

Since Todd implemented ToolWatch Enterprise in 2017, they've seen:

- Field team buy-in for tool management – team sees the direct benefit to their projects
- On-time, real-time scheduling for tools and equipment
- Proper planning by field staff encouraged
- Big time and cost saving for delivery to/from jobsite

Todd Construction Ups Its Job Cost and Billing Game with ToolWatch Enterprise

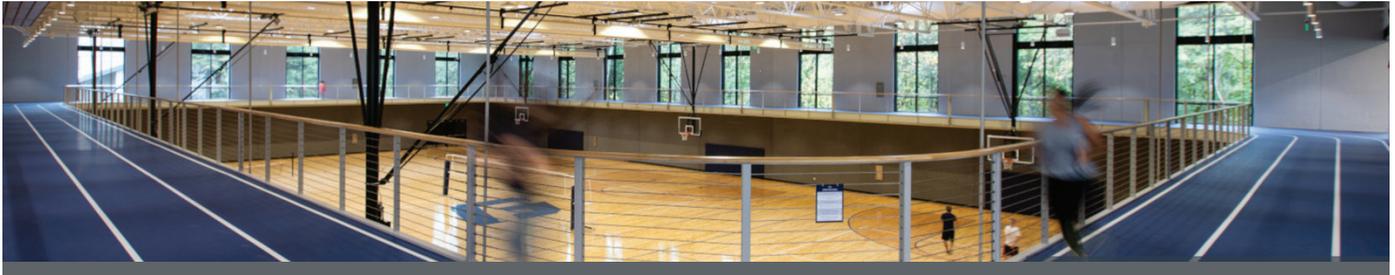
Oregon construction company's ToolWatch implementation pays for itself in the first year.

Situation — Todd Construction, a Portland, Oregon, construction and general contracting company, was using Sage 300 CRE, a construction project accounting and project management application, to manage its tool rentals in the field. The Sage 300 equipment module could charge tool rent once a month at a preset rate, but that single monthly report was inadequate for real-time tool use and cost tracking. The report also didn't tell them where the tools were or what they were costing per use.

Todd's management team knew they had to get a better handle on tracking, costing, and billing, and that meant including everything in the system, not just tool locations. They wanted better tracking and visibility. They wanted people in the field to be able to transfer tools. And especially they wanted to capture tool costs and billing accurately and instantly.

Solution — According to Ken Dixon, Todd Construction's vice president, "The Sage 300 CRE system worked, but we wanted to up our game." Upping their game turned out to be getting down with ToolWatch Enterprise. Not only did the platform fulfill every need for tool tracking and costing, it integrated seamlessly with the existing 300 CRE software.

ToolWatch's powerful job costing capability has been particularly helpful to Todd. "We now know what we need to charge our customers," Dixon said. "Before ToolWatch, it was difficult to make any direct connection between our actual costs and what we should be charging to recover them." And instead of waiting



until the end of the month for a cost report, they can access detailed information at any time, in real-time.

“To be able to get a handle on the whole inventory has been an eye-opener for us. We were amazed at how many tools and resources we’ve been able to find.”

Result — With ToolWatch, Todd’s tool costing quandary has completely turned around. The company captures tool costs for two reasons, one internal and the other external. Dixon comments, “For fixed-bid projects, we bill tools and equipment to jobs just so field staff remember there is a cost to equipment, whether they use it or not, and the system lets us know when to replace each item. So, we don’t bill full rates to ourselves for that.”

The other big reason for cost capture is the company’s 90/90 rate schedule on cost-plus contracts. Todd guarantees the project owner they’ll be charged no more than 90% of the going rate of equipment rental or 90% of tool cost. “ToolWatch made it possible to set that up to hit those stops,” Dixon explains. The tool manager sets the rental rate and enters it into ToolWatch, which is programmed not to charge the owner more than 90% of the rental costs. “That gives the owner a nice 10% discount, and we can show them what they are saving. If they aren’t using the tool all the time, why bill them three to four times its cost?”

The ability to assign the 90/90 schedule to cost-based jobs has made a difference all around. “It’s a good deal for the project owner, and it’s a good deal for us,” Dixon says.

And as a bonus, Dixon notes, “ToolWatch is a helpful company. I can get the support I need and usually recognize the voice on the support line. I had to do a special report and they were so helpful in getting that report ready.”

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