THE LEADING BUSINESS MAGAZINE FOR CONTRACTORS

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CONSTRUCTION BUSINESS OWNER

MAY 2026

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Free | May 14 | 1 p.m. Central



CONSTRUCTION BUSINESS OWNER webinar

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GROWING PAINS TO GAINS:

HOW CONTRACTORS MODERNIZE FINANCIAL OPERATIONS AS THEIR BUSINESS SCALES

As construction companies grow, so do their financial growing pains. More projects, more subcontractors, more invoices and more pressure to control costs and keep timelines on track. Manual AP processes create bottlenecks and blind spots at the exact moment contractors need clarity and control. In this webinar, you'll learn how modern AP automation helps contractors scale by increasing financial visibility, reducing operational risk and tightening project-level oversight. We'll cover everything from managing retainage and improving WIP accuracy to preventing job-cost surprises, and show how clean, automated AP data syncs with your ERP to strengthen reporting and decision-making without adding headcount.

What attendees will learn:

- How automated AP builds stronger financial control across every project
- How real-time visibility strengthens budgeting, forecasting and decision-making
- Ways modern safeguards reduce both financial and operational risk
- Why ERP-synced AP data improves reporting accuracy and job-cost tracking
- How automation enables finance teams to scale efficiently without increasing overhead

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SPEAKERS



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Head of Sales
Yooz



Tanya Eney
Senior Solutions Engineer
Alliance

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FROM THE EDITOR

MEGAN BEAM



Editor-in-Chief
Megan Beam

At the time of writing this, spring has been keeping us on our toes here in Alabama. In the span of less than 36 hours, we swung from bluebird skies and 80-degree warmth to a full-blown snowstorm. It's the kind of dramatic shift that reminds you just how quickly conditions can change, and how important it can be to remain adaptable when they do. Thankfully, I did not lose power or water during the wild shift in weather, but I know plenty of people who did, especially in middle Tennessee. I saw so many videos of friends trekking across neighborhoods to check on their relatives or help deliver supplies.

Moments like these can highlight something else: No one should navigate unpredictability alone. Whether it's neighbors checking in, crews adjusting schedules or teams rethinking plans on the fly, resilience is often built through collaboration. And when forecasts are uncertain, innovation can follow close behind — new ideas, new approaches and new ways of working together to meet whatever comes next.

In that same spirit of collaboration and forward thinking, the Construction Business Owner (CBO) team is excited to bring you our Real Jobsite Solutions again this year. Starting on page 25, experts are focused on offering you the assistance you need to navigate all levels of your business in a changing industry.

In our feature lineup, another set of experts are tackling the financial realities of all sides of construction businesses — including uncovering the hidden margin killers lurking in your processes (page 18), practical guidance on eliminating budget drift (page 20) and proven strategies for dealing with troubled customers (page 22).

We have other exciting things happening this month online, including free webinars from two great friends of CBO: Yooz (on May 14) and Deltek ComputerEase (on May 28). Both incredible teams are offering their expertise in areas of construction financial processes. Visit constructionbusinessowner.com/webinars to register your spot for these events or view our other webinars on demand!

As always, thanks for reading,



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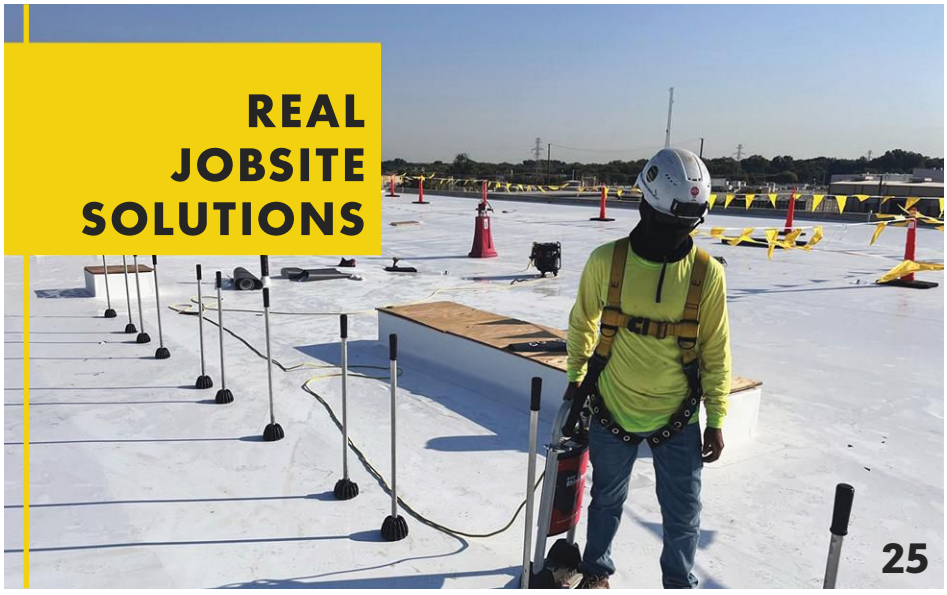
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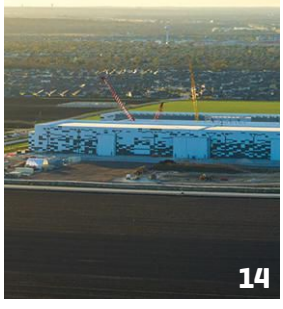


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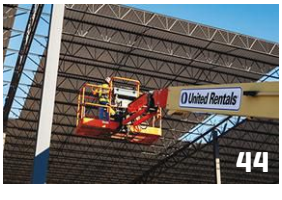


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ON THE COVER



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COMPANY TRANSITIONS

Trimble To Acquire Document Crunch
Trimble has signed an agreement to acquire Document Crunch, a provider of construction-specific AI document analysis and risk management across the project life cycle. The acquisition will allow Trimble to incorporate document intelligence and compliance automation across the Trimble Construction ecosystem, enhancing existing workflows in project management and construction enterprise resource planning systems. Document Crunch's purpose-built AI for construction addresses critical pain points that can directly impact profitability for contractors, such as critical risk provisions, payment disputes, specification noncompliance and notification failures. The addition of Document Crunch further complements Trimble's focus on solving discrete, high-value business problems for customers within the industries it serves. The transaction is expected to close in the second quarter of 2026. Visit documentcrunch.com and trimble.com.

Mitsubishi Logisnext Americas to Rebrand
Mitsubishi Logisnext Americas (MLA), a provider of material handling solutions, will transition to Logisnext Americas. This change iswill mark a significant step in Mitsubishi Logisnext's ongoing transformation, guided by the "Logisnext Vision 2035." As part of this process, MLA has formed a partnership with Japan Industrial Partners as the new strategic partner to support sustainable growth and long-term value creation. Consequently, all group companies began adopting the new company name starting on April 30. The company's existing Mitsubishi Forklift Trucks portfolio will be rebranded to Logisnext Forklifts, an equipment line designed to meet today's evolving material handling demands. All current support and service structures will remain in place, ensuring uninterrupted operations. Visit logisnextamericas.com.

NEW HIRES



Julius Hughes
The McShane Companies

Julius Hughes joined The McShane Companies as chief technology officer. In this role, Hughes will lead the technology vision across the firm's portfolio, driving initiatives in cloud infrastructure, modernization and optimization of core business applications, cybersecurity and the strategic adoption of emerging technologies, including AI. Hughes has two decades of enterprise IT leadership experience spanning construction, engineering, energy, manufacturing and transportation. Most recently, he served as vice president of IT at Matrix Service Company, a global engineering, procurement and construction firm, where he oversaw enterprisewide infrastructure, cybersecurity and digital transformation initiatives across domestic and international operations. Visit mcshaneconstruction.com.



Starling Johnson
CMHA

Starling Johnson, vice president of sales at Johnson Concrete Products, has assumed the role of chair of the Concrete Masonry & Hardscapes Association (CMHA) board of directors. Johnson is the first woman to serve as chair of a national trade association representing the producers of concrete masonry units, going back to the inception of the National Concrete Masonry Association in 1918. Johnson has been an active CMHA leader, serving on the board of directors and multiple committees, including leadership development initiatives that help cultivate the next generation of industry volunteers. During her year as chair, her priorities include advancing CMHA's next strategic planning cycle; expanding year-round contractor engagement; strengthening coordination with state associations, the Concrete Masonry Checkoff and other organizations; and advancing advocacy efforts and building codes work. Visit cmha.org.



Shannon McComas
Loftness

Shannon McComas was appointed chief operating officer of Loftness Specialized Equipment. In this role, McComas will oversee day-to-day operations, drive strategic growth initiatives and strengthen the company's commitment to operational excellence. He will work closely with executive leadership to advance the company's long-term strategic plan and support continued innovation across Loftness' diverse product lines. Since joining Loftness in 2024, McComas most recently served as vice president of sales and marketing, where he played a pivotal role in strengthening dealer relationships, expanding market presence and leading the company through a period of considerable growth. This leadership has been instrumental in positioning Loftness for continued success across its agricultural and vegetation management equipment lines. Visit loftness.com.



Trae Redmond
Dillard-Jones Builders

Trae Redmond joined Dillard-Jones Builders as vice president of coastal construction, overseeing construction activities across Charleston, Bluffton, Hilton Head and Beaufort in the Carolinas region. A Charleston native and multigenerational builder, Redmond brings more than 25 years of experience building along the South Carolina coast, with deep expertise in custom homes, coastal construction practices and operational leadership. In his new role, he will lead day-to-day operations throughout the Lowcountry, supporting the company's continued growth while maintaining its longstanding commitment to craftsmanship, performance and build quality in complex coastal environments. Throughout his career, Redmond has led large construction teams, managed highly complex custom residential projects, and worked closely with architects and trade partners to deliver consistent results in demanding coastal conditions. Visit dillardjones.com.

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INDUSTRY UPDATES

Volvo CE Announces Closure of Rokbak Business

As part of a long-term strategic shift, Volvo Construction Equipment (Volvo CE) will close its Rokbak business and concentrate resources on its portfolio of other hauling solutions. For more than four decades, Rokbak (formerly Terex Trucks) has delivered off-highway articulated haulers to customers worldwide. However, rising operational and supply chain costs combined with global trade challenges — including U.S. tariffs — have significantly impacted financial performance, making continued operation unsustainable. Volvo CE will provide dedicated support throughout this phase-out and into the future. The company will concentrate resources on advancing and launching innovative hauling solutions. This closure is subject to completion of a collective consultation process which is expected to be concluded by Q3 2026. Volvo CE will work closely with unions, government representatives and regulatory bodies to ensure a responsible and supportive transition for any employees who may be impacted by this decision. Visit volvoce.com.

Hard Hat Courage Gains Momentum

The American Foundation for Suicide Prevention (AFSP), North America's Building Trades Unions (NABTU) and The Center for Construction Research and Training (CPWR) announced an expanded collaboration to scale the Hard Hat Courage initiative, aligning on suicide prevention standards and leveraging NABTU's training infrastructure to reach millions of craft professionals across the construction industry. This expanded collaboration will bring consistent, evidence-informed suicide prevention education to professionals through NABTU's extensive training and engagement network, which spans 3 million members. It also reflects the growing cross-industry alignment behind Hard Hat Courage and serves as a proof point of the initiative's continued momentum. The goal of Hard Hat Courage, founded in partnership between AFSP and Bechtel, is to embed mental health and suicide prevention into everyday jobsite practice across the industry. Hard Hat Courage represents a shared commitment to make it safe to talk about mental health every day, on every jobsite, and to take action early. This partnership builds on sustained momentum behind Hard Hat Courage. With CPWR and NABTU's training infrastructure, Hard Hat Courage is now positioned to reach more of the construction workforce than ever before. Visit hardhatcourage.com.

NUCA Awards 'Associate Member of the Year'

The National Utility Contractors Association (NUCA) awarded Phil Goodwin its NUCA Associate Member of the Year Award, honoring his work on behalf of the industry. As the director of government affairs for NUCA national partner U.S. Pipe, Goodwin builds on more than a decade of success where he inspired and guided company teams toward excellence. Beyond his operational professionalism, Goodwin advances industry interests through governmental affairs, advocating at federal, state and local levels. Since 2020, he has fueled U.S. Pipe's strong commitment to NUCA, leading company sponsorship of the national partner program, spearheading support for the national equipment operator challenge to elevate workforce development, and actively serving on NUCA and chapter committees, attending events and engaging across multiple chapters. The NUCA Associate Member of the Year Award is presented annually to an associate member who has made a significant contribution on the national level to the industry and the association. Visit nuca.com.

Philippi-Hagenbuch Celebrates 25 Years of Patented Water Tanks

Philippi-Hagenbuch Inc., a global provider of off-highway truck customization, is commemorating the 25th anniversary of its HiVol Water Tanks. Since introducing water tanks in 2001, they have become a staple of its custom-engineered equipment lineup. The company has manufactured more than 100 water tanks in the past 25 years, and to this day, every HiVol Water Tank is still operating. The company had been manufacturing custom haul truck bodies for about three decades when a customer approached them with a request for water tanks. Philippi-Hagenbuch began looking at applying its design expertise and standards to engineer a water tank. They realized that volumetrically, a water tank would be about the same as their coal bodies. The result of the company's research was a square, flattop HiVol Water Tank with a range of features and technology not previously seen in the industry. That first water tank was delivered to Campbell County, Wyoming, in March 2001, where it still operates today. Visit philsystems.com.

Need More News?
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Navigating Multistate Tax Compliance

Sales tax, use tax & nexus strategies for construction contractors



Ashlie Forum is a managing director and serves as the real estate and construction industry leader in the Southeast region at CBIZ.



Mary Jo Dolson is a managing director, state & local tax in the CBIZ Tampa office. Visit cbiz.com.

As construction contractors increasingly take on projects across multiple states, they encounter a complex and often bewildering web of state and local tax (SALT) rules. These rules go beyond income tax, impacting day-to-day operations and even project profitability. State taxes — including income tax, sales tax, use tax and the concept of "nexus" — can create significant challenges, especially for businesses accustomed to operating primarily in one geographic region.

Understanding these taxes, how they're triggered and what steps contractors can take to stay compliant is essential. Mistakes can lead to costly penalties, interest and even reputational damage. We explore the major SALT challenges facing contractors in multistate operations and offer strategies to help you manage your risk and responsibilities.

What Is Nexus & Why Does It Matter?

Nexus is a tax term used to describe the level of business activity or presence a company has within a state, which creates an obligation to comply with that state's tax laws. For construction contractors, nexus is most often triggered by activities such as establishing a jobsite, sending employees to work in a state, leasing or storing equipment, or maintaining an office or warehouse.

While some states have "bright-line" rules, which are clear, objective standards that establish whether a business has nexus, others rely on more subjective criteria. Even temporary or small-scale projects can trigger nexus, requiring registration for sales, use, income or other business taxes.

States are becoming aggressive in identifying out-of-state contractors working within their borders. They may use permit applications, public records and jobsite visits to identify companies with unregistered tax obligations. It's important for contractors to recognize that nexus can be established even without a permanent or formal presence.

It is important to keep in mind that, as easy as it is to create nexus with the various states, contractors can just as easily create nexus with the city/county where the job may be located. Like states, some cities and counties might impose their own income tax filings or business license filings. It is important as a multistate contractor to know the tax filing requirements for not only the state where the job is located, but also the city and county.

Sales Tax

Sales tax is imposed on the sale of tangible personal property and, in some states, certain services. For contractors, sales tax issues arise at multiple points:

Purchasing Materials

In most states, the contractor's purchase of materials for incorporation into a project is taxable. Contractors are typically considered the "end user" and must pay sales tax on materials at the time of purchase. However, in some jurisdictions,

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if the contractor is acting as a retailer or passes materials directly to the customer, they may be required to collect sales tax from the customer. There are several states that will look at the type of work being performed — new, remodel or repair — and the project's taxation might change based on this determination.

This determination can completely change whether the contractor is considered the end user or if the contractor must collect sales tax from the customer. It is important to know these rules before entering a contract so that the proper tax treatment can be built into the bid.

Services Provided

In a minority of states, construction and installation services themselves are taxable. This can include labor for installation, repair or remodeling. Contractors must understand whether their service offerings fall under taxable categories.

Subcontractors

Relationships with subcontractors can complicate sales tax compliance. If a subcontractor purchases materials, it is important to determine who has the tax obligation — often, the general contractor may be responsible if they reimburse or pass materials through.

Sales tax rates and rules vary by state and even by locality, with some cities or counties imposing their own additional taxes. Contractors must verify not only state-level requirements but also local regulations for every project site.

Use Tax

Use tax is designed to complement sales tax. It applies when goods are purchased without sales tax (often from out-of-state vendors) but are used, stored or consumed within the taxing state. For contractors, use tax is often triggered in situations such as:

- Purchasing materials in a state with no sales tax (or a lower rate), then transporting those materials into a state with a higher tax rate for use in a project
- Leasing or moving equipment across state lines
- Buying supplies from online retailers who do not collect sales tax on the contractor's behalf

Failure to pay use tax is a frequent cause for assessment during state audits. Many contractors are unaware that they need to self-assess use tax and remit it. States are scrutinizing contractor records, looking for purchases where sales tax was not paid and use tax should have been.

Complications With Exemptions & Certificates

Certain sales may be exempt from sales tax, such as purchases made for

Plan material and equipment purchases with tax implications in mind. Where possible, buy materials in-state to avoid use tax complications, or factor in tax costs to your bidding and budgeting process.

resale or on behalf of tax-exempt entities. Contractors can use resale certificates or exemption certificates in these cases. However, misuse or misunderstanding of certificates is a common source of penalties.

Resale Certificates

These should be used when materials are resold without being used or consumed by the contractor. For most construction work, contractors are considered end users and resale certificates generally do not apply.

Exemption Certificates

If working for a nonprofit or government entity, contractors may be able to claim exemption from sales tax on materials. Documentation must be maintained and verified. This can be a major sticking point for contractors, who need to be aware whether they are eligible to use the exemption certificate of a nonprofit in the state where the project is located. Often, there are very strict rules that might prohibit the pass-through of a nonprofit's exemption certificate to the contractor.

States are vigilant about misuse. Improper use of certificates can result in penalties, interest, and even the loss of licenses or the ability to bid on public contracts.

Recordkeeping & Documentation

Maintaining accurate records is vital for SALT compliance. Contractors should track the following:

- Where materials are purchased and where they are delivered or used.
- Copies of invoices, certificates, permits, and correspondence with vendors or customers.
- Locations of equipment, vehicles and employee work assignments.
- Details about project sites and durations.
- Copies of any exemption certificates upon which they are relying.

Robust recordkeeping provides a strong defense in case of audit and helps ensure proper reporting and payment of taxes.

Strategies for Managing Multistate Tax Compliance

Assess Nexus Before Each Project

Before starting work in a new state, evaluate whether your planned activities will trigger nexus. Register with the state tax authority if required and obtain all necessary permits and licenses.

Understand Local Tax Rules

Review sales tax, use tax and income tax regulations for both the state and locality where you'll be working. Some local jurisdictions have unique requirements or rates.

Coordinate Purchases & Logistics

Plan material and equipment purchases with tax implications in mind. Where possible, buy materials in-state to avoid use tax complications, or factor in tax costs to your bidding and budgeting process.

Train Employees on Compliance

Ensure all staff involved in purchasing, accounting and project management understand state tax requirements. Regular training and updates are essential, as tax laws change frequently.

Utilize Technology

Leverage accounting software and project management tools to automate compliance tracking, recordkeeping and reporting for multistate projects.

Engage SALT Experts & Advisors

Work with a CPA or tax advisor who specializes in multistate operations and the construction industry. They can help you identify risks, optimize tax savings, and respond to audits or notices.

Review Exemption & Certificate Use

Ensure that any use of resale or exemption certificates is valid and supported by documentation. Periodically audit certificate usage to minimize errors.

Monitor Legislative Changes

State and local tax laws are always evolving. Stay informed of changes that may impact your business, especially regarding nexus thresholds and tax rates.

Operating across state lines introduces a host of SALT compliance challenges for construction contractors. By understanding how nexus is established, when sales and use tax apply, and how to properly manage exemptions and documentation, contractors can avoid costly mistakes and keep their projects on track. Proactive planning, collaboration with experts and disciplined recordkeeping are essential to successful multistate tax management.

As the tax landscape continues to evolve, the most successful contractors will be those who embrace compliance as part of their business strategy — ensuring that they can focus on building great projects, not battling tax authorities.

Black Swan Construction

Identify the 'I could've told you that' moment before it becomes regret



GREGG M. SCHOPPMAN
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Visit fmicorp.com.

In the later part of the first decade of the 21st century, the U.S. experienced one of the most devastating economic disasters in the form of the mortgage lending crisis. Lives, jobs, savings accounts and retirements were all upended in what was termed a "black swan event." Nassim Taleb, author of "The Black Swan," discussed how this seemingly once-in-an-era event, while shocking and catastrophic, was predictable. If only we had the crystal ball, right?

When you describe how this happened to the most unlearned financial mind, it seems like we should've seen it coming a mile away. If it is too good to be true, it might be disastrous.



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There are similar "tipping points" that occur within a construction organization. Malcolm Gladwell, another brilliant author, uses this phrase to describe that moment that unleashes a floodgate of action. In the first example, there was probably not ONE mortgage that pushed the industry over the edge. However, when the confluence of events — rising inflation, rising interest rates, enormous consumer spending, etc. — all reached their pinnacle at the same time, there was a tipping point.

In a sea of data, it is easy to sink to the bottom in roiling waters. Put another way, sometimes when you are in the forest, you can't see the tree that you run right into. Many leaders fail to see trends — some because they aren't looking for them, some because they don't want to see them, and some because there are individual events that occur in a seemingly random pattern but supply the undertone for a black swan event.

The Unknown Market

You've built in your hometown for what seems like your entire life, and you know how to build. A client asks you to go to Anywhere, U.S., taking your services on the road for the first time. Or maybe you've outgrown your current market, and expansion is the desirable strategic move to grow the business. Traveling to "parts unknown" is a normal rite of passage for many businesses. It is also a surefire recipe for disaster if there is a lack of due diligence.

There are a million reasons why failure can occur: unknown trade partners, unknown design standards, unknown municipalities and unknown labor rules, for example. One of these by itself might cause margin erosion, but when a firm fails to evaluate all the variables, they can quickly coalesce into a maelstrom.

The Unknown Customer

It goes without saying that every customer began as an unknown customer at some point in their history. The customer in this case is the one who enters your world as the "white knight." They may represent a newer niche or sector, one that your team or even your market has not seen before.

You should never accept candy from a stranger, and at a minimum your business development team should conduct adequate vetting about credit worthiness, end user feedback, trade partner feedback, legal track record, etc. It is easy to fall in love with a someone who promises to be everything you needed or wanted, only to find out they were a wolf in sheep's clothing.

The Unknown Associate

You have your suspicions.

This manager/superintendent might not be right for your team. But you needed the people.

This person's resume looks like a patchwork quilt over the last three to five years. But you needed the people.

You even heard from a trusted voice — a customer or trade partner — about this person not being right. But you needed the people.

People change, and maybe you will be the business to help this person "settle down."

Several months in, you finally see the signs manifesting in the form of client attrition, margin erosion and possibly a decline within the internal culture of the firm. You saw it coming, but you threw up the blinders.

The Unknown

Harken back to 2020 and the pandemic. Sure, it wasn't the best of times, but many contractors might say they performed really well.

For instance, if you were in the distribution sector, you saw amazing growth and, most likely, profitability. It was as if you tapped into a secret that no one else in the world knew about, only to find that materials like switchgear, bar joists and roofing insulation were all in short supply because, well, everyone was building in the distribution sector. Throw in disrupted supply chains worldwide, world conflict and labor shortages in manufacturing, and you ended up having that cathartic moment of "How did I *not* see this coming?"

Business leaders think things like a S.W.O.T. (strengths, weaknesses, opportunities and threats) analysis only matters during strategic planning. In reality, the external opportunities and threats often get brushed aside as factors that are uncontrollable and will simply affect everyone equally.

For instance, everyone is susceptible to labor shortages as a threat. However, businesses need to think of themselves as running a machine with levers to control the flow through their business: Pull this lever, and the corollary happens downstream. Knowing there would be shortages would not have prevented the shortage, but it would have created a myriad of options for the business to consider as alternatives.

Looking at the list of unknowns now creates a feeling of "Well, isn't this obvious?" To hire a questionable character and think it will end well seems a bit ignorant.

We are also doing the same thing that businesses did after the Great Recession. Hindsight is always 20/20, and we like to think we would never fall in the trap of a bad hire, bad contract or bad market.

We are also human and we will all make mistakes. The key theme to consider as a leader is to gather the data and look for those trends and patterns, even when they appear as disparate points with no semblance of connective tissue.

Be the one who says "I know so" rather than the one who hears "I told you so."

Culture Is the Secret to Sustainability & Success at Skender

Inside the initiatives & priorities that set this contractor apart



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Skender is an innovative, quality and safety-conscious commercial general contractor headquartered in Chicago, with a second office in Indianapolis. Skender was founded in 1955 as a residential remodeling business. Through the 1980s, the company expanded into commercial remodeling projects and tenant fit-outs. In the 1990s and early 2000s, two sons of founder Joe Skender Sr. shifted the growth trajectory of the privately held business.

The company never looked backward as it increasingly deployed technology and lean construction methods to tackle larger, more complex projects across a range of building types. Skender has grown to approximately 400 employees yet has maintained its small company feel.

The company is renowned for its people-first culture; learning, education and professional development; technology; and community engagement.

Culture Is Palpable

Skender is frequently recognized as "general contractor of the year" or "interior contractor of the year," including at least 13 "project of the year" awards. However, the company is most proud of receiving over 30 national and regional awards for "Best Places to Work." This is a testament to relentlessly building a culture that fuels engagement and empowerment.

Employees appear engaged, content and fulfilled. This is no surprise, as the company is intentional about culture that is both human centered and focused on whole-person well-being. Where some companies use buzzwords and fancy taglines as mantras, at Skender the focus on inclusion and belonging is authentic.

You get a unique feeling when you walk through the door of Skender's downtown Chicago office. The grand open-air entrance known as the "The Hub" is a central gathering place. Being in The Hub invites you in quickly, providing a sense of welcome and the feeling that you belong. This experience is reinforced every Monday when the company caters lunch for approximately 80-100 associates in attendance. The Hub is transformed to a lunchroom with seating for everyone.

Jerry Ball has been president and CEO for over four years. He is a product — and preserver — of Skender's culture. He is a homegrown leader after previously serving in multiple roles over 22 prior years, including assistant controller, controller and chief financial officer. Ball entrusts Chief People Officer Lisa Latronico and Director of People and Culture Colleen O'Brien to ensure the sustainability of Skender's culture.

A visual wall display captures your eye with large letters that say, "No voice too small to be heard."

O'Brien asserted, "The company is very selective and sets a high bar. Skender does not hire for 'culture fit' alone; instead, the company intentionally hires for 'culture add.' People are recognized not only for what they know and what they can do, but for being who they are and what they alone can bring to the firm."

Diversity of backgrounds, perspectives, experiences and skills are blended at Skender, and it fuels innovation and creative problem-solving. This is why the company champions diversity not only in its workforce, but also among its subcontractors and suppliers.

Skender is consistent in ensuring continuity of new hire orientations and onboarding sessions. Every new hire attends a custom session titled "Building High-Performing Teams." It focuses on welcoming newcomers, letting them know they're seen and valued, and inviting each person to bring their whole self to work and to actively engage with empowerment. CEO Ball attends at least 90% of the orientations, and he spends at least one hour on the second day leading a 10-question icebreaker exercise designed to build trust.

Meeting People Where They Are

O'Brien said, "The culture at Skender is real; there are no pretenses. There is no 'rah-rah' or fads, just authentically meeting people where they are at with a shared focus of 'I care' and 'We all care.'"

She continued, "Too often human resources policies are etched in stone with only rigid black-and-white interpretation. At Skender, policy is more likely seen from the lens of being in the gray zone, where flexibility meets the needs of individual people and the 'People & Culture' team provides flexible, holistic support during these times of need."

Many companies talk about whole-person well-being; few actually walk the talk. Skender has structured a comprehensive employee benefits program to meet the needs of all workers. The company recognizes that the needs of each employee will vary based on their personal circumstances. The whole person approach to well-being is built on flexibility. The company teaches leaders and supervisors how to teach employees how to use well-being resources for themselves and their family members.

During the pandemic, the company recognized a need to adjust the personal leave policy. Employees are able to take up to four weeks paid leave before medical leave begins by using a combination of two weeks of sick leave and two weeks of PTO. The company recognizes how important this is for individuals seeking services for both physical health and mental well-being support, including persons seeking recovery support.



Photo Credit: Skender

Recovery-Friendly Workplace Practices

While Skender has not officially adopted a recovery-friendly workplace policy, the company is actively implementing many best practices that SAFE Project supports, including:

- Modeling a "check-in culture" where employees look out for one another and are encouraged to ask how co-workers are doing
- Actively fighting stigma and promoting mental health, substance use prevention and suicide awareness
- Considering recovery in inclusion and belonging and workforce development initiatives
- Hosting company-sponsored events not centered around alcohol and offering nonalcoholic beverages
- Providing counseling and resources to people in recovery
- Expanding benefits for mental health and substance use disorder

Culture: The Firm Foundation for Sustainability

Thriving after 70 years is tribute to a business continually evolving and adapting to changing economies, environments, customer preferences, and materials and technologies. Skender seems to live by the age-old adage that "the only constant is change," and the resilience of its workforce reflects its hardiness. Leadership recognizes that its culture is the firm foundation of its success and the basis for its sustainability.

SAFE Project appreciates Skender for recognizing that expanding the emphasis on recovery is a way to help more prospective and existing employees and their families flourish. Skender recognizes that the example they model for other companies can have a positive ripple effect through their growing corner of the construction marketplace.

Keeping Pace: Workforce Trends Fueling Data Center Development

The effects of the ongoing labor shortage on the growing digital infrastructure sector

Joshua Miles



The digital transformation of industries worldwide has catapulted the demand for data centers to unprecedented heights. As organizations migrate to the cloud, embrace artificial intelligence and process ever-growing volumes of data, the construction of advanced data center facilities has become a priority. However, this rapid expansion is restricted by an ongoing labor shortage. The scarcity of skilled workers is not only delaying projects but also raising costs and creating logistical headaches for companies creating the infrastructure for the digital economy.

A Persisting Labor Shortage Is Creating New Challenges

Data centers aren't insulated from the challenges presented by the lack of skilled workers. An aging workforce, inadequate training pipelines and increased competition from other industries for the same talent pool have intensified the staffing issues experienced during data center construction. In parallel, the surge in data center projects has outpaced the available labor supply.

This shortage is not limited to general construction labor but is especially pronounced among workers with specialized technical skills. The result is a growing backlog of incomplete projects, longer construction timelines and increasing labor expenses. For project managers and executives, this environment demands new strategies for workforce planning and project delivery.

The Top Skill Sets in Data Center Construction

Data centers are highly complex facilities that require precise environmental controls, intricate power systems and advanced networking capabilities. Their construction depends on a range of specialized trades and professionals. Among the most critical are electricians, technicians, HVAC/plumbers, millwrights and project managers.

- **Electricians —** The demand for electricians might be the biggest staffing challenge employers need to consider. Power reliability is a nonnegotiable aspect of data center operations, and electricians are essential for meeting stringent uptime requirements and regulatory standards.
- **Technicians (electrical and mechanical) —** Building data centers requires a broad range of technicians that handle the installation and maintenance of IT infrastructure. They are particularly important for low-voltage functions like security systems and cabling. The high volume of technicians needed to complete a project makes them an important skill set to prioritize early on.
- **HVAC/plumbers —** Maintaining optimal temperature and humidity levels is critical to data center performance, hence the importance of HVAC technicians and plumbers who help ensure equipment longevity and operational safety.
- **Millwrights —** These skilled tradespeople install and maintain heavy machinery and support systems within the data centers, including generators, chillers and mechanical lifts.
- **Project managers —** Orchestrating complex, multidisciplinary teams, project managers are vital for keeping construction on schedule, managing budgets and ensuring compliance with safety and quality standards.

The scarcity of these specialized workers amplifies the technical and logistical challenges inherent in data center construction. Without sufficient talent, even the most advanced designs cannot be realized efficiently or safely.

Compounding Technical & Logistical Issues

In data center construction, longer timelines, frustrating delays and quality issues are becoming all too common as companies scramble to find the right workers. For example, when there aren't enough qualified electricians, the installation of power systems drags on, which means everything else gets held up. And if you don't have enough HVAC pros, you could end up with inefficient cooling, risking equipment breakdowns and

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expensive do-overs.

The logistics get even trickier when companies juggle schedules or are on hold waiting for essential trades to show up. Project managers are constantly trying to sequence tasks so there's no wasted time and the most important activities stay on track. And to make things even more challenging, data center construction projects are often located where there isn't enough local talent to meet the demand.

Nomadic Workforces Are Imperative to Data Center Construction

The ability to attract and retain skilled workers who are willing to travel has become essential for large-scale construction projects of all types. This has led many companies to adopt a nomadic workforce model. This approach leverages a collection of workers consisting of skilled professionals who travel from one project site to another, often relocating temporarily to regions experiencing a surge in data center construction. These workers bring specialized knowledge and experience, allowing companies to flexibly meet fluctuating project needs.

The advantages of deploying a nomadic workforce are significant. First, it enables companies to quickly ramp up labor capacity in high-demand areas, reducing project delays. Second, nomadic workers are typically more experienced in data center construction, having worked on multiple projects across different geographies or at least on similar megaprojects. Their experience translates to higher quality workmanship, improved safety outcomes and greater adaptability to unique project requirements.

Strategically, companies can deploy nomadic teams to cover critical path activities, train local labor and transfer best practices. By maintaining a core group of traveling specialists, organizations can ensure that technical and regulatory standards are met consistently across projects. Some firms partner with specialized staffing agencies or maintain internal pools of traveling workers to streamline deployment and logistics.

What's Next in Data Center Construction?

As the demand for data centers continues to surge, the construction industry must adapt to an environment defined by persistent labor shortages and rising expectations for speed and quality. Specialized skill sets will remain in high demand, underscoring the need for targeted recruitment, training and retention strategies. The strategic use of nomadic workforces offers a practical solution to bridge the gap, enabling companies to deliver complex projects on time and at scale. Furthermore, as data center construction accelerates, companies are navigating not only ongoing labor constraints but also emerging challenges around power availability and energy infrastructure that will shape how the industry evolves.

Looking ahead, industry leaders should prioritize workforce development, invest in technology-driven training solutions and foster partnerships that expand the pool of specialized labor. By doing so, they will not only navigate current challenges but also build a resilient foundation for the digital infrastructure of the future.

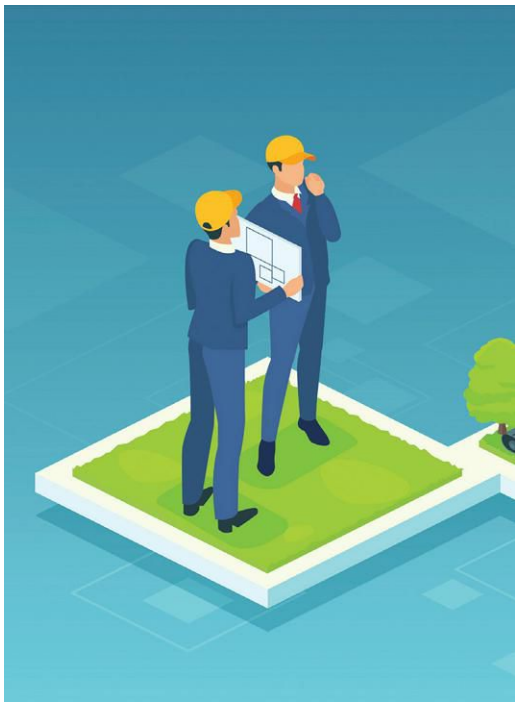
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Understanding the Hidden ROI in Preconstruction

Why timing determines outcomes

Eric Schmitz



Across major U.S. metros, tenant improvement projects are moving again. Office repositioning, renewals and selective expansions are back on the calendar.

According to recent market reporting from JLL, U.S. office leasing activity hit a post-pandemic high in the fourth quarter of 2025, with annual leasing growing about 5.2% year-over-year and large-scale transactions increasing roughly 15% compared with the prior year.

These are indicators that companies are committing to office space again. However, delivery expectations haven't eased. Schedules are tight, budgets are scrutinized and tolerance for disruption is minimal.

What's changed is not just what gets built, but how early teams are forced to make decisions.

Many projects still treat preconstruction as a procedural phase rather than a strategic one. This results in missed opportunities that don't show up on a pro forma but subtly erode schedule certainty, cost control and occupancy timing.

The real return on investment in preconstruction is often hidden until it's gone. Let's talk about it.

Why Preconstruction Timing Matters More Than Ever

Since February 2020, construction input prices have risen more than 40%, according to Associated Builders and Contractors. That statistic gets attention, but material pricing alone rarely causes the biggest disruptions.

More often, delays stem from when the general contractor enters the process. In today's market, late contractor involvement can trigger a cascade of unintended consequences:

- Redesigns to reconcile budget gaps
- Material substitutions that extend lead times
- Schedule resets after drawings are already complete

These issues surface after commitments have been made (to tenants, lenders and internal stakeholders), and they rarely come with clean solution.

The Cost of Late Involvement (That No One Budgets For)

When a contractor is brought in after design development, teams often discover that the project is technically sound but operationally misaligned.

Common outcomes include:

- Re-drawing scopes to accommodate constructability issues
- Second pricing cycles when initial budgets no longer hold
- Compressed construction windows to recover lost time
- Occupancy risk when delivery dates shift beyond lease requirements

These costs often surface as lost time, strained relationships and difficult trade-offs late in the process. By the time the problem is visible, the opportunity to prevent it has already passed.

Where the Hidden ROI Actually Comes From

Preconstruction delivers its value upstream. When construction expertise informs design and planning early, teams gain control over schedule, cost and scope before those variables harden into commitments.

1. Schedule Compression Before Construction Begins

When construction expertise is applied during design, sequencing conflicts and long-lead items are identified early. This often results in weeks (not days) saved on the overall schedule.

In tight timelines, that difference can determine whether a tenant moves in on time or negotiates costly extensions.

2. Fewer Change Orders Through Design Alignment

Many change orders are the result of discovering constructability or cost issues too late. Preconstruction collaboration allows teams to adjust details while drawings are still flexible, dramatically reducing future revisions.

3. Budget Certainty Without Repricing

Projects that align scope, materials and phasing during preconstruction avoid the

Photo Credit: pathdoc- adobestock.com



common trap of pricing a project twice. Budget confidence earlier in the process allows owners and brokers to make commitments without hedging.

That clarity carries value well beyond the construction phase.

What Early Alignment Looks Like in Practice

Effective preconstruction focuses on adding the right voices at the right time. Successful teams typically:

- Involve a general contractor during schematic or early design development
- Use real-time pricing feedback to guide design decisions
- Evaluate lead times and logistics alongside aesthetics and function
- Coordinate phasing strategies that protect occupied spaces

This approach shifts preconstruction from a checkpoint to a decision-making engine.

Why This Matters for 2026 Planning Cycles

As workplace needs continue to evolve, tenant improvement projects are becoming more complex. Hybrid work, flexible layouts and higher expectations for speed are colliding with constrained labor and supply chains.

In that environment, risk isn't typically eliminated through better contracts. Instead, it's reduced through better alignment.

Owners, brokers and architects planning for 2026 should be asking:

- When does construction expertise enter the conversation?
- Are budgets informed by real-time market conditions or assumptions?
- Is schedule certainty being designed or simply hoped for?

The answers to those questions often determine whether a project feels controlled or reactive by the time construction begins.

Why Preconstruction Determines Project Outcomes

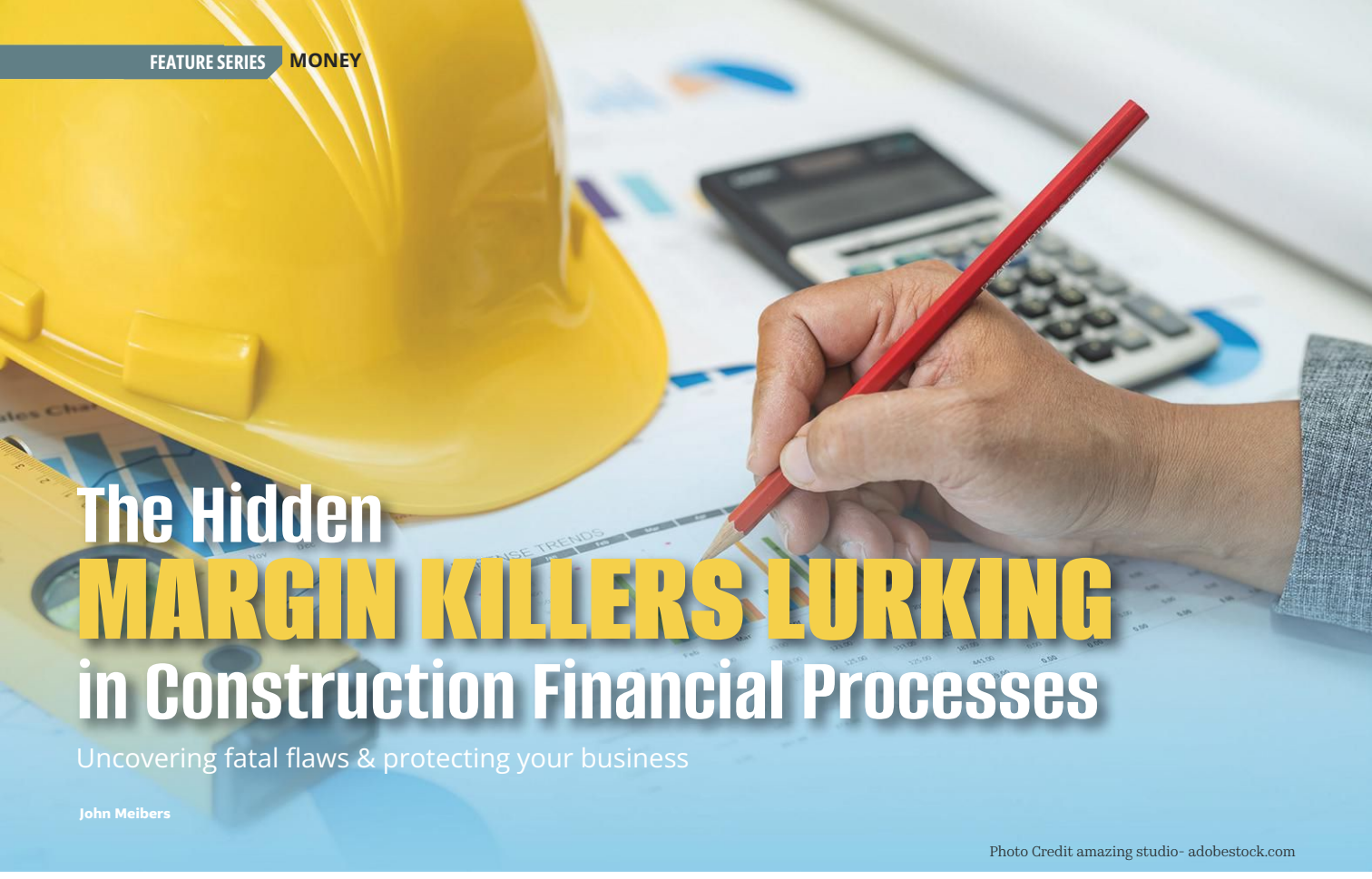
In summary, preconstruction sets the conditions for how smoothly a project moves from concept to occupancy. When planning is aligned early, teams experience faster approvals, fewer redesigns, more dependable delivery dates and less friction at the moments when pressure is highest.

In a market defined by compressed timelines and narrow margins, the advantage comes from foresight. Engaging construction expertise earlier than traditional workflows allow can be the difference between a controlled process and one defined by course corrections.

Once drawings are finalized, the most consequential decisions have already been locked in, and the opportunity to influence outcomes has largely passed.



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The Hidden MARGIN KILLERS LURKING in Construction Financial Processes

Uncovering fatal flaws & protecting your business

John Meibers

Photo Credit amazing studio- adobestock.com

Construction companies spend a lot of time chasing margins — negotiating better contracts, tightening estimates and managing risk in the field. Yet for many contractors, profit erosion isn't coming from bad jobs, tough owners or one catastrophic failure. It's happening quietly, behind the scenes, in everyday financial processes that feel "good enough."

These hidden margin killers don't show up as one big mistake. Instead, they stem from small gaps in financial processes that quietly compound as job volume increases. Contractors think they're profitable — until they're not.

1. Manual Data Entry & Rework

Manual data entry is one of the most underestimated threats to profitability in construction. Time cards rekeyed into payroll. Vendor invoices are manually coded to jobs. Cost updates are copied from spreadsheets into accounting systems. Every manual touchpoint introduces:

- Delays in getting financial visibility
- Increased risk of errors and miscodes
- Rework when mistakes are discovered weeks later

While each task may only take minutes, multiplied across dozens of jobs and hundreds of transactions, the labor cost adds up fast. Worse, errors often surface too late — after costs have already hit the job and decisions have already been made.

Example: A project administrator manually enters vendor invoices into accounting, then later rekeys cost information into a separate job cost report for the project manager. A miscoded cost isn't discovered until the monthly review, requiring corrections, explanations and updated forecasts. While the dollar amount may be small, the time spent fixing the issue and the delayed insight add up across dozens of jobs.

Margin impact: Extra administrative labor, inaccurate job costs and decisions based on flawed data.

What helps: Reducing duplicate data entry through integrated, automated systems and standardized workflows so information is entered once and flows consistently across accounting, payroll and job costs.

2. Delayed Cost Capture From the Field

When job cost data arrives days or weeks after work is performed, contractors lose the ability to manage proactively. Labor overruns, equipment overuse and material waste can't be corrected in real time when data lives on paper tickets or in disconnected systems. Many contractors still rely on:

- Paper time cards submitted weekly
- Field notes entered long after the fact
- Cost updates that lag actual production

Example: A superintendent notices productivity slipping during

a critical phase of work, but labor costs won't hit the job until time cards are processed at the end of the week. By the time the project manager sees the overrun, several days of additional labor have already been incurred. With timelier cost visibility, the team could have adjusted crew size, sequencing or scope.

Margin impact: Small field overruns become permanent margin losses because they aren't identified early enough to fix.

What helps: Faster, more accurate cost capture from the field that feeds job cost reporting quickly so project managers can act while it still matters.

3. Inaccurate WIP Reporting

Work-in-progress (WIP) reporting should be a contractor's early warning system. But when WIP is built on inaccurate forecasts and outdated or incomplete job cost data, it becomes misleading instead of informative. Common WIP challenges include:

- Costs posted late or incorrectly
- Forecasts that aren't updated to reflect current job conditions
- Revenue recognized without real-time job insight
- Manual WIP schedules that rely heavily on estimates instead of actuals

When costs lag or forecasts aren't adjusted in a timely and accurate way, WIP can make jobs appear healthier than they are — masking margin erosion until it's too late. Inaccurate WIP also distorts companywide financials, leading leadership to make decisions based on assumptions that no longer reflect reality.

Example: A project appears profitable in WIP reports based on outdated completion percentages and an overly optimistic cost-to-complete forecast, even though several cost categories haven't been updated. Leadership confidently forecasts cash flow and backlog, only to discover at job closeout that the margin was overstated for months. The result is an unexpected write-down and strained conversations with stakeholders.

Margin impact: Surprises at job closeout, overstated profits, unreliable forecasts, and sudden write-downs that damage cash flow and credibility.

What helps: Reliable, timely job cost data combined with disciplined, accurate forecasting so WIP reflects current conditions, not outdated assumptions.

4. Poor Change Order Visibility

Change orders are one of the most common and costly sources of margin leakage, because contractors struggle to track them consistently from field initiation through billing. Without clear visibility, contractors risk:

- Performing extra work based on verbal direction or informal approval, without capturing it in the system
- Losing track of pending or disputed changes
- Billing changes late (or not at all)

In many cases, work must begin before a formal change order is issued. But when those changes aren't logged, even if the approval is verbal to start, costs and revenue quickly fall out of sync. When change orders live in emails, spreadsheets or someone's notebook, accountability disappears.

Example: Field crews proceed with owner-requested changes to avoid schedule delays, assuming paperwork will follow. Weeks later, some changes are approved, others are still pending and a few are forgotten altogether. Without clear visibility, project teams struggle to determine what should be billed and what has already been absorbed by the job.

Margin impact: Unbilled work, delayed revenue and jobs that look profitable on paper but underperform in reality.

What helps: Centralized tracking that connects change orders to job cost, billing and financial forecasts.

5. Disconnected Payroll & Job Cost Data

Labor is often the largest controllable cost on a construction project. Yet many contractors lack timely visibility into how payroll is impacting job profitability.

When payroll systems don't integrate cleanly with job cost:

- Labor hits jobs days or weeks after payroll is processed
- Burden and labor classifications may be applied inconsistently
- Project managers see outdated or incomplete labor costs

This delay makes it nearly impossible to manage productivity or to understand true job performance until after payroll is finalized.

Example: Payroll is processed on time, but labor costs don't post to job cost until days later. Project managers review outdated reports that understate actual labor spending, delaying productivity conversations with the field. By the time true costs are visible, the opportunity to correct staffing or work methods has passed. When payroll and job cost data are closely linked, labor becomes a tool for proactive management rather than a postmortem analysis.

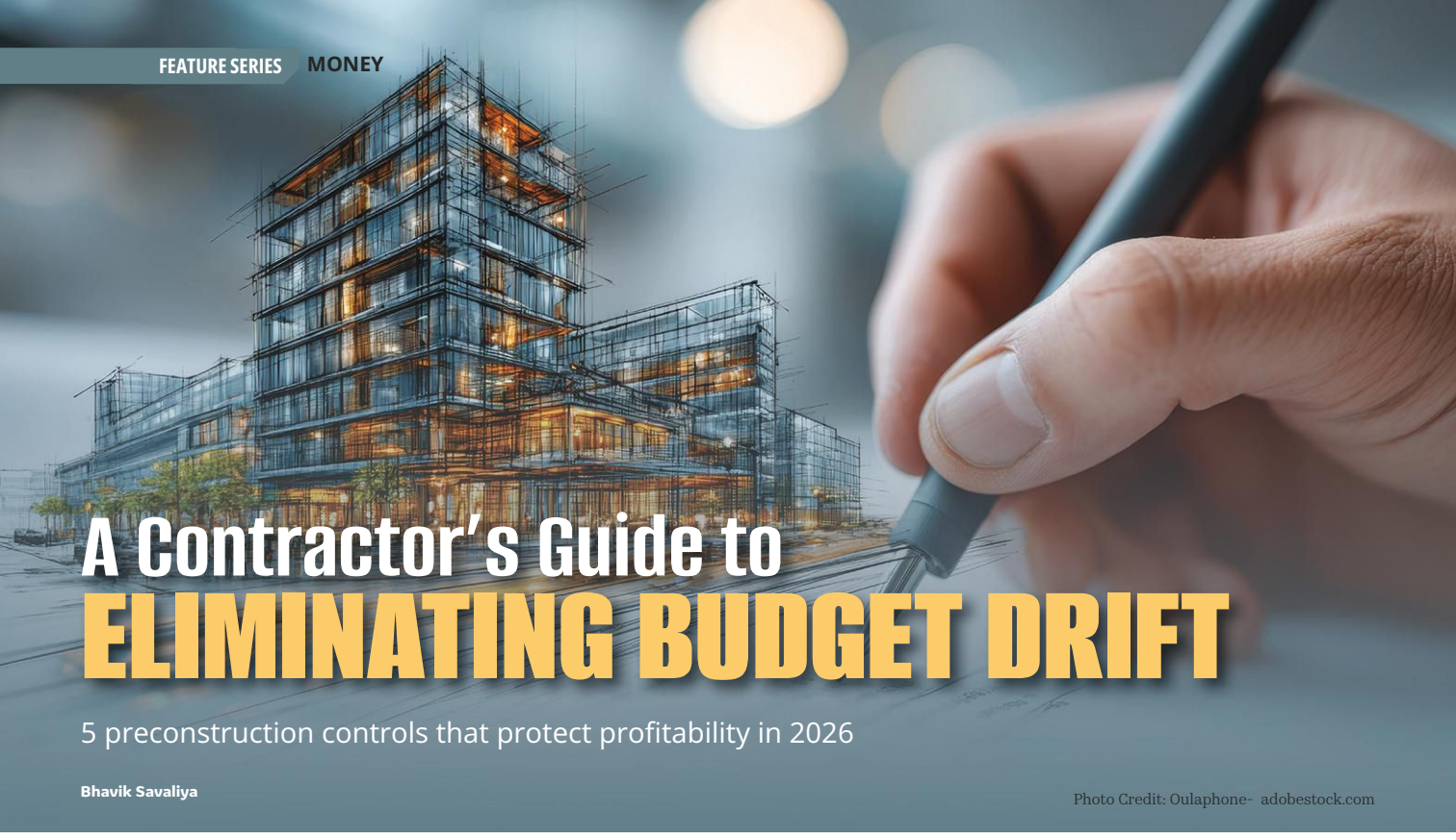
Margin impact: Labor overruns go unnoticed, productivity issues persist and corrective action comes too late.

What helps: Tight alignment between payroll and job cost systems so labor costs, burden, and classifications hit jobs accurately and quickly.

Visit constructionbusinessowner.com/margin for an extended article.

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A Contractor's Guide to ELIMINATING BUDGET DRIFT

5 preconstruction controls that protect profitability in 2026

Bhavik Savaliya

Photo Credit: Oulaphone- adobestock.com

Construction margins remain thin even during strong market cycles. On many large commercial projects delivered under guaranteed maximum price (GMP) contracts, contractor fees typically range between 2% to 5% of total project cost. Even small cost variances can erase months of profit. Lump sum contracts may offer higher margins, but they also transfer significantly greater risk to the contractor.

In today's environment of labor shortages, volatile material pricing and complex building systems, contractors face a growing challenge: budget drift during preconstruction and early execution.

The most effective contractors address this risk before the first subcontract is awarded. Financial exposure is often determined during estimating, subcontractor buyout and procurement planning long before crews mobilize in the field.

1. Lock the Cost Narrative Early

Most contractors prepare estimates using schematic or design development drawings, when many scope details are still evolving. While estimates often include standard assumptions, they rarely capture the specific assumptions embedded in subcontractor bids.

As design progresses, those assumptions can be lost. Subcontractors may price work based on incomplete drawings or interpretations of design intent. If these assumptions are not documented, scope changes can quietly enter the project without being recognized as cost impacts.

A stronger practice is to develop a cost narrative during bid leveling and maintain it alongside the estimate. This document should capture key assumptions shaping the budget, including:

- Specifications carried during bidding
- Labor productivity assumptions
- Material pricing basis and supplier quotes
- Procurement timing and escalation exposure
- Bid validity periods
- Trade scope boundaries between subcontractors

Bid leveling is the ideal moment to capture these details because the contractor is aligning subcontractor proposals and negotiating scope responsibilities. For example, drywall bidders often assume different fire or sound ratings when partition schedules are incomplete during early design phases. One subcontractor may price standard wall assemblies while another anticipates higher-rated partitions. If these assumptions are not aligned during bid leveling, the design may later require assemblies more expensive than what was carried in the estimate.

Documenting these assumptions allows the project team to quickly determine whether design revisions fall inside or outside the original estimating logic.

2. Introduce Structured Subcontractor Scope Alignment

Many budget overruns originate from misaligned subcontractor scopes rather than inaccurate estimating. When trades interpret drawings or specifications differently, hidden gaps can emerge that later surface as requests for information (RFIs), coordination conflicts or change orders.

A disciplined preconstruction process includes structured scope alignment meetings often part of post bid discussions before finalizing trade awards. These meetings allow contractors to validate assumptions and clarify responsibilities before construction begins.

- Review scope sheets line by line against drawings and specifications
- Identify overlapping responsibilities between trades
- Clarify exclusions and interface points between subcontractors
- Confirm responsibility for temporary works and site logistics
- Verify coordination obligations for shared systems

This process is particularly important for complex building systems where coordination directly affects cost and schedule, including:

- Mechanical and plumbing systems
- Curtain wall and glazing packages
- Fire protection and structural steel interfaces
- Electrical distribution and low voltage infrastructure

Involving designers or key consultants in these discussions can also help clarify design intent early and reduce downstream RFIs. Small scope misunderstandings in complex buildings can quickly escalate into six-figure issues once construction begins.

3. Create a Procurement Risk Map

Procurement decisions significantly influence final project costs. Yet many contractors still treat procurement primarily as a scheduling activity rather than a structured risk management process.

Once design intent and key specifications are understood, preconstruction teams should develop a procurement tracker tied directly to the project's master schedule. This tracker helps identify long lead items while accounting for submittal preparation, review cycles and fabrication timelines.

A procurement tracker should highlight trades or materials most vulnerable to cost and schedule exposure, including:

- Electrical equipment with extended lead times
- Switchgears and transformers
- Structural steel fabrication packages
- Curtain wall systems
- Specialized mechanical equipment

For each item, contractors should evaluate lead times, supplier availability, pricing volatility and submittal review durations. Mapping these factors against the project schedule allows teams to identify risks early and pursue mitigation strategies such as early procurement releases, price locks or alternative vendors.

Procurement planning is no longer just logistics; it is a financial control that protects both schedule certainty and project margin.

4. Establish a Change Signal System

Cost overruns rarely appear suddenly. Most projects generate early warning signals that something is drifting from the original estimate.

Contractors should establish a change signal tracking system during preconstruction and design coordination. The goal is not to eliminate change orders entirely; some are inevitable but to identify risks early enough to prevent avoidable cost impacts.

Common early signals include:

- Design packages issued out of sequence
- Frequent architect clarifications or design bulletins
- Repeated RFIs related to the same scope area
- Subcontractor qualifications that contradict design intent
- Vendor pricing shifts or material availability concerns

Individually these signals may seem minor. When tracked collectively, they often reveal coordination gaps between design intent and construction assumptions. Monitoring these signals early allows project teams to resolve issues during design rather than after construction begins.

5. Integrate Cost Data Into Decision-Making

Another common source of budget drift is the disconnect between cost data and project decisions. In many organizations, estimating information remains isolated in spreadsheets while design coordination, scheduling and procurement occur in separate workflows. As a result, teams often make decisions without understanding their cost implications.

Contractors can integrate cost intelligence directly into preconstruction by:

- Linking quantity takeoffs to cost databases
- Maintaining historical cost benchmarks
- Comparing estimates with previous projects
- Tracking cost variance across design phases

Understanding the cost impact of design changes is critical as drawings evolve. A strong prebid RFI program can clarify design intent and resolve specification gaps before subs finalize pricing, reducing the likelihood of change orders later in the project Historical cost data also reveals broader trends. Understanding these patterns and the past performance of key subcontractors helps contractors refine assumptions and evaluate risk more accurately.

Visit constructionbusinessowner.com/budgetdrift for an extended version of this article.

Bhavik Savaliya is a construction cost management professional specializing in preconstruction strategy, estimating systems and procurement risk analysis for complex commercial construction projects. He has worked on large-scale projects involving advanced building systems, mission-critical infrastructure and high-performance commercial facilities.



Dealing With TROUBLED CUSTOMERS

Strategies for handling nonpaying & bankrupt clients

MARK E. BATTERSBY

Photo Credit : Eric- adobestock.com

It doesn't take too many nonpaying customers to create an expensive problem. Far too often today, construction business owners must be concerned not only with their own operation's financial well-being, but also the financial situation of both customers and suppliers.

There are always customers that go out of business without warning — or without paying their bills. In these cases, it is often too late to collect anything. If, however, the construction business's owner or manager is vigilant about outstanding accounts receivable and the financial status of the operation's customers, there are a number of strategies for dealing with troubled customers before the dreaded final step of "firing" them.

Risk Management

Minimizing the construction business's exposure to the credit troubles of others — in the beginning and at every step of the relationship — is vital. It also means staying on top of paperwork.

In the construction industry, timely and accurate payment is essential for businesses of all sizes. A strong, written contract that spells out the payment terms is essential. It is also essential that invoices be sent as called for in the contract and as soon as possible after all work is completed. And, of course, following up on overdue invoices is crucial.

Recognizing Troubled Customers

It's far easier to take a proactive approach by avoiding the types of customers/clients that usually spell trouble. Staying alert for signs that longtime customers may be having financial problems — and, most importantly, promptly taking action when their payments slow down — is a viable strategy.

Staying alert for signs that customers' financial situations are changing can protect any business. Every builder should be on the alert for such things as:

- Change orders or budget overages without corresponding payment adjustments
- Disputes or late-stage adjustments used as an excuse for delayed or withheld payments
- Poor or nonexistent communication, which often indicates a troubled customer

Keeping an eye out for these and other potential red flags and quickly responding can ensure that small problems don't develop into collection issues.

Collections 101

Collecting what is owed can be a challenge, especially for smaller companies that may not have the resources to devote to collections. Uncollected sums often result in cash flow issues for construction businesses, particularly those with project-related contracts and complex payment arrangements.

While collecting accounts receivable can be frustrating, there are a number of strategies that can be pursued, such as:

- Attempting to work out a payment plan that can help the business recoup those unpaid amounts over time
- Hiring a collection agency to collect any past-due amounts, minus the agency's fee — if they are successful

When all else fails, there are always the courts. Unfortunately, a successful result in small-claims court usually results in a "judgment." Collecting on that judgment comes with a similar set of collection woes.

Finders Keepers

Remember the old saw about possession being nine-tenths of the law? Possession of the funds collected may not be forever, but it does give a construction business negotiating leverage in a lawsuit or bankruptcy when trying to avoid paybacks.

Don't hesitate to accept any payments because of the possibility it may be refundable should the customer file for bankruptcy. It is not wrong to accept money genuinely owed to the business, nor is it wrong of the soon-to-be-debtor to pay it. It simply may be recoverable by a bankruptcy trustee.

Coping With Bankrupt Customers

When a customer fails to pay their debts, the construction business, the "creditor," has several remedies available to help collect the funds due. In addition to the common collection strategies such as dunning notices, collection agencies and even small-claims courts, there is bankruptcy.

When a notice of the bankruptcy is received, proof of the construction business's claim should be promptly filed with the court. Keep in mind that deadlines are strictly enforced in bankruptcy cases.

When it comes to dealing with a customer or supplier after discovering they are bankrupt, all collection efforts should cease. This automatic stay is designed to protect the debtor and his property from all forms of collection during the bankruptcy.

Under the bankruptcy laws, creditors have rights. They usually have the right to be heard in court regarding a proposed payment plan, liquidation of the debtor's nonexempt assets and payments from the assets of the debtor's estate.

In other words, creditors can voice their opinions about debts that might or might not be forgiven. They can also argue about assets that, perhaps, should have been included in the bankruptcy estate but weren't.

So-called "secured creditors" are at the top of the payback list and have specific rights to the property that is the collateral for their claim. Secured creditors also have the best chance of getting relief from the automatic stay or "adequate protection payments" to prevent a decline in the equity available to secure their claim.

Whether the construction business is a secured or unsecured creditor, the best deterrent to abuse of the bankruptcy system is creditor vigilance. Creditors are entitled to question the debtor under oath about assets, liabilities and financial history at the first creditor meeting.

Keeping abreast of customers or suppliers in bankruptcy is important since some bankruptcies are often dismissed because of the debtor's failure to comply with the requirements of the bankruptcy law. When that happens, creditors are free to pursue collections. Sometimes cases originally classified as "no-asset" cases blossom into asset cases from which a creditor may be paid. Be vigilant.

Depending on one or two customers can put any business at risk if payments from one of them slows — or dries up. Even a business with a full plate might be well advised to continually look for new customers.

Fighting the Good Fight

Most construction business owners and managers are aware that contracts and payment terms should always be put in writing. Unfortunately, this alone may not protect the business if a customer runs into financial problems. Few troubled customers are likely to begin paying simply because there is a contract.

Depending on one or two customers can put any business at risk if payments from one of them slows — or dries up. Even a business with a full plate might be well advised to continually look for new customers.

Make sure there is a constant inflow of customers so, if one fails and isn't able to pay on time, potential problems are avoided.

Photo Credit : Kornkanok- adobestock.com



It also provides more time — and a financial cushion — to work things out with a troubled customer.

Slashing Unprofitable Customers

Often ignored by many business owners or managers is whether the best business decision may actually involve firing some of their worst customers. While this may seem like an illogical suggestion (particularly in a bad economy), having the wrong customers can cost the construction business in unexpected ways and hold it back from real success, all because of the temptation of short-term profits.

Worried about the customer going elsewhere? Sometimes that's a good thing. Troubled or problem customers become problems for competitors.

Tax Deductions for Debts

When all else fails and further collection efforts are fruitless, Uncle Sam, in the form of our tax laws, may have a solution. Nonpayments may result in a loss deduction for materials and supplies purchased but for which no reimbursement is received. There is also the bad-debt deduction.

Of course, just because something may be labeled as a business bad debt doesn't necessarily make it tax deductible. A bad-debt deduction can be claimed only if the amount owed was included in the operation's gross income. This is almost never the case for cash-method businesses (who report income when received). Accrual method businesses, however, report income as it's earned; if receivables have already been claimed as income, a bad-debt deduction for uncollectible receivables is appropriate.

Business Joys

Unfortunately, wringing money out of deadbeat customers has become a common issue today. In some cases, the only option may be hiring a collection agency or going to court to collect, but many small business owners don't like to go these routes.

Often, it's easier to take a proactive approach by avoiding the types of customer who usually spell trouble, staying alert to signs that longtime customers are having financial problems and taking quick action when their payments are slowing down.

Avoiding Trouble

Minimizing a construction business's financial risks — and its bad debts — can be achieved by using various strategies ranging from initial credit checks to comprehensive contracts, well-thought-out collection steps and parting-ways with troubled customers. In the end, there is always the tax deduction for business bad debts.

Mark E. Battersby is a freelance writer specializing in taxes and finance. He currently syndicates a number of columns and writes features that appear in over 65 publications in a variety of fields. He has also written four books.





REAL JOBSITE SOLUTIONS

While tackling 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 real 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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CATERPILLAR

Built to work like you do: Next-generation CAT 275 & 275 XE compact track loaders

Caterpillar introduces the Cat 275 and 275 XE compact track loaders. Replacing the Cat 299D3, 299D3 XE, these machines bring the substantial next-generation upgrades to the higher horsepower size class. These include the newly designed and larger operator's station, upgraded in-cab technology, higher lift and tilt performance, increased lift height, improved machine stability and are powered by high-torque Cat engines. These machines will reset the benchmark for machine control, comfort, performance and technology in the largest machine size classes.

MORE POWER helps you push through even the toughest jobs. Both models are powered by an electronically controlled Cat C3.6TA turbocharged and aftercooled engine that meets the U.S. EPA Tier 4 Final/ EU Stage V emissions standards. The Cat C3.6TA engine has two different engine ratings. The engine rating for the 275 model will deliver 110.5 horsepower (82.4 kilowatts), while the engine rating for the 275 XE model will deliver 120.7 horsepower (90 kW). These engines will deliver significant increases in torque, for even stronger working performance no matter the attachment connected.

MORE PERFORMANCE means you get more confidence in a variety of tasks as you take these machines to work. The 275 and 275 XE boast a lift height of 134 inches, as well as a 37% increase in tilt breakout over their predecessors and a fully redesigned undercarriage provides more stability for when you need to lift heavier loads, operate on slopes, or make a final grade.

MORE STABILITY for grading and handling heavy loads is provided via the new, standard E-bar (equalizer bar) undercarriage. Harnessing



Caterpillar's heritage and leadership with track type tractors, the E-bar undercarriage on the 275 and 275 XE delivers the benefits of a rigid style design when lifting heavy loads or when using heavy attachments (mulcher, dozer blade, grader blade), while also providing the benefits of an oscillating undercarriage design when encountering terrain or obstacles.

MORE COMFORT in the new Cat compact track loaders isn't just about bigger cabs, although their new design provides additional overall volume, foot space and hip room. It's also about optional heated and ventilated seats, easier entry and exit and a two-step removable door. Plus, optional advanced joysticks that allow full machine function control at your fingertips. All that adds up to operator comfort that will make the hard work seem just a little bit easier.

All models across the new Cat compact track loader lineup will come ready for Smart Attachment Technology, ushering in the highest level of integration between machine and attachment, giving you that much more versatility on the jobsite.

If you'd like more information about the 275 and 275 XE, availability, pricing and financing information are available from your local Cat dealer or cat.com.

Caterpillar
cat.com/en_US/by-industry/construction/compact-track-loaders.html

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 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 alleviates 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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ARMSTRONG WORLD INDUSTRIES

Innovation & collaboration deliver custom acoustic solutions on time



The John Barry Performance Hall at Falls Music Center required a state-of-the-art acoustic ceiling for a 238-seat space. The design called for custom glass fiber reinforced gypsum (GRG) ribbons installed 40 feet in the air. Furthermore, the small workspace allowed only four workers at a time, and the team had to meet a strict school budget.

Preconstruction Planning Saves Time & Labor

To simplify the project and deliver on time, commercial contractor T.J. McCartney collaborated closely with the ProjectWorks team at Armstrong during preconstruction planning. The teams chose Armstrong CastWorks panels to meet the complex acoustic and aesthetic demands.

The ProjectWorks team provided extensive project support to ensure a smooth installation. Because the custom panels featured an embedded acoustic compound and a thicker cast, they weighed up to 6 pounds per square foot. To help the crew manage this weight and complexity, Armstrong supplied mock-up panels so installers could get hands-on experience before the actual ceiling assembly began

Based on contractor feedback with the mock-ups, Armstrong adjusted the panel customization, adding wood-blocking for connections and embedding suspension hangers to streamline the installation.

Constructability & Fast Installation

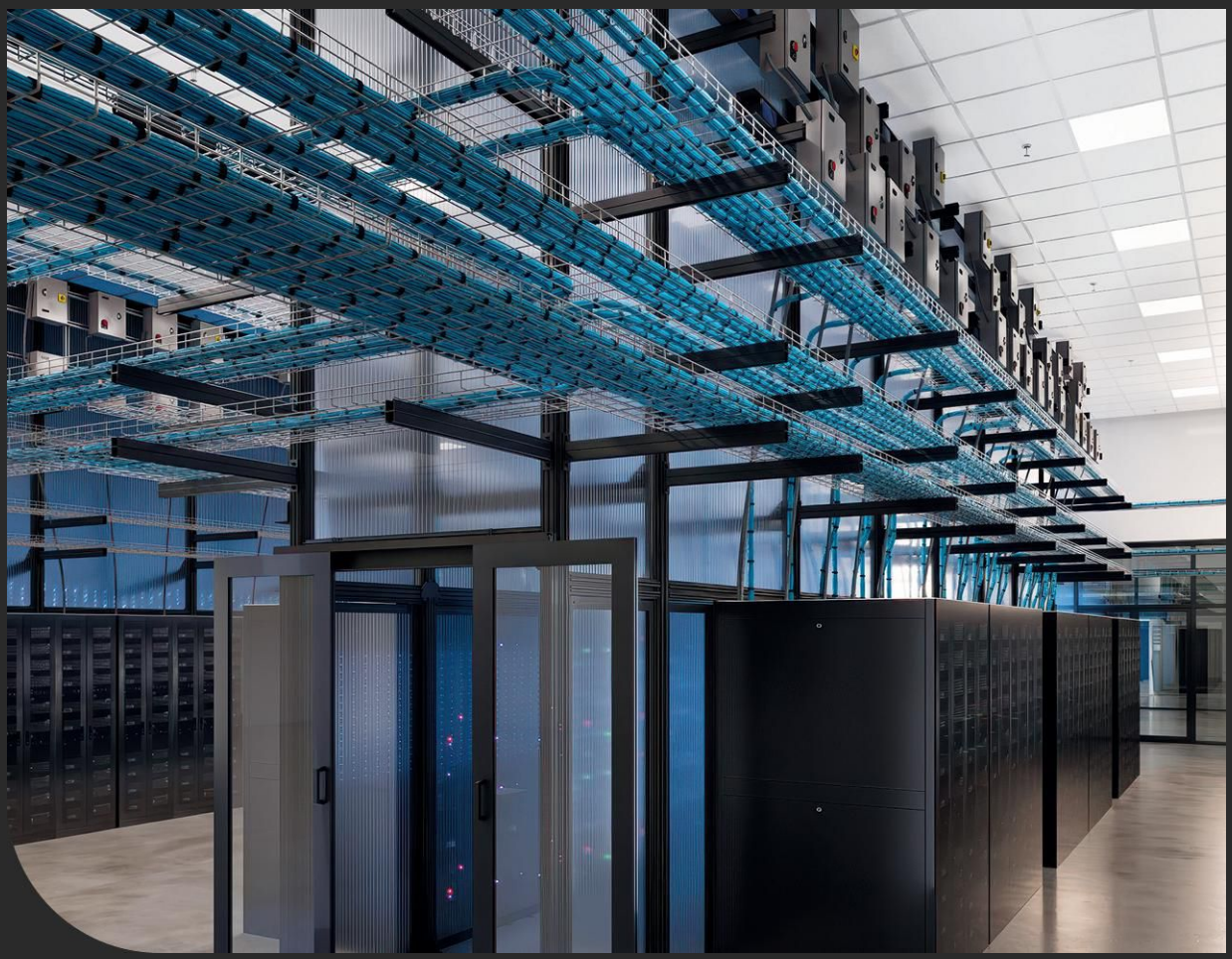
Armstrong used just 16 molds to cast 190 panels, which helped the project stay on budget. The team suspended the ribbons using Armstrong FrameAll drywall suspension systems, which reduced installation time and hid hardware, wiring and lighting.

To navigate the tight workspace, Armstrong shipped crates of panels only as needed, optimizing the site footprint. Detailed shop drawings ensured accurate on-site assembly. The crew hung each ribbon as 10 separate pieces using lifts, then taped, mudded and finished them in the air.

"Even with all the detailed curves, bevels and angles, challenges were solved in preconstruction, and accurate shop drawings ensured we had everything ready," said Jessica Blanco, assistant project manager at T.J. McCartney. "We met our timeline and budget, and it looks awesome."

Through reliable preconstruction support, accurate cost estimation and innovative installation tools, Armstrong and T.J. McCartney solved a challenging design with no rework, met the timeline and stayed on budget.

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FOUNDATION SOFTWARE

Jolly Roofing uses FOUNDATION to cement itself as national roofing powerhouse



Jolly Roofing began as a family-owned roofing business, working on commercial projects across the South. Over time, the company expanded its services to cover nearly every state in the U.S., growing its workforce and client base exponentially.

Originally, Jolly Roofing relied on spreadsheets and generic accounting software to track costs, but as the company began handling thousands of jobs each month, it was clear these manual tools couldn't keep up.

"It got to the point where we were busting at the seams … we had to shut down the entire system," Jolly Roofing Controller Trip Swords said. "The whole company literally came to a halt one time, and that was when we started looking at [long-term accounting solutions]."

Why FOUNDATION Was the Answer

Jolly Roofing knew it needed an accounting program that could handle the job volume.

The company had heard about FOUNDATION construction accounting software and were aware of its strong reputation in commercial construction. The team was drawn to the product's detailed job costing and free, robust financial reporting.

Even before the demo was done, they knew they'd finally found a system that wouldn't balk under the weight of their projects.

Better Reporting, Better Decisions

FOUNDATION's impact was immediate, helping Jolly Roofing streamline workflows that once demanded manual oversight.

Instead of spending hours reconciling statements to the general ledger, everything is now automated: payables accurately tied to receipts and receivables appropriately tied to invoices.

This cleaned up Jolly Roofing's data and gave them stronger reports accessible at the click of a button.

With better reporting, departments are finally on the same page, and they're able to make quicker decisions because everyone is working with the same information.

"When the team is on the same playing field, the work becomes simpler … now our general managers can compare apples to apples," said Rodger Glaude, controller.

Job Costing That Keeps Up With Job Volume

Handling thousands of jobs each month requires an extremely organized system. There are expenses being processed almost every hour of the workday.

With FOUNDATION's job costing tools, Jolly Roofing can now effortlessly track labor, materials and other expenditures, labeling costs by each project, phase, class and code. Regardless of how many dollars are involved, every penny is tracked.

Additionally, instead of relying on spreadsheets like before, the team can view job costs directly within FOUNDATION as work progresses.

This visibility helps identify trends across projects and regions, so the team can scale their management nationwide.

Building a Scalable Future

Today, FOUNDATION serves as the operational backbone for Jolly Roofing's financial management and reporting.

They take on about 26,000 jobs annually, and managing that level of financial activity would be nearly impossible without the platform.

"Where we are now compared to where we were — we're light years ahead, all [thanks to FOUNDATION]," Swords said.

If you'd like to learn more about how FOUNDATION can help simplify your accounting, contact info@foundationsoft.com.

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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 it can ask the right questions to get the coverages and limits you need to stay protected. The company's 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 9-to-5 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, the team is 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.



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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." — A long-term eMars customer

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INSITE SOFTWARE

Elevation Pro gives Dan Cristiani Excavating the ability to scale estimating, increase accuracy & strengthen client communication



As construction companies grow, so do the demands on their estimating teams.

For Dan Cristiani Excavating, recent years have brought significant growth, including a sharp increase in bidding volume and project diversity. From large residential developments to infrastructure and utility work, the company faced a familiar challenge: meeting strict deadlines while managing multiple estimates at once.

Bid dates wait for no one. To stay competitive, the company invested in technologies to streamline takeoffs and increase efficiency, including Elevation Pro. The result has been the ability to handle more projects without sacrificing accuracy.

Project Estimator Cameron Franck says Elevation Pro's cut-and-fill maps have become a valuable tool for both the office and the field. Crews gain a clearer understanding of how a site will take shape, while project teams can communicate plans more effectively with stakeholders.

That visibility extends to clients as well. By providing developers with a more accurate picture of site conditions, Dan Cristiani Excavating builds stronger relationships and improves collaboration. The time saved in takeoffs also allows for more meaningful customer engagement.

This scalability is critical. More bids mean more opportunities and, ultimately, more revenue. Improving efficiency in takeoffs directly supports the company's ability to take on additional work and drive business success.

Elevation Pro's advanced earthwork and utility takeoff features empower contractors to consistently deliver precision, helping them protect profitability and build confidence with every estimate.

Accurate, efficient estimates give them an edge in their relationships with stakeholders, which is why they continue to reinvest in Elevation Pro.



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ROCKET EQUIPMENT

Turning debris challenges into profit: How a contractor transformed a bottleneck into a 6-figure win



When Pedro Munoz, CEO of Munoz Roof & Roof Removal in La Habra, California, took on a complex five-story reroofing project for the Regent Hotel, debris removal quickly became the biggest obstacle to profitability. With only a single front-access point, limited ground space and active construction below, traditional debris chutes weren't a viable option. Elevators and stairs would have required 25 workers over two months just to move debris. Fourteen contractors had already passed on the job.

Instead of accepting the inefficiency, Munoz deployed the Trash Rocket TR-5000 from Rocket Equipment.

The trailer-mounted, telescoping debris chute was towed in, set up by a single operator in minutes and positioned to reach safely over obstacles. Its articulated arm and durable UHMW-lined chute allowed debris to flow directly into waiting dump trucks — six per day — without the need for cranes or intensive manual handling.

"The results were dramatic," said Munoz. "What was projected to take two months, we completed in just six days."

By eliminating excessive labor, reducing reliance on elevators and streamlining disposal logistics, Munoz preserved over $120,000 in labor costs while keeping the site cleaner and safer.

For Munoz, the Trash Rocket didn't just remove debris — it removed the bottleneck. The project moved faster, margins improved and a job others refused became a profitable success.

Rocket Equipment

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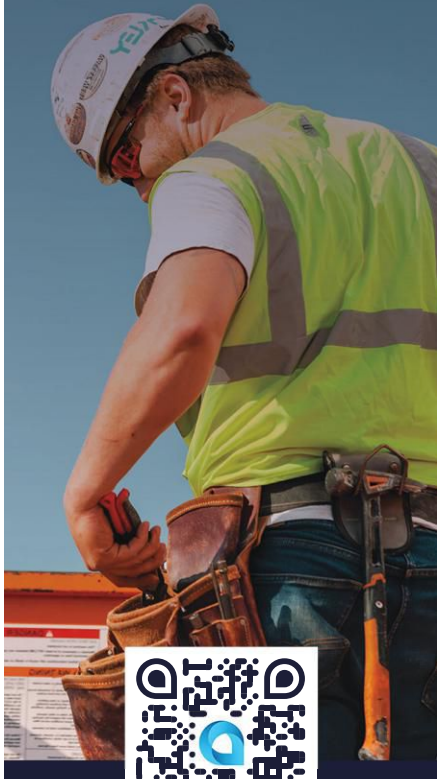


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"We can make it adapt to what we need it to do, to the way we do business.

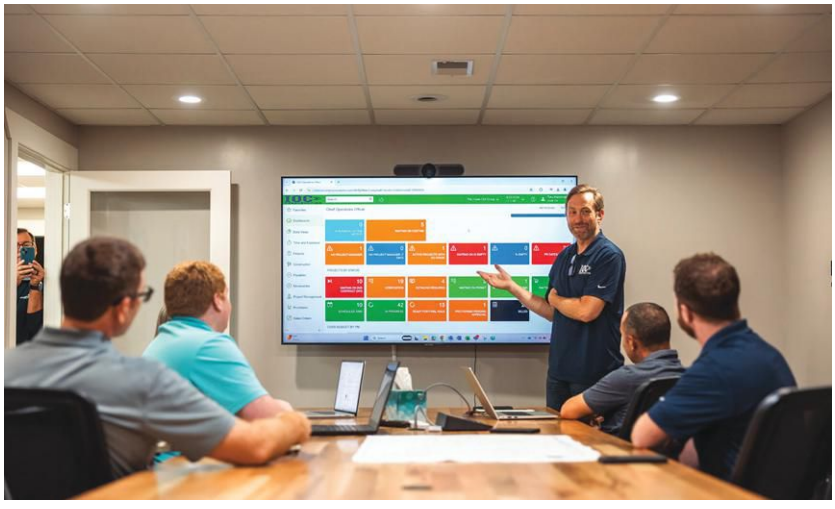
– Jeremy Sturgeon, VP Operations
Spohn Assocaiates



acumatica.com/construction

ACUMATICA CLOUD ERP

Gain full visibility into every project with AI-powered construction software



Acumatica Construction Edition: Enabling Resiliency & Efficiency Through Powerful Business Intelligence

Today's construction industry is high-pressure, with firms battling inflation, labor turnovers and supply chain disruptions. To remain successful, businesses must develop workflows that connect everyone in a project — from office to field and beyond. Legacy management systems can't meet the challenge.

But Acumatica Cloud ERP provides the industry-specific functionality modern companies need. Acumatica Construction Edition is purposely built to help contractors, homebuilders and land developers gather and analyze project information in a single, connected system. From role-based dashboards, employees can access accurate data anytime, anywhere. The software also seamlessly integrates with third-party applications, so companies can mix and match end-to-end solutions that fit their needs. The Acumatica Marketplace boasts 303 such solutions, including Procore, Docusign, Criterion HCM and more.

Construction companies rely on Acumatica Construction Edition for business continuity, resilience and success. One such firm is Spohn Associates Inc. A full-service specialty contractor, Spohn typically runs 40 to 50 projects concurrently. With its legacy system failing under the load, Spohn switched to Acumatica Construction Edition and has since enjoyed:

- Connected operations
- Automated workflows
- Powerful artificial intelligence (AI) and machine learning (ML)
- Near-infinite customizability

Says Jeremy Sturgeon, VP operations: "We can make it adapt to what we need it to do, to the way we do business."

To learn more about Acumatica Construction Edition, visit acumatica.com/construction.

Acumatica Cloud ERP
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info@acumatica.com
acumatica.com/construction

GORDIAN

Gordian's Cooperative JOC model lets contractors & owners move from scope to construction in a fraction of the traditional time



Structured Construction, a North and Central Texas contractor with a 200-year family legacy, has built its reputation on delivering high-quality work that consistently exceeds client expectations.

As the organization grew, it sought ways to streamline project delivery while strengthening its pipeline. That opportunity came through partnering with Gordian and leveraging Cooperative Job Order Contracting (JOC), a procurement solution that allows contractors to complete multiple projects under one competitively awarded contract.

For Structured Construction, Cooperative JOC — accessed by many of their clients through purchasing cooperative Sourcewell — has become a powerful tool for improving operational efficiency. Instead of bidding each project individually, the company prices work using a predefined unit price book, accelerating the proposal process and reducing administrative burden for both them and their customers.

As JOC Project Manager Brant Riner explains, "The most important aspect of JOC is that it saves everybody time. Once you get familiar with it, you can crank out proposals pretty fast."

In traditional public-bid environments, a project can take a year or more to reach the construction phase. Structured Construction routinely sees projects begin within just three weeks under Cooperative JOC — an advantage that has helped the company keep crews busy, maintain a steady stream of work and deliver faster results.

This efficiency is especially important for the government, education and commercial organizations Structured Construction serves. These clients appreciate that Cooperative JOC contracts are construction-ready: Scoping is simplified, pricing is predetermined and award-winning contractors like Structured Construction can begin work almost immediately. That readiness translates into less downtime, fewer procurement delays and greater confidence that projects will be completed on time and within budget.

For Structured Construction, Gordian's Cooperative JOC program has become far more than a contracting mechanism; it's a business accelerator. The innovative approach to project delivery enables the company to uphold its mission of integrity, innovation and excellence while operating with the speed, transparency and reliability that today's project owners demand.

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Swing Boom vs. Fixed Boom

Comparing cost, stability & flexibility so you can choose the right mini excavator for your fleet

Carmen Capoccia

A contractor's fleet is one of its most important assets. Ideally, each project the company takes on has a machine suited to the task. According to a recent McKinsey & Company report, demand for compact equipment has swelled over the last few years, with their versatility named as a driving factor.

Compact equipment can tackle projects in jobsites requiring more agility and less noise, and mini excavators are a popular choice. While these machines are hailed for their adaptability, there are still key aspects to consider before investing in any piece of equipment. Construction Business Owner reached out to Caterpillar's Greg Worley to learn more about swing-boom and fixed-boom excavators. Read on for his expert guidance.

What's the difference between a fixed boom and a swing boom?

A swing boom will let you let you right angles to the tracks. So, in tight spaces, you have more flexibility. The swing boom also allows the offset of the house to the swing boom, allowing parallel digging to the tracks whilst up against a structure. If you are working in a space between two fixed structures, you can dig a square trench, the width of the machine, without repositioning. This is not possible with a fixed-boom machine.

Both fixed- and swing-boom machines can lift similar weights. The fixed boom is more stable, due to the boom foot being in the center of the machine and not out the front, connected to the boom swing cast. If a swing boom is not required, fixed-boom units can be very cost-effective whilst providing similar performance.

When is a fixed-boom excavator the best option?

When handling heavy loads close to the machine body. They can also turn 180 degrees in a tighter radius.

Is there generally a cost difference between the 2 machines?

Yes, the swing-boom machine requires more components and increases the weight, so they tend to have a higher cost over the fixed-boom units.

What is maintenance like for each type of machine?

Very similar, but the fixed boom has fewer



moving parts, so fewer grease points.

Should attachments play a role in a contractor's choice?

If customers are using heavy attachments such as tilt rotators, grapples and mulchers, the fixed boom may be a better option due to stability.

Is there anything else our readers should know?

If customers are using hydromechanical attachments, make sure the hydraulic capability is the same as the fixed- and swing-boom models, like on Cat's 308 CR (FB) and 308 CR (SB).

Carmen Capoccia is senior managing editor for Construction Business Owner Magazine & Digital Media.



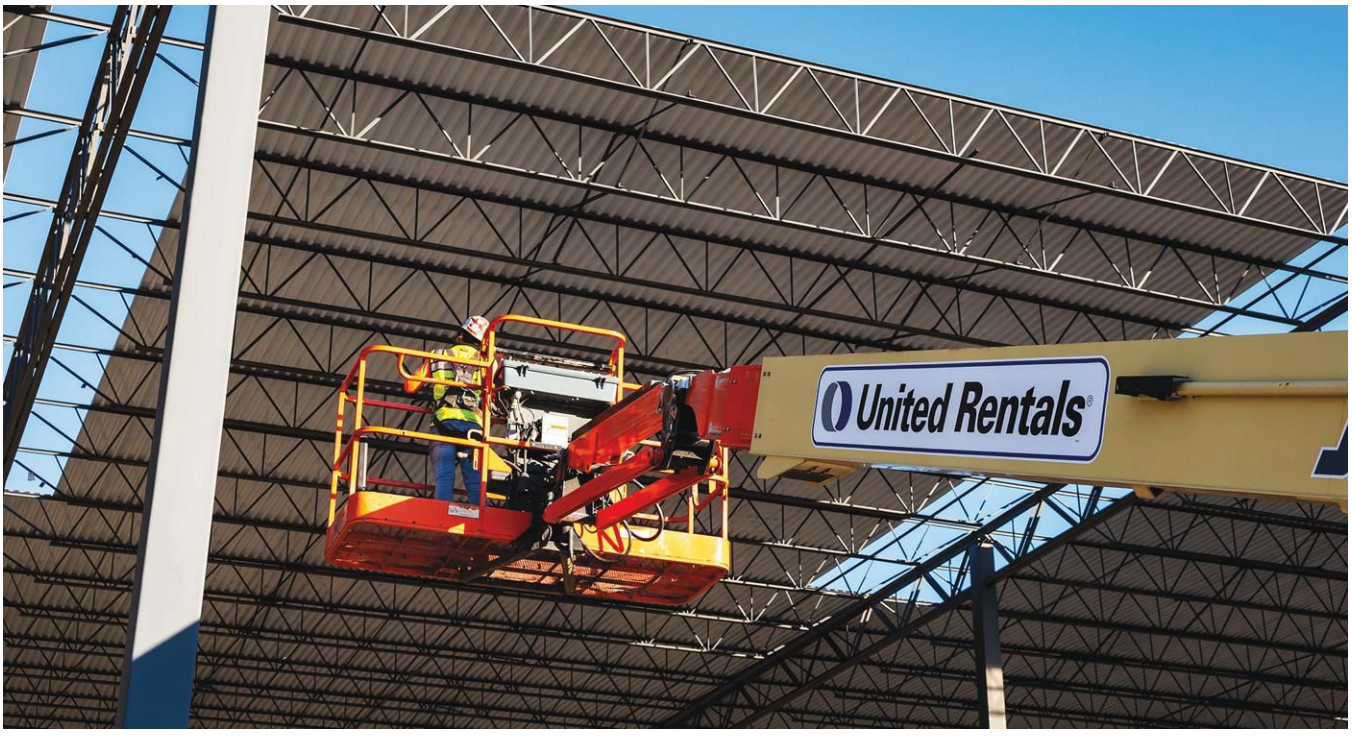


Photo Credits: United Rentals

Improving Outcomes Through Digital Innovation

How connected jobsite strategies are helping contractors control cost, reduce risk & scale performance

Tony Leopold

Rising input costs, persistent labor constraints and tighter project timelines are forcing construction leaders to rethink how work gets done. For many, the answer isn't a single technology investment — it's the deliberate integration of digital capabilities across the jobsite.

What's emerging is a connected worksite model: a system where equipment, tools, environments and people continuously generate data at scale to improve real-time decision-making. Rather than reacting to issues after they occur, contractors can identify inefficiencies earlier, reduce variability and operate with precision.

This shift is already underway, and it's reshaping how leading contractors manage fleets, control jobsite access, protect materials and ensure quality outcomes. And increasingly, these capabilities are accessible to organizations of all sizes.

Below are four core digital swimlanes defining the connected worksite today — and the operational gains they unlock.

1. Fleet Intelligence: Turning Equipment Data Into Decisions

Modern fleet management is no longer about visibility alone — it's about optimization.

Telematics-enabled equipment, paired with cloud-based platforms, provides continuous insight into location, utilization and performance. This allows contractors to move from assumptions to data-backed decisions about asset deployment.

The impact is immediate:

- Utilization clarity helps identify underused owned equipment and idle rentals, enabling rightsizing of fleets and more disciplined capital allocation.
- Location tracking reduces time lost searching for assets across large or multisite projects.
- Usage-based maintenance replaces calendar-driven servicing, lowering

maintenance costs while reducing unplanned downtime.
- Early diagnostics can surface emerging issues before they disrupt production.

For contractors managing mixed fleets, the ability to aggregate this data into a single environment is critical. Fragmented visibility limits the value of telematics; unified visibility turns it into a strategic advantage.

2. Tool Accountability: Reducing Loss & Increasing Productivity

Tool loss and mismanagement remain persistent sources of cost leakage on jobsites. At the same time, the time spent locating tools directly impacts crew productivity.

Connected tool ecosystems are addressing both challenges by introducing real-time accountability.

Bluetooth-enabled tracking, whether embedded by manufacturers or added via tags, allows tools to be located dynamically across the jobsite. When paired with Internet of Things (IoT)-enabled storage systems, distribution and tracking can be automated entirely. These systems create a closed-loop process:

- Workers access tools using badge credentials or secure PINs.
- Each transaction is automatically logged, eliminating manual tracking.
- Tools report location data as they move throughout the site.

The result is not just fewer lost tools but also a measurable reduction in nonproductive time, freeing crews to focus on execution.

3. Environmental Intelligence: Managing Conditions Without Manual Oversight

Monitoring jobsite conditions has traditionally required manual checks — often after-hours or across wide geographic areas. This introduces labor inefficiencies and increases the risk of missed thresholds.

Wireless environmental sensors are changing that model.

By continuously transmitting temperature, humidity and other environmental data to centralized dashboards, these systems enable teams to monitor sites remotely and respond immediately when conditions fall outside defined parameters.

Key applications include:

- *Concrete curing* — Real-time temperature monitoring ensures quality control and provides documented compliance data.
- *Temporary heating* — Remote visibility allows teams to reduce unnecessary fuel consumption and operating costs while maintaining required conditions.
- *Sensitive materials* — Continuous monitoring protects against environmental damage.

When paired with remote-control capabilities for heating or climate systems, contractors can not only monitor conditions but also actively manage them without setting foot on-site.

4. Access Control: Strengthening Safety & Accountability

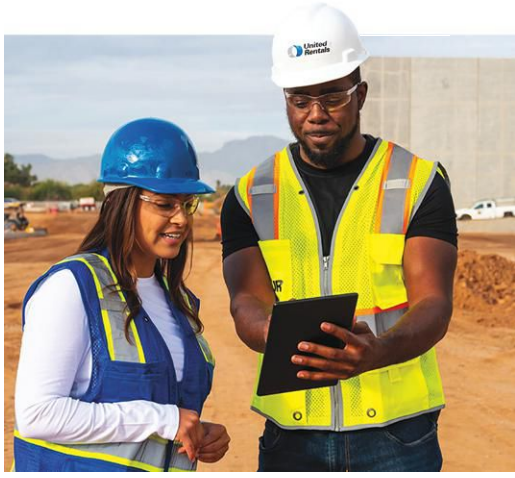
Controlling who can operate equipment is fundamental to both safety and risk management. Traditional approaches — such as shared PINs — often break down in practice, limiting their effectiveness.

Digitally managed access control systems offer a more scalable solution.

With cloud-based platforms, contractors can assign equipment permissions based on operator roles and credentials. Badge-based authentication eliminates the need for shared PINs and ensures that only authorized personnel can start specific machines.

Beyond control, these systems generate a detailed usage record:

- Who operated the equipment
- When it was used
- How long it was active



This level of visibility strengthens accountability, supports incident investigations and reinforces a culture of safety across the jobsite.

From Adoption to Advantage

Digital transformation in construction is often framed as a large-scale, all-or-nothing initiative. In practice, the most effective approaches are incremental and outcome focused.

Each of these swimlanes — fleet intelligence, tool accountability, environmental monitoring and access control — can deliver measurable gains on its own. Together, they create a compounding effect: Improved visibility leads to better decisions, which drive greater efficiency, safety and cost control.

For contractors navigating tighter margins and increasing project complexity, that shift is becoming less optional.

The connected jobsite is no longer just about technology adoption: It's about operational discipline enabled by data. And for companies willing to build that foundation, the payoff is sustained performance and resilience in an increasingly demanding environment.

Tony Leopold is chief technology and strategy officer at United Rentals. Leopold is responsible for technology, strategy and innovation. He joined United Rentals in 2010 and has held a variety of leadership roles in business development, merger integration, operational excellence and strategic projects. Visit unitedrentals.com.

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.



1

CITGO

Mystik JT-6 Heavy Duty SynBlend 460 Moly Plus #2

Released: 3/26/26

Availability: U.S. market

What's new? Formulated with moly for enhanced protection in abrasive environments. It delivers enhanced load carrying capability and thermal stability beyond traditional moly-based greases. By combining a lithium complex thickener, HD 460 Moly Plus #2 is compatible with most North American greases, helping simplify product changeovers across mixed fleets.

Specs: Comprised of ISO 460 synthetic-blend base oils and has robust extreme pressure (EP) performance to help extend equipment life and reduce costly repairs. High weld strength and strong wear control to protect components from shock-loading impact and boundary lubrication conditions that can lead to premature pin and bushing failure. Effective adhesion in wet conditions.



2

GRIPEDGE TOOLS

1/2-inch Drive Master Socket Extractor Set (MXC13S)

Released: 12/14/25

Availability: U.S. & Canadian markets

What's new? GripEdge Tools' Socket Extractor Sets are powered by the patented Foreign Object Removal System (G-FORS) and engineered to remove broken studs, bolts, screws, lug nuts and other fasteners that standard tools can't handle.

Specs: Patented nontapered, bidirectional extractor geometry delivers full-length, top-to-bottom grip for maximum extraction power. Hand- and impact-ready. Manufactured from high-strength chrome-molybdenum steel and finished with a premium corrosion-resistant coating. Metric sizes from 19 millimeters (mm) to 25 mm, and SAE sizes from 3/4 inches to 1 inch. Patented Foreign Object Removal System (G-FORSTM) pusher rod.



3

DEWALT TOOLS

ATOMIC 20V MAX* 4-Inch Cut-Off Tool (DCG432XB)

Released: 4/1/26

Availability: U.S. market

What's new? This battery-operated 4-inch extended cut-off tool is engineered for tough metalworking applications in narrow or confined workspaces while delivering optimal performance, versatility and user safety. It features a rotating guide with 11 positions to help optimize cuts in a wide range of angles. Contains a paddle switch that replicates the performance and operation of pneumatic tools with the lock-off paddle and no-lock on feature.

Specs: Equipped with forward exhaust system that directs air away from the user to help prevent overheating. Features onboard LED to help illuminate work surfaces and optimize visibility. Weighs 3.21 pounds.



4

LINK-BELT EXCAVATORS

245 X4S

Released: 3/4/26

Availability: North American market

What's new? The 245 X4S is a technology-ready solution, offering optional advanced features such as digital level, height and depth alarms, and an integrated payload system. To further streamline jobsite accuracy, the machine arrives precision-grade ready. Four selectable operating modes allow crews to match machine performance to the demands of the job: lifting, eco, power and speed priority. Link-Belt's electronically controlled hydraulic pump system, paired with Spool Stroke Control, delivers smooth, responsive operation with improved controllability. The new Customizable Hydraulic Flow Balance allows operators to fine-tune flow distribution to their specific preference and reduces arm drift when maneuvering heavy attachments during a swing.

Specs: A 500-hour fuel filter service interval and diesel exhaust fluid tank with a consumption rate of only 2%-3% compared to diesel allows for longer operational periods between refills. Inside the cab, a high-definition 10-inch antiglare LCD monitor can be customized to display critical information, including hydraulic work tool names, system alerts, selective catalytic reduction (SCR) regeneration status and in-cab pressure controls. Delivers 160 horsepower.



5

FLEX

TRACK-LOCK

Released: 3/19/26

Availability: North American market

What's new? The TRACK-LOCK modular wall-mount system features nearly two dozen hooks, racks, rails and shelving for organizing and storing supplies, tools, outdoor power equipment and more. Users can customize setups to store everything from hand and power tools to batteries, supplies and specialty gear.

Specs: Includes 32-inch wall-mounted rails that support up to 75 pounds of weight. A quick-clamp tool-free mounting system allows for easy adjustments of the various TRACK-LOCK mounting attachments, including C-hooks, U-hooks, S-hooks, racks and shelves. Each attachment easily snaps onto the rails and is held securely in place with nonslip rubber contact points.



6

GF

Prefabricated PEX Water Risers

Released: 2/2/26

Availability: U.S. & Canadian markets

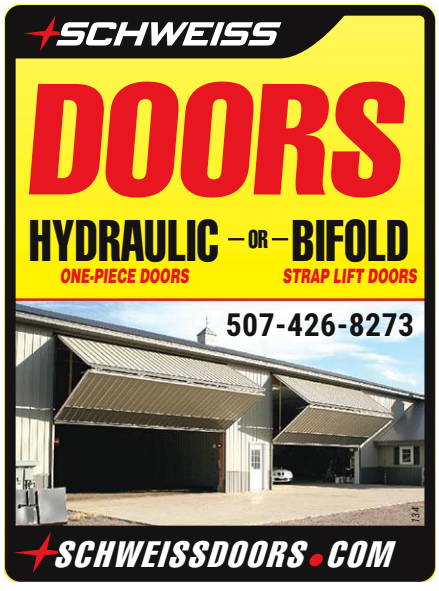
What's new? Labor inefficiencies and rework are two of the biggest issues affecting the industry. Uponor Prefabricated PEX Risers meet this need with comprehensive design assistance, expertly fabricated assemblies and just-in-time shipments.

Specs: GF provides 10-year transferable limited warranty along with a 25-year transferable limited warranty on the Uponor PEX-a pipe, ProPEX rings and ProPEX fittings when installed as a system.

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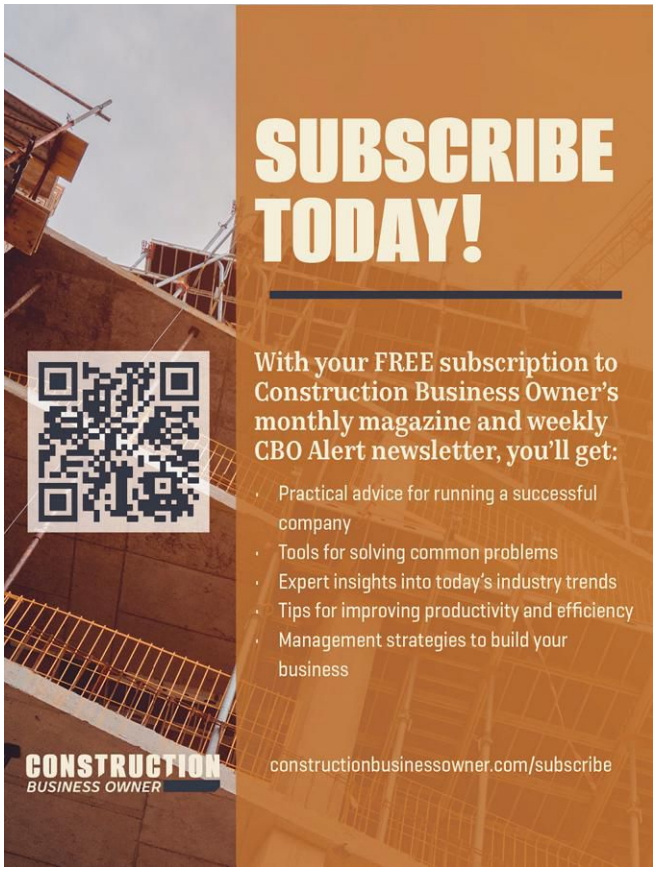
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STATS

Annual Value of Construction Put in Place

January 2024/2025/2026 Annual Rate Comparison

This chart compares the two previous years' total value of construction put in place to an annual forecast based on January 2026 figures. (Millions of dollars. Totals may not add up perfectly due to rounding.)

$2,190,424

JANUARY 2026 TOTAL ANNUAL VALUE OF CONSTRUCTION PUT IN PLACE

	2024	2025	2026
Total Private Construction	**1,623,448**	**1,685,979**	**1,661,190**
Residential	900,846	932,712	932,950
Nonresidential	722,602	753,267	728,241
Total Public Construction	**478,986**	**506,561**	**529,234**
Residential	11,360	11,769	12,201
Nonresidential	467,626	494,792	517,033
TOTAL Construction	**2,102,434**	**2,192,540**	**2,190,424**

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

"While the ABI data shows some positive trends, the broader economy continues to struggle, with unemployment increasing in February. However, architectural services employment remained steady in January at 204,600, up nearly 2,000 positions from a year ago."

Richard Branch, AIA Chief Economist

Editor's Note: The ABI reflects February and the annual value of construction put into place reflects January due to government shutdown-related delays in data.

AIA Architectural Billings Index (ABI)

National			*Regional - Billings				*Sectors - Billings			
Month	**Billings**	**Inquiries**	**Northeast**	**Midwest**	**South**	**West**	**Multifamily Residential**	**Commercial /Industrial**	**Institutional**	**Mixed**
Nov-25	45.3	51.4	43.1	52.3	46.1	43.6	46.6	45.2	47.6	44.5
Dec-25	48.5	52.9	44.2	51.7	47.7	45.3	45.5	47.8	48.7	44.0
Jan-26	43.8	49.3	42.3	46.3	50.2	46.3	48.4	43.9	46.8	43.4
Feb-26	49.4	52.3	41.9	46.3	50.0	47.2	48.2	45.7	49.2	41.8

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.

Mastering Job Costing: The Foundation of Profitable Construction Projects

CONSTRUCTION BUSINESS OWNER webinar

Sponsored by Deltek

FREE > May 28 > 1 p.m. CDT

Job costing excellence is at the core of high-performing construction companies. Job costing measures the success throughout the job and provides insight into its future profitability. While not used in all industries, job costing is a proven method that the most successful contractors use to steer the financial success of their businesses.

In this webinar, you will learn:

- **What job costing is and why it is beneficial to contractors**
- **The different types of costs and their role in job costing**
- **How to track and apply equipment costs to job costing**
- **Key job cost reports (e.g., WIP) that serve as scorecards for each job and your business overall**



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.

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