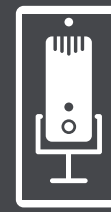


Episode: 20

John Meibers



THE
**MOBILE
WORKFORCE**
PODCAST

Mike Merrill:

Hello, and welcome to the Mobile Workforce Podcast. I am your host, Mike Merrill, and today we are sitting down with John Meibers, the Vice President at Deltek + ComputerEase. Thank you for joining us today, John. We're excited to have you in on the podcast.

John Meibers:

Thanks, Mike. Happy to be here.

Mike Merrill:

Awesome. So before we get too far into the conversation, love to hear a little bit about your background and maybe an overview of your history for the listeners.

John Meibers:

Yeah, sure, no problem. I've been working in the construction industry for a little over 32 years now. I don't know if that's good or bad.

Mike Merrill:

So been a minute, right? Been a minute.

John Meibers:

It's been a long time. So I started my career in construction, I worked for a large mechanical contractor for about 10 years, helped to run that business, got associated with ComputerEase initially as a customer there, went out and purchased a ComputerEase solution to run our business, our ERP system. Of course, back then, we had a lot of manual systems in addition to that, paper time sheets. We're going to talk a little bit about time in a little bit. I know it's certainly a subject that you're familiar with, Mike.

Mike Merrill:

Yep.

John Meibers:

But, back in the day, paper time sheets. We though it was really cool when we could have time sheets faxed in from the field. We had landlines out in the trailers, installed in the trailers, and fax machines in the job site trailers, and they would fax the time in or call the time in where we didn't have fax machines. You tell stories to people today like that, and they kind of look at you like you're crazy, "Well, what do you mean, fax machine? What is that?" But those were the days.

So I did that for about 10 years, developed a good relationship with ComputerEase. An opportunity came to go and run the ComputerEase business for the ownership at that time, the ownership group, and took that opportunity and then did that for a little over 20 years, so helping contractors implement the ComputerEase solution. I had used it for 10 years. Now, I'm helping others implement it and running the business selling and implementing our solutions. Then, about a year and a half ago, we became part of Deltek. We were acquired by Deltek, so I came over and brought most of the team with me. It's been a great experience, and I know, I think, Mike, we go back probably ... We first met, I don't know, a number of years ago, to say the least, so we've been certainly working together off and on for a good number of years now.

Mike Merrill:

Yeah, and you've had quite a whirlwind story, all the way from the field to actually the accounting company and now getting acquired. So I'm sure your journey's been long and interesting.

John Meibers:

Yes, seen a lot of things over those years and see a lot of things change as far as how contractors do business. I know that's a lot of what we're going to talk about today. That's why I'm real excited to participate in today's conversation.

Mike Merrill:

Awesome. Well, I noticed Deltek just recently released the Ultimate Construction Accounting Guide, and there's a lot of great information in there, a lot of points and tips, and, again, there's about, I think, nine items that it brings out and discusses in depth. We'll talk about some of those today, but, overall, with that guide, if there was one takeaway, what would that be, and what would you hope someone would gain from that after going through it?

John Meibers:

Yeah, so I think the one key takeaway for me, and I make this point when I'm addressing contractors all the time, is you have to work with people and products that understand your industry.

Mike Merrill:

Yeah, I love that. I always loved the statistical side of things or graphs or charts or numbers, and I know, like I mentioned before, there's a top nine items that you guys talk about the breakdown of accounting mistakes in construction companies. Would you mind if we go through and talk about some of those real quick?

John Meibers:

Yeah, no, that'd be great, Mike.

Mike Merrill:

Great. So one of the first ones is talking about not tracking committed costs on a daily basis. What can you tell us about that?

John Meibers:

Yeah, so committed cost, I see this problem with contractors a lot of times. We're writing purchase orders, subcontract agreements. They may be formal

or informal. It could be a verbal agreement but nonetheless an agreement. But we're not tracking that anywhere. So when I go out and I have a job and I have a budget, and I go out and commit to spend a percentage of my budget, I need to have that noted somewhere. I need to have that tracked. Otherwise, as the actual cost comes in, I think, "Okay, if I got a \$100,000 budget, let's say, as an example, and I've already committed to spend \$80,000 of that, I need to know that." I only have \$20,000 left to spend. I haven't been billed yet for the \$80,000, but I may have a \$50,000 subcontract agreement and \$30,000 worth of purchase orders. I need to know that \$80,000 is already spent and I only have \$20,000 left.

There's nothing worse than either thinking you have more left to spend than you do, spending it only to find out that you didn't have it, and here comes that bill for something you already committed and now you're over budget, or getting to the end of the job and thinking, "Hey, I only spent 90 of the \$100,000. Hey, we did really well in this job," only to find out here comes that last invoice that you already committed to in the form of a purchase order or subcontract agreement, but you didn't have it tracked anywhere. I think that's a big mistake, and I see that all the time with contractors, typically because they don't have the right tool to do it. I tell people, even if it's just manually, have it tracked on a spreadsheet at a minimum, but know that you've committed to spend that.

Mike Merrill:

Yeah. That real-time feedback loop is critical in keeping up with those costs.

John Meibers:

And, really, kind of on that committed line, I know we'll talk about it in one of the other points as well, but it used to be committed cost, people thought of only as material and subcontract costs. But now, really, committed cost is pending payroll or committed payroll. Time that was worked today that won't be paid until next week, that comes in under that committed cost umbrella as well.

Mike Merrill:

Yeah, agree. That's a great point, and, again, that's the largest variable expense in any construction company, is the labor, so that would be-

John Meibers:

Absolutely.

Mike Merrill:

... the first one to rein in, it sounds like. Great. What about one of the other points, confusing margin with markup?

John Meibers:

Yeah, that's probably one ... Because a lot of times, contractors use that interchangeably, and it's not the ... They'll talk about, "Well, I want a 20% margin on the job." Great. Somebody thinks, "Okay, then I need to markup my estimate 20%." No, to get a 20% margin on the job, you need to mark up your estimate 25% to get a 20% margin. Too many times, people hear that 20%, and I go in as an estimator maybe, and I think, "Oh, I need to mark this up 20%." Well, not if our goal is to have a 20% margin on the job. I need to markup that estimate 25% to get the right contract amount to yield a 20% margin. I've had contractors, sat down with one not too long ago, and I was working with their CPA, and I was working with them, and we sat down and we looked and they couldn't understand why their margin was wrong, only to find out, well, your margin was wrong because you were using the wrong markup. You had set a goal to have a margin of X, but you weren't marking it up appropriately.

It's an easy mistake to make. You throw them around, and people throw around markup and margin, and somebody hears one and thinks of the other. But you really need to take time to make sure that everybody's clear on the difference between those two and make sure you get everybody on the team on the same page. The estimator's thinking of markup, "I got to markup my costs to get to a certain number." The owner's thinking, "I have to have a certain margin on the job to be profitable." So you really need to make sure everybody understands and is on the same page when it comes to that.

Mike Merrill:

Yeah, you got to cover that overhead that it's going to take to administer that markup.

John Meibers:

Right.

Mike Merrill:

Right. Great. Yeah, that's a good point, and I think that one's often overlooked. What about when companies confuse percent spent versus percent complete? What can you tell us about that?

John Meibers:

Yeah, this is one of my favorite topics and certainly a big part of the WIP topic as well. I do a lot of webinars and certainly seminars, back when we were able to go out in public and do things and get in front of people. But I'd always ask people, "Let me see a showing of hands of how many people have ever done a job for exactly what you estimated it was going to cost," and very rarely if ever does anybody raise their hand. It's not the way it works in construction. Well, then, if you've spent 50% of your budget, why would you ever assume you're 50%? The fact that you've spent 50% of the budget has little or no bearing on the amount of actual work that's done.

I try to teach people that when you're asking that question, and sometimes it's easy for me to ... Maybe you're asking me as a project manager, "Well, how far along are we on the job?" It's easy for me to say, "Well, I've spent 50% of the budget." That's not really what I want to know. I want to know you've spent 50% and you've done 40% of the work or 60% of the work. That's the key. You really need to know both to be able to accurately run your construction business and manage it properly.

Mike Merrill:

Yeah, that's a great point. Again, like you're saying, if you're short materials, obviously, you're going to have use some of that labor money. If you're locked in and don't have the ability to issue a change order or if it was a hard cost estimate, then, obviously, depending on your agreement, you got to watch those things.

John Meibers:

I mean, it's great to know what you've spent, but that's only one piece of the equation. You really have to know how much work did I do for that amount that I spend, and it's very rarely the same number.

Mike Merrill:

Yeah. Love it. What about when companies do not ... You were talking about WIP reports. What about when they're not doing those frequently enough?

John Meibers:

Yeah. I always tell people there's ... I'll ask you, "How often do you do your WIP reporting?" I have a couple answers that I just really don't like. "Not at all," I hate that answer, and almost a close second is, "Only when somebody asks me to do it. My CPA came in, they're doing an audit at year-end, or I'm going to the bank to get an increase in my line of credit and they're asking me for a WIP report." I always try to teach people you need to do it to properly run your construction business. You're doing it for yourself to run your business. Then when people on the outside ask for it, the auditors, the CPA, the banker who's trying to work with you on your line of credit, you'll have that information.

But it's really a tool to run your business and to manage your jobs and manage the company as a whole. So I think best practice is at least monthly. I've got contractors that will do it biweekly or weekly, and that's even better. But I think, at a minimum, it should be monthly. I really hate when I hear people say, "Only when I'm asked to do it," or, "Not at all," because I think even if nobody on the outside is asking for it, it's a great tool to be able to manage your business and see where you're at.

Mike Merrill:

Yeah, you should already have it on hand at your fingertips because that's a part of your workflow that you regularly do, right?

John Meibers:

Right.

Mike Merrill:

All right. That's a great one. With those WIP reports, what about making adjustments to the P&L statement when there are changes?

John Meibers:

Yeah, and that's one thing, they go really hand-in-hand. I always tell contractors, without a WIP report, it's not possible to have an accurate financial statement. Without making the appropriate entries on the P&L and the balance sheet to move the over/under billing from the P&L up to the balance sheet, you can't have an accurate financial, which is why if you go to the bank or you go to the bonding agent, you have to get bonded on a job, then you go to the surety underwriter and you give them a financial report without a corresponding work in progress report, they're going to say, "Well, this is useless because I need to support the revenue that you're claiming on the financial statements." So they really go hand-in-hand.

Sometimes, I'll see people do the WIP report, but then they won't carry it through and they won't make the appropriate financial adjustments. It's real simple. If you're doing WIP on a monthly basis, you're making a monthly reversing entry in the P&L and the balance sheet to move that cost, the over/under billings from the P&L up to the balance sheet. They really go hand-in-hand. You can't really do one without the other, and the P&L is pretty much useless without the corresponding WIP report and WIP adjustments.

Mike Merrill:

Yeah. I mean, regardless of what data you're collecting, obviously, the more frequently you're collecting it, hopefully it would be more accurate, and so you'd have that accurate data to keep those WIP reports up-to-date and run those accurate and enjoy the benefit.

John Meibers:

Yeah. Very true, Mike. The more frequently you do it, the more accurate it's going to be. I don't want to ask the PM to go back and tell me where we were on the job three weeks ago. I want to sit down and say, "As of today, where are we at?" We have a whole process where you go in and you do your field estimates. You revise your percent complete or you do your dollars to

complete or units. It can be unit-based as well. There's various methods to how we calculate the estimated cost remaining. But the timeliness of it is very important.

Mike Merrill:

Yeah, love it. There's certainly certain parts of the project are always going to take longer, even if maybe the materials are 60% consumed, but you may still have 50 or 60% of the labor left to do, right? If you're a framer and you frame the exterior walls, you're ready to spin trusses, well, before you put those trusses up, even though you feel like you're well on your way, you're probably not even halfway done with the project.

John Meibers:

Yeah, you could've spent 100% of the material but only done 20% of the labor. So it's really important that you look at that at that level and be able to report at that level. It goes to not just labor and material within a particular task but how many tasks. People ask me that all the time, Mike, and I'm sure you get the same thing, "Well, how many different cost codes, tasks," depending on the terminology they're using. I always turn it around and say, "Well, how many activities can you reasonably expect the people in the field to report their time to," because that's really where it all starts.

A little bit easier, I could take a purchase order and fairly easily divide it between multiple tasks, but the real art is, okay, I'm going to get labor reported from the field, and how many different buckets can I expect them to accurately report that time in? That's how many activities I should have. If I've got 20 activities and they're only going to put all the time into two activities, now I don't have good job cost reporting. I got the budget spread across 20 activities, and I got all the actual time coming into two or three of those 20.

Mike Merrill:

Yeah. I think they call that pencil whipping, don't they?

John Meibers:

Yes.

Mike Merrill:

Well, I got some more budget here. We'll just dump it over there.

John Meibers:

We'll just dump it over there, and we'll move it around. That's not a good way to do it. I know, from an estimator's point of view, yes, it may be more detail. But just because it's detailed out to that level doesn't mean we can't consolidate that per job cost. Because if we can't reasonably distinguish between an hour of labor here versus there, I need to have one category that covers both of those hours.

Mike Merrill:

Yeah. Well, and once you've collected that data, now you need to actually take action based on that feedback and make changes, right, and improvements, hopefully.

John Meibers:

Right. It's all about being able to use that data and have productivity rates, and all that goes into real-time job cost reporting and accurate reporting from the field. The reports that come back out are only as good as the data that went in. If it's not accurate going in, we're going to have bad information coming back out.

Mike Merrill:

Yeah. I had a guest on the podcast recently, and they talked about reporting every half-day, so it was more than daily. That was interesting. I'd never heard that before, but it makes a lot of sense to me. I want to know what happened this morning sometime by early afternoon.

John Meibers:

I mean, at the lunch break, you're more likely to remember what you did in the morning than you are at the end of the day, so, no, I think that's a real good point.

Mike Merrill:

Yeah. Great. So we've talked quite a bit about labor, WIP. What about equipment and tools, things like that, assets? What about not tracking what those costs are more accurately?

John Meibers:

Yeah. That's once again a big problem that we see in the construction industry, is I'm not accurately allocating for the use, number one, of our own equipment. You're probably pretty good at charging ... If you have to go out and rent a piece of equipment, you're probably going to allocate that to the job you rented it for. But if you own equipment, either I've talked to people and they just think, "Well, I own it, so there's no cost associated with it." I'm like, "Well, that's certainly wrong." But, more importantly, if I want to get an accurate job cost report, if I'm an estimator taking off a job, I just know we got to use a backhoe on this job for X number of days. I don't know if we're going to rent it or if we're going to use one that we own.

But I need to be able to then report cost against that, so if I have two jobs going on and I have one backhoe and they both need a backhoe, is it fair that the one job that we rented one before gets hit with the cost and the one that we used our own gets no cost because we don't allocate for the use of our own equipment? So I think we really need to treat that equipment as a cost, whether we own it or we're renting it. It also then helps us evaluate the value of the equipment we own.

If we're charging that equipment out, basically treating it as an internal rental center where we're renting our own equipment to ourselves to use on this job, now I not only have accurate job cost information, but I've got information that says, "Is it worth owning this piece of equipment based on how many hours we used it or days we used it throughout the year?" It may be better off that we're going to go ahead and retire that or sell that and only rent it for the few number of times we use it. So it allows people to get a good handle on managing the equipment they own and when it's time to retire it, when it's time to sell it off, or whatever the case may be, in addition to getting an accurate job cost report.

Mike Merrill:

Yeah. When equipment's unutilized, you got an opportunity for profit sitting there earning you nothing while it's depreciating. When I was a general contractor, I remember many times someone would say, "Well, can't you just move that pile of dirt real quick and spread that around a little bit," or, "Hey, can you just dig this quick trench for my cable line. It doesn't need to be that deep." But I'm consuming fuel, I've got somebody operating it, and now I'm liable if I hit a gas line or something else. I just have all kinds of risks and costs, and it's important that, even if we do own that equipment, like you say, we need to attribute those costs appropriately in order to really know where we're coming in.

John Meibers:

Yeah, because a lot of times, you see a contractor and maybe the type of work they do changes over time. At the time, maybe they were using this more frequently than they are today, and they just assume, "Well, it's sitting here. It's in the yard. We have it in case we need it." But, come to find out, we very rarely use it. Aren't we better off then selling that? Because it does cost you money for it to sit there in the yard, and it's not always the best decision. I think we want to try to encourage our contractors to make intelligent decisions on the equipment. Then the job cost side of it, certainly, I want to be able to look at a job and it ... It's really irrelevant whether I used a piece of equipment we own or we rent it. That job should have the appropriate equipment cost allocated to it.

Mike Merrill:

Well, and often, when you've got extra in one place, you're short somewhere else, so sell that equipment or rent it out and invest in something else that you're short on or another employee. There's ways to utilize those resources more effectively than letting anything sit.

John Meibers:

Absolutely.

Mike Merrill:

All right. So one of the other points in this great report, it asks or talks about not tracking unposted payroll, and I absolutely love that thought. What can you tell us about what that means?

John Meibers:

Yeah. A lot of times, people talk about real-time job cost report but not really knowing what that means. Well, if you really want real-time job cost report, I want to look at the job report at the end of today and I want to know where I stand on the labor because that labor today may not be paid for seven, eight, nine, 10 days. If we start on a Monday and our pay week runs through Sunday and then we're going to maybe pay on the following Wednesday, well, you're 10 days behind getting that job cost report to reflect today's labor. If you're tracking units, unit productivity, once again, I don't want to be 10 days behind and know that, for the last 10 days, we've been underproducing based on our budget. So the unposted time needs to come in from the field on a daily basis so that I can track that. That's a committed cost. Unposted labor is no different than the committed cost we were talking about earlier for POs and subcontracts.

The other thing, if you put time in daily, it's going to be ... We talked about half-days just a few minutes ago. But even if it's only daily, it's much more accurate if we do it daily than if we wait until the first of next week to report the time for this week. I go back to my history at the top of the show here and go back to my early days in construction, it was on Monday. Monday, everybody was faxing or calling their time for the week before. I'm looking, I'm like, "Well, you're just making this up as you go. You don't really know what your crew did a week ago." We'd have a running bet going on that on the week of a holiday, they're now reporting a week later, how many people would actually put that they worked on a holiday because they're going through the motions. They were saying, "Oh, last Monday, I did this." No, you didn't. You didn't even work last Monday.

So the accuracy, number one, and then, I think, certainly, getting that real-time, on-the-job cost report. Because if you're a labor-intensive contractor, if I've got a crew of ... I don't care if it's a crew of two or five or 10 or 20, and, certainly, the bigger the crew, the more labor dollars. But if I've got a crew of 20 people out on

the job site today, I don't want to wait 10 days to know how we're doing as far as my cost goes. I want to see those numbers today.

Mike Merrill:

Yeah. So you're talking about shortening up that delay of reporting those hours and planning on that expense ahead of time instead of just in 10 days when I have payroll due.

John Meibers:

It wasn't practical years ago. It wasn't practical when we had to call it in or fax it in or physically bring the time sheet into the office. But with the tools out there today like WorkMax, it's very easy to report time on a daily basis. So I think that's one of the great things with technology. It has really made that easy to report that time real-time.

Mike Merrill:

Yeah, you can actually enjoy live field data live as it happens, which is a far cry from weekly or monthly reporting, of course. We talked about hours, but there's also burden, there's insurance, there's work comp, liability, other costs. So we not only need to worry about those hours spent but the burden rate for all of those hours, even if they're not posted yet. There are some gotchas in there if you're not really watching all of the numbers closely when you're trying to estimate and know really where you're at on your WIP.

John Meibers:

Yeah, because you really need to see that fully-burdened cost. Certainly, actual once it's posted, but even when it's pending, I need to know. I always recommend you put an estimated burden rate on it that covers both the burden and the fringes, the total, your fully-burdened rate once ... And ComputerEase, once we post it, then it's going to show labor, burden, fringes, and give you a fully-burdened rate, which is the combination of those three, and it'll certainly give you the breakdown because, certainly, a \$20 an hour pay rate costs a heck of a lot more than \$20 an hour.

Mike Merrill:

Yeah. One other point to bring up is maybe overtime or premium pay, double time, right? That could grow exponentially if you're not keeping a finger on that through the week.

John Meibers:

Yeah. I mean, you think of some of the cost of ... Once again, you talked about the uniqueness of construction. Everybody has worker's comp rates, but nobody has worker's comp rates sometimes that are as high in the construction industry, so that's a big piece of the ... The worker's comp for you or me sitting in an office, Mike, is nothing, is really immaterial compared to the worker's comp rate for somebody that's out in a ditch or up about 30 stories high on a building. So that's a big part of that labor cost, is the burden. The fringe benefits, whether you're a union contractor and the fringes you're providing, whether you're a non-union contractor doing prevailing wage work where you've got a substantial amount of fringe benefits that you're required to provide, those things all add up in a hurry. So that \$20 quickly becomes significantly more than \$20, sometimes double, two and a half, three times the \$20, in some cases, you could be spending an hour.

Mike Merrill:

Yeah. Yeah, agreed completely. You talked a lot about the WIP report stuff. It sounds like that's definitely one of the areas you really like to preach and harp on a little bit because it's probably a gap for a lot of contractors. What are some things that companies can do to maintain a more proper WIP report?

John Meibers:

I always tell people you want to start ... If you're one of those that is doing it not at all or only doing it when asked, think about starting small. You don't necessarily have to, day one, "Okay, we're going to change from that. We're going to start doing it weekly." That's probably a recipe for disaster. Maybe you're not going to do it on every job to start. Maybe find the key stakeholders within the organization and get the buy-in from the project manager, who's probably going to be the one sitting down with the finance team to report the information. Start and put a plan in place. Typically, you're going to get to where you're going to have ...

Most companies have weekly production meetings and reviewing the status of all the jobs. You incorporate this into that. You're going to review the WIP. You're going to review where we're at. You're going to review the projected cost remaining. Quickly, you start to build that into your process, but it is really a culture change. You really got to change the whole organization and the way they think about all these things.

We're all working together. I'd go back to my early days in construction. It was like, okay, accounting didn't understand why the project management team didn't want to work with them to give them this information, and the project management team thought, "Well, you're just bugging me for this information." But, no, really, we're on the same team here, and we're working to the same common goal, which is we need this information to effectively run our business and make sure we're as profitable as we can be, and it's the best opportunity we have to see something that's going to happen before it happens. In there, if we're doing it right, we're able to spot things that are trending the wrong direction in time to fix it. We can always look after the job's over and look back and say, "Well, we should've done this differently," or, "Maybe we could've done this differently." But wouldn't you like to have the opportunity to say, "Well, hey, if we make a change now, we can still impact the final outcome on this job?"

Mike Merrill:

Yeah, if you wait, it's too late, right?

John Meibers:

Yeah. The information after the fact is good. It's good information, and maybe we'll use it on the next job to better our process. To me, job costing, the whole WIP process, to me, it's like not doing it would be like going to a sporting event and not knowing the score, not knowing what to do if I'm managing the game. Am I ahead? Am I behind? Do I need to make end game decisions to help affect the outcome? To me, if you're doing the WIP reporting and have good job cost reports, you can make those real-time, in-game decisions to ensure a profitable outcome.

Mike Merrill:

Yeah, that's great. I like that analogy. So you kind of touched on something there that I wanted to ask you a little bit more about. You talked about the cultural change and maybe some approaches you can take. Do you have any other tips or ideas on helping invoke change within an organization from a-

John Meibers:

Yeah. I think the big thing to me, Mike, is I want to make sure that everybody understands we're on the same team. I've seen it too many times where it's ... I guess I mentioned, accounting and project management, it seems like they're in two different organizations and they think it's one against the other. I always want to bring everybody to the table. I want the accounting team sitting in on those production meetings because they've got a big say in the numbers. They're the ones that are responsible for making sure we have accurate numbers that we can look at. I want them to be a part of that and not, "Okay, get off my back and let me go do my thing." Too many times, you see that, and I think you got to start with the top-down approach and change the culture of the company and make sure, from the ownership on down, that we're all on the same page. It's not an us versus them mentality.

You still see it today a lot of times. I'll go in, and it's like, "Oh, those accounting people," or, "Oh, those project management people." It's like, "No, no, no, wait a minute. We're all on the same team here. We're all after the same common goal." I think you really got to push that down from the top and make sure everybody understands that we all have a different role in the organization, but we all have an important role. One doesn't work without the other, and it's not that one is more important than the other, that we all have to work together.

Mike Merrill:

Yeah, I love that. I think it is important, from the office perspective, too, to remind them, obviously, the field, they're out there in the elements, the weather, and doing things that are difficult in a different way. Most office people wouldn't necessarily prefer to be out in that trench.

John Meibers:

No.

Mike Merrill:

Maybe some of the trench guys wish they could be in the office. I don't know. But understanding and having empathy for your coworkers is-

John Meibers:

Yeah, I think understanding that they're very good at what they do in the field and the office is very good at what they do with the numbers and putting everything together. Get everybody on the same team. I think that's really important. I see more of that today than maybe in the past. Maybe it was a little old-school mentality years ago, where it was, "We're the most important part of it, and you're just insignificant." Now, I think it's not quite the same today. I'm encouraged to see that we got more people working on the same team and towards that common goal.

Mike Merrill:

Yeah, I would agree. I think technology has helped advance that cause, too, and connect the field and the office in a more meaningful way. So what one does directly impacts the other, and they both got visibility as those things happen then.

John Meibers:

I would agree. I think that technology's a really good point, Mike, because you think about back ... I go back to my early days in construction. It was like, "Oh, man, you're not calling your time in on time, and you're really making my life difficult because I got to get payroll out the door by tomorrow, and you are making my life difficult because you're not calling the time and you're not faxing it in. I got to chase you down." Well, now, with technology today, as a site superintendent, I'm sending time in every day, so it's no longer a problem. I don't have to rekey it. I just have to prove it when it comes into the system. So I do agree, especially when it comes to time-keeping, technology is really taking down some of the walls between the two because you're no longer a pain to me because you're not getting the time in and not giving me time to rekey it

because I no longer have to rekey it. It's coming in from the field, and it's coming in real time.

Mike Merrill:

Well, yeah, and in the field, it used to be, "Hey, I'm finishing concrete in the dark here. You think I've got time for stupid paperwork?" Now, if they can hit a pin number and clock out on a mobile device and be done in five seconds, then there's really no burden.

John Meibers:

No. It's really completely changed the amount of burden we're putting on the field staff to turn their time in when it's a simple click of a button, like you said, type of pin-in or clock-out. Or even if you're not using the clock-in, clock-out, even if you're just hitting and putting in eight hours, but the list of the jobs and the activity codes are all there and you're punching in the hours and hitting submit and you're done, that's far less burdensome than what it used to be in the past when you had to figure out a way to get the paper time sheets filled out and faxed in or called in and I'm chasing you down from the accounting office to, "Hey, I don't have the time," and you're thinking, "Man, I'm out here busting my butt and you're bugging me about time." Well, now we're able to streamline that process significantly.

Mike Merrill:

Yeah. I love that you went down that path a little bit. Speaking with the labor costs, we're talking a lot about payroll and getting payroll in, but what about the effect on more timely billing?

John Meibers:

Yeah. Not only the payroll comes in, if I'm doing time and material billing, that's going to be more timely. If I'm doing service work, most contractors have service departments, I can turn the bills around the same day. I got the service bills going back out the day that the work is done, and I still talk to people that don't have a good system and they're, "Well, we're 25, 30 days behind in getting our service bills out." I'm like, "Wow, that's horrible for cashflow, number one, but just the experience for the customer, that you came out and did service work and I don't even see a bill for

30 days, is just not something we want to have today." So, yeah, really allows you to get real-time billing out the door, and, once again, because you have real-time information to work with.

Mike Merrill:

Yeah. The other thing is it's a great visibility tool and a reminder on a lot of companies in the past that didn't have these tools, they would forget to bill something, and now it's been months, and when it gets brought to their attention and they submit a bill, they say, "Hey, that job's closed out. I'm sorry." Now, you've got an argument, a conflict and a dispute.

John Meibers:

Yeah, it's really hard to go back after that job's over, Mike, you're right, really hard to go back two months after it's over and say, "I forgot to bill you." That's a bad experience. Even if you manage to get paid, you've now created a bad experience for your customer and maybe lessened the chance of them being a customer in the future.

Mike Merrill:

Yeah. We hear that not only with the labor side but equipment and materials, other things, too, that a lot of things end up going unbilled because the documentation process has lagged or delayed or depends too much on a human doing something after the fact that they just never quite get back around until it's too late. I guess, just to kind of wrap up this part of it, overall, what would you say are maybe some best practices for implementing an in-depth job cost accounting system like ComputerEase?

John Meibers:

Yeah, so I think you want to first evaluate the processes you have in place today. How many things are we doing outside of our current job cost accounting system? A lot of times, typically, you may have disconnected systems. You got Excel spreadsheets tracking certain things. You got a system maybe you're paying your bills with. Taking inventory of those systems and processes, and work with a technology provider that's willing to go through that and understand your process. That's the most important thing to me, is I want to understand

what you do today if you're a contractor. Only then can I determine whether we might have a solution for you. But I really need to start with understanding what you do today and then making sure I understand your needs and then explain to you what's available.

You really need to work with somebody that's willing to take that time to go through that with you and understand where you're at, what your pains are, and where you need to be, and then help you come up with a process to do that. Then understand that it's not an overnight solution. You're not going to magically wake up tomorrow and you've implemented all these things you've never done before. I always tell people that the first thing we're going to do is we're going to get you out of what you're doing today and we're going to move that over to our solution. Then we're going to start to layer in all the other things that you weren't doing before because to try to do it all at once sometimes can be disastrous. So first replace what you're doing in a system that has more power and more flexibility and then start to layer in the other things that you're missing today.

Mike Merrill:

Yeah, I love that. I'm picturing a doctor's visit or something and a diagnosis, really, before you can prescribe what's required to fix those ailments in their business.

John Meibers:

Yep. And if there's more than one thing wrong, they're not going to fix them all at once. They're going to say, "Well, we're going to do this first. Then we're going to do this, and then we're going to do this." It's the same way here. We're going to evaluate where you're at, and then we're going to put together a game plan that ultimately will get to the ultimate goal, which is implementing all the new things.

Mike Merrill:

Yeah. If there's something really unique or specialized, then, yeah, you may have to go to a specialist for a certain thing. But baby steps first and build on that foundation, and you can bring up the health of the business, just like you could somebody who's having personal ailments.

John Meibers:

Absolutely.

Mike Merrill:

So just have a few more questions here at the end more on a personal level. What are some skills or what's a skill that you feel like you've mastered in your business life that you could share with us?

John Meibers:

I think, for me, it's the ability to listen to the customer or potential customer. I'm not here to tell you what we can do. I try to train my team this way. We're here to listen to what their needs are and be able to understand that. You listen a lot. You ask questions. Because, a lot of times, somebody will ask me a question, well, I don't have a canned response. I'm listening to the question. A lot of times, I have to answer the question with a question because I really need to understand what it is you're trying to do and not just take it at face value based on what you said.

I got to dig a little bit deeper, and you dig deeper by listening to the contractor tell their story, how they got to where they are, what they're doing, where they want to go, what type of work they do, what their current processes are. I think that's one of the things that I always take great pride in, is I think I listen to that and am able to piece that all together then and come back with a proposed plan that makes a lot of sense.

Mike Merrill:

So you try and listen to understand and not to respond, is that what I'm hearing?

John Meibers:

Correct, yes. It's important to understand, and you can't just listen, "Oh, here's a response." No, I really want to understand what you're saying. I want to understand your business so that I can help you effectively.

Mike Merrill:

Love it. So if you could go back, rewind the clock of time and go back to a day and time where maybe

you made a mistake earlier in your career, is there something that you learned and would do differently today that maybe the listeners could take some advice from and maybe avoid a pothole or two?

John Meibers:

Yeah. I think probably the first one is early on I learned that I didn't listen. I didn't listen. I was responding, and I wasn't listening. Maybe early on in my career, I don't know that I fully understood the value of getting everybody's buy-in and getting everybody on the same team. I talked about how important that is, but I can remember early on it was like I could've been on either side of that. I could've been on the project management side that was those accounting people were a pain, or I could've been on the accounting side and those project management people were a pain. I wish I would've understood a little bit earlier on the value of these things. But it's never too late. You learn as you go. I learn something every day. I think the day I think I know it all will be the day it's time to stop then because I don't think that's ever going to happen.

But I think it's important that you realize the value of teamwork, and it really is. To get to the common goal, we all have to be working on the same team. Even here at Deltek + ComputerEase, whether you're in sales, you're in implementation, you're in customer care, you're in admin, we're all working towards the same common goal, which is to make sure all of our clients are taken care of. I stress that to the team all the time, is the importance of teamwork and understanding and respecting what everybody does.

Mike Merrill:

I love that. That's great. Good for you. Last question, last thought. What would you prefer that the listeners walk away with after hearing our conversation today? If there's one main point you want to echo again, what would that be?

John Meibers:

Yeah, so I think I'll go back to probably what I said at the top of the show, is make sure you're working with people that understand your business and are willing to listen to you, and that's from your technology providers to your CPAs to your insurance

agents to your bankers. If you're the only contractor that they're working with, that's probably not a good idea, or whatever business. It doesn't even have to be construction. I use construction because that's the business that I service. But work with people on the outside, trusted advisors that understand your business, because everybody's business is unique.

Mike Merrill:

Love it. That's great. Well, I very much enjoyed the conversation today. Appreciate you joining us today, John, and look forward to continuing our longstanding relationship into the future.

John Meibers:

Absolutely, Mike. I appreciate you having me. Yeah, always great, and love working with you and your entire team, so look forward to doing that well into the future.

Mike Merrill:

Thank you, and thank you to listeners for joining us today on the Mobile Workforce Podcast sponsored by AboutTime Technologies and WorkMax. If you enjoyed the conversation that John and I had today, please give us a follow on Instagram, @workmax_, or on LinkedIn, @workmax. Also, give us a rating and a review on your favorite podcast platform. Those five-star reviews and ratings help us to bring these valuable conversations to other teams like yours in hopes to help them improve not only their business but their life.