Xero for construction

Manage your trade and construction clients with Xero

Contents

An accounting solution built for your trade and construction clients

Specialized reports, bespoke chart of accounts, and tailored app stacks to manage your construction clients

At its core, Xero provides a software solution for managing your clients' finances, from automated bank reconciliation to invoicing, expenses, and more. Xero's tools for construction businesses drill deeper and are designed specifically to help manage different types of trade and construction clients.

Xero for construction can help your practice:

- **Service your trade and construction clients more efficiently:** Reduce accounting admin with specialized reports and a bespoke chart of accounts.

- **Add more value with tailored solutions:** Provide your trade and construction clients with tailored app stacks to help them run their business.

- **Attract more clients:** The large size of the construction industry means that more and more trade and construction clients are seeking advice and services. Make sure you're ready for the opportunity with Xero.

Features of Xero for construction

Dive into the benefits of Xero for construction and learn how they can help streamline your day–to–day tasks and drive more positive outcomes for your practice and your clients.

Tailored app stacks and standardized workflows	Leverage Xero for construction's comprehensive app maps to gain a more in-depth understanding of the needs of the different types of construction clients. These maps can help you advise your clients on the best app stacks to streamline day to day processes, which in turn can add value to your offering and create a standardized workflow to help you manage their accounts more efficiently.
Seamless bank connections, reconciliation and auto-coding	With Xero's bank connections, transactional data from client bank accounts flows seamlessly into Xero. Xero's user-friendly bank reconciliation and auto-coding tools help make preparing your clients' year–end accounts and tax returns a breeze.
Specialized report templates and chart of accounts	Position yourself as your clients' trusted advisor with Xero for construction's specialized report pack. The tailored chart of accounts for trade and construction can reduce your admin and helps you start off on the right foot when managing client financials.

Xero for your trade and construction clients

There's never been a better time for your trade and construction clients to move their business to cloud accounting. Whether it's for a sole trader or a construction business managing larger projects, Xero can help your clients automate day-to-day admin tasks, track payments and cash flow, and manage their finances on the go.

With Xero, your trade and construction clients can:

- Quote and invoice on the go with the Xero app

- Add online payment options to their invoices and help make payment easier for their customers

- Seamlessly sync Xero with industry apps designed for trade and construction

- Streamline collaboration with you and their team. With Xero's cloud-based software they can share their numbers easily and in real time to keep the figures in sync and everyone on the same page.

Seamless integration with Xero

Xero integrates seamlessly with apps built for the trade and construction industry, so you can offer your clients a tailored app stack to help with tasks.

Job management
Track the time spent, costs and profitability of each job

Payment services
Give customers the option to pay via online invoices

Employee expenses
Manage staff expenses and mileage claims

Project management with inventory
Manage larger projects and inventory from end to end

Payroll
Pay contractors and employees accurately and easily

Data capture
Save time with details from bills and documents automatically extracted and posted in Xero

TRADIFY

ServiceM8

BUILDERTREND

PROCORE

xero Projects

WorkflowMAX
a xero product

stripe
GOCARDLESS
PayPal

Square

Zettle
by PayPal

xero
Expenses

Expensify

Hubdoc

xero

gusto

Dext

Profiling clients' app needs

To determine which type of industry app best suits a client, it's important to consider the size of their business and if it is job-based or project-based.

Job type: Are they job-based or project-based?

Job-based	Project-based
• Their main business focus is on high volume work. • Success is defined by managing several jobs at the same time. • They're often tradespeople doing admin on the move between jobs (that's until they get home to finish the day's work).	• They have fewer customers, but the scale and complexity of each job is much larger. • Success means delivering their project efficiently and profitably. • They often have complex payment structures, such as progress payments and subcontractor payments.

Once you've identified their business goals, you'll have a suite of industry apps at your fingertips to help meet their business needs.

Matching the app to the need

Time tracking and job costing in Xero	Apps for job–based businesses			Apps for project-based businesses	
Xero	TRADIFY	BUILDERTREND	SERVICEM8	PROCORE	Workflow MAX a xero product
Xero Projects	**Tradify**	**Buildertrend**	**ServiceM8**	**Procore**	**WorkflowMax**
Ideal for tradespeople and micro businesses	Ideal for tradespeople and micro businesses	Ideal for micro businesses and small construction businesses	Ideal for small construction businesses	Ideal for medium and large construction businesses	Ideal for small to medium construction businesses
A simple job tracking tool to quote, invoice and monitor how much money they're making. Xero Projects makes it easy for trade and construction businesses to track the time spent, costs and profitability of each job so you can see where to improve in the future.	An easy-to-use job management solution for small trade businesses. They can generate and manage customer inquiries and get a real-time view of who is closest to a job, for faster dispatch.	Buildertrend is a cloud-based project management software designed for small construction businesses. Their features, including scheduling, job costing, time clock, and a customer portal, aim to help construction professionals reduce delays, eliminate communication errors and increase customer satisfaction.	This end-to-end job costing software is perfect for business owners who manage jobs and staff in the field. They can access the complete job history including notes, emails, texts, photos and videos, automatically remind clients about upcoming bookings and notify them when they're on the way.	A comprehensive, cloud-based construction project and financial management platform with years of experience building and refining integrations with accounting systems like Xero.	A great end-to-end job and project management solution for medium–sized commercial trades and construction companies. It allows them to manage people, teams, and complex workflows to enjoy full visibility over the entire performance of your business.

Add-ons for any type of construction business

These additional add-ons will help your construction clients manage their finances more smoothly and make it easier for you to access their data and provide a more tailored service.

Payment services	Managing expenses	Data capture	Payroll
Stripe and GoCardless for online invoice payments • Whatever the size of your client's business, adding online payment options to their Xero invoices is easy. Xero customers using online invoice payments get paid up to twice as fast. **Zettle or Square for card payments** • Zettle and Square both integrate with Xero and come with a point–of–sale (POS) terminal to allow your clients to take card payments on-site.	**Xero Expenses** • With Xero Expenses, submission and approval is easy, insights are deeper and accounting is integrated. So you can reduce the time and cost of processing expense claims and spend more time advising your clients. **Other options:** • Expensify	**Hubdoc** • Spend more time making sense of your clients' financial data and less time collecting it. • Integrating Hubdoc and Xero means time-consuming bookkeeping tasks are automated, saving you up to 30% of your time. • With automated bookkeeping and real-time financial data, Hubdoc seamlessly syncs with Xero so you and your clients can spend less time manually uploading information. **Other options:** • DEXT	**Gusto** • Software built for businesses who want an easy and automated way to manage payroll, benefits, and workers' compensation all in one place, entirely online.

Need more information? Check out our solution decision tree for additional guidance on tailored app stacks for your trade and construction clients.

Advice tailored for your business

Trade and construction businesses differ greatly in size, goals and needs. To help you service each client, we've categorized them into three groups (tradespeople/sole traders, micro businesses, and small to medium-size construction firms) with a profile, recommendations for app stacks, and a case study for each group.

Tradespeople (sole traders)	Micro businesses 2 — 9 employees	Small to medium firms 10 — 249 employees
Key needs:	**Key needs:**	**Key needs:**
• Quoting and invoicing	• Quoting and invoicing	• Quoting and invoicing
• Getting paid	• Managing employees	• Managing employees and contractors
• Data capture	• Managing cash flow	• Job costing and project management
• On-the-go access	• Job costing	• Tracking profitability
		• Paying bills

Tradespeople (sole traders)

Tradespeople are the largest group within the US construction industry, and therefore represent a great growth opportunity for your practice.

Tradespeople are unlikely to have a need for an advanced app stack. But, they can benefit greatly from Xero's core offering. Many of them are used to working with pen and paper, or sending quotes by email, but by emphasizing the mobile aspect of Xero, you can help them adopt and embrace mobile technology and help make their day-to-day lives much easier.

Job management

Payment services

xero
Projects

Square

stripe
GOCARDLESS
PayPal

Zettle
by PayPal

xero

Hubdoc

Data capture
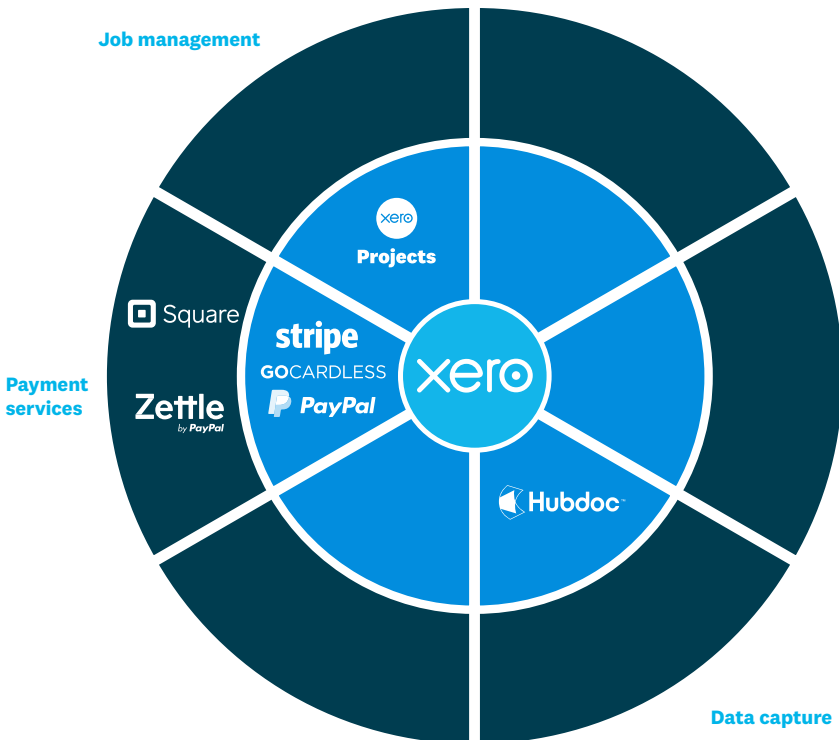
Sole trader needing time-saving tools

Recommended app stack:

Xero +
Xero accounting
app

—

Online invoice
payments

—

Hubdoc

—

Xero Projects
(at a later date)

—

Time-poor tradesperson Tom

Tom is a painter and decorator who inherited his Dad's business 15 years ago. He's built up a good client base over the years, which keeps him busy. He doesn't use any type of accounting software: he uses pen and paper, monitors his bank account for cash flow, and uses word processing software for quoting and invoicing.

Tom is keen to keep his work rate steady and his business approach consistent but would like to start taking on jobs that are more profitable.

|	
Goal	Spend less time on admin to free up his evenings and weekends
Pain points	Finds quoting and invoicing a chore, is always chasing customers to pay their invoices, and constantly checking his bank account to see if they have
No. of employees	No employees
Jobs	<15 jobs per month

Achieving Tom's goal: Time-saving

Approach: Mobile first as a better way to invoice

• Use the Xero app to quote and invoice on the move

• Add a 'Pay now' button to his invoices so customers have an easy way to pay

• Set up automatic invoice reminders for those who don't pay straight away

• Stay up-to-date on account balances with Xero's user-friendly dashboard

• As he takes on more lucrative projects he could consider Xero Projects to help him track profitability

Micro construction businesses (businesses with 2 to 9 employees)

Micro construction businesses are a great fit for Xero. They can benefit from the same features as sole trader client, as well as managing their employees' wages and expenses in one place. They are likely to work on a mixture of jobs and projects, so the volume varies from month to month. Having an add-on like Xero Projects or Tradify can help them track job costs and profitability.
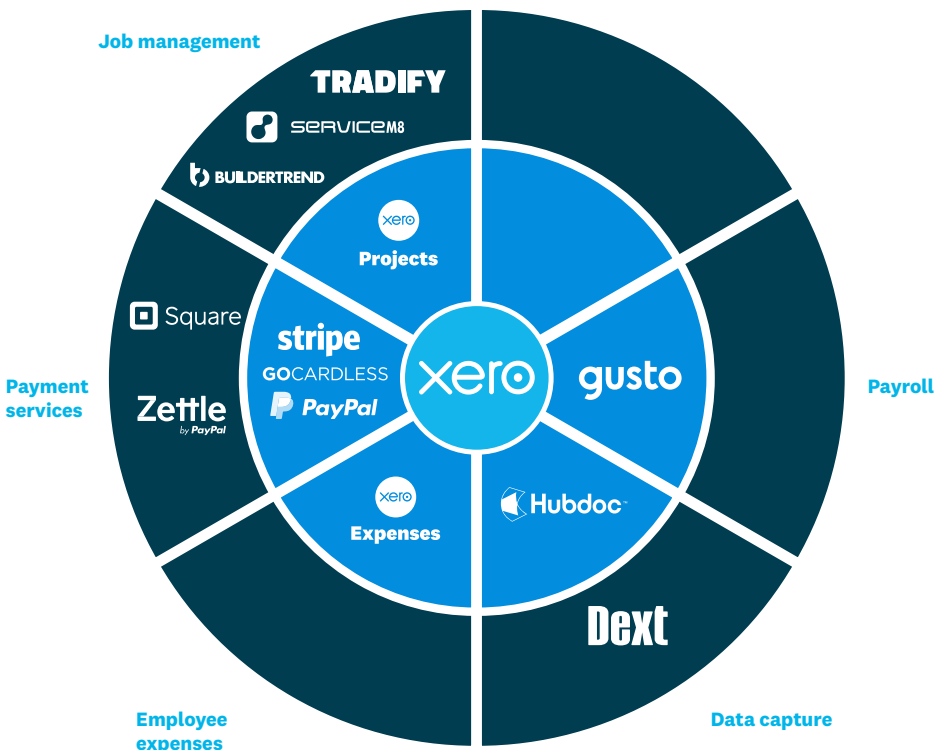
Micro business needing help

Recommended app stack:

Xero + Xero Accounting app

—

Payment services

—

Xero Expenses

—

Gusto

—

Hubdoc

—

Tradify

—

Efficiency-driven Eddie

Eddie is the owner of a small electrical business, Eddie's Electrics, that is currently using desktop accountancy software. While he's happy with his business, he's struggling with the amount of paperwork, data entry, and time spent in front of a computer. He's also getting frustrated by his team being late for, or missing appointments.

He's fairly savvy with technology, but it's essential that any app his business uses is not only easy for his staff to pick up, but can be used on the road. Eddie knows about cloud accounting software and feels now is the time to start looking at options. He wants something where he can manage his business's finances, jobs and payroll, all in one place

|	
Goal	Reduce the manual admin burden so he can take on more jobs
Pain points	Time–consuming paperwork and running behind schedule
No. of employees	5
Jobs	<30 jobs per month

Achieving Eddie's goal: Efficiency

Approach: Become more efficient with job management tools and working on the move

- Reduce at-home admin by staying on top of each job, from quote to finish, on the move

- Reconcile all job activity easily with Xero

- Integrate Xero with Gusto and Hubdoc to help make payroll and document management stress-free

Small to medium construction businesses (businesses with 10 to 249 employees)

Small to medium–sized construction businesses are more likely to work on longer-term projects than short day-to-day jobs. They typically have more complex needs and require a more advanced app stack. Xero allows them to link to other apps dedicated to those needs and still capture relevant financial information in one place, such as Gusto for payroll, Expensify for their employee expense claims, and WorkflowMax, Procore or ServiceM8 for end-to-end project and inventory management.

Job management

Project management with inventory

Payment services

Payroll

Employee expenses

Data capture
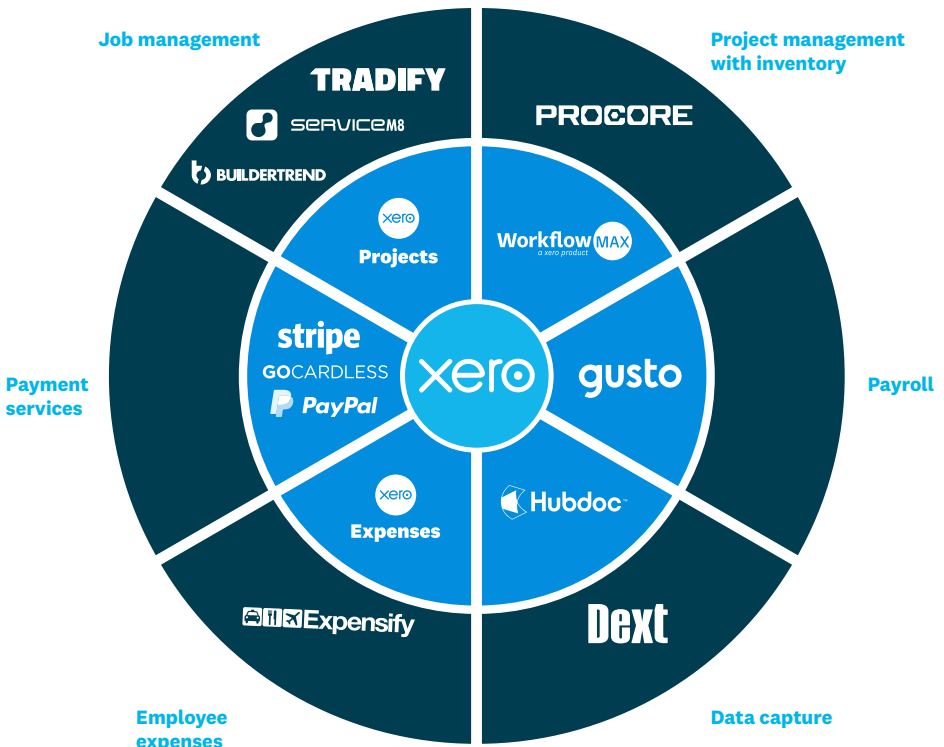
Small business growing quickly

Recommended app stack:

Xero + Xero Accounting app

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Online invoice payments

—

Hubdoc

—

Expensify

—

Gusto

—

WorkflowMax or Procore

—

Project novice Paola

Paola owns a cladding business which she founded in 2017. Since then the business has grown significantly and is winning larger jobs. She has 20 staff but needs to hire more people. From the beginning, Paola has been using physical books. She spends four hours a week planning and liaising with subcontractors and relaying information to staff. Paola says her paper systems are error-prone and a significant block to growing the business. She needs an electronic system to reduce the time spent on financial admin so she can run large projects effectively and easily see which jobs are the most profitable for her business.

Goal	To reduce financial admin and effectively manage projects
Pain points	Current systems are error-prone and time-consuming
No. of employees	20+ (varies from project to project)
Jobs	Medium-term projects

Achieving Paola's goal: Efficiency and growth

Approach: Win with every project

- Drive profitability: Know the exact profit margin for every project

- Instant progress updates: Track the time spent on jobs and tasks with minimal effort

- Gain insight: With the data in one place, see many standard performance reports at a glance, or build ones to suit

Helpful resources for trade and construction

Online resource hub
Visit our online hub to access our trade and construction webinar and downloadable resources.

Report pack
Download the pack of sample reports to explore all the specialized reports available for the trade and construction industry.

Solution decision tree
Find out the best workflow and app-stack for your clients' needs.

Construction brochure
Send the construction brochure to your clients to help explain how Xero can benefit their business.

Xero is an accounting software provider, not a professional services firm. We believe the information given here could be useful, but it should not be seen as a substitute for professional advice.

If you would like to know more about Xero construction, or need help moving your construction clients to Xero, please contact your Xero account manager.

If you're unsure who your Xero account manager is, please email partnerteam@xero.com

xero.com