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CBSNW News

CBSNW is offering a year-end Procedures Class for the Sage Master Builder product.

Class times:

- ▶ Dec 11—8 AM to 10 AM PST
- ▶ Dec 27—10 AM to 12 PM PST
- ▶ Jan 2—3 PM to 5 PM PST

For more information call 800-209-6927 X 2

If you still need an exhibit only pass to the Northwest Builders Show in Bellevue, WA on Dec 11 & 12, send us an email to sales@cbsnw.com and we will send you a pass.



Manage Your Profit Cycle With Sage Master Builder

Small business owners must wear a lot of hats, and as a result find themselves spending most of their time working *in* the business—dealing with all the details of keeping things running, and too little time working *on* the business—analyzing performance and taking steps to improve results.

Construction is no exception; you may find that you spend most of your time running your current projects, making sure materials and crews are in the right place at the right time, filing permit applications, and so forth, all of which are essential to completing projects successfully and keeping customer happy. But do you know which projects were the most profitable? Do you have the information you need to ensure profitability on future projects?

Understanding your profit cycle is vital to keeping your company profitable in booms as well as slower times. The Sage Master Builder Software provides you with an integrated solution to manage the entire construction profit cycle—from Estimating to Production, to Accounting, and to Reporting and Analysis.

Accurate Estimating

Creating accurate estimates may be the single most important aspect of running a profitable construction business. Yet, estimating can be a time-consuming process if performed manually.

With the Sage Master Builder integrated estimating tools, not only can you create highly accurate estimates, but you can do so very quickly with drag-and-drop ease using pre-built item databases and item assemblies.

The integrated tools in Sage Master Builder allow you to include overhead, risk, and job costs in your bids. Three levels of Estimating are available to meet the needs of construction companies of any size—Basic, Standard, and Extended.

Once a job is won, your estimate is easily imported into the job cost budget so you can begin tracking the actual costs to budgeted, and obtain detailed profitability information for each phase of your job.

Efficient Production Management

Cost overruns can occur, even with the most accurate estimate, if the job is not managed efficiently. A critical component of production management is scheduling. Sage Master Builder has excel-



Sage Master Builder can help you track and manage the construction profit cycle effectively.



19030 Lenton Place SE
Suite 607
Monroe, WA 98272
(800) 209-6927 toll free
sales@cbsnw.com
www.cbsnw.com

Manage Your Profit Cycle With Sage Master Builder CONTINUED

lent visual scheduling tools built in, so you can see at a glance when crews and materials need to be sent. You can keep subcontractors, suppliers, and employees up-to-date with automatic schedule notices sent via fax or e-mail.

To help make sure materials are in the right place at the right time, Sage Master Builder provides an integrated purchase order system with tight controls. Purchase orders can be generated directly from estimates, and materials can be ordered in stages, facilitating improved cash flow. The Purchase Order Material List allows your project managers to see at a glance what has been ordered, delivered, and backordered so that work can be planned accordingly.

Taking the time to generate and manage purchase orders will quickly pay off; you'll be able to manage costs more closely and avoid delays due to late delivery of materials.

Change orders can be another pitfall in effective production management. A systematic method of tracking change orders is essential to making sure you are paid for all work performed. Sage Master Builder offers a lot of flexibility in change orders, such as the ability to invoice for them separately, even using a different billing method. You also can back-charge and cross-charge subcontractors when a different vendor performs the work.

Customizable forms make it easy to present complete change order information to the customer for their signature approval. Status options allow you to monitor Open and Pending change orders to avoid starting work before a change order is approved.

Accurate Accounting

When your job costs are accurately allocated, you will gain a better understanding of the actual costs of each job and the relationship of your overhead to direct costs.

The Accounts Payable system in Sage Master Builder ensures close management of costs with automatic invoice creation from purchase orders, so that costs post to the codes your project manager used when creating the

purchase order. Warning messages when budgets, subcontracts, or purchase orders are exceeded provide additional controls.

The construction-specific Payroll system automatically generates accurate labor costs by calculating all your accruals as well as basic pay items on a line-by-line basis for every timecard. The Payroll module allows you to accurately allocate the true cost of labor to individual jobs. Even liability insurance and small-tool costs can be included in the payroll calculations and automatically posted to job costs.

To maximize the profitability of projects, it is essential to bill completely and accurately. The Accounts Receivable system provides the ability to bill customers in the format they need, while automatically picking up all unbilled costs during invoice creation. Choose from progress, time and materials, unitary, and load draws billing methods—even using multiple billing methods on the same job, to match work performed with the appropriate billing method and get paid faster.

Analyze Results

The Executive Dashboard provides you with an instant picture of the overall condition of your business, including Cash Balances, Cash Position, Company Profitability, Outstanding Change Orders, and Job Profitability. From the dashboard, you can drill down to further detail.

Once you have accurately estimated, managed, and billed a project, you have the information you need to analyze job profitability and identify pitfalls so you can avoid them in the future. Be sure to close the profit cycle loop by printing and analyzing your job cost reports.

Fast ROI

With the ability to more accurately estimate, manage, account for, and analyze your jobs you can increase your profitability. Because the different parts of the Sage Master Builder solution integrate with each other you save time and expense by eliminating redundant data entry.

To ensure the future success and growth of your company, it is essential to spend the time to fully understand your profit cycle and how you can improve performance.

A white paper is available entitled *10 Steps To Building A More Profitable Construction Business*. The white paper is a great tool to help you understand the profit cycle. It also offers some excellent suggestions for defining long-term goals and maximizing productivity with training and performance rewards for your staff. You can download your free copy at www.sagemasterbuilder.com/c18350.

We have only covered some of the capabilities of Sage Master Builder; give us a call for more information or for assistance in managing your profit cycle. ☆

Tips & Tricks

Progress billings will be updated from Change Orders when they have a Status of 1-Approved and a dollar value in the Approved field on the Prime Change Details tab. *This tip shows you how to update the Cost Codes in Progress Billings from a change order.*

- 1 Open the 3-7 Progress Billing window.
- 2 In the Data Control field, select or enter the record number for the appropriate Progress Billing.
- 3 From the Master Builder Update menu, choose *Change Orders*.
- 4 Choose one of these two options:
 - ▶ *Add to Existing Lines* will match the text description on the change order to the cost code, and add the amount to the Changes column for the items on the change order.
 - ▶ *Append as New Lines* will take the total of the change order and add it to the bottom of the grid as a change amount.
- 5 Click *Yes* to the reminder.
- 6 Select the proper calculation method, and then click *OK* on the Calculate Grid window.
- 7 Click *Exit*.
- 8 Click *Yes* to save changes. ☆