



by Mike Ode

# Software Feature Line-Up

## NO. 3: TRIPLE YOUR SUCCESS WITH THIRD-PARTY SOFTWARE INTEGRATION

**Editor's Note:** *This is the third article in the series, "Software Feature Line-Up," by Mike Ode. Each article focuses on must-have accounting software features.*

**N**othing has changed the game of construction so drastically—or so rapidly—as construction-specific software. Successful contractors today rely on powerful, feature-rich applications (their all-star players) to stay ahead of the competition. And yet, for years now, the debate has continued over what's best for contractors—best-of-breed specialty programs or the all-in-one integrated system.

The truth is, though many have tried, no software vendor to date has managed to create an affordable and functional system that offers everything to everyone. A program that promises to handle all functions (accounting, estimating, project management, document control, scheduling and so on), all trades and all styles of business operation is simply unmanageable to all but the very largest of construction companies. Even large companies must be willing to spend six or seven figures and invest months or years to customize and implement the software. Consequently, best-of-breed systems have become the tools of choice for



trade-specific contractors looking for best-fit software. Stand-alone job cost accounting software, for example, tends to offer richer functionality than all-in-one systems.

The challenge that comes with using best-fit software has to do with compatibility. Linking stand-alone software systems is sometimes difficult because the applications don't always speak the same language. In order to link their data, contractors generally have the following options: manually re-enter data from one system to another, hire a programmer to create import features or rely on software vendors to create integration capabilities.

### Why Integration Matters to Construction Accounting

The best option for contractors, obviously, is to select best-fit software

### Software Feature Line-Up

Home Safely:

1. Lead off with Job Cost Reporting
2. A Double Play: Date-Sensitivity/Audit Trail

At Bat:

### 3. Triple Your Success with 3rd Party Software Integration

On Deck:

4. The Grand Slam: Construction-Specific Payroll
5. Score with Better Progress Billings
6. Purchase Orders/Subcontract Management: A Line Drive
7. Game-Saving Plays: Over/Under Billing & Bonding Reports
8. Avoid Wild Pitches With Overhead Allocation
9. The Closer: "Live" Customer Support

systems that offer built-in integration capabilities. When data flows effortlessly between a job cost accounting system and third-party applications, such as estimating or time card and field data entry applications, the benefits are many. Duplicate data entry is eliminated, data integrity improves and processes are streamlined.

So, how exactly does integration work? Many construction-specific systems offer their own built-in integration programs that serve as “middleware” for simple and flexible data transfer. One such system uses “capsule technology” to provide customized data import capabilities from third-party systems. For example, to transfer labor data collected via hand-held devices to their accounting system, users simply indicate the order in which they want the data placed (e.g., cost code in column No. 1, hours in column No. 2). Once the customized link has been created, data can be uploaded instantly.

Seamless integration between best-of-breed job cost accounting and trade-specific estimating software is another good example of efficiency in operation. When accounting software can figure out which detailed estimating codes correspond to which job cost codes, when a file containing thousands of line-item costs is imported instantly and when the data flows perfectly from one application to another despite different file layouts, the results are hugely positive. Not only does efficiency improve between departments, but job cost reporting is greatly enhanced as well. With the ability to compare detailed estimated

costs to actual costs throughout the life of a job, a contractor is better equipped to avoid cost overruns and improve profits.

### **Other Third-Party Integration Opportunities**

The ability to seamlessly link job cost accounting software with estimating, time tracking and other construction-specific applications is important. But what about all the other software applications a contractor uses on a daily basis?

An ideal construction accounting program, as the repository for all of the company’s financial data (not to mention customer/supplier information), should provide easy integration with essential business technology tools. For example, most construction-specific accounting systems allow users to easily import spreadsheet files (such as Microsoft Excel or Lotus 1-2-3), and some offer the ability to import electronic bank statements for faster reconciliation of cash accounts. Other third-party integration capabilities that are important to contractors include the ability to export direct deposit payroll to bank software and the ability to export reports to PDF, Microsoft Word, Access and other business/communications applications.

### **Technology Makes the Difference**

If integration between software programs is so essential to contractors (and ultimately to the success of construction software applications), why doesn’t every system provide

seamless integration capabilities? The answer, in most cases, comes down to technology.

The same technology that makes many of today’s software programs more robust, more secure and faster than their predecessors also has a huge impact on compatibility. Newer software products almost always use relational databases with standardized data tables. Better yet, two systems that share the same database language (Microsoft SQL Server or Oracle, for example) will also easily share data. In contrast, many older systems still on the market cannot “speak” to other systems because their proprietary databases have languages all their own.

For many, the debate is over. Contractors are choosing best-of-breed software (like job cost accounting) over all-in-one enterprise applications that offer too much breadth and not enough depth. But is best-of-breed software a good fit if it cannot integrate with other software systems? In today’s competitive marketplace, users can and should expect that software vendors will provide easy integration and flexible data sharing capabilities. ■

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