



JANUARY 2009 NEWSLETTER

THE NATIONS LEADER IN ESTIMATING SOFTWARE

Enertech Gives Itself Competitive Advantages

McCormick Newsletter

Construction/ Technology Links

[MHC BIM Report Shows Growing Demand](#) – a 12/2/08 release from McGraw-Hill Construction on its new *BIM SmartMarket Report*. Download the 48-page (PDF) BIM report from MHC – free – [here](#).

[Reed Construction Data](#) says the rate of adoption of BIM “has increased significantly over the last 12 months.”

[Is BIM ready for prime-time engineering systems?](#) – a roundtable (printed in the December issue of *Consulting-Specifying Engineer*) on how mechanical, electrical, and plumbing systems fit in the BIM scheme of things.

[Journal of Building Information Modeling](#) – free downloads of entire issues.

[Building Smart Alliance](#) – a great deal of information provided here.

[10 Questions to Ask About BIM Objects](#) – an article written from a manufacturer’s point-of-view.

[SmartBIM Library](#) – a service from Reed Construction Data.

Training Dates



Upcoming Standard Training Classes in ARIZONA are set for Feb. 4-6, Feb. 18-20, and March 11-13.

Upcoming classes in Columbia, MD, include Feb. 18-20 and



By Joe Salimando

Exclusive for McCormick Systems

Greg Haren, CEO of Enertech Electrical, Inc. (Lowellville, OH – www.enertechelectrical.com) tells a story that makes a strong case for becoming active in your local or national association, whatever it may be.

“Sure, there’s no question that being active in an association means you have to go to more meetings,” he notes. “And some people hate meetings, and so taking on more of them might not seem logical.”

“But I make more money by going to these meetings and getting ideas. I talk to people, I listen to people. I make more money with the ideas that I get at these meetings than I would if I stayed here and spent the time taking another job off!”

Enertech averages around \$9 million in electrical work annually, although it has bonding capacity on up to \$25 million. Haren is active with the Independent Electrical Contractors; 2009 will mark his fourth year on the IEC National Executive Committee (he’s now Senior Vice President).



Enertech’s “sweet spots” include schools and wastewater treatment plants (the above is one of the latter).

April 1-3 (both of them are Standard classes).

We've added **2009 training dates** [training dates](#)

Training can be "suit-cased" to your facility. We can tailor our training to your needs. Ask us about customized training at your site!

Call to register for any of the above classes, including those in Maryland: 1-800-444-4890.

We've posted training dates, directions to our training facilities, and registration forms on our Web page. Click the "Education" button on our home page, or go directly to this link: [Education](#)

A Valuable Lesson Learned

His involvement with IEC has already produced significant benefits, Haren says. "I was on the board a few years ago when IEC brought in a strategic consultant who came in and facilitated a meeting of the board on strategic planning. We worked on a strategic plan for the association and also for the Foundation."

"I saw how it worked. I saw what the end-products were. It seemed like something we should do."

Result: That same consultant was soon working (more than 18 months ago) with the decision-makers at Enertech.

While this isn't the place to detail the changes the consultant's efforts have produced at the company, Haren sums it up: "She helped us to understand how some of us had to work on the business rather than working in the business." Specifically, that meant that Haren himself had to get out of day-to-day operations, force himself to step back, and take a different role.

"I'm concentrating more on the company's financial aspects, for example," he says. "I'm working on marketing, chasing more private work."

What's been more important in this effort than one might think, Haren adds, is the role of McCormick Systems software.

Estimator Ramps Up Quickly

"We're finding with the McCormick software, because of the accuracy and the ease of learning it, that we are organized in such a way that I don't have to worry about the numbers," Haren claims. "I can allow my brother, Gary, to come in here as an estimator – he only came inside back in March – to bid million-dollar jobs."

"He does that, and I don't have to be nervous about it."

In fact, as is usual with brothers, there's an estimating rivalry of sorts going on at Enertech, an interesting story. Gary Haren had been a field foreman for the company, but worsening knee trouble (occurring after brother Greg was implementing the new strategic plan) led to a change in roles.

"He learned the system extremely fast, and very well," Greg Haren says. "Almost right off the bat, we were winning most of the jobs he was bidding. He became really cocky!" But it's not boasting if you can do it: Many of Gary Haren's bids came in just a hair lower than the second-lowest bid.

According to his brother, Gary's winning bids have averaged being only 3% lower than the second alternative – enough to win the job, but not so low that the company had instant regrets at getting the project.

One additional note: Greg Haren says that McCormick's support system has helped Enertech go faster with the estimating software. "When we have a problem, I might get upset with myself. I call in, and it's extremely pleasant. The people on the McCormick end of the phone are extremely knowledgeable on their product."

"If you wanted to sum it up, they are computer geeks, but they don't get upset with a guy like me – who is a computer illiterate!"

Using The System

Enertech is a 27-year-old company; Greg Haren came to work there in 1983, as electrician #4. The company at that time was grossing around \$250,000 annually. These days, it averages 35 electricians.

"We know what our niches are," he says. "We don't chase the \$50,000 projects, we find we're not competitive there. We try to focus on the \$1 million to \$5 million range. It helps that we also own a mechanical contracting company."

One important factor, the company's executives feel, is having a good feel for the numbers. That's where McCormick Systems software has come in, with some extra effort by the company.

"We track a lot of the final numbers, such as the square footage costs, the ratio of men to dollars by type of job," says Enertech partner John Donofrio (who is also Greg's brother-in-law).



Hitting <insert> on the keyboard allows you to create spaces in the database for items or assemblies you feel need to be added. (with appropriate rights).

Copying an existing item into these new empty slots and adjusting them is much quicker and easier than starting from scratch

Added spaces cannot be deleted, only moved to the bottom, so always back up your database before starting any database manipulation.

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“And we do a spreadsheet of every job that we bid. We compare it to our other jobs. We’ve been doing this for the past couple of years.”

What does that do for Enertech? “If someone hands us a high school building that’s around 150,000 square feet, because of our experience – with what we’ve gotten out of McCormick’s software, in terms of labor and material costs, and costs-per-square-foot – we can tell you what that job is worth before I open up the first page of the bid documents,” Donofrio explains.

“Our plan from here is continuing to grow – nice, steady, slow growth. There are a lot of people out there who don’t have a good handle on what they’re bidding. They don’t know what the numbers are. They’re not accurate. They don’t have confidence in their own bids.”

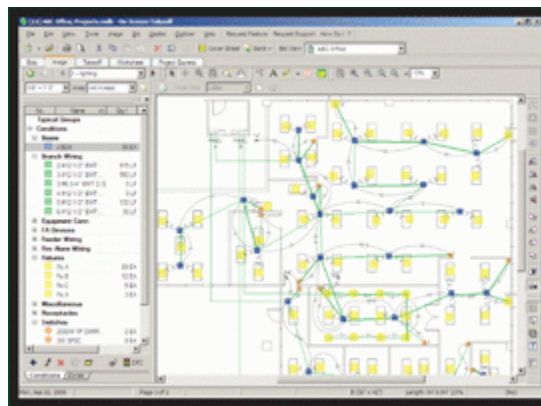
“In times like these, those people aren’t going to be in competition with us for very much longer. Our competitive advantage is that we have a good handle on what’s happening. That’s thanks at least in part to McCormick. And we think, in the next months and years, it’s going to pay off even more.”

ShowStopper Award – #11 – To McCormick For On Screen Estimating

Electrical Contractor magazine has notified McCormick Systems that our new product at the 2008 NECA Show, On Screen Estimating, has been chosen as a “Show Stopper”. On Screen Estimating is an interface and database between the On-Screen Takeoff product (from On Center Software) and McCormick estimating programs.

That’s the magazine’s program honoring the top new products introduced at the NECA Show. A full list and write-up of winners will appear in the January 2009 issue of *Electrical Contractor* (to be posted later this month to www.ecmag.com).

It marks the 11th time in McCormick’s 30-year history that a recently introduced product from our company has been honored by *E.C.* with a “best-in-show” award (earlier called “Contractor’s Choice”).



Where You Can See Us In Early 2009!

1 – We’ll be at the BICSI Winter Conference, Jan. 19-22 in Orlando, FL. You’ll find us in Booth #706. [More info here.](#)

2 – You’ll also find McCormick Systems at the Electric West show, March 18-20 in Las Vegas. Go to Booth #300. [Click here for more.](#)

***Don’t forget the McCormick Systems User’s Conference,
April 22-25 in Phoenix, AZ.***

User's Conference '09 Preview:

You Asked For It!



Many customers have asked for more advance information on the 2009 User's Conference, to be held the week of April 20 in Scottsdale, AZ. Here is what we have so far!

Monday, April 20 & Tuesday April 21

Yes, the conference officially does NOT start until Wednesday. However, we will hold pre-conference training – a Standard Training Class and an Advanced Training Class. Each runs 7 a.m. to 4 p.m. at the Conference hotel (Embassy Suites, Scottsdale).

Wednesday, April 22

MORNING: McCormick Masters Golf Tournament at the Stonecreek Golf Club. Shotgun start @ 7:30 A.M.



EVENING: The User's Conference gets its "official" start at 7 p.m. with our Opening Reception (at the Embassy Suites). It's a chance to meet new friends and check in with those you've met before. Runs to 9 p.m.

Thursday, April 23

Day One of the conference starts at 7:30 a.m. We have a full day's agenda in preparation, including a detailed overview of enhancements, an in-depth review of how you can use McCormick estimating software to produce faster, better estimates, and much more.

Additionally, our **Computer Lab** will be open from 9 a.m. to 5 p.m. We'll have at least 20 computers, all loaded with our software. Try what you've learned. Or: Ask one of our people to help you review your questions on our software. OR: Put some hands-on time in with our new products!

Friday, April 24

Day Two of the conference begins at 7 a.m. This full-day agenda includes our "What's Next" session (we ask you what you'd like to see in terms of future enhancements – and we listen!). The Computer Lab is open 7 a.m. to 3 p.m. today.

Our group dinner takes place at 6 p.m. this evening.

Saturday, April 25, 2009

Official User's Conference events end on Friday afternoon, but we'll keep our Computer Lab open (and our people on hand) from 7:30 a.m. until Noon today. If you need more in-depth hands-on time or have specific special questions for our trainers, they'll be there to help you (as will all of the Lab's 20+ computers).

Ready to reserve your spot(s)? Call us (800 444 4890) for more information or to register!



Version 9.1: What's New & Different



As long-time McCormick Systems customers know, we're constantly enhancing and improving the basic estimating software product. Recently, V9.1 of the McCormick package rolled off the line. Here's what new for you:

- You now have the ability to attach PDF files to your Job and System documents.
- You can now create custom Bid Summary report layouts – and save them. Now the Markups

can be shown on the first page.

- A PowerLink interface to Autodesk Subcontractor software now is available to you.
- Additionally, there is the new, added interface with On-Screen Takeoff (see above news about our ShowStopper award!).
- Our software now works on 64-bit operating systems.

Additionally, our programmers have been at work behind the scenes, enhancing the system so that it runs faster. V9.1 is now the up-to-date McCormick Systems estimating software – put it to work for you!

PERSPECTIVE

December items from www.eleblog.com

Smart Green Buildings

(posted Dec. 31) The title of this post is the title of the December "[Bottom Line Energy Issues](#)" column written for Buildings.com by Lewis Tagliaferre. This resonated with me for four reasons:

- a. I like the idea of "smart" green buildings, I think the modifier (smart) is needed.
- b. In 2007-08, Marty Riesberg (of the National Joint Apprenticeship and Training Committee) and I collaborated to present three sessions (at three Natl. Assn. of Electrical Distributor regional meetings) on "Smarter, Greener Buildings."
- c. Lew Tagliaferre was marketing services director at NECA when I got there the first time in 1979. He worked at NECA for 27 years. I learned a lot from him.
- d. I liked what Lew said (which, given a-b-c above, should be not much of a surprise). Here's a slice (a bit long, but it makes important points): Here's a piece from his column:

As the technologies of smart buildings and smart grids meet, they'll provide huge benefits in terms of more efficient energy use, integration of on-site energy demand and generation with the grid, and better-functioning buildings that are better and safer places to work and live.

Automated green buildings represent a significant opportunity for energy efficiency and mass-scale renewable generation, as well as automated demand-response (DR) systems: While some demand is shifted to lower-cost, off-peak times, the peak power generation that's avoided often comes from the most polluting power plants. The systems that enable DR are a cornerstone of overall energy-efficiency programs – they provide detailed energy use information that makes for smart energy decisions overall.

Until now, a building manager gets a call from the utility and literally walks around to turn off equipment and appliances. Smart, green buildings will have digital control systems that automate the process. A new green-energy ecosystem will be the result.

Coal Plants Don't Get Built

(posted Dec. 21) An 11/23 AP story on the Pittsburgh Post-Gazette site offers this interesting perspective (in the 15th paragraph) on [coal-fired power plants](#):



The Department of Energy had forecast earlier this decade that 36,000 megawatts of new coal-fueled power supply -- enough to power an estimated 36 million homes -- would come online by 2008. Instead, only about 5,000 megawatts of supply were built, or enough for about 5 million homes.

In the last two years, 76 coal plant proposals have been abandoned or postponed, according to the advocacy group Source Watch. In 2007 alone, that amounted to more than \$45 billion in shelved projects, the group claims.

Construction Documents & Claims

(posted Dec. 14) I've been "around" the construction industry since 1979, more or less. I can't tell you how many presentations I've sat through, and how many articles I have read in magazines, AND how many I might have edited myself, on the importance of documents in the construction claims process.

Much of the stuff I've edited and/or read and/or listened-to has been about electronic instead of paper documents.

But recently I came across an article written for LAWYERS -- from Canada. Headline: "The paper trail: successful construction claims often rely on thorough documentation."

Consider the spectrum of project documents:

- contract documents (including general conditions, supplementary general conditions, specifications, drawings, soils reports and bonds);
- drawings (including tender set, issued-for-construction set, as-built set, shop drawings, erection drawings and coordination drawings);
- bar chart and electronic schedules;
- contemplated change notices, site instructions, price quotations and change orders;
- applications for payment and payment certificates;
- inspection reports and testing reports;
- minutes of site meetings;
- deficiency lists;
- correspondence, inter-office memos and e-mails;
- handwritten notes of meetings and telephone conversations;
- site superintendent reports (for example, daily reports, diaries and logs).

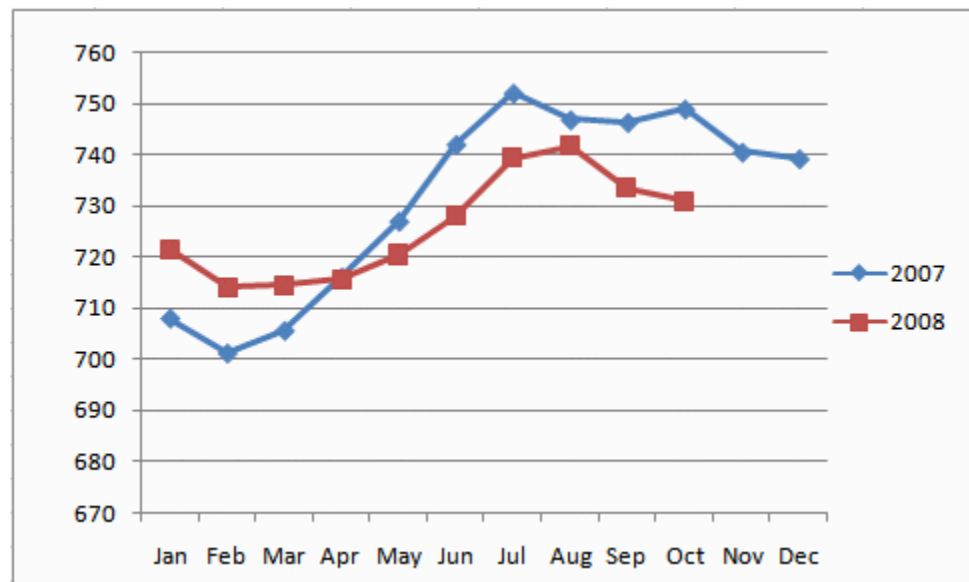
For a lawyer, this is a treasure trove of evidence that will assist in the prosecution or defence of a construction claim.

Here's how the article concludes. The piece is [well worth reading!](#)

"In baseball, the rule is that a tie goes to the runner. In a construction claim scenario, a tie goes to the person with the best paper trail."

Electrical Contracting Employment

(posted Dec. 5) Here are the month-to-month figures from the Bureau of Labor Statistics for "production workers" in electrical contracting. You have to multiple each cell by 1,000 to get the actual number -- which means, for October 2008, the figure was 730,900. The 10/08 number is subject to adjustment.



If you're comparing this number to the previous post on all-construction, you'll note that "something is missing." BLS provides the numbers for subcontractors on a one-month lag. So the next report, out in early January 2009, will include a preliminary number for November 2008 and a revised ("final") number for October.

For the month of October, employment in electrical construction was down all of 2.4% from one year earlier. The industry is still doing well, as electrical contractors are STILL doing work on nonresidential construction projects begun in late 2007 and early 2008.

The question is: What will these numbers look like at this time in 2009? I can't be precise, but my bet is they are going to look A LOT WORSE.