



HOW TO INCREASE PRODUCTIVITY ON YOUR CONSTRUCTION SITE





CONTENTS

- 3. Introduction
- 4. Using Modern Equipment
- 5. Embracing Digitalisation
- 6. Calculating the Real Cost of Your Tools
- 8. Reducing Security Risks
- 10. Investing in Skills and Training
- 12. Managing Your Assets Efficiently
- 14. About Hilti

INTRODUCTION



Construction productivity has been flat for decades. Despite being one of the largest industries in the world, its productivity record is lagging behind other industries, growing at just 1% compared with 2.8% for the total world economy and 3.6% for manufacturing. In fact, according to research from [McKinsey Global](#), output from workers is much the same now as it was 20 years ago!

In an economy reliant on the built environment, construction is central to improving the nation's productivity. So, what's holding it back?

Some of the major challenges facing the construction industry are controlling costs, meeting compliance and managing your workforce to make sure you have enough people with the right skills to get the job done.

Inefficiencies in processes, unplanned costs and an unproductive workforce can amount to up to 25% of the overall cost of a project, which could have a negative impact on your business and its profitability.

How you're killing productivity in your construction business

- 30% of construction sites say they waste time looking for tools
- On average, six assets are lost every month on construction sites, potentially adding up to a loss of £7,000 a year to your business
- 70% of companies report having at least one failed project in the last year
- Fewer than 1/3 of all projects are completed on time and on budget

Sound familiar?

The good news is, there are ways to reduce these challenges and even eliminate these hidden costs. In this guide, we look into the easy changes you can make to your business to improve productivity.

USING MODERN EQUIPMENT



As with technology, power tools are constantly evolving with new features that increase safety and user comfort, as well as productivity and convenience.

The selection of the appropriate construction equipment and tools often affects the required amount of time and effort to complete and thus, the job-site productivity of a project.

Tools are revamped to make them lighter and easier on the body. Using new ergonomic design allows users to ease up on the grip and use equipment in more a safer and effective way.

New technology on the market is now bringing us tools that have unparalleled speed, comfort and reliability compared to those manufactured only 10 years ago.

- Have your workers ever needed a tool repaired because they worked it too hard?
- What about waiting for a tool to cool down because of overheating or because the hammering functionality decreased in performance?

“When it comes to reliability, there’s nothing better than Hilti. These tools last forever.”

Stephan Feurstein - Installation Feurstein

Investing in modern equipment, or even better, a partner who can guarantee you the latest tools, means that your business will never have to suffer downtime due to unreliable tools.

At Hilti, we test all our tools under the same tough conditions of the jobsites you work on daily, influencing our innovation and enabling us to design all of our tools as systems where tools and accessories work hand in hand.

EMBRACING DIGITALISATION



When it comes to increasing productivity, adopting digital technology is the fastest path that brings the biggest payoff.

Even though [research shows](#) industries that digitise enjoy increased productivity of up to 1,500%, the construction industry is the second least digitised sector in the world.

A common problem within the construction sector is that very few companies digitise their assets or business processes.

Are you still managing your equipment using a patchwork of paper-based systems and spreadsheets?

Doing so eats employee time and puts you at risk of costly errors, which damages productivity and could cost your company a fortune.

It's important to have the ability to measure data on your construction sites and projects, such as how well your tools are being utilised. This means you will be more informed on the areas in your business you need to make improvements to increase productivity and save money.

New technology and methodologies, such as asset management software, project management software and building information modeling (BIM) can all eliminate wait times and reduce costly rework.

Asset management software united with BIM will provide you with a highly efficient and profitable platform that can help you optimise the profitability and productivity of your projects.

With the right choice of software and support, asset management software will more than pay for itself by cutting unnecessary costs on physical assets and freeing up staff time for more productive tasks by eliminating delays on site.

CALCULATING THE REAL COST OF YOUR TOOLS



Have you ever thought about how much your tools are really costing you? Identifying inefficiency is the first step towards reducing hidden costs.

By bringing transparency into the everyday processes of your business you can gain sight of the hidden issues and develop solutions to eliminate them. This will allow you to complete your projects faster, at a lower cost.

To calculate the true cost of your tools, you'll first need to highlight the **direct** and **indirect** costs.

PURCHASE PRICE

REPAIR COSTS

ADMIN COSTS

BATTERY REPLACEMENT

HIRE COSTS

COST OF CAPITAL

THEFT



Next, you'll need to inspect your job sites, vehicles and warehouse, detailing inventory of your tools such as charges, prices, usage times and manufacturers. Noting any details of your company's situation or other tool related issues will help too, including any Health & Safety hazards, any old broken tools or how many battery platforms you have.

While this may seem like a time-consuming task, exploring some of the hidden costs lurking in your tool park will help you calculate how much this is costing you over the lifetime of your tools and more importantly how you can address them.

Outcomes of this analysis may identify that you:

- Have unsafe tools that increase the risk of work-related accidents
- Are working without dust reduction tools, increasing the risk of illness which hampers work
- Have issues with tool tracking (such as inaccurate spreadsheets)
- Have lost or stolen tools
- Have spare tools or infrequently used tools (most likely purchased last minute to replace missing or broken tools)

From this analysis, you'll be in a better situation to identify the areas in your business you can improve. For example, you may want to think about introducing new technology to remove inaccurate spreadsheets or switch from corded to cordless tools to improve safety and efficiency.

REDUCING SECURITY RISKS



The construction industry is particularly vulnerable to theft because projects are usually carried out in remote locations with untested personnel milling around on site.

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92% of respondents in the construction industry have experienced theft, with as many as 21% claiming that theft is a weekly problem in the business.

In order to reduce the risk of theft on your construction site, you need to have a clear record of all equipment and materials owned by your business and increase transparency in the handling of tools and machinery.

Asset management software or asset tracking is a great solution to reduce the risk of theft since, with the use of tagging and cloud-software, each item in your business can be assigned to a location and a responsible person. This encourages workers to take more care of their tools, leading to fewer lost or stolen items.

But what happens if theft does occur? Are you covered if tools or equipment, crucial to completing a project on time, go missing? How much will this impact on your downtime? How much money will be wasted replacing tools and admin time sourcing the right equipment and getting quotes?

You need to look for a solution which offers something in the case of theft.

Fleet Management helps remove the costly admin hassles associated with running a tool fleet and simplifies the process for lost or stolen tools.

Fleet Management can help reduce administrative costs by up to 50%

We don't require an up-front cash outlay for fleet upgrades. Instead, we charge a fixed monthly fee, which covers all your tools including their use, service and repair costs, helping to reduce administrative costs by up to 50%. Tools are warranted for repair or replacement for up to four years, and those that fail can be sent in for repairs immediately.



INVESTING IN SKILLS AND TRAINING



Many construction companies are facing a shortage of skilled workers, so it's becoming more and more important to improve the productivity of the team you already have.

62% of construction companies reported a lack of skilled workers is holding back their business. ¹

High quality skilled trades, managers and professional workers across the industry are currently in short supply. One of the main reasons for this is due to the rising age profile of the construction workforce. Many construction workers are retiring, and the rate of retirement looks set to increase as 22% of the workforce are over 50, and 15% are in their 60s.

To solve this shortage, you would need to invest more heavily in attracting new and younger entrants to the industry, however this has many challenges, including:

- Industry image. It is hard to attract workers when people think that construction work is dirty and dangerous with low pay, poor benefits and little opportunity for career advancement
- Education system. We need the education system to keep us on track, such as introducing more apprenticeships and internships
- Business incentives. Firms need more incentives to train their workforce, particularly as many worry about staff leaving and using their skills elsewhere.

¹ <https://www.telegraph.co.uk/business/2017/11/16/skills-shortage-tightens-around-uk-construction-sector/>

While fixing the labour shortage in the construction industry is no easy task, your workers cannot be more productive without the right type of skills to do so.

To improve the skills of your already existing workforce, it's important to first have a clear picture of your overall situation, for example what type of training and health and safety certificates your staff currently hold.

Asset management software can help you keep track of employees' certificates and notify you of any gaps in your business.

By allocating your teams and assets in a productive way, you can already make great improvements.

*Read on to find out more easy and manageable ways to do this in the next chapter: **Managing your assets efficiently.***



MANAGING YOUR EQUIPMENT EFFICIENTLY



Every contractor or construction worker knows that poor tool management - whether from tool loss, hoarding or breakage - can impact the efficiency and productivity of the business.

While every effort may be put into tool management, a scenario seen all too often is businesses relying on pencil, paper and spreadsheets - all practices which are prone to costly errors.

Too much time and money is wasted on site due to delays looking for tools and equipment or buying duplicate items. Our research found that on average, 90 hours a month are spent searching for assets across construction sites.

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So, what's the solution? Having the ability to track your tools and other types of equipment, as well as their status at any time is key to improving productivity.

Asset management software in its simplest terms is software that can track assets throughout warehouses, vehicles and job sites, providing you with their location at all times and their compliance status.

This is achieved by using barcode tags, which are scanned into an asset management system using a smartphone. Doing so means it is now possible to log into a system on a handheld device to see the location of each item you need, who is responsible for them and whether they are in good condition.

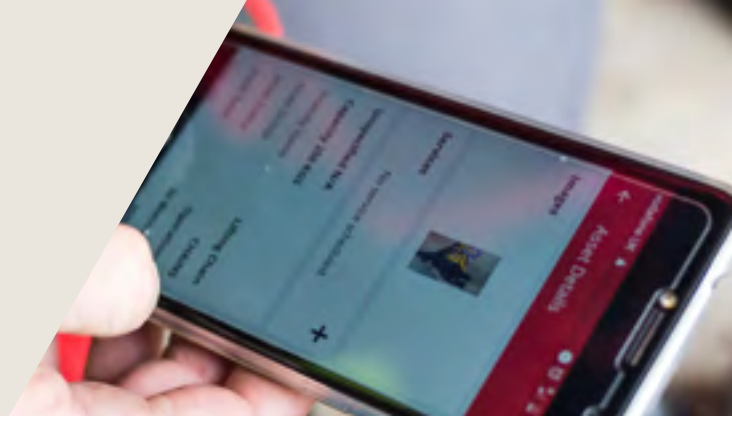
Your employees will no longer need to spend hours tracking items using paper-based systems and phone calls, and there'll be no chance of tools arriving on site from the warehouse in unusable condition.

Hilti's **ON!Track** offers all the software, hardware and service you need to implement asset management effectively in your business. Developed from our deep understanding of the construction sector, ON!Track is a solution dedicated to the industry.

We also provide a full lifecycle support from customisation, implementation, tagging, and technical support.



HILTI - CREATING SOLUTIONS TO HELP YOU IMPROVE YOUR PRODUCTIVITY



With over 75 years of industry knowledge at Hilti, our service consultants have helped thousands of Hilti customers identify opportunities to optimise and streamline their tool park and digitalise the way their tools and other assets are managed, in order to keep hidden costs to a minimum and boost overall productivity.

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