LienPilot—Innovation Description

The LienPilot
2014 NOVA Award Nomination

What The Innovation Is & Why It’s Innovative
The construction industry is notorious for having incredibly small profit margins and comparatively some of the highest failure rates in the nation. With scope of work issues, inspection problems, change orders and more, getting paid in the construction business can be a complicated process resulting in payment dispute, aging receivables, lost profit, and sometimes bankruptcy. The LienPilot is a patent pending software platform that was developed as a way to reduce risk in the construction industry through the management of mechanics lien documents further improving A/R.

Mechanics lien and bond claim tools are surety instruments that can be used to protect supplier and contractor rights from financial risk shifting down the contracting chain. However, the compliance framework differs greatly from state to state depending on constantly changing legal statutes making it difficult to keep track of requirements and deadlines. For example, there are over 250 variables of preliminary notice documents that may be required on a construction project. It can be sent in over 200 different recipient and method combinations, and it can be subject to over 100 different deadlines. The LienPilot allows contractors and material suppliers to input project data like state, project type, start/finish dates, which then prompts the technology to calculate the notice and lien requirements for the project, streamlining compliance and giving users full control over their security rights.

Features of the LienPilot Include:

- Keeping all deadlines in one place, and enabling a filtered search
- All documents are mailed to multiple parties through certified or registered mail, and the LienPilot application has powerful real-time critical mail tracking (QR Codes and live status provided) and management build-in.
- The system tracks every preliminary notice mail piece that is returned and puts it into a queue. Users are sent an email alerting you to the returned mail piece where they can choose to “dismiss” the record if no action is needed, or “resend” to automatically resend the preliminary notice to another address. For enterprise users, everything is automated.
- Lien Waiver Express allows for timely and legally accurate Lien Waiver generation
- When a project is open, options include “Send to Collections” or “Achieve as Paid” tracking your receivables
- Cloud-based technology allows everyone in the organization to access the account, plus unlimited file storage of affidavits, copies of the notices, liens, and green slips.

Where & When It Originated, Has Been Used, & Is Expected To Be Used in Future:
It is completely free to create an account for use in the LienPilot. Once a user has created an account, they are empowered to decide which notices to send based on the data that has been entered into the software. While initially used as a tool for small to medium sized companies to file notices and liens on an ad hoc basis, the LienPilot has evolved into a formal enterprise software offering. The Lien Pilot currently boasts over 8,000 users of all sizes, including Fortune 500 construction material suppliers. The LienPilot’s ability to take project data by the 1,000s of projects from an ERP system and instantly calculate then file the appropriate notices is unmatched in the industry.

What It Changed or Replaced:
Before cloud-based web applications, companies struggled to track deadlines via spreadsheets, Outlook or other calendar applications, including the navigation of complicated providers. Whitepaper documents would be printed and then emailed or faxed to the appropriate recipient (or the claimants best guess). Since technology has streamlined this process, there have been a series of software platforms that have attempted to solve this issue in the construction industry. However, there is nothing quite like the technology that the LienPilot offers. It is more comprehensive than competitors like Lien it Now and NCS Credit. NCS Credit offers clients a collection of “Publications/Software,” including the Lien Tracker NTO, The Lien Finder and Lien Direct Online. However, that is three different platforms, two of which were released after the LienPilot. The LienPilot is comprehensive, utilizing the latest in technology.
The Problem
Managing credit risk and getting paid on invoices is a high stakes hassle for specialty contractors, equipment rental companies, and material suppliers. Depending on unreliable credit data and bulky credit and collection processes is not enough, leaving these parties with low margins and high risk.

The Solution
A platform that gives the industry control of its security rights.

The Innovation
LienPilot is the only all-in-one platform that makes mechanics lien and security protection easier, more accurate, and more effective. The platform empowers subcontractors and material suppliers to leverage their rights secure their receivables and eliminate bad debt write-offs.
- Data analysis and insight on security efforts
- Real-time transaction and critical mail tracking on notices and security documents
- Powerful search and filtering to easily understand a company’s deadlines, security rights, legal compliance requirements, and more
- Automated return mail processing
- Cloud based unlimited storage
- One account for multiple users or brands

The Proof
Fortune 500 Company
6 Months After Implementing Preliminary Notice Policy

Leveraging security rights in the construction industry setting results in companies getting invoices and pay applications paid faster, more often, and enabling companies to make better credit decisions without needing to rely on inaccurate and thin credit data. Inverting the financial risk paradigm prioritizes a company’s accounts receivables and has a measurable impact on the company’s working cash flow.

The graphic here is based on an analysis of the accounts receivables funnel for a Fortune 500 company. After just six months of implementing LienPilot’s methodology and platform, the accounts receivable funnel made a drastic improvement, with invoices 20% more likely to get paid on time.

Take-Away: Automating the preliminary notice process and controlling security rights leads to highly accurate security preservation, the prioritization of accounts receivables, and better cash flow.