

PROJECT MANAGEMENT IN THE CONSTRUCTION INDUSTRY
ON THE EXAMPLE OF ALCOMEX

HOW DOES A CONSTRUCTION COMPANY CONTROL AND INCREASE PROJECT MARGINS? CASE STUDY ALCOMEX

A case study of implementing an ERP system that enables:

- managing 15 million of the company's revenue
- ongoing calculation of margins and profitability of projects
- 3-step online invoice approval
- managing cooperation, coordination of projects and project documentation



Alcomex

A thriving Polish construction company that has been installing facade systems for 15 years.

It employs a dozen or so full-time employees and cooperates with dozens of contractors.

The Challenge

Alcomex struggled with the increasingly difficult controlling costs and profitability of projects.

This was directly connected with the intensive development of the company and handling a constantly growing number of contracts.

It was also increasingly difficult to manage tasks that were scattered in different locations - were on emails, paper documents, or communicated verbally in the office.

A time-consuming process of searching for a particular document in a collection of many files was also a problem for the managers and employees of the company.

All these problems generated extra work, unnecessary costs and frustrations.

We took a closer look

Lack of control of project margins

Employees have difficulty manually assigning specific costs to a contract, which prevents them from properly calculating contract margins.

Distributed task management and project coordination

Plenty of information is on emails or given verbally in the office. Engineers working on site are disengaged from obtaining this information on a regular basis.

Data and document archiving

The lack of a digital database means a time-consuming process for employees to search for a specific document in a collection of multiple files.

It is not possible to check contractual provisions or orders while on site. It is necessary to check various issues or queries only after returning to the office.

Lack of creation and storage of detailed data on projects does not allow to draw conclusions for the future regarding occupancy, determine the margins of specific projects, and analyze what can be done better in future projects.

Customer goals

- minimizing the time required for administration
- the ability to learn from each contract
- improving the flow of information and documents
- freeing up time to work on things that have a real impact on the business

After several months of searching for a suitable system, Alcomex came to the conclusion that none of the off-the-shelf, freely available solutions on the market meets their needs. He didn't want to customize the software - he wanted the software to reflect the specifics of the construction company.

Our proposed solution

Alcomex coming to us with its problem had already specified specific requirements of the system. The company knew what information and data would be stored in the digital database and what functionality it expected. Our answer to the company's challenges was **a dedicated, comprehensive system to manage the company.**

In order to create the most tailored solution for the company, we conducted a three-day workshop during which:

We discussed the flow of all business processes that were to be computerized.

We established measures of success for the client.

We have broken down the system detailing the modules and discussed each module in detail:

- what the functionalities and requirements are to be,
- what data it should contain,
- what powers individual employees in the organisation have,
- whether and what kind of integrations the system is to contain,
- how documents should be circulated within the company and the system (e. g. invoices, contracts, documents for accounting),
- what the plans are for the future.

ased on the workshop, we developed a vision for the development of the project divided into specific modules. Having defined the specifications and scope of the project, we proceeded to prepare and implement a dedicated ERP system in several stages. This allowed employees to seamlessly transfer necessary data and use from the completed modules. **The company could already see the benefits of the new solution, and deploying the team was easier.**

What are the benefits of using an ERP system for Alcomex?

We were most interested in solving the client's main problems.

Introduction of monitoring and control of contract margins

This meant optimized profitability of investments, increased margins, better financial control and ongoing tracking of key business metrics. This has allowed the company to select contracts that are most profitable.

Tracking the progress of the project

Employees have the ability to track the progress of a project on an ongoing basis with detailed insight into its costs and progress. **This allows us to eliminate irregularities on an ongoing basis and reduce project costs by up to 90%.**

Data security

An extremely important aspect of using an ERP system is to increase security of access to sensitive data, project documentation and permits.

One digital database

Enables 20% time savings to perform repetitive administrative work.

Searching the system for a specific contract, invoice or offer takes much less time than searching for documents in binders.

Enables a three-step online invoice approval process that gives you near 100% confidence that your payments are correct.

Predictability and ability to rely on details of previous projects when bidding.

The effectiveness of staff coordination has increased. Currently, during the pandemic, the entire company is able to switch to working remotely 100% without any issues.

The induction of new employees is simplified as much as possible.

Access full database functionality and document approval from all mobile devices anywhere.

It gives the possibility to assign positions, roles defining competences and responsibilities to employees. It also provides insight into delegations and vacations.

This has contributed to obtaining full control over the correct flow of information.

Productivity has increased and the quality of communication has improved.

All processes run faster.

SMS meeting notifications.



The company discovered through analysis and system reports that some contracts that appeared profitable were not, and conversely, **those that looked unprofitable were profitable.**

Benefits noticeable within 5 years of system implementation:

The company increased profits by 430%.

The program allows you to manage 15 million in revenue.

The program allows you to manage nearly 30 active contracts per year.

The company gained almost 6 times more orders.

Bid preparation time decreased by 25%.

The flow of information in the quotation department has increased by 60%.

Time for repetitive administrative work has decreased by 20%.

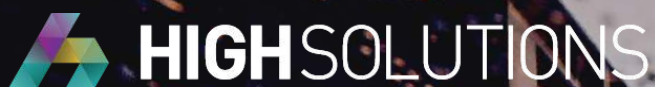
There has been a significant increase of 50% in the productivity of the administration department.

“ *During our 10th anniversary, I called this system one of the five great milestones in the history of the company.*

Tomasz Malarecki
CEO of Alcomex Polska

5.0 ★★★★★

What an ERP system contains



We help the SME sector to enter the new digital age.

We create dedicated Internet systems and platforms.

Are you interested in our case study?

Let's talk about your needs

Let's talk



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