



## New home builder stays “above water” during the recession.

A steep drop in housing starts and customers spending less on luxury home construction forced R&J Construction to layoff experienced and valued workers. To avoid future layoffs, the company knew it had work harder and even more important, work more efficiently.



### At a Glance.

With Xora, award winning R&J Construction saved \$200,000 and construction worker jobs.

- Adding up the savings from paperless time reporting and billing, job trends analysis and automatic mileage reporting, Xora helped R&J save around \$200,000 a year.
- The company saved \$10,000 a month on mileage reimbursements with more accurate electronic mileage tracking and reporting.
- Electronic accounting means the company can generate bills much faster – data flows from one system to the next without error, and without anyone lifting a finger.
- R&J credits Xora with helping avoid additional layoffs – a critical benefit at a time of such high unemployment, especially in the construction industry.

R&J Construction used Xora to help weather the recession, and thrives today.

For most residential construction companies, the last few years have been all about survival. Many firms underwent massive layoffs or closed their doors altogether. In early 2011, with housing starts experiencing their steepest drop in 25 years, they still are not out of the woods. Yet Danville, CA-based R&J Construction, which provides luxury new home construction and remodel services in San Francisco’s East Bay, has a healthy pipeline of new projects for 2011.

During the real estate heyday in California, R&J typically had four new home projects and a dozen or more remodel projects going at once. In the last couple of years, the company has had the same number of jobs, but the type of work has changed. “Customers are spending less,” says Paula

Wiens, controller for R&J.

As a result, revenue today is down 30% from 2007 and the number of field workers the company employs has dropped from 53 to 32 plus a handful of office workers, making streamlining business processes imperative. “We have to work harder and be more efficient to get that income,” says Wiens.

Still, the company is looking strong this year, thanks to what Wiens calls a focus on “tightening the ship” – aided by the Xora mobile enterprise software application.

### Getting the hours right

R&J first turned to Xora in 2007 because it wanted to get a better handle on the activities and locations of its workers in the field. The company was realizing that if a worker making \$50 an hour recorded a high number of stops one week on his paper



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**Paula Wiens**

Controller, R&J Construction

time sheet, R&J had no way of knowing if all the stops were for billable activities.

So R&J implemented Xora’s mobile enterprise software solution, which consists of a mobile app that can be downloaded on workers’ mobile devices and a web-based management console for managers, with the goal of getting more accurate data from electronic timecards. Employees began using the Xora on their mobile phones to clock in and out of job sites, which gave R&J better insight into billable versus non-billable time. Every week, Wiens and other managers viewed historical GPS data from the Xora reporting app and compared the data against the electronic timecards to check for discrepancies. This information allowed R&J to do payroll and bill clients more accurately. It also turned gathering critical data for time and billing into a “paperless” process, not just reducing errors but also saving time.

After a few weeks of evaluating Xora data, Wiens began to see other trends that were costing the company money. For example, if a worker had completed the day’s work at a job site, he might linger with nothing to do or engage in non-billable work. “We don’t have the fluff in our budget anymore to cover this, so now we make sure those guys stay home until we have a new project for them,” explains Wiens.

And now if an employee takes six hours to complete a job that based on historical data should normally take three hours, Wiens can check with the project superintendent to find out what happened.

### Keeping fuel costs low

Another area where R&J has saved money with Xora is in fuel costs, which have fluctuated widely in the past few years and are on the rise again. The Xora mobile

app captures mileage reimbursement information automatically from workers’ phones, ensuring accuracy and reducing errors associated with paper-based and manual reporting. This alone saves R&J about \$10,000 a month.

Adding up the savings from paperless time reporting, jobs trends analysis and automatic mileage reporting, Xora helps R&J save around \$200,000 a year. The company is also able to do more accurate job costing for clients, because it has precise historical data on how long projects typically take.

Based on its savings with Xora so far, R&J plans new cost-cutting measures for the future. Wiens says R&J is considering using Xora to transmit photos of hazardous situations or worker injuries. “This may help us get better workers comp insurance,” she says.

### Hands-free accounting

Beyond the cost savings in the field, Xora has helped R&J eliminate the tedious task of manually entering timecard data into its back office systems. Xora transmits data wirelessly from workers’ phones to update the company’s ADP ezLaborManager system, which from there updates R&J’s Sage accounting system. This digital accounting process means the company can generate bills much faster and no longer needs a full-time payroll employee to do billing. Instead, the data flows from one system to the next without error, and without anyone lifting a finger.

Moreover, since Xora and the ADP solution are both cloud-hosted, web-based solutions, employees can access them when they’re away from the office, and R&J doesn’t have to worry about maintaining or upgrading the systems.

### Customer trust that’s “priceless”

R&J serves a discerning clientele of high-end homeowners, all of whom come to the company by referral. It offers a wide array of construction services normally farmed out to contractors, including foundation construction, framing, plumbing, electrical, low-voltage lighting control, audio/sound installations, finish carpentry and painting. The company relies on healthy customer relationships, as 40% of its sales are repeat business.

According to Wiens, another benefit of Xora is that when a customer asks a question regarding hours, R&J can back it up with GPS data that verifies an employee was on the site. That accuracy delivers a measure of trust she calls “priceless.”

### Saving jobs

With Xora over the years, R&J employees have become more conscientious about the time they spend on the job and the hours they record. They understand that by being more efficient, R&J can be more competitive, more profitable and give them more hours. “Our people know guys from other companies who are not working,” Wiens says.

Wiens credits Xora with helping R&J avoid additional layoffs – a critical benefit at a time of such high unemployment, especially in the construction industry.

For a company that prides itself on taking care of its people – workers have been with the company an average of 10 years – employee satisfaction is just as important as saving money. Wiens believes that Xora has helped boost employee morale: “Our people have more respect for the business and are trying to be as professional as they can. You really can’t put a price on that.”