



“ New can be better, but not always...and at what point is it no longer cost-effective? ”

## TECH TRAP NO. 2 — NEW IS ALWAYS BETTER (CHASING BIG BERTHA)

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

I hate to shop! Given the choice between a visit to the mall and a visit to my dentist, I’ll take a root canal (and the consequential drilling) any day of the week. I have only one exception to my shopping aversion, and it involves golf club purchases, especially new drivers. For example, last summer I “invested” in the TaylorMade® r7 Quad™ driver—the pro model with interchangeable weights that allows millions of possible configurations. How could I resist!?

During the second round of golf with my shiny new driver, I was telling my good friend and regular golf partner that I was hitting the ball at least ten yards farther and much straighter than ever before. My friend was quick to point out that I

said the same thing about the fifteen previous drivers I had purchased over the years. By his accounting, I should now be leading the PGA tour in average driving distance by over fifty yards! It all began with my first “high-tech” driver, Big Bertha, which increased my driving distance by at least ten yards. I’ve been chasing after new and improved Big Berthas ever since.

My guess is that I would still be shooting the same score if I had upgraded only two or three times since Big Bertha. Which brings us to Tech Trap No. 2—“New is Always Better.” New can be better, but not always...and at what point is it no longer cost-effective? Let’s look at two cases that illustrate this point. (Please note that names have been

### 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

changed to protect the innocent!)

One of the things I do to keep current within the industry is to attend a number of construction and professional trade shows—World of Concrete (WOC) and the Annual Construction Financial Management Association (CFMA) Conference, for example. At the WOC in January, the new controller (we will call him John) who works for a \$15 million highway contractor stopped by our booth. He was dissatisfied with his accounting software and attended WOC specifically to start the search for new software.

John outlined his main complaints: lack of percent complete, over/under billing and production reporting, in addition to the inability to track equipment usage on jobs. These were critical items to successfully run their business, and John hoped to rectify the situation with new software. In addition to accounting software, he was also searching for estimating software specific to heavy highway construction. John's company had been using spreadsheets for years, and it was time to move to the next level. Their current accounting software was a higher priced application than ours, but one with which I am familiar. It is a competitor that I hold in high regard.

During our conversation, I asked John if he was going to stop by his current vendor's booth, a couple of aisles over from ours. He had no intention of doing so; he was "through with them." My suggestion to John was to stop by their booth and discuss his issues or to at least contact the vendor upon returning to his office. I explained that, to the best of my knowledge, his current software did address his concerns; I would have been surprised to find otherwise. I explained that it was very common for a business to underutilize their software due to a lack of awareness and/or training. Furthermore, on the assumption that his accounting software was up to the task, his need for industry-specific estimating software was a much greater priority in which to invest his time and money.

John did visit with his vendor and was told that the software was specifically designed to handle each and every concern he had. A consultation and training session was scheduled with the vendor, and within two months, John had the capabilities his company required. In fact, he discovered some new reports and functions beyond what he originally was looking for and is now a reference client for my competitor.

Make no mistake about it—in a head-to-head comparison, I honestly believe we are a better solution for John's



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## Technology Traps and Mishaps

company. However, they had their software and were already heavily invested in it in terms of time and money. With only a few days of consulting/training, John gained the knowledge on how to more fully utilize his software.

In John's case, he could have purchased "new and improved"...but at what cost? New was an option, but not their best solution. Now let's look at a similar situation where "new really is better."

I met Mark (not his real name) at a trade show last year. He is the owner of a \$6 million electrical contracting company, and he was absolutely fed up with his software vendor. Mark had been using their software since 1993 and had always been happy with it. It had some limitations, but it gave Mark what he needed to successfully run his business. However, the software vendor's support had completely deteriorated. Although response time

was never great, it was acceptable. Now, it often took one or two days to get a return phone call, and even then, the quality of the support was weak. Furthermore, his vendor had been acquired recently, and it appeared that there was no strong commitment to future enhancements. Finally, in a direct comparison, our software and service provided a multitude of benefits over our competitors.

Ultimately, Mark invested in our product and company. In the short term he ended up light years ahead of where he was with his previous software. In the long term, he partnered with a company that has a commitment toward the future. Clearly, in Mark's case, new was better.

Over the years, in my quest for the ultimate driver, I finally came to see that new is not always better. In fact, I do not plan on replacing my TaylorMade Quad driver any time soon. I really do not believe I can

buy an extra ten yards—I am over my illusion. However, I am inspired by Phil Michelson's victory at the Masters where he used two drivers. My thinking is that I may have a new custom-fitted driver made for me that has a higher launch angle and shorter shaft for better control. I can use this as my "go-to" club on tough driving holes. I am convinced that "new will be better" under this scenario. And if not, who cares? At least it will have kept me out of the shopping mall!

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