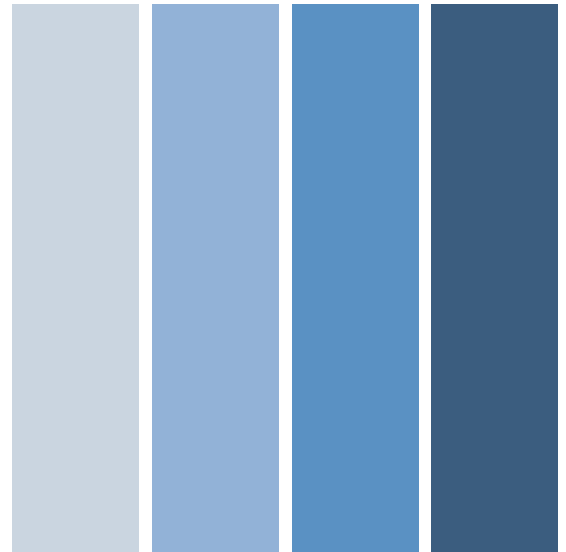


Don Chapin Company

Uses Hard Dollar to Deliver Projects 10% Under Budget



Local Contractor Contributes to Stability of Local Economy and Environment While Empowering Employees to Over-Deliver for Local Owners

Just 12 miles from the Pacific coast and overlooked by the El Gabilan Mountains, Salinas California has long been known as the "Salad Bowl of the World" for its rich agriculture and environmental preservation. Salinas draws worldwide visitors to its Monterey Peninsula, historic missions, world-class wineries of south Monterey County and Pinnacles National Monument. But tourism is second to Salinas' \$3.3 billion dollar agriculture industry, which provides both strong economic stability as well as quality of life for its residents.

"We estimate that one of our projects will come in 8 to 10 percent under budget... simply because we can determine where we are on the project at any given time - to the penny."

-Don Chapin, Don Chapin Company

Salinas-based Don Chapin Company has been contributing to the local economy and environment since the company was founded in 1978. Born from a very small operation focusing on residential utilities, the Don Chapin Company (Chapin) has grown to a full service general engineering construction company and boasts many impressive projects that contribute to the Salinas area community, including first-of-its-kind low-income housing created for the local workforce, City of Watsonville hiking trails, various park developments, and a number of local commercial business enhancements for economic contributors like Fed Ex and Best Buy.

The Los Padres National Park Fish ladder project at Camp Pico Blanco is just one of the public-facing



projects Chapin is bringing in on budget for the community. Working in conjunction with the Boy Scouts of America, this project will bring eco-stability to the fish living in the yawning streams and rivers running through the park, and also provides a place for local Boy Scouts to hold regular educational outings and community service.

Employee Empowerment, Technology and Reputation = Trusted Partnerships

The Don Chapin Company's growth from septic work to larger projects began with the award of a major water project which required connection of miles of water pipelines and a million gallon water tank. The successful completion of this project proved that the company was capable of managing large projects, and put them on the map as a major



public works contractor. But the company's focus on leadership, clarity of vision, sense of community and regard for employees as family have been the reasons Don Chapin Company will stay a leader.

Since the company added to its scopes of service, the company has continued to be a trusted service provider to private and public sector project owners, including the preparation and development of 54 home sites spanning 614 acres located in Carmel Valley for the Quail Meadows subdivision. Chapin went the extra mile to ensure that everything was perfect; the project was completed on time, on budget, and to the high standard and requirements of the client. As a result, the Don Chapin Company was honored with the AGC construction award for "Excellence in Client Service". This project broadened their scope of work as a major private works contractor, and now the company owns 4 ready-mix concrete plants, positioning themselves as a major player in the supplier market as well.

Technological Vision

In addition to a sterling local reputation, Chapin Company stays ahead of the competition by empowering employees with the best tools available on the market, and bringing clients the fastest and

highest quality project delivery. Chapin's technological vision drives the business and the culture of "employee empowerment". "Our employees enjoy using state of the art equipment and cutting edge technology that many of our competitors lack. This empowers our employees to be creative on the jobsite and very effective with their time. With field moral and productivity at an all time high, employees desire to stay with the 'Team in Blue.'"

Chapin has a technological vision unlike many small to medium sized contractors – they partner with their technology providers to be a part of the development of the tools they use to run the business. Chapin chooses only technology providers with a vision for integration and cutting-edge solutions that will accommodate Chapin's future system upgrades.

Employees are an integral piece of the technological vision at Don Chapin Company. By engaging its employees in more simplified processes that allow them to be more productive and produce better results, employees not only feel more a part of project outcomes, but can use technology for problem-solving and to increase project efficiency in order to positively affect project outcomes. "Having our employees engaged in the outcome of each project, makes productivity high and completes the job with superior results. The hard work and dedication of our employees makes our business better and it's what makes our company superior in our industry."

To that end, Chapin has created an enterprise "technology center" in their Salinas, CA office, through which all project data is integrated and processed. Chapin believes that the strong link between the corporate office and the remote field projects allows for more agile decision making and has created a competitive advantage for Chapin.

Speed Provides Competitive Advantage

Leading Estimating Practices

Any local economy relies on its service providers to keep it strong. That's why the Don Chapin Company is known as a "go-to" contractor when any project needs to get underway immediately. When asked recently to build a four million dollar project on a cost plus basis, GMP Contract, the Don Chapin Company

said "No Problem." The owners anticipated waiting more than a month to receive cost data for the work. To their surprise, cost data was available "to the penny" everyday. This service cost the client no more, yet gains the owner financial information in "real time" that allowed them to manage their project much more efficiently. "We showed the owner that our ability to track costs could help us identify where they could save money and help us get the job done quickly. With Hard Dollar in place, we're able to give the owner a service that no other contractor could."

"We anticipate higher margins because we're able to model more accurately. We have real rather than anecdotal info."

-Don Chapin, Don Chapin Company

A Complete Hard Dollar Solution: Leveraging Estimating Data for Project Management

However, Chapin has created a project management process that leverages the work done in the estimating phase to create efficiencies once a project is awarded. No longer are project managers required to recreate a budget from scratch.

Using Hard Dollar's Timesheet Management and Job Tracking products, Chapin's preliminary estimate and budget data is used throughout the awarded project, and the instant availability of estimate versus actual budget allows Chapin to prevent overruns and change orders as well as identify additional efficiencies to save owners project costs on a daily basis. "In the pre-bid meeting, we showed the owners just how fast we could provide them critical data on the status of the project. The Hard Dollar technology won it for us. While the owner expected 30-45 days to receive a preliminary budget on the first project, we delivered it in just one day."

The enterprise system combines Hard Dollar, Cheetah accounting and both Primavera and Microsoft schedules in order to maintain project costs in a fluid manner that allows for the immediate transfer of data from the project site via Hard Dollar Timesheets to the home office.

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Passing On Internal Efficiencies to Clients with Instant Time Capture, Job Costing and Resource Optimization

Through the integration of their project management systems, Chapin has empowered its employees with the best tools to achieve the best results. “The more difficult a system is, the quality and rate at which data comes from the field declines,” explains Chapin. More than twenty of the company’s foremen and field supervisors capture time and expense data on a daily basis and send it to the home office electronically. Field personnel can enter timesheets via laptop or even at home without wasting time or incurring costs driving or fed-exing the paperwork to the office at the end of a long day in the field.

“Our ability to move resources quickly is absolutely a competitive advantage since we waste no project dollars on over-or under-allocated resources.”

– Don Chapin, Don Chapin Company

“When implementing the Hard Dollar remote timesheet collection system, we felt we’d see the most resistance from our field guys. But now that the system is up and running, they are some of the program’s biggest advocates,” explains Chapin. Prior to implementing this system, each foreman was required to come into the office every morning to receive their paper dispatch orders, then circle back to the office again at the end of each day to drop off their paper timecards.

The system is so efficient that the organization only needs one dispatcher to do the work that previously required three. Now, field personnel receive dispatch assignments electronically each day and are able to have electronic timesheets prepared for them automatically from those dispatch orders. “This minimizes unnecessary trips to the office and helps to keep costs down and morale high,” commented Chapin. “At the end of the day, they just electronically submit their timesheets from the field, which we can review instantly here in the office. Once approved, the timesheet information is sent electronically to our payroll system, where paychecks are processed without

any duplicate or manual data entry. So not only are the foreman happier with this arrangement, but it cuts down on office overhead and frees up our payroll people to do other tasks.”

And because the time and resource data is available at the end of each day, job costing is a snap. “Job costing now plays a different role in our project management process,” says Chapin. “We’re now able to see and process the effects of costs and productivity, and we can see instantly the spent/available budget numbers at end of each day.”

Chapin can also move resources more quickly because resource information is available at the end of each shift – allowing for better planning for the next day. Chapin knows that this is just another way to become a top service provider for local owners.

“Our ability to move resources quickly is absolutely a competitive advantage since we waste no project dollars on over-or under-allocated resources. And the availability of daily costs and production rates allows us to change crew configurations and do other course corrections before work starts the next day.”

Building a Strong Company Future

With the current market and the competitive nature of our industry, Don Chapin is not following a specific growth plan, but is focused instead on refining and streamlining operations in the field and the office which will result in long term sustained growth.

During this economic downturn, Chapin actually anticipates higher margins because they are able to model costs and productivity more effectively, and when they are able to bring in a project under budget, they can use that cost and productivity model as a template for future projects and clients.

In the future, The Don Chapin Company looks forward to even greater efficiencies through the use of technology to create ticket systems in trucks that would load tickets and freight bills. They would also like to create a way for the Ready-Mix business to have batch tickets report back to the enterprise system in Salinas.