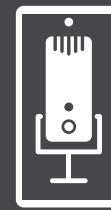


Episode: 59

Jeffrey Nesbitt



THE
**MOBILE
WORKFORCE**
PODCAST

Mike Merrill:

Hello and welcome to The Mobile Workforce Podcast. I'm your host, Mike Merrill. And today, we are sitting down again with our good friend Jeffrey Nesbitt for round number two. Jeffrey is a senior manager of Alliances over ERP Integrations at Procore, a construction management software company.

You may remember back on episode number nine a while back when we discussed the importance of streamlining processes with your team, and how not doing so is a silent killer of your bottom line. Jeffrey and I will continue that conversation today, but dive a little bit deeper into how teams have evolved in 2021. And maybe what more changes, and modifications they need to have a more successful 2022. Hello, Jeffrey. Welcome to the podcast again.

Jeffrey Nesbitt:

Thank you, Mike. Appreciate you having me again. And congratulations almost a year in, and how many episodes now?

Mike Merrill:

Yeah, we've recorded about 60, so we actually just barely, in the last week or so, released our 52nd episode, but appreciate that.

Jeffrey Nesbitt:

Fantastic. No, they've been very informative and I appreciate you having me back.

Mike Merrill:

You bet. Well, you were again one of the early episodes, but back by popular demand, so to speak. So, congratulations to you.

Jeffrey Nesbitt:

Thank you.

Mike Merrill:

You bet. So, let's talk a little bit, just off the top here. You've seen all these different implementations of technology. You've worked with all these companies all around the country and even globally. What have you seen happen in the evolution of 2021 from years prior?

Jeffrey Nesbitt:

Well, the industry has been trending and changing for a number of years. And, as we know, with the impact of coronavirus and different things, it's really sort of sped up technology adoption. But one of the things that we see more and more is companies are understanding the importance of a holistic solution. When I've been working with my clients over the last year, we've changed our technology from talking about things as point solutions, whether it be an ERP, or a time keeping, or project management. I really, working with contractors, want to focus on a construction platform.

And that's what becomes most important today is what I'm seeing is technology now more than ever, it used to be everyone sort of played in their own garden, if you will, you would have a, a company they'd build software and they wouldn't integrate with anybody. And if they didn't have it, they'd build it. And so, what we've seen over the last year and a half is I've changed my terminology to let's focus on what's the right platform for your organization, and we'll bring in the applications appropriately. And so, integration has been key over the last year because we have these sort of side load applications, but we need to work with the ones that are like Switzerland, they play well with others.

And so, it's about putting the right platform together for you, because how you do things may be different than your competition does across the street. That's

what makes us all unique and keeps us going. So, it's really about integration has really been the focus of allowing customers to use the applications that they feel they're most successful with. But then, again, how do they play well together? Are they sharing information amongst each other appropriately?

Mike Merrill:

Yeah, I like the way you worded that. And I know, obviously, one of the benefits to having a platform with truly integrated solutions is you're saving so much time on moving data back and forth, and having multiple people have to manually and physically do things in order for that data to go to other places and be visible to other people. So, what are some of the roadblocks that you see commonly in some of these implementations where they don't have a standardized platform with integrated point solutions?

Jeffrey Nesbitt:

Well, one of two things typically happens when I'm working with our clients. If they don't have a true construction cloud platform that they're working in, one is they're doing the things you talked about. They're manually taking data from one application to another. They're dumping it in Excel. They're modifying it so they can upload it into something else. What happens there in Excel? There's never any errors in Excel, right? There's always errors it's just whether you find them or not. And so, it's the time and the cost of manipulating this data.

And then, again doing it in a timely manner. If we're not doing it timely, then we don't have the visibility into the project. And so, therefore, we're making decisions after the fact. So, we're spending money to get data from one application to another, and it's not giving us any valid information or visibility to make educated decisions in a company. So, that's one way.

The other way is they don't do it at all. It's don't have the resources internally, or the people, or the bandwidth to do it. So, the data lives in two separate information systems. So, if I ask a project manager, "Where are we at on the job," I'm going to get a very different answer than when I ask the back office or accountant, "Where are we at on the job?" And so, when we have that void and that disconnect between

the office and field, like we talked about in the first episode, that's where profit fade happens and neither one is the winning combination, by the way.

Mike Merrill:

Yeah. I mean you have, and this isn't just to toot your horn, but you have an extreme level of credibility, not just with me, but within the industry. You've spent nearly two decades, you've worked for ERP solutions. You've worked for estimating companies, operational side of things. And now, you're in project management, and sort of a different role. How has that helped you have a more clear understanding of how to best help your customers?

Jeffrey Nesbitt:

I think it was... Appreciate that too, by the way, the compliment. The thing that's benefited me most in my career and most people is the full understanding of a life cycle of a job, I think. And so, the way we estimate a job is not the way we account for the job, which is not the way we manage and build it in the field, or track it. Right there, that's six or seven software solutions we're talking about. And they all have unique needs, whether it's your company, organizationally from business operations and processes to the software side which is how do we address those?

And I think that's been the benefit of my career is working in the field as an estimator or project manager, actually working for software companies that do that, working with ERP software applications and, and most recently, for the last five years, working with contractors figuring out how to put all this together. Best practices, processes, and tie technology and processes together. That's been the greatest benefit I think is you have to see the big picture, and how every department correlates and relates and depends on the other. And it's moving.

In the real world, we're building things and we're taking it from a bid, we're setting up our project in our ERP and creating commitments and purchase orders. And we've got project managers doing change orders, submittals, RFIs, and we've got superintendents and foremen tracking time, or filling out forms in the field. And so, everyone looks at things uniquely in their own silo. And so, the problem, again, is how do we put

that together on the same plate? Probably a horrible analogy is like a buffet. We got all these different side dishes, but we want to get them all on our plate and bring them together

Mike Merrill:

Well, and to your point, they need to one complement another. You a peanut butter tuna fish sandwich isn't any good, right?

Jeffrey Nesbitt:

No. I'll take your word for that.

Mike Merrill:

Well, I'll have to take someone else's, but anyway. Okay so, having said that, do you have a success story or two? I mean, without getting into specifics, or anyone's privacy, or information, do you have some scenarios that you could share with us that you saw a company solve this and maybe what they gained?

Jeffrey Nesbitt:

Yeah so, really this past year, as I mentioned, and maybe it's been a year and a half, and I think it's going to go into 2022 like gangbusters, this trend of companies wanting to understand where they are in a job at any point in time with real-time numbers and have confidence in those numbers. And it's that gap between the field and the office. It's never been more prevalent than it has been the last year, or year and a half. I've noticed with our contractors, from the aspect that they finally identified that, "Yeah, this is a problem." From the time of an occurrence happening in the field to that cost impact being realized in the back office. Again, that profit faith scenario, that's where it happens. That's what I've seen our clients really focusing on this year is how we can tie those two things together in a meaningful way. So, we can make decisions before they get too far advanced. Or we get behind the eight ball too far.

So, what they're doing is, is they're really, again, starting to understand what does a construction platform look like? What are the right applications that we can tie together to give us that visibility? And then, the successful companies are saying, "What can

we learn from that information?" And so, some of the clients I've worked with over the year and a half here, a year, they've said, "Now, we've got this information how can we get better? And how do we incentivize our project managers to get better at managing their job with this information?" And some of the most successful ones have turned it into a game.

Let's face it, we're all competitive, to a certain degree, competitive people. And so, when you sit down with your project management team every Monday to review the jobs, and you can pull them up on a dashboard, and see how everybody's doing, compared to budget, your competitive juices are starting to take over. And so, what I've seen is our clients are getting much, much better and more efficient at managing their jobs, understanding their cost, because they want bragging rights. It's like the gamification of a job site almost. It's selfie banter going back and forth. And so, it's really increased our client's capability to grow their revenue without growing their head count. And let's face it. It's hard to find head count anyways, regardless where you are in the country.

So, again, taking that data, learning from it, create a fun environment, and being able to increase revenue without headcount.

Mike Merrill:

Wow. Lots of great topics there, any one of them could be a podcast on their own. But instead, of going deeper there, let's just talk about kind of the umbrella over the top of all of this data. And that's really around communication. What can you share in maybe some best practices with communication that organizations are taking advantage of to leverage these types of technologies?

Jeffrey Nesbitt:

Yeah. The challenge is communication is so vital in construction. And everyone's communicating, but it's taking that audible communication, and putting it to a digital format is what I see where the biggest wins are. And there's a little bit of retraining there. We're still doing the same activities, but in a different way that we can harvest that information and make it meaningful. As opposed to me talking to you about, "Hey, I see a potential change order, or a pending change on

this job," actually documenting it and putting it in someone's ball in court. Raising the accountability levels, understanding where you're at. And so, who do we talk to? Because so often the paper processes and audible conversations are easy to get lost in. Because everyone's so busy on a job, they're doing a million things. So, the turning the communications digital is the big win.

Mike Merrill:

Well, yeah, I like that you bring that up and I love the way you framed that with making those conversations actually digital, because then you can automate, then dashboards can have that data displayed visually where maybe before it was a story, or a discussion, or a side note in someone's diary.

Jeffrey Nesbitt:

Right.

And technology has helped us so much. The thing I always hear from my clients and it's like, "I don't have time to be typing all this stuff up, and we're busy doing real work. And I got these fat fingers," like I do, "On the phone, or a tablet, or whatever it is, I can't do it." But the beautiful thing is with the built in my microphones and things like that now you can still do it audibly. You just hit the microphone, it'll transcribe it for you. So, again, it's a little bit of an education to show them, but really the ease of doing it, I think, has actually gotten much better for people to pick up on.

Mike Merrill:

Yeah. I love that. And the other thing too is we're talking about internal communication between team members, maybe out on a construction project, but also shameless plug for Procore. I mean, Procore has places that a customer could log in, or a client could log in and look at their project. And so, there's communication also, that's important with the client that we're building these projects for. How does that play into this?

Jeffrey Nesbitt:

Well, it plays into the overall lost opportunity in a day. Meaning there was a study done by McKinsey about

a year ago that said, "Hey, in an average day, a project manager loses, I think, it was 14.5 hours..." Or sorry, a week, 14.5 hours in a week's time, which can equate to over \$100,000 annually. And so, what does that do? It's the old saying, time is money. And so, when you move things digitally, it allows people to self-serve. If things are sitting in notebooks, or in my truck, or in an inbox somewhere, we might not have access to that stuff so readily. So, again, time is money.

And so, if you start to say, "Well, it's \$100,000 a year," well, how many PMs do you have? And then, you could start to see that value start going up as to the money you're going to be saving.

Mike Merrill:

Yeah. Well stated. So, tell me this, with these tools in place, with better communication, with better integrations, with a better platform solution, there's all these options that companies can leverage. What are you seeing maybe as an example of some of the costs for companies that don't? I mean, do you run into those stories where a client says, "Man, I wish we'd have had this in place six months ago because dot, dot, dot."

Jeffrey Nesbitt:

Yeah. Again, we're so busy I don't think people realize what the cost of not fixing the problem is. So, often when I work with clients, we want to focus on, "Oh, I have to buy this new software, this new software, this new software, and it's going to cost X." But I don't think they realize that it's actually costing Y not to make the move. And, in most cases, the cost not to move to a new platform is much higher than the actual cost of software, and implementing it. Because you have all these manual workflows and processes that technology can leverage and automate for you in some cases.

Like if we're looking at accounts payable invoices, well, instead of the old days of opening the mail, or pulling it off the fax machine, or even out of our Outlook inbox and stamping it received, and shuffling it off to someone to approve. And then, eventually, it goes back to accounting that they enter into AP and it hits our job cost reports. Well, the cost of all these people handling that invoice sometimes is higher than the actual invoice

that they're paying. And then, even worse, I'd say is by the time that cost hits my job cost report, it's old.

Technology helps us. It automates. We got technology, that'll read these invoices, fill it in for us, route it appropriately by workflows, and by job assignments and things like that. That's where you pick up, that's the cost of doing nothing to me is you don't realize what it is the cost that you are currently doing. And is the value of your employees shuffling paperwork around and entering things in? Or is it more for them to be able to do their job, find the information they need to make decisions they do in a timely manner and give you the visibility you need to make decisions on your organization?

Mike Merrill:

So obviously, Jeffrey, I'm hearing you talk about these different solutions that plug into one platform, a cloud-based platform to really manage their business, and then integrations to plug those in. And these could include an estimating system, ERP, accounting, payroll, maybe there's a CRM for certain companies that have to manage their contacts, and their leads, and prospects, et cetera.

What other areas are you seeing gaps or, or processes do you think that companies really need to tighten up in order to get that real-time, live visibility and access to the same information across their whole enterprise?

Jeffrey Nesbitt:

As a best practice, what I tell my clients is before we even start talking about all the applications and the things that you mentioned. Most times they already have stuff in place to solve some of these problems. Some of it is still in paper, spreadsheets, yelling down the hall, all that good stuff that happens. So, I say the best play place to start is internally first. That old Michael Jackson song, Man in the Mirror, that's that first look internally to say, where are the redundancies that we have? Where are the gaps? Where is there an overlap in applications that we have? You have to clean your own house first sometimes, or all the time before you apply the technology because applying technology to a broken process. It's probably just going to make the problem worse quite honestly.

So, understanding what is it, the problem you're trying to solve? What are the duplications? What are the spreadsheets that you know need to eliminate? Those things that we talked about, lack of visibility, where are those areas of risk in your company? Let's identify those. And then, we look at the platform. What's the platform that can best support us? We may already have two or three key pieces that are working really, really good that we own, whether it's an estimating, or accounting, or project management tool, or time keeping whatever the case is, we may have one or two pieces in place then, the important part is that piece part of a bigger marketplace? Is that piece part of a bigger strategy within the industry, from the perspective of integration that, "Hey, I'm like Switzerland, we play well with others." And so, we don't have to worry about the redundancies it's plug and play. And someone owns that for you. Someone owns that integration and manages it for you because as software applications, update and change, you want to make sure those things stay lock and step.

So, be a part of a global marketplace where there's commitment, there's sort of rules of engagement who owns what, and relationships are up kept as far as development, those are the most important pieces. You don't want to go off and build this on your own. So many times I see clients be like, "Well, I'm going to buy these applications, and I'm going to integrate them myself." And I'm like, "Well are you a software company or are you a contractor? 'Cause you can't do both." And so, it's about let's stay in our lanes and let's pick the right partners. So, integration is the key piece for me.

And, again, I think the biggest gap is always the field to the office. That's where the information flows the most. They rely on each other, whether they want to admit it or not they do. And so, if you can streamline that process, it's most beneficial.

Mike Merrill:

Yeah. And I'm also hearing you say the more live or real-time, you can get that data back to that office to hit those dashboards, to look at that payroll, to run those invoices, or that time and material billing, et cetera, then the better is that right?

Jeffrey Nesbitt:

Yeah. Well, again, the time of an occurrence happening in the field and someone formalizing that in a software application is what eliminates that profit fade.

I mean, just think about it when you're entering your quantities, and time in the field. So, many times I go to a company and whether it's a paper time card, or even a digital time card, I ask them, "When are you entering the time?" "Well, I'm entering it on Saturday, over the weekend, or Monday morning just before it's due for my crew." And I'm like, "Are you kidding me? Truly, you remember what you did last Monday on what phases, what cost codes, what quantities? You're better than I am, I don't even remember what I had for lunch yesterday. Let alone last week what did I do?" So again, real-time, it's got to be entered in real-time if we want that visibility. And it's easy to do with the tools that are in the marketplace today.

Mike Merrill:

Yeah. And I think one of the points that you've mentioned, and alluded to here is that once you have that live data, now you have trending. Now, you've got pace. Now, you've got the gap of where I have to get to from where I'm at right now. And how long, based on my current rate, is it going to take me? And once you start doing that across your enterprise, all of a sudden you've measured it, and now you have the ability, and the opportunity, and the tools to improve it.

Jeffrey Nesbitt:

Yeah. As I said, it's one thing... Contractors are amazed once they go through an exercise like this as to how valuable that data is that they produce. Because you could look at the very things you're talking about, that trending and understanding. "We do really, really well in these areas and not so good in these areas. So, maybe we should chase these type of jobs more than these types of jobs." I always tell people, "Let's have a factual conversation. Let's not have an emotional conversation. Let's learn from the data we have and make decisions based on that." So, you need to be a data driven organization that's willing to learn, adapt, and apply those changes. Because, I'm telling you right now, your competition is. So, again, back to competitive fire, if you want to be here, you better be doing it.

Mike Merrill:

That's fantastic.

I have one last question for you and maybe your answer's the same that you just gave me. What is the one takeaway that you would want listeners to have from this conversation heading into 2022 to just blow the doors off of profitability and production?

Jeffrey Nesbitt:

Tie your back office and field applications together. Meaning your ERP and your project management tools. You need to have those two tools integrated today to get maximum efficiencies out of your personnel to have maximum... sorry, maximum data to make decisions to move your organization forward. So, again, bridging the gap between the field and the office should be your number one priority. So, if you are using two separate applications, you need to find out if they integrate. And if they don't, maybe you should be switching applications, or reaching out to one of the other partners to see if they can integrate.

Mike Merrill:

Great advice as always, Jeffrey. Sure have loved conversation. And I don't think it'll disappoint the listeners either. So, I appreciate you joining us again today.

Jeffrey Nesbitt:

Thanks for having me, Mike. And I'll be seeing you soon on the road.

Mike Merrill:

Sounds good. All right. We'll catch up again later. See you.

Jeffrey Nesbitt:

All right. Thank you. Bye.