



Best Practices Guide:

THREE KEYS TO BEST PROFIT IN HEAVY HIGHWAY CONSTRUCTION: CONTROL COSTS, COLLABORATION, AND THE CLOCK

VIEWPOINT
CONSTRUCTION SOFTWARE®

THREE KEYS TO BEST PROFIT IN HEAVY HIGHWAY CONSTRUCTION: CONTROL COSTS, COLLABORATION, & THE CLOCK

Heavy highway construction businesses face a unique set of challenges when it comes to being competitive and profitable. Changing times demand that these contractors keep pace and leverage technology to transform their tools for managing projects, financials, equipment, employees, materials, and all the many moving parts of operations that impact costs and profit centers.

It's critical to streamline and simplify workflow, for example, entering data once and using it for decision-making across processes, as well as to glean insight that improves cost reductions, control, and quality. To that point, technology is a valuable investment to manage your greatest assets.

With the right-fit heavy construction software solution, you can:

- **Have one-step data entry that results in immediate cost, revenue, and productivity information for projects**
- **Mitigate risk by forecasting costs at completion and probing into unit costs and productivity measurements such as crew, labor, and equipment**
- **View “the big picture” of financial performance and scrutinize down to the penny**
- **Automate and manage inventory, orders, and transportation of materials**
- **Efficiently organize and access important project documentation**
- **Gain greater financial insight and control over your profit centers, which can positively impact the success of your business**



Best Practice Advice

By utilizing construction software tailored to their unique management needs, heavy highway construction businesses can operate most efficiently with the required control and visibility for best possible profit.

Heavy construction software helps contractors unlock these three keys of practical advice to maximize earnings and minimize costs.

1. The Price is Right

Not only do you need to be competitive with bids on fixed-price contracts, which are most common in your line of work, but you also must have the insight into costs to adjust bids and fees with customers as raw material prices change.

For best project profitability and risk reduction, it's critical you have accurate and consistent financial information to effectively manage your company's overall financial performance. That's why it's valuable to use a comprehensive software solution designed to fit heavy highway that includes all critical functions for and allows instant access to human resources, payroll, payables, receivables, cash management, contract status, financial reporting, and forecasted profitability.

You'll appreciate that data entered from field operations ties into the important accounting functions without duplicate data entry. Plus the technology handles the complex calculations and unique reporting requirements of the heavy construction contractor.

With this financial insight and control, you'll have an understanding and eye on critical areas including:

Materials — You realize that the prices for construction materials such as asphalt and oil are volatile and subject to sudden fluctuations. That's why you can rely on heavy construction software to gain control over manufacturing costs, the sale and delivery of materials, and trucking expenses. You can automate the process, which eliminates costly errors and provides timely, relevant materials management information.

The process of manufacturing construction materials incurs both direct and indirect costs, which must be monitored closely to maintain profitability. Heavy construction software can help you manage product costs and treat a production facility as a profit center. Material producers gain an efficient way to document and control the truckloads of material sold to customers and delivered to their own projects. Plus, plant managers can effectively analyze their profitability and accurately determine cost of goods sold.

Equipment — Construction companies often rely on suppliers to provide equipment in a timely manner for successful completion of a project. If equipment is owned, it's especially critical to maximize equipment lifecycle and minimize costs, and that demands complete control and accurate tracking and record keeping of equipment location, usage, and maintenance costs, which helps to manage the equipment fleet as a profit center. It is critical that the right equipment is at the right location with the skilled operators assigned to run it, and that production rates meet expectations.

“The right software handles the complex calculations and unique reporting requirements of the heavy construction contractor.”

You need control of preventive maintenance, costing, billing, and scheduling. Heavy construction software that offers flexible tools to properly schedule preventive maintenance, record routine maintenance and costs, track fuel usage, and manage parts inventories will help you to avoid unnecessary equipment breakdowns and productivity losses.

Employees — Companies in the highway, street, and bridge construction industry need to retain skilled workers and manage employee details efficiently to gain true financial control and project profitability. From employment application through retirement, you can use heavy construction software to effectively track and manage recruitment, training, health and benefits, compensation, reviews, assigned assets, and more.

Track every employee's full lifecycle with your company, including raises, reviews, attendance, warnings, and certification. Monitor their job experience, languages spoken, disabilities, etc., and supervise their safety incident and drug testing information.

To keep an eye on costs and price, heavy highway construction software is the key to:

- **Managing materials with accuracy and automation, and controlling material production and sales**
- **Ensuring that equipment yields the highest possible return on investment possible**
- **Tracking employee details for skills, compensation, certification, safety, and more**

“ *Make real-time reporting a reality by entering data once in the field.* ”



2. The Ticking Clock can be a Killer

It all comes down to project execution – doing it efficiently, with minimal risk and great accuracy, while staying on schedule and on budget. Making profit is the goal and minding the clock is a big part of hitting that goal.

As the clock ticks away and the calendar moves along, many contractors realize that revenues and costs can be highly variable throughout the year because most construction work consists of individual projects. That means that every highway contractor should consider the importance of planning for uneven cash flow. Larger companies may have a backlog of projects that maintain the level of work, but smaller companies can have revenue gaps.

Not only can you use financial models to forecast cash flow and adjust project costs accordingly, but also take advantage of software to manage effectively especially when time is of the essence; for example, reduce data entry, increase accuracy, and make real-time reporting a reality by entering data once in the field.

You can equip field personnel with tools to easily track payroll time, equipment time, mechanic time, progress quantities, fuel tickets, and purchase order receipts, and then sync that information with the back office and be confident that the entire team is managing from the same data for intelligent decision-making.

Plus employees in the field can use heavy construction software to access all job information and details associated with jobs, including bid items, cost items, purchase orders, equipment, and employees on the job. Likewise, those in the office can readily analyze productivity and generate reports, including daily activity, equipment and labor timecards, payroll summary, and exceptions reports.

“ Using construction software can significantly improve project coordination, productivity during execution, and quality of final product. ”

3. Collaborating for Quality

Highway and street projects typically require close coordination between the contractor, owner, and various suppliers, such as concrete providers. Using construction software tailored to the needs of this type of work can significantly improve project coordination, productivity during execution, and quality of final product.

Such software was traditionally used by large companies but now is so user-friendly and scalable that small to mid-size business also employ for managing projects, as well as financials and other operations. Furthermore, web-based applications allow all project participants to have up-to-the-minute information wherever they go.

For example, with software that offers web reporting, contractors can perform real-time data analysis anywhere, which allows remote employees to easily have access to live information via Internet connection. Manage with construction progress reports at your fingertips!



These collaboration tools bring together the knowledge of those in the field with those in the office to share insight about project performance, financial standings, potential issues and risks, etc. that could impact quality of work and project profitability.

By using software to collaborate easily and often, heavy construction companies can properly delve into details that impact project execution and not be burdened with chasing a paper trail, questioning accuracy, building reports, or waiting on answers. With everyone managing in sync, project quality and profit is in focus.

Conclusion

The value of U.S. highway and street construction is forecast to grow with an annual compounded growth rate of four percent between 2013 and 2017.¹ Heavy construction companies of any size with a goal to thrive in a growing market against greater competition will only succeed by efficiently managing profit centers for maximum earnings and minimized costs.

The time to focus on any competitive advantage is now. It would be wise to invest in heavy construction software that streamlines operations, improves accuracy, simplifies collaboration, saves time, ensures quality of work, boosts control of operations, and increases visibility of financial performance.



Best Practices Guide Series

This article is part of Viewpoint's *Best Practices Guide* series, the aim of which is to provide straightforward, actionable, and detailed advice on the business and technology topics that are most important to construction firms. The advice is synthesized from conversations with leaders of construction firms of all sizes and in all industry segments.

ABOUT VIEWPOINT

Viewpoint, a leader in meeting the collaborative and information needs of the AEC industry offers construction-specific solutions for a variety of professionals including small, medium, large and enterprise contractors. Viewpoint solutions include takeoff and estimating, project management, accounting solutions, enterprise resource planning, project and BIM collaboration, mobile field-to-office and enterprise content management. Viewpoint customers include more than 30 percent of the ENR 400 and have the most technology partnerships with the top 50 mechanical and electrical contractors in the United States. Viewpoint serves as the technology partner of choice to the construction industry and delivers the right solutions on the right platform, including cloud, SaaS and on premise solutions and provides customers improved accountability, efficiency and productivity throughout the U.S., Canada, the United Kingdom, Europe, the Middle East and Australia.





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