ProjectPro ®

5 DECEPTIONS ABOUT YOUR CONSTRUCTION ACCOUNTING SOFTWARE THAT ARE SHRINKING YOUR REVENUE

Debugging Myths to Improve Productivity and Profit Margins

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Introduction

Establishing and managing a construction business is not an easy undertaking. Especially when you are trying to stay ahead of the competition at the same time as managing project timelines, labor, resources, and expenses.

Since your business goals are centered on sustainability and business development, contractors aim to progress using the best of technology solutions. However, working on multiple integrated construction accounting and project management software solutions brings an added level of difficulty.

As software service providers strive to improve their sales, you may sometimes be left feeling deprived of essential software functionality information. Therefore, it becomes extremely important to find answers to common queries and questions that can show substantial benefits to your business.

Today, we will take you through a quick tour of deceptions that we contractors tend to have as we have catered to clients with different experiences for the past two decades.

Here we bring you the list of 5 common deceptions that are not just harmful to business but could heavily impact your finances when you need better profit margins and business opportunities:

1. My Construction Accounting Software is Robust Enough for My Needs
2. Picking The Industry Leading Software And Pairing Them Is Always Worth It
3. Using An All-in-one Integrated Solution Is Expensive
4. You Don't Need An Accounting Software When You Have An Accounting Team
5. Project Managers Make The Best Use Of The Construction Project Management Software

This eBook will also help you find the path to improving your profit margins while improving job efficiency. Furthermore, we will take down on important information that you need to avoid the risk of shrinking your revenue as well as the scope of quality deliverables.

Deception #1 – My Construction Accounting Software Is Robust Enough for My Needs

Recalling the introduction of technology, internet, and cloud, it was the post-1990s when the industry started to lean towards business solutions. Since then, the idea has evolved greatly as a business development strategy, using the advanced capabilities of the construction ERP Software solutions.

This changed happened gradually, when considering the growing competition and complexity of the advanced construction projects. Construction firms these days understand the need to upgrade from old school standards and metrics to be sustainable in today's environment. Therefore, it becomes necessary to keep your construction accounting and project management software in check to meet the needs of existing as well as futuristic projects. While those who believe their existing solution to be the all they need, it may be necessary to cross-check the trending solutions periodically, to avoid any business lag.

Having a sustainable business in the modern construction world demands innovative solutions that can serve the scalability requirements and maintain the pace of growth. This includes anything that you are missing with your existing system such as job costing data, job planning, real-time payroll reporting, etc.

REALITY

If you think you are doing well with your construction software, make sure you are aware that construction firms who are using advanced integrated solutions could be making more sales while having a better command on Accounting, CRM, ERP, and Project Management operations.

Deception #2 – Integrations Can Create Lag as More Software Creates More Silos.

When it comes to using business solutions in construction, the goals are all about creating a seamless experience. However, when you are working to achieve such goals you need an easy flow of information between all your teams, devices, and everything else that is essential to your process.

However, most people try to achieve those goals within a single system which may not always be possible to achieve. Though it is necessary to keep the software and staff in harmony, creating harmony does not necessarily require a single system for operational control.

In the construction industry, operational information is necessary to ensure precise working on the projects. It helps to create expertise and ensure the responsible development of the projects.

Over the years, the requirements for the successful leading of construction projects have been changed. These days, the office staff needs more control over accounting information while project managers and site supervisors require real-time information on job costing to keep command over the budget.

This can be closely related to the individual needs of the project managers and the accounting team in an office. This is why it becomes important to understand when to avoid integrations within the solution and when they may benefit the internal process.

When two different departments are working on project management and accounting software, it may cause various challenges to the business due to not being in sync. On the other hand, integration options such as pairing Dynamics 365 Business Central with payroll management systems such as Paychex, makes financial control and project development much easier.

Therefore, it is crucial that contractors understand the varying needs with the construction accounting software to improve the solutions.

In case, you are planning to migrate on an exclusive construction project management and accounting software, make sure it offers API for integrations. This not only helps to get over inefficiencies but also delivers required support to different departments.

REALITY

All in all, the reality is if you are not able to work effectively on data silos with your construction accounting software, you may end up losing 20 percent of your total project budget.

Deception #3 – Using an All-in-one Integrated Solution is Expensive

Though contractors have learned about the benefits and features of using advanced construction accounting technology, most of them are still deprived of what we call "the best".

The primary reason why construction firms seek for construction ERP software solutions is to have full control over cost and revenue. On top of this, it also requires working with solutions that can give maximum power to the field and office teams.

No Time, No Budget

When we consider the most significant industry factors that can affect any construction business, "Time" is at the top of the list. It is something that cannot be created or stored and therefore it becomes necessary to make the best use of it at the right moment. Therefore, contractors are required to consider the productivity factor with respect to the time when investing in technology solutions. A better solution not only helps to improve bids but can reduce the build time with overall time improvement.

Especially, if you can invest in construction project management software that offers mobile support, you can improve the time it takes for team coordination and project reporting. Also, a better solution can be used to meet your security needs while giving easy access to project managers and office staff for improved data management. In case you are reluctant to upgrade to advanced integrated construction software, the busywork environment in your construction firm could severely limit business opportunities with a higher progress lag.

REALITY

Quick fact check: Project managers who do not have the right technology to work on project development tasks spend more than 2 hours a day on documentation alone!

Deception #4 – Having an Accounting Team is Better than an Accounting Software

When it comes to construction accounting, most contractors must face the challenge of double-entry and forecasting errors with their financial data. However, successful mitigation of these risks in the construction business demands technology that can handle billings, budgets, and job cost reports.

The introduction of such processes can even help the project managers to meet the financial health goals of the construction firms while producing data that is precise to be the best. Also, when working on an integrated solution, contractors have the ability to identify, track, and report the project-related financial information from a single source of information.
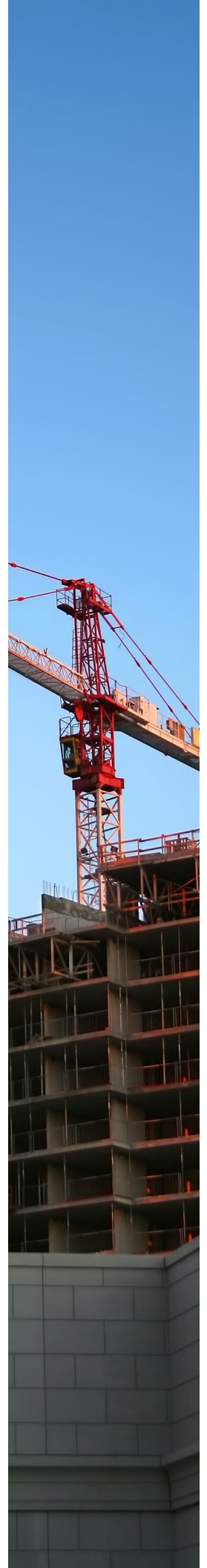
This helps to prevent data loss while reducing the chances of overlooking any cost that might create a variation to project-specific deliverables as well as potential revenue. Also, the increase of accuracy to the financial reporting helps to mitigate double entry, which is a significant reason behind the compatibility failure in accounting solutions.

REALITY

With an average of 1 percent marginal error in manual accounting data entries, 57 percent of financial leaders have confirmed the lack of ability for accurate data reporting and access.

Since these errors are prominent in day to day decisions, it accounts for the loss of $100 per the decision made for all those hundreds of inaccurate entries made in a day. Nevertheless, it consumes almost 79 percent of an accountant's day to keep track of financial data.

With such figures in place, it becomes necessary for contractors to have the best of construction accounting software technology that can help accurately manage accounting data, project progress, and overall budget reporting.

Deception #5 – Project Managers know The Best Use of Construction Technology

The introduction of construction accounting and project management software has turned to be a gift for project managers, making it easier to work on job costing functions. Also, it has helped field and office teams to get track of change order logs, reporting templates, and project costs without getting lost in Excel spreadsheets.

In other words, a construction accounting software works as a hub for all financial projections related to projects. This streamlines the management of costs and allows the contractors to deliver the project within the defined schedule and budget.

IMPROVED CONNECTIVITY

Another good reason why construction accounting software is gaining popularity amongst contractors is the connectivity features. For instance, it can help deliver real-time access to the project related information to the project managers and other staff on a single platform. It helps to save time requesting information to work on tasks related to project development and reporting. But most of all, project managers who are deprived of the best use of technology resources are missing out on their full potential.

However, technology solutions can be harnessed to capture real-time changes in finances without any wait time. This functionality can also work for project managers keeping a check on the financial health of the business, delivering projects within the defined budget and estimated time.

REALITY

When it comes to profit margins, most contractors spend around 5 percent of the total budget as a rework cost due to poor decision making based on outdated information.

The Crux - Taking Command on Your Decisions

Over time, the world has transformed and so must the construction industry. Fortunately, this change has delivered software technology that has helped contractors to work on the most complex projects while achieving perfect execution.

However, using the construction accounting and project management software solutions demand contractors to challenge the traditional practices, in order to explore the advanced methods. This will also help create room for improvement for project managers with better control of workflow, finances, and operational processes.

All in all, taking over their counterparts and driving business opportunities require contractors to provide the best tools to their office and site teams. It will not only help to improve the processes related to accounting operations but achieve the best results when it comes to overall profit margins.

Remember, you can be the change that you want to have with your construction business. It just takes having some direction when it comes to the correct construction software and tools you need to achieve your goals for your business.

Good Luck!

ProjectPro®

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.

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