



GC & Sub Couple's Therapy: Let's Talk About Finances



Claire Wilson

Co-Founder and COO of Sitrine

Meet Claire Wilson

- Previous Project Manager at AECOM Tishman
 - JP Morgan headquarters
 - Hudson Yards
- 500+ interviews with subcontractors in 35+ states
- Board member Bay Area Subcontractor Association



Goals for the Discussion

1. Discuss challenges with the monthly billing process between subcontractors and general contractors
2. Share strategies for contract negotiation and come up with terms that facilitate great partnerships
3. Explore opportunities to improve the partnership between the GC and the subcontractor when it comes to change orders
4. Outline ways to disperse retention as quickly as possible



Construction's Biggest Billing Challenges



Cash Flow: The Main Source of Friction

- ▶ Construction is one of the slowest-paying industries globally.
- ▶ It takes an **average of 90 days**¹ for subcontractors to get paid.
- ▶ This is due to factors like:
 - ▶ Pay-when-paid cash cycles
 - ▶ Differing GC requirements
 - ▶ Outdated, manual workflows



¹Source: [PWC Working Capital Report 21/22](#)



The Impact of Slow Payments

- ▶ Subs front project costs, acting as the de facto bank while awaiting payment.
 - ▶ **77% of subs²** paid for materials out of pocket before receiving payment in 2023.
- ▶ This creates perpetually negative working cash cycles, straining finances.
- ▶ Subcontracting is the second most likely business type to fail (after restaurants).





Round Table Discussion #1

What are your biggest challenges with the monthly billing process?



Round Table Discussion #2

What are the most common causes of payment delays?



Round Table Discussion #3

**How can we improve on the
change order process?**



Round Table Discussion #4

What are the biggest blockers for releasing retention?



Round Table Discussion #5

What are some examples of contract terms your company has negotiated to help speed up time to payment?



Q&A





Wanna chat?

Contact Claire

 claire@siteline.com

 [linkedin.com/in/construction-claire](https://www.linkedin.com/in/construction-claire)

Contact Siteline

 sales@siteline.com

 650-360-1267

 [linkedin.com/company/siteline-](https://www.linkedin.com/company/siteline-technologies)

 technologies

@SitelineHQ