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Whitepaper

Building the Foundation for Success: Trends shaping the Future of Construction CRM





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Building the Foundation for Success: Trends shaping the Future of Construction CRM

Introduction

Client management in the construction industry can be a complex and time intensive process involving a range of tasks like planning, scheduling, budgeting, contract and resource management. Investing in a Customer Relationship Management (CRM) tool allows business development and sales teams at construction companies to manage potential clients by streamlining lead tracking and tender submissions among other tasks. Companies require CRM software to streamline their workload in an efficient manner and can manage their projects effectively particularly in the highly competitive, complex and fast-paced construction industry. A well-tailored automated CRM tool can be highly beneficial and provide a systematised, relational process of continued communication between sales teams and their clients, making each individual prospect and client feel uniquely cared for, no matter how many clients an organisation takes on. As the sector evolves, construction firms are increasingly recognising the need for specialised CRM solutions that cater to the unique demands of their industry.

The industry is seeing the advancements of a digital transformation, with CRM systems playing a pivotal role in shaping the future of project sales management. This whitepaper explores this further, while also exploring the current state of CRM adoption in construction, identifying and discussing biases and the emerging trends liable to shape the future of construction CRM and project sales management. Additionally, the whitepaper includes insights from respected thought leader in the construction industry – Dr Bola Abisogun OBE, Chartered Quantity Surveyor, fellow of the RICS, Chartered Construction Manager and Member of the CIOB.





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The Current Landscape of Construction CRM

The golden thread is a crucial chain of the building information and its management process. Maintaining a golden thread involves keeping a digital record of critical building information – starting from the design phase and continuing throughout the building’s life-cycle. This ensures information is easily accessible, reliable, up to date and accurate.

While there are tools, particularly Enterprise Resource Planning (ERP) systems that help with the golden thread of information for on-site construction, it is also crucial to maintain the business development side prior to on-site construction, managed through CRM tools. In line with this, the industry is witnessing a gradual shift towards auditable databases and specialised CRM solutions that offer enhanced functionality and security. CRM software can create an auditable trail of interactions with various stakeholders, not just clients. Supporting with document management, including version control and utilising tools like Power BI to integrate data from multiple sources, CRM provides a comprehensive and consolidated access point for project lead information.

The rise of remote and hybrid work models has accelerated the need for unified, accessible systems across industries and construction is no exception. Historically, many firms have struggled with fragmented data management, relying heavily on spreadsheets and siloed information. This model is no longer sustainable, particularly as more teams work remotely and require access to real-time project information from various locations.

CRM systems built on cloud-based platforms such as Microsoft Dynamics 365, offer a solution by providing a single source of truth accessible from any device or location any time. Centralised reporting, compliance with GDPR and other regulations, and mobile access are all critical to ensuring that teams can operate effectively in a connected and distributed environment. By unifying business development efforts into one platform, construction firms can ensure that all internal stakeholders work from the same data – reducing inconsistencies and improving the tender and decision-making process.



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Dr Bola Abisogun OBE commented: “In a post-Grenfell Tower environ, project owners (and their funders) need to think and proceed with due care and attention paid specifically to their own interpretation of their legal obligations. Where such obligations exist [specifically on projects that are deemed to be ‘in-scope’], the requisite management systems must be put in place, to manage any inherent risks. With regards the value creation afforded by CRM adoption, 2024 has presented itself as an opportune moment to consider the interoperability of the CRM solution with particular reference to the legal requirement, commonly referred to as the Golden Thread.”

“The common and misplaced assumption is that the Golden Thread [now a key Gateway 3 / GW3 deliverable] begins at the beginning of the construction phase. Whilst grossly incorrect, as an assumption, worse still is that many project owners (and their funders) are not aware that the Golden Thread actually begins during the initial stages of the project at Planning Gateway One [PGO].

“In order to successfully deliver a GW3 outcome, the PGO stage must be sufficiently established with an appropriate management system [ideally to include a CRM solution] which will go some way to

demonstrate the validity of the Golden Thread from the earliest possible opportunity which should naturally encompass the design and procurement phase during Gateway 2 [Building Control Approval].

If created correctly with the requisite data structures and naming conventions, then the project will not only lead itself well to overall project delivery, but perhaps even ensure that a 5D Digital Twin outcome, will be possible, thereby enhancing and potentially optimising net-asset-value [NAV]”





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Biases Around Construction CRM Adoption

Historically, the construction industry has been reluctant to adopt new technology, particularly in areas like CRM. Many firms still rely on various forms of spreadsheet, viewing dedicated CRM systems as unnecessary or expensive. Their hesitation is often fueled by misconceptions, with many companies assuming that generic CRM platforms like Salesforce or HubSpot will be sufficient for their needs, without realising that the unique demands of construction require more tailored solutions with leads centred around projects rather than people or organisations.

Numerous firms struggle to get buy-in from upper management for CRM adoption, even when business development teams recognise its value. Procurement processes in construction can also be disproportionately complicated, with firms sometimes prioritising spend on non-essential items like event participation and sponsorship than on critical systems.

Another hesitancy around adoption of CRM is around data security, particularly concerning sensitive project and client information. Our software, built on Microsoft Dynamics 365, leverages Microsoft's world-class data centres and security features. Security can be configured at both the application and field levels to protect sensitive information. Additionally, audit history is available for tracking changes. Overcoming these hesitancies and biases around CRM, through clear understanding and communication on the implementation and benefits, can help construction firms streamline operations, improve customer satisfaction, safety and overall productivity and ultimately achieve higher profitability.





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Benefits of Construction CRM

Client-facing business development and sales teams in the construction industry are constantly juggling multiple tasks including managing customer requirements, developing tenders for upcoming or potential projects and coordinating interdepartmental teams which can be quite overwhelming. Effective coordination amongst all stakeholders involved – including contractors, suppliers, subcontractors and clients – is crucial for an efficient, successful project delivery and completion. Without a robust system to manage these relationships, inefficiencies and reporting inaccuracies can arise, ultimately leading to lower profit margins. This outlines the need for CRM software which keeps all customer details on hand while automating key processes and consolidating data sources along with providing current and historical data required to make informed business decisions. The industry's longer sales cycles, complex stakeholder relationships and project-based nature require tailored approaches to sales and relationship management.

Generic CRM solutions often fall short in addressing these specific needs, leading to a growing demand for construction-specific CRM systems. Key features and benefits of having a construction CRM include:

- Unified data source where multiple departments are involved on a single project/client, focusing on a project-centric approach rather than individual leads.
- Streamlining project type tracking, including win/loss analytics.
- Developing data driven insights for strategic growth.
- Tracking bidding analytics.
- Seamless integration with existing software used, like Microsoft 365.
- Integrated workforce planning.
- Enhancing collaboration across the value chain.
- Construction-specific customisation.



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Emerging Trends Shaping Construction CRM

The construction sector is undergoing a digital transformation, driven in part by the need for greater compliance and traceability. While the concept of a 'golden thread' is well-established in construction project execution, it is less often applied to the business development side. Sales pipelines, client relationships and opportunity tracking can be just as critical as material supply chains or site logistics. By extending the golden thread concept into CRM, we believe companies can create a continuous, connected flow of information that enhances both project execution and business development efforts.

This underlines the need to shift towards more sophisticated CRM systems that allow for streamlined and transparent data management. This includes incorporating emerging technologies in CRM through which construction companies can ensure a consistent, transparent flow of information that drives better decision-making and project outcomes.

Emerging technologies like Artificial Intelligence (AI) and Machine Learning (ML) are gradually making their way into business operations. In sectors with faster turnover, AI can automate and streamline processes with ease. However, in construction, the personal touch is still vital. Despite this, there is an emergence of several promising applications in construction CRM including:

- **Opportunity Health Assessment:** Emerging automated technologies like AI and ML are beginning to play a role in evaluating the health of sales opportunities and suggesting action points.

- **Intelligent Email Assistance and Opportunity Scoring:** AI features, such as those in Microsoft Dynamics 365, can help maintain a professional tone in emails and provide suggestions based on CRM data. Additionally, AI can "score" opportunities and prompt action after periods of no contact.
- **Meeting Preparation:** Emerging technology can also assist in client meeting preparation by summarising relevant information from the CRM database, saving time.
- **Voice-to-Text and Natural Language Processing:** Emerging technologies can interpret, manipulate, and comprehend meeting recordings to text, supporting with streamlining data entry processes.
- **Other tasks:** AI and ML can support CRM adjacent areas like scheduling meetings or tasks, compliance reporting and snagging by reviewing and documenting minor issues in projects prior to handing over to the client.

While these technologies are beneficial, playing a supportive role in CRM, their impact has been limited in construction due to the long sales cycles and relationship-driven nature of the industry. Emerging technology as the name suggests, is still in its infancy, particularly in the construction industry. The use of these technologies can enhance efficiency, however, they will remain an augmentation in construction CRM, not a replacement for human relationships.



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Integrating Construction CRM Tools with Existing Systems

One of the most significant challenges we have seen in CRM adoption in construction is the need for seamless integration with existing systems. Construction firms often rely on a variety of specialised tools, from ERP systems that manage on-site operations to databases that track construction leads. Integrating these systems can be complex, particularly when dealing with older platforms that lack modern Application Programming Interfaces (APIs) or support.

At KMS Software, we have anticipated these challenges, developing pre-built integrations with many of the industry's leading systems, including Glenigan, Barbour ABI, and Causeway Estimating. However, the ease of integration depends heavily on the technology stack being used by the client. Older, legacy systems, with outdated databases and unsupported servers, can pose challenges, and addressing these integration issues is critical to creating a unified, efficient workflow. We bring deep industry knowledge to our clients, complemented by detailed consultancy to tailor the system to their needs, guiding them through defining system requirements.





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Looking Ahead: The Future of Construction CRM

As the construction industry continues to evolve, CRM systems continue to play an increasingly important role in shaping the future of business development. The industry is moving towards a more connected, data-driven approach, where transparency and accountability are paramount. The concept of the golden thread, traditionally confined to on-site operations, is beginning to extend into CRM, ensuring that the entire lifecycle of a project – from sales opportunity to completion – is fully traceable and aligned with the broader project goals.

Dr Bola Abisogun OBE looks ahead to the future of the construction industry: “As we seek to reduce the adverse impact(s) of climate change, project owners will need to both step up into recognise their obligations, to ensure that net zero carbon solutions, become the norm and can only be sustainably achieved through the use of digital twins. The potential to comfortably ‘predict’ component failure and/or obsolescence during the occupational phase of an asset’s life, in the granular detail it deserves, should stem from

the ‘original intention’ of the building itself. That journey to develop the single source of truth [AKA the Golden Thread] always begins during the initial planning process.”

The shift towards remote and hybrid work and emerging technologies like AI and ML are key drivers of this transformation. However, the industry must overcome its hesitancy to adopt new technologies and address the challenges of integrating CRM with legacy systems. With nearly three decades of specialised experience in the construction industry, KMS software deeply grasps the intricacies of your business. As the industry continues to evolve, we are committed to staying at the forefront of the shifts and trends in the industry, ensuring that our clients have the tools they need to maintain the golden thread of information throughout the project lifecycle from conception to delivery and thrive in the competitive landscape.



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Credit: Dr Bola Abisogun OBE is a well-documented, Chartered Quantity Surveyor and Fellow of the RICS, as well as a Chartered Construction Manager and Member of the CIOB. He is the Founder & Chief Excitement Officer of the Digital Twin Skills Academy CIC, where he promotes the nima-administered Information Management Initiative [premised upon the UK BIM Framework], a UK wide initiative led by the Construction Industry Council.