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Workflow Management Software: An Essential Business Tool

Software technology continues to change how construction companies manage their businesses. Workflow management applications increase process synergy and financial control, and are essential business tools for companies of all sizes.

Today's contractors are integrating technology into business operations and adopting more sophisticated workflow management practices at an ever-increasing pace. Many construction professionals have "risen through the ranks" thanks to the latest advances in building techniques and business procedures. (For them, computers are second nature.)

Most contractors already have Internet and e-mail access, but many are urging software companies to provide new, robust workflow management applications.

Why Workflow Management Software?

Once a construction company is awarded a bid for a new job, there are many tasks that must be accomplished to be on time and within budget. Examples include ordering plan documents, scheduling meetings, and reviewing insurance limits. And that's only the beginning.

This is why construction companies are turning to workflow management software solutions for help. These solutions enable contractors to manage numerous project tasks, documents, and responsibilities simultaneously.

Without a plan to effectively manage project workflow, contractors may sacrifice profits from early completion bonuses due to critical, yet overlooked, project tasks. Profit erosion may also stem from non-regulatory compliance issues and a lack of communication among the parties involved with a project.

A simple look at project task assignments and deadlines can illustrate the potential negative impact of manually tracking processes and the need for workflow management software solutions.

Knowing who is responsible for each task, its deadline, and its completion is difficult to track manually. Poor organization

can lead to significant mistakes with severe repercussions a construction company may not be able to afford.

For example, it could cost tens of thousands of dollars when your company exceeds its insurance limit and delays a project. Adding insult to injury, unsatisfied customers could then tarnish your company's reputation.

However, the back-end causes (slipped deadlines, miscommunications, and inefficient processes) can be minimized with workflow management software. These products allow construction companies to easily track and manage business process workflow – everything from assigning pre-construction tasks to approving hiring documents to paying vendor invoices.

What's on the Line?

Many contractors track workflow via stacks of files containing various lists, invoices, and other documents related to sales, procurement, fieldwork, HR, and accounting. However, these paper-driven offices are missing out on the many benefits of standardized, electronic procedures.

Some contractors have switched from manual processes to targeted software programs. However, these separate programs often don't have the capability to communicate and share information with each other, and contractors may still experience many of the difficulties associated with manual tracking systems.

For example, these separate programs can create conflicting spreadsheets and reports, causing employees to waste valuable time double- and triple-entering information into these systems. Of course, with multiple entries also comes the increased likelihood of human error.

Surprisingly, some contractors do not track process workflows at all, so their companies experience even more miscommunications and inefficiencies. By not managing and tracking workflow, contractors run the risk of forgetting about an important task, completing a task at the last minute, or delaying a job altogether.

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As you already know, delaying a job is a financial risk that contractors should always try to avoid. For example, a state or municipality might set bonus payments for completing a project early. Missing the early deadline eliminates these performance payments as a source of revenue, and can also damage a contractor's reputation.

Contractors may even incur penalties for missing a completion date. For example, each day a contractor is late, a state or municipality could charge up to \$10,000 on larger projects.

Managing Workflow, One Task at a Time

By managing project workflow with a comprehensive software solution, all business assignments and tasks are centralized and made available in one electronic format. A comprehensive solution tracks who is responsible for what task, the status of each task, and any outstanding issues.

Contractors can configure a workflow to fit their business needs, large or small. A contractor can enter all of the planning activities needed to start a project, all of the ongoing activities to complete the project, and all of the post-job activities required to close out the job. Employees can also view the tasks assigned to them.

Workflow tracking systems are applicable to many different business situations, and reap such benefits as:

- Standardized business process
- Streamlined workflow
- Increased productivity and efficiency
- Improved performance visibility
- Evenly distributed workloads
- Improved document management
- Increased accountability
- Delivered ROI
- Company growth

Standardized Business Processes

Workflow management software triggers each step of a business process so that the work is performed the same way every time. For example, when an employee enters a new vendor into the system, the software sends a note to the accounting manager to approve the vendor. This helps ensure that vendors are not duplicated in the system, and that the company cannot do business with any unapproved vendors.

Likewise, when contractors are awarded a new job, they can use a workflow process to create a pre-defined list of all tasks that need to be accomplished. This list can then be used as a template for all new jobs.

Streamlined Workflow

Contractors can use the workflow process as a point of reference to see which tasks are completed, which are in progress, and which still to be tackled. This helps contractors stay on schedule and meet deadlines.

In addition, this type of software allows subcontractors to access portals over the Internet to check the status of their invoices. If an invoice has been processed, subcontractors know their check is on the way.

Increased Productivity & Efficiency

Contractors can use workflow management software to clearly list and organize all tasks, including the status of each. With workflow management software, employees don't need to be tracked down to find out what stage of the project they are working on – contractors know what the job's status is at a glance by reviewing the software's output.

If contractors see a fast-approaching deadline, they can send an e-mail reminder to the appropriate worker, or configure the software to send automatic reminders. Contractors can configure a workflow to include everyone working on a project, who is assigned what task, and the status of each task. This helps ensure that everyone is operating in sync.

Improved Performance Visibility

Workflow management systems allow contractors to look for workflow trends. For example, a contractor assumes that it normally takes five days to order plans, but the workflow process shows that half the plans won't arrive for three weeks. The contractor can investigate intelligently: Are PMs not performing up to par, or are the contractor's expectations too optimistic when scheduling deadlines?

Because contractors can view a job's status in real time, they are able to detect problems early and react immediately before crises occur. For example, if plans aren't due for three weeks, how will that delay and/or affect other tasks? What steps are needed to mitigate major delays?

Evenly Distributed Workloads

With workflow management software, contractors can see what tasks are assigned to each employee, and the amount of

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