

# Building Efficiency in Economic Uncertainty

The Five Technologies Driving Smarter Financial Operations





82% of finance departments are using AI or have plans to use it this year.

Source: AvidXchange 2025 Trends Survey



Supply chain issues and rising material costs have hit the construction industry hard. Prices for essential materials like lumber, steel, and gypsum have jumped 34% since 2020, according to the [National Association of Home Builders](#). That's leading to project delays, cancellations, and tighter budgets across the board.

New tariffs on imported building materials will likely cause costs to climb even higher. This makes it exceedingly tough for construction companies to keep costs in check and jobs on track. And if that weren't tough enough, the industry has been battling a labor shortage for years and now needs to hire over 450,000 more workers just to keep up, according to [Associated Builders and Contractors](#).

Technology like automation and AI can help construction owners face these challenges and build a profitable business, even in uncertain times. These tools enable workers to do more with less. They empower owners to tightly manage cash flow and ensure safe and sustainable business practices.

Armed with automation and AI-enhanced software, firms can promptly pay their people and their suppliers, ensuring they have the workers and the materials they need to take on more work. Let's take a look at five powerful technologies that can help firms maintain operations and get ahead in these challenging times.

## 01 Artificial Intelligence Future-Proofs Business by Supercharging the Back Office

The construction industry has been slower than some when it comes to investing in AI, but it is seeing the impressive benefits it offers, including in the back office.

AI-enhanced predictive analytics empower teams to better manage construction projects. The technology can look at past project data—things like timelines, costs, and delays—and predict what will happen in future projects. These insights allow owners to control costs, manage risks, and more accurately staff and buy materials for their projects. This helps to keep projects on schedule, cut down on rework, and avoid waste.



Armed with data, firms can better forecast and make smarter, more informed decisions about their future.



AI can also create efficiencies in invoice processing. It helps eliminate time and labor-intensive work, automating data extraction, matching, and routing. By analyzing patterns and historical data, such as invoice amounts and supplier details, AI can support the back office with valuable insights into the status of invoice approvals. This helps to further streamline the work and enables firms to more tightly manage their cash flow.

As AI learns the unique patterns of a construction firm's invoice data, it can apply the insights to future invoices, empowering teams to work more efficiently with every transaction. Armed with data, firms can better forecast and make smarter, more informed decisions about their future.

## 02 Lien Waiver Management: Increase Efficiency & Strengthen Supplier Relationships with Timely Payments

Managing liens is essential to providing prompt payments, but it's a bear for construction companies, regardless of the state of the economy.

With multiple projects, layers of subcontractors and suppliers to pay, loads of lien laws, and paperwork that's rarely standardized, it's tough to keep everything straight. Mistakes can be costly, leading to delays and expensive fines.

Automated payment solutions that integrate with existing enterprise resource planning (ERP) systems, simplify the work, and help ensure ongoing compliance. Using flexible templates, teams can create lien waivers, eliminating the need to manually collect and track them. The solutions streamline approvals with e-signatures, and offer electronic payments (ePayments), accelerating payments and strengthening relationships with suppliers.

Firms also benefit from the visibility provided by automated platforms. By storing financial data in the cloud, rather than in file cabinets, project managers and accounting teams get easy access to it. They can check lien and payment status at any time, from any place.



92% of businesses are using ePayments to pay their suppliers most often.

Source: AvidXchange 2025 Trends Survey



## 03 ePayments: Speeding Up Transactions & Strengthening Cash Flow

Construction firms have loads of people to pay, from GCs, subcontractors, and suppliers to subs of subs. Getting them paid accurately and on time can get stressful.

And it can be messy. There are unique payment terms, liens, and state regulations, and people are spread out across job sites. There's also the complexity of tracking payments against job costs and managing cash flow for each project.

Paper checks have long been the traditional payment method, but they are far from ideal. Checks are slow-moving, expensive, prone to fraud, and easily lost.

According to our [2025 Trends Survey](#), times are changing: the majority of businesses (92%) are moving away from paper checks and using ePayments to pay their suppliers most often.

ePayments benefit the construction industry because they eliminate slow, error-prone manual processes and speed up payments. That frees up the back office for other work. It also helps build loyalty with subs and suppliers, making it easier to staff projects and take on new ones.

ePayments also provide full control and visibility, which improves financial oversight. By integrating payment automation with ERP tools, construction companies can verify that lien waivers are in place and legal requirements are met before money goes out the door. This allows them to track payments across suppliers and keep a close eye on cash flow.

## 04 Check Fraud Prevention: Safeguarding Construction Finances

Cybersecurity and fraud prevention have become top concerns for construction companies. It's for good reason. According to [our survey](#), 63% of finance departments have been the victim of check fraud attacks in 2024, with 19% saying they have detected attempts.

Moving away from manual processes and ditching paper for digital, trackable invoicing and payments helps construction companies safeguard their finances against these threats.

Automated platforms offer payment gateways to help with security. They boost protection with layers like encryption and tokenization. This helps keep fraudsters from stealing payment info. Multi-Factor Authentication (MFA) adds an extra step for approvals.

When businesses partner with a licensed money transmitter to automate digital payments, they gain an additional safeguard. These entities operate under rigorous regulatory scrutiny, meaning each transaction is processed within a well-defined legal and compliance framework.

AI adds protection by providing fraud detection algorithms to track financial transactions. It can spot anomalies like strange payment amounts, unknown vendors, or several payments made under one approval. Suspicious activity gets flagged in real time, before any money goes out the door.

Offering secure ePayment options also helps construction companies fight fraud. These digital transactions are trackable. This is better than paper checks, which are easy to forge and steal.



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## 05 Purpose-Built AP Automation for the Construction Industry

Accounts Payable (AP) automation that is specifically designed for the construction industry helps firms address the unique challenges of their business.

Tailored AP solutions work with current construction management and accounting software. They offer a central place to track invoices, make payments, and cut down on paper movement between the office and the field. Firms collect invoices electronically and manage them against POs, receivers, and job codes. With customizable workflows, they can streamline approvals and track compliance with ease.



By offering buyer choice ACH combined with lien waiver management, the tailor-made solutions speed up the payment process and help ensure secure transactions.

Another benefit of automated AP is the clear visibility it provides. Construction firms gain near real-time visibility into their finances and processes, enabling them to manage cash flow with precision. With access to data and reporting tools, they can make more informed decisions to safeguard and build their business.

## Conclusion

Managing operations and planning for the future in economic uncertainty is no easy feat for construction firms. They are dealing with supply chain disruptions, labor shortages, and higher costs on the goods and services they depend on.

There's increasing pressure to do more with less, and the demand for faster payments adds to the challenge. Now, perhaps more than ever, construction firms need technology to support their business.

With global construction spending projected to escalate from \$13 trillion in 2023 to \$22 trillion in 2040, according to [McKinsey](#), the industry needs the productivity boost that technologies like automation and AI can provide. These technologies pave the way for growth by providing efficiencies that help construction companies work smarter, enhance security, take care of their people, and better plan for the future.

# About AvidXchange®



AvidXchange (Nasdaq: AVDX) is a leading provider in accounts payable (AP) automation, offering intelligent AP software and payment solutions specifically designed for mid-market businesses and their suppliers. With 25 years of industry experience, AvidXchange modernizes the way businesses manage their expenses and payments by offering AI-enhanced software coupled with support from experts. Empowering over 8,500 growth-driven businesses, AvidXchange increases efficiency, control, and visibility in financial operations and has securely processed payments to more than 1.3 million suppliers through its proprietary payment network over the past five years. For more information, visit [www.AvidXchange.com](http://www.AvidXchange.com).

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