

ONLINE INVOICING AND PAYMENT SYSTEM AUTOMATES ANTIQUATED BUSINESS PRACTICES

The payment process in the construction industry follows a labyrinth-like, yet predictable path each month, from the initiation of the draw to its final resolution. The volume of invoices involved and the manual nature of the entire process almost inevitably results in frustration for both general contractor (GC) and subcontractor that can strain even the most amicable business relationships. But what if nearly every aspect of this labor-intensive process was automated?

Imagine for a moment a world where all parties in the construction payment process meet in a centralized location that is available to everyone with a computer, an Internet connection, and an e-mail address. Imagine that in this utopian vision everyone manages their pay applications and other critical project information with full visibility to the other concerned parties. Imagine further that all of the appropriate subcontractors on a project are notified by e-mail the moment the draw is opened and asked to submit their invoices. Even this can be done in about 10 minutes, since the typical impediments to their process have been removed by the following capabilities:

- Amounts billed and received in prior draws are easily obtained and verified.
- Notice is given when change orders are approved and amounts need to be allocated.
- Contract-required legal documents appear on users' computer screens, completed and ready to sign.
- Compliance documents are tracked, with notice of missing or expired documents and the resulting held payments sent via e-mail.
- Pay applications and attachments are conveyed electronically—no delivery services are required.

These signed and notarized pay applications, including lien waivers, await only the general contractor's approval; that could take anywhere from hours to more than a week. But what if the GC could view a subcontractor pay application and immediately verify that:

- the numbers, both in the context of this draw and in the project as a whole, add up;
- retention is being calculated correctly;
- no change orders remain unallocated, or are billed but not approved;
- compliance documents are submitted and current; and
- prior lien waivers for this subcontractor are received, and no payment holds exist.

The GC has just accomplished in minutes what might have taken hours or even days. Such software systems now exist, and they accommodate owners, architects, lenders, title companies, or other supervisory organizations where these parties typically have access to project information or play a decision-making role. These systems might also interface with a number of popular accounting packages that have already been developed, streamlining the process even further by enabling the sharing of pertinent information so that data entry is kept to a minimum. All of the groundwork is laid quickly and efficiently so that the vital question of whether or not the work being billed for has actually been done can be addressed by the project manager almost as soon as the invoice is received.

Textura™ provides one such system, an online invoicing and payment system that automates much of the manual checking and validation activities that take place every month, allowing a contractor's staff to make more productive use of their time. With such systems in place, the antiquated, inefficient, and labor-intensive ritual of manually processing mountains of subcontractor pay applications every month can—and should—be relegated to the dustbin of pretechnology construction history. Very simply, these practices are no longer viable.

The system provides a common platform for GCs and subcontractors in an application that facilitates and automates the electronic exchange of documents and payments between parties. Customers estimate that administrative and finance costs are reduced by as much as 20 percent, and some GCs have been able to reduce the payment cycle time with their owners by up to 2 weeks.

FOR more
INFORMATION



Textura Corporation has been servicing customers in the construction industry since 2004. Over 16,000 users representing 7,500 organizations across the United States currently use Textura. For more information, please call 866.839.8872 or visit www.texturallc.com.

HOW TO SAVE WITH SOFTWARE

So how do these systems save contractors money? With the Textura system, pay application documents, including invoices and lien waivers, are created and maintained within the system, rendering expensive collection, delivery, and storage methods unnecessary. Tracking and filing of pay application and compliance documents also become redundant when using the software. Also, with invoicing, signatures, and notarization all taking place electronically, manual check writing gives way to electronic automated clearing house (ACH) payment transfers, and the paper chase is effectively transformed into an efficient, logical, self-contained, and systematic process.

These systems can be very cost-effective: Often, there is no software to purchase or download, and project fees to the GC are nominal.

Contractors should consider adopting software to keep their operations lean and agile by automating the invoicing and payment application processes. Eliminating unnecessary administrative procedures frees up company resources and capital, bringing the focus back to managing the business—and the bottom line. ♦

How INVOICING AND PAYMENT SOFTWARE WORKS

The following steps, provided by Textura, demonstrate how contractors can put invoicing and payment software to work for them:

- The general contractor (GC) uses the system to invite all participants to the draw via e-mail.
- The subcontractor or supplier accesses the schedule of values by clicking on a hyperlink in the system-generated e-mail, entering requested payment amounts, and allocating change orders, if prompted.
- The system automatically generates and populates the proper invoice, sworn statement, and/or lien waiver documents for the project and collects signatures electronically.
- The GC can immediately view the invoices online or print copies for a pencil draw review. When all are submitted and approved, the GC creates the owner pay application, also signing electronically.
- Any on-system owner, architect, lender, and/or title company then reviews the signed GC documents. (The GC can also print the documents or save the PDF file for e-mailing to participants not on system.)
- Prior to disbursement, the GC requests that all subcontractors sign their unconditional lien waivers in the system.
- The GC clicks a button to disperse funds, upon which the system generates a payment file that is transmitted securely to the GC's bank for processing. Funds often appear in subcontractors' accounts on the following business day.
- After the subcontractor has been paid, the system releases the signed lien waivers to the GC.

WE PUT MORE INTO IT



We don't mess around with shortcuts or skimp on steel at Towmaster®. We know you rely on your trailer to haul your equipment. We build them easy to use and easy to maintain so downtime is kept to a minimum. And we back them with unsurpassed service and support.

Find out more about the easy-to-use Titanium® detachable gooseneck trailer or any of our other flatbed utility and equipment trailers at your local Towmaster trailer dealer or on our website.

SO YOU GET MORE OUT OF IT



Towmaster uses the latest in Solid Works® CAD and FEA software to make sure our trailers are strong and durable.

Fast. Easy. Durable.
That's what makes owning a Towmaster the right choice.

800-462-4517

towmaster.com

TOWMASTER
TRAILERS

