



# Features To Look For In Construction Management Software

Part 3 of a series



by Eileen Dunn, CPA

**C**onstruction management software is a powerful tool for your company's operations. Not only will computer software make your job easier, but it will also save time. Construction management software can be purchased as either separate software products or as a single integrated software package.

Integrated construction management software combines all aspects of a construction job, from estimating to project management to document control to accounting within one software package. Integration is the key to saving time. Data is entered once into the system and immediately becomes available to all other pertinent areas.

Integrated construction management software is often packed with many features. What makes a package worthwhile is whether it contains the features your company needs. A construction management package must also be flexible and expand as your company grows.

Construction management starts with the **Bidding Process**. Effective bidding is the result of accurate estimates, proper document control, and presenting professional proposals. Accurate bidding is achieved through analysis of prior job performance. **Document Control** between the architects, owners, and subcontractors is equally important. Document control provides a means of communication with all parties, tracking and routing procedures, and helps to avoid discrepancies. Often construction management software can create professional quality **Proposals** automatically. This saves on administrative staff having to type the proposal in another program such as Microsoft Word.

Once the job is awarded, **Project Management** takes over. Construction management software should include the ability to create job budgets, create and manage subcontracts, purchase orders, and change orders, and provide for complete job costing. Document control is vital in project management as well. Daily field reports, punch lists, hot lists, and job correspondence are important. Scheduling is a vital feature as it is crucial to completing a job within the allotted time period.

Integrated construction management software retains information entered at the estimating phase so there is little information for project management to enter. This saves a tremendous amount of time and labor costs.

A major requirement of construction management software is the ability

to handle all forms of the **Billing Process**. Progress billing, contract billing, and time and materials billing are among the top three requests. Unitary billing and loan draws are also common among the construction industry. This is a good area to test the construction management software's flexibility.

**Payroll Requirements** are numerous in construction. Whether it is certified payroll, union payroll, piecework payroll, per diem, or multi-state payroll, a good construction management software program must be flexible to accommodate all of these scenarios. A major savings for contractors using construction management software is the ability to track **Worker's Compensation Liability** by the type of work performed.

Contractors need to run a job profitably to survive. **Job Reports** can demonstrate where the business is earning profits and pinpoint where estimating or project management needs improvement. Job analysis is a key tool to manage a successful, growing company. Good construction management software will produce reports required to complete an analysis with the touch of a button.

While each job must be analyzed, the company's overall financial health must also be monitored. **Financial Statements**, including a balance sheet, income statement, and statement of cash flows are the standard reports used to begin this review. Financial ratios provide a more in-depth view of the company's health, while trend graphs provide an invaluable view of the company's performance.

The size of your construction company does not matter. Construction management software is an affordable tool to assist with the construction process. A tight economy and increased competition have had a significant impact on gross profit margins. To survive in this environment, a construction company has to operate efficiently, cut costs, and maintain quality performance. Construction management software can help you achieve efficiency and success. ■

*Eileen Dunn, CPA is owner and president of Eileen Dunn, CPA P.C., an accounting and consulting firm that provides construction management software systems in the New York City metropolitan area. You may reach her at (631) 434-8336.*



## Our "HIDDEN SOLUTION" to Your New Code Requirements



Can be completely concealed in new construction!

Architects—Builders—Remodelers...call today!

- Engineered to meet or beat hurricane requirements
- Perfect for all sizes and shapes of windows & doors
- Added benefits include sound barrier, insulation, and security (may lower insurance rates)
- Motorized operation (can be operated from on or off site)
- Also available for code, a unique Colonial Shutter System

**Island Roll-a-way** located at Holbro Paint

Showroom: 289 Sunrise Hwy, Rockville Centre, NY (516) 766-2211 [www.roll-a-way.com](http://www.roll-a-way.com)  
Residential & Commercial Sales: Trey Smith (516) 642-0592

© 2003 HAMMER Communications, Inc., New York, NY