

Three Ways To Make Your Construction Trade Services More Profitable In 2018

Driving leaner, smarter operations



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The construction industry is a significant economic driver in Australia. The third largest sector in the country behind mining and finance, construction takes up one of the biggest shares in the market with \$349.3 billion in annual worth.

As the result, the industry is highly competitive and employs over one million workers, with 65% working for the trade services.¹ Construction trades are in themselves so diverse that the sector mainly consists of small businesses with less than 20 employees, or sole operators with no employees.

Traditional construction trades (concreting, bricklaying, plumbing, structural steel and carpentry services) comprise 82% of those small businesses,¹ which are highly affected by economic uncertainties and the constant threat of new entrants. This forces them to look for more cost-effective solutions in their operational approach, and not without difficulties.

The extent and nature of the challenges are broad, yet the common denominator remains to be financial. In the steep market competition, client demands are becoming more exacting, while timeframes and contract margins are getting tighter. With this in mind, construction tradesmen are

tightening their belts around operational efficacy and cost management in order to survive in the industry.

The bigger expenses, normally, revolve around staff and vehicles, as those are more difficult to control, as opposed to materials, and can impact the profitability of a project on a bigger scale. According to the Independent Project Analysis Group, over 35% of all construction projects will face a major change that will alter the original quote estimate and require overtime, second-shift work, rework, additional crafts, and other resources. Consequently, for a business to succeed, it becomes crucial to hone in on the following:



Budgeting for costs

Underestimating the amount of labour and time required when quoting for a contract is a constant challenge for many companies, especially when trying to remain competitive.



Staying on top of expenses

Throughout the project, ensuring that the pre-set milestones are met in order for the labour costs not to blow out.



Cutting costs

Finding ways to cut cost is always a big challenge, as unexpected expenses can quickly arise, especially when running a fleet of vehicles.

TELEMATICS AND SMART TECHNOLOGY

Modernising the way of running your business fleet has never been quite so vital in order to stay relevant in the construction industry. Asset-related, smart technologies are paving the way to help companies operate more profitably, and even do more business with the same amount of resources.

GPS tracking devices, coupled with sensors and sophisticated data analytics, play an important role in giving companies the competitive edge they need. These vehicle-based system solutions that incorporate data logging, satellite positioning, two-way communications and a back office web application help identify ways to optimise operations, do more with less, and provide a more adaptive and flexible service. Wireless wide area networks are employed within the solution for data transmission and navigation systems to deliver accurate positioning.

The same tracking devices also help ensure the security of your assets, alerting to any unauthorised activity, and protect thousands of dollars worth of equipment, keeping your operations viable and undisrupted.

These technologies fall under Telematics - a fusion of telecommunications and informatics, connecting you with your staff and assets remotely and providing you with all the vital data and a variety of digital reports to leverage as business intelligence. These aspects, combined, give you near real-time insight into all in-field activity and a helicopter view of your entire matrix of operations.



By equipping your vehicles with advanced tracking technology, you gain a comprehensive telematics platform that will help you attain process automation, precision in execution, and the ability to conduct leaner operations, while keeping your fleet and equipment in optimal condition.



HOW TELEMATICS HELP YOU MANAGE COSTS

COLLECTING EMPIRICAL EVIDENCE TO IMPROVE PLANNING

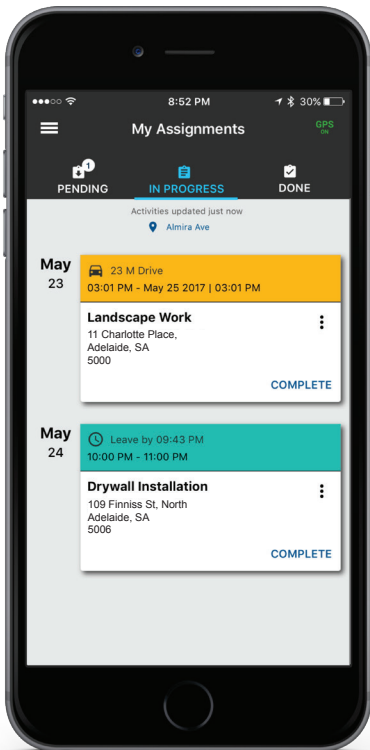
Measuring your fleet performance on the basis of events and how often or how long assets were active, you are able to provide empirical evidence for faster and more accurate job quotes. For every project a company works on, setting up a Geofence Zone around the locations of the construction site will enable you to monitor the times your vehicles enter or leave the premises in order to calculate the exact amount of hours spent on site with the number of workers involved.

With this seemingly simple tool, at the end of the project, you gain an accurate account of the precise labour time required for the job, and are able to use the data from other projects of similar value and scope to better plan, budget, and quote future ones.



MEETING KEY DEADLINES

Precise metrics and real-time information enable companies to see their daily productivity outputs and better allocate resources in order to maximise their production capacity. Having complete visibility into the exact location of your vehicles and staff helps ensure that the on-site personnel is delivering a full day's workload, and that all of the inefficiencies or shortcomings are handled immediately.



Fully integrated mobile applications, like Task Tracker by Fleet Complete, were specifically developed and designed to address immediacy in dispatching of assignments and jobs. With its intuitive navigation logic, the app will help create real-time workload visibility regarding your pending, in-progress, and completed tasks in one screen overview. Workers can remotely

accept or decline a task on their smartphone with a single click, while your dispatchers can reallocate it to the next available resource without delay. Workers also have the ability to assign the task to themselves on the spot without intermediaries, significantly reducing phone traffic for your head office and getting to work immediately.

Having a handle on the work scope and its duration will also help improve resource distribution across multiple projects and, therefore, aid in better budget allocation. The result is an optimised matrix of operations that will allow you to deliver results in a timely, cost-effective fashion and gain more business with the same amount of resources.

SAVING STRATEGIES

There are many invisible factors that can lead to increased business expenses, yet which can be avoided if visibility is created. Excessive fuel consumption, untimely vehicle maintenance, underutilised or misappropriated equipment are all examples of factors that impact overall project costs and schedules when gone undetected.



Excessive Fuel Consumption



Untimely Vehicle Maintenance



Underutilised or Misappropriated Equipment

With the tracking technology, however, you are able to monitor all of your assets and how they are being utilised. Inefficient routing, adverse driving behaviour, idling, and after-hours usage are all causes of excessive fuel consumption and, once under control, will help significantly reduce unnecessary fuel waste and other related costs.

Engine-connectivity also allows tracking devices to conduct automatic engine checks and send timely maintenance alerts to help prolong the life of your fleet vehicles. This will help avoid unexpected breakages that not only can halt an assignment, but also rake up a considerable repair bill.

THE FLEET COMPLETE ADVANTAGE

Among a myriad of telematics providers, few have managed to forge the type of solution and partner ecosystem in the industry akin to Fleet Complete's. With its unique business model and one of the most comprehensive platforms for fleet, asset and mobile workforce management, Fleet Complete provides visibility and control over all of your assets and mobile workers in one single interface. The company has a partnership with Telstra, one of Australia's

main mobile network operators for national coverage, and offers an Iridium Satellite module for connectivity outside cellular network range.

In the current market conditions, Fleet Complete helps over 10,000 clients worldwide improve accountability of asset engagement, increase staff productivity, create operational efficiencies, comply with WH&S regulations and gain significant savings.

For more information, please visit www.fleetcomplete.com.au or call us at 1300 653 395.

HEAD OFFICE

3 \ 31-35 George Street
Thebarton, South Australia 5031
Ph: +61 8 8404 3600
Fax: +61 8404 3699

CUSTOMER SUPPORT TEAM

Ph: 1300 653 395
helpdesk@fleetcomplete.com.au

TRAINING

Ph: +61 8 8404 3600
training@fleetcomplete.com.au

JOURNEY MANAGEMENT CENTRE & BUREAU REPORTING

Ph: +61 8 8404 3600
jmc@fleetcomplete.com.au
reporting@fleetcomplete.com.au

SALES

Ph: 1300 653 395
sales@fleetcomplete.com.au

