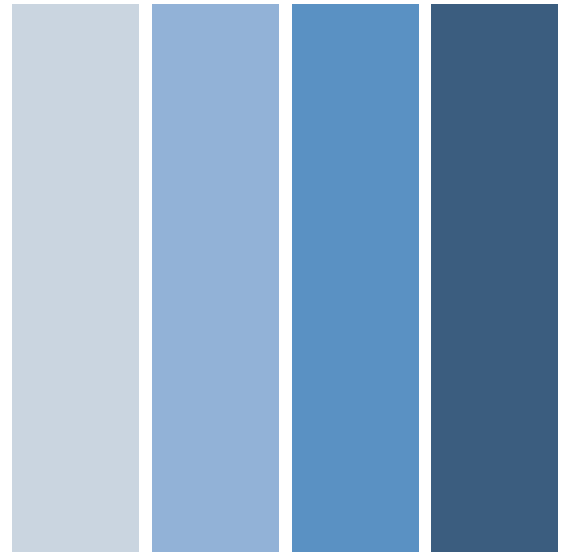


Erreca's Inc.

Staying Ahead of the Curve



Introduction

The philosophy of Erreca's ownership has always been to educate and empower its field managers so that they are qualified and well equipped to produce high quality, profitable jobs. In an effort to further this objective, in 2002 the management at Erreca's decided to move the company away from a paper oriented data processing system to an electronic, computer oriented one. There were numerous benefits to be obtained by this, the biggest of which was improved data reporting by the foremen to all job managers, located in the field as well as at the home office. Needless to say, the result has been an overwhelming success, with improved efficiencies and profits being realized almost immediately.

From Paper to Excel

In 2002, the introduction of laptop computers and Excel based timesheets provided Erreca's foremen "real time" daily cost reports for managing their crew's activity. The learning curve varied from one person to the next, but eventually all foremen learned how to record and submit their timesheets using the new technology. Once the foremen became comfortable with this new technology, it quickly became an invaluable asset to them. By using the Excel timesheets, they were now able to see their daily costs, and even run hypothetical projections for future activity costs based on their proposed crews. In addition to the immediate benefits realized by the foremen, these Excel timesheets were also able to be emailed to the appropriate field and office managers who needed this information in a timelier manner.



Although the transition from paper to electronic media paid immediate dividends on a variety of levels, it still remained a somewhat cumbersome and tedious process managing so many Excel timesheet files. Also lacking in this system was the cumulative reporting ability of Excel, as this process was not one which would provide the tools for Erreca's management to review and analyze job cost data in a project management fashion. From the foremen, creating, saving and emailing their timesheet files; to the payroll administrator using these files to process payroll; the entire system was much improved, but far from perfect.

Today, Hard Dollar software is now 100% implemented into Erreca's data processing systems, and although the software still contains a host of other features which may never be utilized by Erreca's Inc., it is providing the company everything it needs to successfully bid and execute projects. Detailed below, you'll see how all departments are able to utilize this asset to more effectively perform their job functions.

- It begins with an estimator or team of estimators, who use Hard Dollar to create an estimate / bid proposal for a given project. Countless new bells and whistles offering greater flexibility, customization, and ease of use make this process much improved over that of the formerly utilized EOS estimation software application. It should also be noted that the "real time" nature of Hard Dollar's design allows for all estimators to immediately see any changes made by anyone else working in that particular job. This provides for a dynamic and efficient work environment, with information being passed along immediately to the rest of the team.
- After a project has been awarded to Erreca's Inc., and work has commenced, the Timesheet

Collector application is used by the foremen to complete and submit their daily timesheets for that project. Remember, these time-sheets also serve as daily cost reports for the foremen. As soon as a timesheet(s) is delivered to the main office through the synching process, all authorized users, whether working in the home office or in the field, have immediate access to this information.

Throughout the execution of a given project, managers at all levels (owners, project managers, superintendents, and even estimators), are then able to execute and manage that project by using this “real time” job tracking capability. This is invaluable in assessing performance, making timely decisions, and building profits as the project unfolds.

Weekly payroll processing, which also involves the recording of equipment costs, is relied upon to be accurate and timely. Hard Dollar has turned this process from a 2+ day procedure, inherent with the possibility for errors and/or omissions, into a 3+ hour process, virtually devoid of errors and/or omissions. In turn, this has enabled the accounting department to produce weekly job cost reports from Timberline a good 2 days earlier than previously.

Executing with Hard Dollar

In 2005, the company went through yet another data processing transition. However this one was quite a bit easier than the first and the upside was exponentially better. An improved, revitalized construction software called Hard Dollar was introduced, and again, company-wide training was put into motion. Fortunately, the learning curve associated with utilizing a new software application,

especially for those who are already fairly comfortable with computers, is much smaller than the monumental jump experienced in 2002-03.

One of the biggest benefits Hard Dollar offered Erreca's Inc. was that it would serve as a “One Stop Shopping” software, designed to be utilized by estimators, foremen, accountants, superintendents, project managers, and owners. The improvements Hard Dollar brought to the table included simplifying all processes involved with the flow of information; from the estimator's original creation of a bid proposal, to the project manager's ability to effectively and profitably execute a project to completion.



For the foremen, Hard Dollar created a supplemental software application called Timesheet Collector, which works hand in hand with Hard Dollar Timesheet Warehouse in the facilitation of timesheet processing. This new application brought daily timesheet reporting and submittals to a new level of sophistication and ease. Gone was the need to create, save, and email Excel timesheets; replaced by a simple, synching process which basically involves a couple of button clicks in order to send any number of timesheets to the main office. Additionally, Timesheet Collector provides the foremen the ability to customize their views of all the data contained on the timesheet, making it very flexible and user friendly. They have the ability to look at their daily costs from a total or



unit cost perspective, as well as compare these actual costs to the budgeted costs for that particular item of work. They can also use this tool to project future performance based on hypothetical crews and production quantities. As you might expect, all of this information is extremely helpful in managing daily performance and goes a long way in ultimately ensuring maximum efficiencies and profitability on all projects.

It is clear that Erreca's Inc. is committed to technology, as well as heavily invested as it relates to hardware, software, employee training and education. It has taken tremendous leadership, patience, hard work and of course time, to bring the company to this point. To date, the benefits produced by adopting this philosophy have clearly paid off, and will only continue to do so going forward. By taking advantage of the many benefits that Hard Dollar offer, as well as those offered by other up and coming technologies, Erreca's Inc. is confident that it will accomplish its goal of "staying ahead of the curve" and maintaining its place as a leader in the local construction market.

In fact, the next step towards maximizing efficiencies and profits will be launched later this year, as Erreca's Inc. will be "going paperless" over the coming months/years. There's never a dull moment at Erreca's Inc.

Other benefits gained by this conversion were:

- Record keeping, storage capacity, retrieval, and sharing of electronic timesheets was much more efficient & expeditious than paper.
- Since there was no more manual data entry from a paper document source to Erreca's accounting software system (Timberline), the possibility for errors and/or omissions was virtually eliminated.
- Foremen no longer needed to hand deliver daily paper timesheets to the main office, resulting more time available to manage their jobs.
- Foremen and other field managers developed computer skills; such as using a laptop computer, Microsoft Excel, Microsoft Outlook Email, and the Internet, all of which provided both professional and personal growth.