

# THE BIGGEST TAKEAWAYS FROM THE CFMA CONFERENCE

I recently attended the Construction Financial Management Association's (CFMA) Annual Conference & Exhibition in Phoenix. It was a jam packed conference featuring some of the most influential leaders in the construction industry. After attending as many sessions as I possibly could, I noticed a few recurring trends that are impacting the construction industry. Below are my biggest take-aways from this year's conference.

## TECHNOLOGY

There are few topics in the construction industry that are more exciting and challenging than technology. The conference was filled with exhibitors displaying their newest products and services. From wearables to software to field equipment, the industry is buzzing with new features designed to help construction companies plan, diagnose and attack the financial and operational goals of each company.

In our experience, there are two approaches to technology that we see most often. The first approach is the early adopter approach where our clients are quick to adopt, test, try and leverage new technology in the industry. The second approach is the "if it ain't broke" approach, where our clients typically avoid the urge to adopt new tools and advances involving technology.

No matter where you land on this spectrum, it's important to understand that technology is going to change the way we do things in the future. So whether you are the early adopter, or the more conservative type, the principles below will be critical to successfully implementing technology into the fabric of your firm:

- ***Be thorough in the discovery and information-gathering phase.*** Simply put, do your homework. Know where the potential pitfalls and risks of a successful adoption could come from. No one knows your business better than you do.
- ***Document the process.*** Documentation should be thorough, to the extent that if you left your company tomorrow, your employees could successfully implement the technology.
- ***Communicate the "why."*** It is critical for employees to understand the long-term vision behind the adoption of new technology. This step is often overlooked but could be considered one of the most important aspects to the successful adoption of new technology.

## THE BOTTOM LINE

Technology and succession planning are two of the biggest trends affecting the construction industry.

- **Start small, fail fast.** When making the decision to implement a new software, wearable or field equipment, it's critical to start with small investments. Let a project manager utilize the technology in the field for a month, then get feedback and modify your plan accordingly.
- **Support and training is critical.** Once a new technology has been introduced, it is important to provide employees with on-demand training and support. A specialist, from the vendor or within your firm, should organize training events and be made available to employees for on-site training as necessary.
- **Review process.** Once the steps above have been put into action it is important for the management team to perform reviews throughout the year to monitor employee engagement. During this process, management should focus on questions such as:
  - Am I achieving the desired results by utilizing this technology?
  - Are my employees utilizing the technology in the manner in which they have been instructed?
  - Are there any challenges that were overlooked in the discovery phase?

## SUCCESSION PLANNING

Everyone is talking about it... why? Because it is impacting every industry and sector across our economy, and it will ultimately shape the future of our country. The successful companies are challenging their management teams to take action, including adding specialists to the conversation such as accountants, attorneys, valuation experts and bankers. We believe that the perspective and insight gained from these specialists is critical to executing a successful exit plan.

Successful exit planning is often hindered by one of the following obstacles:

1. Failure to identify and prepare the next generation of company leaders
2. Unwillingness to formally plan the exit
3. Inability to implement #1 or #2
4. Lack of a justifiable financing plan that is fair to the exiting owner and to the business
5. Inability amongst exiting owners to agree on the long-term vision of the company
6. Fear of business owner losing control

To achieve a successful transition, it is critical for the exiting owners to develop their own 'advisory team.' A competent team of advisors is prepared to overcome the obstacles listed above and will give each exit plan the best chance for success.

As your company grows into the future and begins to adopt more of this technology, we believe that a formal implementation strategy should be followed which will increase the odds of a successful, safe and profitable adoption process.

It was a great experience attending my second CFMA conference, and I'm looking forward to the next. For more insights and industry news, be sure to subscribe to our newsletter.

## ABOUT THE AUTHOR.

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