



## Estimating at the Speed of Light

by Morris D. Carey, Jr.

Advances in computing for small business have gone wild since I first sat down in front of a monitor in 1982. And, I'm here to tell you that the longer you wait to get involved, the tougher times are going to be when your competition gets used to their little gray boxes with the funny screens on top.

In 1984 the remodeling business that my brother and I own did about \$350,000 in sales. We had a computer from day one. This year we will do just under \$2,000,000. We have five systems now. Our incomes are better, we own our own building including a showroom, offices, and a warehouse. Our company is more stable, and best of all we know what our business is doing. Computers didn't make it happen, but they have certainly been a major contributing factor.

### Many Applications

Our computer is used strictly for correspondence, contract and subcontract forms, and statistical sales and demographic reports. Another is used strictly for accounting, payroll, payables, accounts receivable, and job costing. Mine is used for production schedules, program development, forms, this article, and other fun stuff. My brother uses his to do our estimates, policy documents, and his share of a newspaper column we write. A fifth machine is used for lead tracking and lead distribution to our sales staff, inventory control, and spreadsheet analysis relative to every aspect of our business.

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My oldest son, who first wet his feet as a carpenter about the same time I did (thirteen years ago) is using our CAD system (computer-aided design) on his computer at home to develop standard construction details for our drafting department. Why not do them "the old fashioned way"? Because, once drawn into the computer, minor alterations are easy, and they can be printed to any scale we desire. In less than two months from today we will cut our estimating time in half as a result of a new estimating tool that I can't wait to review for you.

Naturally, we didn't do much with demographics and sales statistics in the beginning, but the computer made it easier to collect and store the data.

Five years later that data now helps in to make important decisions like what media to advertise in, and at what frequency. Our sales closing rate (by salesperson) is updated weekly and automatically. The value of our average sale comes with the touch of a key, and that coupled with other data helps us to plan ahead in our production department.

Finishing on time used to be a problem. Now every job that we do begins with a production schedule. It is printed in calendar form, and used by our crews and subs to build each and very project. Now that everyone knows "what the schedule is," jobs are coming in on time. Our job cost module breaks down each man's time on each job. We use that information to distribute a bonus to the crew for each job brought in on schedule (the bonus is paid to each man in direct proportion to the hours he spent on the job in relationship to others in the crew). Because of our ability to extract man-hour information from our job-cost system, our bonus program is easy to monitor. We no longer have men who are late to work, or home sick in bed. Spirit in the field is high, and "on schedule" means something to everyone. Even our subcontractors see the difference.

Razzle-dazzle you say? No, this is the real McCoy. Computers truly help us to manage more efficiently. We've become more competitive while remaining profitable. And I honestly believe that within five years our sales personnel will be able to visit a prospective room addition or remodel client, lap-top in hand, and generate a design and accurate estimate in under 2 hours. We are using CMS's *Espirit* and *Generic Cadd* now to develop a system to achieve that end.

### When the Recession Comes

In 1987 I spoke at the NARI convention in Washington, D.C. A non-believer at the back of the room asked what he could possibly use all this fancy computer mumbo-jumbo for "come the next recession when we would all have to pull in our wings." I was stumped for a moment. But then I thought about how I had lost my \$400,000-a-month framing business in the recession of 1981. In my mind computers were too expensive then. That experience taught me that "Bigger doesn't mean better," and that "Working smart needed to replace some of the working hard."

Later when we started our remodeling business, it was just my brother and me working with our tools. I was learning to use the computer at night, and I was excited at the thought of having this new management tool right at my own fingertips. I remembered how James took over the field with a part-time helper, and how I went inside to manage the new office (my bedroom), and implemented our computer to replace very "hand-performed" office and accounting

function possible. I remembered how easy it became to make an estimate, even though it took four times longer than it does now. I remember how long it took four times longer than it does now. I remember how long it took to do payroll on computer each week for just three of us, but how easy it was to close the books that first year.

I believed then, as I do even more so now, that failure in business can only be prevented if you know what your costs are, and what your business is doing at all times. Computers have put that kind of information into the hands of even the smallest business person. Dollars are made a penny at a time, and computers provide that kind of finite detail.

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### More to Come

For the future, join me here – in *The Journal of Light Construction*. Let me help you open your eyes to the potential of computers. Through your letters and questions, we'll explore computing from a practical point of view. The focus won't be on whizzy little accessory programs, but on meat and potatoes estimating, accounting, job costing, scheduling, -- and word processing too. Not just what programs are right for you, but where to get training to use them and how to make them perform at their best. We'll look at scanners, plotters, digitizers, clones, cost vs. value, you name it. Nothing in business comes easily, so put your efforts into tools and systems that will pay off in efficiency and effectiveness. ■

*Morris Carey is a partner with Carey Bros. Construction, a successful remodeling firm based in Pittsburgh, Calif. In addition, he is an author and lecturer and has reviewed hundreds of construction-related computer products. If you have a question about computing in construction, address it to State of the Art Contractor, c/o The Journal of Light Construction, RR #2, Box 146, Richmond, VT 05477.*