

5 strategies for effective project management

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Overcoming challenges in construction

Most people are familiar with common construction challenges: site issues, constant delays, expensive materials, contractor problems – and major cost and scheduling overruns as a result.

Over the last year, construction businesses in Australia and New Zealand have dealt with the effects of COVID-19 on top of the usual issues. Site shutdowns, material shortages and import delays, restrictions on staff numbers and hygiene rules – they've all made managing construction projects even more complicated. Increased complications mean increased costs, longer timelines, lost profits – and unhappy customers.

For construction businesses to thrive, these complications need to be minimised. And while many issues are external – like the cost of materials or site shutdowns – effective project management can make a difference. If your construction business has the tools in place to keep projects on track and deal with challenges if they arise, you're far more likely to end projects without unexpected costs, on time and with and satisfied customers.

Why project management matters

Although it's easy to accept delays and overruns as a fact of life, every project that goes over schedule or budget has the potential to damage your business. Focusing on effective project management can help keep these elements under control and reduce the risk.

Every extra day and expense on the job can eat into your profit margins, and increase costs for your customers. Well-managed projects that stick to the established timeframe and budget help keep your customers happy and build loyalty to your business.

Establishing effective project management processes is a plus for your people as well. Staff knows what's expected of them, they know how to solve problems and keep a project on track and they're less likely to find work frustrating or unsatisfying.

Signs of a project management struggle

Every project has its challenges – it's all how you deal with them. In construction, common issues include unexpected conditions at the site, last-minute scope changes, changes to legislation or council rules, lack of materials and problems with subcontractor scheduling. These can all be seriously disruptive to a project timeline and budget.

If your business isn't set up to cope with challenges, you could be looking at:

- + Frequent cost overruns
- + Inaccurate cost forecasting and quoting
- + Delays caused by manual processes
- + Low productivity and frequent delays onsite
- + Poor communication between office staff and onsite teams
- + Problems caused by inaccurate data and reporting

5 paths to better project management

Effective project management has clear benefits – but how do you make the change?

1 Improve forecasting, improve planning

Accurate forecasting is one of the most powerful tools you can have for effective project management. If you can't accurately predict the cost or timeline of a project, you can't set expectations with customers and budget properly. As a result, unexpected expenses can blow out your budget.

Costing used to involve tallying up the numbers and using your judgement. Now, software can take on that role. Real-time reporting and data analysis help you predict the cost of a specific project and – importantly – change costings when a job's scope changes. It can take fluctuating prices for materials and labour into account, helping you quote accurately and avoid cost overruns.

2 Identify issues and boost performance with KPIs

You may not be able to prevent unexpected issues during a build, but you can minimise their impact. Sophisticated data analysis tools with built-in KPIs can be helpful here. With a real-time view of project details each day, it's easy to see where things are veering off course – for example, if a specific contractor has been delayed, or if your team is spending more time than expected on a certain task.

KPIs give you a concrete way to measure performance and improve productivity – rather than making a judgement call about an issue, your team can see exactly what's going wrong. Many business management platforms let you customise your own set of KPIs, while others include simplified pre-set options.

However you do it, real-time insights mean you can make quick changes to your planning as needed – bringing in a new contractor or extra staff, for example. Because you can spot challenges early and work to solve any problems, you don't end up with unexpected and unexplained schedule changes at the end of the build. If your timeline is delayed, you can notify the client in advance – or do your best to speed up the project in other areas.

3 Admin, automation and flexibility

Construction companies sometimes underestimate the importance of back-office processes – thinking that the quality of the build is all that matters. But using outdated software and relying on manual processes to manage the admin side can cause serious issues.

Updating and automating key processes can be a game-changer – often, business management software is the easiest way to do it. For example, rather than creating a new quote from scratch, templates for various types of projects speed up the process. Rather than builders on-site writing up details at the end of each day, they can update using an iPad or mobile as they work. Rather than schedule changes being communicated to the project manager, then the workers, then the client, everyone has access to real-time updates.

Smoother and simpler systems mean less time wasted on the back-and-forth between the office and worksites, fewer issues caused by data entry mistakes and improved flexibility. With access to all data and process information in one place, your team can react to scope and schedule changes quickly, rather than needing to go back through records and change information manually.

4 Build connections between teams

Communication and collaboration can be difficult when you have teams on different worksites and others working in an office. But it's worth focusing on improvement – a smoother flow of information between teams means fewer data errors and miscommunications and better results long-term.

Cloud business management software builds constant communication, collaboration and data-sharing into your day-to-day work. Data is updated automatically, and instantly accessible to the rest of the team. Project changes are communicated in real-time, and progress is visible to everyone.

This type of transparent, open communication helps empower your teams – because they no longer have to chase up information held by a specific staff member or wait for updates, they can complete their tasks efficiently, with minimal frustration.

Lack of transparency can be a recipe for client frustration and disappointment, so a focus on visibility can make a huge difference to them as well. Many business management platforms give clients access to information about their project, for constant updates with little to no input from your team.

5 Get more out of mobile

Mobile technology has transformed the way we do business, making communication between stakeholders far more efficient. But using mobile phones for simple call, text or email functions means missing out on potential benefits.

Cloud business management technology lets you simplify processes and improve communication between teams using mobile tech. Anyone can access information about a project through a secure mobile app, and updates are automatically stored in the cloud. Employees on worksites can double-check numbers, send information to office staff and make schedule changes in seconds, without needing to leave the site or waste time setting up a laptop.

Because almost everyone on your team will already be using a mobile in their personal lives, introducing mobile technology is usually relatively straightforward. Once your teams have the app on their phones, it quickly becomes a standard part of the job.

Recording and accessing data is simpler, back-office processes are automated, and inefficiencies are reduced. It's about giving your teams tools that make their lives easier.

Improvements throughout your business

Improving your project management processes has benefits that flow through your business. Better outcomes for clients are a given, but you'll also be making things easier for your staff and building a solid reputation for your business.

Better project management systems help you forecast costs and spot issues early, improve productivity with automated processes, enhance communication between teams and closely track each project over time. The result? Projects are more likely to stay on schedule, you're less likely to blow the budget and clients are happier. It's a win for your bottom line – and your business.

In a world rife with challenges for construction companies – from legislative changes to material shortages to staffing issues and cost overruns – relying on outdated software and paper-based processes can make things worse.

Switching to a cloud business management platform – like MYOB's Advanced for Construction – can help in several ways. Designed for the Australian and New Zealand construction industry, the platform lets you manage your projects remotely, gives you complete visibility across projects, boosts communication between teams and lets you automate key processes to streamline operations. It's one tool your construction team can't do without.

Sign up for a Free Consultation to assess your business requirements and let us help you choose the right ERP solution for your business.

Verde Group NZ

Level 3, 435 Khyber Pass Road
Newmarket, Auckland
New Zealand

Ph +64 9 531 5777

Mobile +64 21 144 8590

sales@verdegroun.co.nz

myob | Advanced
Partner

myob

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