



What's New

We held our annual State of the Company, but this time, we had three locations: Illinois, Arizona, and Argentina! Nice to celebrate with the different teams, then enjoy dinner together. We're very excited as we look at the vision for the coming year which involves our Automation journey.

Several of our team members are celebrating an anniversary in August and September. Great to meet and review their successes while setting goals for the coming months and year.

Looking forward to the Labor Day weekend. Larry always does amazing things on the grill, and it's a signal that the Fall is ahead of us; an exciting time. - Catherine Wendt

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September 2023



Tech Status Quo – An Oxymoron

A few definitions:

Status Quo: the existing state of affairs regarding social or political issues; the way things are now; an existing state of affairs. The existing order of things; present customs, practices, and power relationships.

Oxymoron: a figure of speech in which apparently contradictory terms appear in conjunction; two words or phrases used together have, or seem to have, opposite meanings, e.g. almost exactly; freezer burn; old news; only choice; living dead; and our addition to the list, Tech Status-Quo. In literature, these can be used to add dramatic effect, add irony, create a playful tone, or reveal a deeper meaning. When we hear it, it usually means 'don't make any changes.'

I'm sure you've heard the comments about how fast information technology (IT) is changing, the amount of data coming at us all day, the huge increase in demands for our attention, all as part of how technology has infested

our lives! Frankly, these changes are amazing – think back to hand creating and writing payroll checks; getting up from the couch to change the TV channel; getting out of the car in the rain to open the garage door; buying a really long cord for the phone so you can walk away from the kitchen to take the call; the amazing number of things we do with our phones; we watched a Vulcan employee in a tower using a joy stick and laptop to operate a huge boulder crusher!

Back to our businesses: Staff and Owners can work from anywhere there's an internet connection; as soon as I save a file to SharePoint, anyone on my team has access; electronic document signing, even 'signature' cards for the bank; electronic banking; laptops, tablets that go anywhere; huge screens that allow multiple documents to reduce the use of paper; beautiful printers without taking plans to the local printer; electronic take off's; pull up 'live' reports through Power BI

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right on a cell phone; answer the business phone line from anywhere!; and dozens more.

We count on this technology to run our businesses. We expect new releases to be faster, more intuitive, have the extra column we want to see, and frankly, to look great, too! Then Techs suggest a replacement firewall with Geo filtering and security and we're told the old one is still working. Yes, but it was built before many of the latest technology improvements, let alone security updates were available.

What about a laptop? We've seen the Bookkeeper or Controller struggling with a 4, 5, or 6 year old computer, slower than molasses, with stacks of invoices to process, and suggested a replacement. Not only would this poor person have a better day with less frustration, they would be more productive. And frankly, some of the tools you want this person to use don't run well (if at all) on the older laptop. It's not just the age of the shell, but the age and speed of the discs, the processor, the fan (they get

loud!), and how much memory, to name a few.

How about software? It's only been a few years since electronic field time collection hit our industry. With the new State labor rules, I can't imagine how to track let alone prove what's happening on our job sites and offices. Of course, with these new efficiencies come new levels of accountability for both parties. The amount of data we have to report to our clients, staff, vendors, and government agencies is mind blowing (is that an oxymoron?). Software integration tools and newer software offerings are so important. They're written in the latest software 'stacks' and often require the latest platforms to run. This means that the internal systems and platforms cannot maintain a 'status quo' but have to be kept up-to-date.

Now let's talk about people – that's how all of this gets done! Our teams are also bogged down by the constant demands for their time and attention. Giving them the best tools and the software they need to get the job done is so important; but there's

more! Education!! Pay for some training, either with your team, or use outside resources; share short videos and articles so they stay up-to-date; arrange for them to attend webinars and in person events appropriate to their role at the company.

Last thought on people: let them make a mistake – yes, I know that seems odd, but the fear of a making a mistake may be enough that they won't try the new software, the new phone system, or reporting tool. Be ready to invest dollars, time, and allow a few mistakes. None of us can afford to stay stagnant. You need *current* technology. - CMW

"As long as people continue to believe that reality is hurting them, they will remain victims."

- Cy Wakeman

The Collaborative Way by Lloyd Fickett, Jason Fickett

This book was recommended to me by a fellow C12 member. Scott has all new hires read this book, and they reference the terminology and structure as they interact with each other.

The book is setup as a story; there's the 'current' events and 'three years ago' to show the original introduction of the concepts, and the company's journey to make this process part of their culture. It's in the Patrick Lencioni-style of story telling, all about a company that has success, sees the business drifting down the wrong road, and embraces a different way

of handling conflict and holding team members accountable.

Through inclusion and alignment, there are five driving principles that help



Book Nook

the company stay focused. Each chapter continues the story/journey for each of the categories and includes what it is, how it's applied, how to handle things when things fall off track, and the ultimate success of the system over time. They include Listening Generously; Speaking Straight; Being For Each Other; Honoring Commitments; Acknowledgement and Appreciation.

It's a quick read and there are some great quotes. 'Just dumping your judgments and assessments on someone is not Speaking Straight, and it isn't getting you any closer to having a great company.' 'Being a responsible receiver of a commitment means that I only accept commitments I think will be kept.' And there's more, but I'm out of room! Definitely recommended (thanks Scott). - CMW



U.S. Ambassador to China, Hacked!

In an update from one of our vendors, Blackpoint, we received the following notice: Nicholas Burns, the US ambassador to China, had his email account compromised in an attack that is believed to have affected hundreds of thousands of individual U.S. government emails.

This breach is a result of a sophisticated cyberespionage operation believed to be linked to Beijing. The threat actors were able to bypass security measures and gain unauthorized access to Ambassador Burns' email account.

It continues: The exploitation of this breach allows threat actors to gain access to confidential communications, potentially enabling them to perform discovery, exfiltration, and other follow-on activity.

The rest of the update reminded us as Managed Service provides to stay vigilant with regard to email security, security measures, and access controls, all things we take VERY seriously. Be vigilant! - CMW

First Contact Safety Tip

At Syscon, we've enabled a new feature and we're testing for YOU! When an email comes in, if the sender is contacting you for the first time, or it's someone you don't receive regular correspondence from, the opening line of the body of the email says 'You don't often receive email from..' followed by the message itself.

So far it's been helpful and not intrusive at all (no bright yellow or orange!). The

goal is that although it's a name you might recognize or a vendor you might know, if it's a 'first contact' then something is different and you should raise your 'skeptical' level when reading through the message or responding to requests.

As always, if there are requests for money, changes in bank info, or anything with a financial component, pick up the phone and call them! - CMW

Google Domains—SOLD!

Google Domains sold this part of its business, managing domains (your company's online address) to Squarespace.

Squarespace said they would honor renewal pricing for at least 12 months. There are quite a few online articles and more than a little concern. If your domain is (was) with Google, it might be time to talk to our techs and get it moved. -CMW

File Length and Data Limits

With more and more clients in SharePoint and OneDrive, we've seen a small bump in the number of users calling in with issues. They are having trouble opening files. When we log on and take a look, more often than not, the file length is too long; there is a limit.

When we move a client from server shares or documents in DropBox or something similar, file lengths are one of the things we check. There is a 256 character limit. The rub is that it's a total of 256 characters starting with the name of the site, the first folder name, the second level folder name, and so on, plus the name of the file. What we've found is that some documents are buried four folders deep AND have long names.

It's an easy 'fix' of course; shorten the name of the file, or move it up a folder level or two.

Secondly, we've seen a growing number of people hitting the limits of their local computers. A reminder to delete items from the Recycle Bin, Deleted folders, and Downloads. This usually frees up LOTS of space! - CMW

Shiny New Gadget Of The Month:



Rocketbook Fusion Plus

The Rocketbook Fusion Plus, priced at \$47.99, offers an ingenious solution for back-to-school, work, and daily life. This innovative note-taking tool and planner combines the benefits of analog and digital approaches.

With a spacious 8.5 x 11-inch format, the Fusion Plus provides ample room for notes, sketches, and plans, and acts as a versatile planner. Its sustainability shines with the use of the Pilot FriXion pens, which can be erased with a damp cloth, eliminating the need for endless paper.

The Fusion Plus's QR codes enable seamless digital integration. Scan and upload your notes and plans to cloud services like Google Drive, Dropbox, or Microsoft OneDrive, ensuring your information is accessible anywhere.

Versatile and eco-friendly, the Rocketbook Fusion Plus adapts to various needs. From students' varied subjects to professionals' brainstorming sessions and daily scheduling, its adaptability makes it indispensable. Check it out at getrocketbook.com.



CONSTRUCTION CORNER



IL Secure Choice – Coming to a State Near You

For our IL clients, that state has decided to require employers who do not provide a retirement program to sign up for their state-sponsored retirement savings program. The idea is nice but the logistics are crummy.

Any employer that does not sponsor a qualified retirement plan, has five or more Illinois employees in the previous calendar year, and has been in business for at least two years is required to participate.

The state sent out the notification this July and is phasing employers into the program. If you don't have a qualified program, you sign up for the state program and upload your employee roster. The state notifies the employees, then you start collecting contributions from employees who didn't opt out during the 30-day window.

This sounds a little like the WA State Cares Act we mentioned last month. There are participation exemptions and rules to follow. You pay the state (such good money handlers) and the employee has a forced deduction for retirement savings.

Why mention it here? All the states are looking for cash. As they try things out, other states will follow, and small businesses will continue to provide personal secretary services for their employees (I guess I'm feeling a little salty about this). - CMW

Accruing Use Tax

Many contractors purchase materials under a retail sales tax certificate. It's presented to your suppliers, and the supplier does not charge sales tax. It's your company's responsibility to pay the Use Tax on the materials. Great for cash flow, but lots to consider here.

This is when I usually hear that quite a

bit of your work is for tax exempt work. Your purchases are only exempt from sales tax if they go 'in the wall.' So wood, nails, mortar, steel, rebar, caulk etc. But that caulk gun does not go 'in the wall' so you owe sales tax on it. You also owe tax for things like safety equipment, consumables such as masks, all things you can charge to the job, but are not exempt. Bottom line: even on a tax exempt job, you will owe sales tax on various items.

Whether it's non-exempt items, or a

"Bottom Line: even on a tax exempt job, you will owe sales tax on various items."

taxable job, how to handle these costs and where to charge them?

This is where the fun starts for the bookkeeping team. We have some great work flows to accrue for these taxes, charge them to the right job without extra month-end compilations, and have the numbers you need to report the total sales that are subject to the tax, as well as the tax itself to the state.

We recommend setting up a few Parts for the Use tax or tax districts you need to report on. A reminder that this is very different than charging customers Sales tax (different part of the program). Then in the AP entry screen, using the new part numbers, in the Quantity field, enter the dollar amount subject to tax (be sure to exclude freight, and similar), in the Price field you enter the tax rate (as a decimal), and use a direct expense account. You don't want to pay it to the vendor, so on the next row, use the same part number, enter the amount subject to tax as a negative, the same rate and on this row, use a Liability account number.

On the job cost screen, you'll have the total materials AND the cost of the sales tax. You can enter the tax as a separate

cost code or lumped in with the materials; check with the estimators to see where they have these costs. At the end of the month, run a query on the part number(s) and you'll have the total amount subject to use tax, and the money set aside in the liability account. The job costs are right all along! - CMW

Reading a Financial Statement – Tips for Owners!

We count on our CPA and our bookkeeping team to stay on top of the financials. Since as owners we're not always in the financials, it may seem a little intimidating. That doesn't mean we don't understand in general, but there are a couple of things we can be watching and asking for. We'll cover a few here, and a few more next month.

Lots of construction owners are focused on the cash balance. Cash is very important, but it doesn't tell the whole story. You could have a good cash balance, but a significant balance on a Line of Credit. With today's interest rates, you'd save a TON to keep that LOC balance down and only draw when you need it.

A few other things about cash. When you take out a truck loan or buy equipment and finance it, you are promising to use future net earnings to pay that loan. Given your recurring monthly cash demands such as payroll, open AP, other loan payments, can you project that you'll have enough to make these payments?

How often are you reviewing the retention balance, job by job, but also in whole? Many contracts allow you to reduce to 5% retention when you hit 50% complete. Who on your team is calling to ask about the released retention that you haven't received yet? If you have money out on your Line and you have released retention you haven't received, that's a very expensive place to be right now. - CMW

Happy Birthday Surface Pro!

In late October, EduCon Chicago, a Microsoft 365 Conference comes to Chicago and we plan to be there! We'll hear from Microsoft 365, SharePoint, Power Platform, Teams, and Azure experts (yes, we think this is fun!).

We also expect Microsoft to unveil the new Surface Pro model in honor of its 10th birthday. After the event, we think it will be a week or two before they're ready for sale. We'll keep you posted!



Microsoft Cloud Solution Provider



National I.T. Professionals Day

We have an amazing Tech team at Syscon. We work with some amazing IT Professionals at several of our clients, as well. We've watched the IT world change so much over our 37 year journey. The knowledge these techs have and the rate of change they cope with are amazing. Congratulations to all the IT Professionals we work with now and have worked with in the past.

National Cyber Security Awareness

October is designated as the National Cyber Security Awareness month. We're a long way away from 'Look both ways before you cross' and 'Don't talk to strangers.' We have a whole new awareness to share with people of all ages. If you'd like to bring some heightened awareness to your team, we have a Special Edition newsletter that's a compilation of our Cyber Security articles. Let us know and we'll send it to you!

How Did They Do It?

Ambrose Construction

Brad Wageman, owner of Ambrose Construction, has paved a path in the construction industry through his unwavering passion for carpentry. Starting alongside his brother, his journey has been defined by determination and a fervent dedication to building. After a teaching stint, he embraced carpentry wholeheartedly. Seven years in a design-build firm sharpened his skills before founding Ambrose Construction.

His recipe for success includes unrelenting hard work, perseverance, and a steadfast team. Collaboration is a cornerstone of the industry, and his commitment to nurturing a skilled and reliable team has been pivotal.

The pandemic introduced challenges that are familiar to many—supply chain disruptions and a tight labor market. They overcame these hurdles by optimizing resources and embracing adaptability, leaving a valuable lesson in their wake.

During the pandemic, the importance of technology became evident. They transitioned to a cloud-based system, enabling remote work, and ensuring seamless ac-

cess to critical data and applications. Syscon played a crucial role in this transition, offering hosting services and integrating seamlessly with Sage 100 Contractor, streamlining their workflow, and boosting overall efficiency.

Brad's daily highlight remains visiting project sites. His palpable passion for carpentry shines through as he takes pride in witnessing projects come to life.

With an unwavering team, an ardent love for their craft, and the right tools, Brad and Ambrose continue to erect remarkable structures while nurturing enduring client relationships. Their journey underscores the dividends reaped from perseverance, innovation, and strategic investments in the ever-evolving realm of construction. —RB



Brad Wageman,
Owner

Fast Facts

Location: Seattle, WA

Specialty: General Contractor

Founded: 2007

Affiliations: Master Builders Association and the Built Green Program.

 **Read more at www.syscon-inc.com/how-did-they-do-it**

Are you interested in having your story featured? Let's talk!

Webinar: Ditch the Old Server

When: Thurs Sept 14th

Time: 1:00 pm Central

If you have Server Operating System 2012 R2 or Aging Equipment, you won't want to miss this!



James Clear, author of *Atomic Habits* and Global Leadership Summit 2023 Speaker.

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We love this stuff!
We are committed to helping businesses use technology to run their organization successfully and profitably.

This monthly publication provided courtesy of Catherine Wendt, President of Syscon Inc.

