WELLONS CONSTRUCTION INCREASES REVENUE 30% THROUGH TECHNOLOGY







Vice President of Wellons Construction, Seth Thompson, with Topcon equipment. Shown in image is Topcon 3D-MC² GPS system installed with Caterpillar dozer and Topcon X-53i on Caterpillar excavator.

BACKGROUND

The 2008 recession undoubtedly hit the construction industry hard. Hundreds of billions of dollars, millions of jobs and thousands of businesses were affected. Seth Thompson, Vice President of Wellons

Construction, recalls that the recession hurt their revenue, "During the 2008 recession we had very little to no profit margin, so we had to find a way to increase our production."

To increase the company's competitive edge, Wellons turned to technology. "We realized that everyone had the same dozers, excavators and off-road trucks, so we turned our attention to increasing our production-base through technology. Not only did we integrate GPS into the field, but we also brought in new technology to the office like bidding software," said Thompson.

With their new bidding software, Wellons doubled the number of bids previously generated in the same timeframe. However, integrating GPS into the field proved to be very challenging. In the beginning, workers in the field were hesitant to start using GPS. According to Thompson,

"When we first brought out the GPS unit, not one of our grading guys wanted to deal with it. They all said 'I don't need that. I've been doing it this way for 40 years."

OVERVIEW

- Low profit margin during 2008 recession drove Wellons to increase production capabilities
- Initially, GPS integration proved to be very challenging
- Wellons turned to Benchmark for new system, proper support and training
- Integrated 11 GPS machine control systems; bidding software added to office operations

IMPACT

- Doubled number of bids generated
- 30% production increase
- 15% operational savings
- 30% revenue increase

Adding to the hesitancy, Wellons' first GPS unit was inoperative. "We purchased our first GPS unit in 2007 from another company. From the beginning, we had issues with it. It was a poorly designed mix-and-matched system. No one knew how to properly operate the system or what to do with it."

SOLUTION

Wellons turned to Benchmark Tool & Supply for support and training. Working with Benchmark, Thompson and the Wellons team learned approximately 75% of the original equipment purchased was unusable and a different set up was recommended.

Wellons and Benchmark worked collaboratively to integrate new GPS systems in dozers and excavators. "Benchmark helped us make a comfortable transition to using GPS in the field which greatly helped increase our production," said Thompson.

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IMPACT

With eleven GPS machine control systems now in place, Wellons' operations are advancing quickly. "We're experiencing a 30% increase in production, which equates to less time on a jobsite, less labor costs and even less wear-and-tear on the equipment," said Thompson. "We can easily set ground control points and get right to work."

Additionally, Thompson estimates the company has generated approximately 15% operational savings by increasing production. By doing so, revenues have increased 30%.

Wellons plans to incorporate additional new technology as it becomes available. "We want to stay on the cutting edge of leveraging technology to advance our operations and production levels," said Thompson. "We don't want to get behind where we were back in '08 or '09. Our partnership with Benchmark gives us tremendous opportunity to do the best job in the most efficient way, helping us stand out from our competitors."

Thompson encourages other companies to consider the use of technology to further develop their competitive differentiators.

"Don't jump in halfway, put on your swim shorts and jump in all the way. Technology is always changing and you've got to stay on top of it."

ABOUT WELLONS

Wellons Construction, Inc. is a full-service site and utility contractor located in Dunn, NC. Our work is focused toward developers and builders of commercial, residential and industrial construction projects. Our service areas include the counties of Harnett, Wake, Durham, Sampson, Johnston, Cumberland and Hoke. We are committed to providing owners with timely, efficient and high quality results. Whether you need clearing, grubbing, demolition, grading and excavation, erosion control measures or storm, water and sanitary sewer installation, let Wellons Construction be your choice.



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