

IFS Cloud for Engineering and Construction guide





In recent years, more and more Construction firms have sought to outsource the maintenance of their assets throughout the whole lifecycle.

Construction companies have faced numerous challenges, including diminishing margins for capital projects, Covid-related disruption and sporadic revenues. This new 'servitisation' business model offers constructors a potential lifeline.

But contracting-for-outcomes arrangements require a complete change in mindset. In particular, construction companies must manage complex, but potentially lucrative, performance-based contracts as well as accurately modelling whole-life costs.

In this white paper, we will look at the opportunities presented by the full asset lifecycle business model, along with the transformative digital journey involved – including the potentially vital role of IFS Cloud solutions, delivered by Muzulu – and the enterprise software capabilities construction firms must embrace if they are to compete successfully.

■ Digital ERP and the Future of Construction

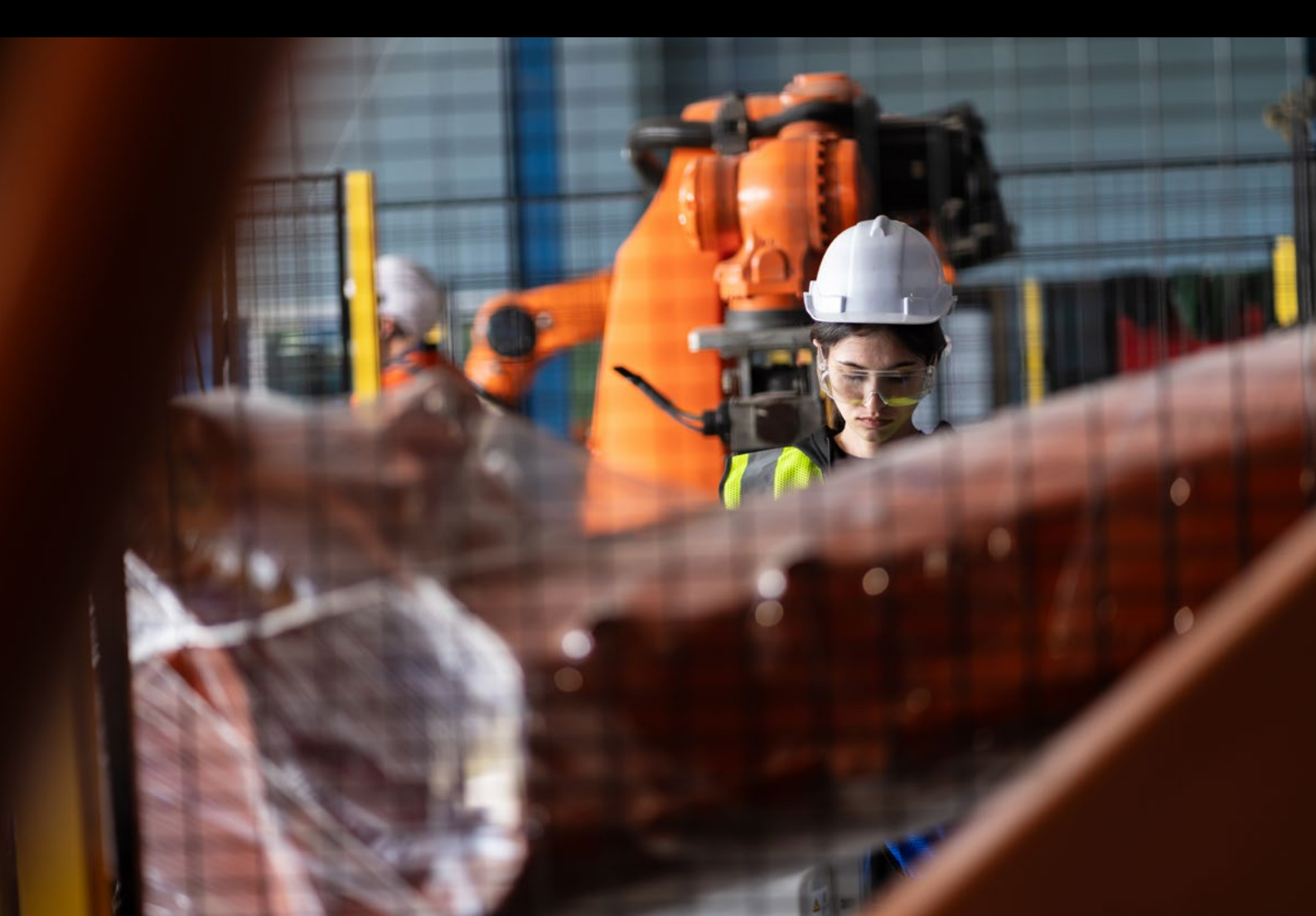
The construction and engineering industries have reached a defining moment on their digital transformation journey, with the global market being radically changed by increased competition and the proliferation of new technologies.

As a result, working methods are evolving to create streamlined outcomes, customer-centric business models and innovative solutions and assets. Likewise, tightening margins, increasingly complex client demands, a skills shortage, cost pressures and changing regulations are among the factors forcing the pace of change.

It is, therefore, incumbent upon businesses in the construction sector to embrace cutting-edge technologies and modern construction methods along with greater standardisation, to deliver projects on time, on budget and to a high standard.

This is where the adoption of a digital ERP backbone can help these businesses adopt modern methods throughout the value chain, opening up a wealth of new opportunities.





The ERP of Tomorrow

We stand on the threshold of a major leap forward in construction innovation, with the arrival of a new kind of digital ERP backbone optimised for engineering and construction.

This has the potential to make manufacturing and supply chains in construction as efficient as a lean manufacturing shop. This could empower businesses in the sector to boost innovation, gain total control over the value chain, accelerate delivery and develop new, customer-centric business models.

IFS Cloud for Engineering and Construction solutions, delivered by Muzulu, use a digital ERP backbone to streamline the construction lifecycle, managing projects, resources, time and value in a single system. This improves product control as well as potential raising revenue and profit margins.

■ Obstacles to Adopting a Digital ERP Backbone

Commitment to a digital ERP backbone is qualitatively different from employing some kind of ERP, which is already common throughout the construction industry.

The sector has traditionally been somewhat risk-averse, hindering the pace of change, along with slender profit margins and cash flows, plus external market factors and fragmented dynamics. This is, however, changing as the speed of transformation accelerates.

Continuing to run a legacy ERP system can nevertheless seriously impede the ability of construction businesses to embrace new and more effective models such as modular construction. Failing to act, therefore, can cost your business money it ought not to be losing.

Adopting new strategies for reinvention can provide your construction business with a crucial competitive advantage. But what are the major obstacles to change?

Fragmentation and silos

Most legacy ERP systems bring order management, HR and finance under one roof, but many lack critical features for engineering, construction and infrastructure markets. This results in fragmented systems, siloed management environments and overreliance on expensive third-party integrations.

Reliance on multiple business systems

Relying on multiple business systems, strung together by patchy integrations, creates systems architectures which are very unstable. This makes it harder for your business to adapt to changing current and future requirements.

Slender profit margins

Construction businesses are often put under financial pressure by slim profit margins and low revenues. Investing in new tech like IFS Cloud for Engineering and Construction solutions, delivered by Muzulu, can empower you to expand into new and more profitable areas, taking advantage of new sources of revenue.

■ Doing More with Less

Recent technological advances mean that most ERP systems are no longer fit for purpose. A new kind of ERP is needed; one that's flexible, scalable and adaptable to change, delivering continuous improvement and supporting best-of-breed integrations.

Operating in a shop-style environment instead of the traditional construction site approach offers clear benefits, including greater efficiency, enhanced control, reduced costs, improved safety and better-quality output.

Offsite methods can also help construction businesses reap the rewards of new technology. By drawing data-driven insights from the monitoring and control of finished assets, companies can ensure future projects have lower maintenance costs and deliver a better user experience.

IFS Cloud solutions, delivered by Muzulu, support operation and maintenance cycles in a single platform. They provide contractors with a broad enterprise suite covering site-based project management and manufacturing for off-site fabrication or assembly, as well as offering comprehensive financial control over each project with robust bidding and estimating capacities.

By offering a single project view, IFS Cloud empowers construction businesses to harness the power of a single source of truth, managing contracts, engineering, manufacturing, assets and facilities, finance and HR with total confidence – giving them the power and mobility to disrupt markets.



■ Futureproofing with IFS Cloud ERP

IFS Cloud solutions, delivered by Muzulu, provide the industry functionality every construction business needs. Because they support modern methods of construction, they enable companies in the industry to do more with less.

With IFS Cloud, you can diversify to offer service and maintenance contracts as well as the construction of an asset – unlocking new sources of revenue. This ERP backbone also helps you use new technologies – including AI, robotics, virtual reality and BIM – in day-to-day operations, increasing overall efficiency.

Compared to software products solely dedicated to construction, IFS Cloud for Engineering and Construction offers much broader functionality. This allows you to manage every stage of both project and asset, including:

- Procurement and collaboration
- Project and risk management
- Supply chain and equipment rental
- Document management
- HCM including time and expenses
- QHSE
- Off-site manufacturing
- Asset and facilities management





Rising to the Challenge

Modern construction methods, converging technologies and diversified operations are becoming critical drivers of growth in construction. Adopting an ERP backbone can ensure that your business is fit for the future, with benefits including:

- Starting construction faster
- Delivering projects on time, within budget and to a high standard
- Improved innovation
- Working with greater control, autonomy and efficiency
- Lower costs and increased revenue streams
- Increased agility and adaptability
- World-class customer and end-user experiences
- Proactive risk management

The convergence of technologies including AI, VR/AR, BIM and robotics offers immense opportunities for the construction industry. The biggest winners, however, will be those businesses which are able to adopt modern construction methods and upgrade their business system architectures.

A digital ERP backbone can help your business enhance control, innovate and grow. IFS Cloud solutions, delivered by Muzulu, are built to support the full asset lifecycle and enable construction businesses such as yours to reach their full potential.

Muzulu is a dedicated IFS specialist, committed to helping your business expand and prosper. We specialise in providing business across a range of sectors, including construction, with industry-leading IFS consultancy. Book a call with a member of our team today to find out more.