

BUSINESS GUIDE

# Unlocking the Power of Cloud ERP for Construction





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# Unlocking the Power of Cloud ERP for Construction

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*The first-of-its-kind connector brings NetSuite and Procore together for growing construction and multi-line firms with construction activities.*

Piecing together best-of-breed software solutions, extracting the bits of data needed from each of those systems, and hoping that everything comes together in a cohesive way is not a good way to run a business. When companies don't have solid integrations across those various platforms, they're forced to use spreadsheets, reenter data, and rely on email and other means of transferring data. This leads to massive inefficiencies and produces errors.

In the construction sector, companies will often use industry-specific, best-of-breed software platforms like Procore to run their operations. Then, they'll tack on a basic accounting solution like QuickBooks

in hopes of closing the gap that then exists between their operational and financial data. Other companies use Procore plus a basic, on-premises Enterprise Resource Planning (ERP) platform like Sage 300 Construction and Real Estate (formerly Timberline) and try to integrate them to gain an understanding of operations across their organizations.

Each of these approaches presents its own set of limitations that can be easily overcome by combining NetSuite with Procore. This guide explains how this works and highlights the value that the Construction for NetSuite bundle supported by an experienced implementation partner offers growing construction firms.

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# Addressing Best-of-Breed Integration Problems

The U.S. construction market has been growing steadily over the last few years thanks to demand for new residential developments. It maintained that momentum even during the early stages of the global pandemic, when construction employees were deemed “essential” and able to continue operating even during shutdowns. The industry posted a compound annual growth rate (CAGR) of 1.8% in 2021 and is on track to expand by 3.1% in 2022.

General contractors and subcontractors both played key roles in project development across all construction sectors. To run their operations, many of these companies rely on antiquated, on-premises technology solutions that don't integrate with one another or provide the latest functionality. A company using Procore for construction project management, for example, probably also relies on multiple software solutions to manage the other aspects of its business.

“Integrations are a big issue for many of the construction firms that we work with,” said David Lasky, Managing Director at ScaleNorth, a NetSuite Solution Provider and Business Process

Outsourcing (BPO) firm. “When Procore isn't directly connected to an accounting system, for example, it creates a lot of ‘siloes data’ for the company to manage using spreadsheets.” The same issue applies to any combination of disconnected software, such as inventory management solutions. The foreman who is working on a jobsite that wants to update inventory numbers at the company's home base likely must work across multiple systems to get that single task accomplished.

This creates inefficiencies, slows down work, and creates more room for error in inventory counts. “Keeping multiple systems tightly tied together is a constant struggle for general contractors and other companies in the field,” said Lasky, who has over 12 years of experience in construction and real estate, including financing, project management and software product management.

“Many of them also use separate customer relationship management (CRM), marketing, human resources (HR) and supply chain management solutions,” he continued, “and have no single source of truth to work from.”



## CHAPTER 2

# Spreadsheets Won't Cut It Anymore

Managing construction projects has become increasingly complex over the last few years, during which time supply chains have become global and the use of construction methods like prefabrication (i.e. building certain project components offsite and then delivering and installing them) has increased. These trends present new complexities for construction firms. “There are a lot more moving parts, different tax laws and more complex financial considerations,” said Lasky.

This is just one of the many market complexities that are driving more construction firms to assess their current technology systems. “Many of them realizing that using disconnected solutions and managing from spreadsheets just doesn’t cut it anymore,” said Lasky.



## Focus on What You Do Best

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Aware of the struggles that construction firms face when attempting to create a unified technology approach using best-of-breed solutions, ScaleNorth developed a connector that integrates Procore and NetSuite, which are leading cloud solutions in their respective markets. Both have robust application programming interfaces (APIs) that enable best-of-breed solution strategies.

Using the first-of-its-kind Procore NetSuite Connector SuiteApp, ScaleNorth helps companies that have both, one or neither platform in place get the applications set up, optimized and integrated. That way, companies can focus on what they do best: running their growing businesses.

Among the many different benefits that the connector provides, the real-time, two-way data flow across all systems is generally the most critical for the companies that ScaleNorth has worked with. The data not only flows from the jobsite to the back-office, but it also flows directly from NetSuite into Procore. And because NetSuite is cloud-based, the solution aligns well with the new world of remote work.

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While NetSuite excels on the back-end management and project accounting of a construction firm's business, Procore helps improve operational efficiency with its suite of project management, quality control, safety and jobsite analytic tools. As both a NetSuite consultant and a Procore partner, ScaleNorth helps companies get the best of both worlds.

"Having a single central system where you can manage everything from is a key value proposition for this solution," said Lasky. "A supervisor working on a jobsite in New York can upload data that the CFO working in California can access immediately. That's a game-changer for the company that was using spreadsheets and email to share and collaborate on data."

## CHAPTER 4

# Moving Away From Error-Prone Spreadsheet Management

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With NetSuite, Procore and the Procore NetSuite Connector in place, companies get integration between their technology platforms and visibility across functional departments (e.g. accounting, executive suite, operations and field). They can also eliminate double data entry across their previously siloed systems and move away from error-prone spreadsheet management.

The connector also helps organizations improve inventory management at a time when supply chain shortages, high demand for housing materials, and rising costs are all driving the need for better oversight.

This, in turn, gives companies the power to manage the number of nails they need for a specific job, the number of trucks they need to move raw materials to and from those jobsites, and other important details related to their physical inventory. “When you have extra, unneeded lumber onsite, you’re

essentially paying for the storage space that the lumber is sitting on as it goes unused,” Lasky pointed out.

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“By pairing NetSuite with Procore, companies can track inventory and manage projects onsite and then fortify that with NetSuite’s native budgeting, forecasting and reporting capabilities.”

**David Lasky, Managing Director, ScaleNorth**

When they can more accurately manage the inventory, forecast their needs, and adjust inventory levels on the fly, companies wind up with significantly lower inventory and storage costs.

## All the Applications They Need

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ScaleNorth is well positioned to help construction firms reduce the number of software applications that they need to run their businesses while also saving the money, time and the staffing needed to operate those solutions.

Companies that bring their processes onto a single integrated platform now can get a leg up on competitors that may still be operating in technology's dark ages. Forced by the pandemic, high levels of competition and other forces to rethink their technology approaches, even the industry laggards will be making moves in this direction in the near future. "Construction companies are realizing that it's 'adapt or die' out there right now," said Lasky, "and that if they're not changing their age-old processes, they'll just get swallowed up by the competition."

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"With the Procore NetSuite Connector, companies get everything they need to run a successful construction operation. From project management to advanced accounting, and marketing to CRM, organizations get all of the applications they would ever need."

David Lasky, Managing Director, ScaleNorth



## CHAPTER 6

# Unlocking the World's Leading ERP

Other outside factors are coming into play and pushing more companies to invest in and implement technology that helps them save money, operate more efficiently, and improve project outcomes. With the prices of most raw materials and commodities steadily rising throughout the global pandemic, for example, construction firms have found themselves operating on razor-thin margins.

"It's more important than ever to have all of the available technology on your side to manage those super-thin margins, remain profitable, and still be able to edge out the competition," said Lasky, who

sees the Procore NetSuite Connector as the answer for many companies that have never been able to directly integrate their industry-specific project management software with their ERP system.

"This connector opens up the whole world of NetSuite to construction companies that, just a few years ago, may have assessed this ERP and assumed it wouldn't work with the system(s) that they had in place," Lasky concluded. "By unlocking the world's leading cloud ERP for construction, ScaleNorth has put the power of a unified ERP in every construction company's hands."





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