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# How technology is shaping the future of construction

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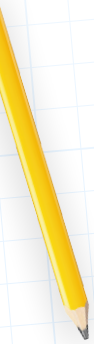
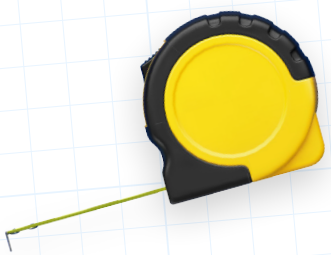
Leading the charge for change, with



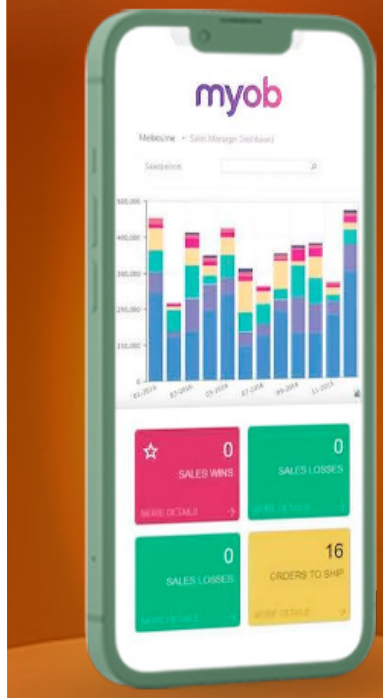
# Construction is one of the least-digitised industries – but change is on the way

Construction may be one of the oldest and largest industries in the world, but it has never been the fastest. Although the sector represents 13% of global GDP, its productivity growth has hovered around 1% a year for the past two decades. The fact that the industry has been slow to adopt digital technology and is still one of the least digitised in the world, is one likely reason for that lack of efficiency.

However, now that it's facing challenges from all directions – public health challenges, climate change, materials shortages, high demand, rising costs – construction has reached a turning point.

> Whether industry leaders like it or not, they're being forced to adopt digital technologies to keep up. And, after years of underinvestment, it's going to be a major transition.

The tide is already turning, **with tech investment in the construction industry outpacing other industries 15 times in 2019.** Recent public health challenges have only accelerated an already rapid change, with 95% of construction companies investing in digital technology during the pandemic. Automation of manual processes, streamlined project management and communication,



# Tech transformation at an individual level

It's easy to see the forces of change on an industry level – but what does it mean for your construction business? As more industry members take advantage of digital technologies, businesses that don't may suffer by comparison. It makes sense: if your competitors are using technology to optimise operations, boost efficiency, increase margins and deliver a better customer experience, it will be difficult to keep up if you're still using manual processes or outdated software.

The good news is construction-specific business management software has come a long way in the last few years. Integrated, cloud-based systems offer a huge range of business benefits in a reasonably simple, easy-to-use package. That means your business can move forward with the wider industry, and boost productivity

Here's how technology is helping the industry face ongoing challenges – and what that could mean for your business.

# Contact-free solutions

Recent times forced many industries to come up with contactless technology or start using existing tech to reduce physical contact. Construction was no different. Although the physical work of construction can't be done remotely, other parts of the job can.

More and more businesses are using digital tools to minimise contact in the planning stages of a project. This can include sending and signing contracts and other paperwork, giving clients online payment options and meeting clients remotely.

> Within firms, digital solutions can be used for collaboration between architects and project managers, remote oversight of builds and ongoing communication with clients.

Even as lockdowns and restrictions ease in different parts of the world, these changes are here to stay. Many business owners and other professionals have realised that remote solutions can be far more efficient than in-person work, simplifying communication with

# Managing costs, maximising profits

In many parts of the industry, cost and time overruns are almost a given. Construction has a reputation for slow, inefficient project management and budget blow-outs. Making projects more efficient should be the first port of call for construction businesses – the simplest way to increase the low profit margins that plague the industry.

That's where business management software comes into its own. With all your past and current project information in one place, along with forecasting and budgeting tools, you can quote future projects

Smart tracking and benchmarking tools can help spot potential overruns and issues before they have an impact.

Data from past projects feed into the system to inform planning, so you can give clients realistic timelines and budgets before a project begins.

Change orders are stored in the system, letting you control the profitability of change requests as they happen and minimise the impact on your budget.

Invoicing is managed on the same platform, ensuring that all charges are accurate and up-to-date.

Labour and material costs can be tracked and managed in the system, so budgets can be adjusted as prices change.

# Plug your client communication gaps

Keeping clients informed is a key aspect of any project – but it can fall into the too-hard basket for busy construction businesses. Communicating effectively can be difficult when project details are hard to track down, timelines change frequently and you have to spend time calling or emailing individual clients.

With the right technology in place, communication with clients is all but automated.

Many platforms let you give clients a secure log-in so they can access the details of their projects and find out immediately if potential issues arise. This makes it easier to manage expectations and deal with problems effectively. It can also give clients a channel to communicate with you, so they can raise issues, request project changes and make decisions in real-time.

In an era of increasingly high expectations of service providers, it's also a way to show that you're committed to customer service – and ahead of the game in terms of technology.

# Managing projects – and people

People are at the heart of any construction business, so any solution must help make things easier for your teams. This is particularly true when skilled labour shortages are making it hard for construction businesses – if you don't give your staff a positive work environment, they may look elsewhere.

Technology can enhance communication and collaboration and remove many of the frustrations of working on a complex project. Checklists and project notes can be completed on-site using smartphones, tablets or other devices. This means staff no longer have to do extra work after hours or transfer information from paper in the office.

Complete visibility means everyone on your team can see progress as it happens and get updates about the project they're working on. This way, it's easier to stay on track – and harder to miss a deadline or forget an important task. A cloud system can be accessed from any device, so staff can check updates on-site, in transit or from home.

## Daily project information

Problems or issues

Time and date information

Change requests

Subcontractor times and updates

Staffing information

Job site visitors

Weather updates for the job site

# Shortages, price changes and staying ahead

After lockdowns and restrictions put a dent in industry growth, many countries are seeing a many countries have seen significant surges in building activity. This reflects pre-COVID trends, where construction was booming in response to increased demand for housing – in New Zealand and elsewhere. This surge, along with pandemic-related shipping delays, has meant shortages of essential building supplies and rapid price changes. High demand means that labour can also be hard to find.

For construction businesses, these factors pose obvious challenges. It's difficult to plan a project if materials or labour may not be available, and it's hard to quote accurately with rapidly fluctuating prices. This is where automation and real-time data come in.

With a business management system, price fluctuations can be built into the budget and updated automatically. Soft costs for labour and materials can be included in your initial budget, which can be directly linked to the project contract. As actual costs come in during the build, these documents can be updated at the touch of a button, so project management and accounting teams can see

# Stay up to date with changing compliance requirements

Dealing with compliance can be a major job for construction businesses. Regulatory requirements set by councils or government bodies can be complex and constantly changing. Recently, with the New Zealand government declaring a Climate Emergency in 2020, sustainability has become a key focus with new certifications and standards set to be introduced. Sustainable building materials, methods and measuring the carbon footprint of new builds may become standard in the near future.

Rather than recording key details on paper or in a spreadsheet, compliance information can be checked off in your business management system. Better yet, most software will automatically update requirements for your region, making it easier to keep up as the law changes.

> Managing compliance – sustainability-related or otherwise – is another benefit of a business management system for construction.

# Real oversight in real-time

Many construction companies use digital solutions but haven't put much thought into what they use or why. They may use several disconnected software systems, introduced at various times, to manage different parts of the business – one for budgeting, one for invoicing and one for tracking time, for example.

Although these pieces of software may technically function – each element might perform its part of the job effectively – they don't offer the overall visibility or control of an integrated system. Being unable to access data easily or transfer information between systems has obvious implications for your business. It's difficult to get a full picture of project costs, chasing up numbers and switching between systems takes up valuable time, and discrepancies between systems can mean that sometimes the numbers just don't add up. Then you're faced with reworking errors and creating further delays.

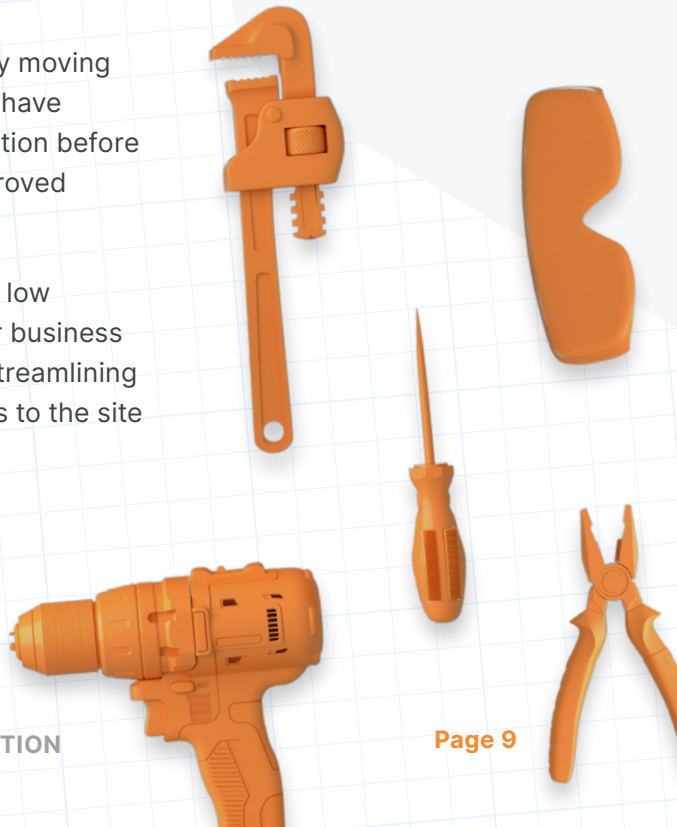
Replacing a raft of disjointed systems with a single, integrated

- Workflows are automated and manual data entry is minimised.
- Human error is reduced.
- Data is up-to-date and accurate.
- A single source of organisational truth means everyone is working from the same playbook.
- Complete visibility of project details means you can make changes and deal with issues effectively, minimising cost overruns.

# Keeping up with a changing industry

After years of reluctance, the construction industry is finally moving into the digital sphere. The challenges of recent years may have accelerated the change, but the process was already in motion before 2020. As more industry members invest in technology, improved productivity and profitability should follow.

In an industry with razor-thin profit margins and historically low productivity, these changes will be transformative and your business could benefit. Automating time-consuming manual tasks, streamlining customer communication or just making sure everyone gets to the site



# Leading the charge for change, with MYOB Advanced Construction

The benefits of digital are clear – and so are the risks of falling behind. But deciding to seek a digital solution is just the first step – choosing the right platform is crucial.

That's where MYOB Advanced Construction comes in. Designed to fit the needs of the industry in Australia and New Zealand, it offers a fully integrated platform to suit construction companies large and small. The cloud software platform connects the dots between data, people and project management, minimising inefficiency and

## Here's what that could mean for

**Maximise profitability** with accurate forecasting and built-in change management.

**Connect people** across your business with cloud access and a mobile app.

**Streamline project management** by connecting contracts, budgets, job costing and change orders through a single platform.

**Grow your business** by minimising manual work, streamlining workflows, and getting more out of every project.

Get in touch to learn about **MYOB Advanced Construction** – it could be the key to making your construction business more efficient, more productive and more profitable in an increasingly high-speed industry.

**Learn more**

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