



Construction Forecasting With ProjectPro

Getting Over The Impaired
Forecasting Using Construction
Management Technology



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Introduction

Either it is a construction firm, a contractor, subcontractor agency, or project managers, most construction experts understand the importance of accurate predictions. And it is necessary when you need to get prepared for possible variances in the costs or schedules that have direct effects on profitability, cash flow, and in certain cases, the overall viability of the projects.

Since reliable and precise forecasting can turn to be a tough job at times, working on its complexity and processing the multidimensional data could get difficult with outdated legacy systems or a group of experts with command on manual forecasting. This is very natural because forecasting is a task on which the entire financial health of a business depends, especially when you are involved in a process that has a huge likeliness for delays and errors, there are always chances of profit fade involved.

Nevertheless, such profit fade could be resisted by providing the project managers with all intelligent and precise construction forecasting software like ProjectPro. It would not only make a difference to the business by bringing cost accuracy to the project data but can also help design the projects for maximum efficiency.

Also, working on advanced construction technology could help contractors to know the active status of the projects for determining maximum profitability. The ability for project managers to update the costs of each line-item allows contractors to have the necessary confidence required to expand surety bonding for the project backlog.

Legacy Practices & Deficient Forecasting

One of the most prominent reasons for deficient forecasting is the poor recording practices to collect the project and business data. Since working on these practices consumes a lot of time collecting and putting the data together, it becomes difficult for field teams, project managers, contractors, and project owners to have a lack of coordination. And even if the people associated with recording the project data have it on time, transforming it to a format that is understandable for all often affects the forecasting goals. In short, there are two big reasons for the poor data collection and deficient forecasting:

1. Use of disparate solutions to work on accounting process, document management, payroll, and other expense related data
2. The use of traditional methods like spreadsheets affects the real-time recording of data and creates data redundancies.

Unfortunately, there is a large number of construction firms that stick with two or more systems or use automated construction management software with tools like Excel to some extent. Also, the JB Knowledge 6th Annual report on construction technology has suggested that Accounting, Estimation, and Project Management are three of the most software-dependent tasks in the construction industry. However, these three tasks are also very common with the use of spreadsheets. Rather the dependency percentage is very close to that what of the software even when spreadsheets have inherent limitations such as:

- **Outdated Data:** Forecasting needs access to real-time data and active project management needs a complete record of costs and revenue. However, working on spreadsheets make contractors respond quickly to the dynamic nature of a project.
- **Inaccuracy:** Manual entries are error-prone and any issues with the typo could disturb the expense plan.
- **Poor Analytics:** Since precision in the forecast needs a systematic approach, the data stored in spreadsheets does not offer the level of interpretation needed when shared between various teams.



The Challenges

Inability to Identify All Potential Cost Impacts

Construction forecasting is done with the purpose of working on potential cost impacts that might happen at any stage of the project lifecycle. Moreover, quality forecasting enables project managers to prevent the budget go south ensuring that a constant cash flow is maintained to deal with ongoing activity as well as other projects. Since the risks are not directly associated with the accuracy of the forecast but with the job costs that are planned based on forecasts, the lack of the right construction accounting software technology diminishes the scope of the project when it comes to productivity with the projects.

Even the top industry influencers and construction magazines have been stressing the fact that the construction industry has been severely affected by scheduling issues and budget constraints. And all of these performance and productivity issues have continued to happen with construction firms due to lack of access to connected information. Since construction projects involve heaps of data, leaving this information scattered on different systems makes it difficult for contractors to have the exact sight of the project and iterate decisions to ensure minimum or zero cost impact.

Inadequate Projection and Control of Cash Flow

Having adequate cash flow is very important in the construction business since it is necessary to keep all the projects moving. Moreover, a poor cash flow could hamper the process of acquiring and maintaining the resources such as equipment, supplies, payroll, and more. This is why construction firms need to have a good check on cash flow with the ability to forecast and manage expenses in routine.

However, meeting such goals need advanced tools that can assist with cost inputs and budget tracking to anticipate any chances of project failure or business bankruptcy. But still, there are many contractors and firms that lack access to the right technology for handling the cash flow as the 2018 reports by TSheets and Zlien found one in five construction companies had trouble with cash flow management practices making the payroll and growth of other projects suffer.

Poor Resource Allocation

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No Real-Time Visibility

Accurate forecasting need contractors to have updated information on all the projects as well as the business status. However, this visibility is equally important for managers and leadership teams to ensure the project always moves in the forward direction allowing better workflow and even better deliverables.

However, the only problem which is evident with construction sites is forecasting issues and the inability to have access to real-time data. Most managers have confirmed that the quality of work, costs, time, material consumption, and safety are all certain factors that are affected due to poor checks on the ground reality.

Taking Down The Challenges One By One

If it is anything that can help overcome all the above-mentioned challenges, it is using reliable and efficient construction management software like ProjectPro. Working on a purpose-built solution can be of great aid when you need to overcome any hindrance related to forecasting, accuracy, and productivity.

Also, working on such a platform allows contractors to compile data with more precision and gives a single source of truth to all the project managers, project owners, field teams, and subcontractors. Either it is historical data or real-time trends, such information can be accessed by the field teams through a central dashboard for working on forecasts that are thorough and more valuable.

Furthermore, making informed decisions could help improve the operational outcomes of the project driving profitability with projects. And investing in a dedicated construction ERP software could aid with saving money and help contractors be more competitive with cost benefits and securing opportunities.

Especially, when business leaders across the globe have ranked ERP systems as the number one technology, they need to improve their investments, the management of data internally becomes even more important for contractors. And to surprise, the stats, reports, and inclination of global leaders towards technology have pushed construction companies to learn on technology for improving internal efficiencies, reporting, decision-making, and of course, productivity.

Let's quickly jump to learn how using an all-rounder solution like ProjectPro with forecasting, ERP, accounting, and management capabilities could help overcome the above-defined 4 challenges.

Identify and Respond to Potential Cost Impacts

The key to overcoming cost impact challenges is to work on historic project data to plan the budget while keeping the crew informed of the real-time data to work on expenses accordingly. Also, using complete construction accounting and project management software allows contractors to leverage the enterprise data and have a maximum value of the cost-related information.

Moreover, the benefit to have automated updates allows contractors and project managers to identify possible reasons for cost impact and rectify them at the early stages of the projects. With access to more detailed financial pictures and estimates, project managers can stay on top of cost variances while adjusting the financial picture. This makes it easier for contractors to have more accurate job forecasting, especially those who are more serious about job cost management as a practice to drive revenue goals.

Improve Control of Cash Flow

When you are working on centralized construction software, it gives you the advantage to have a better watch and reaction time in real-time situations. In simple words, it gives you the advantage to make adjustments that can help with cash flow. Moreover, it also benefits in improved projection of all the favorable and unfavorable circumstances to ensure no impact on cash flow is made.

Actually, the unified data and optimal cash flow are proportional to each other as the better grip you would have over your project data, the easier it will get for you to meet the desired cash flow goals. Even when it comes to efficiency, using construction forecasting software allows you to have a better grip on costs, schedules, and other parameters of the project.

Overall, using integrated construction software allows you to have an eagle-eye view of the cash forecasting for existing as well as proposed projects. Moreover, it can also benefit in making more informed decisions as you get to have a complete idea of where your resources are needed and where they must be allocated.



Manage Resource Allocation

When you are using a single source of truth to manage your projects, working on a dedicated construction solution like ProjectPro allows your project managers to have a keen watch on all the resources. Either it is material resources or conflicting manpower demands, using construction management software could benefit in scheduling the activities for much efficient resource planning.

With easy to explore and simple navigation options, ProjectPro could benefit from faster resource planning based on visual information on the dashboards. Also, it allows you to filter the labor data for skills, availability, and location. All in all, it makes Project managers and field teams have a more straightforward approach to forecasting and more value to productivity goals.

Gain Real-Time Visibility

Having quick access to real-time business data could benefit project managers have access to important information that can help. ProjectPro could help you get access to historical project data that can aid you with improved overall visibility which is not possible while working on single database platform-based software.

Also, the ease to have a big picture of the financial reports on how the business is performing could allow contractors to overcome any cost variances that may happen due to supplies, replacements, or change requests.

Besides this, the Central planning team and field teams could access real-time project progress to ensure that all the tasks related to material tracking, scheduling, productivity measurement, should be done for maximum profitability.

Conclusion

Adopting a construction software that can help your construction company to overcome various challenges related to data collection, field insights, and have a better approach to forecasting. Using construction software like ProjectPro helps you to leverage the complete potential of the construction project for added cash flow, enhanced productivity, and better overall visibility for existing and upcoming projects.

Also, using these tools allow you to bring more certainty to the project activities at every phase of the project lifecycle which is vital to measured goals. Though construction firms and contractors are often recognized to be slow movers when it comes to adopting digital solutions, using technology for active predictions and project forecasting could help the construction industry to gain transformative results.

Moreover, getting over the legacy technology while moving towards modern solutions will allow construction firms to have a better command of the business preventing the use of incomplete information to plan projects that have a direct impact on reputation and funds.

About ProjectPro

ProjectPro is a cloud-based **Construction Accounting Software** Solution integrated with Microsoft Dynamics 365 Business Central. It is designed to help construction companies manage tasks and requirements related to Project Accounting, Resource Management, and Project Management.

Streamlining 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, features like Cloud and Power BI help construction companies for improved Business Decision Making.

g world. We help you turn your vision into a value with promising services and a pleasant customer experience.

Some of the other features include Project Management, AIA Contract Billing with Retention, Advanced Job Labor, Change Order Tracking, and Material Planning. Moreover, ProjectPro includes Subcontract Management, RFQs, TimeSheets, and keeps users 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 companies 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 pleasant 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!