COMPANY DEEP-DIVE

Owner at Quality Foundation Repair Believes Digital Solutions Like ArcSite Will Become Standard in Foundation Repair Industry

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PRIMARY COMPANY

ARCSITE

Summary

The client speaks with the Owner at Quality Foundation Repair about their use of ArcSite, a mobile drawing solution. The Owner values ArcSite for its ability to create detailed drawings, educate clients, and communicate with inspectors. They appreciate the scalability of the tool and its integration with other systems. The Owner believes that eventually, all foundation repair companies will switch to using a digital solution like ArcSite. They also discuss the need for better inventory management software and the importance of using visual aids to sell foundation repair services.

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INTERVIEW TRANSCRIPT

Client ⏵ 00:00:00

Thanks for talking about the residential contracting space. I'd love to drill down into your usage of ArcSite in particular and just how it pertains to a couple of different dynamics within the foundation repair ecosystem or industry. So, could you start by telling us about your background?

Expert ⏵ 00:00:14

I came to Texas 19 years ago. I was doing a handyman service. Hired someone to fix my foundation. They saw all that I was doing under the house and started to hire me out to do smaller level adjustment jobs in the foundation world.

And then, after a while, it was rather than just "go here and fix this, go here and fix that, he is my guy." So, I had foundation repair thrust upon me, but managed to excel once I realized what clients really wanted was education and transparency due to my field sketches, which it's funny how that really, now talking about it, integrates so well with ArcSite.

When you draw up something in front of someone, they can understand it. Even a very technical blueprint of an entire house. If you sit down with anyone and you draw it line by line and explain as you go, they will understand the whole thing when it's done rather than just show them the finished drawing.

So, from that standpoint, I was drawing out foundations for miles and getting them to understand why it failed, what was needed with these sort of to scale sketches. Then, grew the company, we are $4 million or $5 million company now and grew it, but also grew with ArcSite. Once we got that draw tool, all my guys were trying to do hand drawing to scale detailed field sketches we call them. But now we have this draw tool and yes, it's great.

Client ⊙ 00:01:32

That's awesome. When you guys were looking around, did you look at anything else?

Expert ⊙ 00:01:36

Not a whole lot, to be honest. It's been a few years now. So, I can't really remember, but I have said in that disclosure form, I don't have good CAD experience, stuff like that. But it looks like it was tailored built for us, almost. There are some things we could improve.

Client ⊙ 00:01:53

Got you. And how many employees do you have in your organization?

Expert ⊙ 00:01:56

Like 30 or something.

Client ⊙ 00:01:58

How many use ArcSite?

Expert ⊙ 00:01:59

I think we have five or six subscriptions.

Client ⊙ 00:02:01

I just want to understand the sales process a little bit more, So, you signed up ArcSite, then what happened, like someone reached out to you? Like you probably used the free trial, I don't actually know, but someone reached out to do and then try to basically sell other people on it?

Expert ⊙ 00:02:15

How well we were sold on it? A free trial or a demo video, getting on with somebody was really important to have a Zoom conference where they show what it can do and draw it out really quick and then show the take off an estimate. I'm sure you're familiar with the product. So yes, that's all the different added-on features and then the ease of usability and then customization and those are the things that sell us on it.

Client ⊙ 00:02:37

How long would you say that process was?

Expert ⊙ 00:02:39

Maybe a couple of weeks.

Client ⏵ 00:02:41

Got you. And just in terms of quality, maybe on a scale of one to 10?

Expert ⏵ 00:02:45

Very good. The guy that we spoke to, we got on pretty early in ArcSite, I think, the guy that I think that originally consultant with us. He was early in on the company, and I did reach out to him right after he's been let go for some weird reason, but he was great and then we called the guy who does all back-end stuff. He is still with them. I consult with him when something comes up, it's great.

Client ⏵ 00:03:07

Got you. And then, we don't necessarily go up or maybe we will go into what other technologies. But I guess, fundamentally, when you're looking at ArcSite, what do you care about? Like is it efficiency? Is it design such the quality of the design? Is it the fact that you can do mobile? Is it the fact that you can estimate? I'm sure it's some sort of combination, but just really drill down to like what it actually does for you.

Expert ⏵ 00:03:30

Yes, it's all of that. The fact that we can train my guys, each person can have it. It's not great that you have to have all the different subscriptions when really, it's just we really just need one platform because everyone uploads to our own drive. They have a cloud, but we upload those pictures, those field sketches to our drive, and we all use the same drawings. But what is it?

It's the fact that it can be scalable. I can bring on another five inspectors, train them on that, and they pull in the product from ArcSite and it's systemized, how much those products cost and it automatically creates the estimate based of the detail of the drawing, which takes me back to where we started the company is detailed drawings, which make up the quality of the company and unintended.

Client ⏵ 00:04:13

Understood design and the quality of the design is important just in terms of probably being able to do onsite. I am sure your customer like quality is a quality, at least the quality of business. And I totally understand that thinking like what does the customer care about? Are they wowed by the quality of the design when you show it to them? Do they just care like, hey, I just want this process to be quick. It's like sales process or like estimating process?

Expert ⏵ 00:04:37

Yes. That's really funny. They care about the bottom line, don't they? It's like the website, it's like your website. It just has to look like you have pictures of foundation repair on there. You have to look clean and professional, have to have the phone number. That's basically all the website, a customer may be a real picky one or dive into it a bit and read some of the copy, but most people are just click and checking the reviews and then make sure the website looks good. I think the

same is true with ArcSite.

The proposals that it spits out the takeoff an estimate has to look like we're a professional company, and we know what we're doing. And you can polish it a little bit, but there's not a whole lot in there, but probably just enough. If I was going to redo ArcSite, I would add something where you can pull in products, and you got to customize your own product.

I would have another tab in there to show past work or be able to pull in, we have a 3D animated video to be able to show, hey, this is the product. So, we don't have to close that app on the app and bring in another one. I would make that all integrated within one format.

Client ▶ 00:05:40

That's very interesting. What would make you leave it, and would you have any problems with switching? Would you just jump to another thing?

Expert ▶ 00:05:47

I mean, it's business. I wouldn't have a problem leaving. I've been with it a while now. It would have to be a very similar product with a few extras, but not more money because here's the deal, and I've gone back to them. We have five users. I am bringing on another three in-house and another five from the home inspection company that we work with who just like it.

And we're trying to bring more buying power, but they won't drop the subscription too much, even though here's the thing, you're trying one person within a company, and then that's all the back end work that ArcSite has to do, and everyone else in the company is trained by that person. So, those subscriptions should be much, much cheaper because it's like a cell phone line. Once the tower is in the air, all the back end is paid for, but they're not reducing it much.

So, it's going to be about $10,000 for me annually. So, cheaper would be great. And I think once you build it and you go with these bigger sized companies, and I do have some numbers. I'm not going to share them with you, but ArcSite don't have very many users like me that are five, 10 people strong. And a lot of it is just one or two users.

So, those people, you need to have that price. But if you go after these bigger companies, I don't know if you've heard of Olshan Foundation Repair, I know those guys use it, those guys have multiple cities. So, they should be getting a bang up rate. And unless they have a better negotiation than me, they're paying quite a lot of money.

Client ▶ 00:07:10

I totally got you. If I were to pitch you a scenario in which there's a product that's slightly worse. So, ArcSite like, I don't know, maybe in your estimation, like the designs are really great, makes you look really professional. It's crisp. There's ability to do detailed drawings, which leads to that professionalism and quality.

Expert ⏵ 00:07:28

Yes.

Client ⏵ 00:07:28

There's another product that wasn't as good. It was super simple and a little bit cheaper, think like a digital graphic or maybe and just like a little bit cheaper. Would you switch or does that quality matter enough to you?

Expert ⏵ 00:07:39

The quality matters. I wouldn't switch. Especially now I'm used to paying this much. It's got to be equal or slightly better and a little bit cheaper. It's got to stretch both parameters.

Client ⏵ 00:07:51

I looked at that and then what you said about or say don't have many users that are five or 10 people strong. I understand you can't share numbers. That's totally fine. But for the purposes of this, within the foundation repair industry, like we would love nationally, but even if you can do what you see around you, how many of those five to 10 people strong businesses are there?

Expert ⏵ 00:08:10

There must be in every metropolitan place like say a city, there's going to be in just the foundation repair industry, there should be two or three of decent-size companies. But you're working with contractors.

These guys aren't always the smallest fish in the sea. They are plumbers that were plumbers and then ended up starting plumbing companies. So, I think that's what it is in foundation repair. But I see how the company's estimates come across my desk occasionally, and I know more of them are using ArcSite.

So, maybe in the three to four estimated range. But if you can explain it to them also in your future sales, you say, hey, the sales guys use this and the foreman. You have to get them, and I have had a $300 investment, but this is what it can do. And then because the disconnect in our companies is between sales and in-store. So, if you can help bridge that connection and tell these guys how they're going to grow their company and increase quality, that will be an added value for you.

Client ⏵ 00:09:05

Just relative to the two or three larger enterprises in cities, relative to those, how many foundation repair businesses do you think there are within a large city?

Expert ⏵ 00:09:13

Probably like 10, 15.

Client ▶ 00:09:15

Got you. You mentioned it's not just the ArcSite's license, but you actually have to make the decision to buy a $300 iPad for everyone using it in the field, starts to stack up as a nontrivial investment.

When you think about the return on that investment, like maybe rank the things that matter. Is it the professionalism of the digital drawing an invoice? Is it the speed of a drawing? Is it the accuracy of a drawing? Is it the accuracy of the estimate? Like help us understand exactly what you think matters most. In general, when you think about a mobile drawing solution for the folks out in the field, what matters?

Expert ▶ 00:09:47

It's going to be scalability. All my guys have been with me quite a long time. So, they all know how to grab a bit of graph paper and a digital tape measure and sketch out an exact house and where the beams are and where the piers are and all that. It's not scalable. If we bring in more people, they have to learn that stuff. This is scalable, and it's exact.

So, when you draw the line and it says 14 feet, then my foreman looks at that, he knows that line is 14 feet. Because for us, we're sometimes replacing a few piers here or a few piers there, this length of beam. And it's the detail and the quality of that and then the fact that we can translate that into an exact quote. If there are five piers on the drawing, then that's what the estimate says. There's no like miscounts.

Client ▶ 00:10:33

Got it. And in the pre-ArcSite world where you still had estimators using sheet or ruler?

Expert ▶ 00:10:37

We still use the digital ruler. That's one thing I can add to your product is Bluetooth with maybe even come out with your own digital laser that syncs directly to your iPad, you have to get very expensive one to hook up with ArcSite. But that is very beneficial. But yes, we were still using that. But when we were using the grid paper, we would literally go back count up the beams, count how many piers, then we're using FreshBooks at the time to create the estimate.

Client ▶ 00:11:03

Got it. And then, do you actually like send the invoice and handle all of the project management, what other systems are you using?

Expert ▶ 00:11:10

Yes, and they have to integrate with them. We use QuickBooks because it's great for financials and the inner workings of the company. So, we send the estimates in ArcSite, then everything once the

client has confirmed the job, then we use the link to send it over to create an invoice in QuickBooks.

Client ⊙ 00:11:26

Got it. And then, that's the only other system. There's no other like CRM management solutions?

Expert ⊙ 00:11:32

Yes, we do use Zoho CRM, and we have to use a third party, it is open-end API for as Zoho when we create a new contact in Zoho. We had an API guy develop a buffer for us on there that ports over to ArcSite, creates a new project and drops in the name, telephone, e-mail and a lot of good stuff.

Client ⊙ 00:11:51

Got it. If there was a world where ArcSite released like a pretty easy to use simple CRM type solution, would that be beneficial in your mind? Or Zoho has a bunch of functionality. It's very rich and complex and you love it?

Expert ⊙ 00:12:03

We've shopped Salesforce and a lot of the other CRMs. Some of them are just too in depth, but then some of them are just too basics. So, we use CRM Zoho now for some other metrics to have it customizable and maybe there's like a back-end crew that when they're not training people how to use ArcSite, they can customize a CRM, if you're going to offer that.

That may have value to it, and you buy buckets of hours or something like we do with our Zoho developers. I'm open to new CRMs, but it's a huge overhaul to change pattern for the software stuff like that.

Client ⊙ 00:12:35

That's helpful. And then, going back to ArcSite specifically, and you guys specifically are pretty sophisticated operation, big teams, obviously, forward thinking with technology. Can you think about like smaller operations, are they going to see the same benefit from something like an ArcSite, would you think over time, every single foundation repair company should be using something or there's a size where it wouldn't make sense?

Expert ⊙ 00:12:58

People are just getting into the company in younger, I think foundation repair, there are some guys in town that have been doing it, knee-high to a grasshopper and their old school dudes or I hate to say it something like just come in, they'll give you a word about estimate, maybe scratch it down on a paper and go.

But I don't think that can't continue forever because everyone's got an iPhone, everyone's

understanding technology and they want a clean product, and they want a clean proposal. So, it just makes sense that everyone is going to switch to this eventually. I've already seen it in all, like I said, we see ArcSite templates that is not our company, but come across every now and again.

Client ⏵ 00:13:34

Got it. Can you talk about your relationships with your suppliers? So, if you need to do something for foundation repair and you need some sort of materials like who are you working with?

Expert ⏵ 00:13:44

We bulk buy from Home Depots. We use McCoy's. A lot of it is going to be find local suppliers for like aggregate and concrete mix trucking companies. Do you have any suggestions there? Let me know. Amazon, believe it or not, just because it's so accessible and easy. We use that.

We get a lot of different stuff. Our pipe, we use a lot of steel pipe in the work that we do. Work with them and we work with suppliers on that, probably going to go to auctions at some point and get truckloads of it rather than half truckloads.

Client ⏵ 00:14:16

Very interesting. So, you have a ton of different things that you're pulling from. It's like it's definitely not one, two or three things, and it's not consistent over time. So, for one foundation repair project, you can be pulling from Amazon. For the other one, you can be pulling locally. And it's just a matter of figuring out where you can get it. Does it sound like an instance to instance basis?

Expert ⏵ 00:14:38

No. We were lucky enough to buy some space a couple of years ago, and so we have a large shop. We have our shop supplies and then we have a large inventory of lumber that we keep in the shop and then steel pipe. So, two different types of foundation repair, slab foundations and pier and beam. Slab foundation is totally different to pier and beam.

You drive steel pipe to bedrock if you're a good company. If you're a bad company, you do this concrete pile on. But yes, you're going to get all those materials in for those repairs. There's not that many moving parts to that type of operation. But pier and beam is very different. You're taking skirting off, so you're putting skirting back on, you're doing beams, you're using screws and hand tools.

Client ⏵ 00:15:21

That makes sense. And how are you managing that inventory right now?

Expert ▶ 00:15:25

We have a shop manager, and we do accounts twice a week in the same way we do tools, each crew has a tool count every week. And some of the stuff you got to charge it to the game, things go missing or break pretty quickly. But we're lifting houses, and we have blue collar guys that are willing to climb on the house and dig holes every day. So, you've got to just kind of train them up as best you can and push it down the line.

Client ▶ 00:15:47

Would you be interested in some sort of software to manage with that?

Expert ▶ 00:15:50

Yes. This is a beast. If you're going to do CRM inventory or maybe some of the others. But I think one thing we don't use on ArcSite is the takeoff and estimate, of course, we use. It's the other one that spits out something for the crews on material count. We don't utilize that just because, I don't know, I haven't spent that enough time digging into it, but that maybe would relate to in-house inventory, I can see the value in that, sure.

Client ▶ 00:16:16

Yes, got you. Can you sound like two things more on that, just the material tracking that you said?

Expert ▶ 00:16:21

So, let's say, your ArcSite has operations when you open it up on the desktop and you have all your inventory listed or specific items like lumber, and then pier brackets, whatever it is. Then when you're creating the estimates in ArcSite and then you create the estimate.

And then, maybe at the end of the day or at the end of the week, it creates a report to go back to whoever to say, "Oh, hey, it looks like if you sell this or if this job is closed, then you're going to need this much more inventory." I mean, you could probably play around with something like that.

Client ▶ 00:16:52

Got you. And then, how do you handle payments? So, if someone's paying you like what different forms can they pay you with unlike you use anything to handle that?

Expert ▶ 00:17:00

Yes. Right now, we're being rated by QuickBooks and about to negotiate a better deal with them and probably find someone else in the end for credit cards and ACH draws. We try to encourage ACH draws. It's less of a fee, but it all goes through QuickBooks because ArcSite pushes the estimate to an invoice, then we send our invoice to ArcSite through QuickBooks.

If we could do it all through an ArcSite, we might do that. It's all about the detailed accounting, the bookkeeping that QuickBooks offers though. You're not going to make another one of those, I'm guessing. So, it does somehow need to pour over to a financial software like QuickBooks, I think.

Client ⏵ 00:17:37

Got you. How do you guys handle ACH right now? So, you send an invoice through QuickBooks, how do they pay you?

Expert ⏵ 00:17:44

Yes, it has that option in QuickBooks. You can click on and off for credit card or ACH.

Client ⏵ 00:17:50

Can I ask you just rank from scale one to 10?

Expert ⏵ 00:17:52

Sure. I mean, yes, it's like 8.5. I mean it's pretty good.

Client ⏵ 00:17:57

And then, can we rank like the design quality, can you want to attend the level of efficiency you get one to 10 and I don't know, the mobile operation one to 10?

Expert ⏵ 00:18:05

I would say design could be a little better. I'd maybe put that like a seven. Mobile efficiency is good. You don't typically need to be on a hotspot once it's uploaded. So, that's like a 9.5.

Client ⏵ 00:18:17

So, you did mobile. Efficiency as far as like it makes your processes like your sales process and the whole foundation repair process more efficient.

Expert ⏵ 00:18:25

That's 9.5 right there, that's correct.

Client ⏵ 00:18:28

And then, the mobile functionality versus the way you used to do.

Expert ⏵ 00:18:31

10, I am just scanning field sketches from paper and then print them out and to redraw on them.

Client ▶ 00:18:36

I got you. And then, is there anything we're missing like from a foundation repair perspective that you think we should be keying in on particularly either as it pertains to ArcSite or the general industry?

Expert ▶ 00:18:46

Yes. I just think since I already have that stuff because nobody else is going to do it for me, but to show how foundations are put together, something that's going to educate the homeowner. These are the sexy iPads you are taking in, that's how you sell it, like sit down with a client, it's not just that you've sketched out their house. But look, this is how houses are made.

This is a foundation because in all the different industries, they're pretty similar and maybe you could tweak a few for like a Kansas basement rather than a Texas flat on grade. You can make a few templates, but to actually show those things and be able to rotate them and explain the pier system that people are using, that is going to help sell foundation repair for people, which that means they'll buy your product.

Client ▶ 00:19:28

That's very helpful. I really appreciate the time. Enjoy the rest of your day.