

# Construction Industry User Group

Cost Containment During Uncertain Times



# Your Speakers



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Services

# Agenda

- 1 The Challenge Today
- 2 Prophix One Use Cases
- 3 Prophix Demo
- 4 Breakout Session
- 5 Wrap-up & Next Steps

# Housekeeping



## EARN 1 CPE CREDIT

Answer poll questions and complete the post-event survey to be eligible. QR code at the end of the presentation.



## Q&A

Feel free to ask questions throughout the presentation

# The Ground Has Shifted

*Construction finance teams are being asked to manage decisions in real time - with more variables and less certainty than ever before.*



**~8-12%**

Average labor cost increase year over year



**4-6 wk**

Typical gap between field cost event and finance visibility



**60%**

Of margin loss occurs during project execution not at closeout

# Managing Costs Requires a Different Approach

Most construction finance teams are managing cost pressure reactively. Here's what proactive looks like.

*Reactive — how most teams operate today*

**Proactive — what this environment demands**



## Job Cost Forecasting

Labor & Materials

Monthly WIP review. Static budgets set at job start. Finance finds out about overruns at close.

**Rolling reforecast by cost code. Mid-project budget updates that reflect field conditions in real time.**

## Scenario Planning

What-if modeling

One version of the forecast. Board sees a single number. What-if questions answered in Excel — if at all.

**High/base/low models run simultaneously. Flip one input and see the full margin impact instantly.**

## Cash Flow Visibility

Draw schedules & retainage

Cash forecasted at company level. Project-level timing gaps discovered when they affect bank position.

**Cash flow built from the project up — draw schedules, retainage timing, and billing tied to actuals.**

# Three things in Prophix One built for this moment

*What construction finance teams are prioritizing right now — and why they make sense together.*

01

## Cash Forecasting

When costs are unpredictable, cash position becomes the number everyone is watching. Project-level cash visibility — draw schedules, retainage, billing timing — lets you manage position before it becomes a problem.

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*"When is the first time you see a cash gap — before it hits or after?"*

02

## Scenario Analysis

You can't plan for one version of the future anymore. What happens if steel spikes? If a job runs two weeks long? If a crew is short? Scenario modeling lets you answer those questions before the decision — not after.

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*"Can your team run a what-if in hours — or does it still take days?"*

03

## CapEx Planning

Equipment decisions are expensive and the cost of getting them wrong is higher than it used to be. Connecting CapEx to project timelines and labor productivity assumptions changes how you justify — and time — those investments.

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*"Are your equipment decisions tied to job-level forecasts or sitting in a separate model?"*

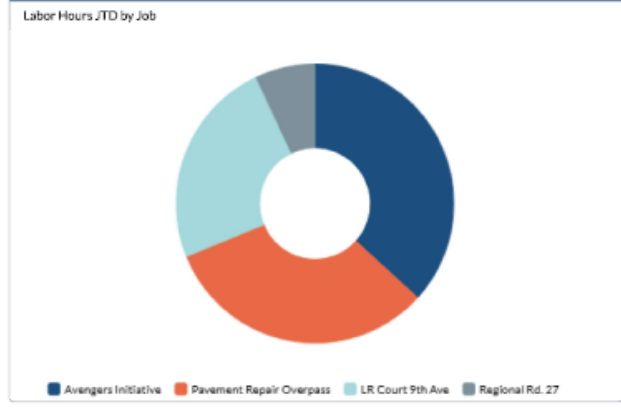
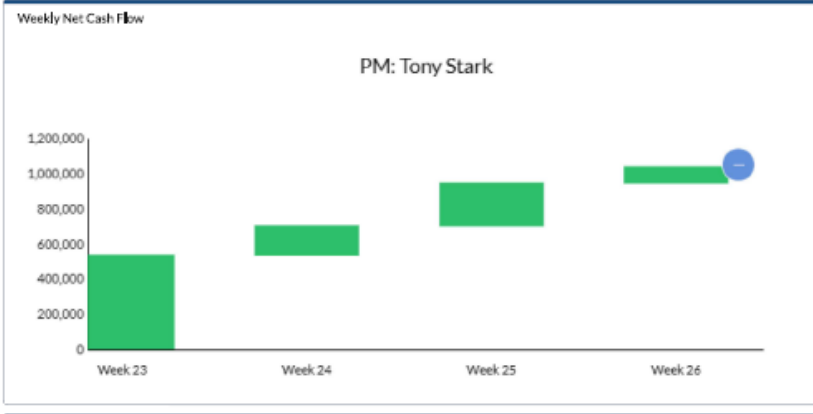
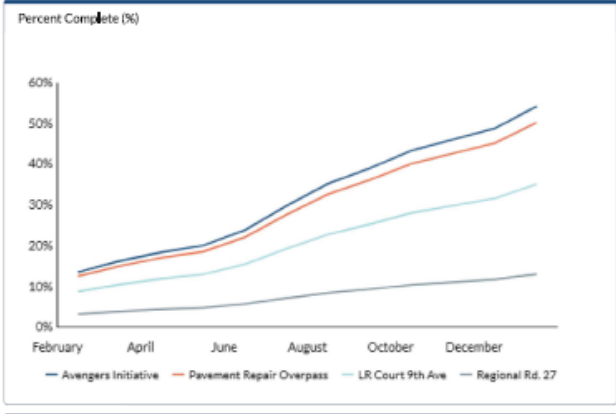
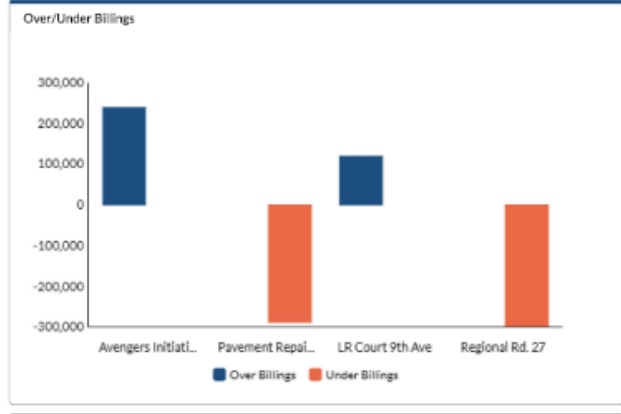
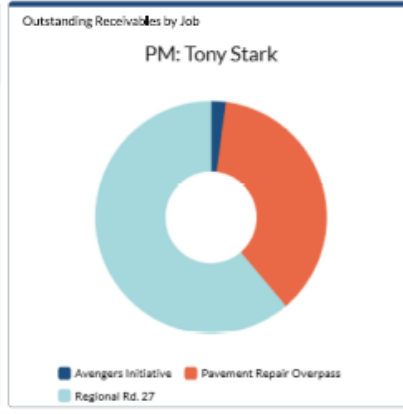
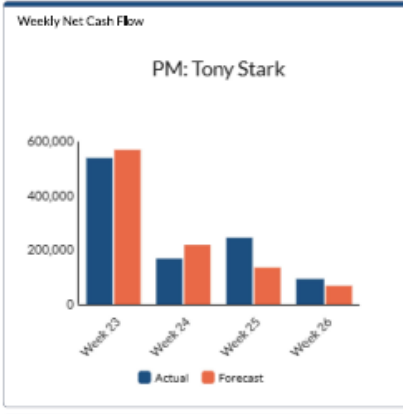
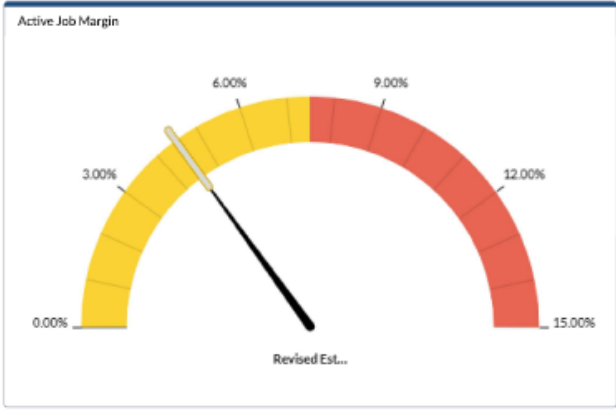
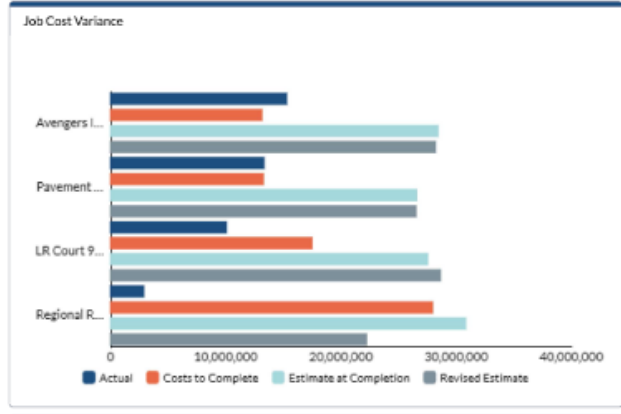
# Let's see how this works in Prophix...

Project Budgeting & WIP

Cash Flow Forecasting

Scenario Analysis

*As we go through this, think about where your team is today on each capability — because the conversation after is more useful when we know where people are starting from.*

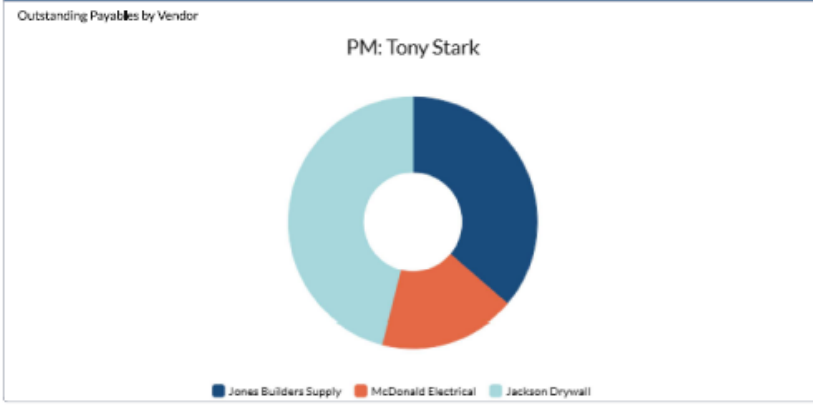


### Backlog

67,074,964

### Backlog Gross Profit

3,021,478

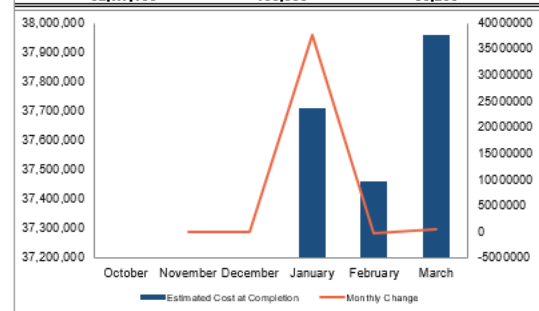


**(1003-JV) NZ 403 Design**  
Project Cost Analysis Summary

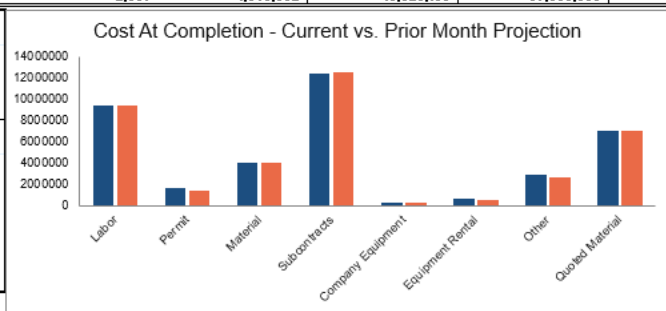
Customer: Pixonix  
 Superintendent: Chuck German  
 Project Manager: Jack Rode  
 Estimator: Brody Nash  
 As of: March, 2025

Start Date: August 14, 2019  
 End Date: February 26, 2025

	Original Estimate	Budget Adjustments	Approved Change Requests	Executed Change Requests	Revised Estimate	Pending Change Requests	Cost/Billing to Date	Unapproved AP Invoices	Open Commitments	March, 2026	Prior Month	Variance	Explanation	
										Cost to Complete	Estimated Cost at Completion			Estimated Cost at Completion
Material	3,595,271			564,002	4,159,273	344,542	2,434,875		477,390	1,090,313	4,002,578	4,002,578	-	
Subcontracts	11,150,188	200,000		833,188	12,183,376	137,697	4,942,920			7,520,391	12,463,311	12,504,949	(41,638)	
Company Equipment	182,000				182,000		110,715			71,285	182,000	182,000	-	
Equipment Rental	131,000			17,420	148,420		244,525	2,001	113,726	157,439	517,691	402,320	114,771	
Other	1,305,570	203,999	63,265	902,551	2,475,385	3,123,997	1,552,670		7,227	1,229,302	2,789,199	2,619,786	169,413	
Quoted Material	6,663,763			5,992	6,669,755	17,984	4,259,721		1,345,259	1,397,378	7,002,358	6,998,531	3,827	
<b>Total Costs</b>	<b>32,117,468</b>	<b>403,999</b>	<b>63,265</b>	<b>3,893,895</b>	<b>36,478,627</b>	<b>4,576,230</b>	<b>20,086,955</b>	<b>2,001</b>	<b>1,943,602</b>	<b>15,926,108</b>	<b>37,958,666</b>	<b>37,461,055</b>	<b>497,611</b>	



AR 30 (\$)	-
AR 60 (\$)	53250.00



Comments

# Job Scorecard

Job: NZ 403 Design

Project	Project Type	PM	Customer	Cost to Date	Revised Est.	Cost at Completion	Variance
NZ 403 Design	Tunnels	Jack Rode	Pixonyx	43,137,613	78,499,057	79,918,598	(1,419,541)

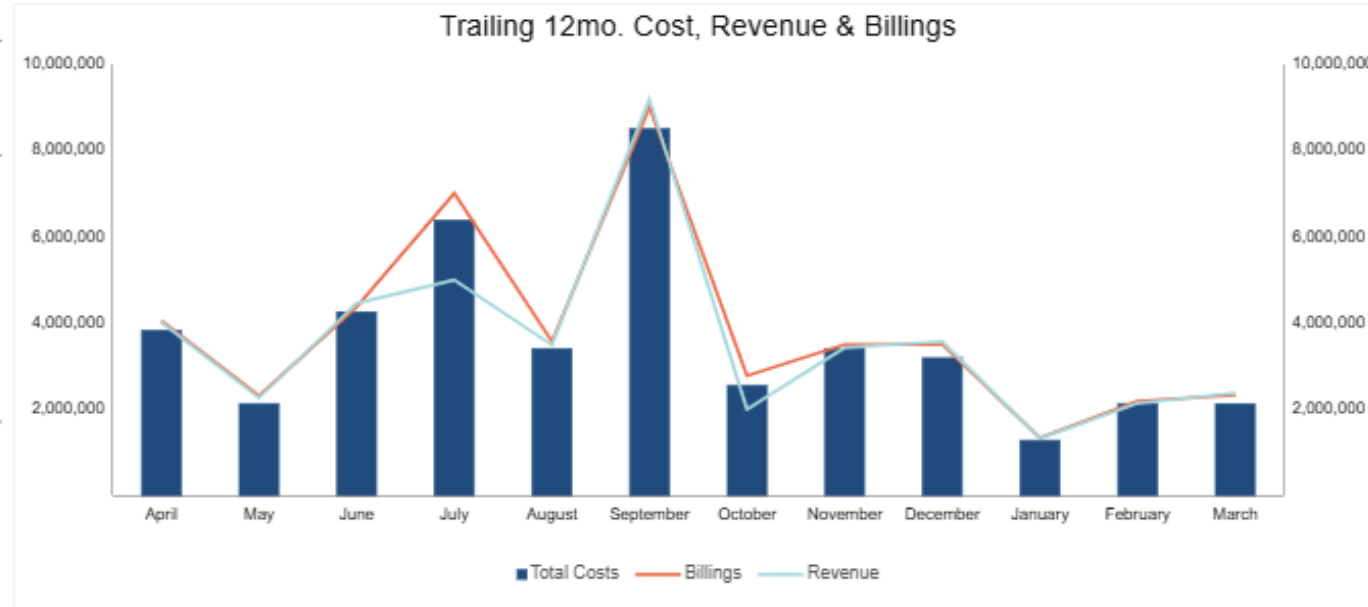
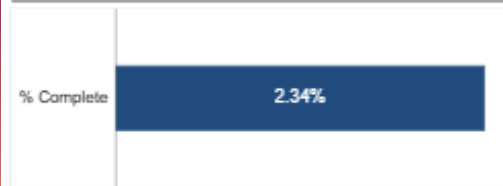
## Cost Variance

(1,419,541)

## Labor Hours Complete



## % Labor Cost Complete



	Cost to Date	Revised Est.	Cost at Completion	Variance	Variance %
<b>AR 30 Days Outstanding</b>					
					0
<b>AR 60 Days Outstanding</b>					
					53,250
Labor	6,852,920	36,322,784	37,143,142	(820,358)	-2.21%
Permit	8,840,200	11,177,522	11,896,397	(718,875)	-6.04%
Material	23,563,944	27,140,584	26,905,259	235,325	0.87%
Subcontracts	3,354,373	3,541,167	3,615,268	(74,101)	-2.05%
Company Equipment	519,814	317,000	356,859	(39,859)	-11.17%
Equipment Rental				-	0.00%
Other	6,362		1,673	(1,673)	-100.00%
<b>Total Costs</b>	<b>43,137,613</b>	<b>78,499,057</b>	<b>79,918,598</b>	<b>(1,419,541)</b>	<b>-1.78%</b>

## Job Cost Budget Input Template

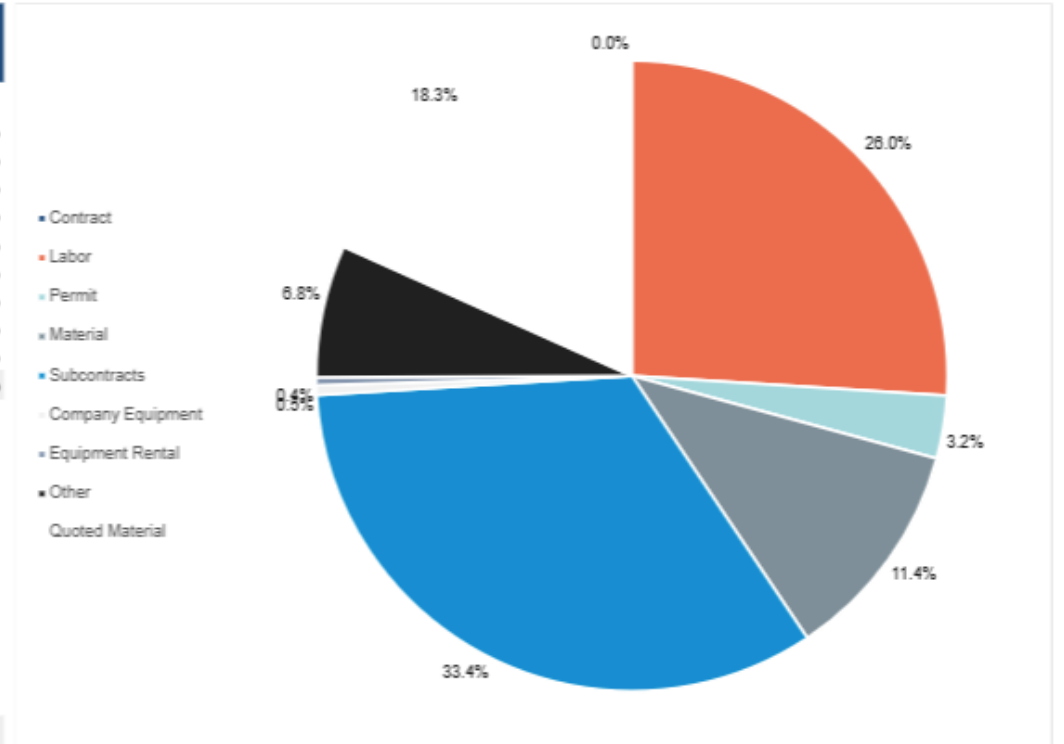
Job/Contract ID: (1003-JV) NZ 403 Design

Customer: Pixonyx

PM: Jack Rode

Estimator: Brody Nash

	Original Estimate	Budget Adjustments	Approved Change Requests	Executed Change Requests	Revised Estimate	Cost as % of Revised Estimate
<b>Costs</b>						
Contract						0.0%
Labor	8,051,676			1,432,742	9,484,418	26.0%
Permit	1,038,000			138,000	1,176,000	3.2%
Material	3,595,271			564,002	4,159,273	11.4%
Subcontracts	11,150,188	200,000		833,188	12,183,376	33.4%
Company Equipment	182,000				182,000	0.5%
Equipment Rental	131,000			17,420	148,420	0.4%
Other	1,305,570	203,999	63,265	902,551	2,475,385	6.8%
Quoted Material	6,663,763			5,992	6,669,755	18.3%
<b>Total Costs</b>	<b>32,117,468</b>	<b>403,999</b>	<b>63,265</b>	<b>3,893,895</b>	<b>36,478,627</b>	<b>100.0%</b>
<b>Hours</b>						
Architect	2,830				2,830	
Carpenter	3,320				3,320	
Electrician	1,029				1,029	
Engineer	1,000				1,000	
Equipment Operators	25,000				25,000	
Foreman	15,000				15,000	
Workers	99,438			11,103	110,541	
Project Manager	800				800	
Subcontractors	10,000				10,000	
Supervisor	2,300				2,300	
<b>Total Hours</b>	<b>160,717</b>			<b>11,103</b>	<b>171,820</b>	

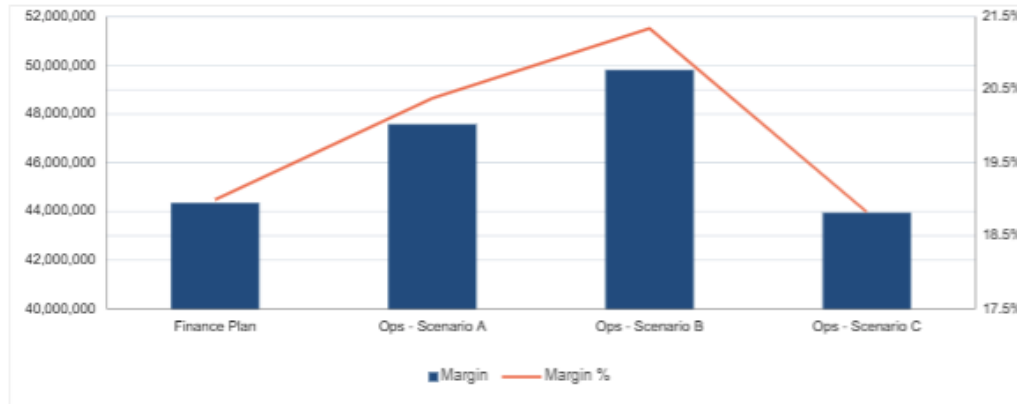
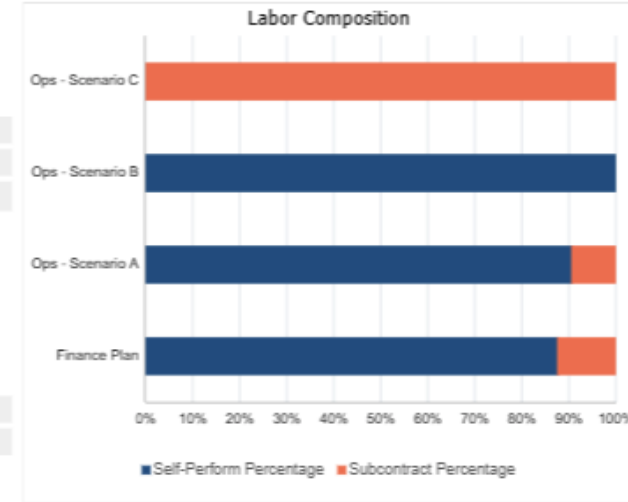


## Scenario Comparison

Entity 1 | North  
Total | Total  
2026

[Link to Labor Plan](#)  
[Link to Scenario Analysis](#)

	Finance Plan	Operations - Scenario A	Operations - Scenario B	Operations - Scenario C	Final Budget
<b>Projected Revenue</b>	<b>233,310,497</b>	<b>233,310,497</b>	<b>233,310,497</b>	<b>233,310,497</b>	
Salaries	11,014,809	9,546,786	9,024,422		
Benefits	1,101,481	954,679	902,442		
Subcontractors	3,280,764	1,656,861		15,792,739	
<b>Direct Labor</b>	<b>15,397,054</b>	<b>12,158,325</b>	<b>9,926,865</b>	<b>15,792,739</b>	
<b>Other Direct Costs</b>	<b>173,594,859</b>	<b>173,594,859</b>	<b>173,594,859</b>	<b>173,594,859</b>	
<b>Margin</b>	<b>44,318,584</b>	<b>47,557,313</b>	<b>49,788,773</b>	<b>43,922,899</b>	
Margin %	19.0%	20.4%	21.3%	18.8%	
Payroll Costs					
Marketing					
General & Administrative					
Travel Costs					
Utilities					
Outside Services					
<b>Operating Expenses</b>					
<b>Operating Margin</b>	<b>44,318,584</b>	<b>47,557,313</b>	<b>49,788,773</b>	<b>43,922,899</b>	-
Other Income & Expenses					
Taxes					
<b>Net Income</b>	<b>44,318,584</b>	<b>47,557,313</b>	<b>49,788,773</b>	<b>43,922,899</b>	-
Number of Jobs	20	20	20	20	-
Self-Perform Percentage	87.6%	90.6%	100.0%	0.0%	0.0%
Subcontract Percentage	12.4%	9.4%	0.0%	100.0%	0.0%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>
Labor as % of Revenue	6.6%	5.2%	4.3%	6.8%	0.0%



## WIP Report

Company: Stark Industries  
 Division: Transportation  
 Phase: Total Phases  
 Time: Jan 31, 2028  
[Link to CTC](#)

Job ID	Job Name	Customer Name - PM	Original Estimate				Revised Estimate including Approved Change Orders				Increase/Decrease Margin \$	Increase/Decrease Margin %	Billings	Earned Revenue	Costs	Margin \$
			Total Contract	Total Costs	Margin \$	Margin %	Total Contract	Total Costs	Margin \$	Margin %						
<b>Active Jobs</b>																
1003-JV	NZ 403 Design	Pixonyx - Jack Rode	33,891,822	30,314,430	3,577,392	10.56%	33,891,823	30,314,431	3,577,392	10.56%		0.00%	14,205,898	12,797,840	11,625,876	1,171,964
1960	Elm Creek - Expansion	Pixonyx - Jen Black	31,669,766	29,542,692	2,127,074	6.72%	39,900,058	35,556,849	4,343,209	10.89%	2,216,135	4.17%	17,955,026	18,371,575	16,371,789	1,999,786
1967	Krasinski Contract	Pixonyx - Jen Black	31,476,103	30,500,100	976,003	3.10%	31,476,103	30,500,100	976,003	3.10%		0.00%	7,869,026	9,152,304	7,415,023	1,737,281
1969	Avengers Initiative	Oba - Tony Stark	29,036,703	27,839,600	1,197,103	4.12%	29,036,703	27,839,600	1,197,103	4.12%		0.00%	15,370,187	15,679,820	15,033,384	646,436
1977	Pavement Repair Overpass	Oba - Tony Stark	27,450,099	26,193,505	1,256,594	4.58%	27,450,099	26,193,505	1,256,594	4.58%		0.00%	13,489,655	13,725,050	13,096,752	628,297
1978	LR Court 9th Ave	Oba - Tony Stark	29,413,298	28,254,849	1,158,449	3.94%	29,413,298	28,254,849	1,158,449	3.94%		0.00%	10,441,721	10,294,654	9,889,197	405,457
1984	Regional Rd. 27	Oba - Tony Stark	22,894,201	21,940,660	953,541	4.16%	22,894,201	21,940,660	953,541	4.16%		0.00%	2,693,435	2,976,246	2,852,286	123,960
3227	PO-365 Hunting Stream	Rhynyx - Erin Potts	19,883,785	18,918,920	964,865	4.85%	19,883,785	18,918,920	964,865	4.85%		0.00%	7,953,514	7,953,514	7,567,568	385,946
3234	I-123 at Prophix Rd	Rhynyx - Erin Potts	27,718,561	27,175,060	543,501	1.96%	27,718,561	27,175,060	543,501	1.96%		0.00%	16,631,137	16,631,137	16,305,036	326,101
3235	Lane Railing Contract	Rhynyx - James Van Fleet	23,542,587	21,209,538	2,333,049	9.91%	23,542,587	21,209,538	2,333,049	9.91%		0.00%	16,479,811	16,479,811	14,846,677	1,633,134
4011	2nd Country Road	Rhynyx - James Van Fleet	25,926,143	24,738,686	1,187,457	4.58%	25,926,143	24,738,686	1,187,457	4.58%		0.00%	19,444,607	19,703,869	18,801,401	902,467
4026	66-Id Deck Repairs	Rhynyx - James Van Fleet	25,276,336	23,845,600	1,430,736	5.66%	25,276,336	23,845,600	1,430,736	5.66%		0.00%	22,748,702	22,622,321	21,341,812	1,280,509
4027	36 - Deck Repurpose	Tagcat - Jack Rode	22,776,846	21,286,772	1,490,074	6.54%	22,776,846	21,286,772	1,490,074	6.54%		0.00%	17,082,635	17,082,635	15,965,079	1,117,556
6595	Umbrella Academy	Gabvine - Jack Rode	23,847,978	22,712,360	1,135,618	4.76%	23,847,978	22,712,360	1,135,618	4.76%		0.00%	19,078,382	19,078,382	18,169,888	908,494
6609	Springfield - subcontract	Gabvine - John Doe	26,032,838	25,274,600	758,238	2.91%	26,032,838	25,274,600	758,238	2.91%		0.00%	24,731,196	24,705,163	23,985,595	719,568
<b>Total Active</b>			<b>400,837,066</b>	<b>379,747,371</b>	<b>21,089,694</b>	<b>5.26%</b>	<b>409,067,359</b>	<b>385,761,529</b>	<b>23,305,829</b>	<b>5.70%</b>	<b>2,216,135</b>	<b>0.44%</b>	<b>226,774,932</b>	<b>227,451,937</b>	<b>213,267,363</b>	<b>14,184,573</b>
<b>Awarded (not started)</b>																
20001	Cement Overview 87	Brainlounge - Erin Potts	20,759,852	20,077,226	682,626	3.29%	20,759,852	20,077,226	682,626	3.29%		0.00%				
20054	Trillium West Wing	Brainlounge - Erin Potts	24,770,466	23,749,249	1,021,218	4.12%	24,770,466	23,749,249	1,021,218	4.12%		0.00%				
20062	ON Trent 786	Brainlounge - Erin Potts	17,072,057	16,105,714	966,343	5.66%	17,072,057	16,105,714	966,343	5.66%		0.00%				
20091	Fort Ivied 48	Brainlounge - Erin Potts	19,323,879	18,761,048	562,831	2.91%	19,323,879	18,761,048	562,831	2.91%		0.00%				
<b>Total Awarded</b>			<b>81,926,254</b>	<b>78,693,237</b>	<b>3,233,018</b>	<b>3.95%</b>	<b>81,926,254</b>	<b>78,693,237</b>	<b>3,233,018</b>	<b>3.95%</b>		<b>0.00%</b>				
<b>Potential Projects</b>																
20143	Stark Mine	Brainlounge - Erin Potts	22,813,424	22,148,955	664,469	2.91%	22,813,424	22,148,955	664,469	2.91%		0.00%				
20173	Outwing 9853	Brainlounge - Erin Potts	18,366,419	17,609,222	757,197	4.12%	18,366,419	17,609,222	757,197	4.12%		0.00%				
20196	Elkwood County	Edgeblab - Jack Rode	21,309,989	20,490,374	819,615	3.85%	21,309,989	20,490,374	819,615	3.85%		0.00%				
<b>Total Pipeline</b>			<b>62,489,831</b>	<b>60,248,551</b>	<b>2,241,280</b>	<b>3.59%</b>	<b>62,489,831</b>	<b>60,248,551</b>	<b>2,241,280</b>	<b>3.59%</b>		<b>0.00%</b>				
<b>Total AAP</b>			<b>564,680,773</b>	<b>537,550,928</b>	<b>27,129,845</b>	<b>4.80%</b>	<b>572,911,066</b>	<b>543,565,086</b>	<b>29,345,980</b>	<b>5.12%</b>	<b>2,216,135</b>	<b>0.32%</b>	<b>226,774,932</b>	<b>226,081,237</b>	<b>213,267,363</b>	<b>12,813,874</b>

# Live discussion & breakout groups

*Now we want to hear from you.*

*In breakout groups, discuss how you handle these challenges today in Prophix FP&A+, or share other use cases you have implemented — and what made them work.*

# Next steps

*Three things worth doing before your next board or leadership meeting.*

## **01** *If job-level reforecasting is still happening outside Prophix*

Work with a Prophix expert to set up a rolling forecast model tied to cost codes — not just jobs. When a crew runs over or materials spike, you see it in the model the same week, not at month-end close.

## **02** *If scenario planning is still a manual exercise*

Book a session with a Prophix expert to build your first construction scenario model — materials up 10%, job delayed two weeks, labor shortage on key phase. When the next curveball hits, you answer leadership in hours — not days.

## **03** *If cash flow is still forecasted at the company level only*

Move cash forecasting to the project level in Prophix. Draw schedules, retainage timing, billing tied to actuals. Your CFO always has a live picture. Finance stops explaining what happened and starts managing what's coming.

# Thank you!



Scan the QR code and complete  
the course evaluation to earn your  
CPE credit