

2022

5 Ways Better Materials Management Can Increase Your Profits



In this market, trade contractors can't afford to do things the old way.

Improving the way you manage materials can increase your profits by 19%.

Trade contractors know profitable construction projects come from a successful blend of labor, material, and equipment management. But too often, they overlook the opportunity for increasing profitability by improving the way they manage materials. Growing your business requires more than just taking on additional work. It requires improving HOW work gets done across your organization.

This e-book highlights a few areas where legacy processes are driving up your project costs. By the end, you'll have a better understanding of how improving materials management can help increase your profits.

Hidden Material Costs

Most contractors are paying extra. Are you?

At up to 40%, materials are already the second-largest driver of project costs. But that's just the sticker price. Contractors are paying hidden premiums to get their materials to the jobsite, while overspending on common materials by an average of 8%.

8+ hours per week

Time spent by foremen requesting and tracking materials on the job due to lack of visibility on materials orders. The result is inflated labor and material costs from repeat orders and late deliveries.

1,000x POs/year

Procurement agents lose time manually re-entering data and managing thousands of POs. A lack of analytics & historical data makes it too hard to search across POs and hold vendors accountable.

+70% next day orders

Due to insufficient data and the inability to track materials effectively, managing buyouts for projects becomes too difficult resulting in a high volume of next-day orders and higher materials costs.

\$68 per PO

Total average cost of processing one PO due to accounting slowdowns including lost packing slips, delayed payments, and missing order information.

+8% over-spending

Average amount trade contractors overspend on materials due to not shopping for the best price, not setting pricing agreements with your vendors or holding vendors accountable to them, and failing to pay POs within payment terms.

The process is the problem

Fractured materials management cuts into profit



Processes are fractured

The hidden costs of materials management come from ineffective processes, which are widespread in trade construction today.

Instead of collaborating, foremen and field leads, office teams, and vendors end up blocking each other. This isn't a surprise when you consider that most trade contractors rely heavily on outdated tools that weren't designed for the construction industry.

Even when things go well, the cost of these processes across your company is huge. Mistakes and inefficiencies at any step add up and cost the office, field, PMs - everybody - in the form of **late deliveries, delayed payments, and repetitive data entry.**

Imagine what perfect materials management would look like.

The field would never be slowed down to request materials they don't have. **Office staff would focus on getting the best possible prices and be free of data entry.** Managers would have metrics on who their top vendors really are. This system would be easy to use and built to meet the unique needs of subcontractors.

Connecting the pieces

The new standard in materials management

Meet Kojo.

Kojo streamlines the materials management process by bringing the field, office, and vendors onto one digital platform.

With information flowing accurately and in real-time between all parties and accounting systems, **Kojo increases electrical contractors' profits by an average of 19%.**



Connecting the pieces

The new standard in materials management



1

Connect your field

You can't afford to have materials slowing down your field team. On average, field foremen spend **8hrs/week managing materials**. Kojo makes it easy for the foremen to send requisitions and stay up to date on delivery logistics all from their mobile devices. **With Kojo, the field spends an average of 38% less time on materials management** related tasks.

2

Reduce office overhead

With Kojo, your office staff **reduces the average cost to process a single PO by over 75%** - from \$68-\$15! Your office staff now has what they need to pay invoices quickly and ahead of schedule with the best payment terms.

3

Oversee your supply chain

You could be getting a lot more from your suppliers if it were easier to manage and track pricing and performance. **With Kojo, you can finally hold your vendors accountable**, by making sense of your data and tracking deliveries and backorders.

4

Save money on materials

Take back the 8% of materials spend through features like our vendor price management that ensures you're paying the price you're supposed to be paying. Plus, with easy Requests for Quotes (RFQs), **you can save an average of 25% on your next order**.

5

An Amazon-like ordering experience.

With the largest database of unique parts in the industry, you now have the **easiest and simplest** way to manage and track your **materials orders**.

Meet Kojo

Kojo is the materials management platform built for your entire team - from requisition to delivery

Kojo Jobsite

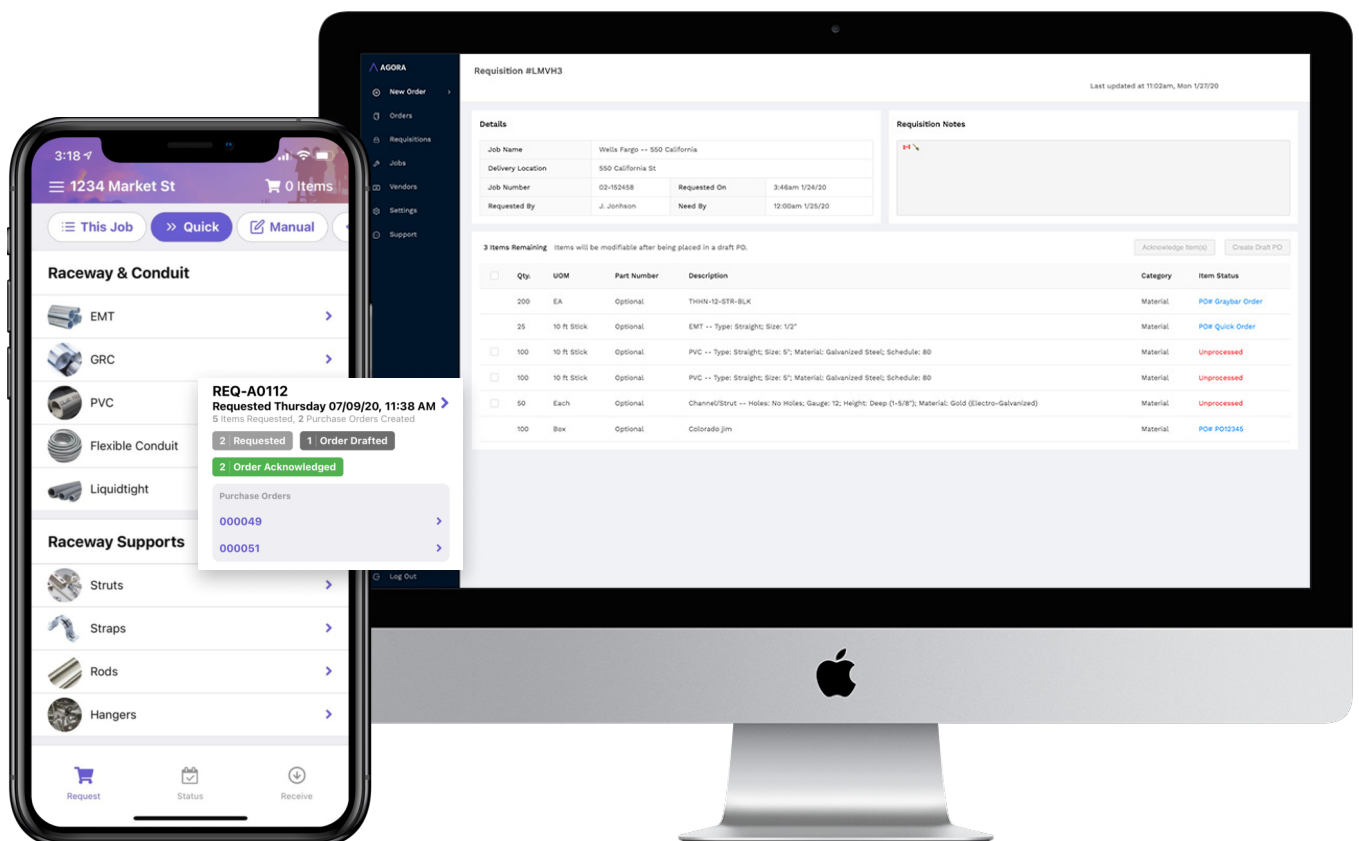
Field users submit materials requests, receive status updates, and check on deliveries from Kojo's mobile app.

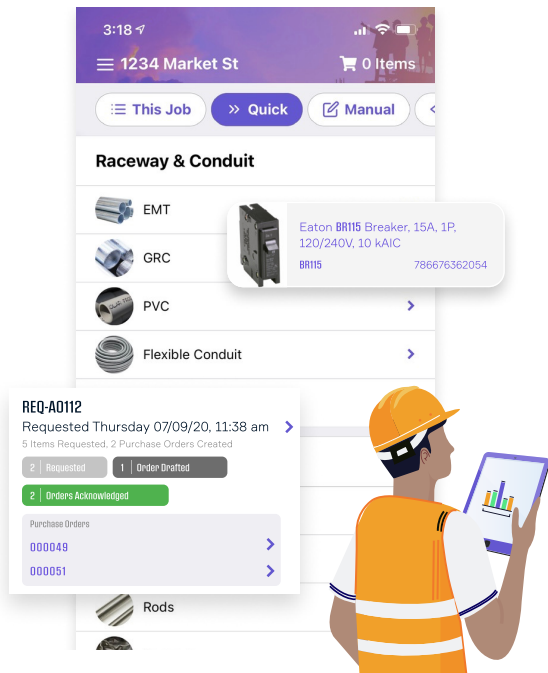
Kojo Office

Office users receive field requests, issue POs, manage pricing, issues requests for quotes and manage releases, all integrated with your accounting system.

Your distributors

Kojo sends your distributors easily readable emails whenever you issue a PO, RFQ, or release.





Field

Save 8 hours per month per foreman

Requisitions, order status, and deliveries

The field's materials needs in one easy-to-use application.

Find the parts you're looking for

Remove the need to type requisitions with our Amazon-like parts catalogue.

Purchasing Agent

Reduce office overhead

Create and send a PO in under 1 minute

Turn materials requests into new POs in seconds.

Send more requests for quotes

Send RFQ's to multiple vendors with a few clicks.

Never lose track of complex hold for release & lot POs

Automatically track hold for release POs. Process and issue draw requests from the field and office in less than a minute.

Awaiting Your Review (6)

SFO Terminal 1 REQ-A0013

4 items needed in 24 days

Requested by [Kojo Foreman](#) 3 days ago

SFMTA 3rd Street Rail REQ-A0012

9 items needed 9 hours ago

Requested by [Kojo Foreman](#) 3 days ago

Chase Center REQ-A0011

16 items needed 9 hours ago

Requested by [Kojo Foreman](#) 3 days ago

Transbay Terminal REQ-A0010

5 items needed 9 hours ago

Requested by [Kojo Foreman](#) 3 days ago

In Progress (2)

SFMTA 3rd Street Rail REQ-A0014

1 items needed in 15 hours

2 items rejected

Requested by [Kojo Foreman](#) 3 days ago

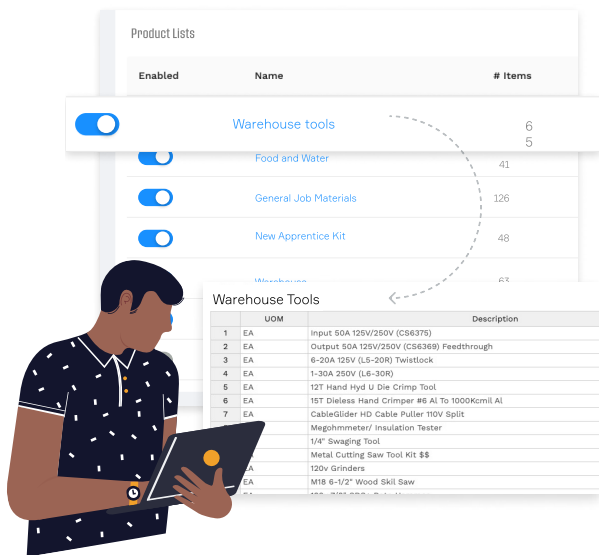
Salesforce Tower REQ-A0015

1 items needed in 4 days

1 items rejected

Requested by [Kojo Field](#) 7 days ago





Project Manager

Hold your field and vendors accountable

Control what your field teams order

Customized lists that encompass BOMs, job-specific materials, and warehouse commodities.

Never lose track of committed costs

Review your expected spend, most-ordered parts, and order volumes across a project.

Accounting

Easy integrations and auditability

Make accounting easier for your team

Auto-sync purchase orders to your accounting system and alleviate the need for re-entering data.

Pay invoices with confidence

Confirm you've received orders at the correct price before you pay invoices.



Total Job Spend
\$165,000

Orders
263

Avg. Order Size
\$626.01

| Avg. Qty | Avg. Price | Max. Price | Qty | Total Price |
|----------|------------|------------|-------|--------------|
| 30 | \$3,705.00 | \$3,705.00 | 30 | \$111,150.00 |
| 425.00 | \$425.00 | \$425.00 | 43 | \$18,275.00 |
| 20.00 | \$420.00 | \$420.00 | 25800 | \$6,000.00 |
| 10.00 | \$4371.00 | \$4371.00 | 2767 | \$5,000.00 |
| 1.00 | \$4371.00 | \$4371.00 | 1 | \$4,370.00 |
| 35.15 | \$35.15 | \$35.15 | 100 | \$3,515.02 |

Leadership

Transform your business

Save money on materials

Take percentage points off bottom line costs and increase your margins across your company.

Spotlight key areas for process improvement

Advanced analytics and tracking allows you to proactively spot key areas for process improvement.

Attract the next generation of talent

Attract top talent by giving them the tools they want.



Unlock 19% more profit on your next project.

Modernize your materials management today

To learn more about how we can help your organization increase profits on every project:



REQUEST DEMO

KOJO

 [USEKOJO.COM](https://usekojo.com)