



LiveCosts .COM
PROJECT COST CONTROL

Reliable Accounting Solutions for **Construction SMBs**

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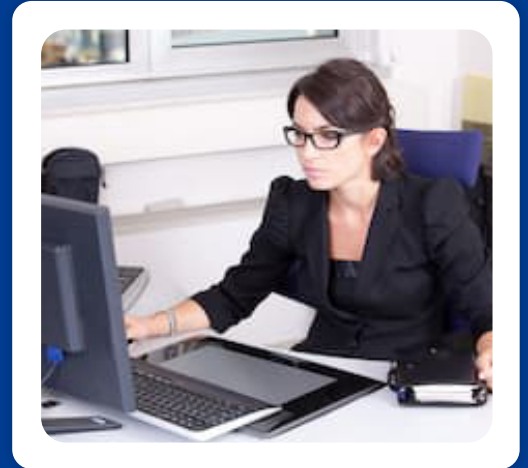


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Introduction | The Importance of Effective Construction Project Cost Tracking



Intro

Effective project cost-tracking is the key to success in any construction project. In an industry marked by protracted timelines, materials shortages, and unexpected costs like overtime, any construction company needs accurate cost-tracking to keep within budget.

Bad cost-tracking looks like:

- Ad-hoc filing and tracking
- Poor communication across the team
- Paper-based with manual data entry

Good cost-tracking looks like:

- A coherent, repeatable system
- Specific roles and responsibilities
- Automation to remove human error

But is it worth the effort?

We think: Yes. Because the cost of poor cost-tracking could be your whole business.

Without precise tracking, hidden costs build up. You get charged more than you had earmarked for a material or phase. Materials get ordered twice, or not at all – holding the project up.

A sound cost-tracking system will make sure you come in under budget, every time, with no shock bills at the end.

Read on to see how your construction company can transform its efficiency and profitability by adopting construction cost-tracking software in addition to traditional accounting software.



Benefits of Effective Cost Tracking

The first and biggest benefit of effective cost-tracking is control. With materials and labour tracking, you have control over a project's budget. With automation, you have control over costs. And with live reporting, you have control over what you pay out to suppliers.

A second advantage of cost-tracking is the ability to set up alerts to the relevant team member when the unexpected happens. This could be delivery of the wrong material to site, or material of insufficient quantity or quality.

It could be a surprise overtime bill. Or an invoice that asks for 20% more than the purchase order was for. With cost-tracking software, you can take corrective action immediately.

Speaking of team-members, another benefit of cost-tracking software is user permissions. If you're using Sage, Xero, or Quickbooks, you don't want everyone in the company having access to your financial information, payroll data, or supplier information.

This is where softwares like LiveCosts can free you up to digitise more of your business, by allowing and restricting team members to information they need to know – and no more.

This means that your Site Manager can raise a purchase order as needed without having access to sensitive information.

Ultimately, a reliable cost-tracking software on top of a coherent, repeatable system will give your construction businesses informed decisions, regulate budgets, optimise resource allocation, and uphold profitability

In the chapters ahead, we'll break down the limits of traditional accounting software, the common features of construction cost-tracking software, and how to set your business up for cost-tracking success.



The Limitations of Traditional Accounting Software for Construction SMBs



Introduction

The construction industry operates in a complex environment, where efficient financial management is crucial for success.

However, traditional accounting software often falls short in meeting the unique needs and challenges of construction companies.

In this chapter, we will explore the limitations of traditional accounting software for construction SMBs and discuss how to overcome these challenges for improved financial management and project success.

Ineffective Tracking and Allocation of Project Costs

Standard accounting software focuses on the business; construction cost-tracking software focuses on the project.

Standard accounting software often lacks the necessary features to handle the complexities of construction projects, such as tracking project-specific costs, managing progress billing, and handling change orders effectively.

It's no surprise as it was never designed to do this!

As a result, construction companies struggle to obtain accurate project-level financial insights.

This can lead to missed opportunities for optimising project performance and profitability.

By leveraging software tailored to the unique needs of construction projects, businesses can enhance their financial management and achieve greater control over project finances.

Limited Collaboration Among Stakeholders

One of the biggest limitations of generic accounting software is that you can't allow everyone in the company to see your business financial information, so you have to restrict access.

These necessary restrictions prevent key personnel, and with it your project, from benefiting from the advantages that digitisation brings.

Field staff can't raise purchase orders. Site managers can't see if the delivery to site matches what HQ ordered.

All because traditional accounting software can't sandbox project-level info.

Construction cost-tracking software, because it specialises in tracking at the project level, can grant control to key project stakeholders without exposing your key financial data to the entire team.

A significant limitation of traditional accounting software for construction is the restricted access that construction company staff members have to the software. In many cases, only a limited number of individuals, such as accountants or financial managers, have access to the accounting software, while other team members, including project managers or field staff, are left out of the loop.

This lack of accessibility hampers effective collaboration and real-time decision-making, as critical project-related information and financial data remain siloed within a select group of individuals. The absence of wider access prevents project stakeholders from actively monitoring and tracking project costs, progress, and financial performance.

To address this limitation, construction companies should consider implementing construction software that provides secure, role-based access to relevant team members. By empowering staff across different departments and levels to access and interact with the software, companies can foster better collaboration, enhance transparency, and facilitate more informed decision-making throughout the project lifecycle.

Insufficient Reporting Capabilities For Construction-Specific Insights.

Another significant limitation of traditional accounting software for construction is its insufficient reporting capabilities when it comes to construction-specific insights.

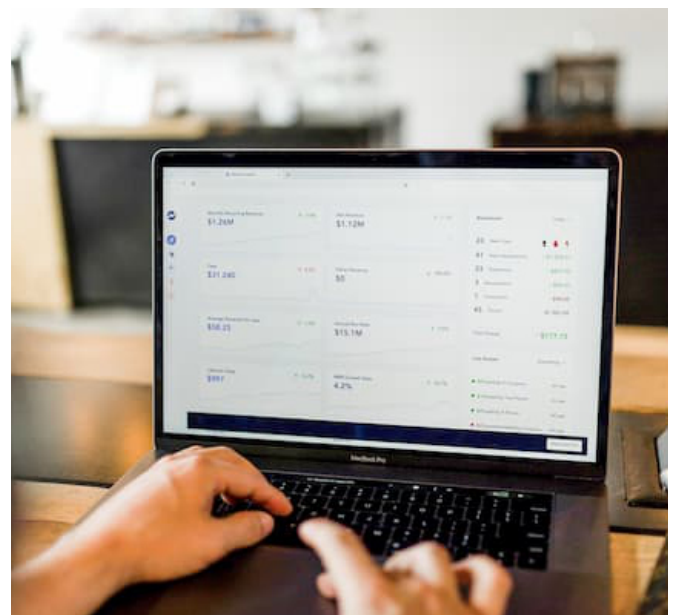
Construction projects have unique reporting needs that go beyond standard financial reports.

Traditional accounting software often fails to provide the necessary tools and templates to generate specialised reports specific to the construction industry, such as commitment reports, job cost reports, progress billing reports, change order analysis, or project profitability reports.

This limitation hampers construction companies' ability to gain in-depth insights into project performance, identify cost overruns or variances, and make data-driven decisions.

To overcome this challenge, construction businesses should consider adopting construction accounting software that offers robust reporting features tailored to the industry's requirements. Such software can provide detailed project cost reports, real-time dashboards, and analytics tools to generate comprehensive reports that capture critical construction-specific metrics.

By leveraging advanced reporting capabilities, construction companies can enhance their ability to monitor project financials, analyse performance, and improve overall project management and profitability.



Lack of Comprehensive Subcontractor Management Features.

The lack of comprehensive subcontractor management features is another significant limitation of traditional accounting software for the construction SMBs.

Subcontractors play a crucial role in construction projects, and effectively managing their activities, payments, and compliance is essential for project success.

However, traditional accounting software often falls short in providing dedicated tools for subcontractor management. This limitation can lead to difficulties in tracking subcontractor daywork activities, processing payments accurately and efficiently, and ensuring compliance with contractual agreements and regulatory requirements.

To address this limitation, construction businesses should consider adopting construction accounting software that offers comprehensive subcontractor management capabilities.

This specialised software can enable seamless collaboration with subcontractors, automate payment processes, track subcontractor performance, and ensure compliance, ultimately enhancing efficiency and accountability in subcontractor management within construction projects.

Lack of Real-Time Data Updates and Synchronisation Across Departments or Systems

A notable limitation of traditional accounting software for the construction industry is the lack of real-time data updates and synchronisation across departments or systems. Construction projects involve multiple stakeholders and departments that require access to up-to-date information for efficient

decision-making and collaboration. However, traditional accounting software often suffers from delays in data updates and struggles to synchronise information across different departments or systems. This limitation can result in outdated financial data in excel, discrepancies in project cost tracking, and difficulties in maintaining a cohesive and accurate overview of project finances.

To overcome this challenge, construction companies should consider implementing construction software that provides real-time data updates and seamless integration across departments and systems. By adopting a unified software solution, project stakeholders can access the latest financial information, monitor project costs in real-time, and collaborate more effectively. This enables better decision-making, improves project visibility, and enhances overall project management efficiency.

Challenges in Tracking and Managing Equipment Costs in Construction Accounting

One of the challenges construction companies face in accounting software is effectively tracking and managing equipment costs. Construction projects often rely on various types of equipment, ranging from heavy machinery to specialised tools, which incur significant expenses.

However, traditional accounting software may not have robust features specifically designed for equipment cost tracking and management. This limitation can lead to difficulties in accurately allocating equipment expenses to projects, monitoring maintenance and repair costs, and understanding the overall impact on project budgets and profitability. To overcome these challenges, construction companies should consider adopting specialised construction accounting software that offers dedicated modules for equipment management.

This software can provide features such as equipment inventory tracking, maintenance scheduling, cost allocation, and depreciation calculations.

By efficiently managing equipment costs, construction companies can optimise resource utilisation, improve budgeting accuracy, and make informed decisions to enhance project efficiency and financial outcomes.

Limited Construction Procurement Workflows

Construction procurement workflows present a significant challenge when relying on traditional accounting software. These software solutions often lack the necessary features and capabilities to effectively manage the complex procurement processes specific to the construction industry.

This limitation can lead to inefficiencies, delays, and increased costs. Construction procurement involves activities such as supplier selection, bidding, purchase order creation and delivery tracking.

Without specialised tools, companies may resort to manual and disjointed processes, resulting in fragmented data, miscommunication, and errors. By recognising the limitations of traditional accounting

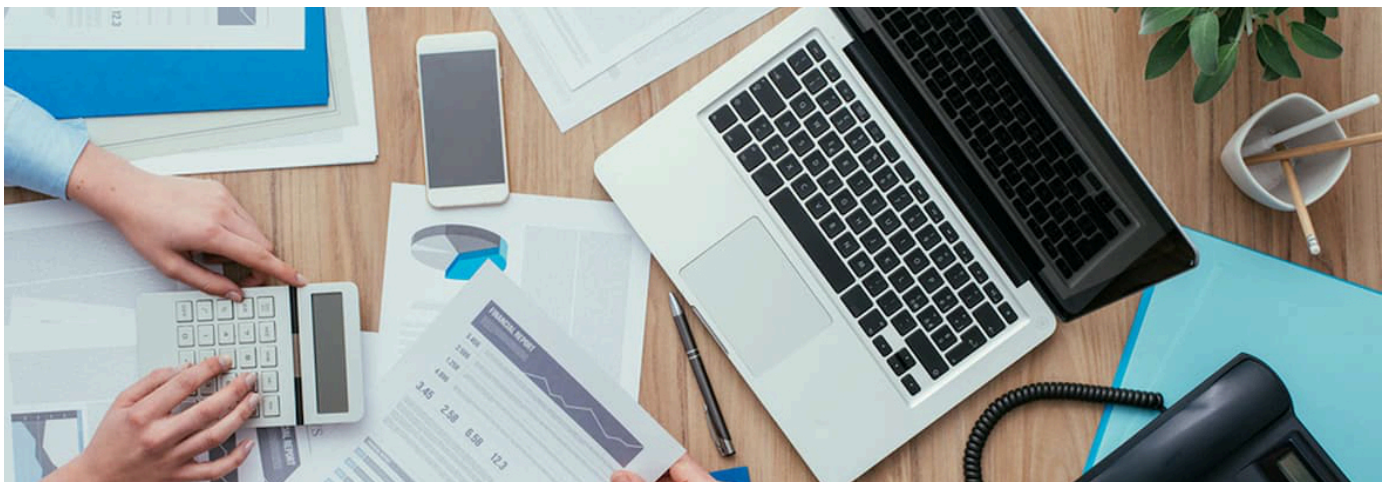
software in construction procurement, companies can explore dedicated construction software that offers streamlined workflows, automation of purchase orders, centralised supplier management, and comprehensive reporting.

Implementing such a solution enables construction SMBs to enhance efficiency, optimise cost control, and ensure smoother procurement operations, ultimately contributing to the success of their projects.

Conclusion

Construction SMBs need software that addresses their unique requirements and overcomes the limitations of traditional accounting software. By adopting specialised construction software, companies can enhance collaboration, improve project cost tracking, integrate with project management tools, generate construction-specific reports, manage subcontractors effectively, and streamline equipment cost management.

Embracing the right software solution empowers construction companies to achieve better financial management, maximise profitability, and successfully navigate the complexities of the construction industry.



The 6 Primary Features of Construction Cost Tracking Software



Introduction

In the competitive landscape of construction, small and medium-sized businesses (SMBs) need a robust project cost tracking system that goes beyond the limitations of traditional accounting software. To achieve financial success and stay ahead of the curve, construction SMBs must break free from the constraints of outdated methods and embrace an agile project cost tracking system.

In this blog, we will explore six dynamic elements that form the foundation of an agile project cost tracking system, revolutionising the way construction SMBs manage their finances. By incorporating these elements, SMBs can gain unparalleled control over project costs, optimise resource allocation, and make informed decisions that drive profitability.

Traditional accounting software often fails to address the specific requirements of the construction industry, leaving businesses struggling with inefficient processes and limited visibility into project finances. However, with an agile project cost tracking system, SMBs can transcend these limitations and transform their financial management practices.

Join us as we dive into the key elements that define an agile project cost tracking system. Discover how to streamline cost tracking, enhance project control, and unlock the full potential of your construction SMB. It's time to break free from traditional accounting software and embark on a new era of financial success in the construction industry

Real-Time Data Integration

Real-time data integration lies at the core of an agile construction project cost tracking system. With this capability, construction SMBs can ensure that project cost information is captured and updated in real-time, providing them with immediate visibility into cost fluctuations, budget updates, and the overall financial health of their projects.

By seamlessly integrating data from various sources such as purchase orders, invoices, timesheets, and subcontractor billing, the system ensures accurate and up-to-date tracking of project costs against their granular budget.

Gone are the days of relying on manual data entry and cumbersome reconciliations. An agile project cost tracking system automates the integration of data from disparate sources, eliminating the risk of human error and reducing time-consuming

administrative tasks. This integration enables construction SMBs to access a comprehensive and unified view of their project costs in real-time, empowering them to make timely and informed decisions.

By capturing cost information in real-time, construction SMBs can promptly identify cost overruns or potential savings opportunities. They can proactively manage their budgets, taking corrective actions as needed to keep projects on track. Real-time data integration also facilitates accurate forecasting, as project managers and stakeholders can analyse the latest cost data and make adjustments accordingly.

Moreover, the system's ability to integrate data from various sources ensures that no cost component goes unnoticed. It captures the intricacies of project costs, including labour expenses, material costs, equipment rentals, owned equipment costs, subcontractor fees, and other relevant expenditures.

This holistic approach enables construction SMBs to gain a comprehensive understanding of their cost breakdowns, empowering them to allocate resources more efficiently and make data-driven decisions to optimise project profitability.

In summary, real-time data integration is the backbone of an agile project cost tracking system. By capturing and integrating project cost information in real-time from multiple sources, construction SMBs can enjoy immediate visibility into cost fluctuations, maintain accurate budgets, and make informed decisions to drive project success. With this capability, construction SMBs can effectively navigate the complexities of cost tracking, enhance financial control, and achieve greater profitability in their construction projects.

Construction-Specific Procurement Features

It is essential to highlight the significance of procurement in the overall project cost tracking process. Procurement plays a crucial role in project cost management, and its integration into an agile project cost tracking system is vital for construction SMBs.

Effective cost tracking starts with procurement and plays a key role in maintaining accurate and up-to-date project cost information. By integrating procurement processes into an agile project cost tracking system, construction SMBs can streamline cost tracking from the very beginning of a project until its completion. This information is often siloed in emails and spreadsheets and should be available for all stakeholders in one place.

Procurement involves the acquisition of goods, services, and resources necessary for construction projects. It encompasses activities such as sourcing, supplier selection, purchase order creation, and contract management. Each procurement transaction contributes to the overall project cost and needs to be accurately captured and tracked.

An agile project cost tracking system allows for seamless integration of procurement data, ensuring that procurement transactions are immediately reflected in the project cost tracking process. It enables construction SMBs to capture procurement-related costs, including material purchases, subcontractor fees, equipment rentals, and other expenses, in real-time.

By tracking costs starting from procurement, construction SMBs gain complete visibility into the financial impact of procurement decisions on project budgets. They can monitor procurement expenses, compare them to the planned budget, and identify any deviations or cost overruns early on. This

empowers project managers and stakeholders to make informed decisions regarding procurement, such as negotiating better prices, optimising vendor relationships, or adjusting the project budget to accommodate changing costs.

Furthermore, integrating procurement into an agile project cost tracking system allows for efficient cost reconciliation. Construction SMBs can easily match procurement transactions with invoicing and payments, ensuring accurate and timely financial records. This level of integration enhances accuracy and reduces the risk of errors or discrepancies in cost tracking.

In summary, effective project cost tracking begins with procurement. Integrating procurement into an agile project cost tracking system ensures that costs related to procurement activities are captured and tracked in real-time. By streamlining cost tracking from procurement to project completion, construction SMBs can optimise financial control, proactively manage costs, and make informed decisions that drive project success.



Mobile Accessibility

Mobile accessibility has transformed how construction professionals track various aspects of project costs, including labour hours, purchase orders, and the delivery of goods from the site. The site-team play a huge role in collecting cost data, so involving them in the cost tracking process makes a great deal of sense.

With mobile devices at their fingertips, construction teams can conveniently enter and track labour hours in real-time, eliminating the need for manual timesheets or delayed data entry. This allows for accurate and up-to-date labour cost tracking, enabling project managers to monitor workforce productivity and make timely adjustments as needed. Additionally, mobile accessibility facilitates the creation and management of purchase orders directly from the site.

Construction professionals can generate purchase orders on their mobile devices, select suppliers, and specify quantities, ensuring efficient procurement processes. They can also track the delivery of goods right from the site, updating the system in real-time as materials or equipment arrive, providing visibility into inventory levels and enabling effective cost control. Mobile accessibility empowers construction teams to streamline these critical cost tracking activities, reducing paperwork, improving data accuracy, and enhancing overall project efficiency.

Granular Expense Categorisation

Granular expense categorisation is a fundamental aspect of effective project cost tracking in the construction. By breaking down expenses into specific categories, construction professionals can gain a comprehensive understanding of where project costs are allocated and identify areas for potential cost optimisation. Granular expense categorisation involves classifying costs into detailed

subcategories such as labour, materials, equipment, subcontractor fees, permits, and overhead expenses.

This level of categorisation enables construction businesses to track and analyse expenses with precision, facilitating accurate budgeting, forecasting, and financial reporting. It allows project managers to identify cost trends, assess the profitability of individual cost components, and make data-driven decisions to control project costs. Granular expense categorisation also enhances transparency and accountability, as stakeholders can clearly see how project funds are allocated across different cost categories. Ultimately, by implementing granular expense categorisation, construction professionals can gain better cost visibility, optimise resource allocation, and improve the overall financial performance of their projects.

Automated Cost Allocation and 3-Way Matching

The practice of 3-way matching in project cost tracking involves aligning purchase orders, site deliveries, and supplier invoices to ensure accuracy and financial control in the construction industry. When a construction business receives deliveries on-site, they compare the delivery against the corresponding purchase order to verify that the correct items and quantities have been received. Once the delivery is confirmed, the accounts payable department performs a 3-way match by cross-referencing the supplier's invoice with the purchase order and delivery information.

This meticulous process ensures that the invoice aligns with the approved purchase order and the actual goods or services received. By automating

this matching process, supplier invoices are automatically assigned to the correct budget, cost centre, or project, streamlining the cost allocation process and minimising errors. This approach ensures accurate financial records, enhances budget management, and provides transparency in cost tracking for construction businesses.

Robust Reporting and Analytics

Robust reporting and analytics are indispensable components of an effective project cost tracking system in the construction industry. With the ability to generate comprehensive reports and leverage advanced analytics, construction businesses gain valuable insights into their project costs, financial performance, and trends.

Robust reporting enables the extraction and presentation of data in a meaningful and actionable format, allowing stakeholders to monitor cost variances, identify potential risks, and make informed decisions. Through powerful analytics, construction professionals can analyse cost data from multiple perspectives, such as project phases, cost categories, or specific activities.

This enables them to detect patterns, uncover cost-saving opportunities, and optimise resource allocation. Moreover, robust reporting and analytics enhance transparency and accountability, as they facilitate clear communication of financial information to project teams, management, and other stakeholders. By harnessing the power of robust reporting and analytics, construction businesses can drive financial control, optimise project performance, and achieve greater success in their cost tracking endeavours.



Benefits Of Detailed Job Costing in Construction and How To Achieve them



Introduction

In the competitive world of construction, small and medium-sized businesses (SMBs) face unique challenges when it comes to managing costs, optimising resources, and delivering projects on time and within budget. That's where detailed job costing comes into play. In this blog, we will explore the significant advantages that a meticulous job costing approach brings to SMB construction projects.

From enhanced project profitability to accurate cost estimation, efficient resource allocation to effective budget control, improved decision-making to enhanced project management, and gaining a competitive advantage, we will delve into each benefit and provide insights to empower SMBs in unlocking success. Whether you're a construction business owner, project manager, or someone interested in the industry, this blog will provide valuable knowledge and strategies to help you thrive in the construction SMB sector. So, let's dive in.

Enhanced Project Profitability

Detailed job costing plays a vital role in boosting project profitability for construction SMBs. By implementing robust cost-tracking mechanisms, businesses can accurately allocate costs to specific

projects, allowing them to identify areas of profitability and potential loss. With this valuable information at hand, construction SMBs can make informed decisions to optimise project performance and maximise profits.

They can proactively identify and address cost overruns, streamline resource allocation, and make strategic adjustments to enhance the overall profitability of their projects. The ability to track and analyse costs at a granular level empowers construction SMBs to fine-tune their operations, improve efficiency, and ultimately achieve higher profitability in their projects.

Accurate Cost Estimation

Accurate cost estimation is a crucial benefit of detailed job costing in construction SMB projects. By leveraging historical data and tracking costs meticulously, SMB construction businesses can significantly improve their cost estimation process. This allows them to provide more precise and competitive project bids.

With a thorough understanding of the costs associated with various project components, such as labour, materials, and equipment, construction SMBs can avoid underestimating expenses that

could lead to financial strain or project delays. Accurate cost estimation enhances the credibility of SMBs, instills client confidence, and increases the likelihood of winning contracts. By ensuring that project costs are estimated with precision, construction SMBs can set a solid foundation for profitability and successful project execution.

Efficient Resource Allocation

Detailed job costing in construction SMB projects enables efficient resource allocation, which is vital for maximising productivity and minimising waste. By closely tracking and analysing resource utilisation, such as labour, materials, and equipment, SMB construction businesses gain insights into how resources are allocated across different projects.

This knowledge empowers them to optimise workforce deployment, ensuring the right skills are assigned to the right tasks at the right time. Effective resource allocation helps minimise downtime, reduce unnecessary expenses, and streamline project workflows.

By strategically managing resources based on accurate job costing data, construction SMBs can improve overall project efficiency, meet deadlines, and enhance profitability. Moreover, efficient resource allocation allows SMBs to make informed decisions regarding resource investments and identify areas where cost savings can be achieved without compromising quality or project deliverables.

Effective Budget Control

Detailed job costing plays a crucial role in enabling effective budget control for construction SMB projects. By utilising accurate cost tracking and analysis, SMBs can establish realistic budgets for their projects. With a clear understanding of

projected costs and actual expenditures, construction businesses can monitor and control expenses throughout the project lifecycle. Detailed job costing allows for the identification of potential cost overruns or deviations from the budget early on, enabling timely corrective actions.

This level of budget control helps SMBs avoid financial risks, maintain profitability, and ensure the successful completion of projects within the allocated financial parameters.

By actively managing and adjusting the budget based on job costing insights, construction SMBs can enhance financial stability, build client trust, and strengthen their overall financial performance.

Improved Decision-Making

Detailed job costing in construction SMB projects significantly enhances decision-making capabilities. By having access to accurate and comprehensive cost data, SMBs can make informed decisions at every stage of a project.

The ability to analyse costs associated with various project components allows construction businesses to evaluate different options and select the most cost-effective strategies. Job costing provides insights into the financial impact of decisions, enabling SMBs to assess risks, identify opportunities for cost savings, and prioritise investments.

With this valuable information, construction SMBs can make strategic decisions to optimise resource allocation, streamline processes, mitigate potential issues, and ultimately improve project outcomes. Improved decision-making based on job costing insights not only enhances project performance but also strengthens the overall business strategy and positions SMBs for long-term success in the competitive construction industry.

Enhanced Project Management

Detailed job costing plays a pivotal role in enhancing project management for construction SMBs. By providing real-time visibility into project costs and progress, job costing enables SMBs to effectively monitor and control project performance.

With accurate cost data, construction businesses can track expenditures, identify cost variances, and take timely corrective actions to keep projects on track and within budget.

Job costing also allows for better resource allocation, as SMBs can identify areas of inefficiency or underutilisation and make adjustments accordingly. This level of project management insight helps SMBs proactively address challenges, mitigate risks, and optimise project timelines and deliverables.

By leveraging detailed job costing, construction SMBs can foster effective communication, coordination, and collaboration among team members, ensuring smooth project execution and successful outcomes.

Competitive Advantage

Detailed job costing provides construction SMBs with a significant competitive advantage in the industry.

By demonstrating their ability to track and manage costs effectively, SMBs can differentiate themselves from competitors and position themselves as reliable and efficient partners for clients.

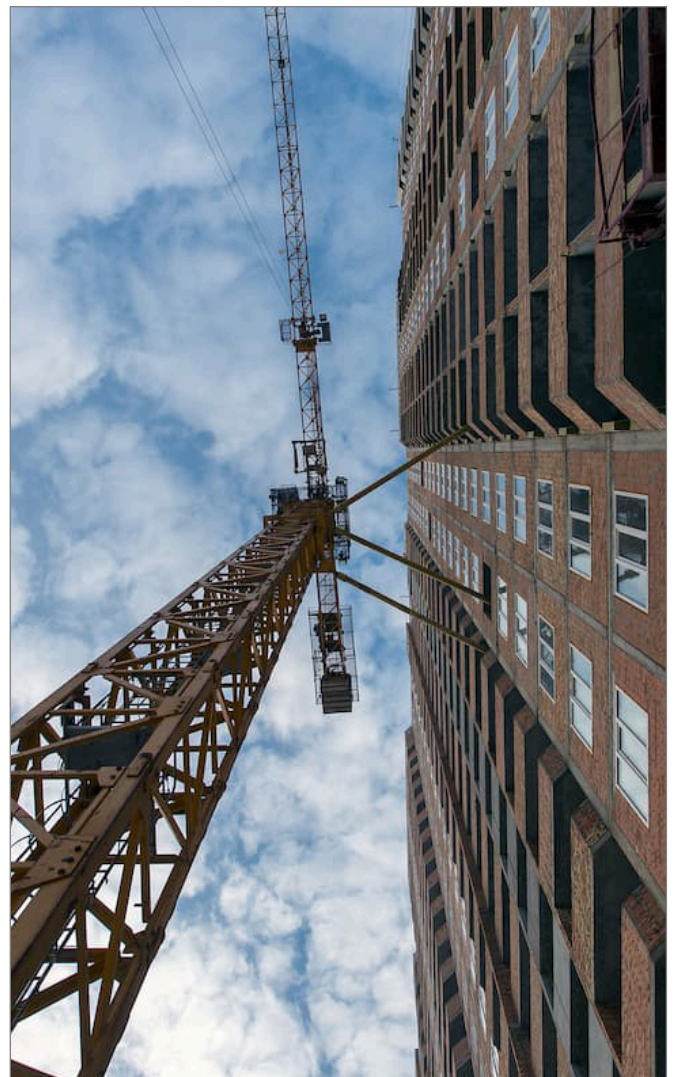
Accurate job costing data allows SMBs to deliver projects on time and within budget, enhancing customer satisfaction and building a strong reputation for quality and reliability.

This competitive advantage helps attract new clients,

win more contracts, and foster long-term relationships with stakeholders. Construction SMBs can leverage detailed job costing insights to optimise their pricing strategies, bid more competitively, and improve profitability.

Furthermore, the ability to make data-driven decisions based on job costing analysis enables SMBs to continually refine their operations, enhance efficiency, and stay ahead of market trends.

By embracing detailed job costing, construction SMBs gain a competitive edge that propels their growth and success in the dynamic construction industry.



Unleashing the Power of Specialised Procurement Software for Construction SMBs



Introduction

In the fast-paced world of construction, the ability to manage procurement efficiently can make all the difference between success and stagnation for small and medium-sized businesses (SMBs). Traditionally, many construction SMBs have relied on generic accounting software to handle their procurement needs.

However, as the construction industry becomes increasingly dynamic and competitive, it's time for these businesses to break free from the limitations of such software and embrace specialised procurement solutions tailored explicitly for their industry.

In this blog, we will explore why traditional accounting software falls short for construction procurement and highlight five compelling ways that specialised procurement software empowers construction SMBs to thrive in this demanding landscape.

Streamlining Procurement Processes

Construction procurement involves a series of complex and interdependent processes. Generic accounting software often lacks the specialised tools to streamline these workflows effectively, leading to

manual interventions and potential errors.

Specialised procurement software, on the other hand, is designed with the unique needs of construction in mind, automating purchase order management, simplifying approval hierarchies, and reducing paperwork.

By streamlining procurement processes, construction SMBs can improve efficiency, save time, and allocate resources more strategically.

Enhancing Supplier Management

Maintaining strong relationships with suppliers is crucial for securing reliable and cost-effective materials and services.

However, traditional accounting software may not provide the necessary features for effective supplier management. Specialised procurement solutions offer centralised supplier databases, making it easier to onboard and collaborate with suppliers, manage contracts, and monitor performance.

This enhanced supplier management capability ensures seamless communication, fosters better collaboration, and allows construction SMBs to build lasting partnerships with trusted suppliers.

Real-time Data and Insights

In today's data-driven world, access to real-time information is essential for making informed decisions. Generic accounting software might not offer comprehensive data analytics tailored for construction procurement.

Specialised procurement software, on the other hand, provides powerful reporting and analytics tools, enabling construction SMBs to gain valuable insights into their procurement performance. From tracking spending patterns to identifying cost-saving opportunities, real-time data empowers businesses to make strategic choices that positively impact their bottom line.

Optimise Cost Control

Controlling costs is a top priority for construction SMBs, but it requires accurate budgeting and forecasting. Traditional accounting software might lack the necessary features to create project-specific budgets and accurately forecast expenses.

Specialised procurement software equips businesses with tools for precise budgeting, cost allocation, and variance analysis. This level of cost control enables construction SMBs to stay on budget, avoid overruns, and deliver projects within financial constraints.

Improving Procurement Visibility and Transparency

Effective procurement management requires a clear view of the entire procurement process. Generic accounting software often falls short in providing the necessary visibility and transparency. Specialised procurement software brings all procurement-related information into a centralised platform, offering real-time visibility into ongoing procurement activities, supplier performance, and contract status. With enhanced transparency, construction SMBs can identify potential bottlenecks, spot inefficiencies, and proactively address any issues that arise during the procurement lifecycle.



How To Adopt Construction Cost Tracking Software



Introduction

In today's rapidly evolving construction management landscape, accurate cost tracking and streamlined project management are non-negotiable. As traditional accounting software struggles to keep up with the complexities of construction projects, forward-thinking professionals are turning to specialised construction cost tracking software.

However, transitioning to new software is a significant endeavor that requires careful planning and execution. In this blog post, we'll guide you through a step-by-step roadmap to adopting construction cost tracking software effectively, ensuring a seamless transition that leads to enhanced project control and overall success.

Identify Your Project's Unique Needs

Before diving into the world of software evaluations, it's imperative to gain a deep understanding of your project's specific requirements.

Construction projects vary greatly in size, scope, and industry focus, leading to unique challenges in cost tracking. Whether it's the integration of project estimation data, the management of diverse cost categories, or the need for improved collaboration among teams, pinpointing your pain points is

essential. By identifying your project's individual needs, you lay the foundation for finding software solutions that genuinely align with your goals.

Research and Evaluate Software Solutions

With a clear grasp of your project's needs, it's time to embark on a thorough research journey. Investigate a range of construction cost tracking software options that offer features tailored to your identified pain points.

Consider various factors during your evaluation, such as the software's integration capabilities with other tools you use, its scalability to accommodate future growth, the user interface's intuitiveness, and the quality of customer support.

Reading user reviews, seeking recommendations from industry peers, and even requesting product demonstrations or free trials can provide invaluable insights to help you make an informed decision.

Collaborate with Key Stakeholders

Switching to new software doesn't only impact your individual role; it also affects various stakeholders within your organisation. Engage in open and transparent conversations with project managers, accounting teams, and other relevant parties to gain

their insights and perspectives. Address any concerns they might have and actively seek their feedback. Involving key stakeholders from the outset not only enhances the decision-making process but also creates a sense of ownership and enthusiasm among team members, leading to a smoother transition.

Plan the Implementation Process

Implementing new software is a multifaceted process that demands careful planning and coordination.

Develop a comprehensive implementation plan that outlines the specific steps, milestones, and responsibilities for each phase of the transition.

Consider how data migration will occur, which team members will be involved, and establish a realistic timeline for the entire process.

This structured plan not only minimises potential disruptions but also sets clear expectations for everyone involved in the transition

Data Migration and Training

One of the critical components of transitioning to new software is the seamless migration of existing data. Make sure that your chosen software solution supports a smooth data migration process.

This may involve transferring historical cost data, project details, and other relevant information from your old systems. Additionally, provide comprehensive training to your team on how to use the new software effectively.

Depending on the complexity of the software, training can range from video tutorials and workshops to one-on-one coaching sessions.

Run Pilot Tests

Before rolling out the software across all projects, consider conducting pilot tests on a smaller scale. Select a representative project and run your cost tracking processes through the new software.

This allows you to identify any potential challenges or areas that require adjustment before full-scale implementation.

By using a pilot approach, you can address issues in a controlled environment, ensuring a smoother transition for all future projects.

Monitor, Progress, and Refine

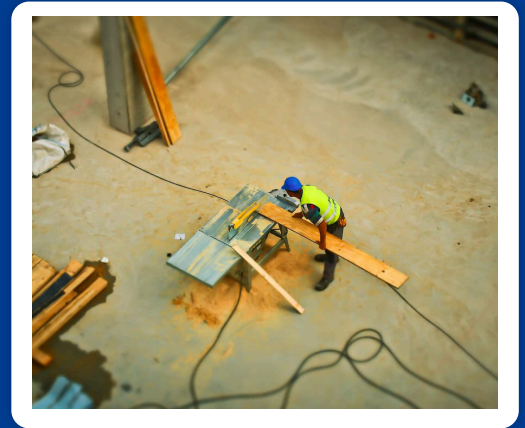
After the software is in use, ongoing monitoring is essential. Continuously collect feedback from users, track key performance metrics, and be vigilant about identifying any challenges or bottlenecks that arise.

Regularly assess whether the software is delivering the expected benefits and identify areas for improvement.

By actively engaging in this monitoring and refinement process, you ensure that the software remains aligned with your evolving needs and helps you achieve your project management goals



Conclusion



As we've seen in the course of this eBook, generic accounting software will never work for diverse and specific projects.

In construction, every project is unique and every financial decision will affect timelines, budgets, and outcomes. This means that your choice of accounting software isn't just a technological one – it's a strategic one.

But exploring these limitations makes it obvious what the solution is for any construction businesses — dedicated construction accounting software. Software that doesn't give your business poor project estimates, financial blind spots throughout, and then a shock bill at the end of the project.

While generic accounting softwares will manage your simple profit and loss, they don't have the comprehensive job costing capabilities that dedicated construction software is built around. And when a company relies entirely on unsuitable software, they leave themselves exposed to budget overruns.

But none of this means that you should ditch your accounting software completely. Any dedicated construction cost-tracking software worth its salt will integrate with your accounting software, and add a new layer of granularity, user control, and reporting to it.

It's about addition, not replacement.

The construction industry, not historically famous for embracing innovation with open arms, is evolving. Without a dedicated construction cost-tracking software, your business will be competing for bids with companies that have tools that yours doesn't.

Streamlined processes, accurate estimates, and faster delivery due to no manual data entry – why should your competition enjoy these benefits?

That's what makes dedicated software not just a handy tool, but a catalyst for growth. With job costing software on top of your generic accounting software, you'll be able to deliver more accurate bids faster.

In closing, let this eBook serve as guidance for construction SMBs seeking to navigate the complex terrain of construction project cost management. Evolution and adaptation can seem daunting, but time has shown that any construction company can adopt new tools and softwares with relative ease.

As you take on the challenge of incorporating, remember that the construction industry is a realm of constant change and challenge, but it's also a domain of opportunity and growth for those who dare to innovate and adapt.

About LiveCosts



What Is LiveCosts?









LiveCosts is a construction technology company founded and run by construction people. We know the pains and frustrations involved in getting projects over the line on time & on budget.

LiveCosts was founded out of with the lack of simple software options available for builders, subcontractors and other small to medium sized businesses operating in the construction sector worldwide.













We believe Excel and spreadsheets have their place in today's business world, but in a world of machine learning, OCR, process automation and system integration, Excel and spreadsheets are no longer an efficient and effective method to manage a company's project finances.

It has never been more important for your company to have a structured and sophisticated system to manage purchasing.

What We Do

- | | |
|--|---|
|  Project Dashboard |  Track Labour |
|  Purchase Orders |  Pricing Catalogue |
|  E-Invoices |  Accounting Integration |
|  Track Deliveries |  Procurement |

Who We Serve

- | Roles | Trades |
|---|--|
|  Business Owners |  Builders & Developers |
|  Accounts Payable |  Electrical |
|  Quantity Surveyors |  Mechanical |
|  Project Manager |  Plumbing |
|  Procurement |  Landscaping |
|  Head of Finance |  Fit-Out Contractors |

LiveCosts can help you gain control of your project costs



LiveCosts .COM
PROJECT COST CONTROL

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