

5 Reasons Construction Firms Should Adopt CLOUD ERP



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Free of Excel spreadsheets, antiquated systems, and manual processes, construction companies can also speed up their operations in a way that helps them better manage their current workloads and leverage new opportunities.

With about \$10 trillion being spent on construction-related goods and services worldwide every year, construction is one of the world's biggest areas of economic activity. The industry plays a strategic role in supporting economic development, but is also facing significant profitability challenges. Mounting cash flow pressures, margins eaten up by increased competition, and meager labor-productivity growth over the past decades, for example, have all affected construction industry sustainability.

By combining cloud ERP with industry-specific applications, construction firms can position themselves for success, eradicate their manual processes, save money, and enhance profitability on every project. As customer preferences continue to change and new industry disruptions emerge, the companies that make this move now will be best positioned to win in the future.

Here are five more reasons all construction firms should consider cloud ERP:

1

Getting ahead of the pack. An industry sector that hasn't historically embraced technology and digital applications, construction has lagged in this area as other sectors invest in and adopt such tools. "The construction industry is continuing to lag well behind other industries in its adoption of digital tools," ENR reports, "despite the technology's potential to significantly improve project delivery and business outcomes."

2

Offsetting pandemic impacts. The construction industry was hit hard by the COVID-19 crisis, with impacts ranging from suddenly-mothballed projects to labor shortages to a renewed focus on worker health and safety on the jobsite. Combined, these factors pushed more companies to explore how technology can help them work better, smarter, and safer in this "new normal"

3

Managing multifaceted projects and teams. The industry's high levels of stratification also create unique challenges for the general contractors, subcontractors, project management consultants, land developers, home builders, and other entities that must work in sync in order to get projects over the finish line. To handle those responsibilities, most companies use a general ledger system (GL), with Sage or QuickBooks as their main business management tools. Popular add-ons include time entry, project tracking, payroll tools, and Excel spreadsheets, the latter of which are frequently used for data-sharing across the organization and between project partners.outcomes."

4

Addressing project complexities. Because construction projects take time to complete, changes to initial contracts are fairly common throughout the life of those projects. Where in a perfect world a contractor would sign and execute on a single contract, the reality is that owners and project leads usually request multiple changes along the way. In the absence of a unified, enterprise-wide system, construction firms have to manage and implement these changes manually, and across the myriad solutions (Excel, QuickBooks, etc.) that they're running on.operating environment.

5

Gaining access to project and operational data. Without a unified technology solution, construction firms can't gauge the health of their businesses, manage projects effectively, or predict future business needs. With multiple different systems, platforms, and spreadsheets to juggle on the internal operational front, these companies wind up with an unmanageable tangle of data that can't be optimized, used, or shared with the right parties. With a unified, Cloud ERP in place, the same companies can easily spot and react to cost overruns and detect other trends based on specific project categories within NetSuite.

Designed for construction firms that have revenues in the \$50 million to \$200 million range, Appficiency's Construction Solutions is an end-to-end technology suite that's based on NetSuite Cloud ERP. The application helps general contractors, subcontractors, developers, home builders, and other organizations automate their internal business operations, gain access to valuable data, and make better business decisions.