

Protect Your Profits in the Face of Rising Costs



With costs rising for contractors, especially with materials and labor, finding ways to streamline processes and better control costs is becoming imperative.

In an industry characterised by low margins and fierce competition, it's not surprising that issues around rising costs remain centre stage. The Financial Review, for example, notes that the cost of concrete in Melbourne has risen by 20% over the past two years alone — and that tender prices have significantly increased across every major capital in the country.

Ironically, many of the hikes we see today are the result of strong demand which has, in turn, led to a shortage of skilled labour and materials. For anyone relying on imports, the weakening Australian dollar adds even more pressure. Business Insider points out that the current rate is part of an ongoing trend that has seen the Aussie slide against almost all major cross rates. And with trade tensions between America and China escalating, there's no sign that things will improve any time soon.

Despite these doom and gloom predictions it's not all bad news for construction companies. Even with a weakening housing markets the local construction sector still remains strong—in both public sector investments in road and rail and in non-residential buildings, which Master Builders Australia predicts will rise by 16.8% over 2019.

Save Across the Board



Unnecessary project delays caused by inefficiency can impact contractors' profitability.

While it appears that there will be plenty of opportunities on the horizon, how do you increase your chances of landing your fair share of projects, while also making sure that you turn a decent profit?

One way, of course, is to minimise the impact of rising costs through tighter control of how these resources are used. Another is to realise that these are only part of your overall costs, and that the real end game is to increase efficiencies *across the board* and tackle other areas that could be even more damaging to profitability. Back-to-Basics, for example, points out that large projects

typically take 20% longer to finish than scheduled — and we all know what that means for your bottom line.

Increase Control Through Visibility



Modern construction software can give contractors deeper insight into projects and the ability to make smarter, quicker decisions.

Only by addressing *all potential ways* to save costs through increased efficiencies and productivity can a modern construction company remain competitive. And in today's business environment, this requires innovative construction software solutions that seamlessly connect information, systems and people.

By consolidating manual processes, emails and spreadsheets into a single solution, owners, contractors, subcontractors, suppliers, architects and engineers have a complete view of *every aspect* of the project. Teams in the field can quickly access data they need to make decisions, and all stakeholders can update files so that everyone's working from information that's current and accurate.

With this visibility, you'll not only have the potential to reduce wasted materials and time through better co-ordination, you'll be far better placed to anticipate issues, make adjustments and streamline operations across the entire lifecycle of the project.

And at the end of the day, that will lead to fewer cost blowouts, tighter schedules and greater profitability — whatever the market conditions.

As technology advances, contractors across the globe are modernising their operations to leverage the latest cutting-edge software and technologies. Those yet to do so run the risk of operating at a competitive disadvantage, as this e-book, The Cost of Doing Nothing, shows.

When you're ready for a first-hand look at what the right software can help your organisation do, contact Viewpoint!

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