

The Payment Management Playbook

How to streamline invoicing and payment, and score a win for all project players

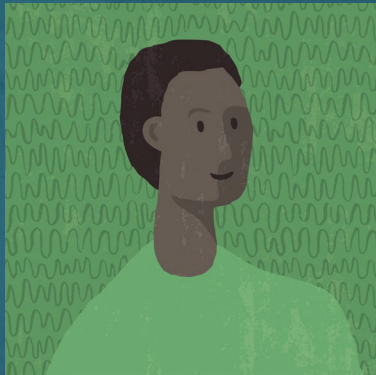


All the right moves

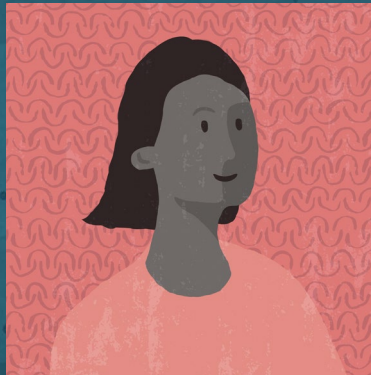
It's the final countdown to draw time, and you're gearing up for the project invoicing and payment process. This playbook will equip you with the right moves to overcome the challenges that limit productivity and present risks for everyone in the construction payment chain.

Choose your team to see the plays:

General contractor



Owner



Subcontractor



General contractor—running the plays to run the project



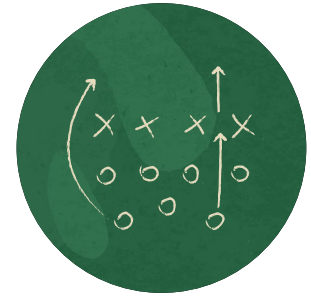
The game today: running in circles

You run the same plays for each cycle but know there must be a better way. Instead, you're stuck in an endless paper chase that costs you precious time and money, and exposes you to unnecessary risk. And, unpredictable and long payment timelines generate cashflow challenges that can weaken your supply chain.

Let's analyze your game:

- **Time-consuming, manual processes**
You're running in circles trying to chase down and keep up with all of the paperwork associated with invoices, compliance, and payments. There's significant and redundant data entry and cumbersome reporting. You're also relying heavily on paper checks for payments. This inefficiency slows you down and adds unnecessary costs and risk to your business.
- **Lack of visibility**
With paper and data distributed throughout your organization, you're held back by blind spots that add extra time and effort to the payment process. You have limited insight into the status of activities, which, if improved, could save time and strengthen relationships. Further, lack of transparency and an accessible audit trail can breed mistrust and raise the risk of disputes.
- **Few controls, little standardization**
Lack of automation and visibility increases risk and limits standardization. From there, it's a short leap to compliance issues, improper payments, and mismatched invoices, payments, and lien waivers.

General contractor—running the plays to run the project



Your new strategy: faster, smarter, more efficient—via true teamwork

It's time to change your game, automating processes to enable fast, accurate, and secure payments. How do you get there?

1. Streamline, automate, and standardize processes

Core task automation generates significant efficiency and enhances communications and visibility among key stakeholders via system-generated task and status notifications. Automation also can reduce risk with safeguards, such as triggering payment holds and preventing payment on unauthorized change orders. The right payment management platform can even transform lien waiver management. And, considering the high volume of checks that you cut, time and cost savings from electronic payments can prove substantial and reduce uncertainty and risk around wait times.

2. Connect stakeholders and enable collaboration for a stronger supply chain

In a shared payment management system, all stakeholders work from the same information, eliminating status inquiries and redundant efforts, minimizing errors, and speeding up issue resolution. Improved transparency benefits all stakeholders and bolsters relationships.

3. Move to the cloud

Collaborative payment management in the cloud provides many advantages, including:

- Data access when and where it's needed
- Document and information history and version control for a definitive single version of the truth
- Online workflows that enforce review and approval paths
- Increased visibility for the entire supply chain

Win the day

- Eliminate half of your billing process steps and reduce risk of errors with automated workflows
- Improve lien waiver management
- Reduce risk with centralized compliance tracking
- Expand project volume without adding accounting staff
- Pay sub-tiers directly if needed
- Eliminate duplicate data entry into enterprise resource planning (ERP) systems
- Gain insight into risks around materials and subcontractor performance
- Build stronger relationships with project partners

Owner—in search of a clean and clear victory



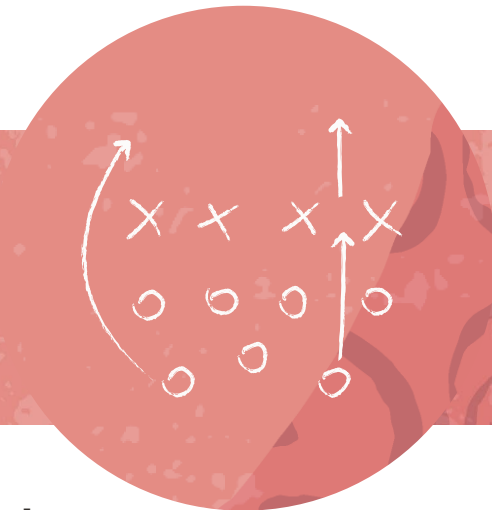
The game today: no clear path to a win

Owners want a clean and clear project victory, from construction, through handover, and into operations. You need the big-picture view of the payments lifecycle and the ability to respond to issues as soon as possible. Insight and accountability are the keys to success. That's easier said than done in an industry in which the multi-tier project team creates a severely disjointed and opaque payment lifecycle.

Let's zoom in for deeper analysis:

- **Limited view of playing field**
A payments “black box” limits your ability to determine how effectively payments and compliance are being managed, if and where problem areas exist, and when project subcontractors are paid once funding has been provided. This can increase risk and compound challenges for accurately forecasting budgets.
- **Heavy administrative burden**
You want more time to focus on the big picture. Manual processes required to pull billing and payment history and validate it against the contract are time consuming and divert your focus.
- **Costly game delay**
You need your projects to come in on time and on budget. The prospect of work stoppages due to non-payment or compliance issues is always lurking on the sidelines. These stoppages can cost valuable time and steal the win. Further, they can create risk to your reputation when fairness and timeliness do not extend throughout the supply chain.

Owner—in search of a clean and clear victory



Your new strategy: wired in with a skybox view

You need to be wired in and have a full view of the payments and compliance playing field. You need the right equipment: a central database that enables end-to-end visibility and automation across the entire payment process. This approach yields a single source of truth for all project members, improving visibility, accuracy, and trust.

Accountability improves project outcomes. Complete audit capabilities ensure compliance and reduce disagreements and error-prone manual tracking. Immediate visibility into current pay applications, compliance and approval statuses, as well as complete proof-of-payment reporting for subcontractors and sub-tiers also extend accountability and reduce your risk.

Win the day

- Achieve complete visibility
- Improve administrative process efficiency
- Enable earlier intervention to avoid delays
- Build stronger supply chain/contractor/subcontractor relationships

Subcontractors—on the field and delivering daily



The game today: complexity and uncertainty

You are on the job site for long hours, giving 110%—day in and day out. And, you want to make sure you are paid fairly for that dedication to your craft. That process introduces an entirely different set of challenges and complexity.

- **Labor-intensive processes**

Invoicing often involves tedious, manual, paper-based submission processes. You have many project billings to submit to various contractors each month; each may require their own specific formats; and all require follow-up and tracking. This takes time and resources away from the job—and drives up costs.

- **Uncertainty**

“Was my payment application received and processed?” “Are there issues that I need to resolve?” “Will I get paid in time to pay my people?” If only you had access to real-time information to minimize uncertainty, resolve billing issues before payment is delayed, and reduce the time and frustration of following up.

Subcontractors—on the field and delivering daily



Your new strategy: ready to focus on the win

- **Streamline, automate, and standardize processes**
Automation of core tasks, including performing calculations and reconciling numbers to create payment applications, can significantly improve efficiency and reduce your administrative burden. Automation also can reduce the risk of errors that can delay payments. The right payment management platform can even transform the exchange of lien waivers for electronic payments, eliminating errors, follow-up, and uncertainty.
- **Move to the cloud**
Collaborative payment management in the cloud provides many advantages, including:
 - Centralized data storage that all relevant organizations can access
 - Activity history and version control for a single version of the truth
 - Increased visibility into compliance and payments
 - Faster payment receipt through direct electronic payments
 - Streamlined lien waiver management

Win the day

- Gain complete visibility with a single platform
- Improve cash flow
- Reduce administrative burden
- Ensure stronger collaboration with the general contractor

Oracle's winning approach

These winning strategies are achievable today with a robust collaboration platform for invoicing, payment, and compliance management. Oracle Textura Payment Management Cloud Service is designed to change your payments game quickly and definitively. The solution—which is used to manage around \$8 billion in payments per month on average—increases efficiency, visibility, and control in construction payment management to improve productivity and limit risk. Oracle's payment and compliance software system:

- Streamlines and automates payment and compliance workflows
- Reduces errors and delays by automatically generating accurate invoice documents linked to schedules of values (SoV)
- Accelerates invoice review and generation of payment applications to shorten the draw cycle and improve cash flow
- Improves line of sight into task and activity status to enhance communication and prevent delays
- Increases predictability of payment timing to improve cashflow planning
- Centralizes and automates compliance tracking and reporting
- Facilitates faster subcontractor payments and stronger relationships
- Streamlines supplier business classification for categories such as “small disadvantaged business,” “minority owned business,” or “veteran owned small business”
- Automates supplier health monitoring
- Connects seamlessly with ERP systems



Deep bench strength



Online collaboration in a shared environment

- View status of payment and compliance tasks, documents, and information
- Preserve audit trails—capturing all user actions, electronic signatures, and payment documents
- Eliminate risk of period to period calculation errors



Lien waivers and compliance documentation

- Facilitate secure digital exchange of lien waivers for automated clearing house (ACH) payments
- Automate payment holds and notifications for lien waiver or compliance deficiencies
- Prevent unapproved or non-compliant payment activity



ERP/accounting system integration

- Automate transfer of financial data between the Oracle Textura Payment Management system and popular accounting systems to improve efficiency and transparency



Electronic payment

- Expedite payments using ACH while reducing costs and administrative burden
- Reduce payment status inquiries with system visibility and automated notifications



Insight and visibility

- Gain portfolio-wide view into payment and task status
- Leverage dashboards to view and manage key metrics
- Guard against unauthorized or fraudulent change orders and payment activity
- Proactively monitor subcontractor and supply health to prevent negative project impact
- Improve visibility into materials and labor risk

Payment management all stars

Owner All Star

Mass General Brigham

“Our Oracle Textura Payment Management experience today is very positive. It’s one of those applications that periodically I say to myself, ‘How did we ever get this done before?’”

Steve Denis, Project Control Manager, Mass General Brigham

General Contractor All Stars

Kitchell Contractors

“The time savings and impact from Oracle Textura Payment Management are huge.”

Jorge Arellano, Chief Financial Officer, Kitchell Contractors

Austin Commercial

“Our acceleration of payments has helped Austin Commercial greatly improve relationships with vendors.”

Mike Schulz, Senior Project Manager, Austin Commercial

Subcontractor All Star

Associate Mechanical Contractors

“As a subcontractor, I prefer using Oracle Textura Payment Management because the system provides complete visibility into payment status.”

Christina Payne, Accounting Manager, Associate Mechanical Contractors

Prepare for a winning season

Construction projects are a team sport. Communication, collaboration, and trust are critical at every stage, including the invoicing and payment process. Too often stakeholders lack the visibility they need, are mired in endless paperwork, and open themselves and their business to unnecessary risk. Prepare to win the day with a payment management platform that increases visibility, automation, standardization, and collaboration to new levels. Start your winning season today.

Learn how Oracle Textura Payment Management Cloud Service can help you achieve a payment and compliance win.


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