ERP PLAYBOOK

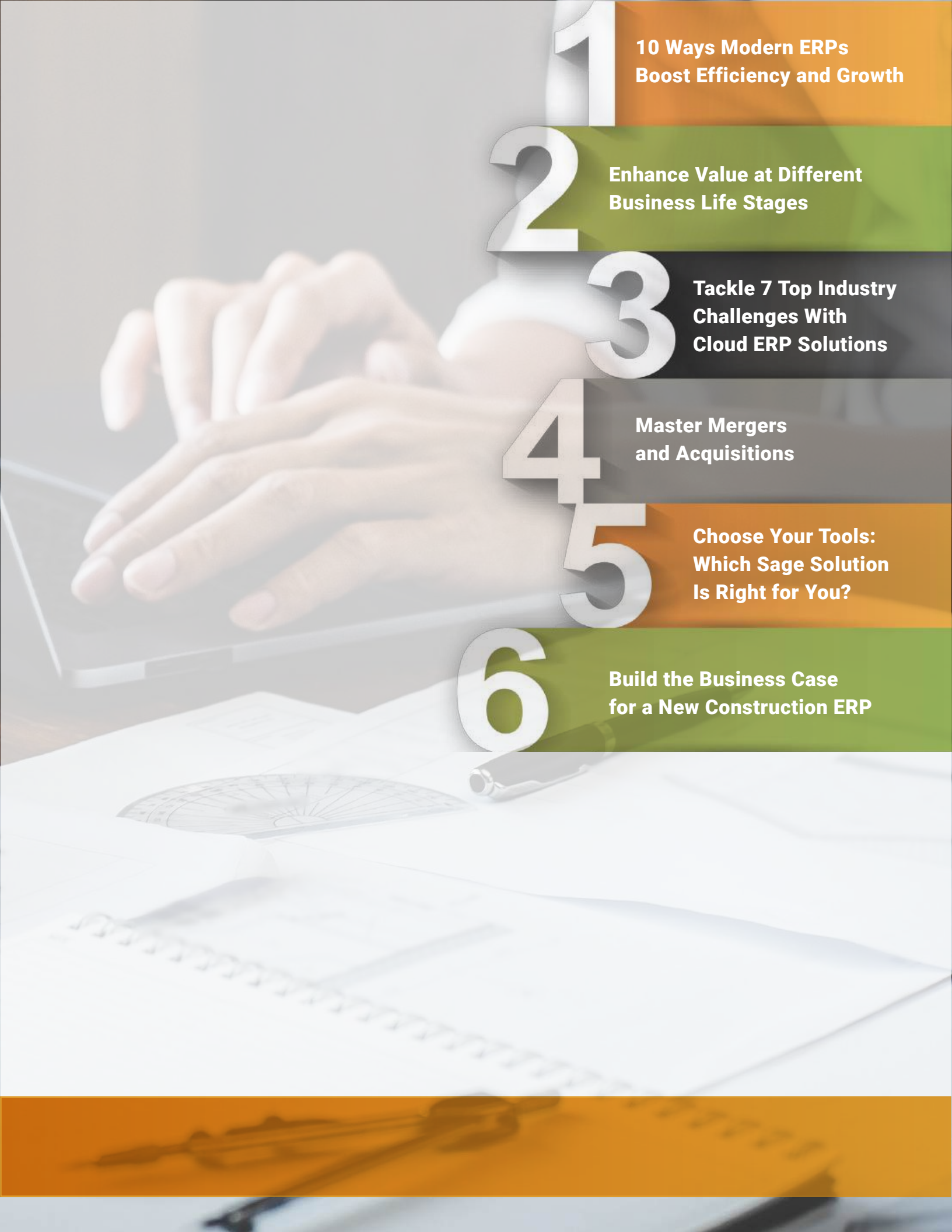## Sage ERP Playbook for Construction Executives

Executive Summary

Grappling with project complexity, budget constraints and regulatory demands is a daily grind in the construction industry. To thrive, your organization must constantly innovate and adapt, while swiftly addressing issues to protect margins. Whether you're a general contractor, specialty contractor, builder or real estate developer, you know the delicate balance needed to keep projects on track while staying profitable and compliant.

The right enterprise resource planning (ERP) technology can help you reinvent your daily operations to enhance efficiency and profitability and achieve strategic goals like mergers and acquisitions (M&A). Here's how Sage Intacct Construction cloud solutions can help you tackle your biggest challenges head-on — so you can seize opportunities, protect profit margins and drive your business forward with confidence.

10 Ways Modern ERPs Boost Efficiency and Growth

You have little room for error when your construction company faces increasing demands for efficiency and precision. It's not a viable option to rely on outdated technology that can't address the complexities of modern projects. If you're still using fragmented systems that lack real-time data access and kill collaboration, you may fall behind.

To stay competitive, your organization needs to embrace the latest cloud-based technology. Modern construction ERP solutions aren't just nice to have — they're essential. Here are the meaningful ways they can transform your operations:

Simplify project management and scheduling

Provide access to relevant and timely reports

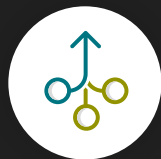**Automate** payroll and financial processes
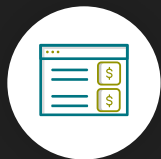
Strengthen real-time team collaboration

Improve accuracy in estimates and bids

Enhance resource allocation

Streamline regulatory compliance

Track project costs and profitability

Manage accounts payable (AP) and receivable retainage

Support seamless M&A integration

02

Enhance Value at Different Business Life Stages

While all construction companies share fundamental needs, mature firms and younger new-comers have distinct business challenges and priorities for their business technology.

Early-stage companies
To survive the initial stages of construction management, you need a rock-solid foundation. Cloud-native industry ERP platforms like Sage Intacct Construction can help you simplify operations and establish strong financial controls. This solution provides real-time financial insights, automates routine tasks such as retainage tracking and release and change management, and helps you prepare for future growth.

Growth-stage companies
As your company grows, so do your requirements. Whether you're boosting revenue, expanding to new locations or diversifying services, you need technology that supports growth.

Solutions like Sage Construction Management and Sage Estimating help you wrangle large projects with ease. They equip you with tools to streamline project management, improve collaboration across teams and keep your budget in check.

Established companies
Even well-established businesses must prioritize efficiency to stay competitive, and the right technology is critical to achieving this goal. Solutions like Sage Intacct Real Estate and Sage Field Operations are designed for established firms. They help you manage project complexities, maintain compliance and streamline processes across projects — ensuring you consistently deliver excellence.

Tackle 7 Top Industry Challenges With Cloud ERP Solutions

03

Construction business leaders must clear a wide range of operational, financial and regulatory hurdles. Here's how an ERP solution built for construction helps you conquer seven top industry challenges.

1

Challenge: Preventing costs from spiraling out of control
Keeping costs under control is non-negotiable. Budget overruns can cripple your profitability and derail projects. Without precise tracking and expense forecasting, your projects face financial strain and poor outcomes.

Solution: Keep costs in check with Sage Estimating and Sage Construction Management
Make cost estimations accurate and cost management seamless throughout the project lifecycle. Sage Estimating uses industry benchmarks and historical data to create realistic project budgets, giving you spot-on cost estimates and better bid management. When you integrate Sage Estimating with Sage Construction Management, your organization can tap into real-time cost tracking, detailed variance analysis and proactive budget adjustments. The result? Projects stay on time and within budget.

2

Challenge: Lack of detailed financial insights
You need clear visibility into your financial data across projects, departments and cost centers, so you can generate accurate reports, make informed decisions and communicate effectively with stakeholders. But if you have fragmented systems or data scattered across spreadsheets, your visibility gets clouded and inaccuracy seeps in. This leaves your financial team without a comprehensive view of performance.

Solution: Get clear financial data across projects with Sage Intacct Construction
Sage Intacct Construction offers intuitive tools to track and analyze financial performance across multiple dimensions, providing real-time visibility into costs, revenues and profitability. When you integrate it with Sage Construction Management, you achieve comprehensive data tracking and reporting, enhancing forecasting accuracy and streamlining operations. This allows you to make data-driven decisions, elevates business performance and keeps stakeholders informed.

3

Challenge: Juggling multiple projects and deadlines
When you don't have the right project management tools, organizing multiple projects, allocating resources and meeting deadlines can be overwhelming.

Solution: Simplify competing priorities with Sage Construction Management and Sage Field Operations
Sage Construction Management and Sage Field Operations offer powerful project management tools to help you coordinate multiple projects and prioritize competing deadlines. With real-time project tracking, efficient resource allocation and cohesive budget management, you can stop the overwhelm and keep all your projects on track and within budget.

4

Challenge: Tracking withheld payments efficiently
Handling accounts payable and accounts receivable retainage (the portion of a payment withheld until a project is completed satisfactorily) can quickly become a complicated and time-consuming task.

Solution: Simplify retainage tracking with Sage Intacct Construction
Sage Intacct Construction transforms retainage management, equipping you to monitor withheld payments, stay compliant with contract terms and quickly release the retainage when it's due. You also gain total visibility into retainage statuses, reducing errors and saving time. This lets you focus more on your core operations and less on paperwork, helping ensure smoother financial management and better cash flow.

5

Challenge: Keeping cash flow stable despite payment delays
It's no secret that you face unpredictable cash flow patterns in construction. Project cycles and payment delays can make it hard to keep your finances stable and make timely supplier payments.

Solution: Gain control over cash flow with Sage Intacct Construction and Sage Construction Management
Sage Intacct Construction arms you with the tools you need to manage cash flow effectively. It gives you accurate cash flow forecasting, monitors receivables and payables in real time and automates invoicing and payment processes. When integrated with Sage Construction Management, you gain a complete view of project milestones and financial performance, helping you improve cash flow strategies. This proactive approach allows you to reclaim control of your finances, reduce financial risks and keep payments on time.

6

Challenge: Handling last-minute changes and project adjustments
Unexpected change orders and project adjustments can disrupt schedules, inflate costs, strain resources and even require new permits.

Solution: Stay flexible with real-time updates from Sage Intacct Construction and Sage Construction Management
To maintain project timelines and budgets while accommodating scope changes, Sage Intacct Construction and Sage Construction Management provide real-time project data, allowing you to swiftly assess impacts, notify stakeholders and make informed decisions. Automated processes give you the ability to meticulously track and document every change order, minimizing disruptions and preserving project integrity.

7

Challenge: Managing risks that could derail your projects
From supply chain disruptions to compliance concerns, construction projects are fraught with risks that can jeopardize timelines and profitability.

Solution: Stay ahead of danger with Sage Construction Management
Proactive risk management is key to project success. Sage Construction Management arms you with comprehensive risk management tools to face project challenges head-on and protect your financial health. These tools offer visibility into potential risks and help you develop effective mitigation strategies, ensuring your project stays on course.

Budget overruns can cripple your profitability and derail projects.

04

Master Mergers and Acquisitions

Merging with or acquiring another construction firm can be a game-changer, but it comes with its own set of challenges, such as data accessibility, the integration of multiple entities, the consolidation of financials, inter-entity transaction automation and the centralization of records management. Successfully navigating M&A requires strategic planning and careful execution to reduce risk and achieve your goals. The right technology can help you streamline integration, ensure data accuracy and maintain operational continuity throughout the transition.

Sage solutions are designed to make your M&A process smooth and efficient. Here's how they can help your new entity thrive:

Sage Intacct Construction: You can tailor this customizable solution to meet the specific needs of your newly merged entity. It helps integrate financial and operational processes seamlessly, so you can focus on strategic planning instead of system compatibility.

Sage Construction Management: Align workflows and processes to simplify daily operations. By centralizing project data, you can keep all your teams on the same page. This helps you facilitate smoother integration planning and execution, reducing the risk of miscommunication and delays during the transition.

Sage Intacct Paperless: Ensure a smooth transition by digitizing, indexing, centralizing and storing critical information such as financial records, project data and client details, and automating your AP. Maintain the integrity of your data and support your broader data management strategy by reducing the risk of data loss or corruption — a fundamental priority during any M&A transition.

Adopting a Sage construction solution makes expanding your business easier. It helps you minimize transitional hiccups, deliver exceptional value to clients and stakeholders and ensure a successful transaction.

Choose Your Tools: Which Sage Solution Is Right for You?

Imagine smoother and simpler workflows and workdays. Choosing the perfect Sage software for your construction company can feel overwhelming, but you don't have to figure it out alone. Here's a breakdown of the key benefits, integrations and considerations of each Sage construction solution to help you make an informed decision.

05

Sage Intacct Construction

Ideal if you need:

- A comprehensive, cloud-based financial management system designed for construction
- Standardized invoicing and payment applications
- Real-time visibility into your financials
- Accurate work-in-progress (WIP) forecasting and reporting
- A solution that will grow with your expanding business

Key features:

- Project accounting and financial management
- Real-time financial reporting
- AIA-like billing for payment applications
- Multi-entity and multi-currency support
- Customizable dashboards
- WIP management
- Joint check functionalities

Considerations:

- ✓ Primarily focused on financial management
- ✓ Supports one project per project contract

Sage Construction Management

Ideal if you need:

- Comprehensive tools for project planning, scheduling and resource allocation
- Streamlined workflows and improved project visibility
- Support to manage multiple, complex projects simultaneously

Key features:

- All Sage Intacct Construction features and more
- Functions as a customer relationship management (CRM) tool
- Project scheduling and resource allocation
- Real-time project tracking
- Team collaboration tools

Considerations:

- ✓ Focuses on project management; may require additional tools for financial management
- ✓ Requires Sage Intacct Construction integration (not a standalone solution)

Sage Intacct Construction Payroll

Ideal if you need:

- Simplified and automated payroll
- Ironclad labor law compliance
- Help managing a large workforce with complicated payroll requirements
- Specialized support for unionized payroll
- Access to payroll data anytime, from anywhere

Key features:

- Automated payroll processing
- Cross-union tracking
- Compliance with labor laws and regulations

Considerations:

- ✓ Specialized for payroll management and may not cover broader HR needs
- ✓ Requires a Sage Intacct Construction subscription (not a standalone solution)

Sage BidMatrix

Ideal if you need:

- Large-scale project tracking for bids with multiple contractors
- Detailed bid and estimate management
- Automated bid comparisons
- A system that helps you efficiently handle multiple bids

Key features:

- Detailed bid and estimate management
- Automated bid comparisons
- Historical data analysis

Considerations:

✓ Fully integrated into Sage Estimating; to use BidMatrix tools with a third-party estimating solution, you can purchase Sage Estimating and integrate BidMatrix features with your preferred estimating product

Sage Intacct Real Estate

Ideal if you need to:

- Manage real estate-specific financials, including lease management and property accounting
- Manage finances for multiple properties
- Get real-time information to track current market changes
- Eliminate manual data entry, save time and reduce errors

Key features:

- Lease management and property accounting
- Real-time financial reporting
- Tenant and lease tracking

Considerations:

✓ Doesn't do background or credit checks

Sage Intacct Paperless

Ideal if you need:

- Digitized documentation processes and less paperwork
- Secure, easily accessible storage of compliance and financial records
- Document importing, indexing, routing and storage all in one secure place
- Improved workflow efficiency

Key features:

- Document digitization and storage
- Automated workflows and approvals
- Secure access and compliance tracking

Considerations:

- ✓ Focuses on document management; requires additional tools for full project and financial management
- ✓ Its pre-built integration to Sage Intacct requires the Sage Intacct Construction module for full functionality

Sage Estimating

Ideal if you need:

- Accurate, detailed estimates to improve project bidding
- A straightforward estimating process and consistency across projects
- A reliable system to manage a high volume of estimates

Key features:

- Detailed and accurate estimating tools
- Historical data analysis
- Integration with project management systems
- Comes bundled with Sage BidMatrix

Considerations:

- ✓ Specialized for estimating; requires integration with a financial management solution (Sage Intacct, Sage 100 Contractor or Sage 300 Construction and Real Estate)

Sage Field Operations

Ideal if you need:

- Real-time project management for field teams
- Enhanced contracting tools for specialty contracting
- Improved communication and collaboration between on-site and office teams
- Better connection between your field and office and a unified operation
- Mobile solutions for managing tasks, schedules and project updates on the go

Key features:

- Real-time mobile project management
- Simplified task scheduling and tracking
- Collaboration tools for field and office teams

Considerations:

- ✓ Relies on internet connectivity, which may be a concern for remote job sites
- ✓ Requires integration with Sage Construction Management or Sage Intacct Construction for an end-to-end solution

Sage eTakeoff Dimension

Ideal if you need:

- Faster, more accurate estimates
- Enhanced productivity
- Simplified workflows that integrate seamlessly with Sage Estimating
- Capacity to handle more bids without increasing staff

Key features:

- Complementary drawing-based and measurement-based AI technologies
- AI-powered measurement tools
- Native PDF compatibility
- Advanced takeoff capabilities

Considerations:

- ✓ Must be integrated with Sage Estimating
- ✓ May require a learning curve for those new to AI-driven takeoff tools
- ✓ Advanced features may be more extensive than needed for smaller projects

Sage Tools for Every Piece of Your Build
Make your next project seamless by implementing the right tool for each piece of the
construction management process:

Planning
(Pre-Construction)

Sage Construction
Management

Finance
(Accounting, Job Costing, Reporting, Compliance, Payroll)

Sage Intacct
Construction

Sage Intacct
Construction
Payroll

Sage Intacct
Paperless

Operations
(Project Management, Service, Property Management)

Sage Field
Operations

Sage Construction
Management

Sage Intacct
Real Estate

Bidding and Estimates

Sage
BidMatrix

Sage
Estimating

Sage eTakeoff
Dimension

Build the Business Case for a New Construction ERP

06

Sticking with an outdated ERP system is costing your construction company more than just installation and maintenance fees. In an industry where precision and efficiency are crucial, outdated systems lead to missed opportunities, increased project risks and, ultimately, lower profits.

Investing in a modern cloud ERP built for construction isn't just about replacing old software — it's about equipping your company with the tools to dominate a competitive market. To make a compelling case for upgrading your ERP, follow these key steps:

1. Find the gaps. Determine where your current ERP falls short. Are project schedules constantly delayed due to outdated scheduling tools? Is financial reporting fragmented and error-prone? How much time do you waste on manual data entry or reconciling discrepancies? Pinpoint these pain points to demonstrate where a new ERP can bridge gaps and generate savings.

2. Prioritize compliance and risk management. How well does your current ERP handle compliance? Are your risk mitigation strategies leaving projects vulnerable? Emphasize the importance of an ERP that prioritizes regulatory compliance and enhances risk management practices to safeguard your projects.

3. Plan for growth. What's your plan to accommodate future growth? Can your current system support market expansion or increased project complexities? Identify limitations that could hinder your potential growth and show how a modern ERP can overcome these barriers.

4. Showcase ROI. Highlight the benefits of a new ERP: improved project profitability, streamlined operations and enhanced decision-making with real-time data insights. Make it clear how these advantages lead to significant bottom-line savings.

By documenting these points and aligning them with your goals, you can help equip your company for sustained growth and competitiveness.

Get Full ROI From Your Sage Construction ERP

Choosing the right implementation firm is just as important as choosing the right software. With 30+ years of industry experience, Armanino has been underlined recognized as a Top 50 Construction Accounting Firm by Construction Executive and named a premier Sage Intacct partner for more than 10 years. Find out how our award-winning Sage Intacct Construction consultants can help you select, implement and maximize the ideal Sage construction solution.

To learn more, visit www.armanino.com/software/sage-intacct/construction/

Possible *(Re)Defined*™

Armanino delivers impactful, bold solutions that increase clarity and spark success for today and tomorrow. Our integrated audit, tax, consulting and technology services serve a wide range of organizations in the U.S. and globally.

Addressing today's challenges is just as important as planning for the future. Our teams bring deep industry experience to help organizations reach peak performance, providing data-based guidance to optimize operations and finances.

When you work with us, expect to go beyond. Count on us to bring an entrepreneurial, creative approach that takes you further, faster. From tax questions to sustainability to large-scale transformation, we're not afraid to take on your biggest challenges.

If you need guidance on a global scale, our association with Moore North America Inc., a regional member of Moore Global Network Limited, one of the world's major accounting and consulting associations, allows us to seamlessly extend our full range of services and resources to over 100 countries.

No matter what's next, Armanino has the insight and foresight to help you redefine what's possible for your organization.

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