

GUIDE

5 Key Capabilities to Look for When Selecting a Tool Tracking and Management Solution

Ultimately, outdated practices and systems will negatively impact operational productivity and efficiency.

Contractors who have not implemented a fully-stacked tool tracking and management system lack visibility to see:

- » the number of tools they have in inventory
- » the location of their assets
- » and how the tools are being used

Without access to this information, it makes it very difficult to adequately support projects for on-time delivery.

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In [Jenco's Case Study](#), Account Manager David Meacham shared his company's operational challenges:

“Our system was basically a fancy Excel [spreadsheet]. We realized that not only were we not conquering our revenue, we didn't know where our assets were. We didn't know how many tools we had or where any of them were. It was tool in, tool out, and we had a very loose billing structure. We didn't even know how many assets we actually had as a company.”

In this guide, we'll look at the benefits of implementing a tool-tracking solution, key considerations for choosing a system, and some of the capabilities you should consider beyond tracking.





The implementation of a robust tool tracking and monitoring system will help you maximize the visibility, accountability, and utilization of all your assets.

Top Reasons to Deploy a Tool Tracking and Management System

Construction companies that oversee complex projects with many moving parts realize that the success of their projects hinges on the quality of their internal operations systems and processes. If you are not utilizing a comprehensive tool tracking and management system, you are likely incurring significant costs in the form of **lost tools, wasted time and labor costs, and inefficient operations**.

With support from company management and buy-in from your field, warehouse, and back-office personnel, the implementation of a robust tool tracking and monitoring system will help you maximize the visibility, accountability, and utilization of all your assets, from small hand tools to materials, consumables, and even equipment.

[A comprehensive tool tracking and management solution](#) can drive productivity and efficiency in the following areas:

- » **Reduce tool loss** because the replacement cost of tools is a fraction of the cost of lost time and project profits.
- » **Create field visibility and accountability** by tracking the project and people tools are assigned to.
- » **Save time** looking for tools and playing phone tag between the warehouse and the field.
- » **Keep projects on track** by ensuring you have the right tools on-site at the right time and in good working condition.

Tracking tools alone will not create the visibility, accountability, and control over tool inventories that construction companies need to support projects in the field effectively.

Be sure to look for these key capabilities when evaluating a tool tracking and management solution:

1. A Configurable Solution That Can Be Tailored to Your Needs and Workflows (with Ongoing Support)

No two contractors operate exactly the same, so one-size-fits-all solutions tend not to work well. In order to successfully track and manage your tools, look for a solution that offers the following:

- » **Flexibility to meet your organization's needs.** Many types of contractors exist, each with slightly different workflows and requirements for tool tracking and handling. A solution designed for [electrical contracting](#)

Ideally, equipment tracking software solutions should integrate data from your GPS provider so that you may view the exact location of your high-value equipment.

may not be the best fit for contractors working in the [oil and gas industry](#). Ensuring that the tool tracking and management solution you pick is aligned with your organization's specific needs is essential to getting the highest ROI possible.

- » **Easy to use for field, warehouse, and back-office teams.** Construction job sites are loud and chaotic environments – solutions that are overly complex and hard to learn will not be used and may even end up causing additional issues. If workers consider their company's tool tracking solution too much of a hassle to use consistently, its potential to improve efficiency and productivity gains will not be realized. Therefore, [an intuitive tool-tracking system with ongoing support from the software solution provider](#) is critical to ensure your team will adopt the new technology.
- » **Robust implementation, training, and support.** Your operational systems will only work when set up, and your teams are trained and supported. Tool tracking and management software is no different, so look for providers that offer a high level of implementation support and a robust training program to enable users to learn how to maximize the company's investment. Immediate product support in the case of an unexpected issue is another element necessary for successfully implementing a new solution.

2. Comprehensive Tracking that Supports Multiple Scanning Technologies

At its core, any tool tracking and management solution you implement should allow you to easily and accurately track all your assets. Specific functionality you should look for includes the ability to **assign and transfer assets among projects and designate responsible parties** so that you always know which jobsite your assets are on and who is responsible for them. Additionally, fully-featured tracking systems should integrate data from your GPS provider to give you the exact location of larger movable equipment at anytime. Other key functionality includes tool crib features that [streamline the tool check-in and check-out process, allow warehouse workers to efficiently pick and move items](#), and enable field teams to requisition items they need from the warehouse and return them when they are no longer needed.

Scanners make check-in, check-out, count, and transfer items quickly and easily as part of a tool-tracking solution. In addition to saving time, scanners **reduce human error and improve data accuracy**. Any tool tracking and management system you choose should support multiple scanning technologies – such as [barcode](#), [RFID](#), and [Bluetooth low energy](#) (BLE) – since different parts of a worksite or warehouse may be suited to a specific type of scanning.



Job costing and billing are important areas in which reporting and analytics can positively impact operations.



Scanning examples include:

- » Simple barcode scanning is sufficient when transferring items one at a time in a warehouse.
- » BLE is better when transferring items in bulk on or across job sites because it can automatically scan, transfer, and track tool locations.

3. Inventory Management and Tool Life-cycle Monitoring

Warehouse and field teams benefit from inventory management and tool life-cycle functionality. In the field, tool tracking systems ensure that all tools are accounted for and allow supervisors to verify tool conditions before issuing them for use. In the warehouse, these systems track tool movement and inventory and identify when tools are missing and/or need to be replaced.

[Inventory management](#) features help you control costs by avoiding unnecessary tool and equipment purchases. These efficiency-boosting functions include [automated low-level notifications](#) that proactively alert warehouse staff when an inventory item is running low and needs to be reordered based on a specified low-level range and **auto-populated purchase orders that facilitate fast re-ordering when items run low to avoid inventory outages.**

4. Data Digitization That Streamlines Processes

Robust tool tracking and management systems digitize many internal processes, making repeatable processes like forms and paperwork much easier to complete and track. Your workers can easily access necessary forms using a mobile application that **streamlines the submission process and ensures accurate data is accessible to all team members.**

Digitization eliminates the need for workers to keep track of physical copies of the forms and checklists they need to do their jobs.

Beyond forms, other processes that robust tool tracking and management software optimizes include:

- » Easily managing purchase orders.
- » Configurable [job cost and billing](#) options.
- » Automated usage billing charges for tools and equipment based on the duration they are checked out to a project.

Accurately tracking and managing expensive assets is crucial to overall business health since buying multiples of the same equipment isn't feasible for construction firms wanting to keep expenses low.

5. Third-Party Integrations, Reporting, and Fully-Featured Analytics

Managing construction assets like tools and equipment is all about making information about those assets accessible from the field, warehouse, and back office. Thus [reporting and analytics](#) are the key to making the information accessible and understandable.

Another important factor to consider is [whether the solution offers integrations with other business systems](#)—such as construction management and accounting/ERP systems, for job cost and billing purposes. Without these integrations, you risk creating data silos between departments and/or requiring significant manual data entry and human error when moving data from one system to another.

The end result of these integrations streamlines operations based on data flowing automatically between systems and offers better decision-making opportunities based on more accurate and timely data.

Examples of crucial reporting features include:

- » The ability to view and report asset utilization data, such as the time spent on each job and hour meter utilization data.
- » Leveraging cutting-edge technologies like AI and machine learning, the ability of tool tracking and management systems to deliver the insights necessary for strategic decision-making will only increase going forward.

Before & After Implementation: Tool Tracking and Management

Operating a construction business without a modern tool tracking and management solution may result in you experiencing some or all of the following:

- » Uncontrolled overhead from lost, stolen, or misplaced tools and assets.
- » Communication breakdowns across teams, killing productivity and causing delays.
- » Internal conflicts between field and warehouse teams - causing tool hoarding, internal conflict, needless delays, and mismanaged inventory.
- » Enduring unknown levels of tool theft and mismanagement that could be costing you thousands of dollars in lost inventory costs and lower productivity.



*Effective management
of your expensive
equipment will lower
operational costs.*

Implementing an integrated tool tracking system can boost your bottom line and drive results:

- » Overhead is kept to a minimum thanks to assets being tracked and monitored across multiple data points like shelf life and current condition.
- » Better interdepartmental alignment thanks to streamlined processes and transparent integrations that centralize communication and data storage.
- » More accurate job cost and billing projections are enabled by automated tool tracking that reduces errors and eliminates time-consuming processes. Less time is spent looking for, transferring, and billing expensive equipment, resulting in a more productive workforce since your people have the tools they need when they need them.

Conclusion: Go Beyond Tracking to Recoup Lost Tools, Time, and Profits

Tool loss is often a symptom of bigger operational issues, and fixing those issues will save a lot more than the replacement cost of tools. Implementing a robust tool management solution has the potential to save lots of time and improve project margins by supercharging the operations that support them. Companies who have done so see tangible results: [Jenco recovered around \\$250,000 in lost or stolen property](#) that had not been reported correctly.

Experience the long-term benefits, effective tool tracking and management pays off.

If you're exploring tool management options, Align might be the ideal solution for your construction firm. [Connect with our sales team now to discuss your needs and discover how our solution can enhance your asset management efficiency and profitability.](#)

Is your business suffering astronomical losses on construction projects? Let us show you how Align improves efficiency, safety, and profitability for your organization. Contact our team today to schedule a product tour.

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