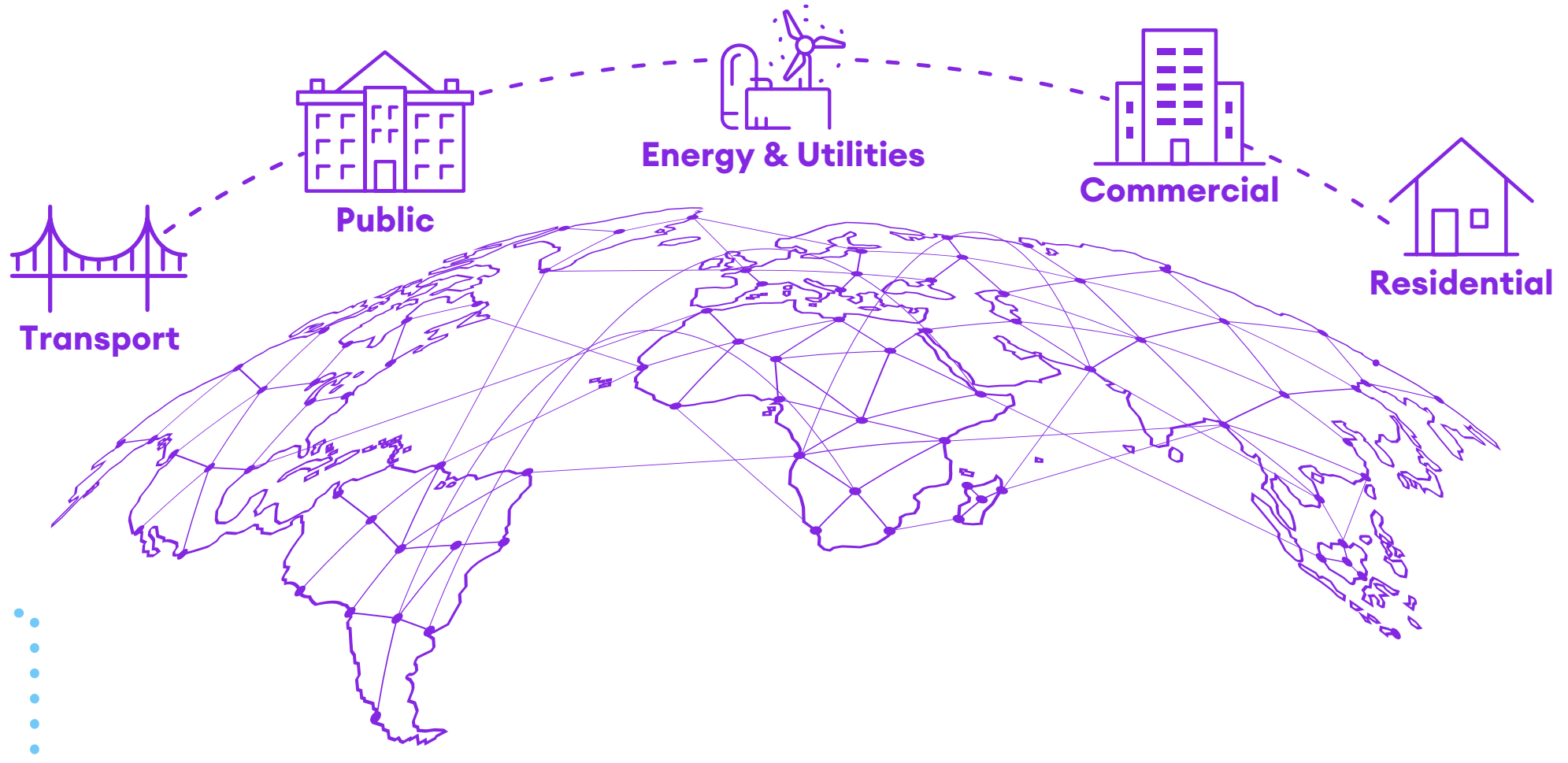


# IFS Construction and Engineering global industry directors share their insights and predictions for the future

Increasing business competitiveness, adopting an effective digital strategy, and exploring new revenue opportunities—these are all key drivers that will define 2024.

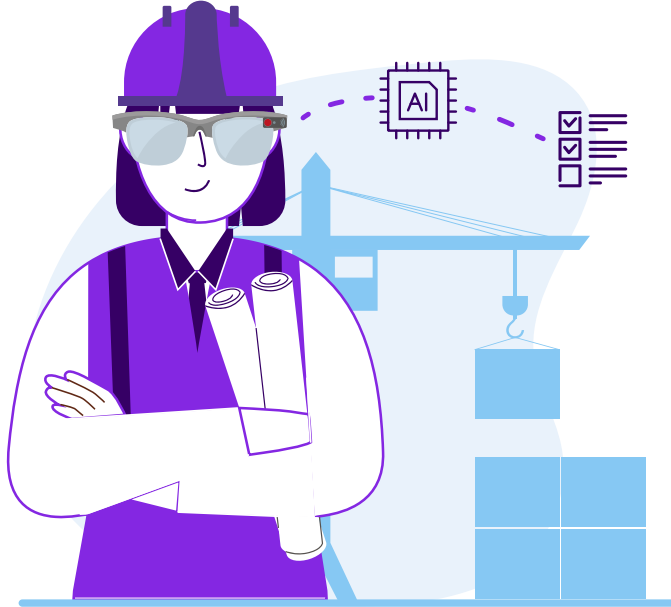
As the construction and engineering industry faces ongoing challenges such as increasing labor shortages and outdated business systems, all sectors are looking for ways to modernize and thrive.



## Prediction 1:

**30% of Construction and Engineering companies will deploy AI and Automation within the next 3 years.**

AI has the potential to **revolutionize the construction industry** by delivering improvements to **efficiency, quality, safety, and profitability**. Example uses include wearable tech, BIM, and planning & scheduling optimization.



### What are the drivers?

- Competitiveness and innovation
- Labor shortages and low productivity
- Safety and risk management

### What are the benefits?

- Understand, plan and forecast faster and more accurately
- Automating project cost control to make it less labor-intensive
- Use of drones, robots and machinery to perform hazardous tasks

[Learn more](#)

## Prediction 2:

**Construction and Engineering companies will have >30% of their revenue coming from operational and maintenance services within 4 years.**

Since **project margins are typically low**, some construction companies also support the operations and maintenance phase of an asset's life, thus transitioning from a contractor to a **"Total Asset Lifecycle Service Provider"**. By offering these services, contractors can become long-term **strategic partners** with the **benefit of repeat business**.

### What are the drivers?

- Reduce the risk of unpredictable project margins
- Diversify, expand and grow revenue
- Increase business' long-term viability and market valuation

### What are the benefits?

- Improved Resource Utilization
- Improved Asset Design
- Improved Safety and Regulatory Compliance

[Learn more](#)



## Prediction 3:

**90% of construction companies will simplify their business system landscape with cloud-based technology in the next 5 years.**



To support this industry's complicated business processes, companies often use a variety of departmental software systems and then attempt to integrate them. But the result is a disjointed system landscape. To **modernize your IT**, you need a **ERP digital backbone solution** that **easily integrates** to a small number of applications.

### Why doesn't a disjointed business system landscape work?

- Solutions are built on different technologies making integration difficult
- Excel provides inaccurate data that can be manipulated
- Standardized, repeatable best practice processes cannot be implemented
- Difficult or impossible to make changes to business strategy

### A strategic digital strategy is needed to:

- Consolidate & simplify systems and processes
- Reduce business risk, silos and the use of Excel
- Give management real-time data and a single version of the truth

[Explore further](#)

## Build a Successful 2024 and Beyond

This is the year for our industry to prioritize digital technology to create new revenue streams and streamline operations. Through AI and automation, and the adoption of a servitized business model, the industry can attract and retain new workers, cut project costs, improve efficiency, and enhance customer loyalty.

[Read the full predictions](#)

### About IFS

IFS develops and delivers cloud enterprise software for companies around the world who design, build, operate and maintain assets. Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers - at the Moment of Service™.

The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector. Our team of more than 5,500 employees every day live our values of agility, trustworthiness, and collaboration in how we support our thousands of customers.

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