TEAM Software’s Frank Labedz Talks Business Innovation for BSCs

Frank Labedz, founder and president of TEAM Software — which provides software solutions and associated services that streamline operations and administrative processes for building service and security contractors — is quite familiar with the opportunities and the challenges BSCs face in today’s changing market. Labedz has more than 30 years of experience working with BSCs in various capacities, including as a CPA.

“My first exposure was in 1976 as a CPA when I audited a regional BSC contractor (FBG Service Corporation located in Omaha, Nebraska) that operated in several states with multiple branches. They were always my favorite audit client,” Labedz said. “So, in 1982 when the opportunity arose, I joined FBG as the chief financial officer. One of the major projects assigned to me was to develop an integrated payroll, job costing, timekeeping and financial reporting system. The project took four years, and the software was written for mid-sized companies.”

Continue reading to learn what he’s excited about in the industry as well as the best career advice he’s ever received.

**Why did you decide to start TEAM Software?**

Initially in 1988, we sold our first few software systems as a division of FBG. Within the first year, we incorporated separately and began our own voyage. We started TEAM Software (Team Financial originally) with two and a half employees in 1989. I was the half employee because I was still doing CFO duties for FBG. As initial founders, we were young and so energetic, and we shared a passion for solving industry challenges by using the emerging technology that was then becoming more affordable because of the emergence of the personal computer.
What are some of the benefits of using this type of software in the BSC business?

The biggest benefit to using it is its integration. We have a complete financial, operations and workforce management solution in one seamless system. One of the biggest benefits in WinTeam, our core solution, is the job costing report. This report shows profitability down to job site. It also brings in a job site budget that uniquely and intelligently calculates the labor hour budget for varying work days in a month and project work. Quite simply, you have a miniature profit-and-loss statement down to the job-site level. Furthermore, you can group job sites by manager, division, branch, etc. We have about 400 customers throughout North America, and they have approximately 400,000 employees that are paid through WinTeam.

In 1999, we added a telephony-based timekeeping system called TeamTime, and that system is fully integrated with WinTeam so timekeeping records can be processed seamlessly through billing and payroll. In our data center last month, we took more than 3,000,000 phone calls through TeamTime.

Our newer eHub product now connects employees, supervisors and customers together over the web in an integrated self-service portal. eHub employee self-service also comes as a free mobile app, so we are reaching our clients’ employees out in the field, wherever they are.

What are some things you are excited about in the industry?

I’m excited about the opportunity for continued growth. The challenges in the BSC industry cannot be solved by China, as you might see in manufacturing. Technology is now mobile and in the hands of more people than ever. I have seen that the BSCs who have embraced technology have grown quickly because we can move information to the right people instantaneously. Moving information to the right people just in time to make good decisions is key to our clients’ success. The margins are too thin to allow for mistakes.

What are some of the challenges you’ve seen in the industry and how is TEAM addressing those challenges?

Without a doubt, the biggest challenge facing the industry is the Affordable Care Act (ACA). At TEAM, we have invested substantial resources to keep up on the requirements as they are released. Another challenge is that we also see much more government oversight, particularly at the state levels, on recordkeeping requirements for timekeeping (overtime, breaks, approvals, etc.).
What is your personal approach to business innovation?

I love innovation. I have an insatiable hunger for doing more and trying to distill what is most important to our industry. It is so exciting to see our clients use new technology developed by us. For example, some of our newest innovations are our eHub mobile (iPhone and Android) applications and biometric timekeeping software that verifies fingerprints. We are working diligently on new ideas that will be released in 2014. Since we started 25 years ago, innovation has been a core ingredient to our continued success.

What do you think is most important in keeping happy employees?

I spend a lot of time developing the right culture that provides for engaged and motivated employees. The most important thing is to establish a relationship based on trust. We now have nearly 100 employees that are all so different in their ages, skills and knowledge. I try to get to know as much as I can about each person to let them know that I care about them.

How important was it for TEAM to become an employee-owned company?

Becoming employee owned in 2008 has had the most incredible impact on our employee engagement. We continuously promote the culture of employee ownership — and it’s not just about a retirement plan. We strive for a culture that is based on our core values like trust, respect and teamwork. Good performance is not good enough for most of our employee owners; they strive for excellence and expect the same from fellow employee owners. We also want to be transparent about the health and success of our company, and we reward employees for their hard work. We share company profitability each month with all the employee owners. The shares of the company are held in a trust, and the vesting of the shares accrues over time at no cost to the employee.

What do you believe makes for a good working relationship with customers?

Establishing trust is a key component. Maintaining it over many years is a daily effort. We need to make sure that the 400,000 employees are paid correctly, that the data center is up more than 99.99 percent of the time and that our quality is high at all times. We make ourselves accessible when our clients need help. Our customers rely on us to be a resource on the changes impacting the industry.
How would you describe your management style?

My management style is collaborative and inclusive. If there’s an issue, I like people to come to the table with ideas and solutions so we can make the best decision. I like to empower my employees to do their jobs and think big, and that comes back to trust. I like to think I’m approachable and open. I encourage my employees not to ask “why?” — ask “why not?”

Are there any technologies you use in your job day-to-day?

Most of the day is consumed with email. My favorite technology of all time is a blank grease board just waiting to be filled with new ideas.

What book are you reading right now?

“The Trust Edge” by David Horsager.

What is the best piece of advice you’ve received in your career?

In 1983 or so, I was at a dinner with a friend. He had acquired a BSC business and became successful. Since we were both in public accounting, he spoke my language. He emphasized that timely information in the BSC industry can substantially improve the profitability of a BSC. He also described the role of the CFO as a “navigator,” assisting the president on charting direction, fuel consumption/constraints, etc. I’ve always remembered that conversation and keep it in the back of my mind as I make business decisions about my own company and develop solutions for others.