Streamlining Construction Management: Insights from Industry Leaders

Innovation, SAP S/4HANA

by Mike Boyink | Reading time: 3 minutes

The construction industry faces many challenges, from labor shortages and supply chain disruptions to the need for more effective collaboration and document management.

A recent survey conducted by Canam Research, in partnership with SAP, sheds light on the industry's current state and the priorities construction companies are focusing on to improve efficiency and profitability.

According to the report, the top three challenges to meeting project milestones and profit projections are:

- Labor shortages (54%)
- Change management issues (43%)
- Supply chain problems (35%)

Key Takeaways

1. **Technology as a Growth Lever**
    With 68% of companies pouring resources into technology to enhance revenue and profitability, it's clear that digital tools are now foundational to construction success.

2. **The Value of Integration**
    The embrace of Virtual Design and Construction (VDC) by 82% of respondents highlights a growing recognition of how deeply interconnected digital tools can streamline the design-build process.

3. **Recognizing Room for Improvement**
    Despite advances, 56% of respondents rate their budgeting and forecasting tools as just "reasonably good," signaling significant room for growth in project planning and financial management.

4. **The Challenge of Change**
    Labor shortages and change management top the hurdles in meeting project milestones, underscoring the need for strategic planning and workforce development.

5. **Digital Commissioning Lags Behind**
    A surprising 20% of companies have no plans to digitize commissioning, a gap that presents both a challenge and an opportunity for the industry.

Immediate Priorities

There are clear priorities construction companies should focus on over the next 12-18 months:

1. Invest in project planning tools (70% plan to do this)
"Frequent budgeting and forecasting, practiced by nearly all respondents, requires a robust set of project design and planning tools to keep up with fluctuating demand."

2. Upgrade finance and budgeting capabilities (63%)
56% of respondents rate their budgeting and forecasting tools as only "reasonably good," leaving ample room for improvement.

3. Implement better field management solutions (58%)
"The top three focus areas for the upcoming year to improve efficiency involve project planning, finance, and field management tools."

4. Prioritize ERP implementations (42%)
Integrated ERP systems can provide the digital foundation for streamlining processes across the entire construction lifecycle.

5. Leverage integration initiatives (33%)
Integrating virtual design and construction (VDC) and delivery applications improves design-build performance.

Construction companies recognize the need to streamline their operations and embrace digital transformation to stay competitive. By investing in the right tools and technologies, they can:

- Improve collaboration
- Enhance project management
- Deliver better results for their clients

As the industry evolves, construction leaders must proactively address their challenges. By prioritizing the right strategies and using the insights from industry research, they can position their organizations for long-term success.

Get All the Data

To learn more about the construction industry's current state and the strategies construction companies are implementing to streamline their operations, download the complete report.