

# Software Can Make Estimating Process Efficient

By Sandra Henson

One of the most difficult challenges a small to medium-sized woodworking shop faces is turning over the job of estimating and bidding to an employee. The owner has learned the lessons of estimating the hard way; he has made mistakes and paid for them along the way. The "School of Hard Knocks" is

no different from any other school of higher learning; it comes with a big price tag. Now the business has grown to a point where the owner/estimator can not do it all. If the business is to grow and if he expects to get any free time at all, he will have to train someone to take over the job of estimating. Naturally there is a reluctance to turn over the reins to someone else.

What if the business owner could take all of his knowledge, years of invaluable experience and put that knowledge into the hands of an employee? Sounds perfect – well that is exactly what happens with a computer software program for estimating. The chief estimator

puts all his know how into a software program and makes this information available to the estimators.

At People Logic they recognized this problem from first hand experience. The presi-

dent of People Logic, Brian Timothy, is also the president of Island Precision Cabinets a successful commercial

millwork shop. Brian was confronted with the same problems all millwork shops face. He also recognized expansion would require that he get away from the day to day pressure of estimating and deadlines, away from the often-repetitive nature of preparing an

estimate. He wanted to spend more time managing and overseeing the company. With this in mind Brian and his partner Axel Wagner set out to find a solution. What they developed was a soft-

ware program that took their method of estimating and provided the framework for Brian to impart all of his skills and expertise into the program. The software program also provided Brian with a means to train his staff and gave him the confidence that the methods, numbers and assumptions that his estimators were using have been approved by him.

Traditionally the wood working industry has looked to its manufacturing systems to make the company money and with that in mind companies have invested heavily in machinery that has made them more productive. But by being more productive there now is a demand to get

more work to keep the machines running. Consequently there is now a problem in the front office to get more bids out and win

**Estimating software can allow shop owners to spend more time managing their businesses by allowing others to make estimates – without fearing those estimates**

more jobs -- and as owners and estimators have found out they are not able to keep up with the demand. With all the money spent on equipment in the factory it is now becoming apparent that it is

**Estimating is the life-blood of every company and will always be a challenge. Providing a system and the right equipment it can become the profit center of your business.**

now time to revolutionize the office systems. By investing in a tool that will allow a company to train more estimators or allowing their current estimators the ability to bid more jobs companies are taking the first step to solid growth and better organization.

Once you start winning more jobs other problems are created.

Purchasing has now become a bigger and more demanding job.

Scheduling

labor and machinery effectively has become another challenge. And as is the nature of this business the “dreaded” change orders keep coming in. All of the increases in productivity generate their own problems and now require that your organization be prepared to solve them.

But before we get ahead of ourselves let's go back to the original estimate process. Now that you have introduced an estimating software program you as owner/estimator you have trained another member of your team to do the estimating. By delegating you are now able to avoid much of the repetitive nature of the

estimate building process and have created some extra time for yourself to be a more effective manager of your business. Before that bid is submitted you will want to review, refine and approve your company's submission. This is where your expertise and just plain gut instinct is required and with all the data in an easily readable and accessible form you can spend your time finalizing the bid you will even be able to run “what if” scenarios to fine tune your bid.

Once your bid

has been accepted now the challenges faced with project management now have to be solved. Once a job is in progress it becomes important that you have the ability to send all of the information down stream to the various departments. Your purchasing department will find the detailed reports provided by the estimate will make this department more efficient and allow purchasing to take place prior to engineering. The shop foreman will be keenly interested in what is coming his way and have the ability to schedule labor times and functions to get the most effective use of your shop labor.

**All change orders can be logged on the estimate. This new information makes it possible to generate new labor times complete with new material list for purchasing.**

With detailed reports, the shop foreman will have a complete overview of the job with detailed labor times and will be able to head off potential problems and bottle necks by seeing the problem and give him the time to correct the situation before he is buried in the middle of it.

The project manager requires a complete understanding of the job and if you are to make money he needs to keep a tight rein on the project. The detailed reports from the estimate and his ability to access this information directly in the software program keep him informed of the logic and assumptions that were made by the estimator and ensure he keeps the project on track. All change orders can be logged on the estimate and with this new information the new labor times will be generated if applicable complete with new material lists for purchasing. With all of the information going with the job through to its completion all departments are kept in the loop.

**For more information on People Logic Software at:**

**Tel: (250) 475-1392**