

Construction

EXECUTIVE

FINANCIAL

ADVICE

FROM CONSTRUCTION TECHNOLOGY LEADERS

BY DONALD BERRY

With more construction companies embracing new technologies to eliminate redundant data entry, streamline workflows and improve business operations, *Construction Executive* asked construction technology leaders to share their insights on how the latest solutions are positively impacting contractors' bottom lines.

“WHAT NEW TECHNOLOGIES ARE HAVING A POSITIVE IMPACT ON CONTRACTORS' BOTTOM LINES AND THEIR ABILITY TO COMPETE FOR PROJECTS?”



PATRICK ALLIN
Chairman and CEO
Textura Corporation

Most industries invest 2 percent to 6 percent of annual revenue on information technology (IT). The construction industry invests between 1 percent and 2 percent. To put that in perspective, a contractor with \$10 million in revenue spends an average of only \$100,000 on IT, while his counterpart in another industry is investing an average of \$500,000 or more annually.

Studies have shown that increased IT use correlates with improved company performance. In terms of construction projects, increased IT use correlates with improved

schedule and cost performance. Given this, isn't it surprising that the construction industry spends so little on information technology and software? Why is this?

Historically, few software programs have been built specifically for the construction industry. What has been built for construction is “shrink wrapped” software. It runs on a company's internal computer systems or network and is intended for users in that company. While it may be well-suited to the needs of an individual company, it is not well-suited to the nature of a construction project and how contractors work.

Because construction projects bring together a team from a wide range of organizations, IT must support communication, data sharing and processes across functions. In short, software solutions truly built for construction must support the teaming that is at the heart of how the industry works.

We are beginning to see adoption of collaborative software that reaches far beyond

“Collaboration software built for the construction industry is beginning to emerge for processes like bidding, permitting, billing and payments, pre-qualification, project management and BIM.”

– Patrick Allin
Textura Corporation

the four walls of a contractor's organization to automate its interactions with others on a construction project. Collaboration software is designed to help people involved in a common task achieve their goals, especially when they are not co-located.

Collaboration software built for the construction industry is beginning to emerge for processes like bidding, permitting, billing and payments, pre-qualification, project management and BIM.

The benefits of a collaborative solution include dramatic efficiency improvements through automation across organizations and functions, and better effectiveness through improved communication and greater visibility.

Donald Berry is the national sales manager for *Construction Executive*. For more information, call (908) 852-7466 or email dberry@constructionexec.com.