

IFS Construction trends

The construction industry is today faced with a variety of challenges. These include labour and skills shortages, along with outdated systems and practices.

As a result, businesses in the sector are searching for ways to modernise and prosper. Increasingly, **there is an emphasis on areas including business competitiveness, digital strategy, and opening up new revenue streams** – all of which are likely to be among the key trends in 2024.

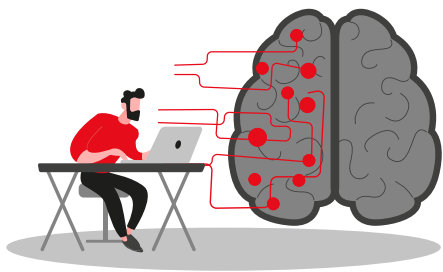
IFS Cloud solutions, delivered by Muzulu, are helping construction businesses cut costs, get more out of their assets and maintain healthy profit margins while delivering more projects on time and within budget.

For 2024, IFS Construction and Engineering global industry directors are making three key predictions.



Prediction 1

Within the next three years, 30% of companies in the construction and engineering sectors will deploy AI and automation.



AI could transform the construction sector through enhanced quality, safety, efficiency and – crucially – profitability. Tools such as planning and scheduling optimisation, as well as BIM and wearable tech, have the potential to revolutionise the industry.

Driving factors:

- Labour shortages and recruitment problems
- Low productivity
- Competitiveness and innovation
- Safety and risk management

Potential benefits:

- Faster and more accurate planning and forecasting
- Automating project cost control and making it less labour intensive
- Using drones, machinery and robots to carry out hazardous jobs

Prediction 2

Within four years, construction and engineering companies will draw more than 30% of their revenue from operational and maintenance services.

In construction, project margins are typically low. Increasingly, construction companies are transitioning to become total asset lifecycle service providers, supporting the operations and maintenance phase of an asset's life.

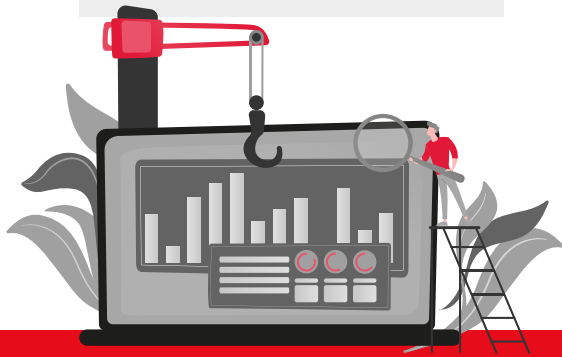
Offering these services enables contractors to become long-term strategic partners, benefiting from having ongoing sources of regular revenue.

Driving factors:

- Unpredictable and generally thin profit margins
- Need to grow and diversify revenue
- Long-term business viability and market valuation

Potential benefits:

- Improved resource utilisation
- Better asset design
- Enhanced safety and regulatory compliance



Prediction 3

Over the next five years, 90% of construction businesses will use cloud-based technology to simplify their business system landscape.

In construction, companies use a range of departmental software systems to handle their business processes – and then try to integrate them. However, this merely results in a disjointed system landscape.

ERP software – such as IFS Cloud solutions, delivered by Muzulu – can provide a digital backbone that easily integrates with a select range of other applications.

Driving factors:

- Disjointed systems make integration difficult
- Making changes to business strategy is made much harder
- Data inaccuracies in Excel, causing further problems
- Best practice processes are more difficult to implement

Potential benefits:

- Consolidation and simplification of systems and processes
- Reduced business risk, fewer silos and less reliance on Excel
- Provides managers with real-time data for better decision-making and a single version of the truth

This year could prove to be a decisive one for the construction industry. Introducing new technologies could empower the sector to streamline operations – thereby cutting costs and boosting margins – as well as bringing new revenue streams into play.

The adoption of the total asset lifecycle model, along with new innovations in AI and automation, could enable the construction sector to recruit and retain more workers, rein in project costs, enhance efficiency and foster long-lasting customer loyalty.



Muzulu provides industry-leading IFS consultancy, empowering businesses to grow with confidence by simplifying processes, enhancing connectivity and building resilience. With an unrivalled knowledge of IFS functionality and best practice, we help clients get the very most out of their IFS ERP solutions.

Contact our team of experts today and find out more about what IFS Cloud solutions, delivered by Muzulu, can do to benefit your business.