

CASE STUDY

Cadence McShane Construction

Cadence McShane Construction generates nearly \$50,000 in annual cost savings while improving compliance more than 30% in six months with myCOI

THE CLIENT

Cadence McShane Construction

Texas-based Cadence McShane Construction provides general construction, design-build, and construction management services throughout the state and region. The company specializes in the Education, Multifamily, Senior Living, Commercial, and Industrial market sectors. Cadence McShane prides itself on offering a construction process featuring advanced technology, efficient productivity, and the highest standards of quality. Every project has the same goal: *exceed the client's expectations every time.*

Cadence McShane's reputation for expertise and excellence has fueled consistent growth for more than three decades. Yet in recent years, the company's success also created setbacks. When subcontractor compliance management threatened the team's ability to deliver on their goal, they knew the time had come for building a better process.

THE CHALLENGE

Lack of Process Scalability Stalling Success

John Schmidt, Vice President of Health, Safety, & Environmental, experienced the effects of fast expansion firsthand. He oversees Cadence McShane's safety program, which includes monitoring compliance for every subcontract. Schmidt estimated by late 2017, the company worked with more than 880 vendors across 80 active projects.

During that time, Erin Burkhalter, the company's only compliance administrator, managed a third party responsible for validating subcontractor certificates of insurance (COIs). Even with the help of an outside firm, Burkhalter spent nearly all her time managing the compliance process.

The extra effort only yielded a compliance rate of 60-70%, leaving the company significantly exposed to risk. Further complicating matters, the third party manually reviewed each COI, which took time. As a result, Cadence McShane sometimes failed to get subcontractors on jobs quickly enough, creating unnecessary costs and construction delays.

Schmidt and Burkhalter realized the existing process lacked scalability. To support the company's expansion efforts, they needed a better way to manage thousands of subcontractors and vendors while also improving compliance.

THE SOLUTION

Technology and Teamwork

Seeking alignment with its own expertise, the Cadence McShane team wanted technology and teamwork for improving compliance. The company found the perfect combination of the two with myCOI. Schmidt and Burkhalter launched the myCOI platform in August 2017 for comprehensive compliance management. The new partnership provided a more advanced process simply not possible with the previous third party:

- myCOI automatically logged compliance details for all vendors and subcontractors without being slowed down by manual reviews.
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- The platform initiated communication between parties eliminating back-and-forth emails and phone calls.
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- When compliance issues were found, the system immediately alerted the compliance and project management teams using its integration with Procore, a popular construction management platform. The incorporation of myCOI and Procore saved time and streamlined the process for the Cadence McShane team. Already busy project managers received compliance status alerts in their native system without searching for information, and Burkhalter could direct her attention more toward critical compliance issues.
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- Burkhalter gained access to myCOI's team of insurance experts, which she regularly consults for insurance tracking questions and compliance level discussions.



THE RESULTS

More Compliance, Less Cost

Improved communication and tracking with subcontractors and vendors improved compliance to 90% in just six months. Even better, compliance got stronger as the company added 30% more subcontractors to its growing list of projects.

Whereas Burkhalter operated solo before, she now has a team around her with myCOI. Schmidt estimates she went from spending 100% of her time managing compliance tasks to spending only 25% on compliance-related issues. She now can focus on additional projects and has added significant value to the company in new ways. The improved compliance rating paired with time savings has the company netting a return on investment of \$45,000 annually.

The platform delivers on its goal, so the Cadence McShane team can exceed theirs.



“Our partnership with myCOI has been excellent in every way. The entire process has been smooth – in fact, we didn’t realize we were doing so well because myCOI’s team of insurance experts takes care of all the hassles and phone calls. Erin and I simply have to log in to make sure the process is running smoothly.”

-John Schmidt, VP of Health, Safety, & Environmental