Oracle Textura Payment Management Cloud Service

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CONSTRUCTION AND ENGINEERING

KEY BUSINESS BENEFITS

- Enable collaboration to improve efficiency and visibility for all stakeholders.
- Enforce the exchange of unconditional lien waivers for electronic payments.
- Generate accurate, standardized documents to prevent errors and rework.
- Automate notifications and payment holds for compliance deficiencies.
- Reduce draw cycle time and accelerate payments to subcontractors.

Oracle Textura Payment Management Cloud Service is a cloud-based collaboration solution that transforms construction payment management processes to increase efficiency, mitigate risk, enhance visibility, and improve cash flow.

Optimize Construction Payment Processes

Oracle Textura Payment Management Cloud Service eliminates the disjointed, manual, and paper-laden processes that historically have made construction payment management inefficient, costly, and fraught with risk. The solution brings payment process participants, documents, and data together in one shared online platform, enabling true collaboration among the many payment stakeholders on construction projects. In addition, the solution addresses a key area of risk exposure by facilitating the digital exchange of an unconditional lien waiver for an electronic payment delivered directly to the subcontractor's bank account.

By streamlining, automating, and standardizing payment management activities—including invoicing, compliance management, approvals, lien waiver collection, and disbursement—Oracle Textura Payment Management Cloud Service improves payment outcomes and enables organizations to scale operations for growth. General contractors, subcontractors, and project owners/developers all benefit from increased productivity, reduced risk, and improved communication across stakeholders.

Increase Efficiency

Automated online workflows streamline and standardize processes, eliminating numerous steps and driving cost and time savings across your project portfolio. The Oracle solution automatically generates clean and correct invoices, eliminating redundant data entry and preventing clerical errors. It also enables users to sign and exchange documents electronically. Invoices are automatically routed through customized approver workflows, ensuring process integrity and reducing delays.

Resulting productivity benefits include freeing up staff to focus on value-added, rather than administrative, tasks, as well as allowing general contractors to significantly increase project volume without making corresponding investments in accounting resources. New process efficiencies can also condense the billing cycle, expediting owner payment and improving cash flow. Electronic payments to subcontractors eliminate the need to cut and deliver paper checks, providing additional cost and time savings and reducing payment delays. General contractors also can pay sub-tiers directly if needed.

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Efficiency

- Current period, unconditional or conditional lien waivers are presented as part of the invoicing process for subcontractor signature.
- Partial or final versions of lien wavier documents are automatically created based on billed amounts.
- Lien waivers are released electronically to the general contractor three business days after disbursement.

Visibility

- General contractors can view real-time status of all lien waivers, both prime and sub-tier.
- Owners can see copies of all lien waivers from all subcontractors.
- Subcontractors can see status of all sub-tier lien waivers.

Risk Mitigation

- No payment can be disbursed until a lien waiver is signed.
- Stipulated lien waiver forms cannot be altered, ensuring standardization.
- Automated payment holds can be placed on missing current or prior-period sub-tier waivers.

Enhance Visibility and Control

Oracle Textura Payment Management Cloud Service improves visibility and control in payment management, providing risk mitigation benefits to general contractors and owners alike. A single, central database ensures cross-team visibility, providing a real-time view of payment and compliance activity status across all projects and participants. Automated notifications alert users to needed actions, including informing subcontractors when invoice revisions are needed or compliance materials must be updated. The solution also provides version control of materials—ensuring a single version of the truth for all users—and creates audit trails for payment activities.

Broad visibility and system safeguards prevent fraudulent or inaccurate billings and change orders. The system also enforces the use of standardized payment documents, schedules of values, and budgets. In addition, the Oracle solution automates notifications and payment holds for compliance deficiencies, preventing inappropriate disbursement of funds.

Finally, Oracle Textura Payment Management Cloud Service provides comprehensive online lien waiver processing functionality designed to improve efficiency, increase visibility, and mitigate risk.

Improve Lien Waiver Management

All lien waivers—including sub-tier lien waivers—can be easily tracked via Oracle Textura Payment Management Cloud Service so you gain full visibility into waiver status. General contractors can communicate real-time status to all parties, and automated payment holds prevent payments if appropriate waivers have not been received.

As a third-party, Oracle retains the lien waiver signature while payment is processed electronically via automated clearing house (ACH) and deposited into the subcontractor's account. The general contractor cannot access the signed lien waiver until three business days after funds are disbursed. As a result, general contractor and subcontractor rights are both protected without ever delaying payment.

Integrate with Back-Office and Accounting Systems

Oracle Textura Payment Management Cloud Service integrates with most major enterprise resource planning (ERP) systems to ensure a seamless flow of data across key financial systems to optimize payment processes. The integration automates data exchange and eliminates the manual import and export of information between systems for contracts, change orders, compliance status, invoices, payments, and draw documents.

Features of the payment management solution's integration with ERP systems include:

- Two-way automation of data transfers
- Configurable timing and frequency of import/export jobs
- Searchable audit screens for ready access to historical information
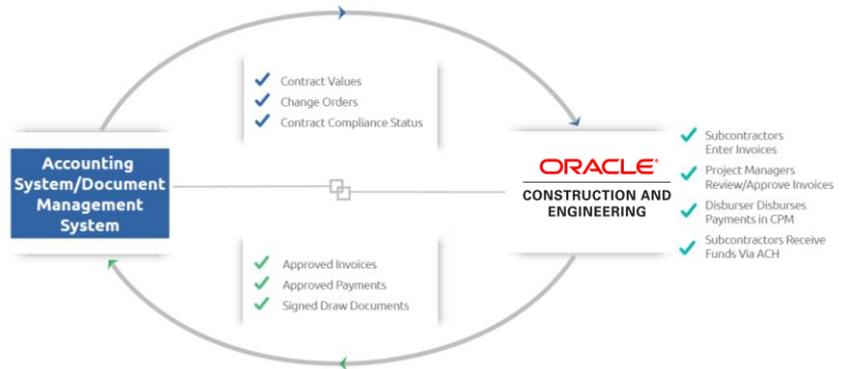
Figure 1. Integrating Oracle Textura Payment Management Cloud Service with existing ERP systems increases the value derived from IT systems.

Enable Early Payments to Subcontractors

Oracle Textura Payment Management Cloud Service also allows general contractors to offer optional early payment to subcontractors. Subcontractors can elect to be paid ahead of normal payment timing, in exchange for a fee based on the invoiced amount. With this offering, general contractors can help their subcontractors address cash flow and working capital challenges arising from the industry's long and inconsistent payment waiting times. Faster, more predictable payments relieve financial strain on subcontractors, enabling growth and expansion and mitigating a key cause of business failure—and a key risk for general contractors and their clients. General contractors can benefit from new competitive advantages, including stronger subcontractor relationships and improved bid coverage.

Oracle developed this early payment offering in partnership with financial services company Greensill Capital. Oracle provides the technology via Oracle Textura Payment Management Cloud Service while Greensill Capital performs the underwriting and provides funding.

Rely on Dedicated Client Services

As a partner in your success, Oracle provides comprehensive technology and support services to clients. Each general contractor has a dedicated client services team that provides ongoing support and training when and where you need it. Subcontractors also receive onboarding training and support for as long as they are using the solution.