

Productive Estimating Keys Future Growth for Kortman Family Business in Phoenix

"We've done more than 170 projects using McCormick's Win 6000, since October 2000," says Kerwin Kortman of Kortman Electric, Phoenix, AZ.

Up until recently, Kerwin, one of four family members running the company, was the company's only estimator. His dad, Roger, founded the company exactly 20 years ago (March 1983). The company's assets at that time were what was in Roger's head (he had 20+ years in at the time); the eager assistance of another son, Ken; and a service truck.

Today, Kortman Electric specializes in public works jobs, with more than 40 field people on jobs supported by eight at company HQ—an office building into which the company moved last year.

With public works as its specialty, getting bids out the door is a prime company concern. Of course, it doesn't win every bid! But the company plans to grow significantly in the next five years. One path to that future is to look at, and bid on, more work.

"Of course, there was, and is—and probably always will be—a learning curve with McCormick software," Kerwin Kortman says. "But back in 1999, when we had two estimators working with paper and/or Excel, at most we got out two bids per week, on average; most of the time, less.

"Today, with only one estimator, we're bidding on two to three projects per week. And we'll do more." In dollar terms, Kerwin has used McCormick's estimating software to help the company win 10% to 15% more work annually than the company previously did with two people...and no McCormick.

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The Kortman Electric braintrust, from left to right: Karl Kortman (VP/CFO), Fran Martin (VP of Materials Management), Ken Kortman (CEO), and Kerwin Kortman (VP Senior Estimator).

Highlights

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Looking At Construction—Seven-Year View

Thanks to the annual release of data from McGraw-Hill Construction's Dodge economists, we've been able to put together the "picture" below of construction nationally going back to 1996. According to these data, volume in the construction industry grew by almost exactly 50% from 1996 to 2002. Data for last year are preliminary estimates; the 2003 column is a forecast. Numbers are not adjusted for inflation. These are Dodge's figure for "construction starts" in each year; generally, they do not include mid-sized to smaller modernization and up-grade jobs, and completely ignore maintenance sales. ✕

Volume and Percent Change in the Construction Industry: 1996-2003

	1996	1997	1998	1999	2000	2001	2002E	2003F
Total Construction	332.0 +8%	362.3 +9%	405.6 +12%	448.3 +11%	474.3 +6%	496.2 +5%	498.9 +1%	495.1 -1%
Single Family Housing	128.6 +17%	130.0 +1%	152.3 +17%	164.3 +8%	176.9 +8%	186.8 +6%	204.0 +9%	203.3 0%
Public Works	62.7 +3%	67.4 +8%	67.9 +1%	74.2 +9%	78.0 +5%	83.9 +7%	88.2 +5%	85.5 -3%
Electric Utilities	2.4 -34%	2.4 -3%	3.4 +43%	9.4 +180%	13.5 +43%	23.7 +75%	14.5 -39%	11.0 -24%
Income Props.	69.8 +9%	83.5 +20%	101.6 +22%	108.4 +7%	113.0 +4%	103.0 -9%	92.5 -19%	94.2 2%
Institutional Buildings	55.4 +3%	65.1 +17%	68.3 +5%	80.6 +18%	84.0 +4%	90.7 +8%	93.8 +3%	94.7 +1%
Manuf. Bldgs.	13.1 -5%	14.0 +7%	12.1 -14%	11.4 -6%	8.9 -22%	8.2 -8%	6.0 -26%	6.4 +6%

Source: McGraw-Hill Construction/Dodge

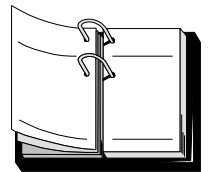


Did You Know ... The DATABASE MAINTENANCE is initialized if the Estimating program detects any kind of improper shutdown when reopened. This is for your protection. The User will be prompted to run the REPAIR & COMPACT function. This should be done for ALL the databases, especially the PARTS and JOBS.

The DATABASE MAINTENANCE should NOT be run if any User is currently in the program. This could cause numerous CONFLICTS, including CORRUPTING any jobs the User is in. Also, it should NOT be used to backup individual jobs for transferring to another system. It does NOT archive the job in a way that another system will be able to read it correctly.

Baltimore Training

As you may know, McCormick Systems now has regularly scheduled training in the East as well as the West—thanks to veteran trainer Erle Howard. Here are the next two standard training classes that Erle will run in Baltimore, MD:



March 20-21 and April 24-25

For more info on these or future classes, please call us at 800-444-4890. ✕



Did You Know ... Choosing the DELETE button in the Jobs screen will delete whatever job is highlighted in the list. You are prompted first to choose YES or NO, and if you choose YES, the job is completely and permanently deleted, and cannot be recovered in any way!!!

Continued from page 1.

Growing in the Past

Roger and Pat Kortman have four children. One daughter (Kim) and three sons (Karl, VP/CFO; Ken, the CEO; and Kerwin, VP/Senior Estimator). With Roger fully retired now, those four Ks run the place. Kim is represented by her husband, Fran Martin, who is a vice president and in charge of materials management.

After a bad experience with an initial estimating system (not from McCormick!) in the 1980s, the company estimated using pads and paper for years. As the company moved to computerized office work, estimators began using Microsoft's Excel spreadsheet. So while the Kortmans didn't use electrical estimating software for most of the 1990s, company employees became comfortable with Windows.

"With our Windows experience, McCormick was not a difficult program to learn. But as a small shop, we couldn't make the switch all at once," says Kerwin Kortman.

"I would say we're still transitioning, even though two years have gone by, and we'll continue to transition. For example, I have not implemented the scheduling features. We will—but there hasn't been sufficient time. From what I can see, as we grow, we'll put more of those McCormick capabilities to use."

Growing Now!

In late February, Kortman Electric hired a second estimator. As you read this, the company is beginning to use McCormick's multi-user network estimating capabilities. But there's a lot more to pursue.

Kerwin Kortman notes, "In our system, my main job is to put together the best estimate, one that our top people can review, and use to submit winning bids. But

there is a secondary function, which we will pursue now with a second estimator.

"It's one of the more productive things we will be doing: We want to provide more information to the field of what our estimate really looks like. We want to make sure the foreman gets a deeper understanding of how we estimated the job to be built—how the estimator put the job together." Additionally, Kerwin hopes to spend more time creating assemblies and refining the company's proprietary databases. And then there's that growth imperative.

"We will, of course, continually be changing the database to accommodate what we do best, public works. For example, we're working on the new Public Safety Complex in Gilbert (AZ). It's a \$34 million to \$36 million job, of which about \$3.4 million is electrical," Kerwin Kortman says.

In fact, the Gilbert job is one of the biggest in Kortman's company history. Overall, the Kortmans think their sales volume puts their company among the top 15 Arizona electrical contractors.

Kerwin also hopes to spend some time "catching up" with McCormick software capabilities. "We don't regard these things as optional or 'nice to have' functions," he says. "We will to continue to learn, and always expand what we are doing. We're still a growing company, and we need to automate as much as we can.

"There are always new features being released from McCormick that will make us more competitive on estimates. We may not use those features currently, but we will in the future. It's one of the ways a company our size can take on more work."

Why? Well, there *are* very specific business reasons . . . and this: "I've asked for a 52-inch plasma screen monitor above my plan table," he voices jokingly. "But for some reason, my request order has been lost somewhere between the accounting department and Purchasing?!" X



Did You Know ... The WORKSPACE button "snapshots" include only the TAKEOFF windows. The "snapshot" will NOT include the AUDIT TRAIL. Once the User has created all anticipated shortcuts, it is possible to "snapshot" the WORKSPACE window with the AUDIT TRAIL so any shortcut selected will then include the AUDIT TRAIL on the screen.

Estimator's Corner

Setting Up "Hot Link"

Hot Link is a utility for importing items and their specifications from "I2 TRA-SER Full-File" databases. This brief column covers upgrades—for those who do not have a "Hot Link" button. Here's how to set up "Hot Link:"

1. Click on Edit/Security.
2. For each Group and/or user select "Database" under the Area pull-down arrow.
3. Check "Hotlink Permanent Items from Trade Service" and/or "Hotlink Temporary Items from Trade Service."
4. Close Security.
5. Click on Edit/Keyboard and the Description should be set on "1 Window Takeoff."
6. Under the Shift pull-down arrow—select "Shift."
7. Under the Key pull-down arrow—select "H."
8. Under the Pre-Defined Action pull-down arrow—select "<TSP_HOT_LINK>".
9. Click on Takeoff/New Items List/1.
10. Expand the window so the Items can be read. Click on the "Review" tab, and expand the window so the Specifications (Price 1, etc.) can be read.
11. Right-click on an unused Tool Bar Button. Enter the name "Hot Link." Click "OK."
12. Right-click on the new "Hot Link" button, and Left-click on Snapshot
13. Right-click on the new "Hot Link" button— Left-click on Key Board—and Double Click on "1 Window Takeoff." ✕

Next month: More on "Hot Links".

Get Windows Training Now!

Standard Estimating

The class is structured to take you from "Job Startup" through " Bid Summary". It provides in-depth instruction, including good manual experience and "brush-up" exposure for those who want to get more out of the product.

Advanced Management

Designed for the database manager or chief estimator, this class drills down into the bottom of the program. You will learn how to build specification formulas, write reports and reports formulas, and more. Before taking the class, you should be proficient in all takeoff phases of the product and understand your company's needs.

Upcoming Schedule

Unless specified, all classes are at the training center in our office in Chandler, AZ. Classes start at 7 a.m. and wind up about 4 p.m. daily. We make hotel reservations using information from the registration forms sent in from participants. We must receive your registration form in order to reserve a space in our class. To obtain a registration form, call 800-444-4890. ✕

March 20-21 (Baltimore, MD)
Standard Estimating

March 31-April 1
Pre-Conference Training Class
Standard Estimating
and
Advanced Estimating

April 24-25 (Baltimore, MD)
Standard Estimating

April 30-May 2
Standard Estimating

May 7-9
Standard Estimating

User's Conference: It's Not Too Late...

McCormick's 21st annual User's Conference begins April 2 in Chandler, AZ. Contractors and estimators who have attended past events tell us their estimating productivity—and, in the case of larger companies, the work of entire departments—has ZOOMED as a result of what they've learned. Note that the learning goes on in our meetings, in informal discussions between users, and in our on-site "lab," where you can arrange one-on-one sessions with McCormick staffers to get problems ironed out...or, even, "I always wondered"-type questions answered. Time IS short. Call Jody Dougherty or Loriel McCormick **today** at 800-444-4890. ✕

