

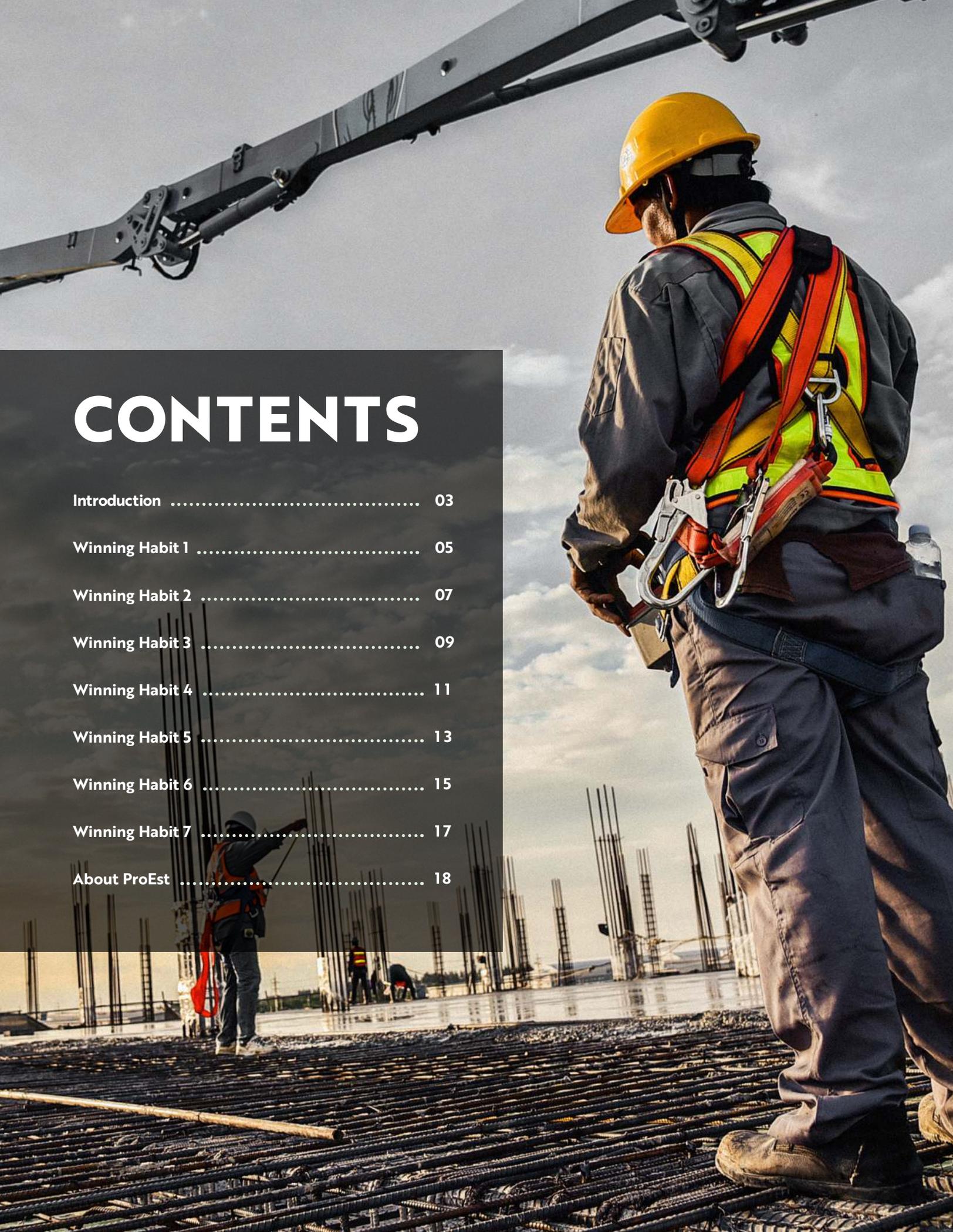
proEst[®]

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**Habits of Winning
Construction Companies**

EXECUTIVE INSIGHT





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INTRODUCTION

The construction industry, like every other business sector, has its leaders—and its followers. Winning construction companies are typically better at applying innovative new practices and behaviors—what we’re calling habits—than those with an overly cautious “wait and see” attitude. And while there can be a certain amount of risk associated with early adoption of novel ideas, it’s also clear that organizations that are willing and able to depart from the status quo will almost always have a competitive advantage, gaining the ability to grow faster and achieve higher levels of performance than those that don’t.

Construction estimating is a case in point. Historically, estimators relied on paper-and-pencil calculations, then generic spreadsheets, to forecast project costs and prepare and submit bids. As such, spreadsheets represent a big step forward for construction estimators, yet they hardly serve as the fail-safe system that ensures data accuracy and eliminates the risk of human error.

Industry-specific estimating software largely filled the void, offering construction companies improved functionality and a host of new productivity features. Software created specifically for construction estimating offers direct integration with many construction accounting software solutions, eliminating the need for estimators to manually enter data into accounting software on the back end – a common source of unintended errors. When estimate data transfers automatically, job costing becomes a true extension of the values used to create each estimate: accurate, consistent and trusted.

Cloud technology was the next evolution—some call it a revolution—that gave estimators and management teams unprecedented levels of access, scale and reliability, all at a lower cost than traditional on-premise solutions. As an estimating platform, the cloud also helps support

the exchange of inputs and ideas, knowledge sharing and collaboration, a productivity scenario that could only be imagined a decade ago. ProEst was a cloud pioneer, introducing a web-based estimating platform to the industry in 2015. In the five years since, we've helped thousands of construction firms harness the power of cloud technology to work more efficiently and run more profitable jobs.

In this Executive Report, we'll identify seven important habits shared by today's most successful construction industry leaders—from cloud technology adoption to improving brand awareness—and explore specific ways for your company to create a winning estimating strategy of your own.

I hope you find it of value.

Jeff Gerardi

Jeff Gerardi
CEO, ProEst



WINNING HABIT 1

NEVER COMPROMISE DATA ACCURACY

A winning bid—and ultimately, a profitable job—begins with an estimate that’s error-free and reliable. Yet as any construction professional can tell you, that’s often easier said than done. Why? Because formulas can be flawed, costs can be miscalculated and user alterations—intentional or otherwise—can wreak havoc with your numbers long before the final bid is submitted.

Winning construction companies have the solution: replace pencil-and-paper and spreadsheet calculations with software created specifically for construction estimating. That way, calculations for materials, labor, equipment, taxes, mark ups, bonds, insurance and other costs are generated automatically, leaving no room for human error. Estimating software also offers the kind of visibility and control other approaches lack. Estimates can be summarized by cost type—material, labor, sub—or any level of grouping, including user-defined groups by phase, area or location. Data remains consistent, accurate and reliable no matter how you look at it. And there’s another benefit: having full confidence in the data means you spend less time chasing outliers and deciding which numbers to trust in disparate spreadsheets. When time is money—and it always is—that matters.

Finally, construction-specific estimating software helps ensure that information is completely current, offering continuous upgrades and enhancements that keep track of changing industry and market conditions automatically—including pricing updates on labor and materials. That’s important protection for your profit margins and your bottom line; in today’s competitive business climate, there’s simply no room for estimating errors or surprises.

KEY TAKEAWAY

Winning construction companies have a single, centralized data source that ensures accuracy throughout the preconstruction process. Ask yourself:

- Are we relying on manual calculations that have strong potential for human error?
- Do we see gaps in spreadsheet functionality that are impeding workflow and data accuracy?
- Is every project stakeholder working with the same information in the same way?



WINNING HABIT 2

INCREASE ACCESS TO INFORMATION

This may sound obvious (who hasn't heard that "knowledge is power"?) but when information is easy to find, access and use, your estimating and project management teams are more likely to make better decisions, work more collaboratively and "own" project outcomes. That's why winning construction companies make sure that estimating data is available, visible and shareable—and why increasingly, contractors of all sizes are choosing online, cloud-based platforms for their estimating and pre-construction management activities.

90%

of U.S. employees have a cell phone on them, ready to connect and communicate.

Source: Mobilecoach

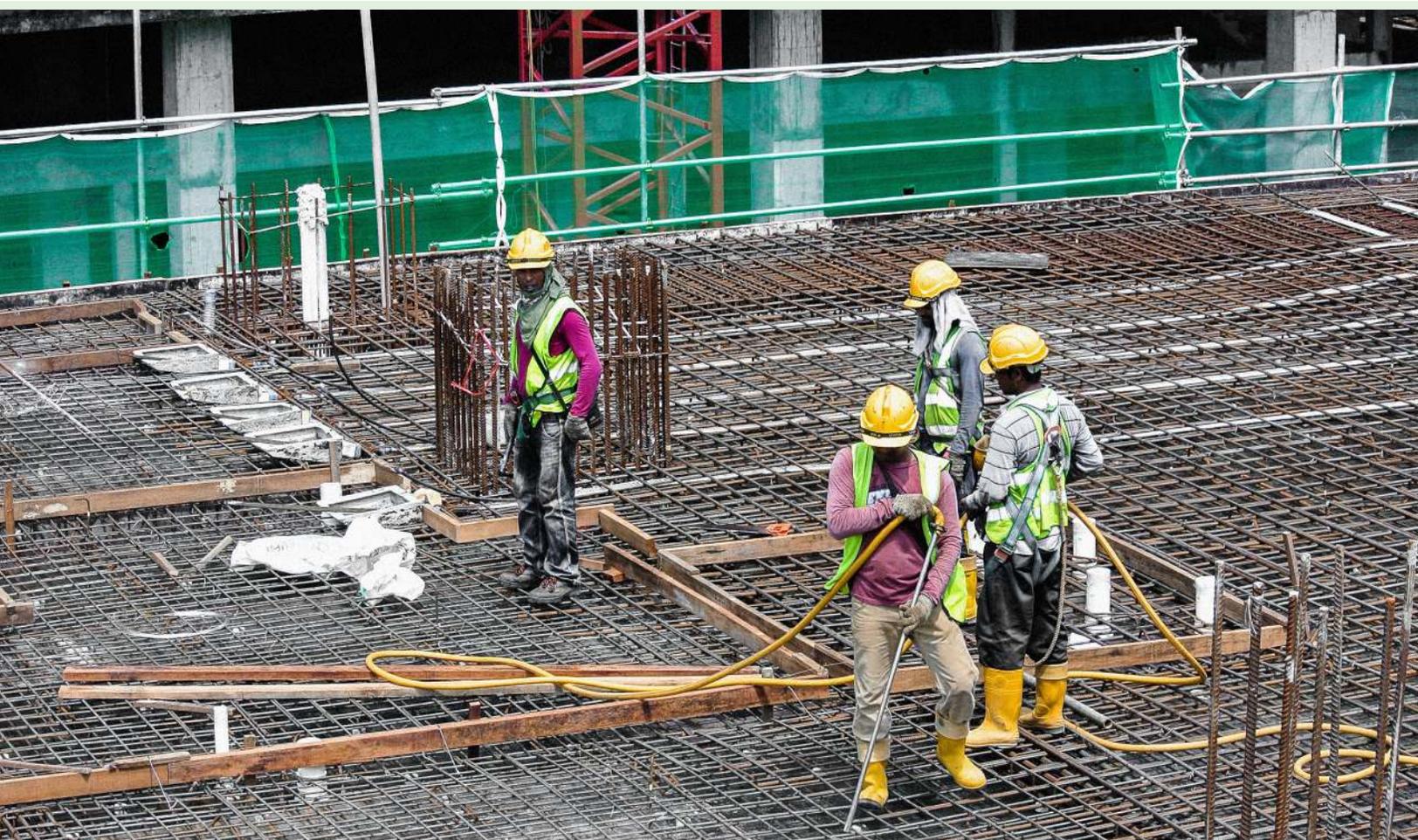
The business benefits are clear. A cloud-based estimating solution gives people across your organization unlimited access to data anywhere there's an internet connection—in the office, in the field and everywhere in between. Smart phones and mobile devices provide user access; a cloud platform ensures 24/7/365 data availability. For many companies, that can translate into greater efficiency and cost savings; with an "always-on" system, individuals and teams can work on time-sensitive proposals and reports without the restriction of office hours or locations—getting more done in less time and virtually eliminating workflow limbo.

Perhaps most important, access to a centralized cloud repository ensures that all parties can view and work with exactly the same information throughout the life of a project. That means that front-end estimators and back-end accounting teams are all on the same page when completing individual tasks, with no deviation in inputs, calculations and projected outcomes.

KEY TAKEAWAY

Winning construction companies make estimating data readily available to every project stakeholder, regardless of role or responsibility. Ask yourself:

- Would our estimating productivity increase with 24/7/365 access to data and reporting?
- Would our employees value the ability to work remotely?
- Are we limiting transparency with siloed, inaccurate or hidden information?



WINNING HABIT 3

MAKE SURE YOUR PROCESSES ARE CONNECTED

Winning construction companies always value simplicity over complexity—especially when it comes to costing, bidding and running a job. That’s why they avoid the complications of siloed estimating and business applications and choose solutions that are specially designed to work together.

50%

Integrated estimating and accounting solutions can increase output by 50%.

Source: ProEst

Unlike generic spreadsheets, software created specifically for construction estimating offers direct integration with many popular construction accounting and project management software solutions. That’s where the value of simplicity comes in: In many cases, estimate data may have more detail than a user wants or needs to incorporate into scheduling, job costing or project management, leading to unwanted complexity on the back end. Just as important, integration helps ensure that calculations are consistent and accurate. Given that estimate data automatically transfers to other back office systems, unintended errors are virtually eliminated, and job costing becomes a true extension of the values used to create each estimate.

Software integration can save valuable time, too. As we've seen with fully integrated estimating and accounting programs, there's no need to enter data multiple times—and because accuracy is virtually guaranteed, time spent checking, and rechecking, the math as the job progresses is a thing of the past. In fact, many winning construction companies report a 50% increase in workflow efficiency and output simply by implementing estimating and accounting software solutions that are designed to work together.

KEY TAKEAWAY

Winning construction companies integrate estimating and accounting applications to ensure that vital information transfers automatically. Ask yourself:

- Are we required to re-enter estimate data into accounting or project management software on the back end?
- Are we spending too much time checking—and rechecking—the accuracy of multiple entries?
- Can we guarantee that estimate data maintains its integrity throughout the life of each project?

WINNING HABIT 4

HELP YOUR TEAMS COLLABORATE

Collaboration isn't a new idea in the business world, but in the past few years, it's become a mandate for winning construction companies. Why? Because research clearly shows that the level of collaboration directly affects the outcome of any task or project—the more of it, the better. In other words, when your people are collaborating effectively, openly sharing information and able to communicate seamlessly, individual performance levels can rise dramatically, and outcomes can improve.

97%

of employees and executives agreed that the level of collaboration directly impacts the outcome of a task or project.

Source: Work.com

A cloud-based estimating platform does a lot to make that happen. Because information in the cloud is easily shared in real time, simultaneous work and the free exchange of ideas among project stakeholders is far more likely to occur— a collaborative work style that can result in fresh perspectives, collective decision-making and a more efficient workflow.

Improved access to information and the ability to collaborate with others can even result in higher levels of employee satisfaction. Easily accessible information makes remote work both possible and productive for your teams, all without compromising their ability to communicate, engage and contribute. Many companies also find that collaboration helps speed the onboarding process for new employees. That's because collaboration helps nurture a natural mentor-mentee relationship between new or inexperienced estimators and their more seasoned colleagues, which tends to engage and motivate everyone involved.

KEY TAKEAWAY

Winning construction companies support collaboration with estimating tools and technology designed for connectivity and information sharing. Ask yourself:

- Do our estimators have a platform that supports the free exchange of inputs and ideas?
- Are we inhibiting shared thinking and collective decision-making with outdated technology?
- Could we gain efficiency by encouraging stakeholders to connect and communicate at will?

WINNING HABIT 5

REDUCE YOUR INFRASTRUCTURE FOOTPRINT

For all of the impacts of the digital revolution, even winning construction firms are still very much tied to a physical, brick-and-mortar world. But that doesn't mean that they don't reduce their dependence on infrastructure if and when it makes sense. Cost estimating is a perfect case in point; onsite, server-based estimating solutions represent an important step forward from old-school spreadsheets and manual calculation methods, but still require system users and IT personnel to perform ongoing maintenance, upgrades and equipment repairs. By moving estimating activities to a hosted, web-based cloud platform, on the other hand, the need for user and IT intervention to maintain the system is all but eliminated.

82%

of all companies report saving money
by moving their computing to the cloud.

Source: Various Studies

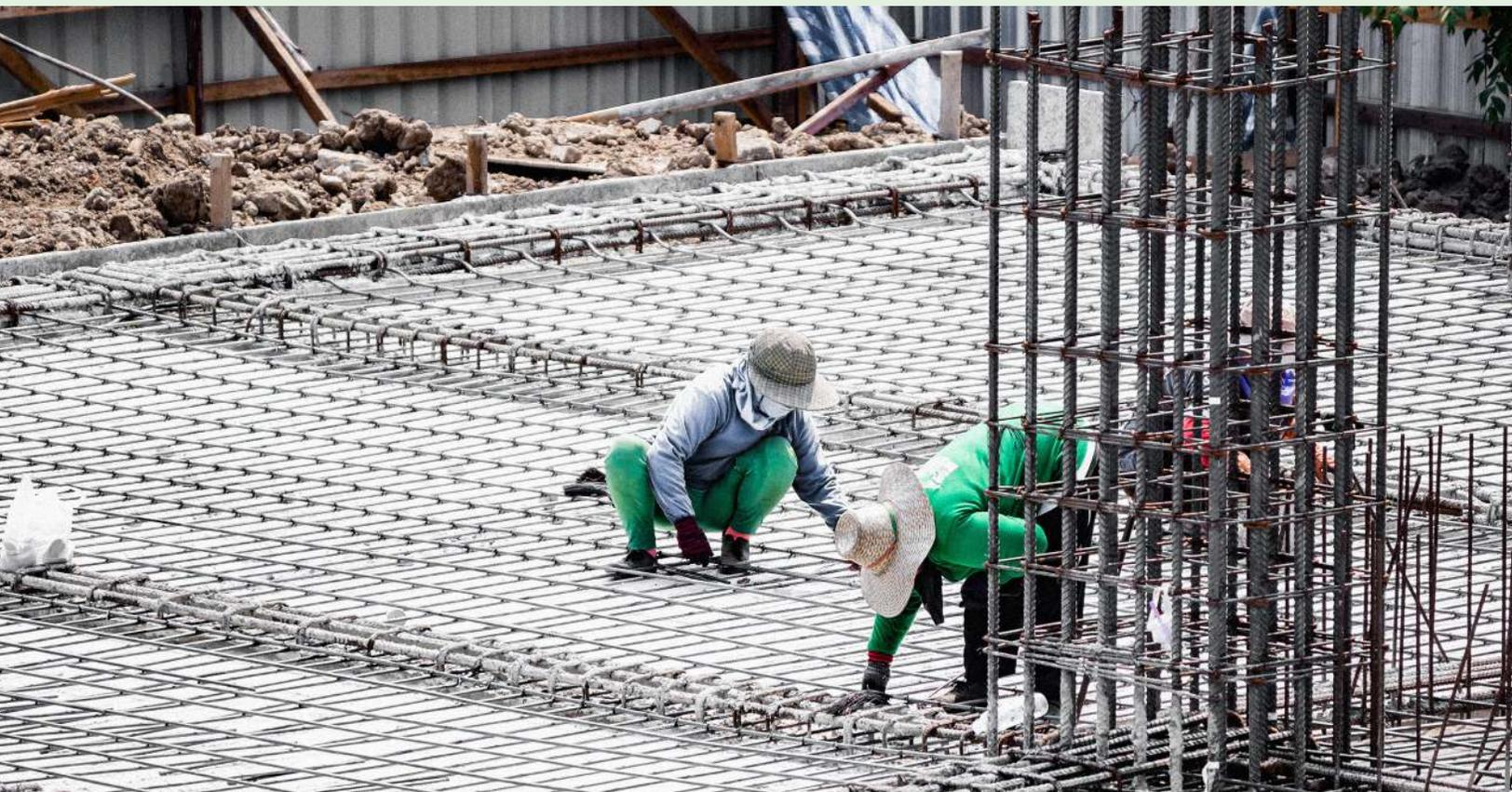
Much of the benefit of reduced infrastructure boils down to cost. With a cloud estimating solution, it's no longer necessary to spend money on purchasing and maintaining onsite equipment, resulting in a more optimized workforce, as well as lower cost and liability related to owned hardware and on-site servers. Simply put, a cloud-based estimating solution lets estimators and operations teams focus on what they do best—with maximum productivity—without the distraction of daily system management.

Winning construction companies find that cloud-based estimating increases system availability, too, so efficiency rises and user productivity grows. In fact, many winning construction companies find that system availability doubles after moving to the cloud, with a proportionate rise in output.

KEY TAKEAWAY

Winning construction companies save time and money by reducing their dependence on unneeded equipment and infrastructure. Ask yourself:

- Would our estimators work as well—or better—with a hosted web-based solution?
- Are we spending too much time and money maintaining onsite applications and equipment?
- Could we increase system reliability and output with a cloud-based estimating solution?



WINNING HABIT 6

GIVE YOUR BRAND IMAGE A BOOST

Winning construction companies know that a strong brand image is a powerful business advantage—providing much-needed presence, credibility and differentiation in a crowded and competitive marketplace. Through constant reinforcement of their brands, these contractors gain traction as industry leaders faster than those that lack a robust brand identity strategy. And there's more: effective branding has been shown to lead to ongoing customer loyalty and referrals, creating a potential pipeline for future business.

73%

of consumers value brand recognition and differentiation.

Source: Harris Interactive

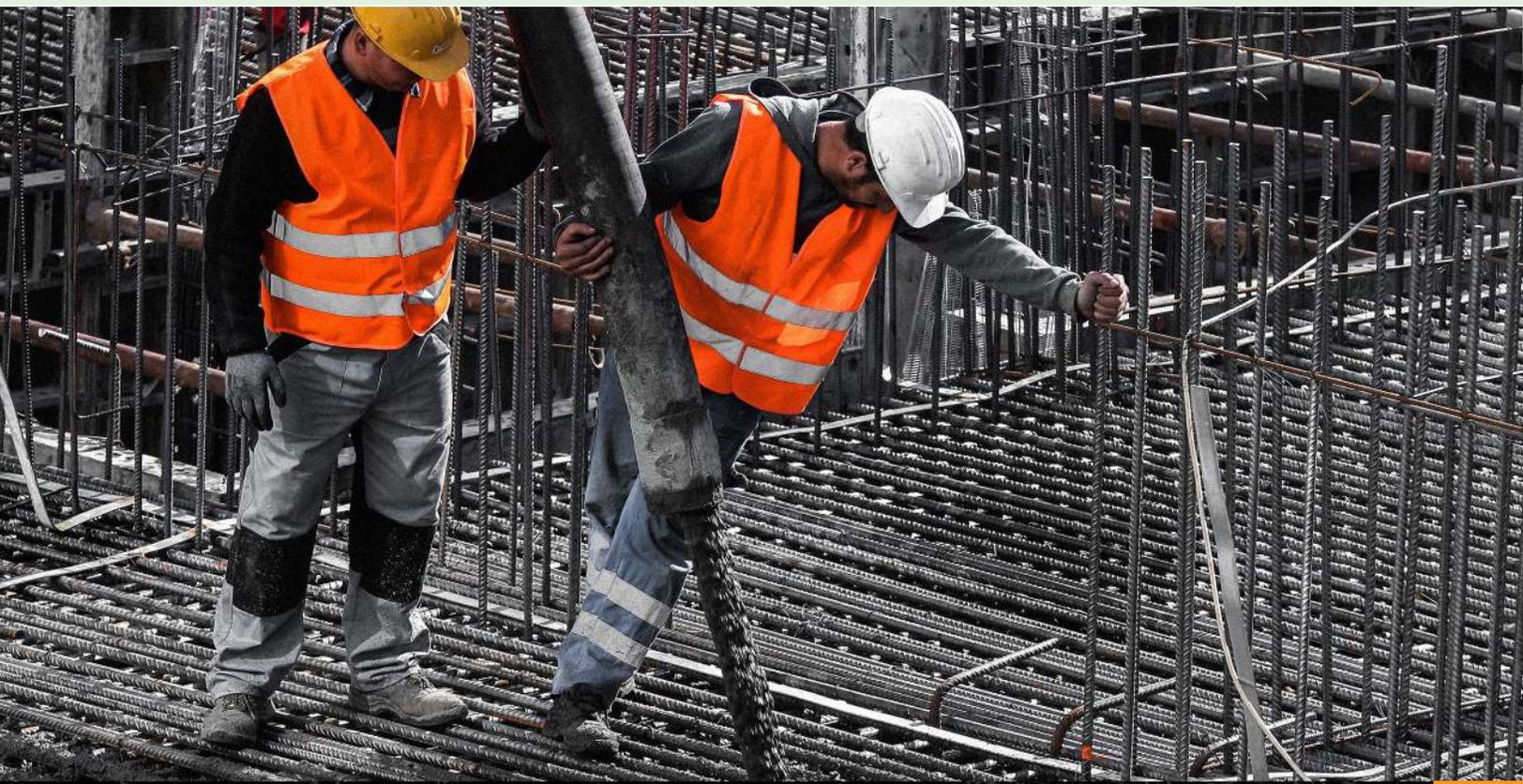
What does that have to do with construction cost estimating? Actually, quite a bit. With construction-specific estimating software, contractors can easily create customized, branded reports and proposals that put their company identity front and center. By displaying a prominent and consistent brand in printed and digital materials, winning construction companies create important continuity and name recognition among clients, partners and prospects.

It's also been shown that strong branding can help increase the motivation and loyalty of employees, too. A powerful and positive company image gives employees the feeling that they belong to an organization that's professional, polished and committed to success—reason enough to make sure that both internal and client-facing documents are always prominently identified as yours and yours alone.

KEY TAKEAWAY

Winning construction companies brand estimates and reports to increase market presence and loyalty. Ask yourself:

- Do our estimates, proposals and reports appear generic or unprofessional?
- Could we gain market advantage with more prominent company branding?
- Would high-profile branding help employees view our company as unique and important?



WINNING HABIT 7

POSITION YOUR COMPANY FOR GROWTH

Before cloud applications and technology became widely available, construction companies relied on on-premise, server-based systems that required in-house or out-sourced IT personnel to maintain, update and repair. When growth was unforeseen or the system became overloaded with demand, a “crash” became inevitable—and estimating productivity took a dive. So, how do you prepare your company for future growth? How can you successfully meet a sudden demand for more users and more bids? Increasingly, winning construction companies choose a cloud-based construction estimating platform that can scale up—or down—as usage dictates, without the need for additional infrastructure or IT intervention.

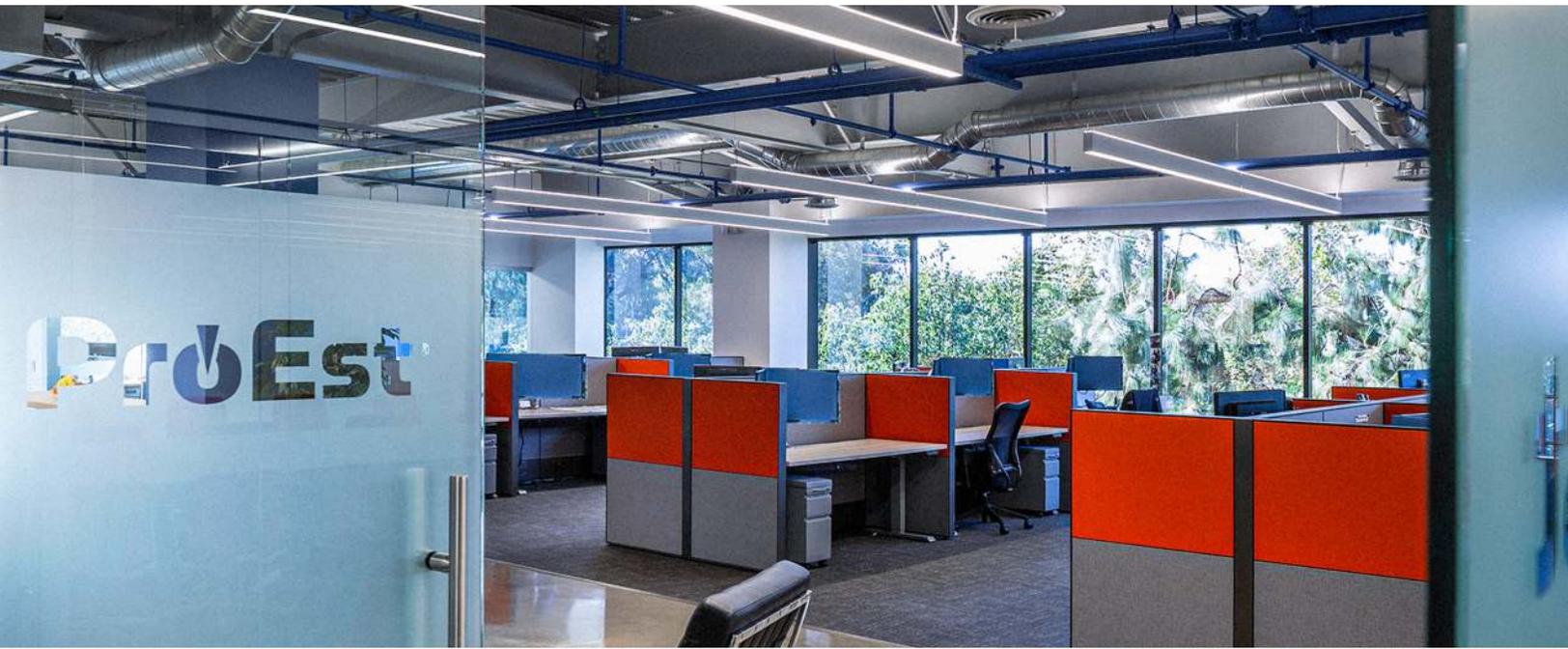
That’s the kind of flexibility that helps contractors respond more readily to customer and project requirements and shifting market conditions—and take full advantage of new business opportunities as they arise. In aggressive growth mode, some winning construction companies report that they doubled their estimate output over a period of twelve months, all made possible by a cloud-based estimating platform that could scale at a moment’s notice.

On the flip side, if demand for proposals shrinks or the overall number of estimator decreases—even temporarily—winning construction companies won’t spend money unnecessarily on fixed resources that they don’t need or use. In other words, a cloud-based estimating platform is uniquely equipped to align with your actual estimating volume; your teams always have exactly the bandwidth they need at a cost you can afford—no more, and no less.

KEY TAKEAWAY

Winning construction companies know that a cloud-based estimating platform can scale up or down depending on demand. Ask yourself:

- Do we see the potential for future growth, with the need for higher estimate volume?
- What are the probable impacts of estimating system downtime for our company?
- Could we benefit from the flexibility of scaling our estimating activities up or down?



ABOUT PROEST

ProEst provides advanced construction estimating capabilities for leading companies and public sector clients in the United States, Canada and Australia. Our cloud-based platform combines cost estimating, digital takeoffs and bid day analysis in a single powerful solution— a proven way to reduce costs, ensure accuracy and streamline pre-construction workflow.

Visit www.proest.com to learn more