

**Y**ears ago, electrical contractors had no choice but to estimate the old-fashioned way, using their intuition, their guts, and a hand-cranked adding machine. It wasn't until the 1970s that the personal computer stood ready to push the technology envelope. Yet even today, with a variety of software tools available, many contractors still go by the seat of their pants when it comes to bidding jobs.

## ConEst Software Systems

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No task affects as many areas of electrical contracting as the task of estimating. There are six primary reasons why estimating software is critical to today's electrical contractor:

1. Speed
2. Accuracy
3. Consistency
4. Procurement
5. Project Management
6. Professionalism

**Speed:** The foremost benefit of using computerized estimating is speed. No other software product in your business saves as much time and money as your estimating software. Since a computer is basically just a super-fast number cruncher, it is particularly well suited to the task of estimating.

**Accuracy:** In today's industry and changing economy, contractors need to track actual labor and material costs as well as equipment and sub-contract expenses. They need to keep tabs on back orders as well as installed and stored materials. This process begins with the estimate. The owner and chief estimator will use the estimate to determine the job's true cost and to develop a selling price.

A disturbing comment heard too often is, "I can beat any computerized estimating system doing it the old fashioned way... even if we do sometimes find ourselves in a labor crunch at the end of the project." Think about the irony in that philosophy: Sure, the estimating department can quickly crank out a number that will win the contract, but then the management team has to scramble to figure out how they're going to meet that estimate's labor schedule. Where is the advantage in that?

For these contractors, it's almost as though estimating is nothing more than a necessary evil to get the contract. They might as well pull a number out of a hat. At the other end of the spectrum, you can find contractors who have established convoluted procedures involving everything from maze-like scheduling boards with magic marker hieroglyphics and magnetic pins, to unreadable scraps of paper plastered with sticky notes. In their attempts to be as thorough as possible, they only create chaos, resulting in wasted time and devastating mistakes. If either scenario sounds like business as usual at your company, it might be time to take a closer look at estimating software.

# The Benefits of Using Estimating Software



**Consistency:** Using an estimating system allows the estimator to prepare estimates that use the exact same procedures and values, time after time. In addition, it provides a basis for comparison of the estimate to the actual job cost. Retaining a history of job costs gives the estimator the tools necessary to adjust future estimates and avoid costly overruns, or to point out cost-saving procedures. Without specific, consistent procedures, an estimate is little more than a guess.

**Procurement:** The project manager will use the estimate to determine labor resources, equipment and subcontractor requirements to properly schedule and track job progress. The purchasing department will find it just as useful in scheduling timely delivery of materials.

**Project Management:** The foreman will use the estimate to help oversee installations, and to requisition stock. The electrician and apprentice will review the estimate to gain an understanding of how the estimator took off specific installations, while the accounting department will use the estimate to prepare the schedule of values and track job costs. Computers can help contractors perform the diverse tasks of estimating, project management, correspondence, and purchasing more efficiently.

**Professionalism:** In addition to speed, precision, accuracy, and consistency, computerized estimating delivers a higher level of professionalism. Today's contractors use estimating programs to organize and optimize their business. The estimate is used as a sales tool to document costs, and there is nothing that builds confidence in your sales pre-

sentation more than an estimate that has been professionally prepared and printed using an estimating software system.

Electrical estimating software systems are evolving into smarter and faster tools that help the estimator make decisions... decisions such as automatically adjusting labor units by calculating the installation difficulty factor for each item, rather than using one factor for an entire installation.

An estimating program should have the ability to correct conduit sizes, and fix installations using the National Electrical Code tables. A good estimating system should quickly and accurately help you determine the bottom line cost of a job, and ultimately increase your profit margin.

The rise of computer estimating has forever changed the face of electrical contracting. It has lessened the estimator's workload and liability while increasing accuracy and profitability. It has cut overhead by up to 75% while freeing employees to concentrate on other revenue-generating activities. The ROI is measured in months rather than years. Studies indicate that most contractors today are using computers, and that many are on their second and third generation of estimating products. These contractors have seen the clear advantage computers can give them, and are working that advantage for all it's worth. Keep in mind that some of these contractors are your competition. Gain a competitive edge by computerizing your estimating department today!

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