Syscon U

What's New

Automation! Our rock-star programming team has turned their attention to our internal systems and rolled out some automation for us! The saved time and increased accuracy is such a blessing!

One of the new internal automation changes includes emailing invoices from Sage 100 Contractor through our FIT System. It could be a game-changer for our clients, too!

We're merging our IL and AZ entities into one Arizona company. The consolidation will wrap up 12/31/23; very exciting!

Perhaps you have a friend who will be alone; why not consider inviting them to join you this Thanksgiving!- *Catherine Wendt*

In this Issue

November 2023

We've been on a journey for about 18 months (probably longer). The result includes some major changes to our company structure. The many projects leading up to this moment in time have been focused on how we deliver our IT services and we're very pleased with the results and the feedback from our clients. We've heard from a number of clients as they re-think aspects of their business including hiring talent out-of-state; moving servers and data to the cloud; crossing state lines for expansion of services or to open new lines of business; transfer/sell business ownership to the next generation or employees (ESOP); so we thought our journey so far might be of interest.

Looking Back: In December 2021, we shut down our Hosted Exchange services. We were faced with some painful upgrades of hardware and software, service interruptions to our clients, and frankly, a much better and more robust solution (Microsoft 365) that would greatly benefit our clients. We stepped out into that space, moved our internal email, and began the journey to become Microsoft Cloud Providers. Great news: we made the 12/31/21 deadline and haven't looked back!

Next, we targeted a shut down of our Private Hosting environment which was started in 2011. We were faced with the need to upgrade a considerable amount of hardware. We also knew that if we replaced this infrastructure, we'd be faced with the same issues in three years. We further knew that with the pandemic in our rearview mirror, the Azure hosted environment was ready for our clients, more cost effective, and more secure than anything we could put together, no matter how big a check we were willing to write!

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So, as is our custom, we started with ourselves, moved our servers to Azure, moved our network shares to SharePoint and OneDrive, and our phones to Teams Voice. We chose the right vendors for backups and support and finalized our relationship with Microsoft so we could be a Direct Partner (no middlemen!). Then we targeted December 31, 2022 to have all our existing hosted clients moved off our legacy offering and into the new infrastructure. We made it! And we celebrated! Every team member put in the extra work and effort to help make these important changes!

Looking Ahead: Now we had some new options. With all our infrastructure for our clients and ourselves out in the cloud, and a growing team of people outside Illinois, we had to rethink our strategy. As we took a look at the 33+ states our clients represent and the growing number of states across our team, we now saw an option to move the business out of Illinois. There were many considerations, so after checking with our professional services, teams a plan was put in place.

In the last year-plus, we've engaged several professionals to provide a valu-ation of the Arizona entity, then the Illinois entity. All new team members are on the Arizona payroll. We've engaged a Mergers and Acquisitions (M&A) attorney to be sure all the right steps are taken and all filings correctly handled as we merge the Illinois entity into the Arizona entity with the end result that the Illinois entity will close.

We've engaged all our team members with updates about this journey and its impact to them and what they can expect. Lots of effort has gone into staying connected virtually, while making an effort to arrange special times to get together in person.

We still have some hurdles, but December 31st is fast-approaching. As a 37-year-old company, most of our files and documents are paper! How to work in a multi-state environment and what to do with all our history? What about desks and filing cabinets? We have enough rubber bands and push-pins to last to Armageddon! Where do we keep marketing materials and swag?

It's very likely there will be a few unexpected things that come up, and probably a few surprises. With great communication and a solid professional team, we're confident we can weather what-ever comes up. Syscon Inc. will come to closure, and Syscon Information Systems, Inc. will be our primary, and only company. We're looking forward to many new adventures in the coming years! - *CMW*

> *"A ship is safe in the harbor, but that's not what ships are made for."*
>
> — John Shedd

Book Nook

The Power to Change, Craig Groeschel

As the opening speaker of this August's Global Leadership Summit (GLS), Craig Groeschel shared another encouraging, and challenging message. I decided to order his latest book.

When I first started reading it, I thought it would be a 'repeat' of books by Darren Hardy and James Clear, good reminders, but the same. There is some overlap, but I was very glad I continued reading the book.

In the first section, he talks about who we are as individuals, not necessarily labeling ourselves by what we do. That includes our profession, but also as a 'smoker,' or 'procrastinator,' and similar, which is NOT who we are. It may seem subtle, but the messages we tell ourselves are pretty powerful, and non-stop!

Defining the 'Win.' Changing takes time, so defining what 'winning' looks like, in detail, is very helpful, a clear goal!

In the next section, I found a phrase that I now have taped to the wall—I'm in training! When responding to the offer of a cigarette, it's 'I don't smoke.' But those tasty treats, or a few extra minutes under the covers are tempting. But, if 'I'm in training,' it means I have a goal and a commitment. Another subtle shift.

The next sections dig into the importance of Habits, not just 'hoping' things will happen. Part 4 is Sowing, not reaping, but as we all know, we often reap more than we sow!. And finally (he's a preacher), God's Power, not willpower. Each chapter has room at the end for notes and reflection. Recommended!- *CMW*

Domain Renewals

Your domain is your company's internet name and address. Ours is www.syscon-inc.com; that's our domain. Most people register their domain with a domain provider such as GoDaddy, Network Solutions, and similar. Many clients renew for multiple years and have the accounts set to auto-renew.

Sometimes the auto-renew is setup with a credit card and those expire from time-to-time. One of our clients called because their email stopped flowing. Turns out their Domain had expired! Easy enough to log in, pay the renewal fee, and everything started right back up!

If you receive one of these renewal notices, don't ignore it! You might consider a 'tickler' in your calendar so you know when the renewal dates are coming up. If you're on Network Solutions for your domain, you might also consider migrating to CloudFlare. Check out our April 2022 and May 2022 issues for more good reasons to consider moving from Network Solutions! –*CMW*

Zoom—Using AI

Back in March 2023, Zoom updated their terms and conditions. In Section 10, Zoom indicated they use customer content to train their Artificial Intelligence (AI) and Machine Learning (ML) tools.

This announcement sparked quite a bit of concern! Most of us are aware that using the free Zoom service means we relinquish any rights to ownership of what was shared during the meetings.

However, it was concerning to think Zoom would use these materials.

In a follow up, Zoom updated their terms in August 2023 to further clarify. First, Zoom account owners and administrators control whether to enable the AI Features for the new Generative AI features. Next, in no uncertain terms, Zoom said they do not use any of our audio, video, chat, screen-sharing, attachments or other communications to train Zoom or third-party artificial intelligence models. Good to know, I guess. - *CMW*

Laptops—Cameras

There are a growing number of laptop users out there. As more and more of us have hybrid work options, we've seen a lot more laptop purchases, often to replace a desktop, or consolidate an office desktop and the traveling laptop. With the great Microsoft 365 SharePoint and OneDrive tools, this is easier than ever!

It also means that these desktop converts now have a camera and internal speakers! However, we've found that not everyone knows of a few privacy options.

All of the newest professional laptops have camera slides. They're quite small, but they allow you to slide the camera closed. This is great when taking on-line meetings since you won't be caught off-guard when a meeting starts. Slide the camera open when you're ready to present yourself! If you don't have one of these, we would be happy to send a few camera slides. Simply affix this small piece over the camera, slide the piece to cover and uncover (no more Post-It Notes!). Let us know if you need a few! - *CMW*

CONSTRUCTION CORNER

Secondary Retention

We have several clients who have projects where the retention rate is 10% up to a specific amount, then the remaining contract is under a different retention rate. So in the 3-7 Progress Billing screen, how would you handle that? So glad you asked!

In the 3-7 screen, with the application selected, choose the Setup Tab in the lower left corner. Under Primary Retention enter 10% (in this example). In the Maximum Amount field, enter the maximum amount of retention dollars. So if $50,000 of the contract is subject to 10%, enter $5,000. Then to the right in the Secondary Rate field, enter 5%. In the grid, all the rows will have 10%.

When you calculate, the numbers will update. Keep in mind that in the primary 3-7 screen, you may see the full retention total at the primary rate, but when you print the progress bill, the retention will reflect the correct rules.'

This is a pretty powerful module! No need to worry about incorrect or corrupt calculated fields in Excel. And since you Post right from this screen, there's no duplicate entry into accounting. - *CMW*

Financial Statements—Key Numbers to Watch

Recently we reviewed the pro's and con's of focusing on cash, very

important, but not the whole story. Last month we reviewed the structure of the Balance Sheet and then the Income Statement. This month, we'll talk about a few key numbers and percentages to monitor each month and how you can use these to target some internal budgets.

Let's start with the Income Statement. I'm often asked, 'How much is my overhead,' or 'How much is should I expect to spend on overhead?' Very reasonable questions.

First of all, overhead represents the costs that are not directly related to getting the construction work done. These are often fairly fixed costs that you'll have every month whether you have one job or a hundred jobs. This includes rent, cell phones, accounting fees, legal fees,

> *'If you hit your target revenue but don't make your profit numbers, you won't...cover overhead.'*

utilities, general insurance, internet and phone service, and similar. As you grow you may need more of these costs, but whether you are slow or busy, the rent check is due, the bids still have to go out, and you have to get your taxes filed.

Very often I'll hear a target of 15% for overhead costs. Usually this includes the expenses I mentioned plus advertising, bidding, and overhead salaries. So if you have $1,000,000 in revenue, that means you'll have $150,000 to spend for overhead costs.

With that number in mind, it's time to consider the other side of this question. If you can keep your overhead to 15%, then that also means your jobs have to make enough profit to end up with the money to spend the $150,000. And, if you'd like some profit, or you have loans to pay, you'll actually have to beat

that number! This also means you can look at an internal budget to see what you can spend on rent, office assistance, and other expenses.

If your target revenue is $1,000,000 and you want to keep your overhead to 15%, you'll also have to figure out how much bidding you have to do to end up with this target revenue. And remember: Top line is vanity, bottom line is sanity. If you hit your target revenue but don't make your profit numbers, you won't have enough to cover the overhead expenses, let alone profit. A good Foreman or Superintendent is worth their weight in gold when it comes to running the jobs well and hitting the target budgets!

For the Income Statement, don't forget to consider indirect expenses like the trucks, the shop rent and utilities, equipment you own and maintain, and similar. These are in support of the field, but if you didn't have jobs, you wouldn't need these expenses. As your company grows, these indirect expenses will increase and need to be considered during the bidding process.

Another big impact to the Income Statement is the Over/Under billing, Work in Progress (WIP). Expenses in a month don't always align with what you can bill, so this review process and accounting entry takes the 'roller coaster' out of the monthly presentation. We recommend a monthly review, but if that's not possible, at least when presenting financials and at yearend.—*CMW*

Changing the Default Checking Account Number

Log into S100C with Administrator Rights (check box), navigate to the check printing screen. Enter the new Account number and hit F7. At the top, click the pull down arrow to see the new number and select it. Save!

M365 Education Station

Safe Links and Safe Attachments

Last month we shared some new security configurations that we are rolling out across all our clients. All of these have been researched and tested for a while now, and we rolled them out internally before sharing them with you, our clients.

This month's features of Microsoft Office 365 Advanced Threat Protection (ATP) are designed to protect from phishing attempts and malicious software.

Safe Links

These work by analyzing any non-whitelisted links for known malicious sites or hyperlinks. A link in an email may look like it's from a reliable website you're familiar with, but it may redirect to a different website. Safe Links scans incoming email and lets you know the real URL of a link.

Instead of allowing you to go directly to the linked site, you might see a warning page or even be blocked from opening the URL when you click on it.

Safe Attachments

This scans for malicious software. If nothing is found, the attachment will come through as usual. If the attachment is found to be malicious, it will be removed from the email and the rest of the message will come through.

There are a few things you can share with your team, things they can expect to see. When an email comes through with an attachment, it will look like it has 'arrived' but if you open it right away, there will be an image in the body of the email saying an attachment was included, but you won't be able to open it. Basically, it's a delay in the delivery even though you can see it. Wait a few moments for the scan to finish and it looks like the email has come into the InBox again (but there's no duplicate). Open it and open the attachment as usual! Basically, it finished scanning, found the document safe, and has fully delivered the email and its content.

Overall, both of these services include SharePoint and OneDrive documents, searching for phishing links or malicious software. If you find a site is blocked, give us a call and let's talk through what you need and what you stumbled on.

DNS Filtering

Now let's talk about DNS filtering. Domain Name System (DNS) is the name of a company's online presence converted from their IP address. It's like the technical address for the name of the company.

DNS Filtering blocks malicious, harmful, or forbidden websites and applications so they cannot be loaded or accessed. This type of filtering allows for a robust combination of filters including IP addresses, ports, protocols, and specific types of websites.

When you click on a link, before the computer loads the website, it sends a query to the company's service and checks to see if the site is on the blocklist, and if not, confirms that it can be resolved.

The Blocklist can include designated sites and addresses, as well as forbidden or inappropriate content.

A phishing website (also blocked) is a fake website that's setup to look like something else and trick you into entering your credentials or other sensitive information. Things like asking for your Microsoft user name and/or password; asking for a bank routing number or account; asking for you to 'just enter your password' or something similar. They are phishing for credentials they can use to steal your identify or hack your systems.

Blocking domain names is OK, but frankly, they can generate new domain names very quickly, so it's not possible to block them all. With Machine Learning (ML) and Artificial Intelligence (AI), these filters can become very 'smart,' reducing the success of the attempts.

Microsoft
Solutions Partner

How Did They Do It?
Collier Custom Homes

In a recent interview with Sycon, Collier Bashara, the creative force behind Collier Custom Homes, shared insights into his successful journey in custom home construction.

Encouraged by friends, he took a leap of faith, leaving his banking career behind to pursue his passion for building. His company, named after his grandmother, emphasizes quality and client relationships. His success is attributed to his skilled team of subcontractors and a commitment to understanding clients' needs, particularly in creating "forever houses."

Last year, navigating the complexities of construction accounting led him to Sycon, appreciating their seamless solutions. He highlighted the pivotal role technology plays, acknowledging the importance of further training to maximize software potential.

Despite embracing technology, Bashara's heart remains in the hands-on aspects of his projects and the personal interactions with clients, underscoring his genuine passion for the craft.

Collier Bashara, Owner

Collier Bashara's story epitomizes the fusion of passion, expertise, and technology in modern construction, showcasing how personalized approaches and digital solutions can drive success in the industry. - *RB*

Fast Facts
Location: San Antonio, TX
Specialty: Custom Home Building, House Renovations, Historical Restorations.
Founded: 2004
Affiliations: Greater San Antonio Builders Association and Texas Association of Builders

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

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

Upcoming Events

*Scan the QR code with your camera to register to our Sycon events!

Event: How to Get Field Time that's FULLY Integrated with Sage 100 Contractor, webinar

Date: Friday, December 15

Time: 1 p.m. CST

Register: www.syscon-inc.com/events

SCAN ME

Event: Four Generation in the Workplace, hybrid

Date: Thursday, November 9

Time: 12 p.m. CST

Register: ASA Chicago is hosting a hybrid webinar in Des Plaines, IL; www.ASAchicago.org

Event: Closing the Year in Sage 100 Contractor, webinar

Date: Thursday, December 7

Time: 1 p.m. CST

Register: www.syscon-inc.com/events; free to clients, small fee for guests