



Why Do Specialty Contractors Need Their Own Construction Accounting and Project Management Software?

Overcoming Challenges, Improving Productivity, & Driving Revenue

Contents

Introduction	3
Rising Demand for Labor	4
Critical Project Schedule	5
Improving Payment Processing	6
Efficient Project Management	6
Superior Communication	7
Conclusion	8
About ProjectPro	9

Introduction

With the expansion of the construction industry, most contractors are facing a common struggle of labor shortage along with many other project management related challenges. Imbalances in the management process not only affect the defined schedule, but it immediately affects the work progress as well as cash flow.

With these issues causing a drop in revenue, a large segment of specialty contractors are leaning toward integrated solutions, making construction accounting and project management software a critical work component. Most of the time, due to the amount of moving parts within the process, contractors tend to struggle with efficiency but are not aware of the areas that are lacking. This indeed happens due to poor data collection and labor productivity technology that cannot accurately track project insights. Without the management of this data, construction firms will not be able to grow within the industry and expand their footprint.

With technology solutions such as ProjectPro which is based on Dynamics 365 Business Central capabilities, contractors always have the advantage to own their own business data and processes. This data is the information that a construction company could use to improve performance by identifying areas in their process that need improvement.

The right technology can help put the appropriate people and resources in place, adding value to the job and ultimately the business itself. It decreases the chances of companies basing decisions on unreliable information, which may lead to loss.

Even though most construction firms had difficulties managing their business during the initial phases of the COVID-19 pandemic, many have started to move towards integrated construction project management software. Many of the specialty contractors who resisted making those changes are still going through downtime and suffering losses.

With this, critical resources, lack of finances, loss of schedule, remote work, and so many other challenges have started to haunt the contractors. Therefore, it can easily be concluded that specialty contractors who are not able to hit their target performance will need access to the right process and solution. In other words, it is the time to upgrade from manual labor entries or spreadsheets in order to optimize business performance, overcoming the chances of progress errors and unexpected financial loss.

A report published in 2019 suggests that 53 percent of the contractors are still using manual processes to transfer important project data. Also, many contractors are found to be using single point apps leading to errors and increased chances of delays and loss.

On the other hand, there are firms that are found to have a productivity rate of around 100 percent with the adoption of their own integrated construction management software solutions. Thus, it gets easier to understand why critics and construction enthusiasts demand that specialty contractors switch to integrated technology solutions such as ProjectPro.

Let us quickly dig into the challenges that most specialty contractors had to face due to improper construction accounting and project management technology, and how sticking with these productivity solutions could help overcome these challenges.

Rising Demand for Labor

One of the most significant challenges that the construction industry was facing long before the arrival of the pandemic is labor shortage. The ever increasing demand for infrastructure calls for expert labor as the BLS (U.S. Bureau of Labor Statistics) data states; there are more than 300,000 positions for construction labor.

Though these numbers may be surprising, it has been found that for every construction worker that joins the industry, two are retiring, as one in five construction workers is above 55 years of age.

Also, construction workers are struggling to keep up with their jobs either due to health concerns or the inability to perform their job properly. This entire situation needs contractors to identify workforce shortage through improved construction accounting and ERP software technology. Utilizing these systems could help spot the challenges such as misaligned progress with the defined schedule or change in the requirements, contractors could easily take control of any unexpected problems.

Therefore, it can be considered that contractors who have access to technology could improve their business performance, even with existing labor shortage. Moreover, performance tactics such as smarter recruitment, assigning qualified labor the specific project tasks, etc. can help change the situation for the better.

Critical Project Schedule

The next good reason why contractors should switch towards construction project management software is to take control of tight project schedules. Since the primary business goals are to make the most of the defined budget, contractors need solutions that can add to their performance. This may even require contractors to move towards advanced construction designs that can meet the varying needs of the industry.

Also, the contractors who have access to technology solutions could better manage field data, giving a stronger grip on job schedules and project development practices. This will enable the specialty contractors to align well with general contractors and project owners when it comes to the timely achievement of defined goals.

In other words, adopting a collaborative technology will help satisfy the client need and also meet the financial objectives of the construction firm without compromising the quality of the work. Integrated platforms, such as ProjectPro, even allow specialty contractors to collaborate and find better ways to build and deliver.

However, taking a construction project forward by meeting the needs related to collaboration demands time which can only be made possible through a managed project timeline. Therefore, it can be concluded that progressing construction projects within a defined timeframe can help specialty contractors at all stages of project development. From initiation to execution, using construction project management software can help meet the defined timeline, giving more control of your labor, resources and overall budget.

Improving Payment Processing

As per a report issued by Levelset, it normally takes more than 80 days for the contractors to receive payment. Though this is a common practice throughout the construction world, the specialty contractors who have an advanced payment processing system and have complete documentation on project progress receive their payments quicker. In short, it is all about reporting capabilities that define the time of payment processing.

And the only way that can help contractors prepare for such documentation is using construction accounting software technology. These tools are designed to add transparency between project owners and contractors, justifying the jobs and tasks for which billings are issued. Thus, it can be said that it is the quality and accuracy of documentation for which contractors are paid and not for the verbal or improper representation of the work done.

Also, technology not only helps to improve the processing of payments but also improves the overall spending on the project. The accounting capabilities allow distributing the finances as per the requirement without compromising on cash flow. All in all, contractors who rely on technology to meet their accounting needs have more control over the entire scope of the project.

Efficient Project Management

The introduction of technology to the construction world has made it much easier for the contractors to complete their projects even with tight budgets and schedules. And it has been made possible only because of the improved visibility that contractors have with their projects.

Construction accounting and project management software has allowed the contractors to achieve the original project goals along with change orders, without losing sight on budget, resources, and time. This ability to overcome the profit fade due to change orders has given oversight to the contractors and tech tools have added to the potential of documenting change activities, justifying the increase in time and budget.

In simple words, clear and real-time construction project management has been made possible through technology. Therefore, specialty contractors could simply switch to advanced project reports to identify key performance metrics, which will increase efficiency. Also, construction project management software can help improve profit margins, as contractors can have complete information on the health of the project including any likeliness of resource, labor, or monetary scarcity.

Superior Communication

Last but not least, using construction accounting and project management software can help construction contractors improve the level of coordination between the stakeholders. Construction accounting and ERP software such as ProjectPro allows contractors to maintain constant communication between field and office teams. Further, the data related to progress reports can be easily shared with the project owners since project owners can have direct access to project progress reports.

Such functionalities not only help to reduce the time to complete the project but also help to improve decision making. Also, it can be extremely helpful to contractors who need to take control of multiple projects from remote locations.

Construction management solutions can help the contractors and project managers to stay in sync and track any limitations that may affect the timely completion of the projects. Moreover, it can add more preciseness to the calculation of actual work hours for labor, leaving no scope of error or false attendance that may cost thousands of dollars of loss to the contractors each year.

Conclusion

The growing demand for infrastructure has changed the dynamics of the construction world. It has become much more challenging for specialty contractors to survive against the competition with limiting technology and tools. Especially when factors like tight schedules and labor shortage are prominent, the complexity to complete construction projects has heavily increased.

Therefore, it has become crucial to switch to a fully integrated construction project management software solution that can help meet the pace of increasing client demands. Whether we consider this as business tactics or a growth strategy, integrated software can help improve the certainty of business progress.

However, it is equally essential for the specialty contractors to opt for a solution after checking its viability on performance factors such as its efficiency, reliability, scalability, etc. But once you have access to a solution that can bring you the right control over the project, it can generate a great sense of service to the clients.

If you are looking to improve your existing business position for better project visibility, accurate resource management, intelligent decision making, and streamlined communication, it's high time to make a switch or adopt a unique construction accounting and project management software for your construction firm.

Good Luck!



ProjectPro is a cloud-based Construction Accounting Software Solution based on Microsoft Dynamics NAV/Business Central. It is designed to help construction firms work on construction project requirements related to Project Accounting, Resource Management, and Customer Relationship Management.

Streamlining the business processes for construction firms, real estate developers, and contractors, ProjectPro can be used to work on Integrating Data, Transaction Processing, and robust reporting. Moreover, the features like Cloud and Power BI helps the construction companies for improved Business Decision Making.

Some of the other features include Project Management, Project Billing, Account Tracking, Material Planning, etc. Moreover, ProjectPro includes Contract Management, RFQs, integrated TimeSheets, and keeps a user updated with real-time Notifications and Alerts. It also comes with a dedicated mobile technician app that can help with field service operations.


At ProjectPro, we help construction firms with customized software solutions to make their construction business sustain and grow in this digitally growing world. We help you turn your vision into a value with promising services and a pleasing customer experience.

Contact Us

 1250 Pittsford-Victor Road
Ste 190, Pittsford, NY 14534

 www.projectpro365.com

 sales@projectpro365.com

 +1 647 696 4534





Take Care! Stay Safe!