

# Efficiency, Accuracy And Consistency in Project and Cost Management is Crucial for any Construction Business

## CUSTOMER OVERVIEW

**Contractor:**

SJ Higgins

**Viewpoint Solution:**

Jobpac by Viewpoint



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This was an issue that SJ Higgins faced before the company decided to implement Jobpac by Viewpoint into its operations. Using an outdated cost management system combined with spreadsheets, did not give SJ Higgins a consistent approach to managing its projects, nor did it easily give them the visibility and tight controls it required to consistently deliver successful project outcomes that the company is known for.

Given the contractual nature of construction projects, the huge amounts of paperwork often involved and the need to keep tight controls on project cash flow, there are few people better placed to understand the inner workings of construction project management than the contract administrator [CA]. Melissa Gesos, who works in this capacity at SJ Higgins, took the time to explain the challenges the company was facing — and how Viewpoint was able to help out.

### A leading name in Australia

SJ Higgins is one of the leading names in Australia's construction industry, whose extensive experience in the local field is matched only by the scope of projects and sectors it caters to.

Having been in operation for over three decades, SJ Higgins boasts a track record of more than 2,000 successful projects across a variety of sectors. From retail, commercial and healthcare to education, mining and other industrial projects, there are few areas in which SJ Higgins hasn't made its mark.

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*Cost reporting in our old system was time-consuming and laborious. Because costs could be out due to messy workarounds, I was spending a considerable amount of time dissecting cost reports to make sure Invoices [Claims to Client] versus Receipts [Payments to Subcontractors] was consistent with what was being reported by the accounts team.*

– Melissa Gesos  
SJ Higgins  
Contract Administrator

Whether it is a new construction project, a major refurbishment or a fitout, SJ Higgins is accustomed to delivering quality results to its clients.

With a turnover of \$150 million and contracts ranging in value from \$2 million to \$30 million, efficiently and accurately managing everything from budgets, forecasts, subcontract claims, variations to gain and losses, is absolutely essential for SJ Higgins. However, according to Melissa, the company was finding it increasingly more difficult and cumbersome to efficiently manage its projects as it was quickly outgrowing its current construction management solution, with several key pain points putting pressure on her job.

### Life before Viewpoint

As a CA at SJ Higgins, keeping control of costs during the construction phase, managing trade budgets and preparing financial project reports is key to fulfilling the role well. However this includes a whole range of other responsibilities such as letting subcontracts; assessing claims; holding retentions; assessing variations; preparing claims to clients; forecasting & monitoring margin projections throughout the building phase.

The work carried out by the CA has the potential to have substantial impacts on the results of individual projects and therefore the whole business. This includes making any necessary risk adjustments and ensuring contingency plans are in place should projects go over budget or unforeseen costs arise – and having the ability to report this correctly.

### So what specific problems was Melissa facing in her day-to-day work?

“One of the biggest obstacles with the old system was its inability to apply any revisions to commitments once it was locked. If an incorrect entry was made, for example, a subcontract figure was entered incorrectly or changes were made to an agreement post letting, there was no easy way to revise it. This forced us to use workarounds by entering an adjusting variation to fix the committed cost. This made the financial tracking messy and more difficult to control”, says Melissa.

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*I now have the ability to track movement for each budget so I accurately know why trades are showing gains and losses and what has been affected through variational work or unforeseen items that directly impact on the budget.*

– Melissa Gesos  
SJ Higgins  
Contract Administrator



This suggests the impacts were felt organisation-wide. Namely due to the system limitations, manual cost reporting together with the associated risks of human error and system workarounds, the CA's reports were not always reflective of the payments made to date. This meant finance had to tediously reconcile payments made in the accounting reports to the cost reports which delayed the end of month reporting process and the availability of management reports for timely decision making.

In addition to the inflexibility of the old system, Melissa highlighted the risks and frustrations associated with a paper-based office environment.

“Previously all documents and communications were stored in hardcopy. This meant that if an invoice or subcontract claim was lost, for example, I'd have to go back to the accounts department and ask them to fetch the original copy. Duplication of invoices also occurred which increased the likelihood of claim adjustments being made twice and therefore further due diligence was required to ensure invoice approvals weren't second copies” she says.

The end result of all this was an unproductive method of operating, with the inherent issues and risks of lost paperwork, paper shuffle from department to department and from office to site and the overheads associated with manual document retrieval.



## What Viewpoint has brought to SJ Higgins

SJ Higgins has implemented a consistent and streamlined approach to administering projects. Because of the automation of many processes and the powerful integration of Jobpac by Viewpoint job costing to accounting, a complete and accurate view of all aspects of projects, including their current and forecasted position is visible across the organisation.

The benefits of integrated construction management software are far reaching across the business, but for a CA, the ability to manage and improve the financial outcome of a project is significant.

## Forecasting the Target Margin

Powerful support for forecasting and more accurate cost reporting in tune with expenditure is the biggest upside to the Jobpac by Viewpoint implementation.

“This allows me to report more accurately and account for project accruals as well as providing management with a more accurate snapshot of the project. I can effectively ascertain any risk adjustments that need to be made, highlight budget overruns early on & effectively manage and report conservative and target margins,” adds Melissa.


Jobpac gives SJ Higgins the project information to analyse and review the project cash position. “Each month I review the cash position and make adjustments to contingency as required. Jobpac gives me a much better handle on project cash flow at any time during the month, and how we are tracking,” says Melissa.

According to Melissa, Jobpac has helped SJ Higgins proactively manage the larger and more complex projects where, by nature, margins are at a higher risk of being compromised during the course of the project. The company factors in risk adjustments that may have a direct impact on the bottom line.

## Automated and Streamlined Processes

Letting and administering subcontracts and variations is now much more streamlined. Subcontract claims are scanned and digitally arrive in the CAs inbox for assessment and approval to pay.





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Everything  
is in Jobpac  
now — from  
subbie claims  
to invoices, you  
can quickly find  
what you’re  
looking for,  
whether it’s a  
current or past  
document.

– Melissa Gesos  
SJ Higgins  
Contract Administrator

“The onus for all invoicing is on the CA, with accounts no longer having to independently enter the Subcontractor, Supplier approval amounts authorised by the CA. The Client Progress Claim process is also administered by the CA as opposed to the accounts department. Therefore I take full accountability rather than passing financial matters onto the different parties involved which makes pinpointing the origin of a discrepancy or error difficult” says Melissa.

Once the claim is approved online and posted to accounts by the project team, the accounts department is alerted to make payment. The entire workflow and stage of the claim is visible to the project and accounts payable team. This has given SJ Higgins a much more streamlined process as it has eliminated the paper shuffle from department to department and has reduced overhead costs.

### Improved Data Accuracy and Reporting

The flexibility to make adjustments gives the CA the ability to simply change incorrect figures. Melissa explained that it is now a simple process to fix up a data entry error in a subcontract. The adjustment then flows through the system, updating committed costs, forecast costs and margins, and subcontract information. Jobpac has eliminated any need to enter adjusting variations to fix up errors that often caused reconciliation issues with the accounting reports, and consequently hours looking for the discrepancies.

End of month project reporting at SJ Higgins used to be a tedious task. However it is now much easier. Melissa says she gets her project reports to the financial director one week after the end of the month, giving him an accurate and up to date position on her projects as at project end of month (EOM) cut off.

### Working Online and Paperless

With Jobpac, all invoices are scanned digitally into the system. Not only is this more environmentally friendly and a further step to becoming a paperless company, it means the paper-chase is eliminated.

Aside from ease of access, retrieving documents quickly for various matters is timely and efficient and mitigates risks from a variety of angles.



## Efficiency and Productivity Improvements

“Jobpac has significantly increased efficiencies, and savings in time are definitely the biggest upside to the Jobpac implementation,” says Melissa. Jobpac has helped the CAs shave substantial amounts of time off a variety of processes.

Such is the impact of Jobpac that Melissa estimates it has brought an 80 to 90 per cent improvement in efficiency across the business, especially from a reporting perspective. All in all, she claims it has streamlined her day-to-day workload and has immeasurably boosted time savings and efficiency.

“If the organisation did want to throw an extra project my way, I’d be more confident to say ‘yes, I can manage another one’, because of that improved efficiency — it’s just a faster process,” she concludes.

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## ABOUT VIEWPOINT

Viewpoint, a Trimble Company, is a leading global provider of integrated software solutions for the construction industry. Viewpoint software enables customers to integrate operations across the office, team and field to improve project profitability, enhance productivity, manage risk and effectively collaborate across the broad construction ecosystem. With nearly 8,000 clients, including more than 40 percent of the ENR 400, Viewpoint’s innovations are transforming the construction industry by fully integrating operations across financial and HR systems, project management tools and mobile field solutions.

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