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# **B2B Challenges in the Construction Industry**



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## HOW DIGITIZATION MEETS CONSTRUCTION INDUSTRY CHALLENGES

Traditional procurement methods often involve time-consuming processes, limited supplier options, and a lack of transparency. Digitization can help address all of these and many other issues.

**Litigation.** Legal disputes and settlements are [soaring across the sector](#) due to unique project requirements and stringent contractual obligations. Delays and disruptions are costly and can severely damage reputations. Reliable procurement and traceability are vital.

**Quality control.** To maintain the highest standards of project management and safety accurate information in near real time, monitoring and tracking are needed.

**Labor supply.** As labor shortages continue, you can support new and inexperienced employees with automation and workflows. One advantage is that digital natives are much more comfortable using technology to guide them.

**Environment.** Eco-friendly practices, environmental regulations and customer preferences are all affecting the industry. The construction sector contributes [over one third of greenhouse gas emissions](#), so the pressure is on. Discovering sources of new materials and construction techniques online will contribute to the solution.

Innovations and technologies now entering the construction sector include:

- 3D printing
- robotics
- wearable safety sensors
- global positioning system (GPS) tools
- drones
- dash cameras
- self-driving vehicles
- telematics.

You can unify them all with the Internet of Things (IoT) to improve efficiency, productivity and safety. Seamlessly connecting devices and processes also helps to reduce waste and control expenses.

Building Information Modeling (BIM) is optimizing designs and improving project management, communication and planning. Virtual and augmented reality (VR and AR) are helping to solve problems with virtual simulations. Generative artificial intelligence (GenAI) can improve designs and efficiency and help manage risk through automated quality assurance.

# Construction industry challenges and solutions in 2024

Construction companies around the world have had to respond rapidly to changing customer expectations. In a digital world, young B2B buyers, contractors, suppliers, and distributors want fast and effective solutions. They are likely to search online for everything from heavy equipment and parts to raw construction materials.

## CHALLENGE 1-

### FRAGMENTATION

A good example of this sector-wide challenge is in the construction equipment parts sector. Ecommerce implementation is fragmented so it's difficult to find parts and maintain equipment. [Marketplaces](#), ecommerce sites for [manufacturers](#), [distributors](#) and [wholesalers](#) and [direct to consumer \(D2C\)](#) online sales all have roles to play.

## SOLUTION 1: INTEGRATION

Ecommerce and [business systems integration](#) will become key components in business strategies across the construction sector. Combining your B2B ecommerce platform and enterprise (ERP) system streamlines business operations, improves efficiency and enhances customer experiences. With a single source of accurate information, you can simplify and automate sales processes.

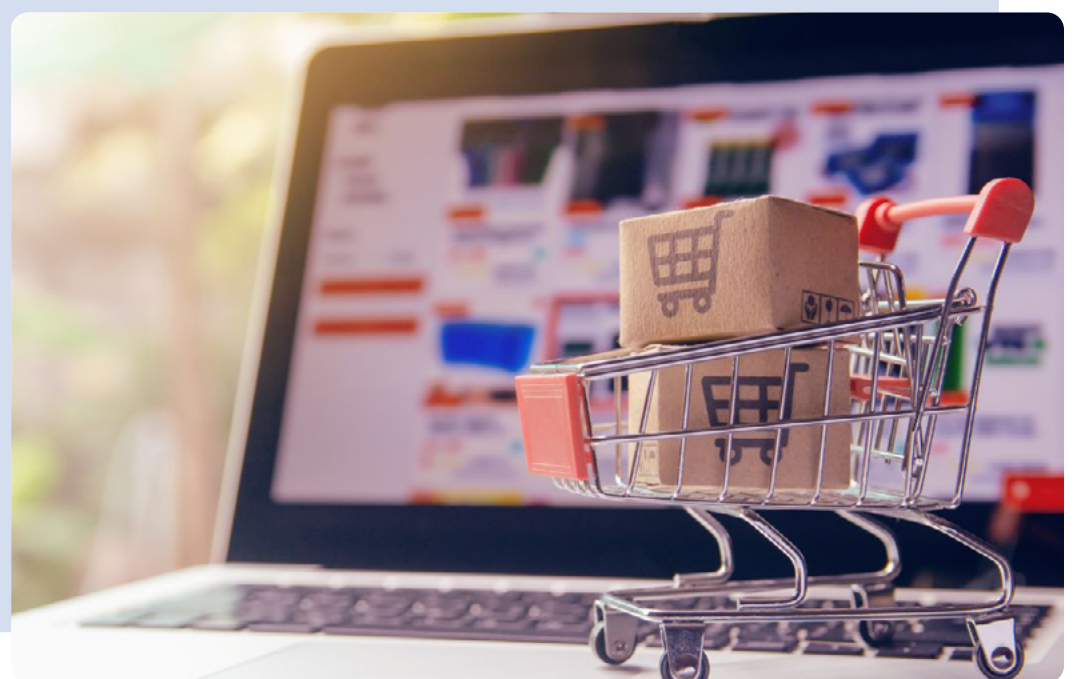
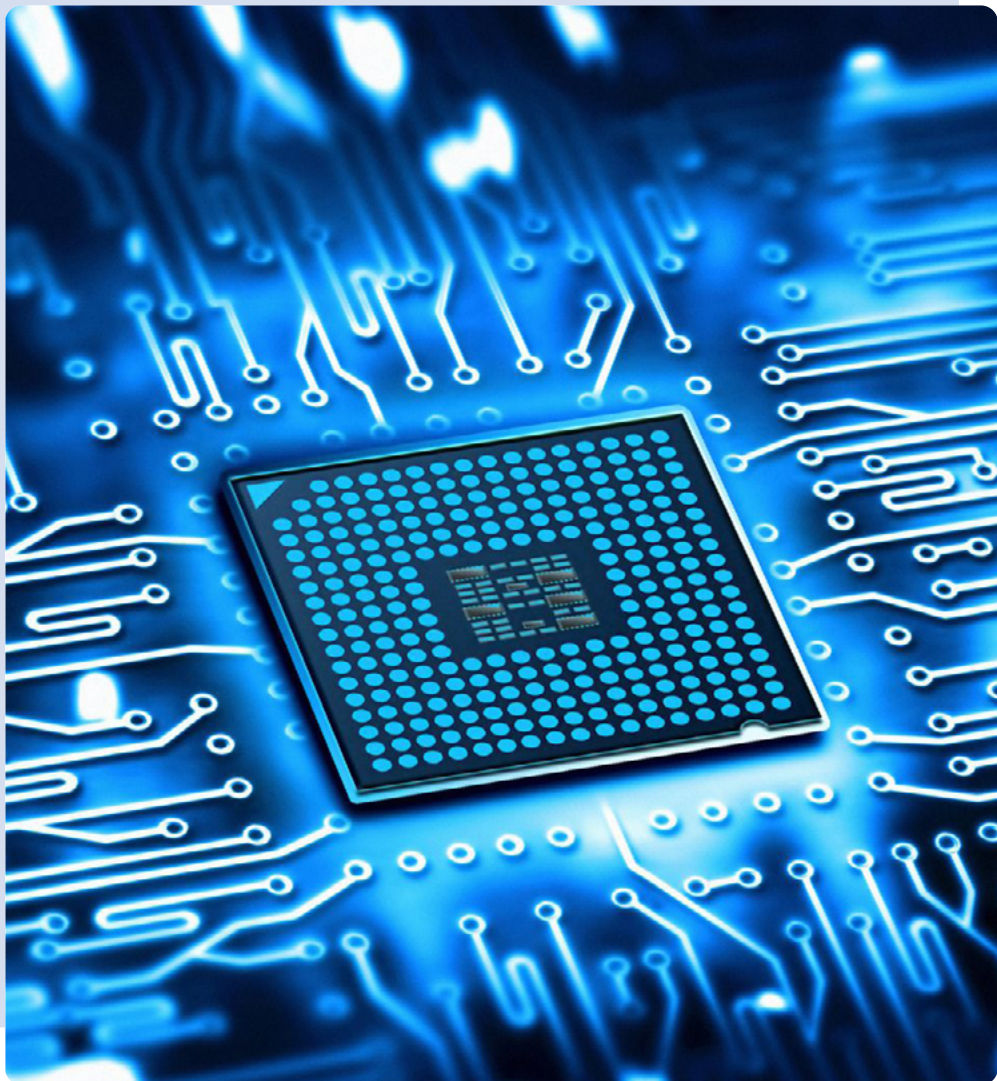
## CHALLENGE 2-

### PROCUREMENT PROCESSES

Easy online ordering and order processing simplifies buyer journeys. You'll help them find the solutions they're looking for quickly and easily. Online ordering reduces manual data entry errors so your [order to cash \(O2C\)](#) process improves and internal administration reduces.

## SOLUTION 2: CUSTOMER SELF-SERVICE

Ecommerce and business systems integration will become key components in business strategies across the construction sector. Combining your B2B ecommerce platform and enterprise (ERP) system streamlines business operations, improves efficiency and enhances customer experiences. With a single source of accurate information, you can simplify and automate sales processes.



By delivering easy checkouts, flexible delivery options and trackable shipping you'll also minimise customer service enquiries. You can become part of your customers' procurement solution when you implement electronic data interchange (EDI) and provide PunchOut catalogs. You can set up different authorization roles for your customers to suit their own procurement processes. Once an order is placed, email notifications make sure everyone is included in the workflow.

### CHALLENGE 3-

#### STOCK AVAILABILITY

Large construction projects require a lot of resources. To be sure there aren't any delays, your customers might order all your remaining inventory. This can lead to disappointment for other valued clients.

#### SOLUTION 3: INVENTORY MANAGEMENT

Sharing accurate views of stock levels in near real time gives your customers confidence, reducing the risk of over ordering. An effective [inventory management system](#) allows you to adjust stock counts and send automatic notifications when products are back in stock. You can set different views for registered and non-registered customers, show traffic-light style stock indicators and set stock thresholds. Integration with your ERP system allows you to show lead times and set different ordering rules and prices for your customers.



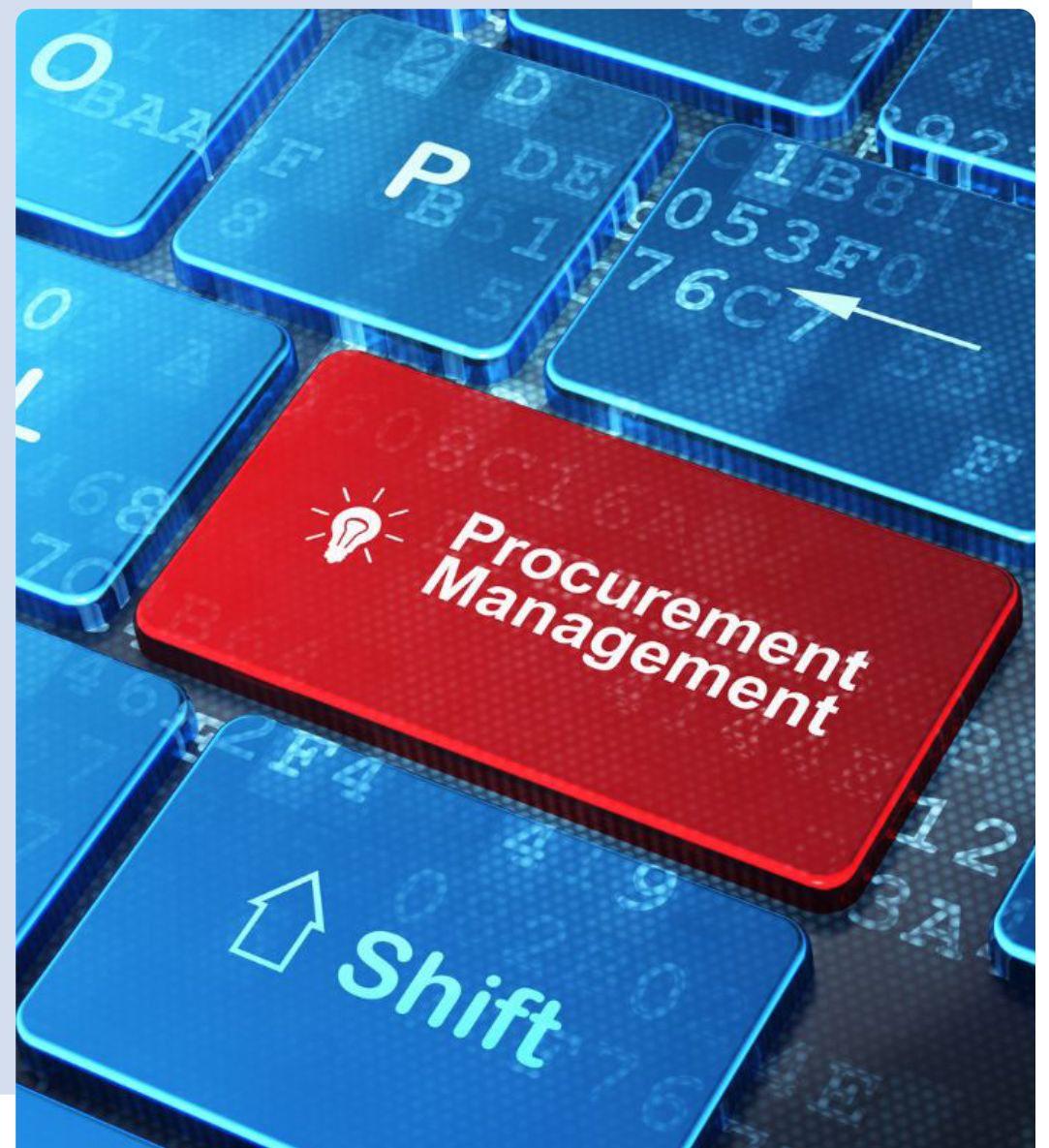
### CHALLENGE 4-

#### PRODUCT INFORMATION

Many factors make procurement in the construction sector complex. Limited product and stock availability information, shipping constraints, scheduling dependencies, and order approval processes can all slow things down. Often, there are multiple decision makers with different responsibilities within organizations too.

#### SOLUTION 4: PIM INTEGRATION

Only a few purpose designed B2B ecommerce platforms come with [product information management \(PIM\)](#) tools. They might also include pre-built integrations for third-party solutions and product information in your ERP system. You can store and maintain all your product information in one place and your customers can see the latest information online. An easy admin dashboard simplifies management of product packs, pallets and bundles, pricing rules and minimum or maximum order quantities.



## CHALLENGE 5-

### QUOTES

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Economic challenges and budget constraints mean buyers often request quotes from many different suppliers. Responding to multiple detailed requests for quotes (RFQs) is frustrating and time consuming if you don't win the business. Small errors can mean you lose the contract or don't achieve the profits you expect.

### SOLUTION 5: CPQ WORKFLOWS

An online [Configure Price Quote \(CPQ\)](#) tool speeds up your sales cycle. It's easy to configure, using rules you can set and change as needed. It generates fast and accurate quotes, helping to automate your entire quote-to-order process. With all the details at your fingertips you can analyze sales effectiveness and increase profitability. You can even create personalized quotes for specific groups of target customers.



## CHALLENGE 6-

### PRICING

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Labor resources, cashflow and materials availability all affect your pricing. Inflation and extended project timelines can mean you're revenue streams are under pressure. With fixed price contracts you carry all the risks while lengthy negotiations and changing schedules result in uncertainty for your business.

### SOLUTION 6:

#### CUSTOMER ACCOUNT MANAGEMENT

You can provide [personalized pricing](#) and discounts for each client using custom pricing tools within your B2B e-commerce platform. Customers purchasing certain products regularly or in bulk can receive one level of discount. Other infrequent customers can receive a lower discount for smaller orders. Alternatively, you can offer a loyalty price for repeat customers and standard rates for occasional customers.



## CHALLENGE 7-

### PAYMENTS

Late payment is a major risk for your business. In many cases they are due to inefficiency and ineffective workflows. [Recent research](#) shows many small and medium-sized businesses in the sector are funding these late payments. While project bank accounts will provide part of the solution, streamlined payments can also help maintain your cashflow.

### SOLUTION 7: ONLINE PAYMENTS

Your [customers can pay their invoices quickly](#) and easily online using your B2B ecommerce platform. Customer data in your ERP system can automatically create prompt invoices they can access via their user dashboard. Your customers can manage and pay their invoices using their preferred methods or in pre-agreed installments.



## CHALLENGE 8-

### INTERNATIONAL SALES

The sector is currently growing in the US and contracting in China, but things can change rapidly. Across the world, international sales help minimize the impact of national and regional changes. However, cross-border selling adds complexity to your business.

### SOLUTION 8: MULTIPLE STOREFRONTS

Your B2B ecommerce platform can support international expansion for your business. It involves more than a duplicate of your home website with a different domain name. You must provide the right functionality for your overseas clients so they can explore your catalog in their own language. They will want to pay using their preferred currencies and methods. [Multi-language and multi-currency functionality](#) is not always easy to provide. Few B2B ecommerce platforms provide this without additional customization, adding to your costs. Look for a solution that allows you to meet the needs of the regions where you operate.



# Case Studies: B2B ecommerce success in the construction sector



**Joseph Murphy**  
(BALLINA) LTD | SINCE 1916

## JOSEPH MURPHY

[Joseph Murphy](#) is a family run wholesale hardware distribution company established in Ireland for over 100 years. The company worked with Cloudfy to create a brand directory. They also have a traffic-light-style inventory indicator system and can provide automatic back-in-stock notifications. Their self-service customer portal makes it easy to view and download invoices at any time.

## SITEMAX

[Sitemax](#) provides safety equipment to the construction sector in Australia. The company wanted to improve their customers' ordering process by replacing hard copy catalogs with a B2B ecommerce approach. Their new Cloudfy site allows their customers to view their full product range online. Cloudfy pulls in customer records, product details, and inventory quantities from their ERP and returns order details for fulfillment. It's easy to add pages, blog articles, testimonials, case studies, product videos and downloadable product data.



## CORPAC STEEL

US-based [Corpac Steel](#) distributes pipe and steel products regionally and globally. At any time, it has 100,000 tons of inventory stocked and ready to transport. The company needed a quick and efficient way for customers to access the specifications of their products. Their new Cloudfy customer self-service portal provides mill test reports automatically, allowing customers to search, view and download product data. Customers can also access and pay their invoices at any time.



## ECOMMERCE FOR THE CONSTRUCTION INDUSTRY WITH CLOUDFY

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The world of construction is changing, and materials and equipment sales are changing with it. If you want to stay ahead in this competitive market, it's essential to embrace digital transformation.

You can put your customers' needs first when you provide an end to end ecommerce portal with Cloudfy. You'll deliver transparency about pricing and inventory and personalized experiences to improve customer satisfaction.

You can also future proof your business growth by taking advantage of cross selling and up selling opportunities. Over time you can collect valuable data to improve your understanding of customer needs and behavior.

Overall, the advantages and efficiencies of B2B ecommerce make it a requirement for competitive business operations in the construction sector.

Find out how Cloudfy can be part of the digital transformation of your construction business. [Book a free demonstration today.](#)

## FAQs

### **Do construction companies need B2B ecommerce?**

The construction industry has discovered how ecommerce can solve many pressing challenges. Your B2B buyers expect to research your products, obtain quotes and place orders online. They want contract pricing and order tracking at the touch of a button. B2B ecommerce allows you to simplify your business processes, save money and scale as your business grows.

### **Should I update my construction B2B ecommerce site?**

Even construction companies that have started their B2B ecommerce journey might not keep pace with buyer expectations. There are also increasing opportunities for process improvements and cost savings through business system integration. When you make your B2B ecommerce site part of your digital transformation strategy you can improve business performance.

### **How do I impress buyers in the construction sector?**

Your buyers know it's possible to discover products online quickly and easily and to place orders simply. They have everyday online shopping experiences where they see up to the minute information about stock levels and order status. They want the same for their professional purchases. Your website must be easy to navigate and provide accurate product details and stock availability information. Make reordering and payment easy to complete their online journeys.



## How will B2B ecommerce help my construction business?

Labor shortages across the sector mean productivity is a major priority. Your challenge is to achieve the same results with fewer resources. B2B ecommerce, integrated with your key business systems, saves time, simplifies processes and supports automation.

## Can B2B ecommerce speed up deliveries?

When you integrate your ecommerce platform with your back-office systems you can cut out a lot of manual processes. Even more importantly, you'll reduce data entry errors so the ordering process runs smoothly. Online payments and reliable shipping information and tracking remove many of the bottlenecks in the delivery process.



## Does B2B ecommerce help reduce costs?

By reducing repetitive admin processes, you can free up your customer service teams to build relationships and solve complex problems. Everyone can see a single, reliable source of information about your products, orders and deliveries. Collaboration is improved, so less time is wasted due to unnecessary misunderstandings.

## Can I simplify construction materials ordering with B2B ecommerce?

There's plenty of scope for simplification with order templates and standardized subcontractor agreements. Easy online forms and downloadable documents can provide fast and reliable order updates and reports.



## WORK WITH A **TRUSTED PARTNER**

To answer all these questions and the many others you will certainly have about the best B2B ecommerce software for your manufacturing, distribution, or service business [the expert team at Cloudfy](#) will be happy to help.

Cloudfy has been designed from the beginning to meet the needs of B2B ecommerce and you can launch a new site in weeks rather than months or even years. You can fully integrate orders, pricing, product and stock data with a range of ERP, warehouse and accounting systems.

**Upgrade your B2B Ecommerce Stack with ease**

REQUEST A DEMO

I HAVE QUESTIONS FIRST

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