



The Future of ERP

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Agenda

- Background on ERP in Construction (where have we been)
- Current state of ERP technology
- Various use cases of ERP in Construction
- All in one solutions vs best-in-class
- Underlying tech stack (what to consider) and impact on organization
- Selecting and implementing ERP
- Two polling questions to gauge position of the audience
- Time for questions at the end



Recent Case Study

- \$600M Mechanical with Service and Fabrication
- Very decentralized and autonomous
- Needed to make the case to switch ERP
- Existing tech was legacy, but CFO felt the organization was not using the system well...So what's the point?
- ROI evaluation
- Selection with all stake-holders
- Decision to move to contemporary ERP



Current State of ERP Technology



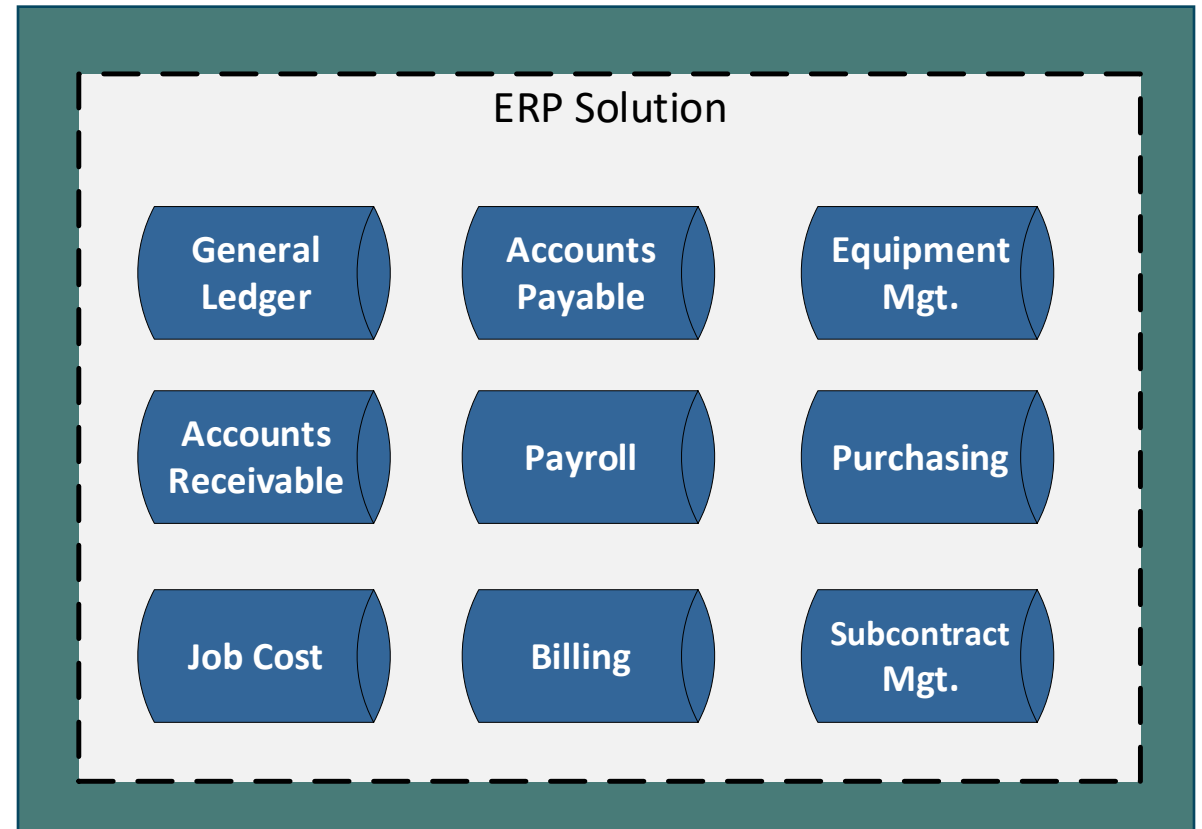
Small Footprint ERP

- Basic accounting
- Assumes stand-alone systems or a lot of support from spreadsheets and outside systems
- Frequently first step from QuickBooks



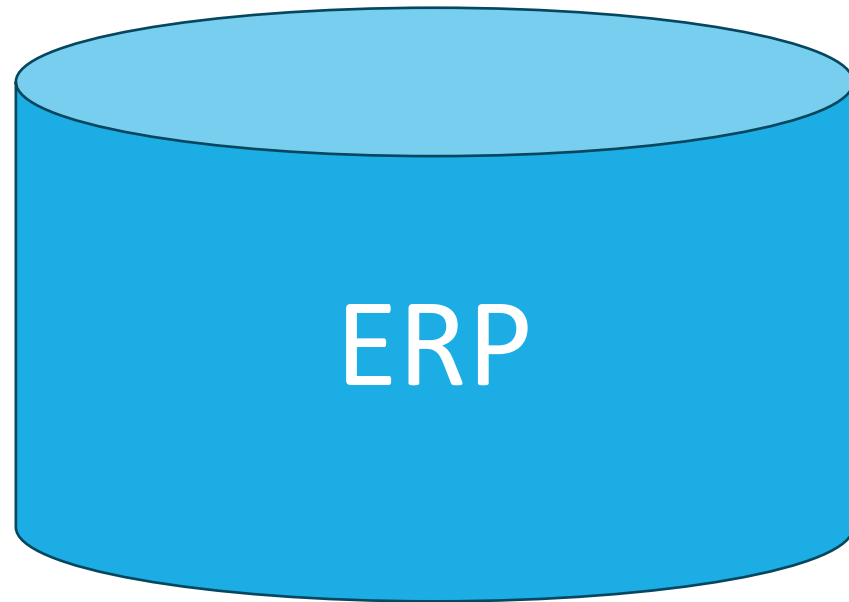
Construction ERP

- Basic accounting + specialized applications for construction
- More expensive but more comprehensive

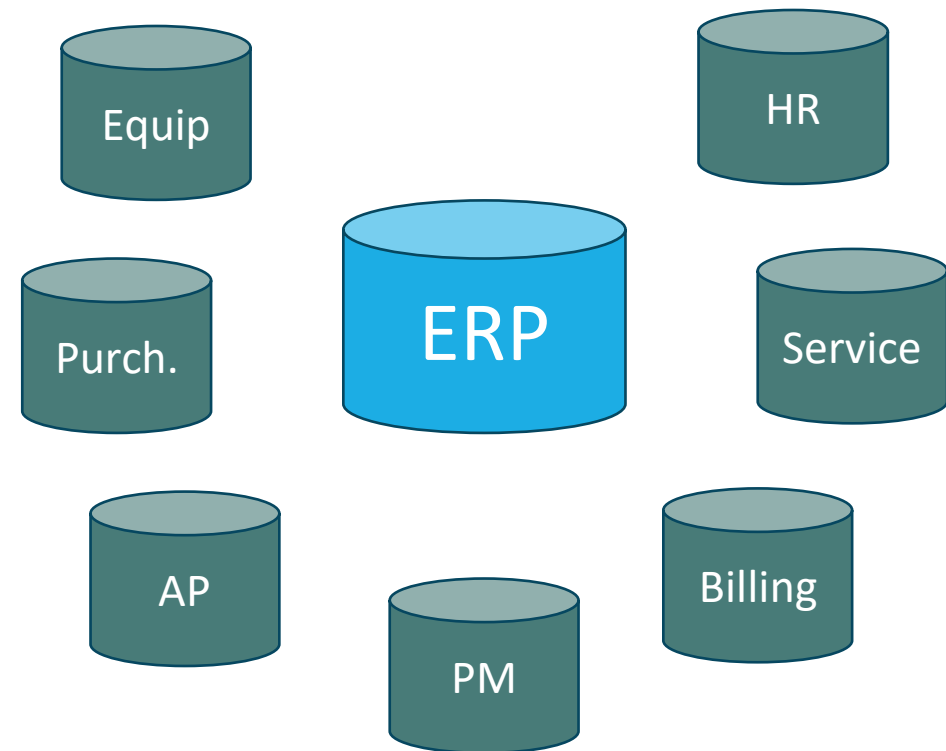


Large vs Small Footprint

Large Footprint

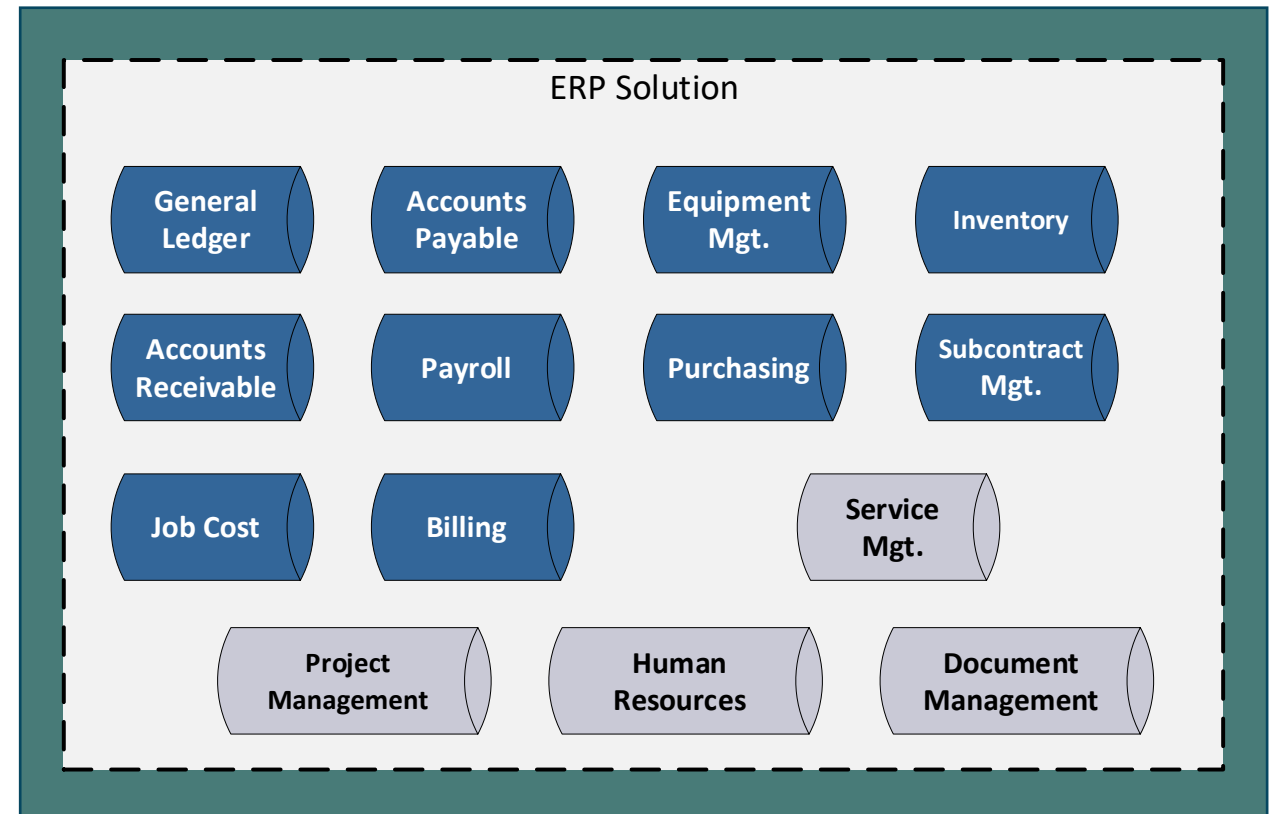


Small Footprint

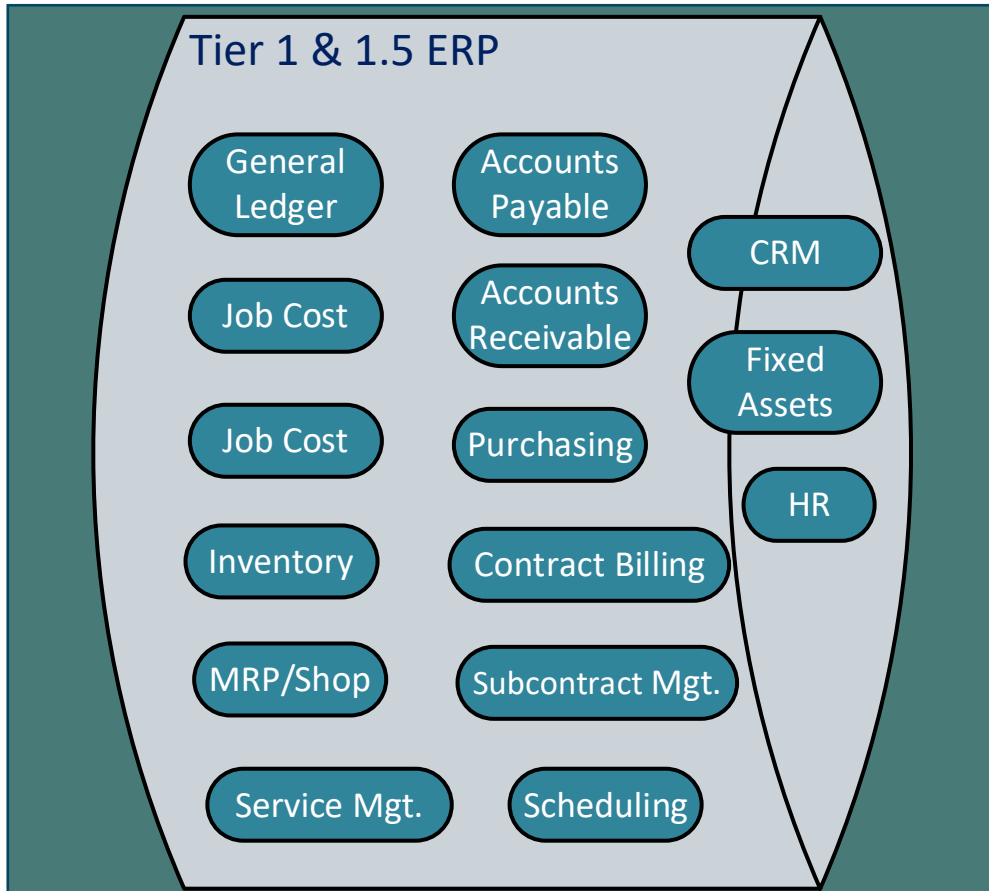


Large Footprint ERP

- Basic accounting + specialized applications for construction
- COINS and CMiC are leading examples
- More expensive but even more comprehensive



Specialized Applications



- Fabrication
- Service Management
- Supply-chain
- Can do third-party but heavier integration would be required



Polling Question #1

Are you satisfied with your current ERP solution?

- Very Satisfied
- Somewhat Satisfied
- Somewhat Dissatisfied
- Very Dissatisfied



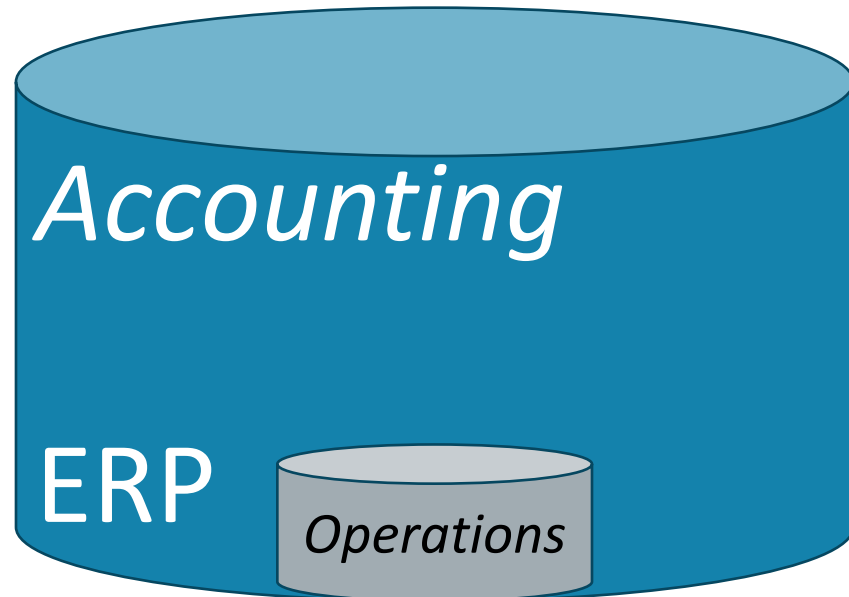
Payroll and HR

- Third party Payroll
- Third party Human Resources
- Timecard solutions
- Safety solutions
- LMS

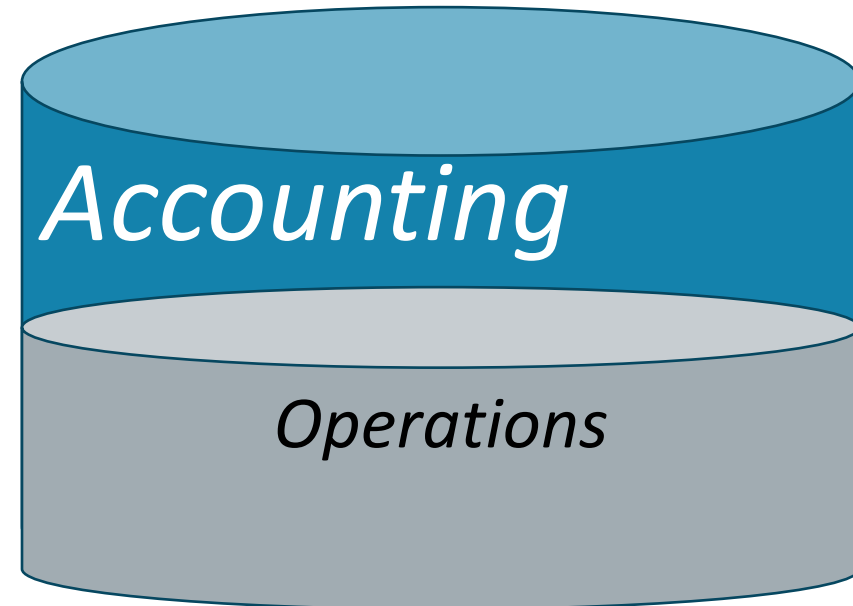


ERP User Base

Old Days

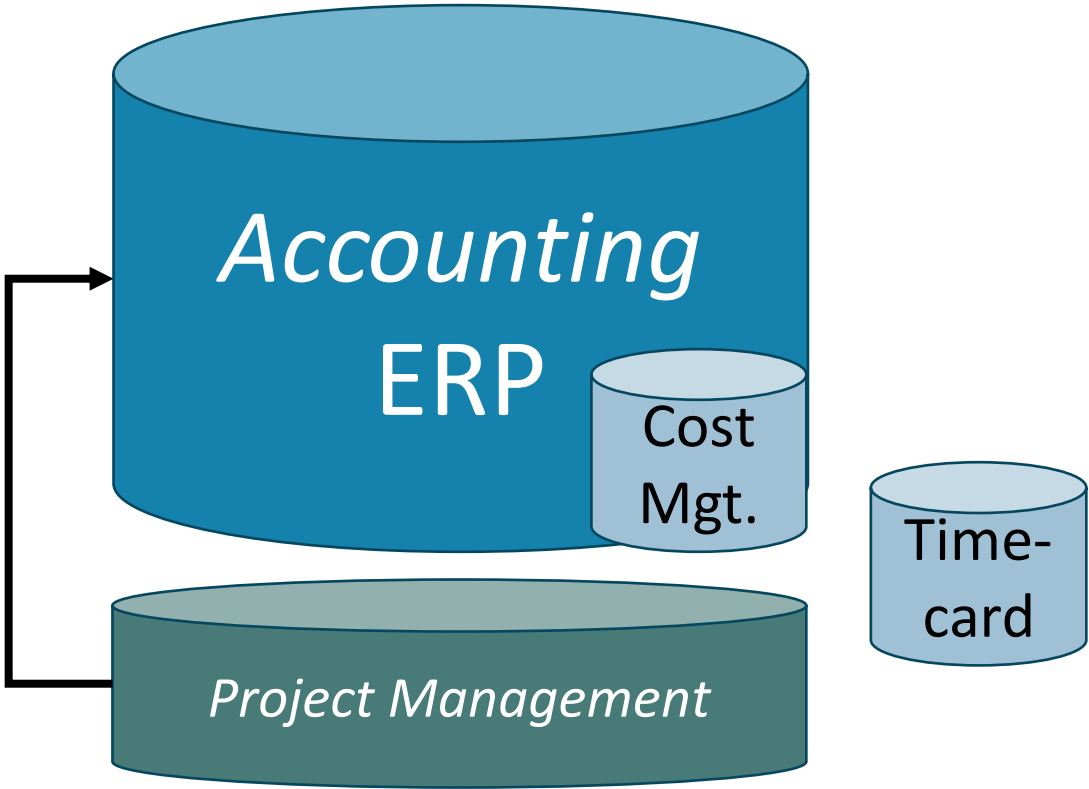


Today

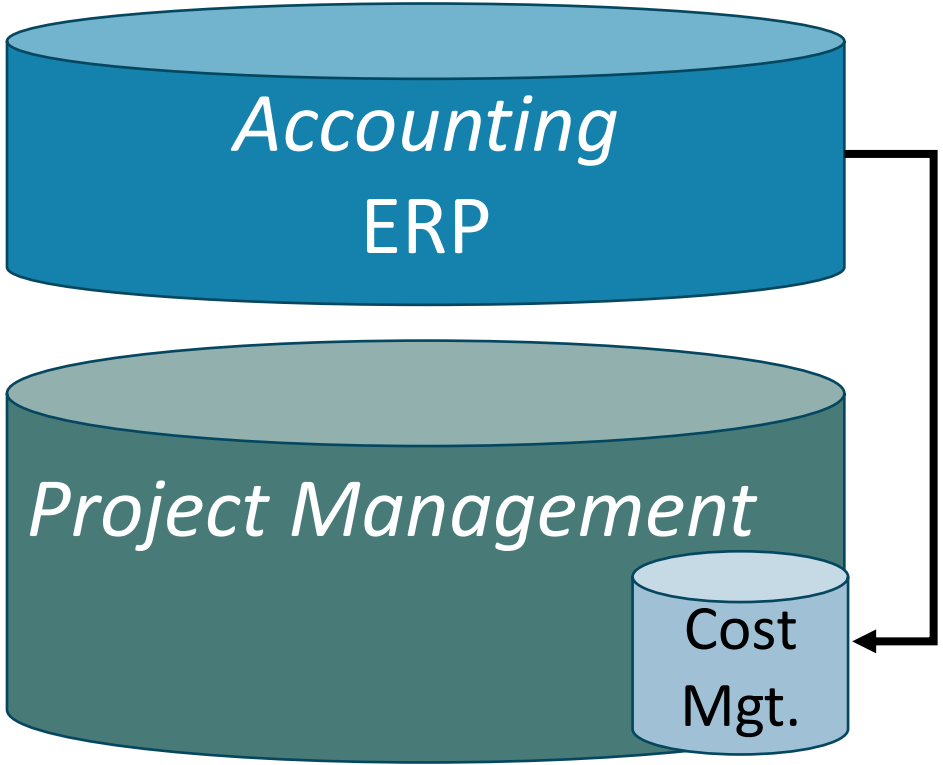


Where does Operations Live

Scenario 1



Scenario 2



Roll-up/Consolidation

- Consolidations and roll-ups are moving to single platform
- Standardization of processes can become an issue
- Some firms are using financial roll-up applications
- Which applications are included
- Shared services model only works when you have a consolidated platform



Shared-Services

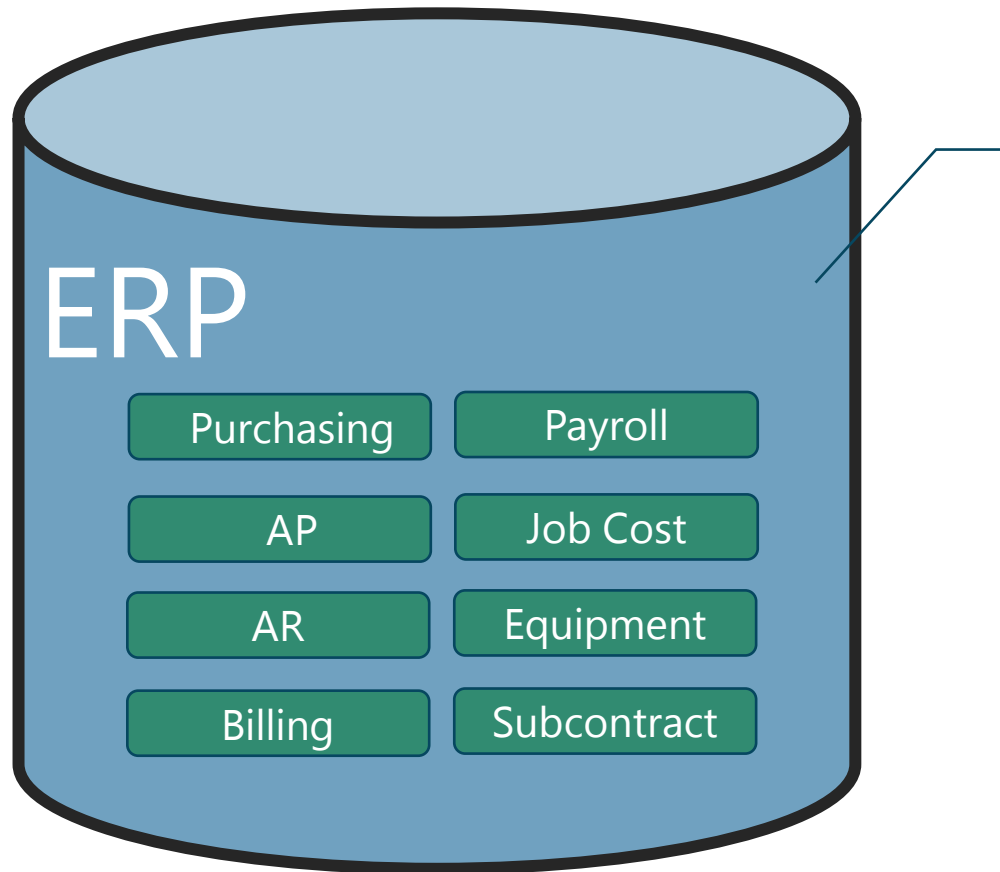
Examples of Shared Services

- Accounts Payable
- Human Resources
- Payroll
- Purchasing/Supply Chain
- Legal/Risk
- Treasury/Cash Management
- Accounts Receivable



Shift in Approach

Old Days

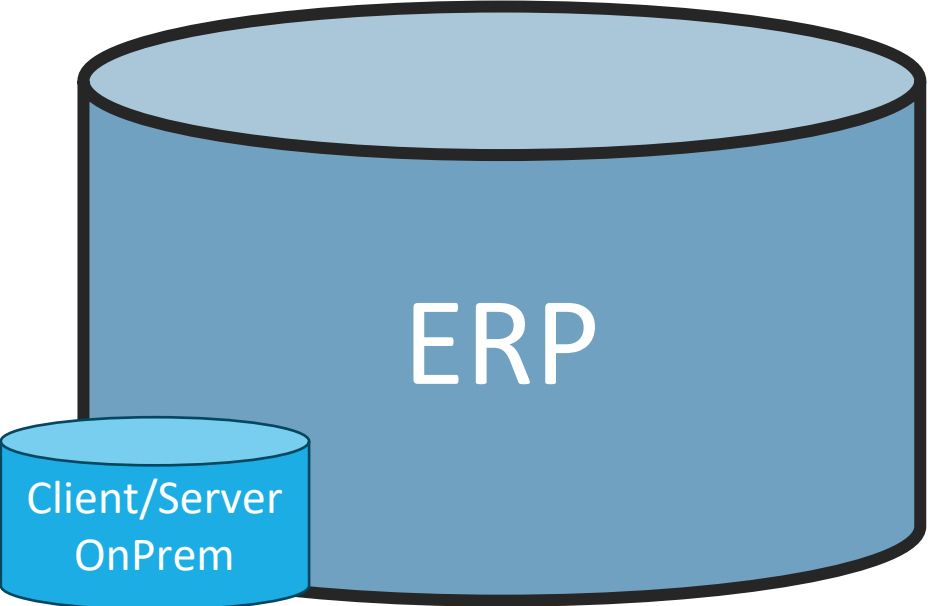


- Limited workflow
- Not setup for data capture from outside
- Limited dashboards beyond views of data

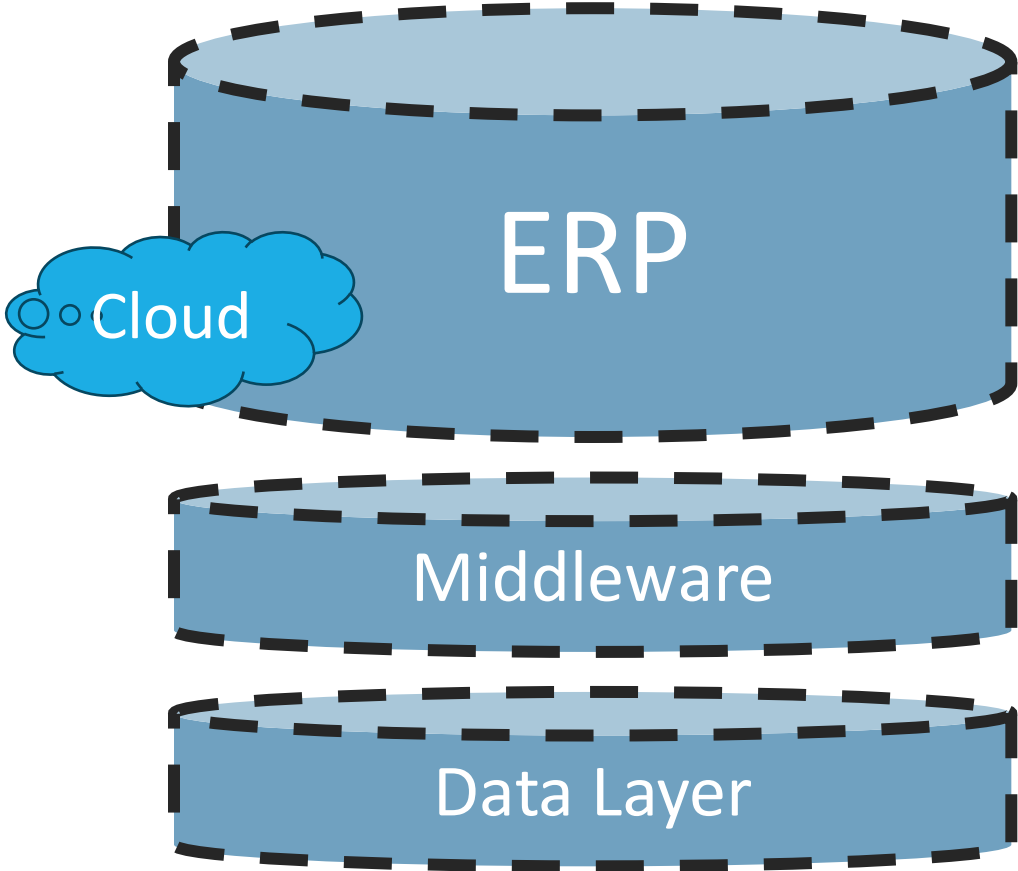


Architecture

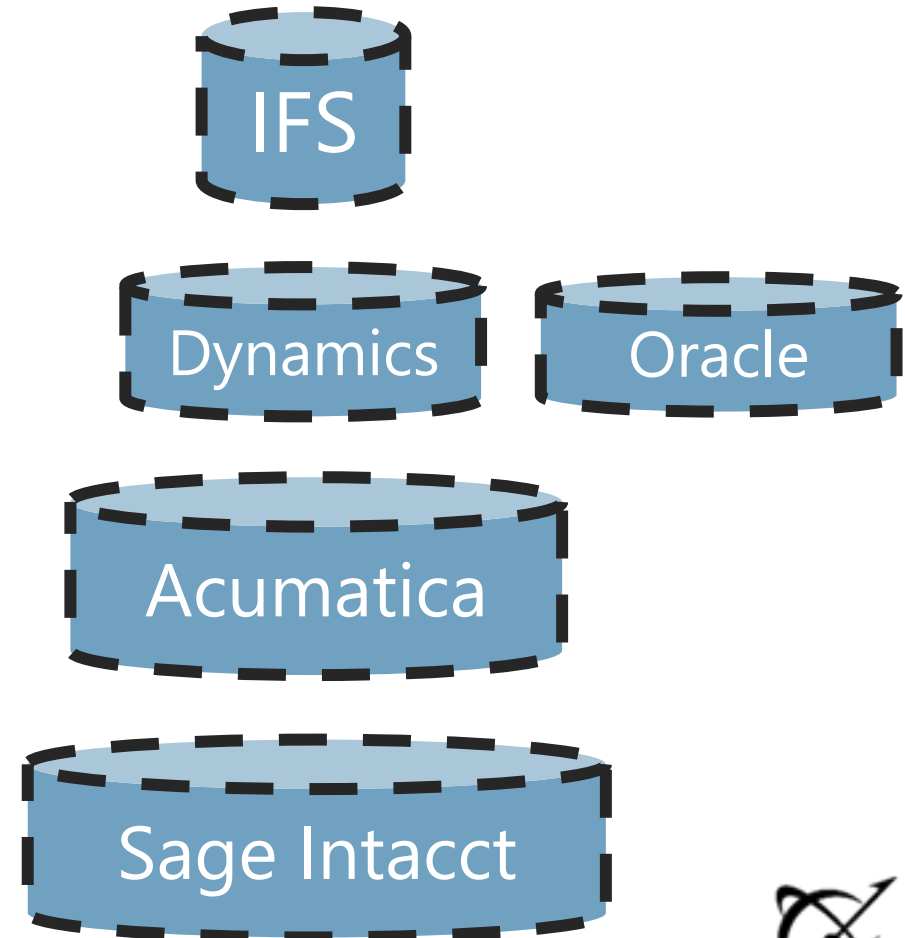
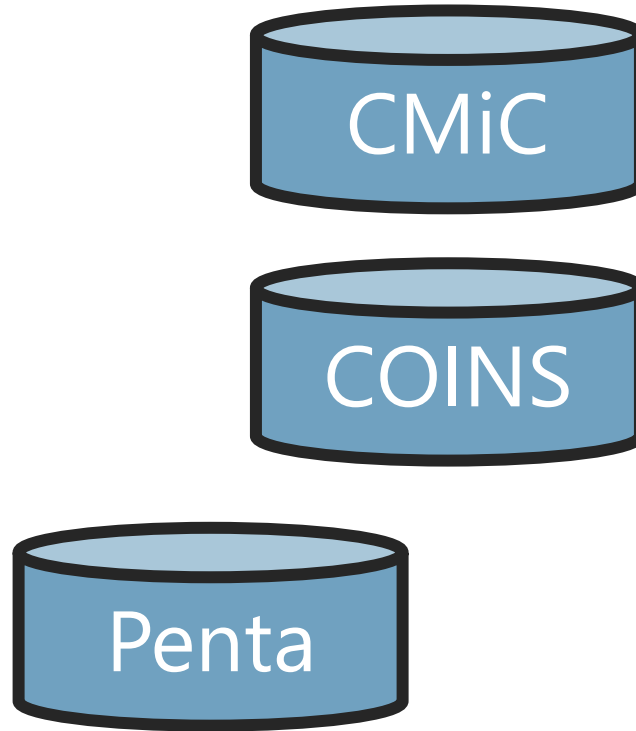
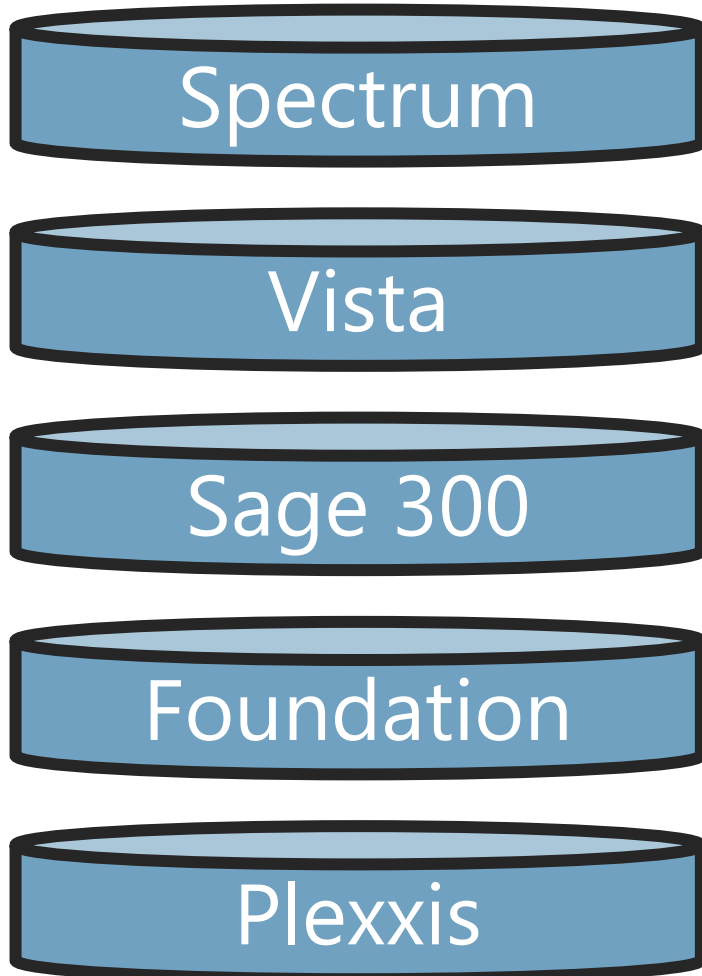
Old Days



Today



ERP Marketplace



New Approach – End to End Process

Procure to Pay

BOM

RFQ

Requisite

PO

Receive

Invoice

Payment

Contract to Cash

Employment to Paycheck

Construction Management

Equipment Management

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Use Cases of ERP in Construction

Who is the customer?

Operations
Accounting
IT

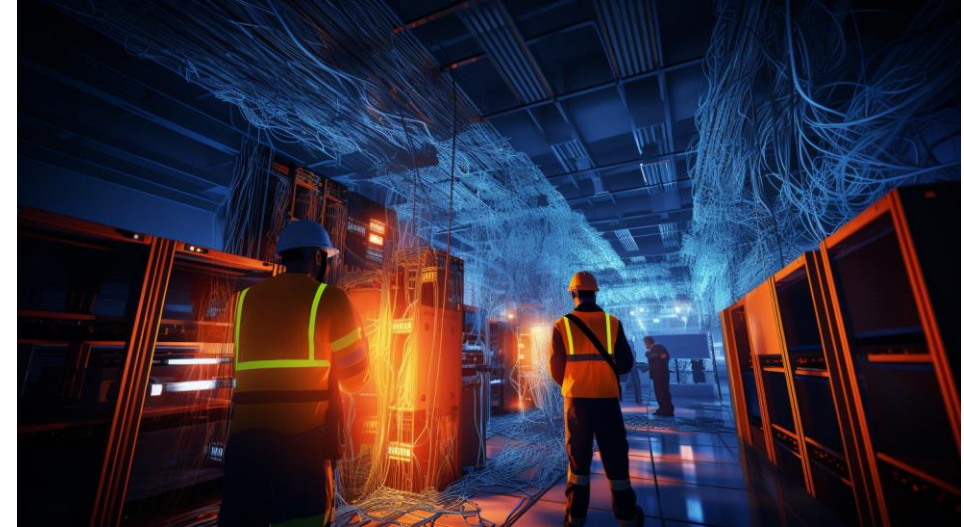


Underlying tech stack and impact on organization



Technical Backend

- Integrations
- Hosting/Backup/Environments
- Dashboards
- Reporting
- Security
- Mobile functions
- Role-based workflow
- Extensibility
- Help



Selecting ERP



Polling Question #2

If your organization is considering changing ERP in the next 12 to 18 months, are you expecting to change your ERP strategy too or simply modernize what you are doing today (same footprint)?

Choose all that apply...

- Modernize only
- Larger footprint (more applications)
- Impetus for Process improvement
- Greater degree of integration
- Greater use by operations



Selection Process

- Selection team
- Define users
- Overall strategy
- Integrations
- Requirements
- RFP
- Demonstrations
- Proof of Concept (POC)
- References
- Licensing
- Implementation requirements



Licensing

- User-count
- Indemnification
- Terms and termination
- Renewal
- Cap on increases
- Warranty
- Environments
- Access to data
- API catalog and access



Construction Specific ERP

- AIA billing
- Construction specific Payroll
 - Prevailing wage, union payroll
- Equipment Management
- Service Management
- Job Cost with Change Order Management
- Retainage processing
- Integrations with other construction solutions



Specialty Matters

General Contractor/CM

- Contract management
- Project Management
- Prefabrication

Heavy Civil/Material Producer

- Equipment management
- Material Management
- DOT processing
- Trucking

Specialty Contractor/MEP

- Purchasing
- Service Management
- Fabrication
- T&M Billing

- Payroll
- Project Management
- CPM
- Sales Tax Engine
- Equipment

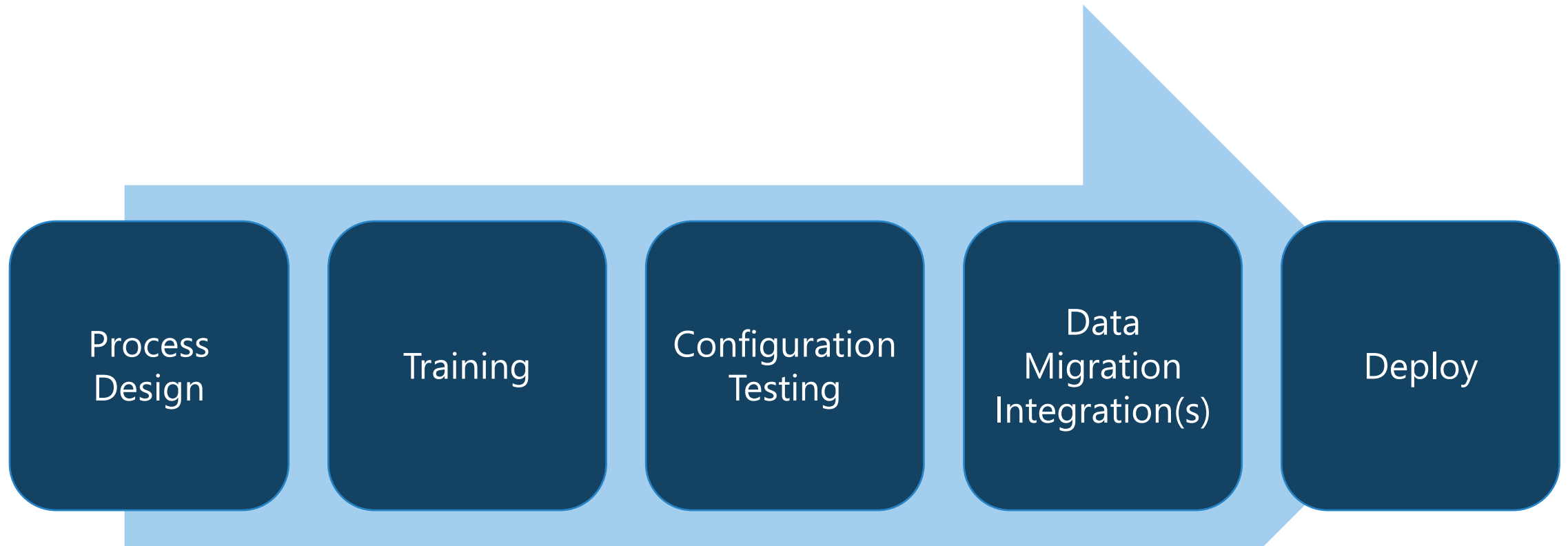
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Implementing ERP - 5 Critical Steps



Implementing ERP



New Roles in Construction Firms



Process teams/Process owners



Data owner



Chief Innovation Officer/Director



Super-user



Business Analyst



Training and Development

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Recap on ERP

- You will encounter this solution
- Industry is in transition here
- Large, complex, and expensive to install
- Frequently under-utilized
- Operations should be involved
- ERP should be viewed as 10-to-15-year decision



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