

built or cabinets I had hung, or whether I knew exactly how much time it took to do these tasks. Nor did anyone care what my estimating system said the project should cost. For me, this was truly a no-win situation.

I quickly realized that if I was going to succeed, I would have to put my personal beliefs, opinions, and judgments aside and institute a system based on the actual results of completed projects. Once the system was in place, I reasoned, there would no longer be any arguments about who was right and who was wrong. Salespeople would have more confidence in the estimated price. Clients would sense that conviction and trust that they were hiring the right company. And the production staff would know that they were capable of meeting the budgets and even making a bonus. All I needed to do

was incorporate our job histories into our estimating system, and the world would be sunny and bright.

The second thing I learned as an estimator was that the existing estimating process had no link to our job histories; in fact, the job histories were prehistoric. This was a surprise to me because our system was loosely based on Home-Tech's Remodeling and Renovation Cost Estimator (the first estimating resource I ever saw that was tailored to small contractors), and one of the ideas we had embraced was its 25 phase categories or divisions. The management team had duly developed a timecard that listed all 25 divisions, plus a few more for office time, sick days, and vacation days (**see Figure 1, page 27**).

When I was still in the field, I had religiously filled out my card each day, fully

confident that this information was being used by someone in the office. So years later, when I started estimating, I assumed we had a vast treasure trove of data I could transfer into our new estimating process. To my dismay, this was not the case. I was told that very few carpenters filled out the form correctly, and even though some did, the data was too diluted to be useful.

Undeterred, I moved forward, committed to the belief that labor was the most critical item in an estimate, because it was the hardest to forecast and had the biggest impact on the bottom line. I needed those labor histories, and I reasoned that the best way to get them was to redesign the timecard. It would have to be simple enough that carpenters would fill it out, but detailed enough to be useful to the estimator and the accountant.

