Despite "horrendous" problems since the computer was installed two years ago, Paul Ramon, vice president for a specialty drywall subcontractor, will tell you he still is convinced of the computer's potential to provide value.

On the other hand, a sheet metal contractor in Washington, Jim Stafford, reports a good experience for the full five years that a computer has been in his firm's front office. Not only has it provided actual help to the company in providing easy access to information, but it's also allowed the company to grow without adding office personnel.

Both companies recently outlined their achievements and problems with computers for Construction Dimensions.

Ramon, who had computer exposure in college, did the investigation and legwork for computers. His father, president and treasurer, also kept in close touch on the project and together they checked with companies and other contractors already involved in computers.

One of the contractors they met, Paul Lorton, had a unique system.

He had hired a consultant and ended up with a hybrid system, with hardware components from various companies, and the software custom designed.

The Ramons decided not to go that route. Instead the company, following advice it had received, chose a computer hardware company which also
could provide software services. In hindsight, Ramon realizes that doing that doesn’t guarantee success.

The computer company chosen—to be referred to as XYZ for the purposes of this article—worked out an arrangement with Ramon which on the surface appeared to be just what the company needed. A contractor’s software package was to be provided by a small, independent firm in the area for an additional cost of approximately $9,000. The package was sold as “tried and proven,” but as Ramon soon found out, that was not the case. That in itself would not have been so bad, said Ramon, but the software firm was undergoing some problems of its own so servicing became almost impossible. To add to the frustration, the arrangement Ramon had agreed to prohibited them from dealing directly with the software people.

**Early Problems . . .**

“We had nothing but horrendous problems,” said Ramon. “Nothing would work; it was a nightmare even to try to run the software.” It wasn’t that they had expected a smooth-operating system immediately, but two years is a little longer than they had expected to get the bugs out.

Because the software outfit owned the source code, the hardware company found its hands tied. In defense of XYZ, Ramon said, the company really tried to fix the problems, and it kept dangling the carrot of ultimate satisfaction. Finally, Ramon had had enough and told the company, “We have a contract with you; now come up with another option.”

As a result, the drywall company, working with XYZ, contracted with a software firm which had 12 years experience in providing software to contractors. Although this system will cost over twice as much as the original software package, Ramon finally felt optimistic.

The original system included the functions of payroll, accounts receivable and payable, general ledger and job costing. Of the five, only payroll and job costing worked at all. The payroll checks could be printed; but with the start of 1981, they had difficulty obtaining the new FICA and state tax rates and, consequently, had to manually calculate the deductions. Because hours inputted for payroll could also be used to provide information on the number of hours for each job, the job costing function was also partially usable.

The accounts receivable function was a disaster, and the accounts payable function did not work well. The general ledger was unusable because the system’s design resulted in much erroneous information being automatically fed into it. Throughout, said Ramon, the biggest frustration was knowing the potential of the system and not being able to reach it.

Under its arrangements with the new software firm, the Ramons paid a one-time purchase price and will pay a yearly maintenance fee. The program will include the basic functions plus provisions for updating and adding functions. The system is expected to become operational in February.

Despite his negative experience—or maybe because he has been through so much—Ramon is optimistic about what a good system can do for his company. Jim Stafford knows from his experience that Ramon has cause for optimism.

**Positive experience . . .**

Stafford decided to investigate computers when it became apparent that they were in need of additional office staff to do their bookwork.
After much consultation with their accountant and computer consulting firm, he said, the company found that it could buy the computer on a monthly basis for no more than the cost of an additional individual to do the same work.

The company’s choice of systems was somewhat limited because it wanted a system that could be expanded. Five years ago, said Stafford, Basic Four was the only one offering what they wanted.

The original cost was $55,000 for hardware and $24,000 for software. The hardware included a printer, a central processing unit and two video display terminals. While the original hardware and software are still being used, Stafford said, “The growth of our company has been so great in the last five years that we may need to enlarge the capacity of our machine in the near future.”

The company uses the computer for all bookkeeping work including payables, receivables, job costing, billings, check writing, inventory, work in process, general ledger and month end sales analysis for each salesman broken down into seven different departments. The sales analysis is also broken down for comparison to the corresponding period in previous years. One full-time employee operates the computer on a daily basis, and two others are knowledgeable in its operation.

Stafford is very pleased with the system. He said its biggest advantages are that it allows the company easy access to all needed information. Although the start-up time and costs are high, he said, “Once the computer is operational and personnel are familiar with it, the system is superior to anything we had previously experienced.”

Stafford encourages contractors who want to get a computer to “first hire a computer management firm to analyze their operations.” He cautions contractors against expecting too much in the beginning. He said, the consultant should not only explain the computer’s advantages but also the disadvantages including what to expect to experience during the initial installation of the machine.

Further, Stafford said, “I would advise the contractor to insist upon complete installation of the computer system including software, before money changes hands. This should include a demonstration to show that the machine is operational and functional as the contractor intends.”

While he is very pleased with his system, Stafford indicated he felt handicapped at the beginning by his lack of knowledge in the field. Considering this is common among contractors, Stafford advises against blindly trusting the vendor. He said, “Our experience with computer vendors has shown that many of the installers lack the knowledge to do the job the contractor is looking for.”

Both Stafford and the Ramons have between 50 and 60 employees. Ramon was started in 1946 by Paul’s father Walter A.; and Stafford in 1913 by Griffith’s great-grandfather.