

Upgrading Your Job Cost Management System: Ten Keys to Success

Ever wonder why some construction firms seem to reap significant benefits from computer technology and others do not? To deal with the challenges and opportunities involved, consider the following:

1. **Management involvement:** The decision and desire to automate your construction company should come from the owner and/or key management. It is only with their leadership and vision that significant returns can be achieved. One or more high level executives must have the authority to make key decisions and the responsibility to see that the projects' goals and objectives are met.
2. **Involve key employees and business partners:** Your key employees know first-hand the bottlenecks and inefficiencies of your current system (manual or otherwise). If you ask for their input and discuss with them your objectives you help them obtain ownership of the project and allow them to be part of the solution. They will be involved in defining specific goals and objectives identified as part of the solution and can help you measure the results as the plans are executed and the systems are implemented.
3. **Review your internal procedures and operating workflow:** You will be amazed how much it "costs" you to run your current system. Take the "magic wand" approach and dream a little. Document your ideal workflow and procedures and evaluate the return provided if these changes are made. Most construction companies can increase productivity by 50% while providing management with more timely and pertinent information.
4. **Select the right software:** Evaluate the various software products that are on the market before you buy your computer hardware. Find the one that has the best "fit" and meets your needs as defined earlier. Check with local references to make sure they are achieving the results you desire. Most firms don't realize that construction specific software exists and is often tailored for a particular category of construction. Some products fit best for General Contractors, others are more suited to specialty contractors and/or subcontractors.
5. **Partner with a firm that understands construction:** Whom you select will have a positive or negative impact on the future of your company. Make sure they understand your business and have a successful track record of making a difference for their customers.
6. **Select a software product that conforms to an open environment:** The product you select should operate on the leading operating systems and the latest versions of Windows. Make sure that you select a product that will be around year after year. What is the history of this developer in taking care of their customers? Technology changes on a daily basis. Make sure you can continue to implement the solution as these technology changes occur in your business. *(Continued next column)*

7. **Implement in phases:** Break your implementation plan into manageable chunk. Consider the implementation a marathon and not a sprint. Have measurable goals for each phase and make sure each one is met before moving on to the next phase. A typical conversion should be completed within 1-3 months and should cost approximately 25-50% of the purchase price of the software.
8. **Invest heavily in training and consulting:** Training should be tailored for your company and involve management consulting as well as operational training. One of the reasons people don't reap the rewards they are looking for is that they don't invest in the training needed to help their staff use the products that have been purchased. You should also consider training and consulting on a quarterly basis to ensure that you continue to reap the benefits from your purchase.
9. **Set the right expectations:** Management should set realistic and measurable goals and objectives for the implementation of the new system. Don't assume that the new system will solve all of your problems without considering the true obstacles to a solution. It could be your procedures, staff, management or a lack of understanding of the problem.
10. **Review your system, procedures and workflow every 6 months:** Bring in key employees, software and hardware vendors and other business partners. This fine-tuning will insure that you continue to obtain dividends from your earlier investment. Don't move onto another fire without putting procedures in place to ensure that you are always receiving benefits from your new system. Some firms make the mistake of automating one function and then leave several open issues that are left outstanding.

Contributed by: Steve Maddox, President of Sunrise Software Inc. and affiliated company Sunrise Technology Group Inc., Charlotte NC. For more information contact Christine Dryden at 800-637-6288, ext. 733 or christined@sunrisetechnologygroup.com, or visit www.sunrisetechnologygroup.com

Ability To Stop Work: A Critical Protection

Proposing the right to stop work in a subcontract agreement can be a critical, effective tool when properly wielded. In fact, most model contract documents that deal with the relation between the owner and its general contractor/construction manager contain provisions dealing with the ability to stop work, and most general contractors preserve the right to stop work for delayed owner payment. Subcontractors can protect themselves from late payments by incorporating the right to stop work in their written agreements. ASA's Addendum to Subcontract contains language that clarifies when and how subcontractors may exercise this right. ASA's addendum also provides for reimbursement of the cost of suspension, including de- and re-mobilization. Available at www.asaonline.com