

The ProQuest logo is displayed vertically on a green background. The word "ProQuest" is written in white, with a registered trademark symbol (®) at the top right. The letter "o" is replaced by a stylized orange triangle pointing to the right. The background of the logo area features a faint architectural blueprint with various lines, numbers, and a pen nib pointing towards the text.

ProQuest®

A large, bold, orange number "3" is centered on the green background of the left side of the page. The background behind the number includes faint architectural drawings and a pen nib.

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**Ways Construction  
Companies Leave Money  
on the Table**

A dark green horizontal banner with the text "EXECUTIVE INSIGHT" in white. The word "INSIGHT" is in a larger, bold font. The background of the banner is a close-up of a stack of US dollar bills, with a \$100 bill on top. The bill shows the serial number "LL 6692 L12" and the signatures of the Secretary of the Treasury and the Treasurer of the United States. The background of the entire page is a close-up of architectural blueprints with various lines and numbers.

EXECUTIVE **INSIGHT**

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# INTRODUCTION

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Like any business, a construction company looks for opportunities that will drive revenue and deliver the best possible business outcomes. Winning bids and running profitable jobs can make that happen, but only when people and processes work smoothly from initial proposal to final closeout. As most construction professionals will tell you, that's easier said than done.

In a perfect world, contractors would never make estimating mistakes, no bid deadline would ever be missed, and every project stakeholder would facilitate tasks and work collaboratively with others. If that hasn't been your experience 100% of the time, you're not alone.

The good news is that with the right systems in place, the problem can be readily solved. Many construction companies still rely on manual methods or generic estimating and project management products that are slow, complicated and prone to error. By replacing the tools that don't work with tools that do, contractors can move closer to that "perfect" world of day-in day-out productivity and consistent profits.

In this Executive Insight report, we'll explore three ways construction companies are inadvertently leaving money on the table for the work they do—and how you can help your

organization stay in charge of estimating and management processes that can make or break your own profitability. I hope you find it of value.

*Jeff Gerardi*

Jeff Gerardi  
CEO, ProEst




# SECTION 1: ESTIMATING ERRORS

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When your estimators make costly mistakes before a project even begins, you can be fairly sure that your company's profitability will take a hit—and depending on the scope of the project, it probably means that you will just break even (or actually lose money) once the job is closed. All it takes is out-of-date costing, an incomplete report or a single data entry error, and the project you worked hard to win becomes a financial hardship instead. Construction companies that leave money on the table often make inadvertent estimating errors that reduce—or even wipe out—anticipated profits.

So, what can you do to protect yourself? First and foremost, equip your estimating team with the best possible tools for the job. Excel spreadsheets are well known for producing construction estimates that contain significant errors, either due to the wrong user inputs or persistent faults in formula cells. Then, there's the problem of multiple users working on different spreadsheet platforms, a scenario that sets the stage for repeated estimating flaws and inconsistencies.



88%

of spreadsheets contain errors

Source: Raymond Panko

Takeoffs present their own challenges. Manual takeoffs from paper blueprints typically require complicated math that is labor-intensive and time-consuming. And mistakes can be made. A flawed takeoff can result in an excess of equipment, materials and labor for the job—or not nearly enough. Either scenario can lead to a sizable loss of time and money.

A more reliable approach is to use powerful software that has been specifically designed for construction estimating, which reduces the risk of manual input errors and includes a costing database. ProEst estimating software sets the standard for the industry, offering error-free on-screen blueprint takeoff capabilities and a comprehensive collection of localized, actively monitored costing data. In addition, ProEst's robust reporting feature lets you quickly review your estimating history, a good way to benchmark your current proposal against similar projects that yielded positive returns in the past. Result? Your estimates are more accurate—and profitable—than ever before.

## KEY TAKEAWAYS

- ❑ Spreadsheet-generated estimates are prone to inaccuracy due to manual data entry errors and inconsistent platforms
- ❑ On-screen takeoff methods virtually eliminate errors associated with paper-and-pencil techniques
- ❑ An actively monitored digital database offers timely and accurate equipment, labor and materials costing



## SECTION 2: MISSED DEADLINES

It makes sense that the longer you work on an estimate, the more complete and accurate it will be. And while that may be true for manual estimating techniques, it can also cause contractors to miss important deadlines and get shut out of awarded projects altogether. It goes without saying that missed deadlines are missed opportunities. Another issue for construction companies is a sudden influx of bid requests that can overwhelm the usual estimating process. Given that you have a fixed number of estimators and a finite amount of time to address every proposal, some may fall by the wayside—and your revenue stream will reflect it.

Of course, rushing through the estimating process just to meet a deadline can have negative consequences, too. Let's say that your company wins a job that was underestimated due to time constraints—and that actual equipment, labor and materials costs come in much higher than expected down the road. If you've cut the profit margin too close, you risk losing money on a project you're obligated to complete, and what's "winning" about that?

**50%**

faster estimating throughout with ProEst vs manual methods

Source: ProEst

Missing bid deadlines and underestimating awarded jobs clearly aren't options for a construction company that refuses to leave money on the table. A better approach is to accelerate the estimating process without compromising accuracy—which can only be achieved through powerful construction-specific software designed with project estimating in mind. The web-based ProEst platform delivers construction estimates in a fraction of the time of traditional manual methods—and digital takeoffs can be performed onscreen, eliminating the need for time-consuming paper-and-pencil calculations. The result is a new ability to meet bid-day deadlines and handle a spike in estimate volume, all while maintaining the kind of estimating accuracy that wins bids and protects the bottom line.

## KEY TAKEAWAYS

- ❑ Spending too much time checking and rechecking estimates can result in missed bid day deadlines
- ❑ Cutting corners on estimates can cause underestimating of actual labor, equipment and materials costs
- ❑ Scalable construction estimating software can easily handle tight deadlines and spikes in estimate volume





# SECTION 3: DUPLICATED EFFORTS

It stands to reason that when your employees perform the same task over and over again, it's going to cost much more than if it was only done once. Yet that's exactly what happens when construction companies rely on siloed processes and management tools that weren't designed to work together: employees duplicate each other's efforts because there's no reliable way to transfer the work that's already been done. Even worse, when data-centric tasks are repeated unnecessarily, processes slow down and the risk of errors rises dramatically.

Construction estimating is a perfect example. Entering all the right numbers is crucial to winning a bid and completing a project with healthy profit margins. But unless those exact numbers are accurately reflected downstream for project management and accounting tasks, it's easy to end up with cost overruns once the job has closed. Efficiency is compromised, too. When back office teams are forced to reenter estimating data, unnecessary bottlenecks occur, and productivity slows. How do you solve the problem? Integration.

100%

of data re-entry errors eliminated through integration

Source: ProEst

If your company uses various pieces of software for different tasks, consolidating them into one without losing valuable data goes a long way to streamline processes and ensure that your teams are working with accurate information. Just as important, when solutions are integrated, the need to perform the same tasks over and over again is effectively eliminated, because vital information transfers automatically from one system to the next. ProEst's cloud-based estimating platform was designed to integrate seamlessly with leading construction management and accounting programs, giving multiple teams unlimited access to the same trusted information. When data is reliable and efforts aren't duplicated, your construction company saves time and money.

## KEY TAKEAWAYS

- Unnecessary task repetition can slow down processes and increase the risk of errors
- Integrated estimating and accounting systems work together to transfer project information from one phase to the next
- Automatic data transfer eliminates the need for data re-entry, increasing efficiency and cost savings



# CONCLUSION

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The construction industry grows more competitive every day—and in order to stay ahead, contractors must use every tool available to manage costs, work efficiently and complete projects on time and within budget. Relying on outdated estimating solutions that are slow, hard to use and prone to error put construction companies at a significant disadvantage; an advanced cloud-based estimating platform, on the other hand, offers capabilities that can increase your teams' performance from day one.

Ultimately, productivity and profitability are closely linked; it's unlikely that siloed teams, repeated tasks and project bottlenecks will give you the bottom-line results you expect once the job is closed. If you're unwilling to leave money on the table, it's time to address the issues that may be costing your construction company time and money, and take steps to implement an estimating solution designed for higher levels of performance and profit.

## ABOUT PROEST

ProEst was a pioneer of web-based estimating and preconstruction management, introducing the ProEst cloud platform in 2015. Today, 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 estimating accuracy and streamline pre-construction workflow.

Visit [www.proest.com](http://www.proest.com) to learn more