Intro Mike Merrill:

Hi, I'm Mike Merrill, the host of the Mobile Workforce Podcast. Today, we have a great conversation with Mr. Mike Ode, President of Foundation Software. Mike and I have a great conversation about culture, about technology within the industry, the importance of partnering with vendors and solutions that actually fit your need or discipline within the industry. And then also just generally their approach to the marketplace, how they look to serve customers and the things that they weigh out that are most important to them, you will love getting to know, him, from this behind the scenes conversation and look. I think you'll really enjoy this one. So please give it a listen.

Mike Merrill:

Well, welcome on the podcast today, Mr. Ode, appreciate having you.

Mike Ode:

Glad to be here.

Mike Merrill:

I can see it. Awesome. I think one of the things that we wanted to talk about today is. You know, over the last decade or so, there's been a big shift in, tools on the job site. That helped companies be more efficient.

The conversation used to be more around hardware and equipment. And I think now it's a lot more geared towards software and technology. What have you seen with that change and what do you think is most important today?

Mike Ode:

Yeah, well, I think the hardware is kind of taking a backseat because hardware is now a cell phone, right?

And everybody has one and it's, uh, it's just accepted, right? So, so there's not as much of an emphasis and focus. And I, I'd say from a software standpoint, where it's most beneficial and where it's really changed is it's. It's allowed the gap between the field and office to close, right? And if you ask any contractor, I'd say that gap communication gap between the field and offices, one of their top five challenges, everybody, if not the number one challenge.

And I think what's happened now is out in the field. We have this ability to. To share data with the office almost instantaneously and that's what people are looking for. They want that data. They want it instantly, and they don't want to spend their days calling and trying to figure out what was scribbled on a sheet of paper or what was underneath the coffee stain.

And software has allowed us to do that and enabled us to do that.

Mike Merrill:

Yeah. I love that. So that begs the question, how important is the quality of that data that they're getting? Right. I mean, that's what everybody's after.

Mike Ode:

Yeah again, it's garbage in garbage out, right? So it's no different.

So I think what the software's enable us to do is it's made the data better, right? Some of it makes it so that you can't really make a mistake. It's, you're in an area, you try to put in a wrong job, for example, it won't let you do it. You put in a cost code you're not allowed to work on, let you do it, right?

So I think software, is not just a bridge for that gap, but it's also helped us become more efficient and collect better data. And as we all know, the numbers run the

business, the people execute it. There's no doubt about it. The people are the ones that execute it. The people are the reason that businesses are successful.

But the numbers tell you what to do. And if that quality is correct and accurate, you know, you're going to have a successful construction business.

Mike Merrill:
Yeah, that's beautiful. So correct and accurate is definitely the key, but then also what do you think about the timeliness of the data?

Mike Ode:
Yeah, it's almost instant now, right?

The quicker you can get data, the quicker you can make decisions. Nobody likes to know that they need to adjust the labor or they're going to have a change order that they missed after the fact. So, the quicker you get that data, the quicker you make decisions. And when you can adjust on the fly, it can be the difference between making money or losing money on a job, period.

I mean, it's that simple. So yeah, the timeliness is everything accuracy and timeliness leads to productivity?

Mike Merrill:
I love that. You know, also I think the excuses that we used to have are kind of gone now. We really don't have any good reasons for not having good data accurate data timely data and so then it makes me wonder how important is it that companies are utilizing software built for their industry now?

Because, you know, great data is awesome, but how it's formatted, what, you know, what can you do with that are specific to your trade or your business discipline becomes more important?

Mike Ode:
Yeah, I think verticals are taken over. Right? In all industries. When you, when you. You know, I'd say two of the bigger ones are health care and construction

and construction is extremely complex and If you look at the most complicated, I shouldn't say that but probably the most complicated one just go to payroll, right?

You're not saying that Bob or Julie worked 40 hours, right? They could work on eight different jobs in two different states on five different cost codes making six different pay rates and if you don't have a construction specific package, that's just not going to be handled. Not to mention all the different forms of billings that you have and going down the line, but from a payroll standpoint, specifically, it is, uh, it's necessary in order to grow.

It really is. And there's no need at this point in time to Make something that's not industry specific work because they're out there. Right. So you don't need to do that. There, there is no, there's no reason for it. So yeah, I, I'd say it is one of the things that companies need to make sure of is that they stay in their lane of construction.

Mike Merrill:
So now that we have specific software built for your industry, it's got the things that you need, the tools you need that are formatted appropriately. How important does the relationship between the technology vendor. And the customer become, and what have you seen help foundation be successful in that relationship?

Mike Ode:
Yeah. I mean, it's funny. We're sitting here at a user conference, right? We're going to have a thousand customers here in about five hours. And the relationship is everything. It's critical because you know, everybody thinks, Hey, we'll just stick to the example of the user conference.

You have this user conference and your clients are going to come here and they're going to get educated and they're going to learn more about the products they have. Well, I look at it a little different. We're going to get educated. We're going to find out what do we do well. And then more importantly, we're going to find out what don't we do well, what would people like to see us get better at, right?

So that relationship has to go both ways. We can provide a value, you know, hear me talk about this in my opening remarks tomorrow, so it'll be a little repetitive for you, but you know, we want to make sure that we are providing more value for our customers and that can be through products and services, whether that's organically or whether it's through M&A.

And then, you know, the client experience has to be great, right? Through all the way from sales to implementation, to client success, to client sales, it just needs to be great. And, uh, You need to listen to one another. Technology's tough, man. You know, things go right and things go wrong with technology, right?

I mean, it's a tricky one and everybody has to work together.

Mike Merrill:

That's why everybody isn't successful at doing it, right? That's uh, weeds it out. Well, you know, and I mean, this is, you know, we didn't rehearse this. We're, we're just having a conversation, but I, this is my first user conference being a part of the foundation software family of companies, right?

I've been on the other side and I was telling him we were, you know, on the plane, I was talking to my wife about this and I said, you know, this is different, she's used to me being in sales and trying to, you know, get new leads and work with the partners and trying to engage and network and do all these different things.

And, and I told her, you know, that I'm excited to be on the other side of this where now I really just get to help. And you know, foundation as a partner has always been a wonderful partner to us as a third party. And now I'm really excited to be a part of the family. But I love hearing you say.

That it's a two way street because that I think is that's pretty rare in this industry today. I hear a lot of from the other side of the table, you know, vendors out there that are really trying to control the conversation and control the situation. It's not necessarily a two way street. So I appreciate you sharing.

Mike Ode:

Yeah. And I think it's important to understand that clients want more, right? They want to be able to go, let's go to the extreme, the perfect world. They want to be able to go for their back office to one company and get everything. We're not a hundred percent there, but we're getting there, right? We are filling these gaps.

We are not just an accounting package, right? We now have WorkMax, which is the most technologically advanced data collection in the industry. We have estimating software, we have an HR module now, right? So we have to keep providing more value and more value and more value for our customers.

It is an absolute must because they want it. Right. And they want the softwares to talk to each other.

Mike Merrill:

Yeah. And, and now that they're doing that, I think again, that two way street, is really key conversation point because, you are looking for feedback and to learn at your own conference, That's a new conversation I haven't heard being had out in the industry.

Mike Ode:

The biggest one was 18 months ago. The number one thing people asked for was an HR mod. And we are now, you know, 65 clients in, it's new. It's only been out for a quarter, but we're using this user conference as a launch and then full go May 1st with marketing efforts. And, so you're going to have clients saying, all right, they delivered, right.

And that's good because a lot of the times you have these two way conversations. You need to come through and we all know that development of software takes time and it takes effort and it takes energy, but if you can deliver within a reasonable time frame, right? You know, development, whenever somebody tells me something, I always double it.

But if you can do it in a reasonable amount of time, that relationship gets stronger and stronger and stronger and stronger because you're providing them what they asked for. And then you deliver on it.

Mike Merrill:
Oh, that's great. Yeah. And the other thing too, and I, you know, again, from the other side of the table, the conversation was always.

Well, it's by builder partner. We've got to buy somebody that has it. We've got to build it ourselves, or we've got to have a partner that comes in and fills that gap for us. And I know this year, record number of third party vendors here. I don't know how, what the exact count is.

Mike Ode:
A little over 30 and ended up being, yeah, it's going to be big.

It can be nice.

Mike Merrill:
Yeah. How exciting. I mean, integration partners that are actually working together and collaborating, which

Mike Ode:
And, and all three of those are important, right? You know, if you can do it organically and we can, we can build it ourselves. Great. If that's the quickest way and the most efficient way to market, if we could buy a company such as about time.

Home run, right? We, I, you know, I think it's exceeded everybody's expectations and then, you know, those are the two main ones, but then there are things that you're just never going to get into that you have to have a good part with. Right. So yeah, all three of those are critical.

Mike Merrill:
I love that.

You said that also, there are things that you really shouldn't be getting into a lot of companies out there, especially in our space, the construction accounting, ERP. Systems feel like they're going to, they're going to do it all. They want to do it all. And they, and they

sometimes even promise customers, Hey, we're going to get to this, we're going to get to that.

And year after year, you find they're just kicking the can and they never really deliver it. So what, uh, what can you tell us about that?

Mike Ode:
Know what you know, and more importantly, know what you don't know, right. And stay in your lane and you know, payments is that perfect example of very complex underneath behind the guardrails and understanding you don't have that expertise.

Sometimes partnership is the way to go, right? You know, we acquire what we can and run efficiently with great cultures and matches like ours. You grow what you can grow and then sometimes you just need to go the partner route because you just don't have the expertise in that field and you're going to be chasing your tail, which we don't want to do.

Get that value to the customer and get it to market as quickly and efficiently as possible. And you have three potential avenues for that.

Mike Merrill:
Yeah. So another thing I've noticed, I think you love what you do. I mean, I feel it. I see it. I see you're very diligent. You're, head down focused on.

Whatever you're trying to execute. But I think you're having a good time doing it. If that's the case, why, and you know, but what can you share about that?

Mike Ode:
Yeah, I actually, I love getting up for work every day. I still do, going all the way back. You have to remember, I'm probably employee number 11.

We're not even doing a million dollars watching that grow to, you know, over 170 million this year, I mean, over 500 employees.

I love the people aspect of it. I love that. I don't want to say you're responsible for these people, but you feel

a sense of accomplishment and pride and satisfaction when you give somebody the opportunity to be part of a family and they come in and they contribute. Don't even realize how much they're giving back to you.

It's just so satisfying. So yeah, I love it I love it more now than I

Mike Merrill:
Isn't that something.

Mike Ode:
Yeah, it is And I'm not gonna sit here and say there's no stress and it's not hard and there's not challenges because that would just be foolish to say but I enjoy it all I don't know what I would do if I didn't do it. Go crazy.

Mike Merrill:
Yeah, it's cool because, uh, you know, and I always notice this again from the outside looking in. A lot of your key people, they don't leave. I mean, they stay. And your sales team, I mean, they're, a lot of those guys are over two decades. And they're still selling foundation software.

In their forties. They were young and just out of college and they're still here. They've made a career out of it. That is so you, I mean, I think, I know, you know that, but I don't know because you're in the middle of it, you know, you're driving the bus. It's pretty exceptional and pretty notable.

Mike Ode:
I'd say that, you know, when 2020 hit, it threw a challenge into that, right? I mean, the culture was so strong and the company was run on its culture. And then, everybody goes away for a while and then bringing it back. The first thing is, okay, how do we get that culture back?

And it's 90 percent back. Right. But it's 2024, right? So it's taken time and, uh, yeah, it's great. The tenured people they are phenomenal. And now you have to mix it with bringing in the new, because you're growing so

fast. Right, and I'd say it's one of the things that we've done exceptional at.

We are so accepting of everybody. And that's who we are. And, you know, we don't plaster values all over the wall. We, we live it, right. We don't say it. We live it. Right. And I think that's what separates us.

Mike Merrill:
Yeah. Yeah. You're definitely walking the walk. I know again, as I look at, you know, internally now to the teams.

And getting a chance to be a part of this journey that Foundation's on. I got to tell you, our people love their jobs. They're excited. This was a beautiful acquisition opportunity for us to upgrade what we were doing and kind of put it on a bigger platform, which. That's why I helped start that business.

Mike Ode:
Yeah. I mean, we've known each other what 20, 20 years now. I mean, so we've known each other for a while. We've been familiar with the company, but once we went out there and met everybody and we're like, oh yeah, this culture just fits with us. Right. And, the willingness for everybody to go from.

You know, a 30 person company to this, you know, exponentially larger company is, uh, is really bode well for all of us. Yeah. It's been great. It's been a great one. There's no doubt about it. Love to do a few more of those.

Mike Merrill:
Well, we appreciate it. And we're excited to be a part of it. And again, kudos to this conference.

I'm just so, I see the customer list. I see who's coming. I'm so excited. We got a bunch of WorkMax customers here too.

Mike Ode:
Just got to keep them off of Broadway.

Mike Merrill:

That's true. I will, uh, yeah, I'll be sober as a judge down there, police and things and making sure, of it.

Mike Ode:

I need a security guard out there.

Mike Merrill:

All right, so you mentioned this two way street and I love that analogy. How important is it from the customer side that they are coming back towards foundation and plugging in? And engaging in the goodness that you're providing.

Mike Ode:

Yeah, it's both ways, right? We want them to be involved. We want them to be here.

But again, is some people might call it painful. I don't, I call it educational. It's great to hear what we're doing well, but I'm more interested in what they think we can do better. You have to remember we share. Common challenges right now, right? Number one being hiring. And they're probably in more of a pain point than we are.

But you go back pre 2020, you needed 10 people. You had a hundred to pick from. Now you need 10 people and hopefully have 10 to pick from and I think the trades are even, worse, right? So I think we share that commonality. And I think it's something that helps us become relatable because software and construction are not necessarily two things that you would think are relatable, but I look at us as a very, you know, hard working Midwest blue collar software company, and we relate to our clients.

Our clients relate to us. And when they're here, they see that the next time they call that conversation is so much easier. They are so much more willing to have a conversation than just tell you what's wrong. And hey, here's what I experienced. How can you help us with that? And how can we become better as time goes by?

So I think anytime you meet somebody face to face, every following conversation is that much better and

I think that's what happens at these user conferences is, That you get to meet people face to face and, you know, you have that two or three minute conversation about something other than work first and how's it going, how the kids are doing, how was your vacation or whatever it was that you talked about at that conference.

That bond goes along and with all the user, uh, foundation colleges that we have and user conferences that we have, we have a lot of opportunity to meet a lot of clients throughout the year. So I, think that's what we want to stay focused on is building that type relationship, right? You know, everybody thinks you can do everything by Zoom and no, no, no, let's shake hands and let's rub elbows. And that, that's, how you form a bond.

Mike Merrill:

Yeah. I see on the company calendars and I know of these events going on and I see the email notifications and. You're doing a foundation university down in Orlando and in different parts of the country throughout the year. It's not, this isn't just a, Hey, every year, year and a half, we're going to get together and have a big celebration.

Right. I mean, there's a lot more to it.

Mike Ode:

That is correct. Yeah. Uh, Arizona has actually been one of our, big hotspots. Uh, you know, we have a big foundation college. Every year we have a, large conference there. Orlando has always been great for us. But now we move around, you know, we go to Texas, we do obviously some in Cleveland, we will, do some in, Florida now with The EDGE, we'll be doing some in Utah now with, WorkMax as well, you know, were getting the rooms all set up.

So it's all over the place and now you start to see that these clients aren't just a client of one product, they're a client of three products or four products and five products, and that's what we want. And it's what they want, too. It brings value to everybody. Everybody wins in that situation. Yes.

As long as you go back to what we talked about earlier, which is know what you do well, know when you need to partner, know when you need to acquire.

Mike Merrill:

Yeah. And I, again, back to what you said, I mean, you're, you really are going out to where the people are, you're making it easy on them. You've got tools and resources that you're heavily investing in to make sure that they have the best of education.

They have the best support. I know, we just did a podcast here with Ida Bailey. You know, top CPA firm, really, really big in the construction industry. And you have Chris Mastell, our full time CPA liaison that doesn't exist in our industry, I don't know anybody else like Chris. And I don't know any other companies are doing what you're doing with that.

Can you talk about that a little bit?

Mike Ode:

Yeah, and they can try to replicate it, but they got about 25 years to go, right? It doesn't just happen this. These are relationships that have been built since 1990 organically. And it takes time and it takes effort. And again, it's a win win, right? We bring value to their clients so they don't have to do some of the work that Our software can do for them and they bring their clients to us, right?

And then the clients get a great software product. So, it's a win for everybody. And that's what we're trying to create. And it takes a lot. You need to nurture these relationships nonstop and again, it's decades. And I think what the difference is, most people don't want to do something that it's not going to bring any return for 8, 10, 12 years, right?

Well, luckily we're past that. We don't have to think about that particular, aspect of it anymore, but that's what it takes. It takes a lot of time, effort, energy, uh, traveling around, shaking a lot of hands.

Mike Merrill:

Yeah. So if you're a CPA firm, the other nice thing that I heard come up in a conversation earlier today was, a

lot of times they have four or five or 10 clients that are having the same challenge.

Sure. Where if you didn't have this road already built, this pathway to help communicate and get the, their solutions solved, uh, Or their challenges solved, I'm sorry, with proper solutions. These CPA firms can call and talk with Chris and get with the right people on the foundation team to get the answer that they need for 10 clients.

Instead of having 10 clients call into Foundation support and go to the queue and go through that normal process, right?

Mike Ode:

And, they, and they help too, right? When a client runs into something and every client runs into something, let's be realistic. Everybody's going to run into something. Uh, bringing up new software is.

It's challenging. You're going to run into hurdles and it's expensive. And, and the CPAs are great because they're like, oh, I do have 10 other clients and this is how they do it. Maybe you should do it this way. It fits in with the software. Maybe it's a little more efficient. And that relationship just, it's great, It's three now, right? It's not just two.

Mike Merrill:

Well now they're better and they're being a trusted advisor that's serving their customer better and it's a win win win.

Mike Ode:

Right? That's correct. And that's what we're looking for. And yeah, there'll be a lot of them here this week as well. And uh, it's great

Mike Merrill:

Yeah, Foundation Software truly is a technology partner Of the customers of their partners And, you know, it's just, been awesome to see what you've built and are building and the train is still rolling and it seems like it's rocket ship still from here, right?

Mike Ode:

You want to kill a company, become complacent, right? I mean, just complacency is the worst thing we can do. So we will not do that. We do things well, but there's a lot of things that we can improve on and that's what we want to do, right? Just keep getting better and don't think you are the best and everything.

And if you listen and you make. The adjustments that you can make. Hey, that's all we can ask, right? You're never going to hit it. You're never going to hit perfection. You strive for it. You don't hit it.

Mike Merrill:

Yeah. And I, you know, another thing, I know, and I remember when this came out, you know, we've had many customers on Payroll4Construction, P4C for many years.

Tell us why you guys chose to build that and how it's been received and really what value companies are getting from that.

Mike Ode:

Yeah, I'd say, I'd say it's two and hopefully it will be three as we had in the 2024, right? So. It does two things. One is it allowed us to bring in new clients that didn't use Foundation, right?

So it allowed us to do that. Some of them, it was an entry point and they were ready for something like Foundation or WorkMax. For some, they were just starting out and it was a great way to get introduced to software, right? And then for our clients, while the software can obviously do what payroll for construction does, it is so nice to have somebody take care of your taxes and keep up with the tax laws and pay your employees and handle the direct deposits.

So those were the two reasons that we started it. What we really want to start to focus on now is how can we transform the offices and how we can transform the offices is by taking, we have seven different entry points into the market right now, right? I'm not gonna throw all seven, but we have seven different ones.

Which ones can we bundle? We'll call it a bundle together and go into an office and say, look, I can transform your office and the one that stands out right now that we're really putting a focus on for 2024 and trying to get the playbook all that down so that customers understand it easily is You have HR.

Hey, you're hiring new employers. We can onboard them, right? And everything else that comes with HR. Oh, now you get need to get that information from the field to the office. You have WorkMax. Oh yeah. By the way, your payroll is done now. There is nothing for you to do now that transforms. So, now instead of spending four or five, six hours a day, calling people and saying, what job were you on?

Did you get your paperwork back to me yet? So I can actually pay you. It's all done through software. And we've gone in and we've transformed the offices. And we've made the people inside the offices job efficient instead of chasing things and chasing data, right? It's that data that we talked about.

It's not clean. So when you have HR, you have WorkMax, and you have Payroll4Construction, that is something that we believe will be able to transform offices. And if you can walk into a construction office and say, I can transform your office. I can make you more efficient. I can make your life easier.

So that's what we're hoping to really accomplish here in 2024.

Mike Merrill:

Yeah, and contractors are used to, whether they're a subcontractor themselves in specialty trade, they're GC, they're, they have, uh, you know, partners, JV partners that they're going into big projects on. I mean, we're used to, in construction, partnering and working with other entities.

We're used to, hiring out and outsourcing things that we're not good at. So. As contractors, that's one challenge is sometimes we have a hard time letting go of that control in our mind. And I think letting foundation software and the family of companies and products be a part of that subcontractor team that you're hiring in best of breed solutions to come

in and knock it out of the park where maybe you're good at building stuff, you know, keep building stuff, build more stuff, bring foundation and their products in to help.

Mike Ode:
That's the goal. As we had in 24 is to continue to create those efficiencies, right? There's certain products in the family that just go better together. Right and that's the one that would really be pretty cool.

Mike Merrill:
Awesome. Well, the industry needs it. We have heard the same thing for many, many years, that HR challenge.

It's just, it's a big one, right? A lot of legislation, a lot of compliance stuff. Other challenges that are new and different than what we've had to deal with in the past. So, uh, you know, bring in a professional and a product that can come and solve that for you. Take that headache off.

Mike Ode:
And then you, then you throw safety on, which we didn't even talk about, right?

You have the safety that you can throw on in the mix as well. And you have four products that all seamlessly integrate and talk to each other.

Mike Merrill:
And so tell us about safety. Why, why that?

Mike Ode:
So it was something that our clients needed. Uh, we found a great product, small company that like, Hey, we can, we can acquire this and we can, we can hit the ground running and that that's what we did.

Right. Uh, you know, when we bought them, they probably had 60 clients. I think, you know, first year we sold 180 next year we sold 200, you know, and this year we'll be on that pace. Right. So again, it just brings

value to our customers. That's it. Right? And you don't need safety until you need it. Right?

You don't need it until somebody comes knocking on your door and says, Hey. Where's your toolbox talks? Are you doing this? Are you sending this information? Do you have a record of it? Well, you know what? I never looked at it, but yeah, I do, by the way. And right. And then you get to save on some insurance costs and things like that as well.

So another great product for us.

Mike Merrill:
Beautiful. Well, uh, we appreciate being a part of this and, uh, and appreciate what you do for the industry. Looking out for the needs of contractors. I'm just excited to see what comes up in the future and where you take this rocket ship, right?

Mike Ode:
Yeah, me too. I'm interested as well.

Mike Merrill:
All right. Well, thanks again for joining us. Appreciate it.

Mike Ode:
Absolutely.