

## Reshaping Supplier Relationships in the Technology Age

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### 3 CONSIDERATIONS FOR YOUR MOVE TOWARD MORE DIGITAL TOOLS

The construction industry has been built on longstanding buyer and supplier relationships formed over years – in some cases, spanning generations – which, in many ways, have become the lifeblood of the industry. However, in today's complex environment, it's crucial that construction business owners don't let this tradition keep them from doing what it takes to succeed.

Many suppliers are already taking the necessary steps to adapt to the needs of today's buyers. However, the construction world still has ground to make up. For example, a recent study from Billtrust found that only 34% of building and construction suppliers say that they plan to invest in or trial e-commerce capabilities in the next 12 to 36 months. Meanwhile, past research has found that for 80% of equipment rental companies, an online transaction isn't even possible.

As business owners and contractors look to pave a path to success in this online world, here are three reasons why they should focus on building relationships that cater to today's digital demands.

#### 1. Improve Project Management

Shopping for equipment and materials online is more efficient



than traditional methods. For one, e-commerce gives buyers a clear picture of inventory, providing them with immediate insights into what's available, something that's especially important as supply chain issues continue to plague the industry. Ultimately, buying online enables contractors to manage their jobs more efficiently and effectively, and frees them up to concentrate on skill-based responsibilities.

When you consider the impact that lengthy delivery times and unavailable materials have on a team's ability to complete a project on time and at cost, the benefits of adopting an e-commerce buying strategy is again evident. Leveraging e-commerce, organizations can mitigate these risks by eliminating friction and extracting unnecessary manual processes from the buying experience. Thanks to the power

of artificial intelligence and machine learning, business-to-business (B2B) e-commerce experiences can not only give buyers a clear picture of what options are available to them, but also offer personalized recommendations based on past purchases and searches.

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## 2. Do More With Less


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Contractors have always had to wear many hats. However, with the COVID-19 pandemic leading to worker shortages and the need to reconfigure operations around health and safety concerns, bandwidth is even more scarce today. Compounding things further, persistent global supply chain issues and rising material costs are forcing many teams into a situation where they are having to do more with less. McKinsey research finds that 70% of B2B decision makers say they are open to making new, fully self-serve or remote purchases in excess of \$50,000, and 27% would spend more than \$500,000. A significant amount of time is saved for teams who need to be on a project site, at the office, or somewhere in between.

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## 3. Keep Up With Competitors

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The United States construction market was expected to grow by 15.6% in 2021. While this growth is a much-welcomed sign, it also signals an inevitable increase in competition. As such, the need to finish projects faster, more cost effectively and in a way that reduces strain on teams is more important than ever. Part of what will fuel this competition in the industry is the makeup of today's buyers, which is skewing more and more towards the younger generations. In fact, Amazon research found that nearly three-quarters of business buyers today are millennials. This generation of digital natives are heavily entrenched in the construction workforce and transforming B2B sales, meaning that if you're not evolving your buying process and embracing digitization, your competition likely is. 



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### About the Author

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Mitchell Rose is senior vice president and general manager, corporate segment at [Billtrust](#). He has worked with hundreds of businesses to help them automate their order-to-cash process. Before Billtrust, he held senior-level marketing positions with Coca-Cola, Mattel and Warner Lambert. Rose holds an MBA in marketing from Columbia University and a bachelor's degree in applied economics from Cornell University.

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### About the Article

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