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
- Has held positions with some of the top mechanical contractors as Foreman, General Foreman, Detailer, Plant Manager, Constructability Manager, Site Project Coordinator, BIM/VDC 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 lead
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 processes to reduce labor
- Promoting efficiency
- Offsetting labor shortage
- 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
  - Vacation/Holiday
  - 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 is 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
  - Solve issues with process
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
  - Nope 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.

**Blocker:** Person in management that prevents or inhibits the decision.
Making it their idea...

• Selling it to management

• Empower them to make the decision

• Answer their questions
Get Tracking!
For more information on ICT Tracker

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