

Construction Company Uses Construction Partner Software to Triple its Annual Revenues While Keeping Overhead Low and Profit Margins High



Case Study
General Engineering Contractor

ConstructionPartner.com

Problem

In mid-2004, this construction company was a growing, California-based general engineering contractor with a technology problem: its QuickBooks® accounting software was no longer meeting its needs.

“The challenge at that time was two-fold,” explains Marcia P, “In QuickBooks, we had no audit trails. So we were spending a lot of time trying to figure out what got changed – and where. We were also beginning to do government work and QuickBooks didn’t easily accommodate multiple pay rates.”

In addition, the Certified Payroll reports required for prevailing wage jobs were being prepared using spreadsheets, which took a tremendous amount of time. To make matters worse, the company’s extensive equipment fleet was also being tracked in spreadsheets. “We were doing three separate data entries for one payroll cycle,” Marcia says. So she began to research construction-specific software solutions.

Solution

When Marcia’s investigation was complete, her company purchased new accounting software from Construction Partner.

“I like the fact that Construction Partner is so user-friendly and that all of the modules are integrated,” Marcia explains. “One simple data entry step in the Payroll module allows us to select multiple pay rates, track our equipment and produce our prevailing wage reports.”

The cost was also a factor in the company’s decision. Offered as an all-inclusive package that included accounting (with the much-needed audit trails), equipment management, installation, and training, Marcia found that Construction Partner was thousands

of dollars less than the other construction software programs. “As a small company, the price was part of the impetus for selecting Construction Partner,” she explains. “We got a complete package that handles all of our accounting and equipment management needs for a single digit figure!”

Results

It didn’t take long for Marcia to see significant efficiency increases from Construction Partner. After an “easy” implementation, the most remarkable initial benefit was a drastic decrease in data entry time. “Construction Partner cut our data entry time by two-thirds,” she states, “which allowed us to spend our administrative time actually growing the business.”

This increased efficiency provided a rapid return on investment (ROI) and significant long-term results. “Our investment in Construction Partner was returned within six months of purchase because of the time savings related to single data entry,” Marcia says. “Since implementing Construction Partner three years ago, we have been able to triple our annual revenues while keeping our overhead low and our profit margins high!”

Certified Payroll: Although Marcia’s company was a non-union contractor when it began doing government work, today it is signatory to the Operating Engineers union and manages a mix of union and non-union pay. “With Construction Partner, we don’t have to manually enter the various pay rates for each employee,” she explains. “Instead, everything is setup once by job, including the different wage scale rates, and the software pays each employee the correct rate of pay automatically based on the job and their classification of work. It is such a time-saver!”

And creating compliance reports couldn't be easier. "We're very happy with the Certified Payroll reports in Construction Partner," Marcia says, "because they are created with no extra effort on our part and are accepted by all of the public agencies that we report to."

Equipment Management: Construction Partner has also streamlined equipment management. "We really like the Equipment Management module," Marcia says, "because it has allowed us to eliminate our spreadsheets. Now, we manage everything in Construction Partner."

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When timecards are entered in the Payroll module, equipment hours are also logged. Because all of the Construction Partner modules are integrated, data automatically flows to Equipment Management and Job Costing. "Expensing equipment to jobs was something that we were managing in a spreadsheet prior to Construction Partner," Marcia says, "so this is another area that has saved us a lot of time."

Tracking equipment hours also allows the growing construction company to

monitor maintenance and utilization of its fleet. "We print maintenance reports for our mechanics in the yard so they know which pieces of equipment are due for maintenance," Marcia explains. "Construction Partner gives us a better handle on regular routine maintenance for our trucks and equipment."

The company can now easily determine whether a piece of equipment is being utilized profitably or should be retired. "At any given time," says Marcia, "the owner can see how much money has been put into a piece of equipment, how many hours it's being used on jobs and whether it's cost effective to continue to do repairs."

Better Bonding Capacity: Having all of its data in a single software system has helped her company maximize its bonding capacity and accept more work. "In our QuickBooks days," recalls Marcia, "we had a hard time doing work-in-progress schedules for the bonding company because we had to pull information from different spreadsheets to create the reports. In Construction Partner, a single report has all of our costs, what has been billed, our income-to-date and where we're at on each job. On-demand reporting helps us increase our bonding capacity and project how many additional jobs we can add to our workload. It's a very efficient process."

Bottom Line

Overall, Construction Partner has become an essential management tool for this construction company. "By making our accounting processes much easier," Marcia concludes, "Construction Partner has allowed us to focus our energy on growing the business without adding additional staff."

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