The ROI of Technology

David Francis
CTO/Co-Founder Innovative Construction Technology

About the speaker

David Francis

- Co-Founder / CTO of ICT
- 35 Years in Construction
- Held key positions with some of the top mechanical contractors as Foreman, General Foreman, Superintendent, Plant Manager.
- Has been using technology in all his positions since he started using CAD in 1986.
- Introduced and involved with Lean Construction in 2001.
- AGC BIM Forum MEP Group National Chairperson and MEP LOD Committee Chair.

Who is ICT

- ICT: Innovative Construction Technology
- Co-Founders Tim Duncan and David Francis.
- Developers of construction technology for use on job sites
- ICT Tracker is the first of the innovations
- Uses 3D models to capture installation status with augmented reality and Free Flight modes and delivering detailed real-time reporting data.
- ICT is leading the march in construction as it works towards finding digital solutions that will increase productivity and profits.
ROI In Technology

• One of the biggest challenges is to understand the value of certain technology and the cost benefits.
• Technology is not a physical tangible item like a tool, so it is hard to get people to see the benefits.
• The goal of this presentation is to discuss all the facets of technology cost and understanding how to identify and push technology within your company.

Learning Objectives

• Actual software vs labor costs
• Presenting value in efficiency gains
• ROI charts and using the right numbers
• Cost of training and learning curve
• Cost of customization and maintenance
• Documentation and in-house training
• IT Managers vs technologists
• How companies handle technology costs
• Owning vs. leasing technology
• Influencers vs decisions makers vs blockers
• Making it Their Idea

Goals of Technology

STREAMLINE PRODUCTION THROUGH LEAN
OPTIMIZING EFFICIENCY
OFFSETTING LABOR REQUIREMENTS
LEAN TECHNOLOGY
Actual software vs labor costs

- Understand the total cost of software
  - The software is typically the least of the cost!
- Software training
- Cost of customization and maintenance
- Documentation of process

Presenting value in efficiency gains

- How to identify value in technology?
- How to measure success?
- What are the bottlenecks?
- Use of ROI: Return on Investment

ROI charts and using the right numbers

- ROI charts identify the intangible benefits
- Do you have all the costs?
  - Training and your labor to be trained
  - Implementation
  - Customization
Hourly rate vs package rate vs crew rate

- Hourly is what they see on a check
- Package rate is true cost to company
  - Medical benefits
  - Vacations
  - Taxes
  - Burden
  - ESOP/401k
  - Bonuses/Perks
- What is your crew rate?

The cost of training and learning curve

- Understand true training costs
- Be realistic on the learning curve
- Technology is always changing

Cost of customization and maintenance

- Nothing works right out of the box
- Continue to sharpen the saw
- Every software in beta
Documentation and in-house training

- Give employees time to learn
- Keep documentation simple, make it visual
- Internal vs External Training
- Use A3 format for training

IT Managers vs Technologists

- IT Manager
  - Company standard for infrastructure
  - Not intimate with all technologies
- Technologist
  - Tech is about humans
  - Eliminate silos of data
  - Thinks strategy before implementation
  - Solves issues with processes

Understanding your companies' actual costs

- Technology is an overhead cost
- What is your technology budget?
- Who is paying for it?
- Who all does it affect?
How companies handle technology costs

- Burden rate
- Project rental
- Leasing
- DaaS: Desktop as a Service

Owning vs leasing technology

- Technology changes every two years
  - Moore’s Law
  - No, it is more like 6 months
- Leasing Equipment
- Renting Equipment

Example: Calculating computer rental cost

- Don’t forget software cost
- Don’t forget tech support cost
- Don’t forget labor
Influencers vs Decisions Makers vs Blockers

INFLUENCER: THE ONE THAT
PRESENTS THE IDEA TO
MANAGEMENT

DECISION MAKER: PERSON IN
MANAGEMENT THAT APPROVES
OR INHIBITS THE DECISION

BLOCKER: PERSON IN
MANAGEMENT THAT PREVENTS
Selling it to management
Empower them to make the decision
Answer their questions

Get Tracking
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