EBOOK

# The Power of the Platform

What It Is, Why It Matters, and How It Helps You Win Big

**PROCORE**®

# Contents

# A word before we begin.

In early 2020, the world changed—and so did construction around the globe. As the industry continues to adjust to the COVID-19 pandemic, many businesses are reassessing their strategies, investments, and resources to set themselves up for success through the crisis and beyond.

Right now, many businesses are adapting to weekly and even daily changes. But there is no other industry that can rise to this challenge better than construction. Indeed, COVID-19 has reshaped how the industry conducts business. But construction technology, now more than ever, is providing a long-term solution to combat that change—one that is flexible, adaptable, and most importantly, gives teams the ability to pivot in the midst of the unexpected. It's helping teams keep work moving while keeping the distance they need.

In this new normal, moving from manual to digital is no longer simply about time and cost savings but also about staying connected in a disconnected world. Businesses are rethinking how they can leverage technology to make sites safer, enable remote work (when possible), and ensure compliance with social distancing requirements. They're using data to better understand current complexities, reduce risk, and minimise project delays.

In these uncertain times, one thing remains constant: the industry's resilience and commitment to building our communities. At Procore our priority, much like yours, is to ensure your teams on and off the jobsite stay safe and healthy. We're here to help you navigate these challenges by bringing together your project information—even when your teams are apart.

—01

# Building in a Changing World

In an industry like construction where change is the norm, teams are adept at navigating daily shifts in priorities, directives, and resources. However as a result of the COVID-19 pandemic, teams are now operating in a new normal, requiring workers to not only adjust to changes they have always encountered—such as delays due to weather or adding resources midway through a project—but they are now also faced with a new set of challenges.

The industry has, and always will be, dynamic. But unlike other industries, construction presents additional challenges that require a unique approach to change management—especially in the current climate. These considerations include:

### Projects are often customised.

In many areas of construction, projects are unique—meaning each one has never-before-seen variables in the design, materials, teams, terrain, regulations, and schedules.

### Stakeholder dynamics are complex.

Stakeholders often have different interests and operate in siloed systems from one another, yet all are interdependent and ultimately share project risks.

### The workforce is decentralised.

Project stakeholders are often in multiple locations (on site, at the office, or somewhere in between), in various roles, and employed by multiple companies.

### Change is constant.

Teams often run into unforeseen issues requiring modifications to the design, schedule, and other resources. Due to COVID-19, many companies have turned to leading tech solutions to enable remote work, video conferencing, and enhanced communication.

The COVID-19 pandemic has not only accelerated the adoption of digitisation, but more specifically, it's illuminated the need for platform technology. Completing projects safely, on time, and within budget—especially during times of crisis—requires seamless collaboration among all stakeholders. More importantly, it requires a solution that makes it easy for teams to stay connected, regardless of their location.

In this ebook, we'll cover how implementing a construction management platform, which covers the entire lifecycle of a project, helps businesses better manage that change. We'll cover what a platform is, what features to look for, and how it can help you boost productivity, efficiency, and collaboration—ultimately saving time and money.

"As more construction and project managers use Procore, our knowldge of the platform will give us a good head start on the requirements we all need for better business outcomes"

STEVE WATT
BENMAX PTY LTD

—02

# Paper, Point Solutions, or Platform?

When it comes to managing construction projects, not all solutions are created equal. Typically, businesses primarily rely on one (or more) of the following methods.

### Manual (paper, spreadsheets, etc.)

Relying on manual processes often leads to more––rather than fewer––problems. This approach causes data to be scattered across multiple locations, resulting in delayed site-to-office communication and complex documentation. Not only is this method not mobile, but with no document version control, teams are often left using outdated drawings—causing quality issues and rework.

### Disparate solutions

The same issues arise with this approach, where data is scattered across singular-focused solutions—one for estimating, one for billing, one for scheduling, and so on. Teams must learn entirely separate systems and often risk losing information as it moves from one system to the next—and that's often on top of drowning in third-party integration costs and administrative fees. Many have features that overlap, so keeping teams aligned on which tools are used for which tasks can turn into a job in and of itself. Worse, businesses are left with a myriad of customer service departments to navigate when something goes wrong.

### One integrated platform

A platform is a streamlined system that connects solutions instead of fragmenting them. All project information lives in one place. That means all stakeholders—from the site to the office—have one source of truth, helping ensure information is accurate, up-to-date, and efficient. What's more, by enabling teams to make faster data-driven decisions, businesses reduce the risk of error and rework throughout the course of a project. Not only will this boost employee morale, it will also help protect profit margins in the long run.

# The Construction Platform

### WHAT IS A PLATFORM?

A "platform" is an underlying system that supports integrated applications. Similar to a physical platform, these digital platforms provide a base structure, or scaffold, onto which multiple components can attach. Users are able to consolidate information into one collaborative and integrated ecosystem.

### WHO CAN BENEFIT FROM A PLATFORM?

Platforms are designed to be open and flexible so they can intuitively address the needs of everyone who engages with them. That means head contractors, subcontractors and owners can all seamlessly connect and collaborate on the same infrastructure.

### WHERE HAVE I SEEN A PLATFORM BEFORE?

You may be more familiar with a platform than you think—in fact, one may be in your pocket right now: the iPhone. This platform offers a specific operating system that acts as the foundation upon which third-party applications (or apps) are connected or integrated. For example, you may have an app for email, another for music, and another for photos, but all are connected on a single device. Other familiar examples of platforms include Google Search, Facebook, Amazon, Uber, and Airbnb.

# Buyer Beware

There are many solutions that claim to be a platform, so be sure to do your own research. Many companies simply acquire various solutions, stitch them together, and call it a platform.

Here's what to look for in a true platform:

+ Consistency: Be sure the solution has always been a platform—not one that has just recently branded itself as one.

+ Adaptable: A solution's infrastructure should be able to support changing needs as the industry evolves.

+ Integrated: Be sure that all tools—from project management to financial management—can seamlessly talk to one another.

+ Flexible: The solution should allow other tech partners to connect with the platform, enabling company-specific workflows.

## Caution: Not all platforms are built on the same foundation.



+ Inconsistent user experiences
+ Disconnected workflows
+ Disconnected products
+ No analytics or search
+ No ecosystem
+ Siloed data

+ Flexible Tools
+ Custom, connected workflows
+ Search across tools
+ Connected stakeholders
+ Complete ecosystem

—03

# The Platform Advantage

The primary issue with disparate solutions, whether manual or digital, is that they only offer a short-term fix. When a new challenge arises, teams are forced to purchase a new solution and then attempt to stitch them together (which in the end, is often not possible). Without a single solution enabling teams to easily collaborate and share information, communication and productivity break down.

By implementing a streamlined platform, businesses have the support of a long-term solution that sets them up for success both now and in the future. It offers unique benefits that not only enable full integration but also help optimise people and processes—not to mention, profits. Here's a broad look at how platforms bring value to businesses.

**"By no longer issuing multiple or large format documents during an estimating or tendering phase—now centralising them within the Procore platform—we are significantly more efficient."**

LISA MORT
SMLXL

## By the Numbers:

### 50%

**Integration is essential.**

Half of all executives say lack of integration is the #1 obstacle to using data effectively.

### 31%

**A platform is the tech solution of choice.**

Almost ⅓ of all companies use platforms, largely because they integrate tools into a full-service offering.

### 10%

**Platform users capture higher annual earnings.**

Over 5 years, companies with platforms can capture an additional 10% in EBIT* growth over non-platform users.

"Platforms have a major role to play in how businesses operate in the future. Just like the introduction of machines and the first wave of computing, early adopters stand to gain while laggards will suffer under legacy thinking and technology. The more people and processes that can be brought online on one network and on one platform, the greater the business benefits will be."

FORBES

## Top reasons construction businesses prefer a platform to other solutions:

### INTEGRATED DATA

All information is in one central location, not scattered across various systems.

### END-TO-END VISIBILITY

Consolidated data means businesses have a comprehensive view of projects and teams.

### STREAMLINED CUSTOMER SUPPORT

Teams only have to call one provider for support, saving endless hours and headaches.

### CONSISTENT INTERFACE

One system improves implementation, boosts adoption, and reduces training costs.

—04

# But Why Now?

Across industries, and especially construction, platforms are the preferred tech solution for businesses—and for good reason. By boosting efficiency and improving communication, platforms give businesses a competitive edge over those relying on slower or more outdated construction management methods. This is especially true when it comes to the industry's massive productivity gap.
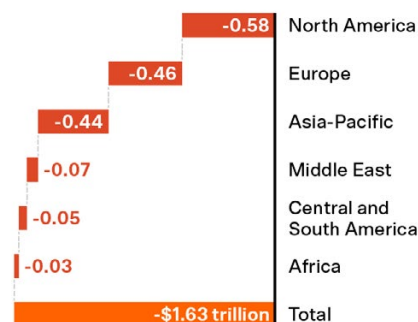
Every year, construction represents about 13%, or AU$14 trillion, of global GDP and employs 7% of the global workforce. But despite being one of the world's largest industries, its labour productivity rates lag behind other industries—in large part due to manual processes or disparate solutions that don't integrate. As businesses transition to more remote work as a result of the pandemic, manual processes become an even greater challenge. Information between the site and office can take days, or even weeks—resulting in more downtime on site and rework.

## Lagging construction productivity costs the global economy $1.6 trillion a year.

Productivity gap =
**$1.63 trillion**

$37/hour

$25/hour

Global Economy

Global Construction Sector

Average value added by employees per hour worked[1]

Economic value lost as a result of the gap,[2] by region, $ trillion

| | |
|---|---|
| -0.58 | North America |
| -0.46 | Europe |
| -0.44 | Asia-Pacific |
| -0.07 | Middle East |
| -0.05 | Central and South America |
| -0.03 | Africa |
| -$1.63 trillion | Total |

[1] 2015 data in real 2005 dollars.
[2] Assumes construction productivity catches up with total economy productivity and current workers are reemployed at the total economy productivity rate.

Source: McKinsey & Company

In large part due to these outdated processes, construction labour productivity rates have remained flat compared to industries like retail and manufacturing which have seen rates increase (the latter so much as doubling in the past two decades). In fact, global labour-productivity growth in construction has averaged only 1% a year over the past two decades, compared to 2.8% for the total world economy and 3.6% for manufacturing.

According to McKinsey, if construction productivity were to catch up to the total economy, the value-added would increase by roughly AU$2.3 trillion. This equates to adding 2% to the global economy, or about half of the world's annual infrastructure need. This means construction businesses have a unique opportunity to gain a competitive advantage. Equipped with a streamlined, collaborative, and integrated solution, businesses have the potential to set themselves apart from the pack and drive greater success.

| Manual | Point Solutions | Platform |
|---|---|---|
| Information is updated and shared by hand. | Information is haphazardly passed from one system to another. | Information is seamlessly shared within a single system. |
| Drawings | Drawing & plan management cloud software | Preconstruction |
| Spreadsheets | Labour productivity solution | |
| Email | Site management solution | Project Management |
| Notes | Project management solution | |
| Mailed documents | BIM solution / Time tracking solution | Resource Management |
| Phone calls | Job costing solution | |
| Text messages | Equipment management solution / Fabrication solution | Financial Management |
| Internal servers | Tender management solution / Prefabrication solution | |
| = | = | = |
| **Multiple disconnected solutions** | **Multiple disconnected solutions** | **One integrated solution** |

—05

# The Future of Construction

While we may not have a construction crystal ball to tell us what the future will hold, we can look at current trends to better understand where the industry is headed. This enables businesses to equip themselves with the tools they need today to better prepare for tomorrow. Here's a breakdown of the top five trends.

### Trend #1: The amount of data is growing.

As projects become more complex, the amount of data is also increasing—and managing that data efficiently is no longer a nice-to-have, but a necessity. Relying on manual processes or disparate solutions means information is often captured in siloed systems and data is fragmented. Teams have no way of capturing a holistic view of project performance, making it impossible to accurately forecast and improve future results. Being able to manage data in a constructive way will help businesses outperform those that do not.

### Trend #2: Connecting people, processes, and data is a must.

In the future, being data-driven will be critical for construction companies to not only survive but thrive. A platform offers insights that look at overall performance—across individual projects and the company as a whole. Not only do teams have a single source of truth, but it creates better alignment across all stakeholders—from owners to ghead contractors to subcontractors. It also allows executives to see a high-level overview of project health, enabling them to identify areas of improvement to drive greater productivity, less risk, and higher profits down the road.

### Trend #3: Integration is more important than ever.

Managing data on multiple systems across multiple teams and locations cuts into schedules and budgets. By bringing all tools and information into one system, businesses streamline communication, reduce double entry, and gain access to robust reporting and analytics across projects. What's more, automatic secure data sharing enables teams to easily collaborate and to do so safely—without worrying about whether the information will be outdated, delayed, or lost. Plus, if and when more tools are needed to complete a project, platforms allow businesses the flexibility to easily grow and evolve.

**Trend #4:** Greater project visibility is key.

Although construction is a historically fragmented industry, platforms are changing the landscape. They offer greater transparency, providing stakeholders with more accurate, real-time access to data—leading to more efficient and informed decisions. They help teams identify trends, reduce risk, and minimise waste. In fact, 35% of total construction costs can be attributed to waste and remedial work.

**"Procore solves two major global business challenges for Great Eagle. First, it is a centralised cloud-based information platform for all of our project information. And it is a significant contributor of improved efficiency and produtivity outcomes when processing approvals and closing out projects."**

SIMON BAXTER
**The Great Eagle Development and Project Management Limited**

**Trend #5:** Businesses are leveraging tech to gain a competitive edge.

As the industry continues to grapple with a labour shortage and competition for talent remains high, it's more important than ever for businesses to set themselves apart. Many top candidates seek out companies that offer leading tools, and they bypass those with outdated systems that complicate their jobs. Businesses offering a top tier solution that maximises efficiency while minimising headaches will tend to attract, and retain, those key candidates.

—06

# Key Features to Look For in a Platform

Whether you're building a home or a high-rise, it takes countless stakeholders to come together to build something remarkable. But if everyone is operating in silos with their own tools that don't talk to one another, it only inhibits collaboration. Here are some key considerations when researching platforms.

### User-Friendly

Technology is useless if it's not adopted by employees. Look for a platform that's user-friendly and intuitive for all teams—both on-site and off.

### Mobile

McKinsey claims that construction businesses that leverage a cloud-based system for real-time information can increase on-site productivity by as much as 50%. A mobile platform enables businesses to connect teams, regardless of their location.

### Offers Integrations

If the platform acts as a scaffolding, think of integrations as the building blocks. Unlike single point solutions that force you to get new software every time you run into a new business challenge, a platform allows you to easily connect additional applications to your existing system at any point. All your tools are seamlessly integrated for maximum efficiency and ease.

### Unlimited User Licensing

Be wary of solutions that limit users and inhibit collaboration with seat licensing. What use is a solution that only allows certain individuals to access important project information? Instead, look for a platform that offers unlimited user licenses to maximise site-to-office communication.

—07

# Is a Platform Right for Me?

Selecting the right technology for your business is a big decision, and with so many solutions out there, it can be a challenge to decipher the right one for you. Here are a few questions to consider:

+ How much time is lost due to double entering data or trying to locate information in multiple systems?

+ Is poor communication between the site and office increasing rework?

+ If you are already using various point solutions, have employees fully adopted them? How might this improve with a single, user-friendly platform?

+ How would connecting people and processes in a single system improve collaboration?

+ What are the costs associated with current business inefficiencies?
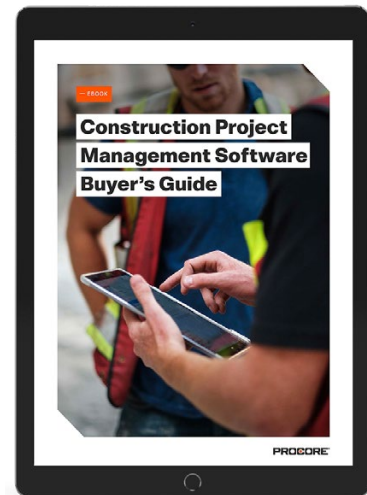
In addition to asking the right questions, it's also helpful to know what to look for when it comes to construction management software. Take a look at our Construction Management Software Buyer's Guide for in-depth insight into key features and functionalities to consider. Be sure to reference software reviews, case studies, and customer testimonials to gain first-hand insight into a solution's viability. In doing so, you'll be better equipped to choose the construction management solution that best fits your needs.

**"When you are so caught up in the details of running the business, you can't build. It's virtually impossible and quite stressful not rely on a centralised platform like Procore."**

**JAY IVANHOFF**
**Emerath Construction**

—08

# Meet the Leading Construction Management Platform

Procore covers the entire lifecycle of a project including preconstruction, project management, resource management, and financial management—all in one, user-friendly platform. Plus, it's built for construction, by construction, so our tools are specifically designed for your teams both on and off site. By keeping stakeholders accountable and responses quick, your projects are delivered on time—or sooner—and on budget.

With open APIs, customisable and connected tools, embedded partner applications, robust reporting and analytics, platform-wide search, Procore adapts to meet the unique needs of your construction business. You can integrate your existing systems and extend the applications you use on the platform, choosing from over 200 apps in our App Marketplace.

We have built a thriving ecosystem where customers, developers, and communities can come together to solve the industry's leading challenges. Investing in the Procore platform will connect all of your collaborators and applications, provide a single source of truth, and enable all involved parties to plan and execute together—all in real time.

Digitisation is no longer an eventual luxury, it's a present necessity. Organisations are evolving their business models with the connectivity made available by the platform in order to reinvent the way they work with their site and office teams, partner communities, and customers.

Request a demo and learn how Procore's integrated platform can help future-proof your business for what comes next.
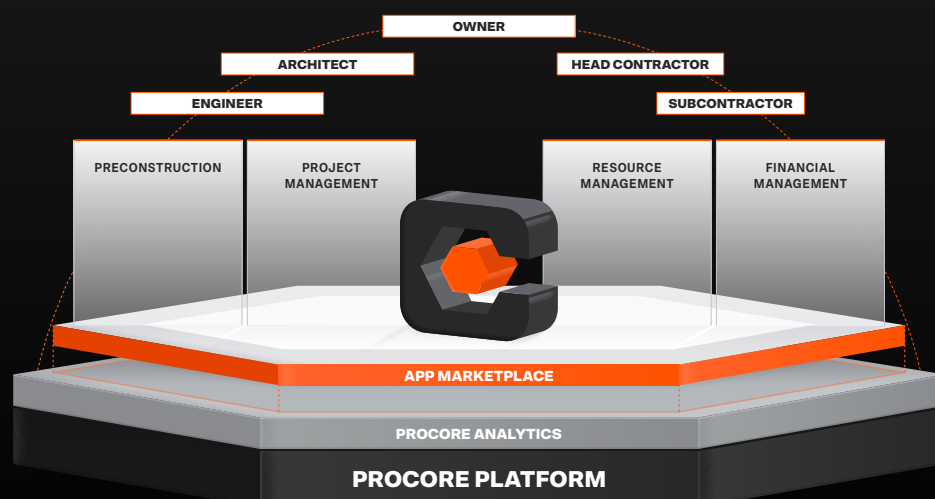
**Produced by**
PROCORE TECHNOLOGIES, INC.

Procore manages your projects, resources and financials from project planning to closeout. Our platform connects every project contributor to solutions we've built specifically for this industry—for the owner, for the Head Contractor, and for the Subcontractor. Our App Marketplace has over 250 partner solutions that integrate seamlessly with our platform, giving you the freedom to connect with what works best for you, even if we don't build it. The ability to easily communicate across disparate teams makes it easier to work together by eliminating silos and establishing a single source of truth. It's how Procore gives your team access to everything they need to know to get their job done.

If you have any questions, give us a call at

**AU** 1800 431 456
**NZ** 0800 005 210

Or email us:
team-apac@procore.com

**Talk with an Expert**

MORE RESOURCES >

Free eBooks &
Downloads

WATCH PROCORE TV >

Procore's Official
YouTube Channel

VISIT THE JOBSITE >

Procore's Hub for
Original Content

PROCORE®