

# The Blueprint for Workforce Management

A Modern Guide for Specialty Contractors



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## About the Authors

**Brian Witt** and **Gary Fuchs** share decades of experience in truly tackling **Workforce Management** (WFM) problems with thousands of contracting businesses, as well as experiences, challenges and success from contractors across the globe. They joined the team at **RIVET Work** on a shared mission help establish and evolve the construction WFM category, with contractors and for contractors. They also host the WFM podcast, **Construction is Hard**.



## WORKFORCE MANAGEMENT, WHAT IS IT?

The process by which employers strategically allocate people and resources to maximize individual efficiency and effectiveness.

### Why is Workforce Management so inconsistent?

Because we couldn't consolidate and visualize the problem — until now.

When labor makes up 30% or more of your budget, coming in, at or under budget on every job is imperative for profitability. Without implementing Workforce Management (WFM) principles across your entire company, you're flying blind and can't align how your people are allocated and performing across projects in real-time. You can't gauge tool and process performance.

If you keep doing things the way you always have because it's the way you always have, expect the same results. Margin fade will continue to be a problem. Labor shortages will still be a gremlin. Labor planning will remain perpetually reactive and ineffective. A spreadsheet can only go so far.

The construction industry has been well aware of these problems for decades.

Unfortunately, the paths between the work that needs to be done and the people who can do it couldn't be harder to keep aligned.

Combining the right people, processes and technology — the three-legged stool — with a tool fit to the task is the best way to cut through the fog.

There's finally a platform that brings these paths into the spotlight, one that gives specialty construction contractors a way to implement Controlled Transparency, sustainable workforce forecasting and real-time labor management. It's called RIVET Work — the only Workforce Management platform specifically designed for MEP contractors.

We've seen it in action, substantially increasing profit margins at some of the country's biggest contractors.



# THE WFM BRIDGE



## THE WFM BRIDGE

Workforce Management is a business practice that **connects your People, Process and Technology to your Field Operations.**

### The 6 load-bearing Pillars

If these pillars aren't connected, your bridge is at risk of collapsing – putting labor management and your business' progress at risk

Contractors throwing bodies at a problem isn't enough – they need the right person on the right job at the right time to truly succeed.

WFM also means effective communication strategies, having a bird's eye view of who you'll need for future jobs, any gaps in training and so much more.

It's perhaps the most important aspect of WFM, but it isn't the only one.



That's in addition to giving the right people the right information and taking a long hard look at your Labor Plan versus your actuals.

We break it down into individual categories, but once the concept clicks these pieces come together to form a structure that can advance your business.

The categories are symbiotic, working together to form a rock-solid foundation for your business. At the same time if one component is weak, the others will suffer as a result.

Don't be intimidated, though: Changes like these don't happen overnight. It's about the journey as much as the destination.

**“The six Pillars are symbiotic. If Forecasting is weak, then your Scheduling and Communications are probably going to take the extra load and begin to crack.”**

— Brian Witt  
VP Customer Success, RIVET Work

## The six load-bearing Pillars:

### **Forecast:**

Identifying labor needs and durations for different types of personnel on current and future jobs.

### **Roster:**

A continuously maintained list of your workforce, with what makes each worker unique and best utilized.

### **Schedule:**

Aligning and assigning the right person to the right job based on their unique attributes.

### **Communications:**

Alerting the appropriate people to changes in people or project plans in real-time.

### **Information:**

Ensuring the appropriate people have real-time and remote access to the appropriate level of information; in so many words, Controlled Transparency.

### **Productivity:**

Comparing your Labor Plan to your actuals and seeing how they stack up against each other.

# PEOPLE, PROCESS, TECHNOLOGY (PPT)

**Labor coordinators are typically extremely stressed, and that's usually because they don't have the right tool. Without the right tech in place, the people and processes are obstructed.**

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## Spreadsheet Hell

A closer look at the three-legged stool

The three-legged stool has been evolving since management psychologist Dr. Harold Leavitt first published the concept in the 1960s.

The idea is that each leg represents an essential component of your business practice: People, Process and Technology. If any one leg is stronger or weaker than the others — or is nonexistent — then the entire stool (business function) will tip over.

### What does that mean for your MEP contracting business?

Embracing digital transformation and using the three-legged stool to solve construction's uphill battle toward sustainable profitability in WFM.

### What's happening today

Unfortunately this isn't a new problem. In the past, construction leaders were hamstrung with off-the-shelf WFM tools unfit for their highly-specialized businesses.



**“Liberate your labor planners from their spreadsheet prisons.”**

— Brian Witt  
VP Customer Success, RIVET Work

Things like using a whiteboard for job assignments at the back office.

Or the dreaded labor spreadsheet your most experienced and valuable field leaders spend countless hours a week maintaining, only for it to be outdated the moment it's revealed during the equally tedious labor meeting.

These tools are woefully inadequate for contractors and eat up valuable resources that could be better spent elsewhere. --->

# PEOPLE, PROCESS, TECHNOLOGY (PPT)

A lack of uniform, established processes doesn't help either. Manually sending jobsite and assignment updates via a flurry of handwritten notes, text messages and emails at the 11th hour is frustrating for everyone involved. The absence of a single Source of Truth only complicates matters further, like multiple versions of blueprints floating around the jobsite.

When superintendents and project managers can't see the problem before it happens, they can't take preventative measures to avoid the problem.

The feeling of being trapped on Groundhog Day starts settling in. This isn't their fault. They need a platform. A tool fit to the task.

It doesn't have to be like this.

## The way out: Consistency is key

### Step 1: Consolidation

When you consolidate people and project information with big-picture contributors and centralized processes, a solution takes shape.



## What's the three-legged stool?

### People:

Who should be involved.

### Process:

What they should be doing and when.

### Technology:

The tool that supports the business function and enables People.

Considering how various processes coexist is the next step.

## Step 2: Training

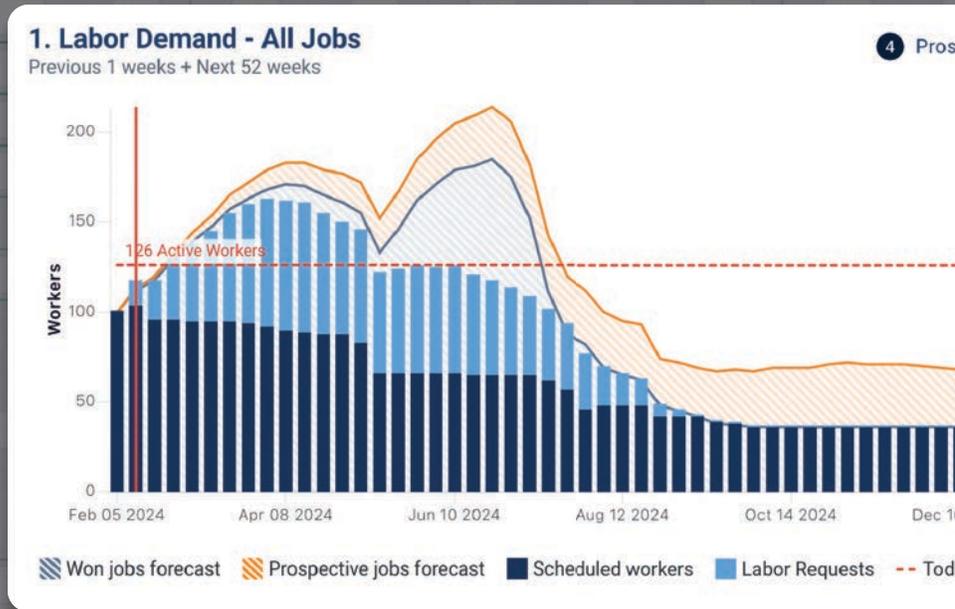
Create a self-administered training course for your organization. Identify the administrators, the training pool and explicit metrics for success — e.g. spreadsheet usage or lack of a Labor Plan. Impress upon your team why this is so important, and who is doing what (and where) around them, to further the team mentality.

## Step 3: Sustainability

Reinforcing good habits helps, too. Everyone makes mistakes, but repeatedly making the same ones impacts everyone. Build a culture of accountability by reframing bad habits as individual offenses against the entire team.

By implementing WFM principles on every job — not just the big ones — you can claw back lost profits, transition from proactive to reactive and ensure consistency from project to project.

# PILLAR 1: FORECAST



RIVET'S Workforce Capacity / Labor Demand chart feature (above)

## Forecasting

Laying the foundation for WFM success

### Project Planning vs. Forecasting

Everyone is chasing Forecasting, but unfortunately we don't have a standard definition for it. Nor is there a universal method, visualization or outcome for what it means.

People tell us they want Workforce Capacity Forecasting, for example, and then it turns out what they're actually looking for is a backlog list for big job dates and durations.

For us, Forecasting is a hybrid of labor planning at the project level and aggregating at the macro level, compared against your entire workforce. This reveals labor peaks and valleys.

### WFM defined: Forecasting

Identifying and accruing the current needs and future commitments of a given workforce, compared to a set of projects.

### Common Challenges

**1. Inconsistency:** Forecasting should become how you see where your workforce is and where you're headed and what's needed to bridge the gap.

Here's the secret: You **must** plan out large and small jobs alike, every time — not just mega projects.

**2. Spreadsheet Hell:** The highway to Spreadsheet Hell is paved with good intentions. But regardless of how special yours may be, eventually it'll get siloed into the "master spreadsheet." -->

# PILLAR 1: FORECAST

You know the one. It's guarded like the *Mona Lisa*. It's difficult to maintain. Worst of all? Despite your team's Herculean efforts it's always inaccessible and not updated in real time. And it's different from the one in the field.

**3. Silos:** When everyone is forehead deep in their own spreadsheet, seeing the forest for the trees gets harder and harder.

Usually this falls on one person — someone in ops leadership — who's one of the most experienced people on the team. Despite their credentials, though, they live in a spreadsheet versus doing what they do best: leading.

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We're at an inflection point. There's a unique opportunity for the construction industry to standardize, facilitate and streamline real-time Labor Forecasting.

With Forecasting and a purpose-built Workforce Management platform, what used to be unpredictable suddenly becomes clear.



By actively comparing your current workforce against your projected needs you can assess labor moves **before** you start bleeding out.

You'll know when your Forecast is doing well during the transitions. When Project A should be ramping down, allowing people to transfer to Projects B and C to stay on track.

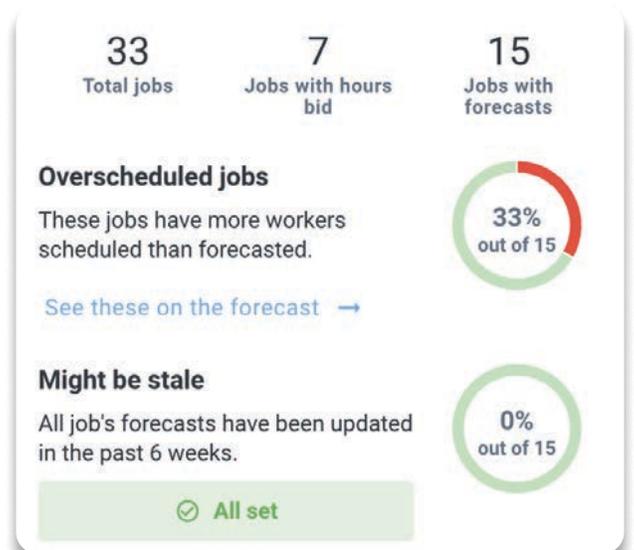
When you've project planned **all three**, those transitions have already been anticipated and communicated — removing the friction from job to job.

Until now, Labor Planning every project out from pursuit to completion wasn't feasible.

With a Workforce Management platform built for MEP and specialty contractors, you can.

It's called RIVET Work.

## RIVET'S Labor Audit Chart (below)



# PILLAR 2: ROSTER

## Rostering

A detailed look at what makes your team unique

### WFM Defined: Roster

A complete list of your personnel and what makes them unique. Includes training, emergency contacts, certifications, experience level, labor rate and more — available at a glance from anywhere, for the right people.

A Roster isn't about what's going on in your human resources department. It isn't payroll's information either. Those aren't accessible or structured to use in the field.

Instead, Rostering is about leveraging each member of your workforce's attributes across all your projects by considering what makes them unique.

With a Roster, the idea is to provide a people list for your ops team to reference when they're scheduling a project. The data that's stored here is used everywhere else down the line.

To be most effective, the Roster needs to reflect or integrate with your organization's Source of Truth and be guarded against inaccurate info. -->

(Pictured below) Baseball Cards in the RIVET Platform showcase key worker details.

The screenshot shows a worker profile card for Jason Mango. At the top, there is a green circular avatar with the initials 'JS' and the name 'Jason Mango' in bold. Below the name, it says 'Tech 1' and 'Employed' with a dropdown arrow. A red 'Vacation' badge with a clock icon is shown, indicating he is on vacation until 06/06/24. The 'Weekly Schedule' section shows a calendar for 'Jun 13 - Jun 19 2024'. Underneath, two projects are listed: 'T1 - Ford OHAP' with a schedule of Mon, Tue, Wed (4/10s) and 'FE - GM Spring Hill' with a schedule of Wed, Thu, Fri (5/8s). A note states 'James is double booked on Wednesday.' The 'Details' section includes a phone number '(000) 867-5309', an email 'jmango@gmail.com', and a phone number '4856'. There is a 'Show ssn' link. The 'Tags' section includes 'Main', 'Local 58', 'Approved KLA Driver', '1/2" Coax', '1/2" Coax Termination', 'Fiber Termination', and 'Will Travel'. The 'Certifications' section lists 'AFL Fiber Test Equipment' which 'Never Expires'. At the bottom, there are icons for edit, delete, list, flag, and a prohibition sign.

# PILLAR 2: ROSTER

## Baseball Cards

Imagine having a baseball card for each member of your workforce — a quick overview of what makes every member of your team unique.

One that features stats like emergency contacts, training opportunities, experience level and more. One with Controlled Transparency so you can lock certain stats behind permission levels for who sees what.

## What makes a good roster?

1. Certifications and trainings
2. Experiences and skillsets
3. Pay scale and classifications

This data is likely scattered across your company. By centralizing it, making intentional moves and tracking employee development becomes far easier.

Baseball Cards cover active and previous employees, so if someone comes back to your company you can view their history at a glance.

They safeguard against the types of redundant entries and lost info that are so common with massive spreadsheets or whiteboards loaded with magnets.

## A Workforce Management Source of Truth

You can leapfrog these hurdles with the right tool. When you adopt a platform where you can align project information and people information, you can associate the two for planning and Workforce Management purposes.

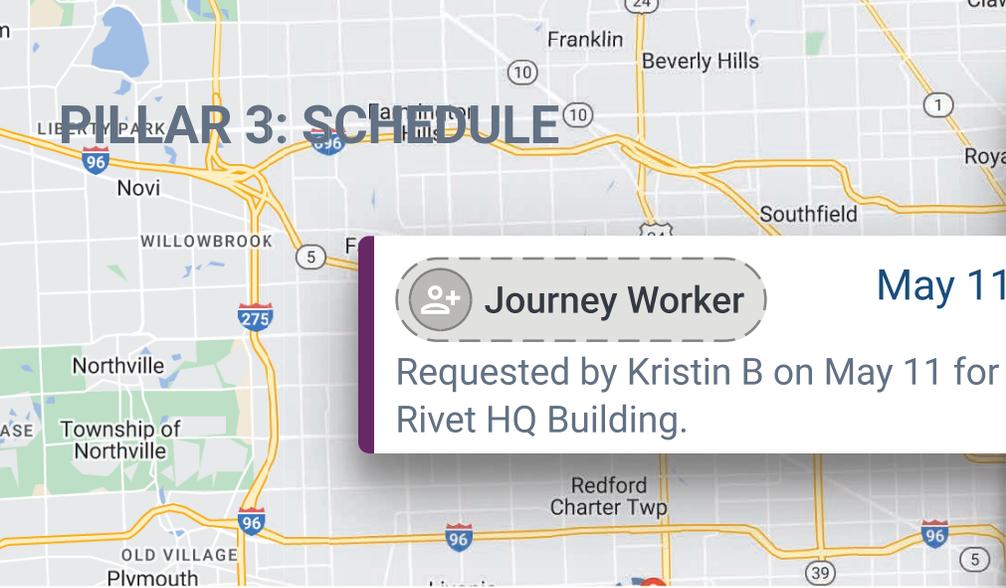
Full Name	Default Role	Certified Since	Exp Test	First AEC/CP/2/3/4	Permit	Permit Operator Evaluation	OS 7/1
Chapman, Bill	Electrician	Expires on: 08/20/2014	Expires: Never Expires	Expires: 04/28/2023	Expires: 10/10/2021		
Smith, Bob	Electrician		Expires: Never Expires	Expires: 08/29/2023			
Gray, Colin	Electrician		Expires: Never Expires	Expires: 07/19/2023			
Wells, Mark	Electrician		Expires: Never Expires	Expires: 03/02/2025			
Stanford, Mark	Electrician	Expires on: 03/17/2023	Expires: Never Expires	Expires: 01/24/2025	Expires: 07/28/2025		
Johnson, Michael	Electrician		Expires: Never Expires	Expires: 01/26/2024			
Alphonsy, Paul	Electrician		Expires: Never Expires	Expires: 01/03/2025			
Roberts, Tony, Jr.	Electrician	Expires on: 10/10/2022	Expires: Never Expires	Expires: 04/21/2023			
Redinger, Andrew	Electrician		Expires: Never Expires	Expires: 03/02/2025			
Rowland, Andrew	Electrician		Expires: Never Expires				
Lee, Bill	Electrician	Expires: 13 days ago	Expires: Never Expires	Expires: 11/10/2023			
Johnson, Mark	Electrician		Expires: Never Expires	Expires: 11/02/2023			
Johnson, Bob	Electrician		Expires: Never Expires	Expires: 01/04/2025	Expires: 01/04/2025		
Wasson, Bobby	Electrician		Expires: Never Expires	Expires: 07/29/2023			
Smith, Brandon	Electrician	Expires on: 11/19/2019	Expires: Never Expires	Expires: 01/24/2024			
Smith, Charles	Electrician		Expires: Never Expires	Expires: 07/26/2024			

RIVET's Workforce Table showing certifications and expiration dates (above)



“With a Roster, you can identify gaps in your training. When you have a consistent method of training and a platform to support it, you can develop a sustainable training program.”

— Gary Fuchs  
Sr. WFM Advisor, RIVET  
Former VP Construction, Westphal Electric



# PILLAR 3: SCHEDULE

Journey Worker

May 11

Requested by Kristin B on May 11 for Rivet HQ Building.

**Flagged for Transfer (5)**

- JB** Bryan, Joe JOURNEY WORKER
- GI** Isokov, Gregory JOURNEY WORKER
- BJ** Justice, Blark JOURNEY WORKER
- BS** Skittles, Brandon JOURNEY WORKER
- CS** Smith, Charlie JOURNEY WORKER

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**Unscheduled Workers (11)**

Journey Worker (2)

- JJ** Iovine, Jimmy
- RT** Tannehill, Ryan

Apprentice (3)

- MB** Bridges, Matthew
- DD** Dan, Demo

Cancel Build Schedules

## Scheduling

No one should play musical chairs with their workforce

### WFM Defined: Schedule

The process of balancing project needs while allocating employees across multiple job sites with consideration to the attributes and availability that makes a worker unique.

Scheduling is where the abstract becomes concrete. Where instead of needing a journeyworker with a forklift certification who's current on **all** their certifications, you need journeyman Josh Davis who's transitioning off Job A's peak next month.

You don't need Josh because he's a warm body, you need Josh because he's the absolute best fit for Job B. And he has all his certifications and traits for success.

### Project Scheduling vs. Workforce Scheduling

To put it simply, the lack of Workforce Scheduling across jobs creates a dumpster fire for your ops team. Projects come and go on a linear timeline. When you're scheduling Josh, you need to consider his availability not just on Job A, but how he can seamlessly transition to Job B and maybe even Job C.

Without purpose-built tools for Scheduling, the WFM bridge starts sagging. One person can't keep all of this in their head. Nor can it live on an 80x20 spreadsheet or a magnet-filled whiteboard hidden at the office.

You could take photos or create a duplicate for the job site, but it'd be more fragmented data to align at the end of each day. -->

## Musical Chairs

Prematurely moving a worker with knowledge of Project A to Project B has a negative impact on Project A and your company.

There are a lot of hidden expenses and intangibles when you make this type of decision. The transferee has intimate knowledge and familiarity with Project A that cannot be recovered.

When Project B needs a worker with a certain skill set, don't hesitate to give another worker the opportunity to acquire the same skill set. This will add depth to your Roster, deepen your bench and preserve profits on Project A. This is all assuming you're proactively planning these moves versus reactively shuffling.

## Layers of Scheduling

- **Current view:** Where people are scheduled to be today
- **Timeline:** How long they're scheduled for on their current project and where the next could be
- **Location:** Where your people are geographically, when they're leaving and where they're going

## Real-time Scheduling

Aligning project needs and Josh's path across projects in real-time unlocks untold levels of efficiency. When you use a WFM platform purpose-built for MEP contractors you sidestep the dumpster fire.

Leaving Josh on Job B even just a day too long delays his transfer to Job C, which puts Job C behind. And Job B over budget.

# PILLAR 3: SCHEDULE

## WFM Defined: Musical Chairs

Shuffling your workforce too frequently while trying to cater to changing job needs.

Even worse, this means Josh might get double-booked and show up to Job D instead.

So, you call in another journeyworker except this one can't pass the background check and doesn't have the proper certs Jobs C or D require. There's an easier way.

A platform unlocks real-time scheduling and record updates, not to mention how Josh's schedule impacts the projects.

Taking Josh's home address into consideration means you can think about travel distances when scheduling too – driving even more efficiency and making life easier for everyone involved.



# PILLAR 4: COMMUNICATIONS

## Communications

What we have here is a failure to communicate

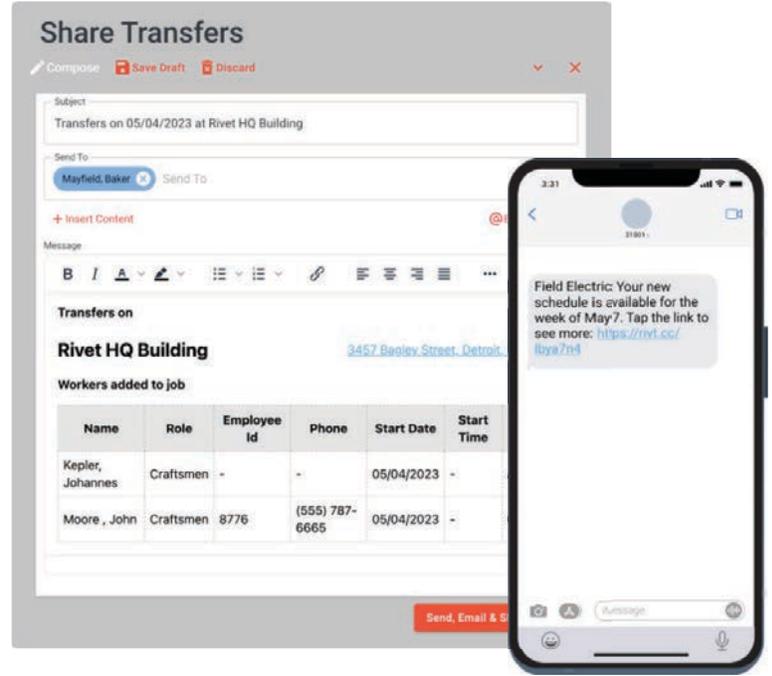
### WFM Defined: Communications

The intentional push of information to all pertinent parties in a timely fashion.

Imagine you're a NASCAR driver. You're building a lead, but soon enough it's time for a pit stop. Except your pit crew has no idea when you're pulling in or why. Your mechanics don't know whether you need tires, fuel or something else until you show up and tell them. That's assuming they can hear you over the rest of the cars. Now your six-lap lead is gone.

That's a lot like being a labor coordinator without a WFM platform. Communication in construction today is two things: intricate and ridiculous. When you stop to think how much time an organization must spend to keep everyone up to speed, it's baffling.

Whether it's phone calls, texts or emails, the resources spent figuring out the logistics of where people are, where they need to go, how long they should stay and what the budget looks like are enormous.



Pre-populated Dispatch with SMS message via RIVET Workforce Management Platform (above)

### The Labor Meeting

Confining these decisions to the labor meeting can be a necessary evil.

There's a reason no one looks forward to this meeting. The longer they are, and the more people who have to attend, the worse off your Communications probably are. The meeting is carrying the entire comms load.

When project and labor situations constantly change, this meeting can become a reactive and tedious exercise in a never-ending game of whack-a-mole. --->

## PILLAR 4: COMMUNICATIONS

Workforce Management becomes a practice confined to an inefficient standing meeting, rather than a constant real-time team effort.

### Building the Foundation

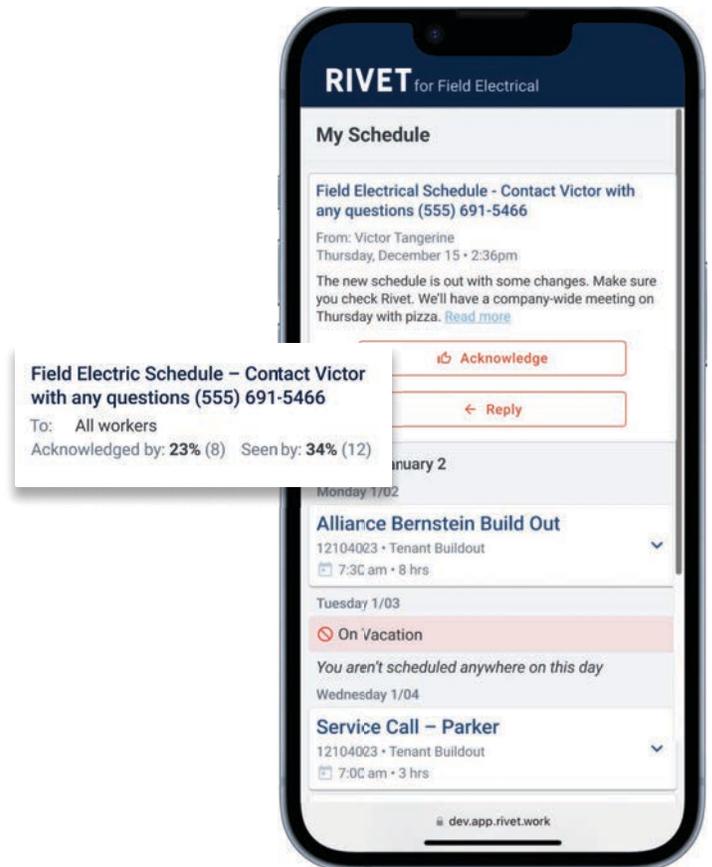
So why hasn't construction adopted better forms of Communication?

Because until now there hasn't been a purpose-built platform to create the right foundation. A central nervous system for properly dispatching Information en masse. With the right platform, sending streamlined Communications to your workforce is as reflexive as breathing.

You can ensure the right groups get the right messages at the right time, in a way that works best for them. Whether it's a transfer, dispatch or safety notification, aggregated labor report or job site update, a WFM platform can automate the entire dispatch process.

Platforms like RIVET allow all relevant stakeholders to get the same message in real time, the way it should be.

Meaning, your ops team isn't wasting hours manually sending individual communications the night before a big project change. It also means your workforce can plan their days accordingly because they're getting accurate, timely information.



Automated Dispatch to field employees via RIVET Workforce Management Platform (above)

### Who's using software to communicate? Motor City Electric in Michigan.

"Now we move manpower in large quantities in a few clicks instead of calling people." – Dave Krausman, VP of MCE Technologies.



## PILLAR 5: INFORMATION



# Information

Getting everyone on the same sheet of music in real-time

Industry experts report that only 40 percent of time spent on the jobsite is value-added work. If you're devoting over half your time on tasks that don't add value there's certainly lots of room for improvement. Information is one of the biggest hurdles contractors have to overcome to improve efficiency and productivity.

If you give your people the Information they need in the proper format so they can do their job, it's a win-win for everyone. The level of collaboration means, instead of creating silos where everyone has their own plan, your team is working together.

### WFM Defined: Information

Accurate, real-time data available to the right people at the right times in the right places. This data is guarded by Controlled Transparency and includes things like rosters, scheduling, forecasting, transfers and requests.

They can see how they fit into the big picture, where they can fit into it and truly strategize the most efficient course of action as a team, improving processes over time.

This is how you move from controlled chaos to Controlled Transparency. --->

## PILLAR 5: INFORMATION

### WFM Defined: Controlled Transparency

The ability to disseminate information on a need to know basis, ensuring that it's only available to those who require it for their role.

### The Symphony

Here's another way to think about it. Every symphony (your organization) has a conductor. In this case, that could be labor planners, your VP of ops or the owners of the company. Except instead of just keeping time, they're simultaneously writing and distributing the sheet music (plan).

Your symphony is sight-reading sheet music that's being updated on the fly. If you're lucky, the conductor is maybe two notes ahead. First, the flutes get Version 1 and then pass to the clarinets (project manager to foreman) behind them. Well, something changed. The conductor starts passing out Version 2. Meanwhile, Version 1 finally reached the percussion section all the way in back. You can imagine how chaotic this would sound.



Everyone is trying their best to keep time. But with everyone playing a different version of the same song there's no consistency or cadence.

It happens every day for MEP contractors. Outdated Information gets passed out to the field and our operations don't run smoothly because we aren't working in real time and seeing the same thing.

Now imagine a different version of the story above. Instead of sheet music, everyone has a tablet that auto-refreshes every time there's a change to the composition. Keeping time has been automated.

Now the conductor can work five *pages* in advance. All without interrupting the symphony.

This is what a Workforce Management platform can do for you. It sounds beautiful.

**“Information can get easily glossed over and looked at as a yawner, but it’s critical. Give your people the information they need in the proper format so they can do their job. It’s a win-win.”**

— Gary Fuchs  
Sr. WFM Advisor, RIVET Work  
Former VP Construction, Westphal Electric

# PRODUCTIVITY

Hosted by: Brian Witt & Gary Fuchs  
w/ Special Guest: Toby Mitchell

## Productivity

Avoiding the profit-fade monsoon

### Before the storm

There's no way we could cover the breadth and depth of Earned Value Analysis (EVA) in one page. So for us, EVA is a measure of productivity – with the intent of determining if a course correction is needed. Here, the course is the Labor Plan.

Once the project starts, does it need adjustment? How do we recognize this?

If the course is correct but EVA is off, are we still on track? Is there time to fix it?

To see real success in this area – like the rest of the Pillars – you have to take an EVA approach to every project. You need to compare your Labor Plan to your actuals.

If you're telling your labor managers one thing and your finance department a different story, prepare for The Monsoon.

### The Monsoon

Or, when it's too late to course-correct and profit disappears because you're throwing people at the project to finish on schedule.

Labor isn't available for the next jobs, which means adding more tools and more training. Which means other jobs fall behind and you've created your own labor shortage. You can't keep your head above water. So it goes.

Or does it? →

# PILLAR 6: PRODUCTIVITY

## Avoiding margin fade and bleed-out

If you're routinely experiencing profit loss in the last 20% of your projects you're not alone. The good news is it's avoidable.

Here's how:

1. Create a Labor Plan with a resource profile
2. Monitor the labor plan on a weekly basis
3. Conduct a monthly Earn Value Analysis (
4. Reconcile and align the Labor Plan with the EVA

One of the major benefits of doing this is knowing when your labor peaks. Now you can see when it's time to reduce the size of your crews and create a labor exit plan. Now you're managing the drawdown and preserving your projected profits.

Another benefit is that the WIP report begins to stabilize. The labor managers are in sync with the financials and EVA. They begin to manage by putting the Labor Plan in lockstep with the EVA.

A calm falls over the workplace. Reactive chaos goes the way of the buffalo as the entire project team starts working together in real-time.

## WFM defined:

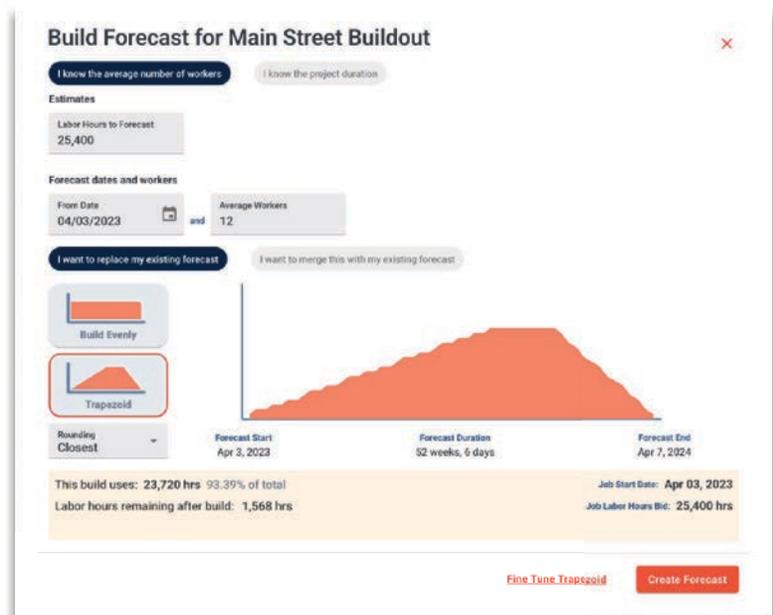
### Productivity

Units of work placed or produced per man hour.

### Earned Value Analysis

A measure of productivity. A management and project tracking technique that compares material installed to labor hours used. This allows managers to predict problems early enough to allow for corrective action.\*

\* Dr. Awad Hanna



Avoid the monsoon by labor planning every project in RIVET (above)

# ROI

To continue doing business the way you've had to, without a platform... there is a cost to choosing that path. It isn't free. You're digging a deeper and deeper hole for yourself.

# ROI

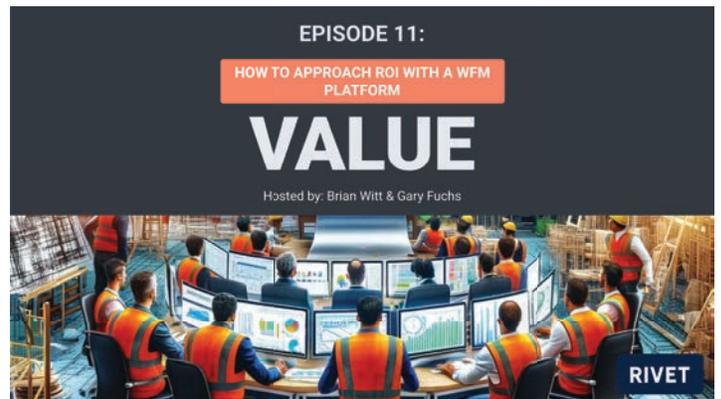
How to measure the value of a Workforce Management platform

Construction hard. Making a case for adopting new technology can be even harder. It's a financial investment, a time investment and it requires change management from the executive team to truly have an impact on the company.

WFM platforms can open doors to achieving levels of profit and efficiency that couldn't possibly have been reached before. In fact, they become not just money savers, but money makers. Here are a few methods for determining the value of a WFM platform.

## Method 1: By event

Hard ROI factors are quantitative, where the cost of a platform is compared to the existing costs for labor management. What's the true cost of conducting WFM today? Consider all the calls, meetings, forecasts, schedules, etc. Consider the cost of hand-drafting after CAD came to prominence. It's hard to fathom. [Note: include the cost for implementation services, too.]



Next, list everything that you pay for that supports labor management:

- What's it cost to manage your entire workforce each year without a platform?
- How often do you experience margin fade on the last 30 percent of a project?
- How often is your team burning out on jobs in day-to-day planning?
- If you aren't labor planning, what's that cost?
- What are you missing in opportunity costs? -->

**Method 2: FTE analysis**

The fastest way to determine ROI on a WFM platform is to compare the cost to a journeyman's salary:

- Let's assume the annual subscription cost is \$25,000
- Will the platform save you one quarter of one journeyman's costs annually? Yes, the answer is yes.

**Method 3: Holistic approach**

Look at your annual labor budget. Let's assume 100 field employees cost \$100,000 annually, so the total annual labor budget is \$10,000,000.

Examine how effective you are at using that labor budget today without a software platform. Most contractors evaluate themselves as 50-75% effective.

A WFM tool should be able to tell you when, where and how that budget can be used across projects, in real time. If a WFM platform can help you gain 1% of efficiency, that's \$100,000. One-tenth of 1%? That's still \$10,000 gained.

When contractors don't get at least 1% back, it's the processes, the training and the culture's fault — not the tool. The organization didn't adopt, own and progress the WFM vision forward.

**Audience-specific ROI reports**

The following teams need ROI reports tailored to their roles:

- Ops leaders
- Project stakeholders
- CFO
- HR groups

**Method 4: Soft ROI**

Soft ROI factors are qualitative, and the most common reasons contractors adopt a new tool. What's the reduced risk of knowing where you're going to be in a labor shortage or if you'll have an abundance of people? If you labor plan on every job, what's the value of having that visibility?

Perhaps the soft value is the ability to archive information. Can you resurrect field employee data from your spreadsheets from three months ago? With a platform, not only can you look ahead, you can view historical data too.

Maybe the reason for adopting a platform is succession planning. A platform can standardize and consolidate the business for the new leadership.

# DISCIPLINE

## Enforced processes + WFM platform = sustainable training and success

In construction, every project is different. Every team is different. But there are workflows that, if held consistent across every project, can create baseline recipes for success.

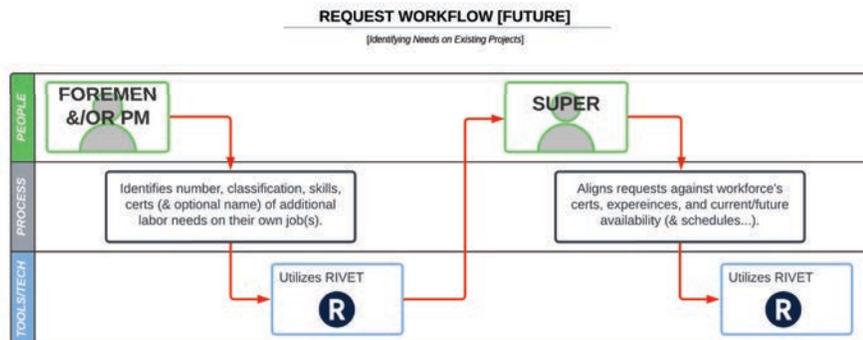
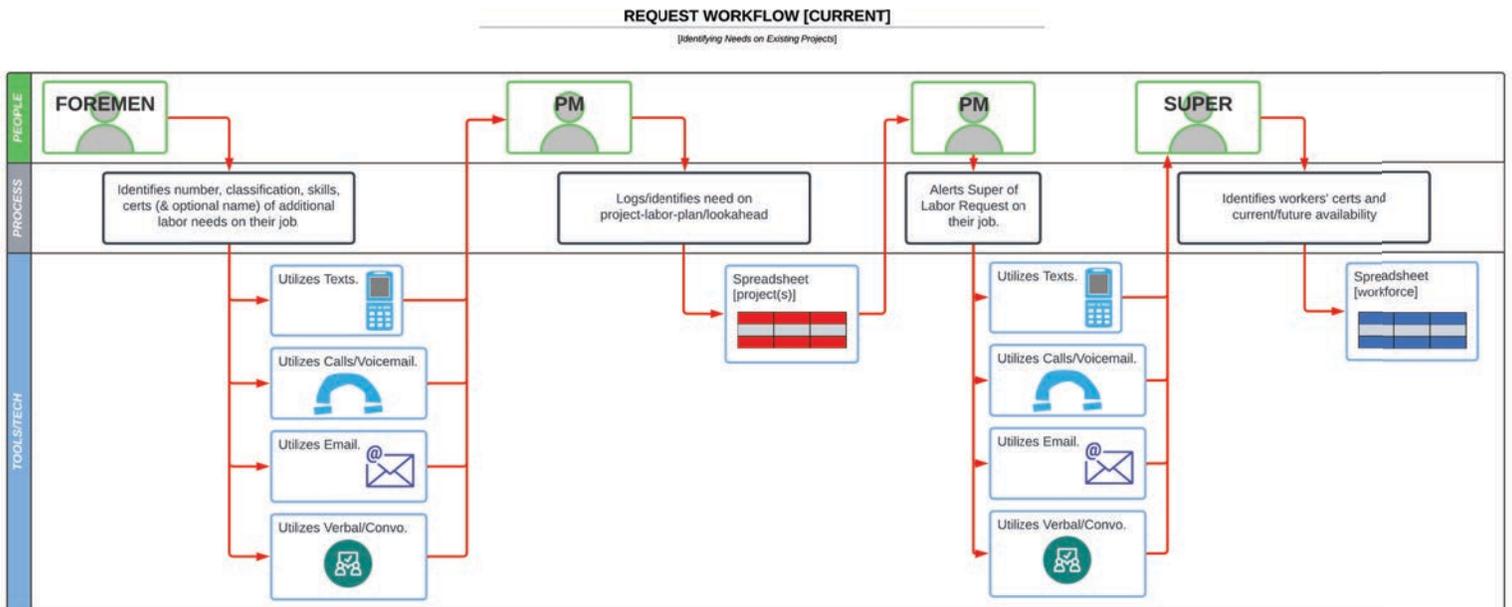
Long before adopting a software platform for any department, contractors need to bring discipline to company processes.

### 1. Start with Processes

Create a workflow map that shows which people are doing which actions, and then map what tool each of them requires to complete each step of their work.

Below is a typical workflow for identifying labor needs on current projects, where foremen are expected to identify request details while using fragmented tools and methods.

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Use the process maps to convey the change management for choosing new technologies. The best contractor tech implementations can create sustainable changes from the start by leading with the “why.”

Why are you adopting new Workforce Management software?

Get everyone to agree the current system could be better. Then when people are asked to change, they’re aware of why it should help everyone on the team.

## 2. Fully commit

With processes under control, enforce and update them from project to project. And with a WFM tool, there’s a place to look and confirm things are going well.

There’s a difference between actually bringing discipline to adopting new processes and technology versus saying you will.

For sustainable success, define what looks “right” on **every** job and make your team aware of what’s going on, how there’s an opportunity to do it better.



## Who’s holding high standards for discipline? Tessier’s Mechanical in South Dakota.

“Developing Discipline determines a better outcome on 98% of your projects.” – Shawn Kast, Operations Leader

## 3. Make a case for WFM software

Why are there software platforms for every department – accounting, safety, HR, estimating, project management, tool management – but not labor?

Think of your company as a pizza. Each department is an individual slice with the size determined by the percentage of cost. Usually the labor slice is around 40%. It’s your biggest and riskiest expense.

Now think of platforms as the pizza crust. Imagine a crust under 60% of the pizza, and nothing under the labor slice. It’s a mess and not part of (integrated with) the rest of the pizza. It should be obvious that you need a platform for labor to stabilize your company.

**“You need to get your house in order. Establish processes as a management team, then enforce them. When you do this, you have consistency that creates a model you can use on every project.**

– Gary Fuchs  
Sr. WFM Advisor, RIVET Work  
Former VP Construction, Westphal Electric

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