Mike Merrill:
Hello, I'm Mike Merrill, the host of the Mobile Workforce Podcas and today we're going to talk about time tracking and the importance of how you are tracking labor within your business. To talk about this, we have brought Mr. Ron Krafton, who is the author of a new ultimate guide to construction time tracking. We have the full article link below. Make sure to check that out. Now let's jump into mine and Ron's conversation.

So Ron, when you hear the term time tracking, what do you feel like that is in your mind?

Ron Craft:
I think really it comes down to field data collection, capturing the time, hours, laborers from your guys in the field and getting that back in the office for payroll purposes.

Mike Merrill:
So obviously there are a lot of different methods to achieve this. What are some of the things that you see or have experienced in your professional career and talking with companies and how they're doing this today?

Ron Craft:
Yeah, you know, I mean, because I'm with Workmax, and so we obviously do have our mobile app for time tracking. So obviously, there is that side of it. It amazes me, though. I think as many years I've been doing this, I've been doing this for almost seven years in this specific capacity. The hundreds and the most thousands of customers that I talk to who are still doing this manually on paper, or they might have a spreadsheet and things like that. There are some that'll have like a manual time clock just mounted somewhere that they're punching and punching out. For whatever reason, it seems though that the construction industry specifically has been slow to adopt technology. But yeah, I mean there is the mobile app. We see a lot of manual processes, whether that be paper, spreadsheets, some hardware as far as actual time clocks, clocking in and out.

Mike Merrill:
So why in your mind is this such an important thing to focus on and potentially improve, or at least ensure that your company is leveraging the best tools and technology available to do a better job at this?

Ron Craft:
You know, the biggest benefits that I see that customers experience when they implement a solution like this is not just the ability to streamline and automate processes, right? Eliminating those manual steps and resources that are being used up for that, but also just getting better accuracy with the data, right? Now, I mean, going forward, they have visual data and information that shows them how long it takes them to do X, Y, and Z. I was actually just talking with a company yesterday and they're a cladding company and they're not huge, they do 20 to 30 million a year, but he's like the director that I was talking to, he says, hey, we've got our accounting system and we do have a mobile app for time tracking and that's great. He's like, but I need more. I need, he goes, I'm looking for something where I can get some visibility of budgeted versus actual, what's completed, what's remaining. And so companies like that are starting to catch on to the vision of that technology can be a benefit for them in getting visibility to their jobs and their projects and their costs.

Mike Merrill:
Yeah, it sounds like there's different reasons, depending on a company's need or their unique challenges to solve this in a certain way. What are some of the financial benefits that any company can enjoy by addressing this and doing it more accurately?

Ron Craft:

Yeah, you know, that's a great point. Because the thing with implementing a time tracking solution is that it impacts so much of the business, both in the field and in the office, right? The really though, the cost savings is that you're one, kind of like I just mentioned, that we're eliminating those manual processes. You know, companies sometimes take days or even more to run payroll.

There was a company who with less than 50 employees, it was taking them 16 hours a week to do payroll. That's two full days for one person. When they implemented WorkMax, when they moved from paper to a digital time tracking system, that 16 hours went to two. I mean, and that's huge. I mean, it was still two hours, because they wanted to run the reports. They wanted to be able to edit the records and fine, but.

That's a huge cost savings just on the admin side, right? So yeah, the impact is huge. Another piece to this is, you know, now that you're getting accurate data from your guys in the field, you're paying your guys for actual time worked. I had a customer in Texas who their first year in on Workmax when they implemented our solution their cost savings, and this is from them, this is the numbers that they gave us, their cost savings was over a million dollars in their first year. And the majority of that was because of eliminating unauthorized overtime. Right, so I mean, you know, if everything's on paper, you know, and I'm just turning in my hours, sure, I work eight hours a day or whatever, but it's like, okay, did you though, or was it seven hours and 47 minutes, right?

Five hours here, five hours, I'm sorry, five minutes here, five minutes there. That adds up quick. So the cost savings is pretty impactful. The ROI, both on the admin side in eliminating the manual processing of data and getting better accuracy with the information as well and eliminating that unauthorized overtime.

Mike Merrill:

Yeah, so it sounds like whether it's intentional or not, time theft or overpaying for over reported time is a real problem. And I don't assume it's only the construction industry that has this problem.

Ron Craft:

Sure. Yeah, you know, there's an article I saw this was in the Boston Globe and also the Denver Post had this where in general, not just construction, but the economy wise, I think it was like $400 billion loss annual in time theft. And it's such a huge, huge problem. But if we drill down even further, though, just construction QuickBooks, their report that they put out was, their estimates was that in the construction industry, it was 49%, almost 50% of companies in construction admitted to the fact that they knew that there was time theft going on. So yeah, it's a big, big problem. And I think, you know, construction is one of those kind of nuanced industries where it's been so, we've been doing it this way for this many years. If it ain't broke, don't fix it kind of a thing. But it's fun to see businesses and talk to individuals now where they're catching this vision, they're realizing, hey, we can't do things the same way we've been doing them for the last 20 years, 30 years, 50 years. Technology is here for a reason, and there's no reason why we can't be taking advantage of that, even in the construction industry.

Mike Merrill:

Yeah, and it makes me think you're talking about overpaying for hours that weren't work. So if that time was not producing anything, it wasn't building a building, it wasn't pouring any concrete, it wasn't excavating or grading. There was nothing physically being done at all. That means when they actually come back and do that work that they've technically already been paid for, they're actually paying again. And then of course, there's a delay in completion, right?

Ron Craft:

Well, I didn't think of this, you know, if I'm a company now who is implementing and using technology for those purposes, I now have a leg up on my competition because now in future bidding and estimating, I'm more dialed in with how long it takes my guys to do X, Y and Z. You know, I say this all the time, but data is king, right? The more information we can have and if we can get to that level of detail where we know what is our budgeted versus actual, what's our current pace, how we're trending, all of that. That just takes us to that next level and helps us beat the competition when we're bidding and estimating jobs.

Mike Merrill:

Yeah, and it also makes me think we're actually rewarding bad behavior if we're paying those wages, if we're paying that overtime and nothing was really done, we're actually rewarding mediocrity and the lack of production versus holding ourselves and our team accountable, right?

Ron Craft:

Yeah, you remind me there's a customer who they implemented work, our work Max or digital time system and after you know the first week or two couple of weeks they had some of their guys come into the office and they're like hey I think my paycheck's wrong because I didn't get paid what I'm supposed to be and of course on the accounting side I'm here well let's look at it right.

Well, and what it was is because before, sure, they were just putting, yeah, here's my 40 hours, right? Here, whatever, but now when they're clocking in and out, they're getting accurate time, you're getting paid, just like you said, for actual work done. So they didn't work 40 hours, they worked 38.34, right? So yeah, it's, and that definitely helps to identify who are your rock stars in their field, who's your top performance, but also who's not, right? So it's impactful in multiple ways.

Mike Merrill:

What about field managers and superintendents form and people that are managing teams? How can this help them to do their job better?

Ron Craft:

You know, I think in going back, you know, I've been doing this for almost seven years and I've literally talked to hundreds, thousands of construction companies through product demos at conferences, at trade shows and at, you know, user groups, all kinds of things. And I would say one of the biggest challenges when implementing a digital time tracking solution is field adoption, right? It has to be easy enough, simple enough for those guys to be able to do.

I mean, because the system is only as good as it is used. And so when you do have form and supervisors, managers in the field, where previously, if they're having to manually put everything in or write it all out, how much time has it taken them at the end of the week when they're then trying to scramble and remember who did what, for when, how long, all of that. And now I've got to get all that information back to the office versus give me a mobile app, literally let me take two seconds just to punch in, punch out and be done, shoot, sign me up. Right? I mean so, the field adoption, although going into it I think a lot of companies think, oh my guys aren't going to do this, you know, they're not smart enough to use an app and it's like, your foreman there, or supervisor, he's operating a half a million dollar piece of equipment. Right? He can use the mobile app to punch in and punch out.

And the reality is though, is that what we see and what I've seen for years is, although there is that initial hesitation and that thought of our guys can't do this or they're not gonna do this, give them a week, give them two weeks using the app, guarantee they will not wanna go back to the way they were doing it before. Because it saves them so much more time. They would rather just take a couple of seconds and punch in and out and be done versus having to write all that information down and then, having to get it back into the office and having to go back and forth with changes and corrections and so it is a it's a big relief especially for those guys in the field and you know on the management side when you know they're doing this a lot easier and quicker.

Mike Merrill:

Well, and I think in society in general, and I think most people would agree, we are having a challenge with, especially with the pandemic and some of the things that we've been through culturally, self accountability has become a challenge. I hear it all the time. And people joke, you know, I go to a lot of conferences too. And they joke and say, you know, if they have a pulse, they're hired. I mean, we just want people that are actually alive and moving a little bit because there's such a demand for a labor force that we just don't have the resources that are needed to complete the work that's out there.

Ron Craft:

Yeah, for sure. Yeah, all the more reason why it has to be simple. It has to be easy. And so the great thing is with WorkMax, there is that flexibility where we can simplify that. We can turn off features and settings, and if we don't need to get that granular of detail, all we need is just to punch in, punch out, and be done. Great, right? Let's start with baby steps. Let's get them used to using the app, and then we can expand on that. Then we can add in digital forms, then we can have them track their equipment, then we can have them fill out daily logs and all of that. So yeah, that's a very key thing is because of the workforce that is there today and the challenge of finding good labor, we need something that's not gonna deter them and not turn them away from wanting to actually work.

Mike Merrill:

What about on the compliance side? I've got to imagine California overtime or different union requirements or prevailing wage on government projects, certified payroll. Is this helping solve those things also so companies are remaining in compliance?

Ron Craft:

Yeah, there are, I mean, California is a prime example. There are some very specific labor laws in California as it relates to employee time tracking. But that's also the case with other areas, based off of, if there are union, or maybe a company works with multiple union, or maybe they're in different states and different regions, right? So it's important to have a system that is able to, that's malleable, that can flex based off of those needs. We'd work with a lot of companies in California because of our ability to be that flexible and help them be compliant. Because the reality is, sadly, it's not a matter of if, but when there's gonna be a problem, right? And yeah, I've talked to tons of companies in California, and we just went through this lawsuit, and there was this workers comp issue, and then there's this settlement we had to go through, and we had to do all of this, right?

All because they didn't have an easy way to track and manage their employees' time. So it's important to not just be able to capture time and labor, but also get those acknowledgments, you know, having the employees themselves attest to the fact that they

took their breaks. They weren't injured on the job. You know, all of those things. The great thing with Workmax is in, so many customers of ours in California love it because of our ability to tie in, not just the time tracking, but forms. Forms is where you can then have those additional questions and details of where you can require that in that clock in, clock out process. So as a business owner, it's huge to be able to have that, you know, accountability, that responsibility on the employee so that way I am covered as the business.

Because like I said, yeah, I mean, it's not a matter of if, but when there's going to be an issue.

Mike Merrill:

Well, and the other thing that it makes me think about is this would have to impact safety also, making sure that these things are happening and when and who. And, you know, everyone says safety first. What impacts do you see or do you hear about with time and forms and these other digital methods of tracking are helping companies be safer?

Ron Craft:

You know, I would say the main driving factors for a company in looking at a digital time tracking solution is one, you know, streamlining and automating the processes, kind of like what we talked about. Also better accuracy with the data, getting more visibility for their jobs and projects. But I would say the third is tied to what you just talked about with safety, is really having a single application, being able to consolidate multiple areas into just one location, right? Instead of, you know, and so many companies are doing this today, you know, we're using one third party app to do this piece of it. But then we have this other third party to do this piece. And now I've got this other system that I've got to jump to do this part. And then I've got to fill out this paper here to do that. Right? So it's a hodgepodge of systems that don't even talk to each other, right? So when you can consolidate and bring in multiple areas like that into one location, just one app that the guys have to use and it all integrates with your accounting system, that's huge. You know, safety first, like you said, I mean, yeah, it is critical. It's required, you know, by law and in so many places and times where they have to be able to do this, they have to be able to do that. So... having a system where not only

are you tracking their time and labor, but you can also use that for your safety forms, for your change orders, for your inspections, for your toolbox talks, whatever it might be. Again, all in one place in one app, pretty impactful. You're going to be hard pressed to find a solution like that to that level and to that degree.

Mike Merrill:

And you used a magic word that we hear a lot in the industry, and that's integration. And to different people, that could mean different things. I think everybody has their own definition or their ideal is, man, everything just talks to each other and nobody has to do anything. You do it once and the data moves everywhere. When you talk about integration, what does that look like and what can companies expect and enjoy from an application like this?

Ron Craft:

Yeah, that's a great point. And I love the way you said that because it's so true. The word integration means something different to everyone, right? We had a company here a couple of years ago where they were looking at a time tracking system, another company, one of our competitors, right? And they were trying to integrate with their accounting system. Well, after what was it, 30 days, a month or more of not being able to integrate, the customer finally came back to us and like, hey, we were trying to do this with this other company, they told me they could integrate. It's been over a month now. They haven't even done anything. Can you guys integrate with our accounting system? I kid you not. Two hours later, we were integrated. We got on the phone, we were integrated. Now what does integration mean?

To some, and this was the case in that other company, it was, okay, you need to download a file from your accounting system. Now you need to take that file and then upload it into our system. And then when you're done, we're gonna download this file here, and then you have to upload that here. So is that integrated? Well, maybe in some eyes. For us, again, our goal here is just to really streamline an automate processes. And so what we're able to do, really another thing that sets us apart is integration is a direct connection to their accounting system. So we have the ability and we've done this with over a hundred different accounting

systems and payroll services where we can make a direct connection to the database for their accounting system and then automatically import jobs, codes, employee data, equipment. So whether that's Sage, QuickBooks, Foundation, ComputerEase, Acumatica, whatever flavor of accounting system you've got, WorkMax is able to make a direct database connection to really and truly automate that passing of data between systems. Again, which is huge. If you're gonna be doing something, let's do it right. Let's truly make it a direct automated connection and not a still a manual process that has to be done.

But yeah, being able to pull that all together and have the systems talk to each other is huge. Again, it's one thing to look at a time tracking system or a technology and say, yeah, that's great. Then it's cool and it'd be great to be able to do this and that, but if we have to still do manual work on our side to get it to talk to these other systems, right, I mean, so yeah, integration is, I would say,

One of the other key things that companies are looking for is being able to have that communication between systems easily and seamlessly.

Mike Merrill:

That's a great description. That makes a lot of sense. So again, you're approaching a decade and experience in this particular niche of the construction focused industry. What are some things that still surprise you a little bit? And then also, what are some things that you just have seen evolve in that time period since you started?

Ron Craft:

Yeah, you know, yeah, to your point, you know, I've been here in this space in this industry for going on a decade now, but my background actually is technology. So I've got a bachelor's degree in computer science and programming. So I've been in technology and all of that for 20 plus years now. And what surprises me is, but it's also the part that I love about it is that again, like I mentioned construction in general has been so slow to adopt technology. And it's fun for me to have the conversations and really open the eyes to these companies to show them what we can do and what's possible. But it does surprise me still to this day. I

talked to companies who, they're 500 plus employees, a thousand employees, and they're doing everything manually on paper. I'm like, what? Are you serious? Like, and so it, although that it's what surprises me the most, it's what I enjoy the most as well, because when I'm able to show them how simple and easy this is, right, and, and then the results of that, that it's fun, it's great. And, you know, they love it. And it's a huge, huge impact for them as far as their overall business, you know, they're able to now scale and grow take on bigger jobs and bids and stuff like that. So there are some, I would probably say that's probably the biggest surprise is, you know, when I talk to these companies that are still doing everything manually, but that's the part that I enjoy the most about it too, I'd say.

Mike Merrill:

Yeah, so when you talk to these companies and you actually have the opportunity to work with someone and get their response, what are some of the most common aha moments that you get reported back to you that companies say, oh my gosh, this, or wow, I couldn't believe that? What are some of those things that you hear?

Ron Craft:

You know, it is, it's pretty eye opening. You know, I hear so many times, you know, when I go through a product demo and I show them, okay, when they clock in, look, we can track capture their GPS. We can capture their facial recognition and make sure there's nobody punching. And I hear it so much, oh, my guys, you know, I trust my guys, they've been with us for 10 years, 20 years or whatever. And my response is, that's great. I mean, sure, you wanna trust, but you also wanna verify, right? And so, it's eye-opening so often for these companies when they do start using some of those features and they're like, oh wow, I had no idea that my guys were clocking in and out outside of the job site. Or why is this red alert here showing me that that's not George that's clocked in? So I mentioned it earlier, is that data is king. And so being able to get to that level of detail and visibility is pretty impactful. And you don't get that when you just have guys writing their hours on paper, right? So it's pretty eye-opening to them just in that aspect. But I would say the bigger one is because now they have all this data disinformation, now they can do things with it, right? Now they can

analyze it. Now they can get visibility of where are they with their jobs, right? I mean, as far as their current pace and how they're trending. I refer to that piece of it as like the scoreboard. You know a lot of these guys, all these guys, I mean they're out in the field, they're heads down, they're working hard but they don't know if they're winning or losing, right? But if you give them a mobile app where it shows them in real time job progress and productivity and they're able to see, hey guys, we were behind on these tasks.

So now we can pivot and they can allocate resources and stay on top of the budget. That is, I love it when I go through a product demo and I'm showing a company and I'm talking with business owners and here's the time tracking which there's a million apps out there that'll do time tracking. But what are they doing with the data? And so when I can show them, hey, you're clocking in and out, sure, that's great.

But now we're doing something different here. We're showing you live dashboard views in real time where you're at with your jobs. You're not having to wait till after payroll a week later or more to find out that you're behind. And that is, like I said, eye-opening. That's the aha moment. They're like, holy cow, wow, you should have led with that, right? I mean, that should be like splattered all over your website and with your product, because it is, it's true and the thing is, I mean, that is the aha moment, but only for certain individuals, right? That's definitely more of the executive team, the management team and things like that. For your field guys, they're just heads down working and they're not so much concerned about that. But when you're talking to the right people, you're talking to the owners, CEOs and CFOs where they're seeing the numbers, that's a huge, huge aha moment where they're getting that level of detail in real time.

Mike Merrill:

That's awesome. So obviously you shared some ROI stories. You talked about the Intuit report where half the companies are admitting openly that we know we're not accurate. We know we're just reporting general numbers, round numbers. I'm from construction also, and we used to refer to it as pencil whipping and basically moving money around from one budget to another and borrowing and so when the job costing reports are completed, the data is really

not accurate. I mean, you know what the bottom line number might be, but you don't know where you lost what and to what degree. And so you really don't know what to fix or address or improve. And so you continue on down the track, doing things the same way you've always done them. I'm hearing that this tool will keep you from doing that and let you make physical actual adjustments as you go that will actually improve the bottom line and add dollars to the bank, right?

Ron Craft:

Yeah, you know, it reminds me of another company where they, you know, what was their industry? What were they? They were a sub, a specialized subcontractor. But when they started using our system, they started tracking the data and they started getting that level of visibility. What they saw was, hey, you know, we're really good at doing this. We're killing it. We're making money. But over here doing this task, we're losing money like crazy. So you know what? They stopped doing that.

They subbed that out, but they would never have known that if they didn't have that level of detail, that visibility, right? So yeah, I mean, it can change your business for the good. Right, again, you're able to see what we're good at, where are we making money, but also, what are we not so good at? What are we not making money with? And it didn't change that. So that was a huge impact for that business is they were able to identify what they're good at and what they're not good at, and then actually even stop doing that altogether because they were just losing money with it.

Mike Merrill:

I love this. I think, I mean, you've hit this really well. You've talked about ROI. You've talked about the value. You've talked about what people are doing that isn't working, how they can improve it and what that looks like. What is the one thing you really hope companies take away from this discussion today?

Ron Craft:

Yeah, don't be scared. Don't be scared of technology. Sure, you know, it's kind of an older generation. Sometimes, you know, it's a family business. And, you know, my dad's been doing this when his dad was

doing this, and we've been doing the same way for 50 years. Don't be scared of technology and embracing that. One, because one, we're seeing a younger generation coming up, you know, in the industry.

Mike Merrill:

Mm-hmm.

Ron Craft:

Right? All of these guys that are, you know, coming out of trade schools, that are graduating with a construction management degree, you know, they're used to technology. They all have smartphones and devices. So that's part of exactly, right? Like that's what they're used to. And, you know, for them to come out of school, trade school, and all these other, you know, programs where they're using technology, and then they start at a company, where they're doing everything on paper. And it's like, how disheartening is that for them? How that's demotivating for them to say, really, is this what I signed up for? And then we lose them. They go somewhere else because they didn't have those tools that they need. So don't be scared of technology. Embrace it. It's going to do amazing things for the business, for your employees, for your bottom line.

So yeah, that's what I would say.

Mike Merrill:

Well, and to wrap that up, I think the beautiful thing about that, and I know, you know, you and I both know, of course, we've dealt with these same thousands of companies. You now have resources to take better care of your employees. You have extra money left to reinvest in them and better benefits. Yeah, rewarding them appropriately. And then you're all winning together and nobody's, you know, taking advantage of a situation. You're really...

Ron Craft:

Incentivize them, yep, yep.

Mike Merrill:

working as a team and rowing in the same direction.

Ron Craft:

Yeah. And you know, I, again, I love having those conversations. So, you know, anyone who this is hitting a chord with, or, you know, it's something that of interest or, you know, we would like to hear more about this or how can we do this or a lot of times, you know, companies think, oh, we're special, we're unique. There's no way that that's going to work for us. You'd be surprised, right? I mean, let's just have a conversation, right? I, you know, give me a couple of minutes. Let's talk about

What are the needs? What are those challenges that you're trying to solve for and how can we help? Because I can almost guarantee that there's gonna be a solution there for you by implementing technology like this.

Mike Merrill:

Beautiful Ron, well thank you, this was so much fun. I've really, really enjoyed today and hearing some of your insights and the wisdom you've gained in your history. So, appreciate you coming on.

Ron Craft:

Yeah, no, it's been great. Appreciate it, Mike. Thank you.

Mike Merrill:

I'll talk to you later.