

sage Construction and Real Estate

Top ten time wasters in construction



Impact of today's labor shortage on contractors



Source: AGC 2014 SmartBrief; Sage and AGC 2016 Construction Hiring and Business Outlook



Is inefficiency holding you back?

If you are like most construction companies today, you are seeing a lot more work coming in your door. That's the good news! But that additional business could be putting extra strain on your current staff. Your first reaction may be to hire more people to help. Finding qualified staff, however, isn't easy these days.

Do more with what you have

Another way to tackle the situation is to work with current staff to not only improve their skills but remove tedious manual processes that could be affecting their productivity.

This guide will help you identify the **top ten time wasters** often present in construction firms and show you how the latest software technology can eliminate them. Use the information in this guide to evaluate and make changes in your business so you can:

- Streamline processes that are currently bogging down your staff.
- Allow your team to redirect their time to activities that impact company results.
- Increase staff morale by giving them more fulfilling work.

1

Estimators using paper plans for takeoff

Cut estimating time in half

If you're looking at ways to increase your number of bids without increasing staff, start with your takeoff process. According to a recent construction industry survey,* **more than 38%** of contractors are using electronic takeoff software, and that number is expected to grow.

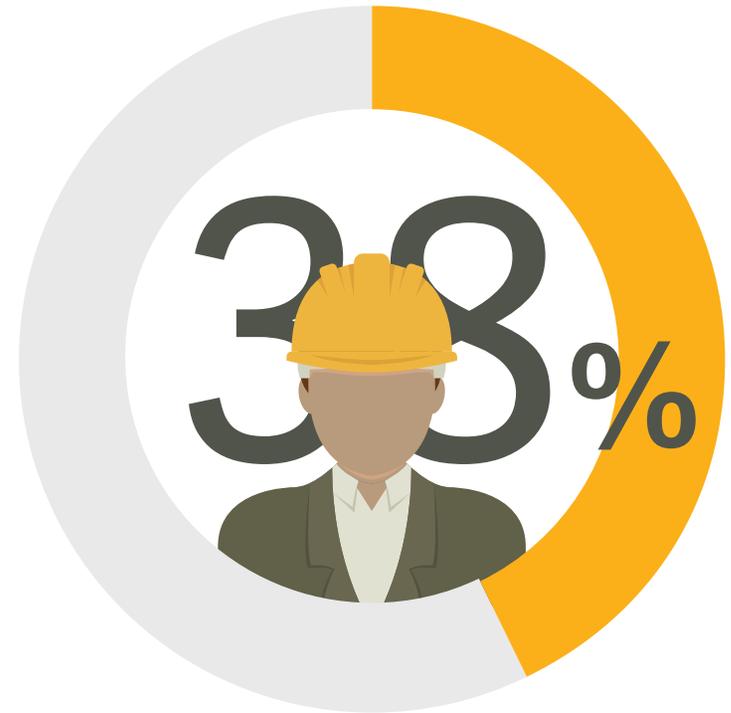
Successful contractors:

- Automate estimating as well as takeoff from electronic plans.
- Integrate electronic takeoff tools and construction estimating software.
- Populate estimates using a database that stores all items, pricing, productivity factors, formulas, and other estimating details.

Not only is electronic takeoff faster than traditional methods, it's more accurate—helping you avoid potential mistakes and unforeseen project costs due to omissions.

Using electronic takeoff with estimating software key to savings

When Michael Seay, president of Seacon Construction, first moved from estimating by hand to using construction estimating software, he saw considerable productivity gains. Since then he has integrated his estimating system with electronic takeoff software, reducing the time it takes to produce an estimate by an additional 50%. By streamlining and standardizing estimating tasks, Seay says he is also able to hire less tenured, and therefore less costly, employees to perform the tasks.



Percentage of contractors that are using electronic takeoff software in order to increase bids.

2

Employees working on projects that don't make money

Track job cost efficiently

Nothing is a bigger time waster than focusing employees on a project that ends up barely covering costs, or worse, puts you in the red. Your construction business has unique needs when it comes to managing job costs. Construction-specific accounting systems can track job costs as part of your normal accounting and project management processes so you can:

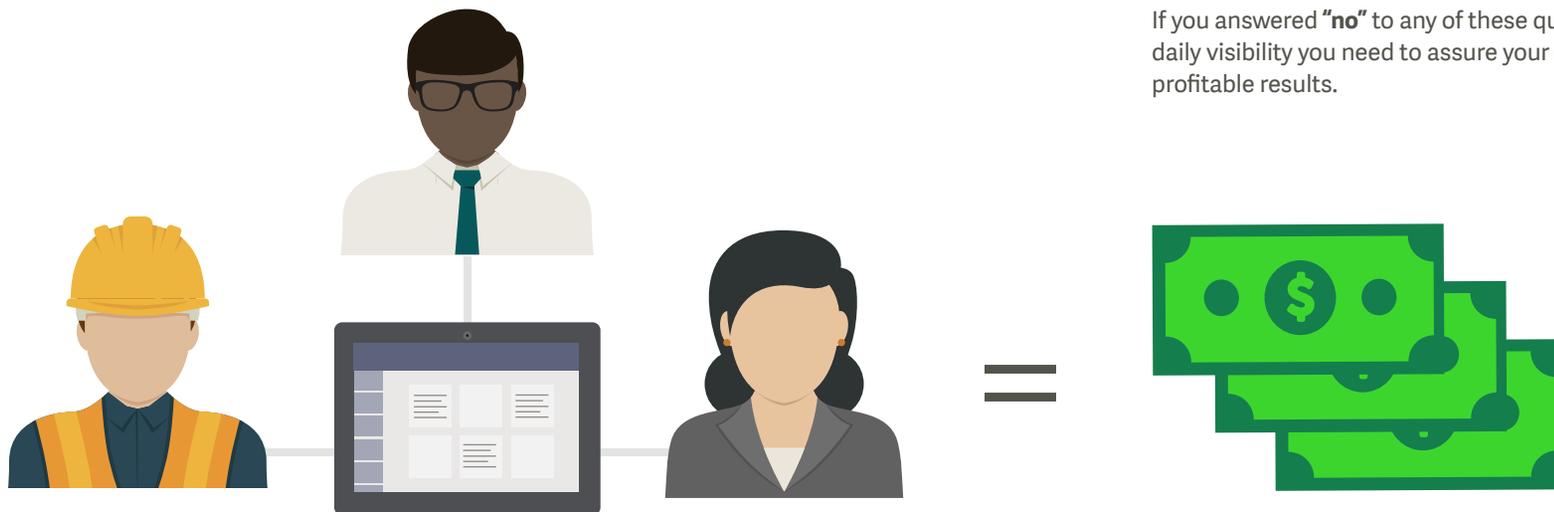
- See details on where a job stands with costs.
- Check if you're on track to meet profit goals.
- Take action immediately to correct cost overruns, like issuing a change order.
- Determine which type of jobs you should take on, and which ones you shouldn't.



Ask yourself these questions about your current jobs:

1. Are you able to view at a glance which projects are profitable based on current billings and costs?
2. Do you know how project changes impact overall profitability?
3. Can you tell exactly which parts of the project are under or over budget?
4. Do you know all your committed costs by job?
5. When you close out a job, are you confident you won't receive a late invoice that you had forgotten about?

If you answered "no" to any of these questions, you don't have the daily visibility you need to assure your employees' work is leading to profitable results.

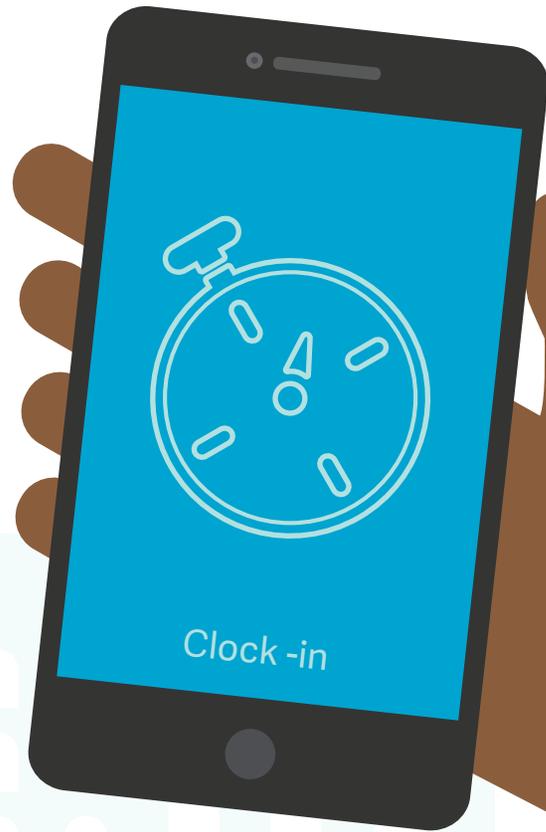


3

Field team reporting hours the old way

Use mobile technology

When your field team is reporting hours worked using paper timecards, email, or phone, it often takes too much time and is prone to error. Today's mobile devices along with cloud-based time capture apps are making it much more convenient to capture, approve, and submit labor hours from the field on a daily basis. And if time capture is integrated with your company's payroll software, your accounting staff doesn't have to reenter information.



4

Tracking compliance by hand

Automate risk management tasks

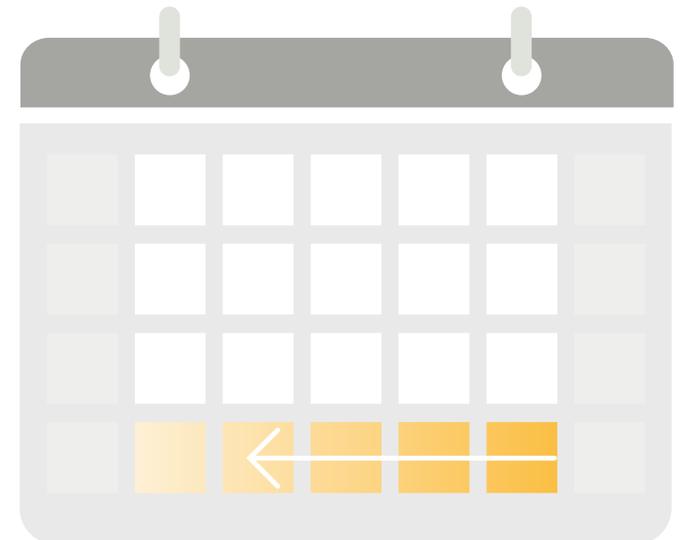
Construction software technology can address subcontractor and vendor compliance concerns such as uninsured workers and lien waivers, shaving off hours of work for employees. To reduce work in this area for your company, look to improve processes and implement software that will allow you to:

- Electronically store, track, and manage compliance documents for quick reference.
- Give project managers mobile access to view this information so they know who is cleared to work on the job site.
- Automate emails to subcontractors, notifying them, for example, that their insurance is about to expire.
- Automatically block invoice payment if a subcontractor or vendor is not compliant.

Save **several hours**
of work a month.

"It (automated compliance tracking) has made a huge difference by saving us 20 to 30 hours of work a month."

Andrea Mosher, risk manager,
Pinnacle Construction Support Group



5

Accounting staff fills out AIA forms

Automate form completion

Your accounting team has to keep track of a lot of numbers to properly complete an AIA billing form. For each billing period, you need:

- Original contract amount.
- What's been previously billed.
- Work completed during the current billing period.
- Change orders.
- Retainage.
- And more.

Doing all of this work manually takes time. With construction-specific software, you can prepopulate AIA G703 and G704 forms with most of the required information needed right from within the system.



6

Payroll administrator struggles with government reporting

Improve and automate reporting processes

Construction payroll is already complex compared to many other businesses. Why make it more complicated with manual processes? To reduce work in this area, simplify processes with software that will allow you to:

- Generate government forms automatically with much of the information prefilled.
- Electronically file your forms to the government.
- Make copies of W-2s available to employees through a secure website or automatically send by mail.

"(We've) cut our state and federal reporting and filing from a full day down to one hour," says Nick Andreolas, CFO of Ecker Enterprises.



1 job/week

The U.S Department of Labor estimates it takes 55 minutes to complete the certified payroll form WH-347 for 8 employees on a single job each week.

7

Payroll administrator works overtime to manage union payroll

Get assistance with union requirements

Automating your union payroll process will go a long way to reduce your payroll staff's workload. You'll have access to built-in guidelines, calculations, and processes in an effective payroll system so you can:

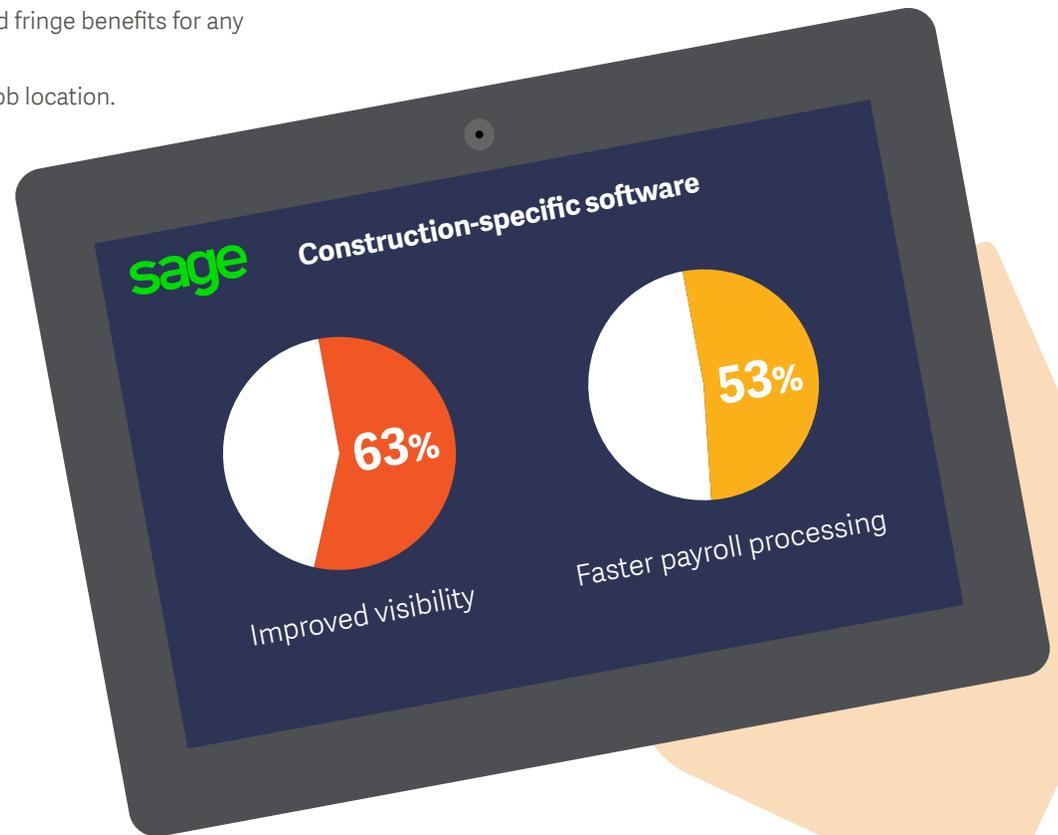
- Track union contract details so you know exactly what you are required to do.
- Define guidelines for the automatic calculation of union pays, deductions, and fringe benefits for any combination of union, class, and local.
- Quickly enter time, including automatically switching union locals based on job location.
- Run a union summary and other required union reports.



Construction software fuels progress

In a recent survey, Sage customers named the top two business improvements they receive from construction-specific software:

- Improved visibility into whether money is being made or lost on the job
- Faster, more efficient payroll processing



8

Accounts payable clerk has to track down invoice approvals

Electronically store, retrieve, and route invoices

All too often, a coffee-stained copy of an invoice gets lost somewhere in the job site trailer or back seat of a truck. Or gets buried in someone's email inbox. Many contractors are integrating document management software with accounting and project management systems. The software allows you to set up customized routing rules so AP clerks can track invoices electronically while they are routed from person to person. It also makes it easier for project managers and other designated approvers to see each day the list of invoices that need their approval.



9

Accounts receivable clerk enters customer payments manually

Process payments directly

To eliminate time-consuming double data entry and reduce payment cycles, contractors are using electronic payment systems that are integrated with their accounting systems so payments only have to be entered once.

Payments can come from:



The job site.

Mobile devices can be used to take debit or credit payments in the field. This is especially useful if you have technicians performing service calls.



Client account.

With your customer's permission, you can store bank and other information for quick payments against invoices.



Electronic check.

Some customers still prefer to send checks—these can be scanned for direct deposit into your bank and electronically accessed for invoice payment.



10

Service team deals with manual work orders

Empower field workers and customers

Today's mobile and cloud-based software technology is opening up new ways to get work orders processed more quickly. Here's how:

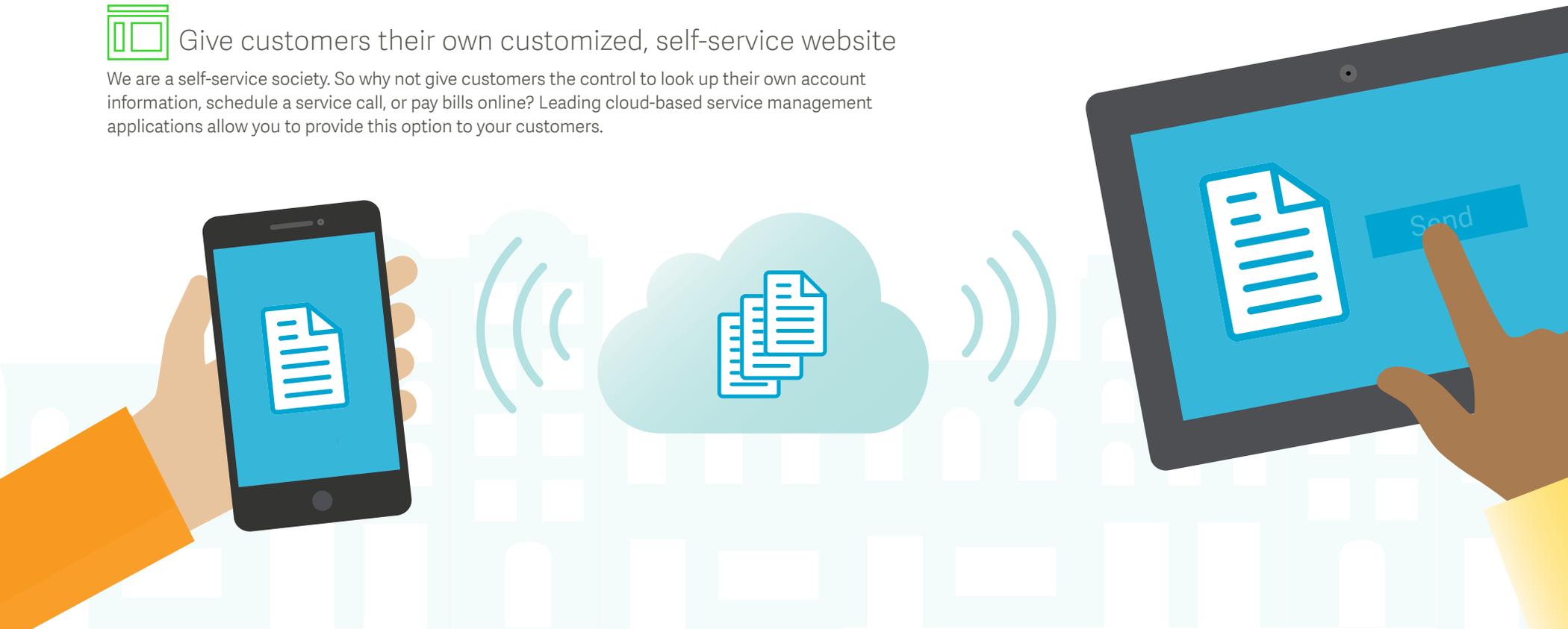
Simplify service operations with one-step work orders

Armed with mobile devices, technicians can document work order details, as well as access site job-related information and generate quotes from the field. The work order information is logged automatically into your systems, eliminating the need for service managers, dispatchers, and other office staff to rekey it.

Give customers their own customized, self-service website

We are a self-service society. So why not give customers the control to look up their own account information, schedule a service call, or pay bills online? Leading cloud-based service management applications allow you to provide this option to your customers.

Visit Sage now to learn how construction software can help you stop your biggest time wasters. Or call us at 800-628-6583.



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