recovery/restoration and a debrief on how to better prepare for next time. Once the weather event has passed, it's important to get on-site to document the damage for both client reporting as well as insurance purposes. Next, focus on restoring the site so the area is safe, and work can continue. //



Clint Eskridge
General Manager
Peabody General Contractors

// Managing weather damage on the jobsite requires a proactive approach and strategic planning. As Texas is known for severe weather, we anticipate costs and incorporate a buffer for weather-related expenses in our initial estimates for our clients. When adverse weather is predicted, we implement preventive measures such as proper grading and constructing berms or swales to effectively manage runoff.

After the weather has passed, we assess the damage and prioritize fixing it correctly the first time, avoiding rushed repairs that may worsen the situation. Additionally, we collaborate with project owners to assist with the cost associated with weather damage. By staying observant, proactive and collaborative, we minimize the impact of weather on our projects, safeguarding timelines and budgets for ourselves and our partners. //

What's on your mind?

To submit a question for this section, email Managing Editor Carmen Capoccia at ccapoccia@cahabamedia.com.

Visit [constructionbusinessowner.com/asktheexperts](https://www.constructionbusinessowner.com/asktheexperts) for more industry-leading insights.



Draft Your Org Chart for Growth & Profit

How to put your employees in the right place



GEORGE HEDLEY, CPBC, is a professional construction business coach, consultant and popular speaker. He helps contractors to build better businesses; grow, profit, develop management teams; improve field production and get their companies to work. He is the bestselling author of "Get Your Construction Business To Always Make A Profit!," available on amazon.com. Email Hedley at gh@hardhatbizcoach.com to sign up for his free e-newsletter, start a personalized BIZCOACH program, attend his educational webinars, watch his YouTube channel, download online courses or utilize his contractor templates. Visit hardhatbizcoach.com for more information.



**Want
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Many contractors want to grow their companies to the next level but can't and therefore don't. They usually get stuck at a certain size and stop growing for multiple reasons. Working harder and smarter doesn't solve this problem, and eventually they reach their maximum level of what they can do without hiring more people. Why? Business owners try to do too much themselves and have trouble letting go and allowing their employees to make their own decisions. They know they need to hire but won't decide what positions they need to fill, what they need to stop doing themselves and who to hire. They postpone hiring decisions as they don't want to deal with the pain of interviewing, hiring, training, paying more than they want for experience and talent, and then the probability of not getting what they had hoped for.

Don't Hire Cheap & Hope It Works Out

Frustrated, stuck business owners finally hire an experienced manager with a strong resume so they can delegate part of their workload. Unfortunately, their first instinct is to move someone from within the company who has little or no experience or skills in the area they need the most. Examples include moving an office administrator into the bookkeeper role or a junior assistant into a project manager role. After trying to move an inexperienced person, they next hire a low-paid assistant, untrained field supervisor, junior project manager or an estimator with little experience or knowledge for the position they need. Or even worse: Rather than take the time required to find the right person with the right talent and experience, they

attempt to hire a relative or family friend who is out of work and might be able to do the job.

These decisions won't help companies move to the next level. You know what happens when you hire untrained people with little or no management experience? You spend all your time trying to keep them busy, answering their questions, helping them do simple tasks and training them. In other words, you do your job plus theirs.

Evaluate Your Talent Needs With T-E-V

There are three important T-E-V criteria you can use to evaluate your current team and potential hires.

- **T = Talent** – Do they have the right talent, education and intelligence to do the job well, improve, make decisions and take on more responsibility?
- **E = Experience** – Do they have the right experience and knowledge required to manage complex projects, provide solutions, organize, meet deadlines, achieve results and manage subcontractors, suppliers and customer situations in a professional manner?
- **V = Values** – Do they have the right values required by the company, including a positive attitude, teamwork, integrity, honesty, willingness to change, desire to improve, and the ability to make decisions and achieve expected results?

Consider the different criteria to determine if people are a good fit for your company:

- **High T + High E + High V = Great** employee who is or can be a strong

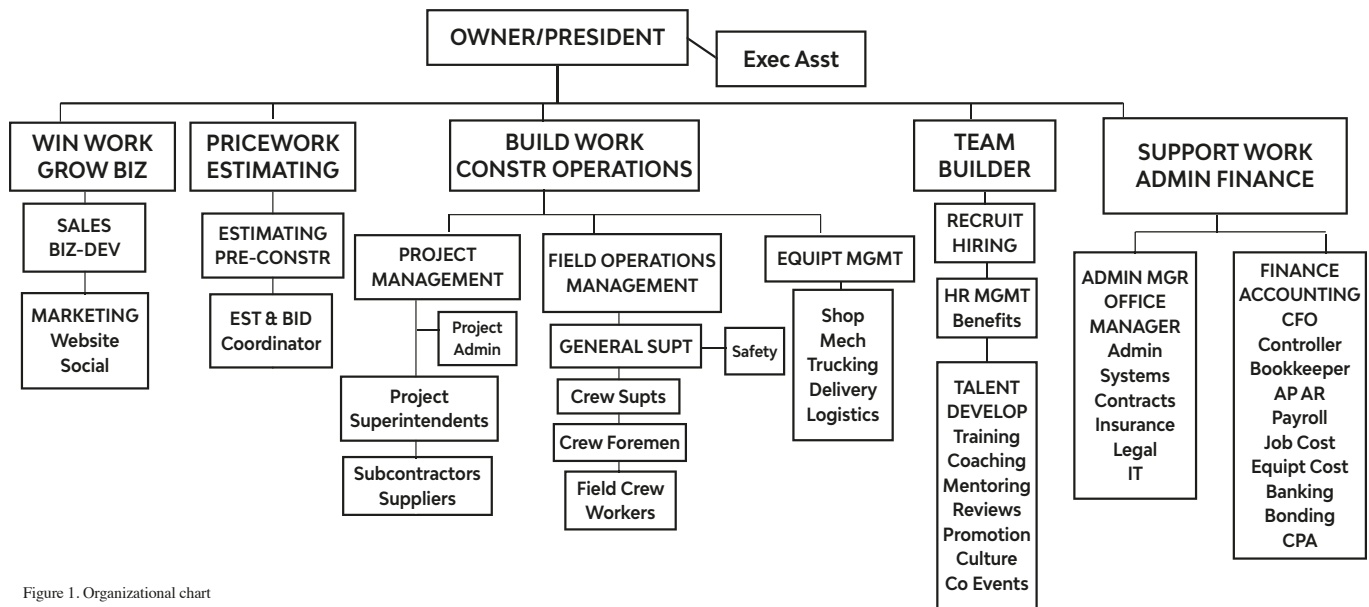


Figure 1. Organizational chart

asset to your team.

- *High T + Low E + High V* = Has the right criteria to hire, train, promote, develop and invest time in.
- *Anyone with Low V* = Avoid or eliminate! Not someone you ever want to have on your team. Ever!
- *Anyone with Low T* = This person might be able to learn how to perform well but is a large risk.

Design Your Construction Company Organizational Chart

The goals of a written and clear organizational chart are to provide clarity on the following:

- Functions and responsibilities.
- Line of command — clearly defines who reports to who.
- Workflow — The flow of work and activities from one person to the next, or from project start to finish.
- Person 100% accountable for accomplishing all tasks and deadlines required per the company standards, systems and processes.

Each box needs a clear job description listing the responsibilities, tasks and results required to achieve, with deadlines, plus the person assigned. With smaller companies, some employees might have

their names in more than one function box. For example, a project manager might also oversee his field supervisors and foremen, or an office manager might also perform the project administrator and estimating coordinator duties.

Most organizational charts are only used to show who reports to whom and not who's accountable for getting the work done. They also don't lay out all tasks and functions required to make your company achieve its strategic goals. The best way to organize your company and draft your organizational chart is to take out a large piece of chart paper and lay out all the tasks and jobs that must be accomplished, from finding work to doing work, keeping track, administration and managing your workflow. Write on one sticky note for each function required in your business to accomplish what your company does. After completing this exercise, post these tasks beneath the function headings in logical order of how you get things done.

For example, under the “Do Work” heading would be the project management responsibility. A full-charge project manager responsibilities include procurement, negotiating subcontracts and purchase orders, writing contracts, project documentation, correspondence, customer meetings, change order management,

preparing and updating job budgets, approving and updating job schedules, drafting progress payments, approving invoices, meeting contract requirements, making the job profit goal, meeting the project schedule, customer satisfaction and other responsibilities. Make sure you clearly define each position's level of financial authority, their line of command and who they report directly to.

Who's Responsible for Getting Things Done?

After your chart is completed, the next step is to assign people who are accountable for each of the work tasks listed. This is tricky. If the construction business owner allows a project manager to draft the subcontracts but not make the final decision on the price or the selection of subcontractors without checking in first, then this task needs to be broken down into two or three parts: draft contract, approve subcontractor and negotiate final contract amount. That way you can enter the two names responsible and accountable for these different tasks and responsibilities. Now, create an accountability and responsibility chart listing out all the functions in your company. Assign the appropriate person who is the responsible person for each task and business function. ▲

CSI: Construction Scene Investigators

Are you focused on the wrong suspect?



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Call it a guilty pleasure, but I have always been a fan of shows like “CSI: Crime Scene Investigation” (pick your city) and “Castle.” The show begins with a victim being found by some unsuspecting character, and as the story evolves, the cast picks up various clues that lead them to a dramatic television conclusion. Of course, during the episode, there are several twists and turns leading the investigators down rabbit trails, sometimes directing them to the wrong suspect. After an hour of superior forensics (and television magic), we find out the butler did it.

Sometimes you see this same case played out in construction organizations today. There are certainly no dead bodies, but plenty of carnage — usually of the monetary variety. The question that rarely gets asked is this: Did the butler (or superintendent) really do it? Put another way, are leaders looking at the “murder weapon” and making incorrect determinations and decisions about a situation? Is their judgment clouded by something making the root cause difficult to determine? Below are several examples where a knee-jerk decision may have led to an incorrect assessment of innocence or guilt.

Case File 234 — The Curious Case of Equipment Gone Late

A large trade contractor has a shop/equipment manager (John Doe). This individual is responsible for all small tools, consumables and materials the field uses on their projects. After about a year, there is a growing sentiment that John Doe is “not performing adequately.” Superintendents and foremen are creating a massive amount of noise about how they do not get the things they need when they need them.

Leadership is seriously considering a replacement for John Doe, but someone decides to conduct a brief investigation. John Doe is asked to track the calls he receives to the shop and evaluate if those calls are “planned” (items needed in greater than two to three days) or “emergency” (items needed in 24 hours or less). The table above is Evidence A.

Emergency Calls	Planned Calls
98%	2%

Evidence A

It is also interesting to note that this organization operates in a large metropolitan area where traffic is an enormous problem. As the investigator digs deeper, it is determined that the entire field team does not utilize a short interval planning process that allows them to capture needs, crew sizes, issues, contingencies, etc. Simply put, when they need something, they call John Doe and only provide him several hours of notice. When he can't make it happen, he is vilified.

Is the suspect guilty, or are the “victims” really to blame?

Case Closed: Superintendents are found guilty of improper planning.

Case File 479 — The Case of the Change Order Never Asked For

A midsized general contractor (Doe Construction) is losing money. The theory is that they have bad customers who take advantage of them. They pride themselves for being extremely customer-centric, so much so that it is in their mission and vision statements. Customers do express a great deal of appreciation for how well Doe performs. However, the firm



Case File 3.14159265 — The Case of the Project That Bled & Never Stopped

A mid-sized construction firm (Brand X) is losing money. More importantly, it always seems to be at the end of the project. As the leading investigators question the project teams about the end of the project, they hear some of these statements:

- “We always finish on time.”
- “We will never miss a deadline.”
- “I’m not usually on a project at the end (I get shipped to a new project), but my assistant is the one on-site, and I’m sure they know what’s going on.”

constantly writes down their projects. One of the leaders notices there are never any change orders in the system. In fact, there is a distinct lack of reporting when it comes to change orders globally. Yet as they dig deeper, these are all plan- and specification-type arrangements, normally characterized by errors and omissions. The graph below is Evidence B.

When questioned, project managers acknowledge the change orders but often reply with the following statements:

- “Well, it was a little gray and we didn’t want the customer to be angry ...”
- We wanted to keep the customer happy

- isn’t that what we are about?”
- “Sure, it was extra, but we made it go away ...”

Rather than deal with change orders fairly yet firmly, these individuals chose to acquiesce in the spirit of “customer service.” Some managers may have been conflict-averse while others wanted to look like the hero in front of the customer. Either way, the organization needed more structure that balanced customer-centricity and monetary protection.

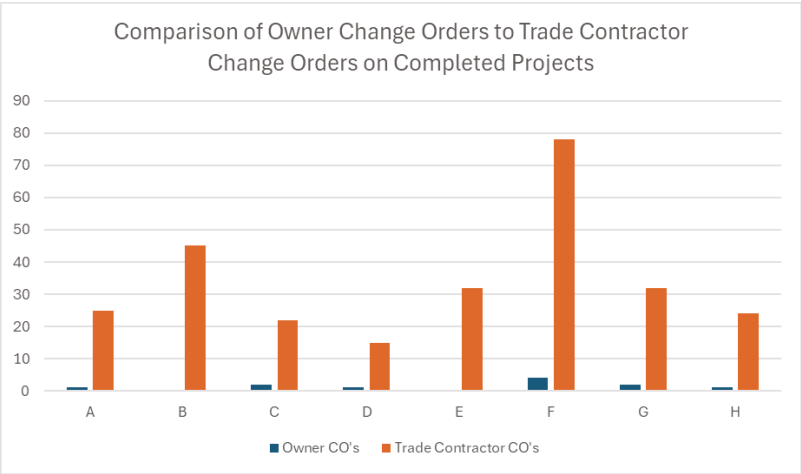
Case Closed: Project managers were found guilty of not being project managers.

There is a lot of evidence here. Now, it is admirable that Brand X never misses a deadline. However, what impact does that have on the project’s financials? In the mad dash to the finish line, does the firm throw money at the situation simply to get done? Additionally, what does the last statement say about how they finish? During the most critical time of the project, the person with all the knowledge is on to the new project, while their No. 2 keeps the seat warm. The correct answer is this: The firm should have an exit strategy to adequately plan the last phase of the work. If personnel are shifted, the entire team should conduct a “project exit strategy” to game it to conclusion.

Case Closed: Leadership was found guilty of failing to implement a firmwide project exit strategy

This is a tongue-in-cheek perspective on how firms sometimes make rash decisions based on a lack of evidence, or even a lack of perspective. The conclusion for you should be to consider how well you address root causes of problems and think through the appropriate solution.

If only we could fix all our problems in an hour. ▲



Evidence B

A New (?) Kind of Construction Risk

Revitalizing your back office & streamlining AP processes



CHUCK SCHWARTZ is a director at Marcum LLP, a top 15 accounting and advisory firm with one of the largest construction contractor practices in the country. Schwartz helps contractors select the right software, systems and tools to run their back offices and overall businesses better. This also includes helping improve the processes connected to the business areas in which the software and system are designed to help and assist contractors reduce risk. Schwartz has presented “Stamping our Construction Fraud” at national software user conferences and for construction industry membership organizations. Schwartz has also been a guest panelist at many software and system conferences on the best use of construction software and technology, as well as on similar topics discussed during national webinars. Visit marcumllp.com/industries/construction.

Contractors know all about risk — jobsite security, health and safety, workers’ compensation, bonding, subcontractor compliance and more. For many construction business owners, it seems like the list can go on forever. Unfortunately for some, it does.

Is your back office a risk? How can you know?

If you are like many construction contractors, your back office could include accounting staff close to retirement, disconnected systems for critical functions like project management, server hosting and operating legacy software and old undocumented processes. The latter has been coined the “if someone gets hit by a bus” risk, meaning that if someone becomes unavailable to you for a period of time (or worse, for good), the risk associated with what is mostly in their head and not written down is tremendous.

So, knowing what’s at stake, how can we forge best practices for minimizing and mitigating risk?

Documenting Processes

Documenting accounting processes like purchasing and accounts payable (AP), billing and accounts receivable (AR), and payroll accomplishes a few important things. First, it creates a clear path for how you want things to occur. Second, it provides a platform for training future staff. Step-by-step processes and workflows should be well documented so that almost anyone can keep the lights on

in a pinch. Even better is when approvals or “checks” are inserted into the process. This allows leadership to maintain an eye on purchases, such as purchases over a certain dollar amount or payroll and payments, ensuring that paychecks and payments are only being made to valid employees and vendors. Failure to instate proper processes is one of the most common causes of construction fraud.

For best practice guidance on assessing and documenting your AP, AR and payroll processes, consider bringing in your certified public accountant (CPA) — especially if your CPA firm specializes in construction — and specifically someone from their advisory, consulting, or financial accounting and advisory services (FAAS) practice. Experts in these areas are often highly skilled in performing AP, AR and payroll processing and creating and documenting the proper process and workflow.

Improving Processes

Skilled advisory and accounting professionals often find many processes that can benefit from improvement while documenting them. One of the most common areas in construction is the AP process.

This extends from inconsistent use of purchase orders to paper-intensive and manual expense and invoice approval processes (including email and text messages that are not easily tracked) to outdated payment methods.

Step-by-step processes and workflows should be well documented so that almost anyone can keep the lights on in a pinch.

While accounting systems and even modern enterprise resource planning (ERP) systems help to make a difference, there are several AP automation systems and tools that can help you improve and streamline your AP and payment processes while at the same time reducing the need to throw additional employees at the problem.

Adding an AP automation tool allows you to replace manual data entry with advanced capture tools featuring optical character recognition (OCR) technology, creating custom workflows with real-time access to a payment's status and associated approvals. AP automation also allows for sending faster and more secure vendor payments, fully automating the accounts payable process and reducing fraud risks.

A few of the standard AP automation tools for contractors are AvidXchange, Concur and Corpay. A contractor using AvidXchange recently said:

"We automated our invoice routing and approval process and knew that our next step in seeking more efficiency was to move away from manual check printing. By adding AvidPay, we were able to reduce our check processing time internally, as well as offer other payment options to our vendors, such as AvidPay Direct (enhanced direct deposit method), all within the integration of AvidPay working together with AvidXchange. AvidXchange even handled the coordination with our vendors."

Integrating Systems

Another common cause of manual and duplicative effort, weakness and risk is

that standalone software systems are not integrated — meaning that information doesn't flow from one system to another without manual intervention. One of the most common "non-integrated" weaknesses is found with accounting and project management software.

It begins at the award of a project. Suppose your accounting software and project management (PM) system are not integrated. In that case, project managers often — because they don't have access to the accounting software — must go to someone in accounting to get the next available job number and then create a new job in the PM system (without any knowledge of this being made inside the accounting system). Then, again without access to the accounting system, material purchases and subcontract orders are created by PMs (either inside or outside the PM system using Microsoft Excel or Word). Thus, financial commitments are made outside of accounting and company leadership knowledge.

Then, after the job is created in the PM system, the job must be replicated (duplicating effort and work) in the accounting system. Imagine if one of the pieces of information didn't make it or slipped through the cracks. Worse is when change orders are handled similarly and fail to be noticed, potentially reducing the chance of being billed and increasing the chance of your company not getting paid. At worst, a common cause of construction fraud is when something falls to the wayside intentionally.

Integrated construction management software (ERP software) reduces or removes many of these risks. Even better

is when these systems have been configured with processes and workflow that match how you want to run your business.

A few common software vendors for modern, integrated ERP software are CMiC, NetSuite and Trimble (formerly Viewpoint Software). A construction contractor who uses Trimble's Construction One (TC1) system shared the following:

"If you want to stay on track and reduce unnecessary costs and change orders, it's crucial to integrate your processes and do it in real-time — a task that is next to impossible with manual systems. TC1 plays a crucial role in supporting our need for process change and improvement. All of our data is in one spot. TC1 tracks our original estimated margin, our current estimated margin with approved change orders, our projected margin and the project team's opinion. One of the biggest causes of low margins is unnecessary rework. In fact, we think our past rework accounted for as much as 20% of our project costs, often due to someone not having the right information when they needed it on the job. It helps us manage our projects, our processes and our people by utilizing gathered data to mitigate risks and improve profit margins. TC1's integration of operations across our financial and HR systems, our project management tools, and our field staff enables us to run more efficiently and effectively."

The construction industry is ripe with risk opportunities, even right in your back office. The good news is that it doesn't have to be this way; for many, it isn't, at least for those who choose to use professional services and tools like the ones described here. What kind of contractor are you, and what kind do you want to be? ▲

Empowering Your Project Team

The impact of a seller-doer program on customer retention

BY LORI J. SULLIVAN

In the dynamic landscape of business, the role of the project management team in developing new business has emerged as a linchpin for organizations seeking to improve customer acquisition, growth and customer retention.

Introducing a structured business development training initiative for project professionals, commonly known as a “seller-doer” program, can yield many benefits. This goes beyond reshaping a company’s approach to business development; it also contributes to customer retention and expansion of opportunities within current customer accounts.

What Is a Seller-Doer?

A seller-doer is an employee of an organization who is responsible for both technical work and business development activities. Expectations can range from bringing in new business to maintaining customer relationships while also performing technical work for the company.

Investing in a Seller-Doer Program

Construction company leaders who have successfully integrated the project team into business development have dispelled the myth that only natural rainmakers can win new work. Instead, they recognize that selling and serving clients in the architecture, engineering and construction (AEC) market today, especially large corporate or institutional

clients, requires a higher level of technical skill and business acumen than most industries.

These leaders have invested in the project team members who are already engaged in substantive, issue-based conversations with customers and developed a program to support them. A well-defined seller-doer program clarifies expectations, provides training and coaching, and identifies areas of specialization where staff can contribute to business development and customer-retention efforts.

The Seller-Doer as a Customer Advisor

To follow the success of the companies that have successfully developed a seller-doer program, avoid the noise of sales-based approaches and encourage your project professionals to build on their technical capabilities and develop a more expansive, advisor mindset.

Help your seller-doers to gain a more holistic understanding of the client’s strategic and operational issues that go deeper than the day and daily project issues. This knowledge becomes the bedrock of developing long-term, value-driven customer relationships based on undeniable professional competence.

Benefits of a Seller-Doer Program

A well-developed program can be particularly beneficial during times of market uncertainty — providing resilience and adaptability in an ever-shifting economic landscape:

- *Customer relationship focus* — Building and maintaining customer relationships is a core aspect of the seller-doer model. In times of uncertainty, the ability to nurture existing customer relationships becomes crucial. Seller-doers, by being actively engaged in both technical work and business development, can better understand customer needs and

respond effectively to changes in those needs.

- *Customer-centric approach* — Seller-doers are typically focused on building long-term relationships with customers. This customer-centric approach can be a competitive advantage during uncertain times when trust and reliability become critical factors in business relationships.
- *Quick decision-making* — Seller-doers often have a more direct line of communication with customers. This streamlined communication facilitates quicker decision-making, allowing organizations to respond promptly to market shifts or customer requirements.
- *Cost-effective lead generation* — A seller-doer program supports cost-effective lead generation, allowing the organization to generate more prospective opportunities without significantly increasing costs. Through targeted training, seller-doers can focus on qualified opportunities, eliminating time spent on low-value prospects and ensuring a higher return on investment.
- *Market intelligence* — Seller-doers, being involved in both technical and business aspects, are well positioned to gather market intelligence. This firsthand knowledge enables organizations to make informed decisions and adapt strategies based on real-time information.

Developing a Seller-Doer Program

Once you recognize the need to involve everyone in your organization in fostering new business and retaining customers, the next step is to take action: Secure the support and commitment of your leadership team, business development and marketing. The process does not have to be complicated, but it takes some preparation.

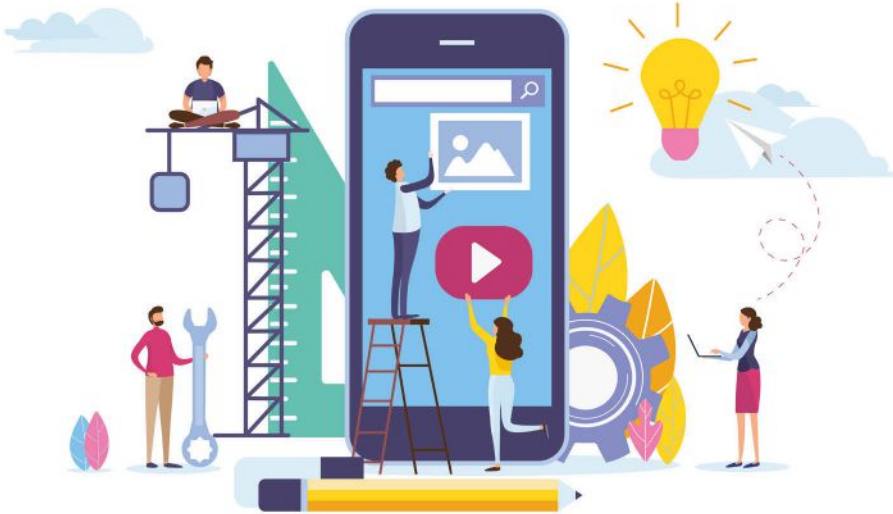


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Below are five steps to get started:

1. *Identify objectives and goals* – Clearly define the objectives and goals of the seller-doer program. Determine what you aim to achieve, whether it's increased revenue, improved customer relationships, market expansion or a combination of these and other factors.
2. *Craft a compelling business case* – Develop a comprehensive business case that outlines the need for the seller-doer program. Highlight potential benefits, such as revenue growth, improved customer relationships and market expansion. Clearly articulate how the program aligns with organizational goals. Be sure to address risks and challenges to the program.
3. *Define who will participate* – Specify the technical professionals for the program. This could include specific departments, teams or individuals within the organization who will be designated as seller-doers. Consider seasoned professionals to include as trainers. Develop a clear framework that outlines the roles, responsibilities and expectations of seller-doers. Define how technical work and business development activities will be balanced, ensuring that individuals understand their dual roles.
4. *Get buy-in* – Getting the buy-in of stakeholders before launching a seller-doer program is crucial for its success. Identify key stakeholders who will be impacted by the seller-doer program. This may include executives, managers, team members and customers. Understand their perspectives, concerns and expectations. Anticipate and address potential concerns or objections from stakeholders whether it's about resource allocation, changes in workflow or perceived challenges.
5. *Develop topics and training plans* – Design a comprehensive training program that equips technical staff with the necessary skills for effective business development. This may include sales training, communication skills, customer relationship management and other relevant competencies. Equip seller-doers with the tools and resources they need to succeed. This could involve implementing customer relationship management (CRM) systems, providing marketing materials and

offering ongoing support. Consider implementing a pilot or test phase of the seller-doer program. This allows stakeholders to observe the program in action on a smaller scale before full implementation. Gather feedback during this phase to make necessary adjustments.

Implementation

By following these five steps, construction organizations can develop a robust seller-doer program that aligns with their business objectives, enhances the skills of technical staff and contributes to sustained business growth.

When it's time to implement, be careful to avoid boilerplate sales training. Engage a consultant specializing in AEC industry business development and organizational strategies to work closely with your organization to customize the seller-doer program based on your unique goals, culture and challenges. This tailored approach will enhance the program's relevance and effectiveness.

Maintaining your competitive position with your customers requires a plan to guide your sales and marketing activities through the coming years. By incorporating a seller-doer program that combines technical proficiency with business acumen, it can enable an organization to stay relevant, adapt quickly and retain customers. ▲

Lori J. Sullivan is president of BluePrint Growth Consulting. She is a seasoned AEC professional, having worked as a construction engineer and project manager before moving into business planning and development for two large national construction management firms. BluePrint Growth Consulting is a provider of building industry-specific strategy, sales planning and training solutions that are designed to improve sales performance and grow revenues for their clients. Contact Sullivan at lori@bdblueprint.com. Visit bdblueprint.com.



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5 Risk Myths Demolished

Make your firm more resilient to looming problems

BY BRUCE GERHARDT

We make decisions about risk every day in our personal and business lives. For construction business owners (and everyone in the construction industry), bad outcomes can mean the difference between staying in business or not. Here are five risk myths that get in the way of thinking about important risks you may be overlooking — and accepting.

1. Thinking About Risk Is for Big Companies

It is true that the larger the company, the more resources and time can be spent taking a broader look at risk. But for smaller companies, risk can be much more dangerous. Your margin for error with limited financial resources and cash flow is more critical than for most large firms. Less resilience means you need to pay close attention and think about how you identify and manage risk for your

firm. You can use simple, cost-effective risk tools in place of the expensive consultants, complicated analyses and dedicated internal teams that larger firms deploy.

Start with avoiding simple mistakes like overlooking things you know. How? Use checklists. Busy people who work with complex processes and systems are prone to forgetting a simple step, a required form, a critical safety check, etc. Those unforced errors can be costly. Dr. Atul Gawande wrote “The Checklist Manifesto” in 2010. He noted the dramatic effect checklists had on reducing and eliminating errors when used by doctors, pilots and even investment fund managers: “[T]hey chose to accept their fallibilities. They recognized the simplicity and power of a checklist.”

Too simple? You are already using one: your submittal schedule. Checklists

can be made, refined and used for everything from corporate filings and license renewals to field issues like safety and equipment maintenance. The most important ones for your company should be your go/no-go checklist for project screening and your risk register for project-specific risks. Using checklists regularly for all your company’s operations will benefit your bottom line, over and over.

2. Risk Comes From Outside My Company

It is easy to fixate on external risks, but many of the most dangerous risks you face lurk inside your company. Because you understand your business and your company so well, there can be a tendency to discount your own risk — but that can also create a blind spot right under your nose. In a Harvard Business Review article, Robert S. Kaplan of Harvard and Anette Mikes of Oxford University call these internal risks within an organization “preventable risks” that “are controllable and ought to be eliminated or avoided.” Often, it is in your most profitable times that you are likely to overlook these risks.

Vince Lombardi said: “You block and tackle better than the team you’re playing, you win.” What is blocking and tackling for a construction company? Start with the start. What do you have in place to determine whether to pursue a new opportunity or not? A go/no-go process can screen out later failures and



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losses where you say: “I should have seen it coming!”

For projects that are won, do a thorough risk register. Identify risks to successful performance, develop mitigation measures and continually update the plan during the execution. During performance, track and manage change orders, payment and quality requirements. Reading and understanding the processes and requirements of the contract documents will make sure you are managing this specific project, and not defaulting to the usual practices you have adopted over time. These risks, and the losses they create, are the easiest for you to eliminate.

3. Small Projects Are Small Risk

It is only human nature to spend our time worrying about the biggest things, such as the biggest construction projects. You have probably been told the “80/20 rule” says you should spend 80% of your time working on the 20% of things that matter (usually meaning most profitable). But the saying, “It’s the little things that come up to bite you” exists for a reason: We overlook the little things. Sometimes these are “pet projects” or an opportunity to get a foot in the door — projects that are taken on for various reasons but do not match the company’s typical project size or type (or both). Small projects tend to suffer from a lack of sustained management interest, a lack of sufficient experienced staffing, and a lack of planning and risk identification. When one of these projects results in a claim or lawsuit, you may find your small project just brought on a big exposure. Physical injuries, consequential damages like lost profits and regulatory enforcement can mean you will have expenses that dwarf the small profit you could have made — if all had gone well. Many small projects miss a formal go/no-go process

and a risk register because it “just wasn’t worth it.” Bottom line: Risk can be very disproportionate to project size.

4. Only Bad People Do Bad Things

Mark Ingebreetsen, author of “Why Companies Fail,” wrote: “Perhaps nothing can bring a company down with such amazing speed as misconduct.” Employee misconduct happens in smaller companies, and by people who friends and coworkers know as nice, quiet and respected.

Florida Atlantic University College of Business (FAU) reports that “smaller businesses (less than 100 employees) are more vulnerable to fraud than larger ones. ...” A business.org survey found 22% of small businesses had employees steal from them. FAU points to several causes: lack of internal controls, higher rates of fraud by small business owners and executives, and the tendency to have a single person in charge of many areas without effective oversight. But this couldn’t possibly happen to your company, where you know everyone, right? According to a 2016 article by Andrew Donohoe and Stephanie Allgeyer with VonLehman CPA, 85% of employees committing fraud are first-time offenders. It happens over and over to the least suspecting.

You won’t recognize anyone in your company as being someone capable of fraud, theft or any other type of misconduct. If you could, you wouldn’t have hired them in the first place. Internal systems and financial controls have to be in place for this reason — by the time you realize someone was stealing from you or engaging in other types of misconduct, it may be too late for your company to survive.

5. Insurance Takes Care of Risk

Many employees, from the CEO to your front-line workers, think insurance takes

care of everything. Other companies may think of your insurance that way too: “Just submit the claim to your carrier. What do you care?” Anyone who has been through the underwriting process for policy applications or renewals knows how important your company’s loss experience is to the cost of insurance. Just as important to the insurer is how you manage your business, including claims and settlements. Premiums, coverage offered, exclusions, and deductibles or self-insured retentions — all are impacted by how you treat an insurer’s coverage. Is it with as much care as you would show for your own money? Those claim payments are recaptured in future premiums — think of it more as loss financing than loss coverage. Over time you will be paying it back.

Treat your broker and insurers as your partners. Simon Burtwell with EY advises: “Don’t think about an insurance product as a commodity that is bought simply on price; it must be a service solution that is bought based on perceived value to reduce risk and manage loss.” Experienced construction brokers and insurers, including sureties, want to help you manage your risk. It financially benefits them; it financially benefits you. Take advantage of their resources, from webinars and articles to contract review services and site audits. Your bottom line will be better off avoiding claims and having fewer of them to pay. ▲

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Asset & Facilities Maintenance Get a High-Tech Face-Lift

How digital management processes can improve your bottom line

BY DAVID HERNANDEZ

In a world where the only constant is change, the construction sector is catching the digital wave, transforming its foundational bricks and mortar into pixels and data.

This revolution isn't just about keeping pace; it's about setting the pace, leveraging the power of computerized maintenance management systems (CMMS) and computer-aided facilities management (CAFM) to forge a future where efficiency and innovation become the backbones of the industry. For owners of construction businesses, efficiency and innovation are not merely industry buzzwords: They can translate to a very positive impact on the bottom line.

As we peel back the layers of this digital revolution, it becomes evident that CMMS and CAFM are catalysts for change, empowering companies to

navigate the rough waters of economic uncertainty, soaring operational costs and the relentless pursuit of efficiency. What's more, these tools can be used to optimize virtually every process and procedure under a company's roof — including asset and facility maintenance, two areas of a company's operation that don't get the attention they deserve.

Gone are the days when maintenance was a mere checkbox on the daily to-do list. Today, by leveraging CMMS and CAFM technologies, companies can fundamentally transform their maintenance function. The maintenance landscape is being remodeled, creating a future in which every nut, bolt and screw is a part of a well-oiled machine.

Digitizing maintenance through CMMS and CAFM solutions positively impacts the maintenance workforce. Companies

are managing key assets differently to improve their operational and production effectiveness, and it's delivering significant financial benefits.

Pressure to Maintain, Not Replace, Equipment

Most organizations are facing economic instability, rising operational costs and increased material prices — all of which affect profitability. In this climate, organizations are looking for ways to reduce costs and increase efficiency. This improvement drive is pressuring maintenance teams to optimize asset performance and availability.

Most businesses prefer to defer equipment replacement until more profitable — and more predictable — times. As a result, maintenance teams are given the unenviable task of prolonging the life span of existing assets, which means ensuring those assets and their infrastructure are entirely reliable. In these scenarios, CMMS software plays a critical role.

When an asset breaks down, it could have a cascading effect on the entire operation. Planning when to regularly check and/or maintain a piece of equipment will prolong its life span, as maintenance teams can spot issues before they occur. Monthly checks, quarterly maintenance and annual overhauls are reducing failures, increasing machine efficiency, improving productivity and enhancing the effectiveness of maintenance teams.



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Of course, managing these programs is complex work. That's why forward-thinking companies have moved away from using a calendar or spreadsheet to plan preventive maintenance schedules. In their place, they use digital CMMS platforms to manage their maintenance teams and regularly check assets.

Fewer Skilled Workers = More Machines

By 2030, the global manufacturing industry is expected to experience a deficit of more than 7.9 million people. In the U.S., the manufacturing skills gap could result in 2.1 million unfilled jobs by 2030; the cost of those missing jobs could potentially total \$1 trillion in 2030 alone, according to Deloitte. Which all goes to say that finding skilled people is currently a gargantuan challenge for many companies.

How does this all relate to asset and machine maintenance? With talented people in short supply, many companies are automating processes to drive production with reduced head count. But more machinery increases the workload of maintenance teams

In light of a greater digital investment, operational leaders are looking for ways to better monitor and manage underprioritized areas such as asset maintenance. Industry leaders are now using CMMS systems with business intelligence tools such as Microsoft Power BI to combine data from their maintenance systems with information from other production systems. This integrated approach allows them to monitor the effectiveness of production lines.

CMMS software is also giving maintenance teams greater insight into their workforce, monitoring the effectiveness of shift teams week by week. Gathering this type of data will allow companies to further reduce skills and efficiency gaps, and ensure they are

retaining the right employee levels in their maintenance operations.

Improving Maintenance, Improving Sustainability

While profitability is a priority in the current fluctuating market, it's not the only target. Many companies are also focused on reducing their environmental impact. And maintenance plays an important role in helping firms lower their carbon footprint.

Streamlined asset and facility maintenance enables companies to identify inefficiencies and other technical issues more quickly. In fact, CMMS software solutions can empower maintenance teams to:

- Regularly monitor meter readings to understand and optimize energy consumption.
 - Monitor waste for production line shifts.
 - Reduce/remove paper-based systems such as permits and risk assessments.
 - Closely manage maintenance team visits to reduce mileage, fuel use and emissions.
 - Improve machine maintenance to reduce production downtime and maximize energy efficiency.
 - Increase the life span of equipment to reduce wastage/scrappage.
 - Manage stock movements and purchasing to optimize availability and reduce transportation emissions.
- Implementing CMMS software as part of an overall digital transformation strategy also helps unite operational technology (OT) and information technology (IT). Well-integrated solutions improve data visibility, which enhances sustainable decision-making.

Linking IT & OT

The relationship between IT and OT for data collection and analytics has been well established. But there are other ways IT can help companies improve

asset maintenance. For example, the transfer of data and controls between a CMMS system and an enterprise resource planning (ERP) system helps businesses manage stock and purchasing processes without manual intervention or double-keying entries.

CMMS software can also use data from other digital assets to operate more efficiently. Many CMMS users claim that linking IT and OT systems using API technologies improves metrics and process automation. With such connectivity in place, maintenance becomes a value-driving area rather than an expense — music to any business owner's ears. Operational teams can demonstrate and report on how CMMS software boosts efficiency, streamlines processes and reduces waste.

Market conditions and company goals have turned asset maintenance into much more than a routine process. Today, companies can digitally transform their operations to influence how well they run and grow their profits. And operational teams can now be accountable to upper management, shareholders and customers.

Though changing asset and facility maintenance from expenses to money generators seems like a magic trick, it's anything but. It's the result of applying the most current CMMS and CAFM technology to these areas. Even organizations with well-established plans are taking a fresh look at asset maintenance in 2024. Modern systems and processes can help them overcome economic pressures and future-proof their business. ▲

David Hernandez is the head of U.S. for Elecosoft, based out of Elecosoft's Houston, Texas, office. He may be reached on LinkedIn. Visit elecosoft.com.



REAL JOBSITE SOLUTIONS

While tackling tough challenges is all part of the job, you shouldn't have to do it alone. The issues you face in running a successful business — small, large and everything in between — require solutions. In this section, we highlight several offerings from the industry's top names to help you solve your problems at any scale.





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Bobcat Company

Jessie Hamilton defies the expectations in a ‘man’s world’

Jessie Hamilton, a heavy equipment operator for Schutte Excavating in Greensburg, Indiana, operates her compact track loader with unmatched expertise and finesse. While running equipment has been a lifelong passion, she would have never taken hold of the controls if she’d accepted the status quo.

From a young age, Jessie was determined to break the stereotypes and embrace every opportunity — especially if it meant operating the fascinating machines that her brother was allowed to handle on her family’s dairy farm. She made it her mission to learn the ins and outs of equipment operation.

Jessie recalled that when she was growing up her older brother always got to do the “cool stuff,” and she was often jealous he could drive tractors and help their dad out on the farm. “I always was jealous that he got to go out there and do it. I would follow him around like a puppy dog because I always wanted to do all the ‘boy stuff’ us girls didn’t really get to participate much in,” Jessie said.

As she grew older, Jessie honed her skills — on her own — with dedication and perseverance. The animals on the farm counted on her, and she took this responsibility to heart, ensuring their needs were met day in and day out. Jessie developed a confidence that only comes from a sense of purpose — and exhaustive knowledge of her fleet of Bobcat equipment.

“The thing I’m most proud of is I’ve learned how to become the operator I am on my own,” Jessie said. “I also feel like when I come to work, I don’t come just for the paycheck. I enjoy every day that I get to sit in that equipment.”

Today, Jessie operates a fleet of Bobcat equipment full time for



Schutte Excavating, a full-service design-build excavating company. The organization has an extensive background, including residential construction, farm excavation, concrete construction, infrastructure and civil projects. Jessie says she sees her role as far more than “just a job” and loves the opportunity to continue to grow her skills while helping customers achieve ambitious project goals.

Jessie loves the ergonomic controls and the comfort of her Bobcat compact excavator and compact track loader, as they help her tackle long days with ease and confidence.

She handles her compact track loader with an artist’s grace and precision, and she’s even been complimented for wielding the machine like a paintbrush. Every task she takes on is executed with expert finesse.

Despite her undeniable skill and dedication, Jessie still encounters the occasional customer who is unwilling to acknowledge her as the boss. But she doesn’t get discouraged. She reminds them that she’s just as capable and efficient as any man and lets her work speak for itself.

See more of Jessie’s story:



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Develon

How new Develon innovations are increasing operator productivity

On the jobsite, every second counts. And when time is money, construction companies need innovative machines that place a premium on productivity.

Develon, a leading heavy equipment manufacturer, obsesses over design details so operators can confidently navigate even the most challenging work area. The company's approach to delivering everyday efficiencies focuses on three key areas.

ENHANCED VISIBILITY

A clear view isn't a jobsite luxury — it's a necessity. Develon machines help operators see beyond blind spots, ensuring that safety and efficiency go hand in hand.

The Develon industry-exclusive Transparent Bucket, available on 7-Series wheel loaders, increases visibility by providing unobstructed views of spaces in front of the bucket thanks to a monitor inside the cab. A standard rearview camera helps operators see what's behind them. And an optional around-view monitor (AVM) camera system displays a full view of the machine's surroundings, especially beneficial in tight spaces.

COMFORTABLE CONVENIENCES

A comfortable operator is a focused operator, capable of tackling the most demanding tasks with clarity. Develon prioritizes operator comfort by delivering a roomier and quieter cab as well as more intuitive controls.

Air-suspension seats with heating and cooling allow operators to select an optimal working position and temperature for improved ergonomics over the course of their shift. A sound-isolating cabin seal reduces the noise inside the pressurized cab to extremely low levels. The standard Smart Touch screen displays critical information in one convenient



location: machine settings, rearview camera, heating and cooling, the Develon Smart Guidance system and more.

ALL-AROUND EFFICIENCY

As projects grow in scale, budgets tighten and deadlines loom, the demand for equipment that works efficiently has never been stronger. Develon has construction companies covered.

The new reduced tail swing counterweight design on Develon crawler excavators helps operators work with surgical precision in confined areas — such as waste transfer stations and single-lane roadways — without sacrificing performance.

The innovative tiltrotator mode on 7-Series crawler excavators can save companies time and labor.

With a few simple selections on the Smart Touch display, operators can accurately move the arm while simultaneously rotating or tilting an attachment. This facilitates faster hauling, trench digging or contour backfilling without the need to reposition the excavator.

A worksite where every movement is precise, every obstacle anticipated and every task mastered with ease — it's possible with innovations from Develon, whose future-forward approach is helping heavy equipment operators handle whatever their workday brings.

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*12 months or 2,000 hours for articulated dump trucks with additional powertrain and hydraulic coverage for 36 months or 5,000 hours. 12 months or 1,500 hours for material handlers with additional powertrain and hydraulic coverage for 36 months or 5,000 hours. Visit na.develon-ce.com for terms and conditions.

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Foundation Software

Construction-specific accounting solutions for contractors

For almost 40 years, Foundation Software's flagship product, FOUNDATION accounting software, has helped contractors manage the complexities of back-office processes like job cost accounting, construction reporting, project management and, in the case of Systems Tech Fire Protection, payroll.

Systems Tech Fire Protection delivers high-quality fire protection solutions to California. When it came time to change their accounting software, office manager Kathy Rambo needed to find a solution that met California's unique reporting requirements.

"As I was doing my research, I was finding little flaws in other accounting programs that couldn't accommodate us," Rambo stated. Though a variety of these accounting programs touted themselves as construction friendly, they were still falling short in meeting the construction-specific needs of the company.

Rambo found the biggest issue with generic accounting systems was the inability to accommodate certified payroll. Similar to most construction companies, Systems Tech Fire Protection faces complex requirements from a variety of agencies and organizations across the state. Each construction project has different wage and fringe requirements — but so does each unique employee. This is where a lot of generic software was missing the mark.

Systems Tech Fire Protection needed a payroll solution that would be flexible enough for a real construction crew. "It just drove me crazy that nobody was getting the concept. All the other programs fell short." That's when Rambo discovered FOUNDATION.



FOUNDATION OFFERS CONSTRUCTION ACCOUNTING & PAYROLL

Due to its customized sequencing, FOUNDATION allows users to set default pay and fringe rates based on factors like job, trade and employee. For Rambo, this meant that she just needed to enter the timecard information, which included data like employee name, employee trade, employee job and employee time. FOUNDATION could then pull the numbers from the right data tables to calculate how much the employee should make in wages, how much they should make in benefits (education, health care, pension etc.), what taxes and deductions need to be withheld and more.

"If I could go out and put construction software together, this is how I would do it," Rambo said. "I was singing your praises to everyone that would listen to me. Because it was like, 'Finally!' Someone got it!"

Since FOUNDATION stores their

timecard information in a robust, date-sensitive database, users can always go back and pull new reports without having to re-enter data. This flexibility is especially important in the face of California's ever-changing reporting requirements. Rather than scrambling to create new reports or change information, FOUNDATION can pull whatever information is needed.

WHY FOUNDATION?

FOUNDATION is more than just powerful payroll. With built-in features including job costing, accounts receivable, project billing and other additional modules, plus integrations with field apps and time tracking software, contractors can customize their system with exactly what they need.

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Profit by Paymentus

From chaos to control: A plumbing business owner's financial journey

AN ENTREPRENEUR'S STRUGGLE

Theresa McFaul built her business in San Antonio from the ground up. As a master plumber, licensed realtor, builder and the owner of Mai Vu Plumbing and Construction, she was no stranger to hard work and determination. But amid the hustle and bustle of daily operations, Theresa found herself facing an unexpected adversary: financial chaos.

"Everything gets jumbled when you're running in the day-to-day. It's hard to control what employees are spending on and when the money is going to come out of your account," said Theresa.

THE CASH FLOW CONUNDRUM

For Theresa, getting control over spending was critical. Without visibility into her cash flow, Theresa was frustrated by overdraft fees and chasing down outstanding payments. Initially turning to credit cards as a solution, she soon saw expenses piling up at the end of the month. With employees spending first and asking questions later, expenses often ran faster than revenue. Theresa knew she needed a solution — and fast.

ENTER PROFIT

In her quest for financial control and transparency, Theresa found Profit — a virtual bookkeeper and expense management solution seamlessly integrated into a bank account. No more late nights wrestling with spreadsheets or shuffling through paperwork. Now with Profit, every expense is automatically reconciled and added to her financial statements, giving Theresa a crystal-clear view of her financial health at the click of a button.

PAYMENT TRANSPARENCY

Gone are the days of wondering what employees have spent or dealing with cumbersome expense reports. With Profit, Theresa can allocate funds to physical or virtual debit cards and view transactions as soon as they happen. Even

better, Profit automatically requests pictures of receipts, which are then assigned to every transaction.

With Profit's mobile app, Theresa can approve spend requests in seconds, ensuring her team never misses a beat.

"Once a person has a card, they can request money — 'Hey, I need \$50 for drywall.' We get notified, say yes or no, and the money gets moved automatically. It saves so much time — and it tracks what every person is spending," according to Theresa.

BUDGETS & FINANCIAL REPORTS

The more Theresa uses Profit, the more control she gets over her business. The Budgets feature and the built-in automatic bookkeeper track every expense to the correct budget. Nowadays, Theresa never leaves home without the Profit app. From issuing cards to monitoring budgets, Profit has become her constant companion — a silent partner in her quest for financial mastery.

CONCLUSION

For Theresa McFaul, Profit has transformed the way she does business, paving the way for a future of financial stability and success.

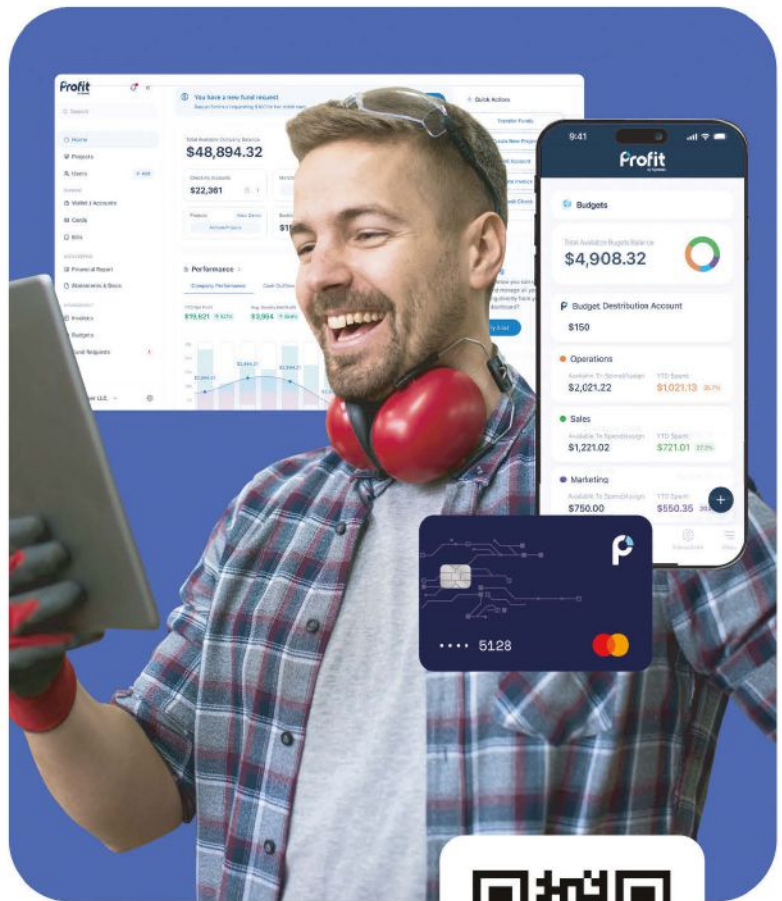
In the unpredictable world of entrepreneurship, one thing is clear: with Profit by her side, Theresa is ready to conquer anything that comes her way.



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"Profit shaves off so much time, it's so convenient, and it tracks what every person is spending."

Theresa McFaul Owner, Mai Vu Plumbing & Construction

Progressive Commercial Auto Insurance

Protecting the business you've worked hard to build

As America's No. 1 commercial auto insurer*, Progressive has a wide range of insurance options for contractors. Its customizable policies offer flexible options from minimum coverage to comprehensive protection. Plus, you can shop a variety of other business insurance products.

Progressive's direct representatives and independent agents can help you find the right insurance for your construction business. Here are a few of the many reasons you can rely on Progressive for your commercial auto needs:

1. Industry experience —

Progressive has a history of insuring construction businesses. This experience means they can ask the right questions to get the coverages and limits you need to stay protected. Insurance experts study the latest coverages and trends to make sure you get great protection for your work vehicles.

2. In-house commercial claims representatives —

Progressive's dedicated team of adjusters knows your work vehicles are an integral part of your construction business. Progressive's in-house representatives have experience handling commercial claims, so they can help you get back to work fast.

3. Adaptable to changes —

Your insurance needs will likely change over time. Progressive offers a wide range of coverages to make updating your policy easy. When you buy a truck or secure a contract, Progressive can make your insurance work for you. Progressive can also help you find other coverages, like general liability and business owners policies (BOP), so you're protected



at each stage of your business's development.

4. Customizable coverages —

No two construction businesses are the same, so you wouldn't expect their insurance to be either. Whether you have a seasonal business, tow a trailer, or have attached equipment on your vehicle, you can customize your policy to fit your needs. You can update your coverages, limits, vehicles and drivers at any time.

5. Ways to save — Discounts** help you get quality insurance at a more affordable price. Get instant savings by enrolling in Snapshot ProView***, a program that rewards safe drivers on their commercial auto insurance. Progressive also offers savings for maintaining continuous coverage, paying your bills electronically and more.

6. Available when you need it — Your work might not be

limited to a nine-to-five schedule — that's why Progressive is available when it's convenient for you. Whether you need to make policy changes, request an insurance certificate, or file a claim, they are available 24/7 by phone or online. Progressive's knowledgeable staff takes care of your needs so you can get back to what matters most — your business.

*No. 1 commercial auto insurer from SNL Financial's 2022 national written premium data.

**Discounts vary and may not be available in all states and situations.

***Not available in all states. At new business, PRG customers enrolled in Snapshot ProView receive at least a 5% discount, but some can save 8% or more.

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Everyone deserves access to clean, affordable energy. Propane's superior comfort, versatility & reliability make it ideal for jobsites. Whether you're building one house or a community, there's a propane system for you.

Every jobsite needs access to reliable, affordable power. Propane offers scalability and performance to power any size project or business. And with today's focus on the environmental impact of the energy choices we make, propane can help you meet your sustainability goals. It's the cleanest alternative energy for backup power, mitigating nitrogen oxides and particulate matter by replacing diesel generators. That means fewer greenhouse gas emissions, significantly better local air quality and quieter operations, too. Propane-powered portable generators are 98% cleaner than diesel-fueled

equivalents — and less expensive to operate, too. And unlike most fuels, propane doesn't degrade over time, so it's always ready when and where it's needed most.

Propane is the safe, smart choice for towable and portable power on construction sites, prime power for businesses, high-efficiency combined heating and power systems, and even standby power that's ready for anything. In fact, propane plays an important role in permanent and temporary microgrids, working in tandem with wind, solar PV and battery systems to generate clean, cost-effective and reliable power for

remote builds and projects. These miniature power grids store electricity from renewables, using the propane generator only as needed, with performance controlled locally via a centralized station.

For businesses, a reliable propane standby generator is a key part of resilient design. When the power is knocked out, standby power kicks in almost instantly, so there's no disruption in heating or cooling, lighting, refrigeration and other critical building systems. These units can keep operations running for weeks until power is restored. It can prevent thousands of dollars in losses for a business and help keep the doors open.

For these reasons and more, propane is the environmentally friendly energy for construction pros — and getting cleaner every day. Renewable propane is chemically identical to conventional propane and offers the same performance and reliability. But it's made from renewable feedstocks, cooking oils and agricultural waste products with a carbon intensity score that's even lower than the national average for grid electricity.

Choosing propane empowers your pros and your customers to embrace a more resilient future without sacrificing their energy needs. Power your next construction project with the affordability, reliability and versatility of propane. Visit propane.com/powergen to learn more.



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Power a Cleaner Future Today with Propane Generators

Whether you need primary or backup power, propane generators deliver quieter, more efficient, and far more environmentally friendly performance than diesel options. In fact, propane is the cleanest alternative energy for power generation, able to significantly improve local air quality. With the capability to meet any need, propane generators provide power that's quiet, versatile, reliable, and available anywhere you need it.

▶ Visit **propane.com/powergen** to explore propane power generation options for your needs.



United Rentals

United Rentals' customer equipment solutions proves a true differentiator

Large contractors face a common struggle: how to maintain their owned equipment when their footprint spans multiple locations around the country. Typically, they patch together a network of local repair shops, but this fragmented approach demands time and active, ongoing effort that could be better spent driving business growth.

Service and maintenance programs from United Rentals relieve the burden of performing ongoing preventive maintenance and repairs so that companies can focus on what they do best.

MAINTENANCE SERVICES FROM THE WORLD'S LARGEST FLEET OWNER

A leading provider of commercial fire sprinkler systems and mechanical services relies on myriad pieces of equipment, from excavators to aerial lifts, to perform its work. With multiple locations in six states, the contractor struggled to stay on top of regular preventive maintenance for its owned equipment.

For contractors of any kind, a lack of

proper preventive maintenance often leads to unscheduled downtime, an increased risk of safety incidents and a higher total cost of fleet ownership.

AN EFFECTIVE, ONE-STOP SOLUTION

Placing equipment maintenance in the hands of United Rentals ensured that equipment was serviced quickly, which minimized downtime. When equipment required service, a single call to United Rentals yielded a fast response and a quick turnaround. With its access to countless equipment vendors and with thousands of parts in stock and available for immediate use, United Rentals is able to perform work in a timely manner despite supply chain issues that frequently cause delays at local service shops.

The single-source approach to maintenance and repair saved time and man-hours on the back end as well. The contractor no longer had to deal with invoices from multiple service providers. Payments were handled through a single invoice from United Rentals.

HARNESSING TOTAL CONTROL FOR IMPROVED FLEET MANAGEMENT

The contractor was familiar with the benefits of using Total Control to locate rental equipment in real time but did not realize that United Rentals customers could also track their owned equipment using the same platform. By installing GPS-enabled telematics devices on owned equipment and adding the equipment to the contractor's account in Total Control, United Rentals allowed the contractor to make better use of its fleet.

Thanks to Total Control, the company could pinpoint the location of GPS-enabled equipment on a map, which alleviated time-consuming searches. It could also receive alerts when service was due. The same alerts notify United Rentals that it's time to send a technician or schedule a pickup.

This proactive approach to maintenance reduces the amount of time equipment is out of the field and helps ensure that equipment remains in good operating condition from project start to finish.

THE COMPLETE PACKAGE

Based on the positive impact of leveraging United Rentals' owned equipment maintenance program at its largest location, the contractor has since made use of the program in 40 of its branches. The contractor noted that the efficiencies gained by outsourcing equipment maintenance to United Rentals have resulted in significant savings.



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JCB North America

The world's largest privately owned manufacturer of construction, agricultural & defense equipment



Construction exploded in the 1940s. WWII sparked a great deal of engineering innovation, and when the war ended, there were enough resources and an eager workforce ready to put the latest technology to practical commercial use.

It was during this time that engineer Joseph Cyril Bamford began inventing new equipment in a garage in Uttoxeter, England. Right from the start, his concepts were innovative. That innovative edge became apparent in 1949 with the launch of the JCB major loader, which revolutionized agriculture.

An innovative approach to building construction machinery has grown this family business from a one-man experiment to a global company of 22 manufacturing plants across four continents, with more than 750 dealers around the world.

JCB's machinery operates on six continents, and the company is constantly evolving its range of over 300 machines. Pushing the boundaries comes naturally to JCB, but the company doesn't just do it because it's exciting or edgy; JCB does it because that's what its customers need. And frankly, it's what they've come to expect.

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JCB BETTER

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Employee benefits built for contractors

With the passing of the Infrastructure Bill, nonresidential construction is seeing an increase in project demand, meaning more companies will likely bid on these projects.

Did you know that when a contractor wins a government-funded prevailing wage project, they earn additional fringe dollars that can be used to subsidize employee benefits such as a 401(k), medical plan or paid time off? With project demand comes employee demand, and with a construction labor shortage, many employers are looking for ways to implement retirement and health care plans to attract and retain employees.

However, prevailing wage compliance and plan design can be

tricky business, and only a few providers know how to adequately manage the needs of government contractors.

That's where Beneco steps in. With almost 40 years of experience addressing the unique needs of the construction industry under its belt, and a client retention average of 15-plus years, its clients and future clients come to Beneco when they are looking for answers to their prevailing wage and Davis-Bacon-related questions.

"If you are doing Davis-Bacon work, you need experts in the field to help get your compliance and reporting



capabilities straight. That's why we came to Beneco, and that's why we're still with them."

— *Valued Beneco customer*

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"Benefits have been tremendous — to the point that, in addition to us, we also now have approximately 8,000 subcontractors using the system. The system serves to raise the level of compliance and gives us peace of mind that wages paid by us and our subcontractors to their wage earners meet the high standards expected by the United States Army Corps of Engineers and are received by the appropriate parties. The system is extremely user friendly for even the smallest contractors. ... It also interfaces with those companies that have existing automated payroll systems. And it serves to reduce travel expenses, since payrolls can be viewed from one central location.

Subcontractors have come to rely on this system and are completely enamored with the speed and efficiency it provides. One subcontractor was behind several payroll submittals and was able to get caught up in 15 minutes. We highly endorse this method of meeting our payroll compliance obligations. eMars saves us about 80% of the time we previously spent preparing a manually prepared payroll. And because time is money, we also have reduced our labor costs."
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Morooka USA

American-made rubber track carriers

Morooka USA offers an expansive lineup of Morooka carriers with nearly 30 models available; many of those models are manufactured in Ashland, Virginia, by their sister company Morooka America. Working so closely with the manufacturer gives Morooka USA the edge when offering any and all assistance to its network of dealers.

It also allows the development of three separate product ranges to serve not just the construction industry, but also the utility industry. The VD line of carriers features a standard dump bed, the VDR line of carriers have an upper structure that spins 360 degrees in either direction,

and the VDL line is a custom-built line of carriers for the utility industry that accepts any attachment that mounts to a standard truck frame.

Learn about the full line of Morooka rubber track carriers and find a dealer near you at morookacarriers.com.



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Pettibone

Extendo 944X telehandler comes through on Michigan jobsite

Peters Building Contractors was one of the first users of the Pettibone Extendo 944X telehandler when the company utilized it on a hillside homebuilding project in Houghton, Michigan.

"Commonly, we'll use a telehandler for material handling on new construction for anything from setting trusses to installing windows and siding," said company owner Steve Peters.

The Extendo 944X is powered by a 74-horsepower diesel engine, a horsepower size that requires no diesel exhaust fluid.

"The machine delivered plenty of power," said Peters. "We didn't encounter any issues where it couldn't

ascend a hillside or lift a load where needed. In fact, a larger engine might have been oversized for the steep grade and wet soil conditions."

Offering lift capacity up to 9,000 pounds, the Extendo 944X is designed for high efficiency and cycle speeds. Cylinder cushioning dampens the end of strokes to avoid hard, jarring stops. A single lift cylinder improves operator sight lines. The boom is lighter than previous models, but formed boom plate construction adds strength.

"The new box construction of the



boom was noticeably better," said Peters. "It was more stable, especially under load and at full extension. And positioning the machine was easy with the smooth controls."

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PETTIBONE

Stellar

Manufacturer of work trucks, trailers, & service truck & van accessories

Stellar TMAX Mechanic Trucks are well known on construction jobsites for on-site servicing of equipment to minimize downtime, and you can also keep equipment on the job by using Stellar Fuel and Lube Trailers for on-site refueling and maintenance. From hooklift trucks that save time delivering equipment and hauling away debris to accessories like air compressors, lube skids and power supplies, Stellar equipment helps construction projects run smoother and faster.

Stellar's latest timesaving innovations are toolbox systems with industry-first bale-style pull handles. The latches activate from above or below thanks to the ergonomic

dual-action design, giving technicians one-handed access from any angle — a great timesaver in the middle of a job. Along with easy access, the bale-style pull handles have key locks to keep out unwanted hands. The latch mechanism is also concealed for both added security and an attractive appearance. Like the drawer slides and all components in Stellar Toolbox Systems, the bale-style pull handles are all metal for years of durable performance on even the most demanding worksites. T-handle



models are still available as well. Count on Stellar solutions to help you stay on schedule and keep your equipment on the go.

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Acumatica

Building the future of business, together

At Acumatica, the staff talks to construction companies all the time, and the biggest challenges they face are keeping up with increased complexity, managing multiple projects and complying with specific regulatory requirements.

But they're trying to meet these

challenges with systems and teams that are siloed and disconnected, communications that are still paper-based or exclusively email, and information that is outdated or not accessible.

What these firms need is robust, modern technology to thrive in the digital age. Acumatica Construction Edition is engineered specifically to enable today's construction firms to compete and win. How?

Take specialty contractor Spohn Associates. It needed a system that would help reduce duplicate and manual data entry, control costs, improve product management and project status tracking, communicate remotely through a robust mobile app, and connect the office to the field.

After implementing Acumatica Construction Edition, Spohn Associates has automated processes (like AIA invoicing) and connected its disparate business systems — streamlining operations. Real-time visibility into financial operations now fortifies the company's strategic business decisions, and a specially configured subcontractor insurance compliance workflow has lowered Spohn's risk profile.



With Acumatica, Spohn Associates is completing more projects on time, enjoys instant access to data from jobsites, and uses customizable dashboards and side panels to save hours in processing time.

What gives Acumatica the most satisfaction is hearing positive feedback from satisfied customers.

Spohn's vice president of operations shared that they "can make [Acumatica Construction Edition] adapt to what we need it to do, to the way we do business."

Spohn's Chief Financial Officer Sean Barnett added, "When we changed our business model from selling material only, to be an installation company and subcontractor, we changed the complexity and the amount of work and paperwork required. We're relying on Acumatica Construction Edition to help us be more efficient, more productive, and allow us to do more with less over the coming months and years."

To learn more, contact the Acumatica team today.

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Construction management software that doesn't charge per user?
Imagine that.



“Acumatica Construction Edition had everything we were looking for. We are different from a regular construction contractor and liked that we could add our own specialty fields and customize it to the way we do business.



— **Sean Barnett,**
CFO
Spohn Associates



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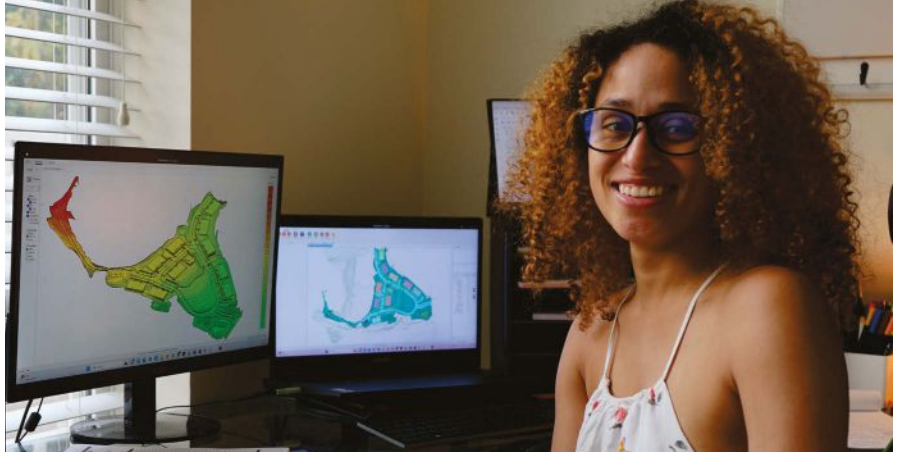
InSite Software Inc.

V. Ballard Consulting delivers accurate earthwork bidding quantities & enhances client confidence

V. Ballard Consulting LLC is a civil engineering design and construction cost-estimating firm located in Suffolk, Virginia. The company serves general, grading and utility contractors and developers.

When President Vanessa Ballard started her business, she used competing software at a previous job but instead chose InSite Elevation Pro for its ease of use and accurate earthwork bid quantities. Says Ballard, "InSite saves me a lot of time, money and resources."

Efficiency equals saving time. Elevation Pro lets users easily import PDF, CAD, Drone and files from any data collector. A coordinated cursor



across all open workspaces, including 3Ds, confirms the data and makes combining plans with different scales easy. "I value the ability to import CAD

files and align to the PDFs easily. This streamlines the data input process, enabling me to meet tight bidding deadlines."

Validation of the numbers is critical, which is why Vanessa relies on Elevation Pro's detailed reports and 3D images. "The biggest cost of construction besides the building is earthwork. I especially love including the cut and fill contour and subgrade maps in the reports," says Ballard. "For example, the cut and fill map help my clients determine where and when they would need to bring in their trucks. Visualizing the site model in 3D installs confidence in the estimated quantities."

Ease of Use. "Elevation Pro is very easy to use and to learn," says Ballard. "I absolutely love it, and my team loves it, too."

Elevation Pro is a complete sitework and GPS machine control modeling solution.

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More is Better

The Telehandler is made to lift more, save more and do more. That's JCB Better.

MORE DETAILS



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With Job Matched Attachments

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MORE DETAILS



Modern Expense Policies for
Construction Companies

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MORE DETAILS



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The Interoperability Imperative

Why accurate accounting depends on data integration

TOM STEMM

Photo Credit: Jasmina - stock.adobe.com

Construction accounting is more than just tracking numbers and compiling reports. For contractors operating with increasingly thin margins, accounting is essential for building a profitable construction business. At the same time, construction accounting isn't easy, even for the most experienced accountants.

Construction projects are always tailored to the work they cover. Most contracts have unique terms that require accounting teams to create customized records for each project. Fluctuating costs also make accounting difficult. The price of building materials and labor can fluctuate from month to month or even week to week, rendering estimates produced at the beginning of a project inaccurate. The most significant factor impacting construction accounting is the mobile nature of the business. Most work takes place on the jobsite, but accounting teams in the office need real-time data from the field to keep projects moving forward and help steer the company in the right direction.

Although many contractors have adopted technology to solve this problem, they're often left with data spread across many disconnected software systems. This causes information to continue to be siloed, preventing an accurate picture of where a project or the business stands, requiring accounting teams to spend hours reconciling data, tracking down information and correcting mistakes.

Accurate accounting based on real-time financial data is crucial for making a profit, and its absence shines a light on the industry's critical need for interoperability. When software systems prioritize interoperability, data can automatically flow without the

need for low-value, manual effort from the end user. Automation makes data consistent so all stakeholders can work off the same information in real-time, regardless of how (or where) it's entered.

Low Touch, High Reward

Like many contractors, Hensel Phelps wanted to break down the barriers between software systems so its data would be automatically connected and available across the company. At the time, the company's primary enterprise resource planning (ERP) software, Viewpoint Vista, was on-premise, and its project management system, ProjectSight, was in the cloud. This required teams in the office and the field to enter details twice, once in Vista and once in ProjectSight, which was time-consuming and error prone.

"An analogy that I've held on to for a very long time is that superintendents and foremen are always trying to minimize the number of times that a craft has to pick up a tool or material and move it to the spot where it needs to be installed," said Jeremy Sibert, project manager at Hensel Phelps. "The more times you touch that tool or material, the less productive you are. You can view data in the same way. The more times our project and administrative staff have to touch a piece of data, the more productivity that's lost."

Hensel Phelps wanted to minimize the number of times people interacted with the same piece of data. The company's IT department began integrating data between both systems themselves, starting with data for the original budget, contract

invoicing, owner payment applications and change orders. That data represented key financial transactions that both project and office staff had to input and manage to keep projects on track.

In its ERP, information related to job costs and money paid or received was always accurate. Still, as subcontractor change orders came in, the company's project management system didn't always adjust the budgets. "It became important for us to integrate those areas to ensure the accuracy of our data and to help enhance employee efficiency and employee satisfaction."

While Hensel Phelps first integrated its own data, many software vendors now provide data integrations as a service because they understand the value it provides to their customers. This includes Vista to ProjectSight and Spectrum to ProjectSight integrations, allowing contractors to easily connect their ERPs to their project management systems, which is one of the most common requests.

Interoperability Is Essential

Since the internal integration, project staff rarely access Vista, and back-office staff rarely use ProjectSight, saving time and the headache of trying to operate two systems simultaneously. "It's not about us trying to limit their access, but if they don't need to use another tool to see the same data, that's time and money saved for both groups," said Sibert.

As Hensel Phelps illustrates, keeping track of all the variables associated with construction accounting is nearly impossible with disconnected systems and siloed data. Interoperability eliminates the guesswork, giving all teams across the business accurate, real-time visibility into the state of every project. This level of openness is imperative to the construction industry's future. By removing barriers to sharing information, companies can work efficiently and profitably while maintaining data integrity. ▲

Tom Stemm is vice president and category GM of construction integrations at Trimble, where he helps Trimble and the larger construction ecosystem build connections between commonly used applications and data sources. Visit trimble.com.



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An Unsteady (or Misunderstood?) Outlook: Financing in the Construction Sector

Positioning construction & engineering businesses for financing in a cautious market

BY JAMES BARDENWERPER

With 2024 well underway, construction and engineering businesses may be primed for growth. But first, businesses and their ownership groups should understand the multitude of factors, on both a macro and micro scale, that lenders weigh when financing companies in the construction sector with heavy, project-based revenue streams.

From a macro perspective, dark clouds have receded, but the waters remain a bit choppy — the current rate environment is generally regarded as an unfavorable factor for commercial and residential construction. The impact of “higher-for-longer” interest rates is yet to be seen; however, the possibility of such a stance by the Federal Reserve has undoubtedly impacted new building activity and cooled lender interest in the space.

Amidst declining inflation but mixed economic signals, the Federal Reserve remains unclear about reducing the federal funds rate. The multi-decade high of 5.25% to 5.5% is expected to be the peak rate as the Fed dot plot suggests multiple cuts in 2024. Still, even with a 0.75% to 1.00% rate reduction, the benchmark rate will remain at the highest level since 2007.

Several questions persist: Has the rate environment stabilized, possibly greenlighting previously postponed projects? How will

builders adjust after the initial shock of rapid rate hikes and the prospect of rate cut(s)? Will they make peace with the state of the game and push forward with projects, or remain hesitant? Will a reduced inflationary environment provide operational and/or margin relief?

However, the decision to finance a construction company is backed by more than just broader economic elements. Each job is unique, and it is essential to consider factors such as project/portfolio diversification, new construction exposure, financial performance and surety bonding, among others.

Diversification of Projects & Relative Profitability

When it comes to underwriting a company in specialty construction and engineering, lenders focus heavily on the relative percentage of the revenue and how well the business is diversified.

Project size often fluctuates significantly, and it is important to consider concentration. If a company produces \$100 million in revenue, is that spread over ten jobs or thousands of jobs? Similarly, the relative profitability of each job or contract can vary dramatically, too. A company may have ample diversification from a topline basis, but profit is earned on a select subset of projects.

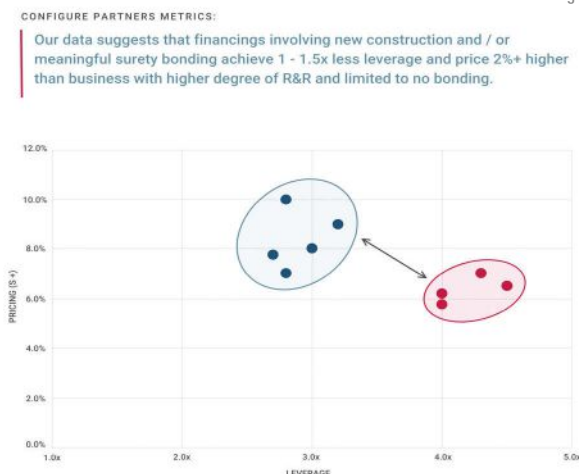
Lenders almost always prefer a large number of smaller projects over a project portfolio consisting of a small number of large jobs. Should a construction or engineering company be weighted toward fewer projects (as measured by either sales or earnings), lenders will be increasingly focused on historical margins and bid versus actual to gain comfort with future cash flow.

Evaluating Recurring Revenue

When evaluating a construction company, one of a lender's first questions centers on the mix of revenue associated with new construction versus maintenance/repair and remodeling (R&R).

Companies in the specialty construction and engineering space will frequently have recurring revenue from consistent, reliable, ongoing repair and maintenance. Furthermore, R&R exposure is viewed as insulated from macro forces such as interest rates. The

Figure 1



magnitude of reoccurring revenue or emphasis on R&R can have a dramatic impact on the ability to obtain financing.

Similar to the relative percentages of projects outlined in the previous section, increased diversification, as well as the ability to project cash flow with a higher degree of certainty as afforded by reoccurring revenue, allows for more leverage and flexibility.

The Pros & Cons of Project Bonding

An integral part of many construction and engineering subsectors, lenders generally regard surety bonds as a necessary evil. In many instances, surety bonds are required by customers, acting as a safety net, ensuring compensation should a contractor back out or go out of business mid-project, leaving the customer with an unfinished product. While bonding does not completely preclude debt financing, it certainly adds complexity.

Different lenders have different perspectives on bonding. Many lenders view surety bonds as debt, especially considering the bonds' collateralization and priming position in the capital structure. Other lenders view surety bonds as a cost of doing business and are comfortable structuring financings and their loan documents around them. Some take more of a case-by-case posture, requiring a careful examination of the individual surety

programs and contracts. Many institutions — both banks and direct lenders alike — will not consider a financing involving surety bonding above a nominal amount.

Considerations

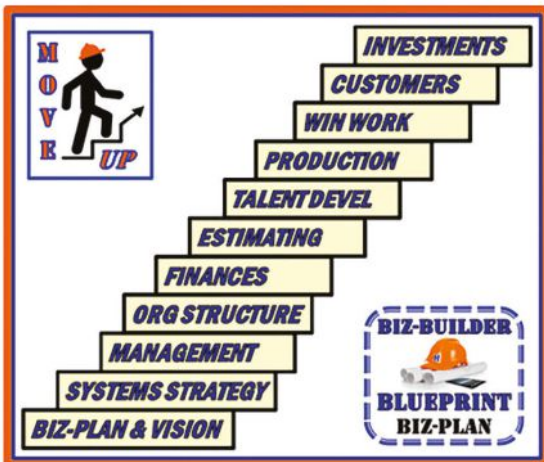
When a contractor or subcontractor is contemplating the next steps for financing, it is crucial to understand how lenders will evaluate not only these concepts but also other factors, including geography, end markets and local/regional competition. As demonstrated by Configure proprietary data, financing involving new construction and/or meaningful surety bonding achieve 1 to 1.5 times less leverage and price 200 basis points (bps) higher on average. Helping to mitigate this extra cost is highly advantageous.

In order to obtain attractive financing, companies could take steps to properly position the facts to garner the maximum consideration from lenders and, ultimately, the most optimal financing solution offered by the market. ▲

James Bardenwerper is a director with Configure Partners, with over 10 years of middle-market M&A and credit advisory experience across a variety of industries. Previously, he worked in corporate development for Genuine Parts Company and began his career at SunTrust Robinson Humphrey. Visit configurepartners.com.



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Optimize Attachments for Jobsite Success

Answering essential questions to drive productivity

BY JACOB SHERMAN

On today's increasingly complex jobsites, the importance of selecting the right attachments for construction equipment can't be overstated.

Opting for manufacturer-branded attachments that complement your equipment can make all the difference in expanding your machine's capabilities and helping you accomplish tasks on time and within budget. However, specifying attachments for excavators and wheel loaders is far from a one-size-fits-all approach. It requires a detailed understanding of project requirements, equipment compatibility, safety considerations and maintenance requirements.

We'll help answer your key questions so you can make better decisions that help optimize your equipment's performance, enhance project outcomes and ensure the safety of others on your jobsites.

How Do Jobsites Impact Attachment Selection?

Jobsite requirements play a significant role in determining the appropriate attachments for construction equipment. Analyze each project's unique needs to determine which attachment will best suit the application. A site that involves excavation may require buckets or hydraulic breakers. On the other hand, a project focused on moving materials

might benefit from attachments like pallet forks and grapple buckets for wheel loaders. Additionally, the size and layout of the site can influence attachment selection. Confined spaces may require compact or maneuverable machines and attachments to move more efficiently.

Evaluating the attachment performance is critical to meeting the demands of the site. For example, when selecting an excavator bucket, look at bucket capacity, digging force and material density to determine its suitability. Similarly, when choosing a hydraulic breaker for demolition work, factors such as impact, frequency and compatibility with the machine's hydraulic system are crucial to understand.

Is the Attachment Compatible With My Equipment?

To determine compatibility, identify the make and model of your machine and compare it against the specifications provided by the attachment manufacturer. This includes verifying the attachment's compatibility with the equipment's hydraulic system — ensuring that hydraulic flow rates, pressure ratings and connection points align. Make sure the attachment is properly sized and within the weight limits of your equipment to prevent strain, imbalance or damage during operation. Also, look at any specific mounting configurations, interface systems and compatibility with electronic control systems.

Review the manufacturer's maintenance manual to make sure the equipment and attachment are compatible. The manual serves as a primary guide for proper heavy construction equipment operation and maintenance, and it is provided upon machine delivery from your local dealership. The manual can be kept in the machine's cab for quick reference. An electronic copy, such as a PDF, may be available on a smartphone or tablet for easy access.

In recent years, wheel excavator adoption in North America has increased. More companies are finding wheel excavators to be useful for work that requires traveling on finished surfaces like concrete and asphalt. Wheel excavators can also operate mowing or brush-clearing attachments along roadway shoulders, making it easier for operators to clear the vegetation.

What Are the Safety Considerations?

Selecting attachments that prioritize operator and worker safety is essential for your long-term success. A few considerations include:

- *Guarding and protection* — Attachments should be equipped with appropriate guarding and protective measures to

prevent contact with moving parts, pinch points or hazardous areas.

- *Load capacity and stability* — Attachments should be compatible with the equipment's load capacity and stability requirements. Overloading attachments or operating equipment beyond its stability limits can lead to rollovers or other accidents.
- *Hydraulic system safety* — Hydraulic attachments should be properly connected and secured to prevent leaks, hose ruptures or other hydraulic system failures. Regular inspection and maintenance of hydraulic components are essential to ensure safe operation.
- *Attachment engagement and disengagement* — Implement safety procedures for engaging and disengaging attachments, including proper positioning, secure attachment connections and verification of locking mechanisms.
- *Site-specific hazards* — Identify elements that may pose risks to your equipment operators or bystanders. These may include uneven terrain, overhead obstacles or underground utilities.

Implement training and awareness programs to ensure that your operators understand the use of attachments. Additionally, attachments should comply with all relevant safety standards.

Should I Visually Inspect Attachments?

Before you use an attachment, inspect it to ensure safe and effective operation. You will be able to identify any signs of wear, damage or defects that may compromise its integrity or performance.

If the attachment has maintenance points, such as grease or pivot points, they should be properly greased according to the maintenance manual. Also, keep them as clean as possible, especially when working in dirty or dusty conditions, to prevent corrosion.

Where Can I Get Local Support?

Your local dealership can make sure an attachment complements your equipment, and they can provide hands-on equipment training. Service technicians have the product knowledge and experience to help you adhere to preventive maintenance intervals and help troubleshoot potential issues. They understand and can articulate recent technology updates, provide demonstrations and show you how to get the best performance from your attachment and machine. ▲

HYDRAULIC QUICK COUPLERS & TILTROTATOR ACCESSORIES

Hydraulic quick couplers are vital attachments for excavators and wheel loaders, helping operators perform swift attachment changes. Tips for using hydraulic quick couplers include proper installation, regular inspection and compatibility checks to ensure safe and efficient operation. Operators should receive training and adhere to safety protocols for engaging and disengaging couplers.

Tiltrotator accessories are emerging in popularity, giving excavators enhanced maneuverability and productivity. For example, excavator operators can rotate or tilt attachments using the tiltrotator accessory, which can increase efficiency. Understanding their functionality, evaluating benefits and providing specialized training will help you make the most of their capabilities. Collaborate with your local dealer to train your excavator operators on how to use this accessory.

Both attachments enhance efficiency, safety and versatility on the jobsite.

Jacob Sherman is the dealer and product marketing manager at Develon. Sherman has over 20 years of experience in various aspects of the equipment industry, including sales, marketing and management. He has a bachelor's degree in aerospace administration/business and an MBA with a secondary focus in economics and finance. Visit na.develon-ce.com/en.





Photo Credit: Volvo Construction Equipment

The Power of Data & Technology in Construction

Understanding the tools & telematics on your machines

STAFF WRITERS, VOLVO CONSTRUCTION EQUIPMENT

On today's construction jobsites, it can be cumbersome to keep projects moving forward safely, quickly and in sync — but not if you have machines and tools that can help you orchestrate when, where and how you work.

It all begins and ends with data — from the inputs that indicate whether a machine is being operated safely to the back-end reporting that helps a fleet manager determine whether their company needs to upsize an excavator to fill more trucks throughout the day.

Understanding the various ways you can obtain, analyze and act upon machine data will make you a better business owner and support your bottom line. So let's take a closer look at telematics, machine control, connected systems and some real-world examples of their use.

Telematics Should Be Foundational

Telematics-equipped machines provide the type of data that managers can use to make their jobsites smarter. That intelligence, in turn, helps make operators more productive while keeping costs down. It also helps ensure that everyone gets home safe at the end of the day.

So how do telematics systems work? They use GPS and other technologies to send and receive real-time equipment data that you can use to make more informed decisions. The data is analyzed and used to provide insights on everything from idle times and fuel efficiency to maintenance alerts that prevent costly downtime. They're also what allow in-cab machine control systems to function.

For example, if a large amount of dirt or rock must be moved for the construction

of a new highway, it's important for the excavator(s) to load the haul trucks with optimized loads without causing the trucks to sit idle, waiting their turn. If these machines are equipped with on-board weighing systems, they can use telematics data to ensure optimal loads for every cycle. Real-time insights into the bucket loads can help operators eliminate overloading, underloading, reweighing and waiting — all things that waste time and burn excessive fuel.

Building Upon the Foundation

A system like this is only the tip of the iceberg. There are many others that help machines trench or grade more precisely, accurately compact aggregate or asphalt to target density requirements, map machine position to help prevent

accidents and inefficiencies, and so on.

Machine control for excavators is a great example. Because excavators are used on such a wide range of construction and mining projects, they rely heavily on these systems for improved accuracy. There are simple functions that show operators on an in-cab display when target depth/slope levels have been achieved to prevent costly rework. There are also more complex functions like automated boom and bucket movements that make the digging process more efficient and accurate using a single lever. With these systems, excavator operators can complete various tasks with incredible accuracy in a fraction of the time normally spent using conventional methods.

Telematics systems are also used to optimize operations beyond automating machines; one example is the load-out process. You can optimize this process by digitizing the workflow from load order

to load ticket. This connects the loading machine, the truck and the site office through real-time digital communication, which improves productivity and reduces costs for administration, misloads and fuel consumption.

To take it a step further, you can get real-time information shared directly to your mobile device or desktop to keep track of a range of activities, people, sites and/or machines — no matter the brand. Tools like these can help production managers, site supervisors and even subcontractors effectively manage different projects on a jobsite so that everyone stays on target and on budget.

Using Machine Data as a Teacher

One of the biggest advantages of machine control systems is that they help operators of any skill level or experience achieve higher productivity and efficiency more consistently — and they can do it

much faster because the machines provide real-time guidance as they work.

From time to time, even experienced operators can get into bad habits and misuse their machines. But managers who use telematics can receive reports that include a rundown of potential machine misuses. They can see — by machine and for their entire fleet — instances in which an operator is doing something they shouldn't, such as high-speed shifts on wheel loaders, using the wrong work modes on excavators and overuse of differential lock engagement on articulated haulers.

Catching operator issues like these can lower costs, increase uptime and identify potential training needs — all of which can help keep project costs down. And for those who worry about the risks of on-the-job training, simulation-based training and augmented reality can build operators' skills effectively before they

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even hop in a cab.

The Impact of Data on Decision-Making

Telematics can also improve resource allocation of both machines and people, enabling more accurate budget forecasting. How?

For machines:

- They enable real-time tracking of equipment location and utilization, allowing site managers to quickly identify which machines are in use and which are idle. From there, machines can be moved around to different jobsites to optimize their utilization.
- By monitoring equipment health and performance data, telematics can predict maintenance needs to prevent unexpected breakdowns.
- Insights into how equipment is being used on-site can lead to better decisions on whether to rent, buy or simply reallocate existing machines. Telematics data can show if a piece of equipment is underutilized or overburdened, guiding these decisions.

For employees:

- Telematics systems can track the operation of equipment by different operators and help allocate the operators best suited for specific pieces of equipment or certain tasks.
- By monitoring safe operating practices

and identifying potential hazards in real time, telematics can help ensure that safety personnel are positioned where they're needed most to help reduce the risk of accidents.

For budget forecasting and planning:

- Detailed reports on fuel consumption, idle times, maintenance costs and more help site managers understand the true cost of operating each piece of equipment. This allows them to forecast budgets with more accuracy.
- Telematics data also provides insights into how long tasks actually take and the resources required to complete them. This helps fine-tune project scheduling and resource budgeting to reduce the risk of project overruns.

Navigating the Challenges

While telematics systems offer a wide range of benefits, they also come with some challenges. These systems collect a large amount of data related to equipment operation, location and operator behavior, which can make data security and privacy a concern. Robust encryption and secure data storage mechanisms are key.

Another factor to consider is the integration of telematics systems with existing technologies and workflows. Construction businesses often operate with a patchwork of software and hardware solutions, and integrating new

telematics systems can be complex. Compatibility issues may arise, requiring additional resources or adjustments to ensure seamless communication between the telematics system and other operational tools.

The complexity of some telematics programs can also pose a challenge, especially in terms of the learning curve for staff. While these systems are designed to enhance operational efficiency, their full benefits can only be realized if operators fully understand how to use them.

To address this concern, some equipment manufacturers offer proactive telematics monitoring programs where the original equipment manufacturer and equipment dealer monitor machine data in real time for their customers and only report on critical issues that may lead to downtime, unsafe operation, etc. They also provide advice on ways to improve jobsite efficiency and productivity.

Any new technology or software comes with its own set of challenges — the good news is that heavy equipment manufacturers have years of experience with telematics under their belts. They continue to make enhancements and adjustments that are opening up this type of technology to more and more businesses. In most scenarios, the benefits far outweigh the risks.

The construction industry is quickly moving into a new era powered by data and technology. For business owners and construction managers, embracing these changes isn't just about keeping up with the competition — it's about setting the pace. And those already seizing the opportunity are finding new ways to break away from the pack. ▲

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New Products to Watch

Selected by the editors of Construction Business Owner, these new-to-the-market products are just a few of our favorites recently released to the construction community. Stay tuned in every issue to find out what you need to know about the latest gear, solutions & industry-leading innovations.



▲ KNAACK

Knaack Armoured Transport

Released: 3/20/24

Availability: U.S. market

What's new? The Knaack Armoured Transport (KAT) is built for maximum mobility and durability for any jobsite terrain. This product advancement was designed for any professional who needs to easily transport, access and secure their construction tools, equipment and materials, no matter the stage of construction. With its 8-inch rubberized wheels, it can easily tackle common obstacles like loose gravel, rebar and electrical cords. These wheels are 60% larger in diameter and two times wider.

Specs: The taller height of the KAT, combined with an ergonomic handle, alleviates user fatigue, reduces back strain and has a more elevated work platform on top. A payload rating of 750 pounds, which is 50% higher than traditional utility carts, means pros can load the KAT with everything needed for the day. No back-and-forth trips to slow down productivity. Assembles in under 10 minutes, including integrated 16-gauge steel panels with lockable doors.

▶ CATERPILLAR

CB7 Asphalt Compactor

Released: 3/28/24

Availability: North American market

What's new? Caterpillar's midsize asphalt compactor line has been updated with edge-management options, optional cab, optional split drums and a new mapping display. Features like AM/FM Bluetooth radio and the heated seat combine with spacious seating and legroom, unobstructed sight lines and climate control functions that can help operators perform at their best.

Specs: The vertical edge created by the cutoff wheel helps provide a stable vertical face for joint matching on the next paving pass. The bevel edge options provide sloped profiles for smoother transitions on and off the paved surface. The new mapping display provides an enhanced on-screen visual for easier recognition and touchscreen capability for simplified setup. The dual split-drum option on the front drum can help eliminate tears when maneuvering around obstacles or when compacting tight turns by reducing the speed of the inner drum half.



◀ MAKITA

40V Max XGT Shear Wrench

Released: 3/13/24

Availability: U.S. market

What's new? This new product will be essential for steel building frames, cell phone towers and bridges. It is a cordless fastening solution engineered for up to 14% faster fastening than corded, with 593 foot-pounds of maximum fastening torque. It's powered by one 40V Max XGT battery and an efficient brushless motor for maximum fastening performance without the cord.

Specs: The Shear Wrench delivers up to 250 M22 tightened torque control bolts per charge using one fully charged XG 4.0 ampere-hour battery (battery and charger included in the kit model). Convenience features include an LED, battery charge indicator that alerts users of drained battery power, a shoulder strap hook for maximum portability and a power switch with a trigger-lock button that helps prevent accidental start-ups. Includes an ergonomic D-shaped handle with a trigger power switch for increased comfort. The weight of the shear wrench is only 12.1 pounds with a battery for reduced operator fatigue.



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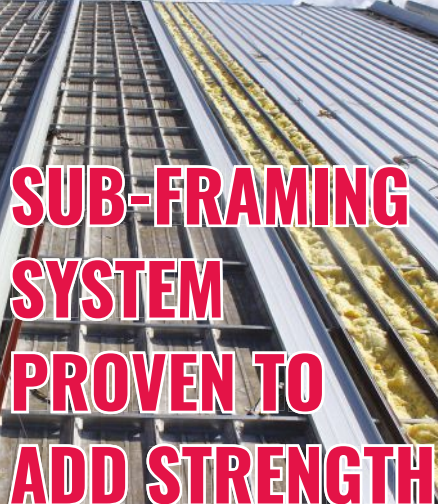
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to share the story of your growing business and its people, practices and strategies.



▲ MPS CENTURION

Concept Mips safety helmet

Released: 3/4/2024

Availability: U.S., Canadian & European markets

What's new? An affordable hard hat with multidirectional impact protection system (Mips) technology, providing better protection and greater comfort. Contains premium features, like a four-point chinstrap, Dry-Tech sweatband, six-point suspension and lightweight ABS shell. And of course, the Mips low-friction layer, designed to help absorb, redirect and disperse rotational force from off-center impacts.

Specs: Industrial safety helmet with Mips safety system, ABS shell, Twist2Fit ratchet headband, and four-point chinstrap, available vented [Class C] or non-vented [Class E].



▲ BOXLOCK INC.

BoxLock Lockout Tagout

Released: 3/19/2024

Availability: U.S. market

What's new? BoxLock's lockout tagout (LOTO) solution revolutionizes jobsite safety, automating the LOTO process to secure equipment during downtime and eliminate manual errors. It's vital as LOTO procedures prevent over 50,000 injuries and 120 fatalities annually. Real-time digital tags ensure padlocks open only after complete worker compliance.

Specs: BoxLock's LOTO solution features patented cellular-connected padlocks and smart digital tags for comprehensive jobsite safety. The system seamlessly integrates with construction management systems, offering real-time monitoring and automated record-keeping. Compatible with all BoxLock 2 devices, it supports Wi-Fi and LTE-M/NB-IoT connectivity, ensuring reliable operation across various environments. The rugged, IP-66 certified locks withstand harsh conditions, ensuring durability and security.

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Name	
Title	Company
Address	
City/State/Country/Zip/Post	
*Phone	*Email
*Signature	Date:

1. Your company's primary business is:

(Check only one)

- ☐ 12 General Contractor – Commercial
- ☐ 02 General Contractor – Residential
- ☐ 10 Construction – Special Trade Contractors
- ☐ 03 Highway and Street Construction
- ☐ 04 Water, Sewer and Utility Construction
- ☐ 05 Heavy Construction
- ☐ 06 Concrete Work
- ☐ 07 Excavation Work
- ☐ 08 Wrecking and Demolition Work
- ☐ 13 Architecture, Engineering and Construction Management Services
- ☐ 11 Consulting Contractor
- ☐ 99 Other (please specify)

2. Your primary job title is: (Check only one)

- ☐ 10 Owner, Partner, President, CEO, CFO, COO, Vice President, Director
- ☐ 11 General Manager, Manager, Foreman, Superintendent, Purchasing Agent, Controller, Accountant
- ☐ 12 Engineer, Architect
- ☐ 06 Consultant
- ☐ 99 Other (please specify)

3. Approximate annual contract sales volume:

(Check only one)

- ☐ 01 Less than \$500,000
- ☐ 02 \$500,001 – \$1,000,000
- ☐ 03 \$1,000,001 – \$2,500,000
- ☐ 04 \$2,500,001 – \$5,000,000
- ☐ 05 \$5,000,001 – \$10,000,000
- ☐ 06 \$10,000,001 – \$20,000,000
- ☐ 07 \$20,000,001 – \$50,000,000
- ☐ 08 More than \$50,000,000

4. Which of the following products/services are you planning to buy during the next 12 months?

(Check all that apply)

- ☐ 01 Earthmoving Equipment
- ☐ 02 Trucks, Trailers and Accessories
- ☐ 03 Compact Equipment
- ☐ 04 Lifting and Hoisting Equipment
- ☐ 05 Safety Equipment and Apparel
- ☐ 06 Attachments
- ☐ 07 Concrete and Paving Equipment
- ☐ 08 Survey and Site Prep
- ☐ 09 Compressors, Generators and Pumps
- ☐ 10 Financing and Accounting Services
- ☐ 11 Software and Technology
- ☐ 12 Insurance and Bonding
- ☐ 13 Training and Education
- ☐ 14 Telecommunications
- ☐ 16 Greases, Lubricants and Filters
- ☐ 17 Jobsite Lighting
- ☐ 18 Building Supplies
- ☐ 19 Rental Equipment
- ☐ 21 GPS Equipment and Security

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Annual Value of Construction Put in Place

February 2022/2023/2024 Annual Rate Comparison

This chart compares the two previous years' total value of construction put in place to an annual forecast based on February 2024 figures. (Millions of dollars. Totals may not add up perfectly due to rounding.)

	2022	2023	2024
Total Private Construction	1,436,045	1,453,153	1,617,104
Residential	938,198	852,130	901,086
Nonresidential	497,848	601,023	716,018
Total Public Construction	343,755	390,953	474,407
Residential	9,075	9,810	11,632
Nonresidential	334,680	381,143	462,775
TOTAL Construction	1,779,800	1,844,105	2,091,511

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

\$2,091,511

FEBRUARY 2024 TOTAL ANNUAL VALUE OF
CONSTRUCTION PUT IN PLACE

“There are indicators this month that **business conditions at firms may finally begin to pick up in the coming months.**

Inquiries into new projects grew at their fastest pace since November, and the value of newly signed design contracts increased at their fastest pace since last summer,” said Kermit Baker, Ph.D., AIA chief economist.

“Given the moderation of inflation for construction costs and prospects for lower interest rates in the coming months, there are positive signs for future growth.”

AIA Architectural Billings Index (ABI)

National			*Regional – Billings				*Sectors – Billings			
Month	Billings	Inquiries	Northeast	Midwest	South	West	Multifamily Residential	Commercial/Industrial	Institutional	Mixed
Sep-23	44.8	53.7	46.4	49.3	46.2	44.3	43.5	45	50.1	46.2
Oct-23	44.3	48.8	42.1	48.9	48.5	40	40.1	43.7	49.1	44
Nov-23	45.3	56.9	44.4	49	46.7	39.5	42.1	45.7	46.6	42.7
Dec-23	45.4	53.1	45.9	50.3	43.4	45.3	45.8	46.4	46.5	42.3
Jan-24	46.2	53.8	43.6	50.9	45.2	46.6	44.6	47	48.5	42.9
Feb-24	49.5	56.0	44.0	50.8	47.7	47.2	44.9	46.1	50.7	47.1

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.



Five Tips for Maximizing Profitability With 3D Reality Capture

**CONSTRUCTION
BUSINESS OWNER
webinar**

**May 9, 2024
1pm CDT**

When properly implemented, 3D reality capture – from a progress management platform, terrestrial laser scanner, or mobile mapping device – lets your team collect, analyze, monitor, and integrate field data for a variety of specific uses. This technology provides critical data to decision-makers in the field and in the office.

By capturing the jobsite in 3D, your onsite and offsite teams can collaborate seamlessly while keeping stakeholders in the loop at any point of the project. Once the project is complete, you will have an accurate, objective progress record to eliminate doubt and minimize the risk of legal disputes, improving the likelihood of repeat business.

If you want to maximize profit in your construction business, join this webinar for details on five ways 3D technology can grow your margins by helping you:

1. Collect Complete As-Built Documentation
2. Make Accurate Cost Estimates
3. Minimize Expensive Rework
4. Avoid Costly Project Disputes
5. Build Long-Lasting Customer Networks

SPEAKERS



Mike Zivanovic
Senior Solutions Architect
FARO Technologies

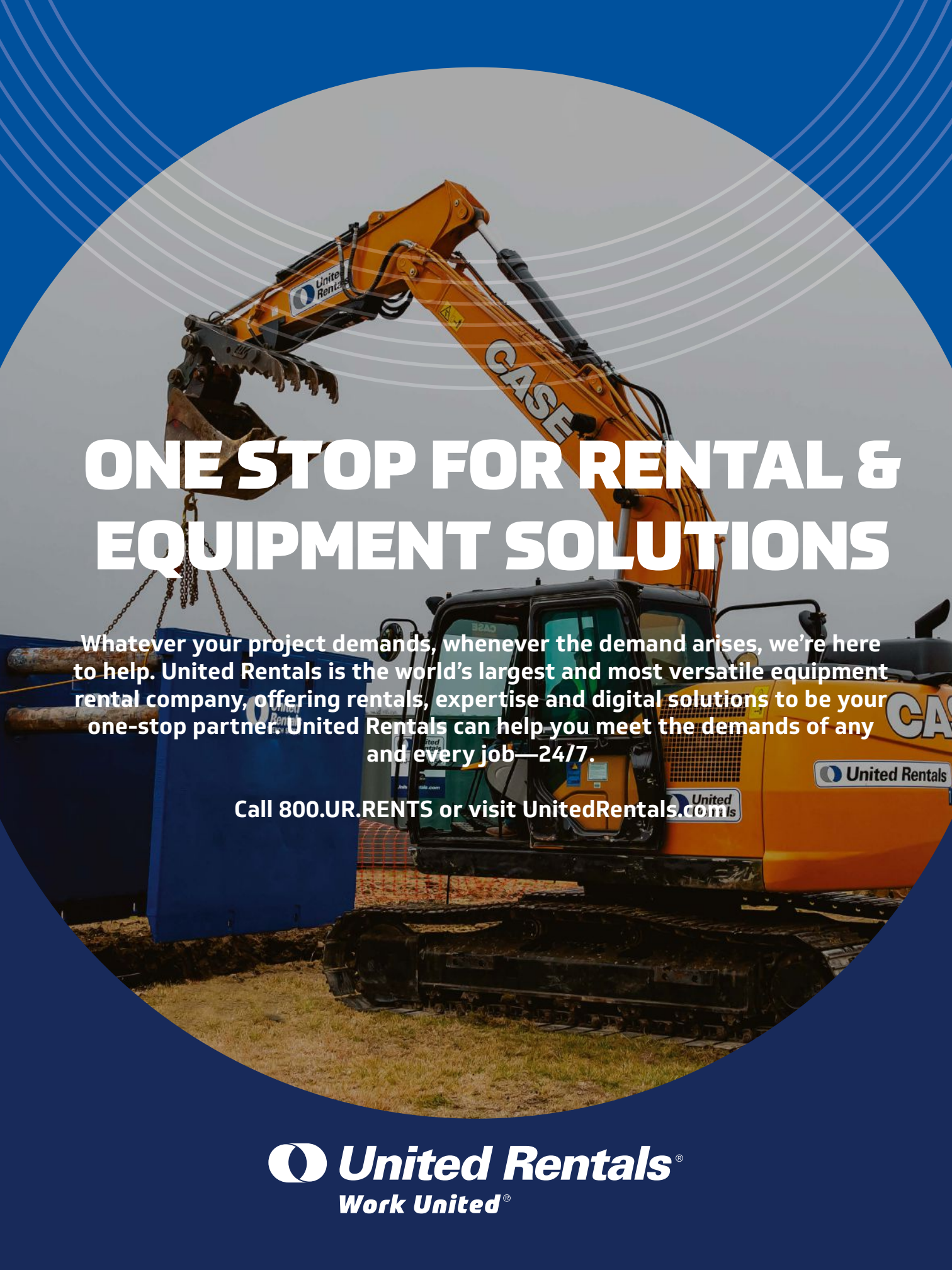


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