Case Study: Blueprint for Success: Rescuing a Stalled Estimating Software Launch

Client Profile:
A mid-sized petroleum fueling and EV charging system contractor with $400 million in annual revenue, operating across multiple offices and states, with ambitious growth goals. While some offices excelled with robust sales and processes, the company experienced significant challenges in project estimation across most locations, including missed or inaccurate material costs and unexpected margin erosion.

The Challenge:
The client's estimation processes and quality were fragmented. In most offices, estimating relied heavily on each estimator's individual experience, leading to repeated errors and inconsistent outcomes.

- Critical geological reports were often overlooked, resulting in costly jobsite rework and thousands of dollars in additional expenses.
- Outdated raw material pricing frequently led to project losses at the point of sale.
- Profit margins were unpredictable.
- Leadership lacked the ability to check if costs were accurate before bids were submitted.

The Clients Approach:
The client, prior to working with Profitability Works (PWI), determined that the estimation process and software being used in one office would solve these problems by:

- Using standard raw material pricing based on invoices from suppliers updated in real time.
- Providing a standard format for estimates made it easier for leadership to verify cost accuracy during a pre-bid review.
- Training estimators on the process used by the office that were estimating accurately. The manager from the out-of-state office was flown to a central office, and each estimator was sent there for 2 days of training.
- Change management was limited to the initial training session. There was no pilot program or input from estimators in other offices.

Results:

About 6 months after the client did the estimating training, PWI began working with them on overall profitability issues and discovered:

- The estimators did not adopt the new software or processes. The manager who led the training felt it was a wasted effort and investment, as none of the experienced estimators implemented the changes. Only a newly hired estimator attempted to use the software following the training.
- The company significantly increased software expenses and got zero results.

Root Cause Analysis

- Because change management and pilot testing were skipped in other offices, management failed to realize that the back-end administrative teams responsible for entering jobs into the ERP system would not accept the new format. As a result, estimates were returned to sales, who then required estimation to re-enter data in the old spreadsheet format. This caused delays in job entry and negatively impacted project teams' ability to start on time.
- Estimation stopped using the software as soon as this happened.

Key Takeaways for Contractors:

- It is essential to involve both those performing the work and those relying on its output before any training or rollout. Had the estimators, sales team, and administrators responsible for entering estimates been included early, the issues could have been identified and resolved prior to training.
- Piloting will also bring up unforeseen issues before a new process goes live. For example, have a test estimate completed and run it through the process.

Conclusion

By combining change management and piloting before any training or process roll out is completed, a trade contractor can prevent a lot of energy on process improvement with zero return (or in this case it cost a lot of money on travel and software licenses)

The takeaway: Slowing down and following the process of involving the people that do the work and piloting the new process, a process improvement can be adopted the first time and provide real results quickly! Consistency isn't luck - it's engineered. If your projects, offices, or teams operate differently, profitability is leaking somewhere. We help contractors fix that.

Let's discuss what process improvements could look like inside your business.