

# A Practical Approach to Digital Transformation for the Construction Industry

The construction industry is notoriously fragmented. There is a direct correlation between industry fragmentation and technical fragmentation across business systems. Construction is complicated. Projects cover a wide range of activities, all requiring specialization and the participation of lots of people from different companies. As a result, applications were developed to solve point problems for groups and specializations using different technologies. Today, most construction businesses have dozens of disparate line-of-business (LOB) applications.

These disconnected applications lead to scattered data, making it difficult to leverage information comprehensively and efficiently. Many processes remain manual and time consuming, hindering overall business productivity. You cannot see the big picture in a single pane of glass, workflows are not optimized across departments, and it's difficult to take advantage of cutting-edge technology. Despite the downsides to fragmentation, businesses still need these specialized applications and have sunk significant investments into them with time and money. It's not always possible to replace disparate systems with a single solution that does it all. The good news is that you don't have to. The industry can now achieve digital transformation with a practical and incremental approach.

## Business Level Clarity

Construction processes that span departments and systems naturally create points of friction and disconnects. Stakeholders are engaged at different stages with competing priorities, perspectives and systems. Typically, no single system governs the end-to-end project delivery process, making it difficult to get an accurate overall view of the business. A universal platform coupled with a project operations framework solves this problem, as it provides the technology and methodology to optimize a project-based business. In essence, Project Lifecycle Management is good business management.

## Business Level Clarity

What do construction, finance, retail, and healthcare share? The age of their IT systems. According to a report by Forrester, 74% of construction companies use ERP systems that are over ten years old, leading to significant technical debt and inefficiencies in project management (Forrester, 2022). Technical debt ultimately leads to financial debt.

Replacing systems is costly and comes with many decision points: move to the cloud? Perform a costly CapEx replacement? It's not always financially or technically feasible to immediately replace systems. Therein lies the problem: A study by Dodge Data & Analytics found that 71% of construction firms reported that their project management software does not fully integrate with other critical business systems, causing delays and miscommunication (Dodge Data, 2021).

There are ways to extend the life of your existing legacy assets until it makes sense, financially and operationally, to replace them. Powerful capabilities available in enterprise-grade platforms such as Microsoft can augment your legacy applications and incorporate them into business process workflows to extend their functionality and lifespan.

## Unstructured Processes

Offline and unstructured processes are common in project-based businesses and tend to evolve organically. Teams need to get the job done and they do it using the tools they have available to them (Excel, Outlook, etc.). Frequently, there is no off-the-shelf software that fits their specific needs. For the smallest of companies, this can work, but only for a short while. Subcontractor onboarding is an example of a process often handled by a small group in isolation. When the business starts to rapidly expand, it needs qualified contractors and suppliers. If the operation cannot locate and onboard contractors quickly, the business can't effectively grow and scale. A flexible framework allows quick configuration of an application to structure this process, making it scalable and transparent. Vendors directly upload onboarding documents (insurance, certifications, etc.), legal quickly gets the information they need for reviews and background checks. Everyone is aware of the status and what is coming next.

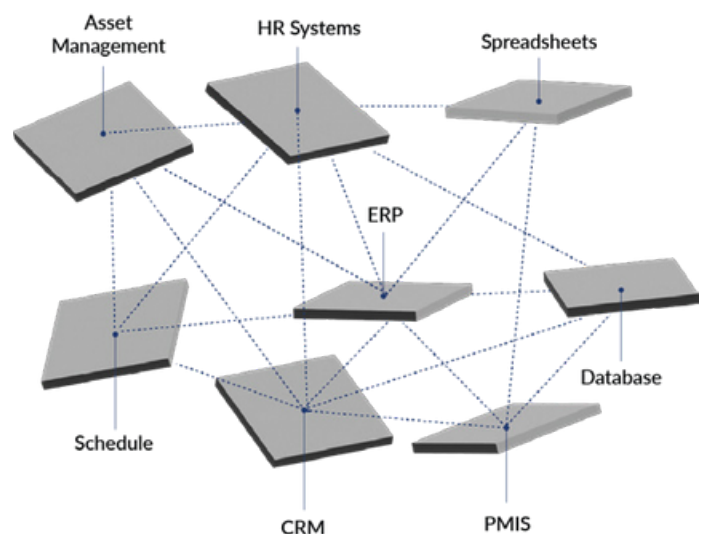


Figure 1: Siloed data and processes create inefficiencies and errors

## Smarter Decisions with Unified Data

Runding champions a universal platform in construction data management. Recognizing the fragmented landscape, Runding offers a solution that is centered on an open architecture with a single, unified framework. This approach, called OpenBuild, emphasizes:

**Open Architecture:** Create a framework on a widely adopted, open architecture such as Microsoft Power Platform, where different systems can interoperate seamlessly and easily.

**Data Governance:** Establish a comprehensive data governance strategy to ensure data quality and accessibility, while reducing the risk of human error. Your data is secured at the organizational, process, and user level. Audit logs automatically capture changes in data. With proper data governance, the powerful benefits of artificial intelligence (AI) can be fully leveraged for business transformation.

**Unified Data:** All project-related data is correlated, leveraged, and available based upon access permissions.

**Project Life-Cycle Management:** Start by focusing on the end-to-end project flow. Model out the process in the framework so that it is easy for stakeholders to understand and participate. This exposes gaps, misunderstandings, and data alignment issues. Then configure the framework to fill in the holes, align and enrich the data and deliver the single pane of glass overview.

**Stakeholder Needs and Priorities:** Runding's OpenBuild approach begins with a conversation to understand the current state of a company's business data and processes. We work together to outline a high-level strategy and can execute a flexible, incremental approach based on specific modules that solve your most pressing business problems.

## Benefits of OpenBuild

OpenBuild simplifies data management and provides real-time insights across projects from a centralized digital operations hub. This unified data ecosystem empowers data-driven decisions and leverages AI to drive operational efficiency, reduce risk and improve project outcomes. Key benefits include:

**Improved Data Accuracy:** Eliminate errors and reduce risk caused by manual data entry and fragmented systems.

**Enhanced Efficiency:** Streamline workflows and reduce project delays through integrated data management. Convert siloed systems to a single harmonized view of your data, so you can manage your construction business through a single pane of glass.

**Cost Savings:** Reduce operational costs by minimizing manual processes and rework, improving resource allocation, and eliminating unnecessary or redundant tools and systems. The framework utilizes your existing IT assets – eliminating the need for costly infrastructure and capital expenditure.

**Competitive Advantage:** Gain a competitive edge by leveraging AI and data-driven insights for smarter decision-making. Our construction industry-tuned AI knows your language and is focused on construction projects. From high level diagnosis of financial KPIs to identifying discrepancies between work orders and master agreements, or ensuring you no longer have subcontractors with expired COIs, AI watches your construction business for you in real-time.

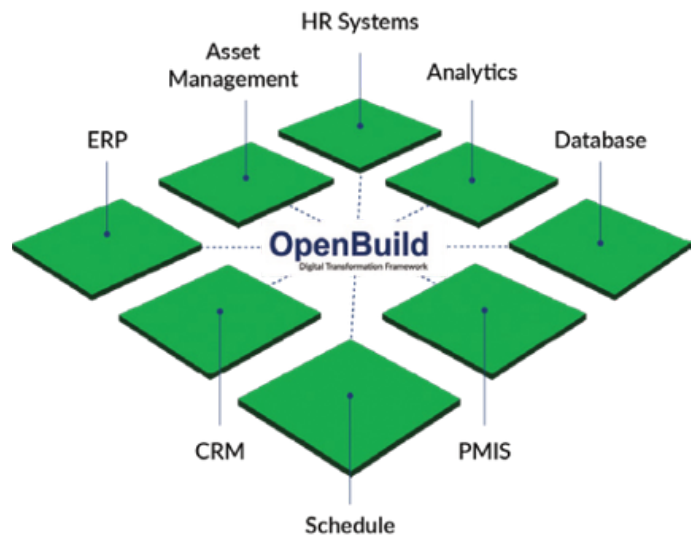


Figure 2: OpenBuild ecosystem unifies data management tasks

## Conclusion

Traditional line-of-business applications are not able to meet the construction industry's urgent need for digital transformation. OpenBuild is a universal, open ecosystem, unifying data and providing significant competitive advantages through enhanced decision-making capabilities. Runding supports contractors through every step of the digital transformation process, ensuring a seamless transition to a more efficient, data-driven future. In short, OpenBuild turns data complexity into business simplicity, so construction businesses can focus on successfully delivering their core business outcomes.

