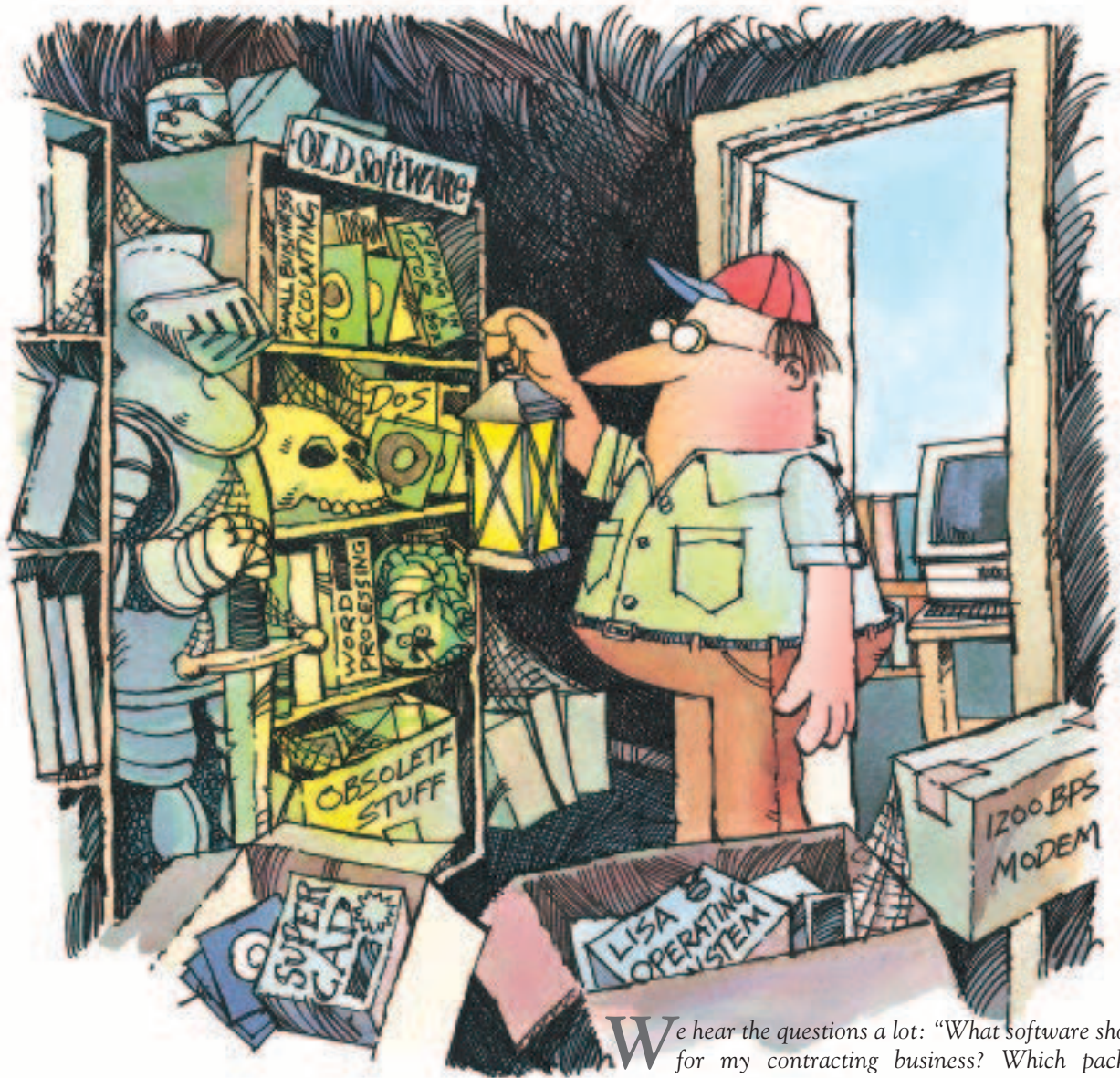


# Software for Builders That Works

by Richard Pratt, Paul Eldrenkamp, Carl Hagstrom & Cyrus Miller



After years of trial and error, these four builders found programs that match the way they do business

We hear the questions a lot: "What software should I buy for my contracting business? Which packages are appropriate for builders, and which ones can help me be more profitable?" The answers to these questions depend on several things, but mostly on the way you work, your level of computer experience, and how much time you have to devote to a learning curve.

Over the next few pages, you'll meet several builders who use computers extensively. You'll learn how the programs they use make them more efficient. You'll also hear about the mistakes they made and the home runs they hit as they shopped for software.

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**Richard Pratt**  
CC&A Construction  
Denver, Colo.

I computerized my small, one-man office in 1987. I used to waste a lot of time trying to “keep up” with all the new stuff that was available, but now I have a simple test that I use whenever I’m considering an upgrade: I ask myself, *Is this expenditure really necessary to run a successful remodeling business or is it just what the computer wizards think is cool this month?* Answering that question honestly has saved me from several expensive mistakes.

Small contractors only need a few good programs to make their lives easier and to present their companies more professionally. I believe that the best investment of time and money comes from buying “off-the-shelf” software and adapting your systems to fit their format.

### **Word Processing**

I began with Word Star 2000 because it was included with the first PC I bought. I used this until I switched to Windows in 1993 when I got Ami Pro (now called Word Pro) as part of Lotus’s Smart Suite. I have had two assistants work for me since that time; neither of them had used Ami Pro before but both found it easy to adapt to.

### **Accounting**

I started with Quicken on my first computer. This program more than any other helped me become a successful contractor. For the first time I could see where my money was going and begin plugging some of the leaks. I still do all my personal accounting and check writing on Quicken, but have switched to a semicustom program called Builder’s Information System (BIS) to handle the growing complexity of my accounting needs.

BIS was written by MICS (Management Information Control Systems). It provides a comprehensive financial statement at the end of each month and creates several job-costing reports and a summary of contracts. It also runs in real time, which means that I don’t have to close out the books on a certain month before I can access all the data I’ve been entering during that month.

### **Database**

We use ACT! for Windows for tracking leads and sending out mailings. It’s a good database, but since it’s preprogrammed, you can’t customize it to sort your data into categories (such as past, current, and potential customers).

Unless you need some complex functions that ACT! can’t offer, I don’t recommend using Paradox or dBase III. We tried both, found them too complex, and eventually scrapped them.

### **CAD**

If you are a first-time CAD user, all you need is Chief Architect. Within minutes of installing it you can create your first floor plan; within a couple of hours you can have a presentation ready for a client.

This program is a very good sales and presentation tool,

but if you need to create custom blueprints for an engineer to approve, you’ll need something more sophisticated. When our business reaches that point, we’ll switch to DataCAD, which reportedly interfaces nicely with Chief Architect files.

### **Scheduling**

We use an old version of Harvard Project for scheduling. Before a job even starts, we schedule each sub and material delivery for a specific date. We find that you can do the same thing on paper almost as quickly, but if there is a major change order in the middle of the job, it’s easier to reschedule the remaining events if it’s in the computer.

The Harvard software is no longer available, and we’re looking for a replacement. We’ll probably go with a Windows-based program such as Microsoft Project. I hear it will do everything my current program will do, but I’ll have to see it before I buy.

### **Communications**

One real time-saver is WinFax Pro, which allows me to fax directly from the computer. It takes less time for me to type up a quick window order, fax it directly to our salesperson, then print a hard copy for the files than it does to dial the phone, wait on hold, and then give a verbal order that is likely to be written down incorrectly.

WinCim (CompuServe) allows us to surf the Internet and use e-mail. I have negotiated a couple of contracts via e-mail, which I also use to keep in touch with people all over the country without paying any long distance charges.

### **Estimating**

Since 1988, I’ve spent several thousand dollars on three different versions of the HomeTech estimating program. I also tried CMS Easy Est4 and Pro Est. Not one of these programs lived up to my expectations.

Finding an estimating program that works just the way you want it to is like finding the proverbial “needle in the haystack.” This is the only software that I recommend you have someone write specifically for your company. Or invest in a very flexible program, such as a spreadsheet, and customize it for your business.

We use Lotus 1-2-3 (ver. 4 for Windows). Over the years, our simple spreadsheet, which once only added up the categories, has evolved into a sophisticated tool that prints all the reports we need. It allows separate markup for each category or a global markup. There is no limit on the length or number of descriptions or disclaimers I can add.

This spreadsheet has worked successfully for us for seven years. The only catch — and it’s a big one — is that you have to create and constantly update a separate database of prices. This is an unfortunate limitation, but we are not willing to sacrifice the type of reports and the quality and length of our descriptions for the convenience of an electronic price book.

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## Paul Eldrenkamp

Byggmeister Inc.

Newton, Mass.

I've had a computer in my business since March 1989. I now use a Macintosh Quadra 650 desktop and a Macintosh Duo 230 portable. I've tried a lot of different software; I have more "shelfware" — software that sits on the shelf unused — than anyone I know. I believe it is more effective to adapt your computer to the way you do business rather than adapt the way you do business to your computer. This lesson speaks *against* off-the-shelf estimating packages and other construction-specific software. It speaks *for* general-purpose bookkeeping systems and spreadsheets.

One mistake I made repeatedly was to try to find the Holy Grail of software — the one program that would do everything for me just the way I wanted it done. It doesn't exist for two reasons: First, no collection of software engineers thinks exactly the same way I do (thank goodness!); second, the way I do business has evolved over time. A business that is not constantly tweaking its systems, procedures, and policies is probably not going to get very far. So you need software that is flexible, adaptable, and easy to learn.

Software also should (or can) be cheap. I spend 80% of my time using programs that cost 20% of my total software investment.

### Estimating

I use Excel (ver. 5.0) spreadsheets for both estimating and job-costing. I am leery of prefab estimating databases. I would avoid them as a general rule. Nobody's job costs are the same as your job costs.

If you have a comfortable way of estimating by hand, I recommend taking that "system" (however primitive) and putting it onto a spreadsheet. A spreadsheet will help you organize your current estimating technique, and will do all the math for you. Some will also let you import job-cost data from your bookkeeping program for actual vs. estimated comparisons.

### Time Management

I use Now Contact and Now Up-to-Date for day-to-day scheduling, to-do lists, and name and address collections. I take notes in Now Up-to-Date at weekly job-site meetings with clients, which gives me a running record of what

we discussed and decisions we made. This is very useful for my internal records and for identifying trends regarding questions and requests.

### Scheduling

For overall production scheduling we use Microsoft Project. (We once used Claris MacProject, but Claris hasn't upgraded the program in several years.) We haven't come close to using the full potential of MS Project, but we're on our way. We run several projects at once and need to be careful about distributing people appropriately among jobs. Our hope is that good use of MS Project will help us anticipate conflicts between subs, suppliers, and crews weeks in advance, so that we're not stretching anybody too thin for too long.

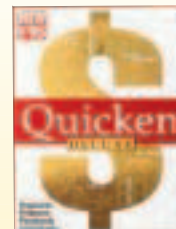
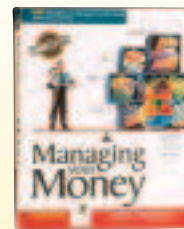
### Accounting

I use Mind Your Own Business (ver. 5.0) for both personal and business bookkeeping. Quicken would work just as well, but I like MYOB because I can exchange information with my estimating spreadsheets very easily. This cross-compatibility is one argument in favor of the "suite" packages that several manufacturers sell.

### Database

I use FileMaker Pro to manage and monitor all my marketing data (quantity, quality, and variety of leads; how leads translate into sales; upward or downward trends; and so on). Like Excel and MYOB, FileMaker is general-purpose software; I can set it up to do what I want the way I want it to. It's also really easy to get quick, effective results either on your own or by using one of the templates that comes with FileMaker.

My bottom-line advice: Buy inexpensive all-purpose software like Quicken and one of the Works packages (such as MS Works or Claris Works), plus a "personal information manager" like the Now software or Claris Organizer. Adapt them to the way you do business. When you reach the limits of that software, buy something more powerful or adaptable based on what you've learned in your first go-round. Start off simple and cheap. Resist the temptation to solve all your problems or meet all your goals with one purchase: It just won't happen.



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**Carl Hagstrom**  
Hagstrom Contracting  
Montrose, Pa.

**M**y first computer was a hand-me-down from my sister about six years ago. It barely had enough power to get out of its own way, but it did run a basic word processing program. The commands were tedious, but I managed to put together my contracts, form letters, and change orders on this program, and I quickly realized that handwritten documents were behind me.

After six years of learning to use computers, I think the most important aspect of any software is whether or not someone you know also uses the program. A cabinetmaker who lives nearby started with computers about the same time I did, and we both started with the same programs. Whenever I got stuck and couldn't figure out what I was doing wrong, I called my friend for help — he usually had a question or two for me as well.

The most important decision a first-timer can make is to go with a “family” of programs that all have the same screen appearance and basic commands. These “suite” packages are often standardized so that the way you perform a certain task in one program works in the next program. Learning the ins and outs of a program is intimidating at best, but once you're over the hump, it gets easier every day.

Don't get caught up in PC power tripping, either. You don't need bells and whistles at the early stages, just easy-to-use programs. I feel like I'm pretty computer savvy, and yet my guess is that I'm using less than 15% of my system's features and capabilities. And if you're getting all worked up about the idea of one computer program doing it all, from sales to nails, forget about it.

Forget the CD-ROM drives, the sound cards, the multimedia packages: You can pick up an older computer these days for next to nothing that will get you started with the basic programs. Once you get all this running smoothly, you can start to think about how much you need to spend for a hot setup.

### Word Processing

For a contractor just starting out with a computer, there is no doubt in my mind about where to start: word processing. The name says it all. My guess is that most contractors recognize the increased efficiency that a word

processor would bring, but those same contractors suffer from typophobia — the fear of keyboards. If you're serious about making it in this business and think computers will help you, get over this fear sooner rather than later.

I started out with Word for Windows (a Microsoft product), so when I went looking for a spreadsheet, I naturally looked at Excel (Microsoft also). I liked what I found. Many of the commands were the same, and information could easily be traded back and forth.

More important, as I began to prepare contract documents using both programs, it was easy to end up with a set of documents that looked like they all came from the same professionally run company.

### Database

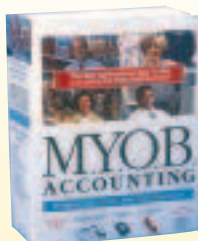
I got Microsoft Access as part of a suite package when I upgraded. I'm still learning, but I'm able to quickly create customer database files that allow me to “merge” addresses into documents for group mailings.

### Accounting

After 15 years of keeping books by hand, I computerized them a year and a half ago. Once again, I went with a program that a good friend was starting with (QuickBooks), and never regretted the decision. About four months into the bookkeeping, I started sharing some of the bookkeeping chores with my wife, who until then was “computer illiterate.” As a testimonial to the program, she was up and running in a few weeks. QuickBooks is about as user-friendly as bookkeeping software gets, and can be set up to track your job costs (both materials and labor).

### CAD

If you're a rookie and you're thinking about a computer as a drawing tool, consider this advice: Don't do it. Unless you are willing to bear down on the CAD learning curve and not look back, it's way too much computerese for the uninitiated. For sure, you'll quickly be able to pump out some drawings with a CAD program, but in all likelihood, they will look like they were drawn on an Etch-a-Sketch. Save CAD for later.



**Cyrus Miller**  
Common Vision  
Hamden, Conn.

I've worked in the offices of several construction businesses, and I've been through the computerization process a few times. Today, I use an old Mac SE-30 at home and have a Pentium P5-75 plus three other IBM-type computers at the office. The computers and a few printers and modems are all tied together with a Lantastic network.

**Accounting**

I tried Quicken and liked it, but it fell by the wayside last time I switched offices. I use Managing Your Money for my personal bookkeeping; it makes balancing the checkbooks a snap. Neither this program nor Quicken is flexible enough to handle our complicated business needs, however.

Our current, very powerful, high-end (expensive) accounting system is called The Master Builder. It does cost accounting, job costing, estimating, scheduling, and more. If you need this kind of integration in your business, I highly recommend Master Builder. If you're just starting out, use something simple, like Quicken or QuickBooks.

**Word Processing**

A few people at the office use WordPerfect, but I prefer Microsoft Word for all my word processing. I have contract, specification, subcontractor-agreement, proposal, fax, letter, and memo templates set up just the way I like them.

**Estimating**

We do most of our estimating in the Master Builder program, using our own customized database of assemblies. The generic database that comes with these systems is helpful as a starting point, but it needs to be modified and added to. A floor system assembly might have 2x10s, 3/4-inch subfloor, insulation, bridging, oak flooring, and drywall below, all included in a per-square-foot calculation.

**CAD**

I researched all the available packages back in 1988 and determined that DataCad would be the easiest to learn. It's one of the most powerful programs available even after years of inactivity by its developers; and with new blood, development, and marketing strategies, I expect it to gain significantly against AutoCad. It's a full-service 2-D and 3-D CAD package, and not for the faint of heart.

I tried AutoCad and was amazed at the powerful features available, and more amazed at its unwieldiness — it's just plain difficult to use. Chief Architect is easy to get started with and may be a good presentation tool, but it's not sophisticated enough to produce the kinds of drawings we need for our business.

**Project Management**

My first scheduling package was called Timeline. It was great for the houses we were doing, all of which had the same basic schedule (with minor variations) with different start and finish dates. I'd just pick an old schedule and tweak it.

The need for more detailed tracking features led me to buy Microsoft Project. It's more than capable of providing individual job schedules and tracking them, but I haven't been able to get it to track my crews across several jobs yet.

**Time Management**

We use ACT! for Windows. As long as you are in Windows (so far DataCad isn't a Windows package), you can keep ACT! running in the background. It can remind you about appointments or you can switch to it to keep notes on conversations. When a new prospect calls, insert their name and address, and ask them all your standard prequalifying questions. Track your leads and find out which advertising is doing the best job for you. ■

**Software Manufacturers**

Advanced Relational Technology  
3731 N. Ramsey Rd., Suite 150  
Coeur d'Alene, ID 83814; 800/482-4433  
*Chief Architect*

Best!Ware  
300 Roundhill Dr.  
Rockaway, NJ 07866; 800/322-6962  
*Mind Your Own Business*

CADKey Inc.  
4 Griffin Rd. North  
Windsor, CT 06095; 203/298-8888  
*DataCad*

Claris Corp.  
5201 Patrick Henry Dr.  
Santa Clara, CA 95052; 408/987-7000  
*Claris Works, FileMaker Pro, Claris Organizer*

CompuServe  
5000 Arlington Centre Blvd.  
Columbus, OH 43220; 800/848-8990  
*WinCim*

Delrina  
6830 Via Del Oro, Suite 240  
San Jose, CA 95119; 800/257-1669  
*WinFax Pro*

Intuit  
155 Linfield Dr.  
Menlo Park, CA 94025; 800/624-8742  
*Quicken, QuickBooks*

Lotus Development Corp.  
55 Cambridge Pkwy.  
Cambridge, MA 02142; 800/343-5414  
*Smart Suite, Lotus 1-2-3, Word Pro*

MECA Software  
55 Walls Dr.  
Fairfield, CT 06430; 800/288-6322  
*Managing Your Money*

Microsoft  
One Microsoft Way  
Redmond, WA 98052; 800/227-4679  
*MS Works, Excel, MS Project, MS Word, MS Access*

MICS  
2995 MacMillan Ave., Suite 296  
San Luis Obispo, CA 93401; 805/543-7000  
*Builder's Information System*

Now Software  
921 S.W. Washington St., Suite 500  
Portland, OR 97205; 503/274-2800  
*Now Contact, Now Up-to-Date*

Omware  
100 Pleasant Hill Ave. North  
Sebestapol, CA 95472; 707/823-7783  
*Master Builder*

Symantec  
10201 Torre Ave.  
Cupertino, CA 95014; 800/441-7234  
*ACT! for Windows, Timeline*