

CASE STUDY

BALDWIN PAVING



BALDWIN PAVING TAKES CONTROL OF EQUIPMENT COSTS WITH SPECTRUM®

For a company like Marietta, GA-based Baldwin Paving, equipment is the lifeblood of its business. The heavy highway contractor is one of the largest and most reliable road builders in Georgia and to keep its stellar reputation, the company has to lean on its equipment to get the job done. Yet, for years prior to implementing Spectrum® Construction Software, Baldwin Paving did not have an accurate way to gauge equipment costs, meaning that while they were succeeding in the field, the company was selling itself short in the equipment yard and with its bottom line.

“Before Spectrum, our equipment tracking basically amounted to asking our shop manager ‘how much do you think it costs to keep this piece of equipment?’ It was basically guessing at our equipment costs,” said John Friedel, Baldwin Paving’s CFO. “We would assign those estimates of depreciation, all the repairs, and maintenance for the equipment to that division and we would allocate the shop’s time to that division. If that division was making money, then we knew we were covering the costs of the equipment.”

Knowing it was not getting the best financial picture of its company, Baldwin moved to Spectrum, and with it came much more robust equipment tracking and equipment cost functionality. “I really like what the Spectrum system allows us to see and understand with our equipment — how much it costs us to keep a piece of equipment, operating costs versus non-operating costs, cost of ownership, etc. What is really important to me is, are we capturing the costs on that piece of equipment back to the jobs? That is something we couldn’t realize before and that’s where Spectrum really helps us,” Friedel said.

Spectrum helps equipment managers get a complete view of their equipment costs, which can often be a significant part of a contractor’s capital investments. Through deeper analysis of equipment usage, decisions about deployments on specific jobs, and repairs and maintenance, Spectrum helps contractors like Baldwin make more informed equipment decisions.

“When you’re done with a job, or if you are looking every quarter at your major repairs and minor repairs, etc., basically you have a budget on a piece of equipment that you can use going forward and compare to actual costs. Before Spectrum we had no way to reconcile actuals to budget. In fact, we couldn’t really even do a budget,” Friedel said. “Now, you can tie in these costs directly to your budgets and to the other financial aspects of the job and get a much clearer picture of where you are with your job and your equipment costs.”

Spectrum’s Equipment Management capabilities are informed by the methodologies developed by Dr. Mike Vorster, Professor Emeritus of Construction Science at Virginia Tech. Vorster, a renowned expert on construction equipment management, has long taught that equipment management is a cyclical, constantly moving task.

“Dr. Vorster does a great job in explaining how there is always an equilibrium on how much capacity you can possibly get out of a piece of equipment. Once you get all these parameters in check, you can optimize your capital expenditures and, ultimately, your cash flow,” Friedel said. “Knowledge is power. It’s about pulling together how many hours you need on your equipment and how many hours are left on your equipment. There comes a point and time when you have to assess whether it’s less expensive to replace a particular piece of equipment, rebuild it or repair it? There are a lot of moving parts that help make those decisions and Spectrum is the tool we need to make complete sense of all of those parts.”

ABOUT VIEWPOINT

Viewpoint is the leading global provider of integrated software solutions for the construction industry. Viewpoint software enables customers to integrate operations across the office, team and field to improve project profitability, enhance productivity, manage risk, and effectively collaborate across a broad ecosystem that includes owners, general contractors, sub-contractors, project managers, architects, engineers and more. Viewpoint is driving innovations that are transforming the construction industry by fully integrating operations across financial and HR systems, project management tools and mobile field solutions. Viewpoint’s nearly 8,000 clients are located across the globe in more than 28 countries. These customers include 46 percent of the ENR 400, and 34 percent of the ENR 600. For more information, please visit VIEWPOINT.com.

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