Step Outside Your Comfort Zone:
Digital Tech Holds the Promise of Boosting Construction Productivity

Perfect Storm Calls for a Perfect Solution

To put it mildly, these are interesting times in the construction industry. Construction spending in the United States is at record levels, reaching $1.3 trillion in May 2018. Meanwhile, there is a critical labor shortage as 70% of firms struggle to find qualified workers. Adding to this chaos is the fact that construction has racked up the "least improved" award globally for productivity for 20 straight years.

These pressing issues all point to a construction industry that is hungry for speed, accuracy, and efficiency. Today's owners, general contractors, and subcontractors are torn between the old way of doing things — manual takeoff and estimating — and embracing powerful new data-driven tools with real-time adjustment capabilities.

Even though contractors routinely blow their schedule by 20 percent and their budget by 80 percent, the industry is typically only investing 1.5% of value-added technology compared to 3.3% in manufacturing, according to the 2017 McKinsey Global Institute (MGI) study. Although contractors underspend on technology by 70 percent, new digital tech holds the promise of boosting productivity by as much as 60 percent.

Step Up Productivity and Profits

One thing is clear — poring over blueprints for weeks to calculate bids by hand is proving more and more to be an expensive waste of time. In other words, manual ways of working are becoming an exercise in futility. Human error and rough estimates based on old data, unclear notes, and keystroke errors are not adding up to profitable bids. Or even worse – businesses could end up winning more unprofitable than profitable bids.

Today's construction businesses must weigh whether to continue putting themselves at risk by preparing bids with manual and error-prone spreadsheets. Experts say nearly 94% of spreadsheets contain errors. If labor and materials are underestimated, your business could end up winning the low bid and losing money on the job.

How can you ever know if your project is priced correctly if you can't easily refer to historical data from past projects? Even worse, spreadsheets offer no version control, which can result in substantial re-work. While spreadsheets may have the lowest bar for ease-of-use, they also make it more difficult to consolidate data input.

By comparison, when owners, GCs, estimators, and project managers have digital-level control over construction input, costs, processes, and relationships, they are more successful in using technology to complete day-to-day tasks. Using software over manual methods and spreadsheets for takeoff, estimating, bidding, accounting, and project management means your construction business can immediately capitalize on efficiencies.

It is also important to consider whether your tools are integrated, which could result in even more substantial productivity gains. Experts say automating how construction projects get designed, planned, and built could result in cost savings as high as 20% annually. No doubt, greater predictability in construction timelines will deliver significant cost savings.

End-to-End Construction Management Software

Today's construction businesses are constantly bidding on new projects. As a result, teams require speed and accuracy to secure a profitable bid. Busy construction businesses will win more profitable work with a powerful software bundle like the Contractor's Suite from On Center Software. When a business can automate their workflows from bid to build to completion, change orders, addendums, and alternates are much easier to handle than with manual, siloed tools.

The Contractor's Suite is made up of three powerful software products — On-Screen Takeoff, Quick Bid, and Digital Production Control. These tools are the construction industry's trifecta of tried-and-true software. The integr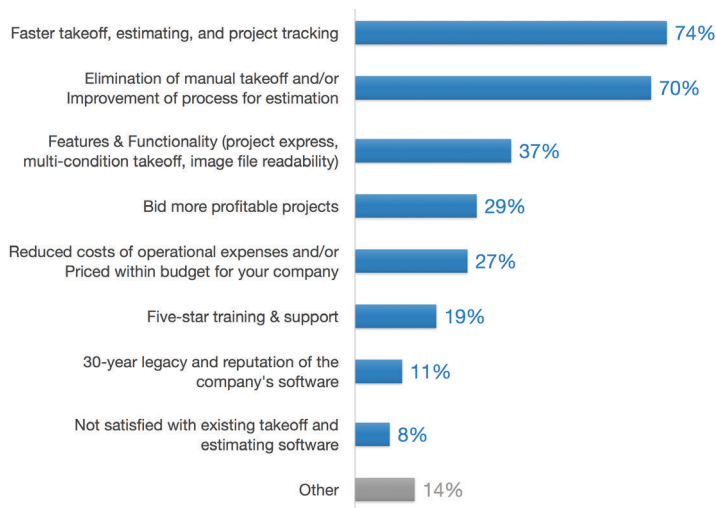ated applications are designed to speed up the process and improve accuracy for material takeoff, estimating, and project tracking. By keeping a digital, historical record of bids and jobs, it is easier for your business to get a jump start on your next bid.

ON CENTER SOFTWARE CONTRACTOR SUITE CUSTOMER RESEARCH

Top purchasing drivers for the Contractor Suite:

What were the top purchasing drivers for buying the Contractor Suite (On-Screen Takeoff, Quick Bid, and Digital Production Control)?

Driver	Percentage
Faster takeoff, estimating, and project tracking	74%
Elimination of manual takeoff and/or Improvement of process for estimation	70%
Features & Functionality (project express, multi-condition takeoff, image file readability)	37%
Bid more profitable projects	29%
Reduced costs of operational expenses and/or Priced within budget for your company	27%
Five-star training & support	19%
30-year legacy and reputation of the company's software	11%
Not satisfied with existing takeoff and estimating software	8%
Other	14%

Source: TechValidate survey of 133 users of On Center Software Contractor Suite

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✔ Validated   Published: Aug. 9, 2017   TVID: 8B0-028-FE6

Advantages of an Integrated Estimating Workflow

Construction businesses that embrace end-to-end tools realize major gains in speed, accuracy, and efficiency. Here are some examples of these benefits:

1. Win More Profitable Work

For many contractors, being able to highlight, measure, record, assemble, summarize, price, submit, track, and manage all projects right from their laptops is proving to be a huge competitive advantage. For example, specialty wall and ceiling contractor KHS&S is discovering greater flexibility with digital takeoff and estimating tools. Now, changes are a snap during the pre-construction and design phase.

With On-Screen Takeoff and Quick Bid, they can quickly answer a general contractor's questions about any jobs and verify bids. Because they can customize and save assemblies in libraries for future projects, KHS&S can handle any last-minute changes or requests. With On-Screen Takeoff, they can use the click and drag of a mouse to view electronic plans, takeoff multiple quantities, spot revisions, create RFIs, and more. This allows them to easily add alternate pricing for items the client may want to see as an add or deduct.

2. Improve Bid Accuracy

Starting a new project bid or budget is much easier when you create databases where all material pricing, production rates, and more are stored – rather than searching through spreadsheets. For example, KHS&S is a framing and drywall contractor who uses this feature to create and store entire assemblies. Since much of what they do is very repetitive, they can pull this information with the click of a button.

More importantly, these tools can put your business in a more competitive position. It is a huge game-changer to be able to compile itemized costs, labor rates, change orders, and materials to precisely predict the cost of a job to avoid bidding too high or too low.

Specifically, KHS&S uses Quick Bid's eQuotes feature for current pricing of suppliers and vendors and for generating change orders that can be priced independently or included as part of the entire job. Automatic calculations also means greater accuracy and less time calculating results.

5 Questions for Contractors

Construction businesses who are on the fence about embracing an end-to-end solution should ask themselves the following:

1. Are your existing takeoff and estimating tools limiting your ability to bid available jobs in today's hot construction market?
2. Do you still rely on paper documents and have trouble keeping track of them?
3. Is estimating accuracy important to your company's bottom line?
4. Are you always confident in your bid accuracy and anticipated profit margins?
5. Would a historical record of takeoffs and estimates be valuable for working on new/future project bids?

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http://on.center/ebook

3. Track Productivity and Protect Profits

Multiple change orders can turn into a lot of extra work and rework, resulting in cost overruns and turning profits into losses. Having a plan to track labor production, hours, and costs is essential for businesses to correct overages on the spot. Being able to bring data from the bid and takeoff together for a real-time analysis of a current project can help your business ensure greater profits from future bids and projects.

Digital Production Control continuously tracks, calculates, and color codes your projects, showing whether your project is approaching the red. This allows your foreman and project manager to immediately know what production is complete on each phase of the job.

QUICK BID CUSTOMER STATISTIC

39% of surveyed organizations purchased Quick Bid because it has better features and functionality (Integrates with On-Screen Takeoff, eQuotes, Condition Details and Bid Navigator).

39%

Source: TechValidate survey of 258 users of Quick Bid

✔ Validated   Published: Oct. 23, 2017   TVID: 516-922-3B4

On Center SOFTWARE   TechValidate

Whether in the field or in the office, being able to click for the percentage complete calculation will help everyone in your business know precisely where labor costs overruns are occurring. Undoubtedly, having a historical account of productivity and profit can help you make more informed, long-term decisions on future projects.

4. Save Time and Money

Estimating is the cornerstone of every construction business. In a highly competitive environment where the low bid gets the job, your business can lose money before setting foot on a project site. Many construction businesses find significant savings in eliminating the need to print, handle, and store bulky paper-based plans and other documents. Electronic documents imported directly into the software allow estimators to easily takeoff all aspects of the project. The estimator specifies and views individual conditions directly on the computer screen.

Being able to save your takeoff calculations for incoming addendums before bid day means fewer errors and rework. Instead of estimators spending hours and days sifting through marked-up plans and prior estimates, they can shorten the time they spend quantifying plans and reworking measurements.

With the overlay feature of On-Screen Takeoff, estimators can more easily compare, side-by-side, two versions of a drawing as deleted items are in red, and added items are in blue. Now, your estimators can instantly spot plan revisions. Using time-saving takeoff tools means your business can improve accuracy, present more professional bids, and win more profitable projects.

Advantages of an Integrated Estimating Workflow

The construction industry is in an era of rapid transformation — from off-site modular construction projects to drones hovering over work sites. Ironically, this era of innovation has failed to bring about a wholesale embrace of technology -- even as takeoff and estimating software, cloud-based systems, and mobile apps promise cost savings and efficiencies.

Those who do choose to purchase, implement, and be trained on new takeoff, estimating, and project management technology are finding the benefits are well worth the investment. They say omitting duplication of effort, minimizing errors, and quicker communication between the field and the office are helping them win the most profitable projects for their business.

For many in the construction industry, the time has come to step outside their technology comfort zone. Ultimately, this comes down to weighing the cost and learning curve against the benefits of faster, more accurate estimating and real-time data for project management.

On Center Software has been focused on helping estimators for three decades. The Contractor's Suite is a powerful, integrated, end-to-end estimating solution that helps thousands of contractors boost their efficiency and increase profits every day. The benefits of these money-saving tools include:

- Faster, more accurate takeoffs
- Digital, color-coded overlay to compare change orders with previous plans
- Click and drag takeoff
- Updated databases for major construction trades by CSI codes
- Quick links to vendor partners
- Customize and expand databases for your company's needs
- Paperless collaboration between offices and job sites with PDF plans
- Area back out – remove square footage from a change order without deleting everything
- Create bid alternatives within the original bid, without building from scratch
- Track labor production against estimated production and get percent completed with a click
- Monitor progress of a project and direct plans for crews using the data already created in the bid

Ready to explore the advantages of end-to-end estimating?
Request a FREE Contractor's Suite demo today at https://on.center/demo-contractors-suite