

5 Key Tactics To Increase Visibility Into Your Construction Business

a constructivesolutions whitepaper

Seeking greater visibility into your construction business? Look no further....

Today many construction firms lack the visibility to understand key performance metrics. Business reporting is often limited, creating challenges for construction firms to make crucial, well informed business decisions. Apply these 5 key tactics to increase visibility and drive better business decisions.

1. Reporting - application of construction reports

Job Cost & Project Reports – provides insight in determining what jobs are making or losing money; drives ability to make project course corrections to keep projects on track; highlights profitable projects versus those with significant cost overruns.

Field Reports – ability to document daily jobsite activity; identify trends or issues for project teams to address; help mitigate costly claims.

Financial Statements – critical in determining financial strength; used to evaluate business' financial position; facilitates strategizing for the future.

2. Monitoring - application of technology & dashboards

Every construction firm requires the ability to monitor Liquidity; Work backlog; Labour productivity; Schedule variance; Budget variance; Change requests; Project Cash flow; and Cost indicator of supplier and subcontractor KPIs. A construction dashboard provides one place for the measurement and monitoring of KPIs.

Measure – use technology to access critical data and track key performance indicators. Application of integrated software delivers and automates critical industry specific functions like job, costing, estimating, equipment, and project management. Facilitates information transparency and supports timely measurements against KPIs.

Manage – dashboards afford graphical visualizations of business metrics and KPIs. Provides ‘one place’ for the measurement and monitoring of KPIs.

3. Analyzing – application of business analytics

Improve Profits – utilize analytics to identify profitable, unprofitable patterns and trends in work. Establish benchmarks. Scrutinize cash-flow related data.

Avoid Repeating Mistakes – analyze business performance, assess operations from end to end, across all projects, to determine where overrun costs exist, i.e. labor, materials, equipment etc.

Increase Workforce Management – utilize analytics to assess labor productivity at the enterprise level and individual worker level. Adjust where needed to ensure maximization of labor productivity.

4. Predicting – application of forecasting

Business Level – at the business level forecasts help develop budgets and create benchmarks to measure and reward performance. Recommended forecasts include: Backlog; New contract awards; Revenue; Direct and indirect costs; Cash flow; Gross margin; and Net profits before taxes.

Project Level – at the project level forecasts help to identify potential problem areas. Key project areas to forecast include: Net profit; Cash flow; Cost to complete; and Equipment resources.

External Factors – consideration of external factors is also a key element of forecasting. Those external factors which typically impact construction are:

- Economic – performance of financial markets;
- Political – changes in regulations, taxes or governmental spending;
- Social – changes in population demographics;
- Technological – industry impact through technology innovations and
- Environmental – changes in the ‘green’ movement.

5. Mobilizing – accessibility anywhere, anytime

Mobility matters – three critical elements that mobile solutions afford:

- **Convenience** – enables field workers to access key information in real time to keep projects moving;
- **Communication** – improves jobsite productivity through sharing of information online to all members of a project team;
- **Collaboration** – connects key individuals to expedite vital business decisions.

With construction-specific accounting and operations solutions, construction firms gain complete visibility into their projects, knowing where you are; where you have been; and where you need to go...



Since 1999, Constructive Solutions has helped over 750 construction companies across Canada achieve their business goals. Contact us today to learn more: