6 Reasons Heavy Civil Construction Firms Need to Upgrade to Specialized Estimating Software

Trimble | **CONSTRUCTION DIVE**

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Creating a construction estimate that will win the job **and** set it on a course to profitability is part art and part science. The numbers, of course, must be accurate. Arriving at those numbers requires an ability to see the vision for the project and extensive knowledge of the processes, labor, materials and equipment that will be needed to make the vision reality.

Specialized estimating software can make this challenging task much easier. Such systems can help estimators choose which projects to pursue, provide insights to form the strategies behind their bids and help them complete more accurate, high-quality bids faster.

This playbook explores six reasons why construction firms should upgrade their tech stacks and give their estimating teams this powerful tool.
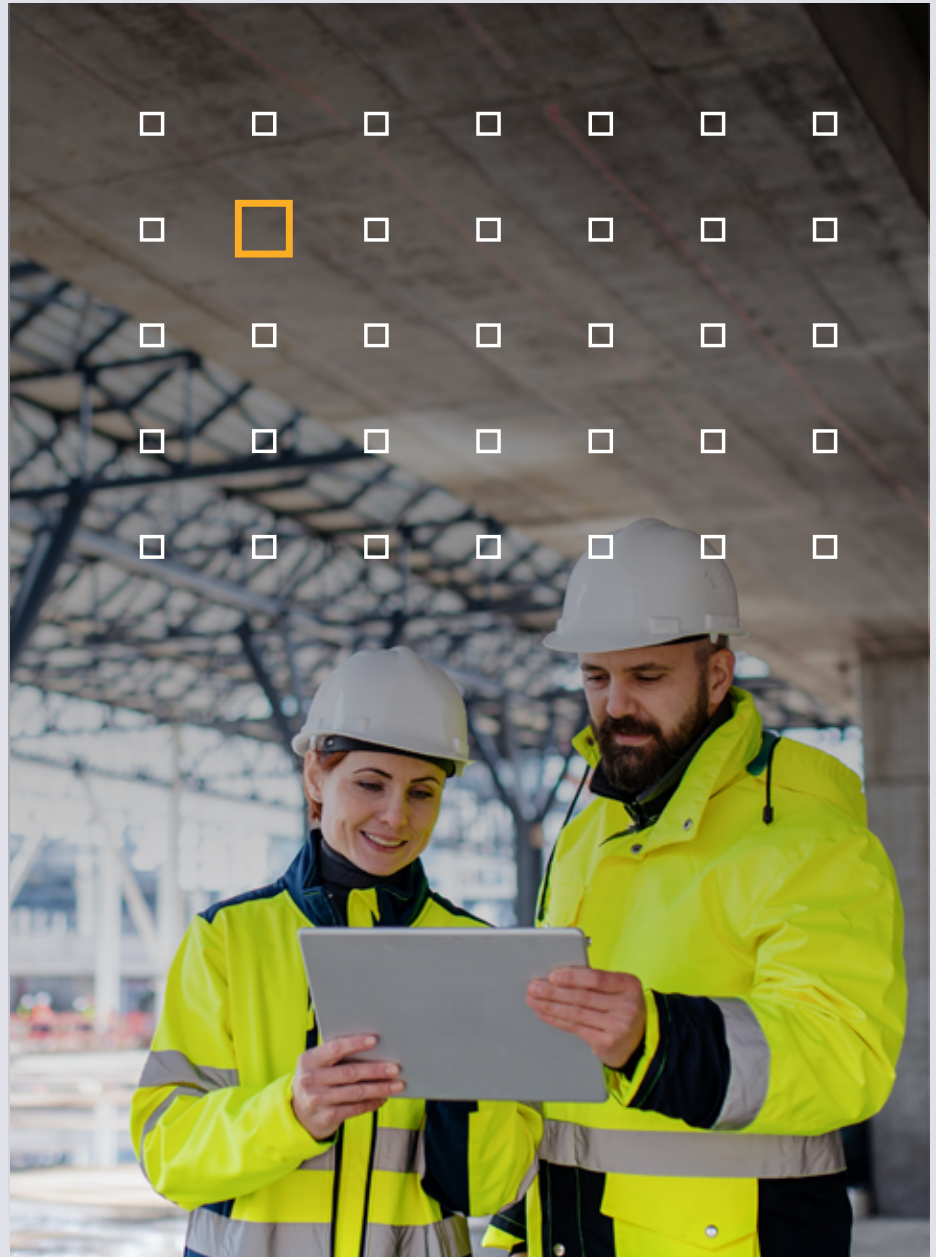
01.

A Step Up from Spreadsheets

Estimators have used spreadsheets as their go-to tool for decades. However, specialized estimating software provides significant advantages over these workbooks, empowering estimators to create more accurate bids and produce valuable analytical reports.

Increased Accuracy

Relying on spreadsheets alone leaves many downstream processes open to errors. Manually entered data is fraught with opportunities for typos and transposed numbers. If estimating is not connected to other critical business systems – such as job costing, project management, procurement and accounting – the person creating the bid may not have current information, and neither will their colleagues elsewhere in the business who rely on the final product. When working with a spreadsheet, an estimator may not know whether it's the primary version or how up-to-date the figures included are. Finally, changes (intentional or unintentional) made to cells and formulas in a template carry over to future estimates built using that template, potentially resulting in miscalculations down the road.

Specialized software mitigates these risks with built-in calculation automation and error-check wizards that scan for common mistakes, such as missing items and incorrect pricing, and guide users in making corrections.

Analytical Reports

Specialized estimating software makes it easy to analyze and report on several business areas, helping estimators develop higher-quality bids, choose suitable projects to bid on and better collaborate with stakeholders. This includes:

+ Comparing actual costs from previous projects with those of prospective projects.

+ Cross-bid reporting for analyzing trends, win-loss ratios and margins.

+ Reviewing the firm's wins and losses to help assess prospective projects.

+ Sharing reports with key stakeholders on a subscription basis.

+ Seeing and sorting upcoming bid schedules to help choose the right opportunities.

> **Using B2W elements as a platform to track and analyze costs and variations on a daily basis and to adjust project activities and resources accordingly is definitely increasing efficacy within the organization.**
>
> Matt Timberlake,
> Vortex Companies

02.

Produce Accurate, Winning Bids Faster

With specialized software, estimators have the tools they need to produce top-notch bids efficiently, helping them boost volume, win more projects and improve the firm's bottom line. Here's how.

Centralized Cost Data

Estimators gain a centralized cost database pre-populated with accurate, up-to-date cost information, including labor, equipment and materials. This database is custom-built to align with the firm's specific projects, so estimators have the data they need without unnecessary clutter.

With a flexible system, estimators can work in a way that suits their individual preferences and specific project requirements. They can use existing templates to streamline the bidding process, start estimates from scratch or combine both approaches. **The choice is theirs.**

> I'm at least 30% more accurate with B2W Estimate, and I would say twice as fast.
>
> Jeff Sparkowich,
> S.J. Cantwell

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Electronic Bidding on Department of Transportation Projects

Firms can take full advantage of electronic bidding systems for Department of Transportation (DOT) projects with robust estimating software. Estimators can download and import specific pay items, including item numbers, descriptions and units of measure, directly from a state's DOT. By pre-populating frequently bid items or templates with accurate cost data, estimators can ensure precise adherence to DOT requirements, optimizing the bidding process and improving overall efficiency.

"It's the simplest and easiest bidding you can do," said Patrick Reitz, product manager for B2W Estimate. "You take the bid form that DOT gives you, import it into the estimating system and have the estimate fully created for you. Any items the firm has worked on before come in fully populated. **A 100-item estimate can be done in a few seconds.** All items are there. Cost structures are there. The estimator will check production rates to make sure they agree with everything and may adjust pricing. It saves so much time. It does in seconds what otherwise takes days or weeks."

Securing Bids from Subcontractors and Vendors

Obtaining competitive bids from subcontractors and vendors is all too often a struggle. Reitz describes the process as an "eBay bidding war," where suppliers often wait until the last minute to submit their quotes. This can lead to tight deadlines and increased stress for firms.

To improve this process, specialized software allows estimators to send standardized requests for quotes (RFQs) and quickly incorporate bids in various formats. The software then automatically analyzes the quotes, identifies the lowest bidder and can even optimize pricing by splitting the job among multiple suppliers.

Access by Multiple Users

Teams can collaborate on estimates simultaneously using specialized estimating software. This feature is particularly valuable for complex projects or when estimators are geographically dispersed.

Reitz said, "Revisions are tracked so you know exactly who did what, and there are all sorts of protections in place to make sure that, if I'm doing something and you're doing something, we don't step on each other's toes."

> **Pricing a change order as its own module within its original estimate is a great feature that has really streamlined the process. The quicker you get the information processed, the better chance you have of recouping costs. When you wait 30 days, it's easy to forget, or for owners to dispute what was done.**
>
> Rob Slauson,
> Fiore & Sons

Integrated Change Order Management

It is not unusual for a job to have dozens of change orders. Estimating software simplifies this process by integrating them within the base bid. By copying cost structures from the original bid to the change order, firms can save valuable time and maintain consistency throughout the project.

Within a specialized estimating system, change orders are presented as independent nodes within the base bid, making them easy to identify and track and ensuring no change order is overlooked during the billing process.

Time for Strategic Pricing

By speeding up the estimate development process, specialized software allows estimators to spend more time on strategic pricing. Less burdened with data entry, looking up prices and triple-checking calculations, they can focus on other factors that can have a tremendous impact on whether the firm will win the job and how profitable it may be. They can set margins based on such factors as the project's complexity and the value of the special capabilities and expertise the firm would bring to the job. They can analyze market conditions and adjust pricing to ensure the bid will be competitive with those from other firms. They can consider how costs may change during the project's lifecycle and build those fluctuations into the estimate. They can determine how markup is distributed among the various line items in the estimate.

03.

Access to a Wealth of Data

Estimators get the data they need to create accurate, winning bids with specialized estimating software. Historical project data provides a solid foundation of "real-world" information, while up-to-date material, equipment and labor costs help ensure the accuracy of both current pricing and projections of how costs may change during a project's lifecycle. The ability to search for and filter production rates from past and current jobs enables a side-by-side comparison with proposed projects.

This wealth of information reduces guesswork, allowing estimators to be more aggressive in their pricing when necessary.

"More than a few estimators have told me that, when times are tight and they need to win a job, they are more comfortable trimming margins than they would have been previously," Reitz said. "When a cost is more of a guess, they are uncomfortable trimming margins to the edge because, if they're wrong, the company will take a bath. When they're confident in the numbers, they're comfortable saying that, while the margin may not be as much as we normally get, we're going to get the job as opposed to not getting the work at all. That has saved people."

> **We can bid in a fraction of the time, and the typical variance between our estimated and actual costs has gone from 20% to 2% in some circumstances.**
>
> Jason Pettigrew,
> EPCOR

> **The B2W platform addresses our biggest challenges: getting more efficiency out of our organizational efforts, gaining better insight into the work we do, and improving communication across our management, engineering, field and maintenance workflows.**
>
> John Casella,
> Casella Construction

Easy to Learn and Use

Comfort with traditional methods and worry about a steep learning curve can make estimators apprehensive about adopting new software. A robust estimating solution designed specifically for construction can alleviate those concerns, leaving estimators wondering how they ever worked without it.

Designed for Construction Estimating

A quality solution is not an adaptation of project management or accounting software. It is built with "estimating logic" that mirrors the thought processes used in manual or spreadsheet-based estimating.

As Reitz points out, estimators operate at a broader level than either project managers or accountants do. Like project managers, they focus on what a job will entail and how it will be executed, and like accountants, they are laser-focused on the numbers. They consider factors like crew types, self-performed versus subcontracted tasks, equipment needs, material requirements and overall project timing. And they do it all while ensuring accurate costs and calculations. Specialized estimating software helps them understand how the company has worked before and make informed decisions with the options available for the job at hand.

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A Tailor-Made Solution

A good software provider does more than sell a prepackaged one-size-fits-all solution. It becomes a true partner in its client's business and delivers a customized implementation that will put the client on the path to software success.

The partnership begins with a discovery process and continues through integration and training. The provider gets to know the firm, builds relationships with its people, learns its workflows and understands its needs. The implementation is then tailored to the client, with the provider creating a customized cost database and seamlessly integrating the software with the firm's other systems.

Post-implementation, the provider offers comprehensive on-site training, allowing the estimating team to familiarize themselves with the software in their specific environment.

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05.

Stronger Connections Between the Office and Field

The free flow of information bridges the gap between the office and the job site, providing numerous benefits. Teams can spot and respond to changing conditions quickly. Estimators can share the logic behind an estimate with their colleagues, ensuring the project is completed as envisioned in the estimate. Operations teams can provide real-time feedback on field conditions that could impact the bidding. Project managers collaborate more closely and take greater ownership of their projects. Estimators gain insights that can help improve the quality of future bids. Ultimately, everyone gains a deeper understanding of each other's roles, leading to improved problem-solving and better outcomes.

> **We capture more information, move it faster and use it to work smarter and more collaboratively.**
>
> John Casella,
> Casella Construction

Attract Younger Talent

> **Young people don't want to work in the Dark Ages. We need technology to attract the younger, tech-savvy employees to grow the workforce industry-wide.**
>
> Brandie Meisner,
> M&M Excavating

Attracting talent remains a perennial challenge in construction, and with an aging workforce, a new generation needs to be brought on board. Technology can make a firm a more desirable destination for estimators.

Younger workers have grown up with technology. They use it in virtually every aspect of their lives and expect it to be part of their working lives, too. They seek employers that embrace technology and use it to increase quality and productivity and make employees' lives easier. On the other hand, they see a firm still using spreadsheets or manual forms as a dinosaur that is rooted in outdated processes and not looking to the future.

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Giving Estimators the Tools They Need to Succeed

An estimate is both the key to winning a construction job and the launching pad for the project's success. By upgrading their tech stacks to include specialized estimating software, firms can give their teams a powerful tool to help land more jobs and make those jobs more profitable. Click here to learn more about how B2W Estimate can help your firm.

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B2W Software, a Trimble company, empowers and inspires heavy civil construction companies to win more work and complete it more profitably. The company's B2W Platform connects people, workflows and data and includes advanced, unified applications to manage estimating, scheduling, field tracking, equipment maintenance, data capture and business intelligence.

The B2W Estimate application provides centralized cost data and structures along with specialized functionality. Clients in all 50 U.S. states, each Canadian province and every heavy civil sector leverage the intuitive, easy-to-use application to maximize accuracy and speed, standardize estimating processes, focus more attention on strategy and win more bids at better margins.

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