Improving digital maturity in the construction & engineering industry

Your blueprint for successful new ERP system adoption in 2025

2025: The Year of Change

2025 will be a year of rapid change and technological innovation for the construction and engineering industry. In terms of digital maturity, the industry must play catch-up.

55% of companies realize that legacy finance, accounting and ERP systems must be updated and that complex webs of static spreadsheets are putting the company at risk, lowering profit margins and productivity levels, and hindering business growth and diversification.

As **CFOs, COOs, CIOs and Digital Transformation Managers** are all being tasked with creating a business case for new ERP platform investment, they need guidelines for benchmarking their digital maturity; for understanding how technology can help overcome their biggest challenges; and which capabilities they need now and next.

Here's your blueprint for a successful ERP adoption project—one that delivers ROI and results.

Why Change, Why Now?

To get a pulse on the rapidly evolving sector and help companies prepare for success in 2025, IFS commissioned a survey of 825 construction and engineering business leaders globally. The research study revealed these insights:

The Top 5 Biggest Industry Challenges

#1 **24%** Having timely, real-time and accurate management information as a single source of truth

#2 **23%** Improving project and business margins / addressing profitability concerns

#3 **23%** Mitigating project and business risk

#4 **23%** Overcoming supply chain issues including shortages of construction materials and prices increases

#5 **23%** Maintaining regulatory compliance (i.e., building codes, sustainability mandates etc.)

#1

24%

Having real-time and accurate management information as a single source of truth

The Constant Challenge: Project Profitability

The top three biggest challenges—lack of accurate data, project and business margins, and project risk—are all reinforced in the results of our project performance benchmarking. We asked industry leaders two key questions:

On average*, 41% of respondents' projects overrun their budgets and schedules.

On average*, respondents' say over half (54%) of projects make less than the original budgeted margin

The Top 3 Reasons for Modernizing IT Systems

#1 Adopt cloud-based technology that is easier to maintain and keep updated with the latest functionality **(46%)**

#2 Adopt flexible software solutions that enable us to add & remove capabilities as our business evolves **(46%)**

#3 Integrate systems more effectively for better data and more streamlined processes **(41%)**

The Top 5 Expected Benefits of a New ERP Platform

Construction and engineering leaders ranked the top 5 ways their organizations expect to benefit the most from a new ERP solution:

#1 **Improved agility to make it easier to grow and/or diversify the business**

#2 **Better resource, labor and equipment utilization**

#3 **Easy to integrate best of breed software tools**

#4 **Reduced IT costs by simplifying business system landscape**

#5 **Increase business valuation (share price)**

Technology Adoption Plans

Lagging behind in terms of digital maturity? You're not alone. There is a growing self-awareness across the industry that delaying digital transformation is no longer a viable stance.

In fact, over half of companies surveyed stated they are in the market for a new ERP system.

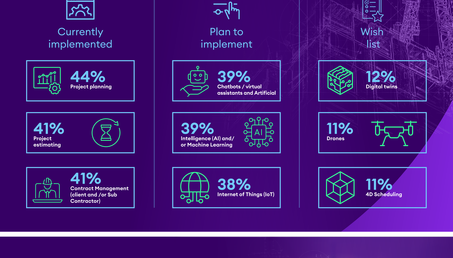
55% of companies are in the market

63% plan to select a new ERP solution in the next 1 – 2 years

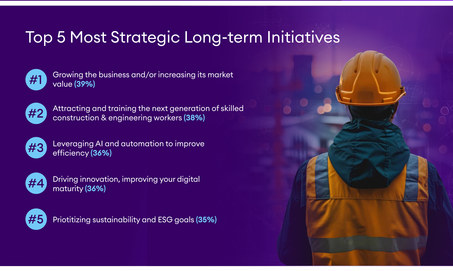
How many software systems does your business use on a regular basis?

On average, companies use 9 software systems regularly

What You Need Now and Next



Top 5 Most Strategic Long-term Initiatives



#1 Growing the business and/or increasing its market value **(39%)**

#2 Attracting and training the next generation of skilled construction & engineering workers **(38%)**

#3 Leveraging AI and automation to improve efficiency **(36%)**

#4 Driving innovation, improving your digital maturity **(36%)**

#5 Prioritizing sustainability and ESG goals **(35%)**

Want more insights into the top technology trends for 2025?

Read the eBook

Ready for change? Then you're ready for IFS Cloud ERP.

From a technology solution perspective, all of our research findings point to the need for a digital Enterprise Resource Planning (ERP) platform to provide accurate project visibility at every stage. It also highlights the critical importance of fully integrated, project financial control to ensure that cashflow and resources are optimized and that profitability and productivity are improved.

If your organization is looking for a future-proof solution that delivers best-in-class control, consider IFS.

IFS Cloud reduces business system architecture complexity by providing a single, enterprise-wide digital backbone that manages multiple critical functions and easily integrates to a smaller number of specialist applications. It helps businesses to unlock value quickly with industry-designed solutions while also delivering evergreen updates and modern user interfaces to attract the next generation of talent.

Discover more at IFS.com.

About IFS

IFS is the world's leading provider of Industrial AI and enterprise software for hardcore businesses that make, service, and power our planet. Our technology enables businesses which manufacture goods, maintain complex assets, and manage service-focused operations to unlock the transformative power of Industrial AI™ to enhance productivity, efficiency, and sustainability.

IFS Cloud is a fully composable AI-powered platform, designed for ultimate flexibility and adaptability to our customers' specific requirements and business evolution. It spans the needs of Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), Supply Chain Management (SCM), Information Technology Service Management (ITSM), and Field Service Management (FSM). IFS technology leverages AI, machine learning, real-time data and analytics to empower our customers to make informed strategic decisions and excel at their "Moment of Service™."

IFS was founded in 1983 by five university friends who pitched a tent outside our first customer's site to ensure they would be available 24/7 and the needs of the customer would come first. Since then, IFS has grown into a global leader with over 7,000 employees in 80 countries. Driven by those foundational values of agility, customer-centricity, and trust, IFS is recognized worldwide for delivering value and supporting strategic transformations. We are the most recommended supplier in our sector. Visit **ifs.com** to learn why.

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