



TECH TRAP NO. 7 — TRUSTING EVERYTHING YOU HEAR

Editor's Note: *Following is the seventh of our ten part series called "Technology Traps and Mishaps," by Fred Ode, CEO, chairman and founder of Foundation Software.*

Sleep deprived people should never go shopping, especially at 2 or 3 A.M. I learned this lesson long ago as I was channel-surfing during a late-night insomnia episode. Though I usually never make impulse purchases, I was drawn to a product demonstration of a knife that cut through an aluminum can and then a radiator hose. And then, without being sharpened, it cut thin slices from a tomato!

Of course, I had to have it. (And if I acted right away, I would also receive a lovely set of steak knives.) But, you guessed it, when my knife came in the mail, I was disappointed. Yes, it was sharp, but it was, well, just a knife. Mainly, I was disappointed that I fell

for such a gimmicky ad when I had no need for a kitchen knife. (I was a bachelor at the time.)

This brings me to my next technology trap topic: Don't believe everything you hear. While you are in the process of shopping for new technology products, you have to maintain a little skepticism, as well as a little trust. But mostly, you must rely on your own due diligence.

I do not mean to disparage salespeople. I was once in sales myself, and I happen to have a great deal of respect for salespeople.

Unfortunately, many tech shoppers rely on salespeople for the wrong kind of information, or they simply don't ask enough questions. They let the salesperson demonstrate all the cool

“...you have to maintain a little skepticism, as well as a little trust.”

Technology Traps— A Ten Part Series

1. Technology is Always the Answer
2. New is Always Better
3. There is No Reason to Change
4. The Research is Thorough
5. Enough Time and Resources Have Been Allocated
6. Selecting Products Based Solely on Price
- 7. Trusting Everything You Hear**
8. Not Getting All Users to “Buy In” to the Concept
9. Thinking a Project is 100 Percent Complete
10. Taking Technology for Granted

features of a product and then make assumptions about how it will work for their company. Rather than asking, “How can your product help with this specific business problem?” they let the salesperson run the discussion with, “This is what makes our product great.” And though the product may be as slick as a tanker oil spill, it also may have no practical application for your unique business.

Inevitably, buyers may run across

companies that resort to badmouthing their competition. Should you listen? Should you care? Most people I've met say this is a real turnoff, and it raises red flags about a company's honesty and integrity. I couldn't agree more. Attacking the competition will only lead potential customers to look elsewhere. When shoppers hear negative sales talk, they should become instantly suspicious that the salesperson has nothing worthy to talk about. The question you should ask is, "Why aren't you focusing on your product's strengths and what it can do to help us meet our goals?" Like politicians running for office, salespeople who resort to opponent-attacking campaigns don't deserve our vote.

The truth is, no one can know all there is to know about another company's product, especially when it involves technology. Every company is constantly evolving, and with continuous updates and product advances

being made, there simply isn't the time or resources to understand all that the competition is doing. A salesperson may think they know their competitor's product, or they may have heard rumors, or perhaps they know a client or two. But I wouldn't call that valid information. To rely on that information is not smart shopping.

So, what do I really mean when I say, "Don't believe everything you hear"? I mean take an active, not a passive, role in your technology purchase by conducting thorough research of the best-fit technology products for your company. Turn off your selective hearing, and become a critical decision maker. If you talk to consultants, ask which products they recommend and why. If you talk to referral clients, ask what they like and don't like about the product. Be sure to ask specific questions that relate to how the product performs in real-life, day-to-day operations.

Reading articles and reviews is also a great idea, but make sure the focus is on products right for your specific needs and the information relates to your selection criteria.

Yes, it may be tempting to believe everything we hear ("It NEVER needs sharpening!"), and we may even long for products we don't really need ("Act now, and you'll also receive..."). But ultimately, the way to choose the best-fit tech product for your construction company is to avoid selective hearing and pursue the due diligence required. ■

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HEY FRED!

by Fred Ode

Editor's Note: To get helpful answers to technology related questions, e-mail Fred Ode at fred@foundationsoft.com or tmckerley@constructionbusinessowner.com.



Hey Fred,

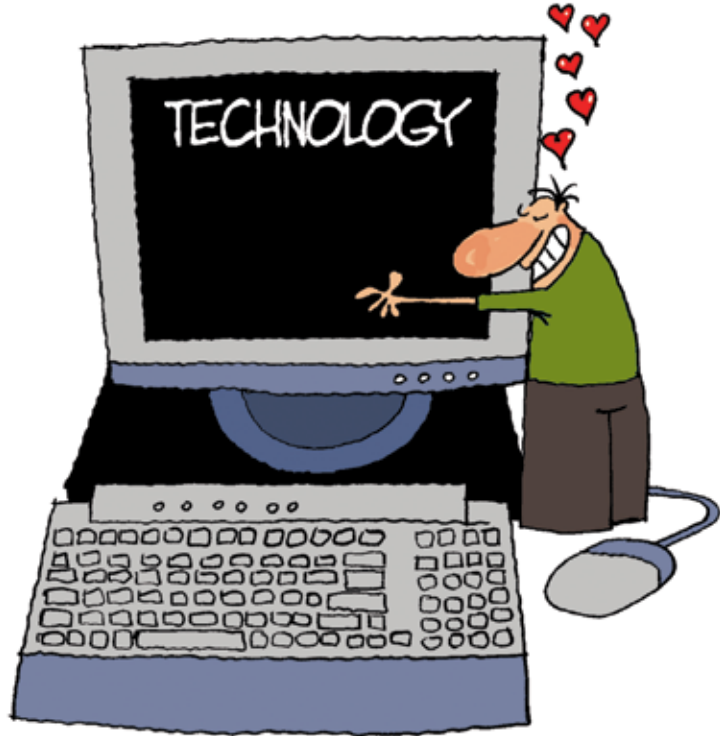
I am the owner of a small, but growing, excavating company. We have about fifty employees and did about \$5 million in revenue last year. Since starting the company, I have been using spreadsheets for estimating and job costing and a popular accounting package to handle our financials. That's basically our entire technology investment. My question is: Should I really be concerned about technology, or can my money be better spent elsewhere?

— Sam

Hey Sam,

Don't underestimate what you have accomplished—a \$5 million company with fifty employees is not small. I would estimate that your business, based on size, is in the top 20 percent of all construction companies. Congratulations on a job well done—so far! Technology can clearly help you leverage your company's strengths and help sustain its existence as you continue to grow. The next step is really up to you.

First, take a step back and look at the processes you have in place, and ask what's working...and what's not working. For example, your use of spreadsheets for estimating and job costing is long overdue for a change. However, it may be that finding an estimating solution can take a back seat temporarily, because



you're having real problems with job costing, equipment tracking, payroll and billing. In that case, you may first need to consider a construction-specific accounting program that can handle all the nuances that are specific to contracting. From there you can then move on to estimating or the next problem.

Whatever your current situation, technology solutions—and possibilities—are endless. But if you know your business and have a vision for its growth, it will be much easier to identify technology products that will help you achieve those goals. In fact,

for a company your size, it is imperative that you embrace technology as a necessary and beneficial aspect of running your business.

— Fred

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