

Despite significant demand for building from both post-pandemic backlogs and new opportunities spurred by federal funding, it's tough for many firms to take on new work. Supply chain challenges, high inflation, and steep pricing on materials and labor still plague the industry, making it challenging for firms to stay on budget and commit to jobs. Eighty percent of firms surveyed by the Associated General Contractors of America (AGC) said they are also having a hard time filling some or all of their salaried and hourly craft positions, and most don't expect the problem to be solved in the coming year. The majority of those surveyed are throwing money at the problem, increasing base pay rates, offering incentives and bonuses, and improving benefit packages to aid retention and hiring efforts, which ultimately chips away at their margins.

As the challenges persist, operators realize the need to modernize to get ahead and not be left behind by firms that embrace new and improved ways of doing business. Deloitte's 2023 Engineering and Construction Industry Outlook reports that many companies are investing in advanced technologies like artificial intelligence (AI) to help them grow their business opportunities and increase profits.

Let's examine how AI-driven software and solutions hold the potential to fulfill their commitment by helping construction firms create efficiencies to save time and money and to better manage the persistent labor challenges that threaten their ability to grow. These benefits can ensure a more prosperous and sustainable future for this industry.

AUTOMATION HELPS CONSTRUCTION FIRMS TIGHTEN THEIR BELTS AND OPERATE SMARTER

Spend management has taken on a new importance for construction firms as the cost of doing business intensifies. Firms that are still dependent on paper and manual processes

24/7 visibility allows operators to better manage cash flow and predict future needs.

Automation takes modernized operations to the next level by automating cumbersome, time-intensive processes, and creating game-changing efficiencies. In pre-project work, for instance, AI cuts through the clutter of project paperwork and identifies risks during project planning stages, recommending more efficient techniques and materials for design development. By analyzing scores of construction documents, it can help teams understand project requirements and create detailed project scopes to help them more accurately and efficiently

is °

c

item



About the Author

Jim Campbell is the vice president of construction sales at AvidXchange, an industry provider of automated invoice and payment processes for midmarket businesses. He joined the company in 2016 after decades in the construction software industry and is now responsible for driving buyer growth in AvidXchange's construction vertical. Campbell began his professional career with Timberline Software Corporation, a pioneer in the development of application software for the construction and real estate industries before it was purchased by Sage Software in 2003.

About the Article

Republished from [Construction Business Owner](#). Construction Business Owner (CBO) is the leading business magazine for contractors and is designed to help owners of construction firms run successful businesses. Founded in 2004, CBO provides real-world business management education and knowledge that is of real value to the owners of construction companies.

Any views and opinions expressed in this article may or may not reflect the views and opinions of the Construction Management Association of America (CMAA). By publishing this piece, CMAA is not expressing endorsement of the individual, the article, or their association, organization, or company.