NOTE))) VAULT

2017

STATE OF CONSTRUCTION MANAGEMENT REPORT

Introduction

When we decided to poll construction management influencers, we weren't sure what we'd find. The industry is diverse, with people from all levels and backgrounds contributing each day to make incredible things happen. Our report reflects the insights of these construction industry professionals to help us understand the challenges and trends surrounding general construction management.

As a result of the survey, we gained valuable insight into the emerging industry trends for 2017. We collected data from the survey, cold email campaigns, as well as the NoteVault app, to form conclusions around the state of construction management as we enter the new year.

Throughout this report, you will find multiple statistics and trends to guide your construction management decisions over the next year. For example, one of the most revealing insights was that the biggest industry challenge was daily reporting – with most spending up to 30 minutes to an hour on this task. Overall, safety was reported as the top business priority, followed closely by efficiency, the greatest frustrations being missed deadlines, followed by a lack of transparency and too much paperwork.

From our findings, we've discovered that there's also a big movement towards embracing technology to help with project management and efficiency. The influencers who have already welcomed technological products and solutions are seeing significant improvements in both of these areas.
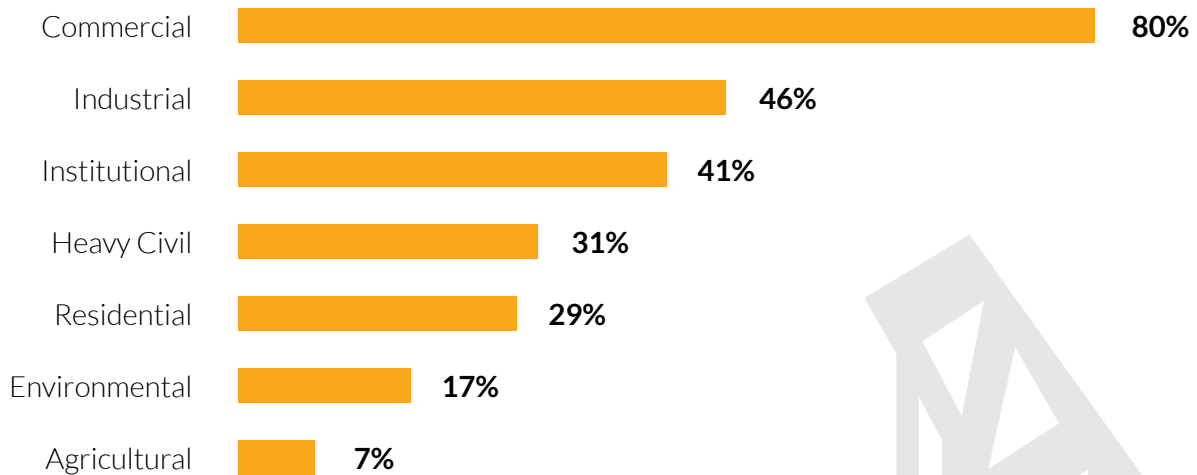
We've taken all this information to provide you with the most important stats on the current state, and the future, of construction management.
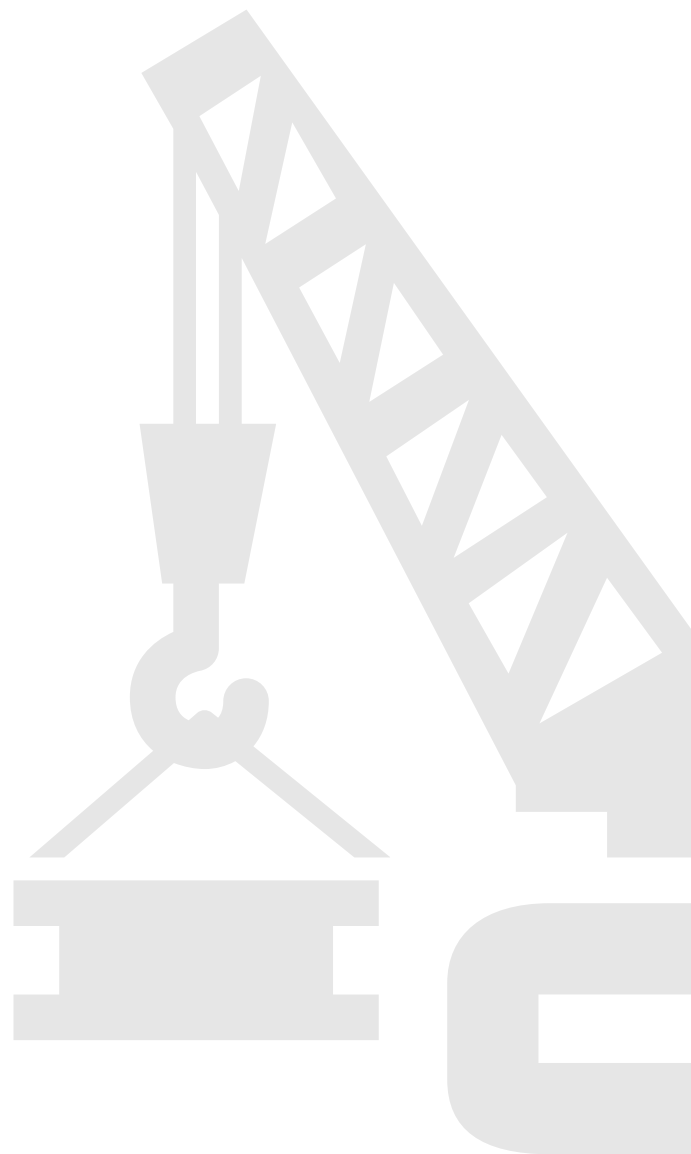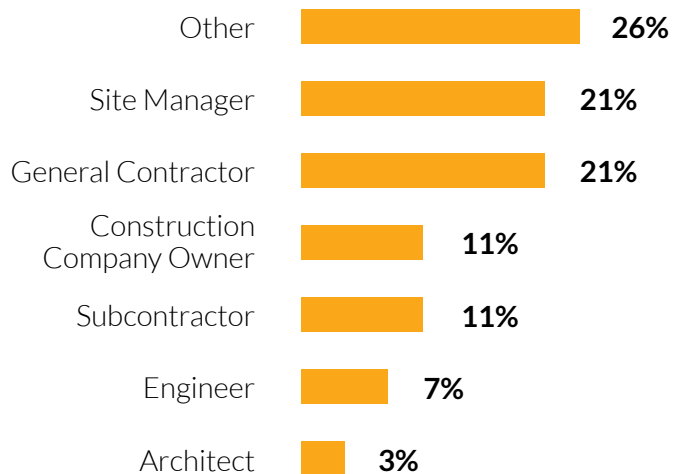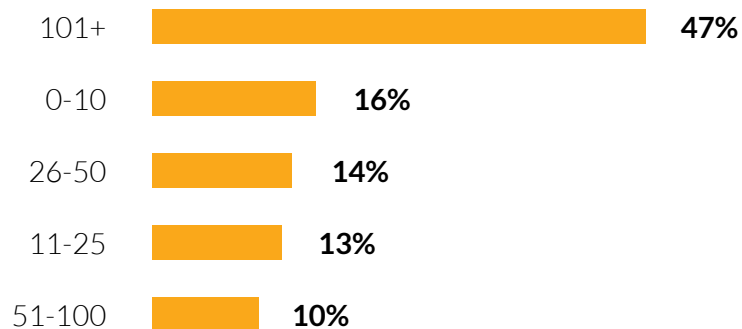
Let's get started.

Industry Overview

: What types of construction projects does your company work on?

Project Type	Percentage
Commercial	80%
Industrial	46%
Institutional	41%
Heavy Civil	31%
Residential	29%
Environmental	17%
Agricultural	7%

: What job title best describes you?

Job Title	Percentage
Other	26%
Site Manager	21%
General Contractor	21%
Construction Company Owner	11%
Subcontractor	11%
Engineer	7%
Architect	3%

How many employees does your company have?

Range	Percentage
101+	47%
0-10	16%
26-50	14%
11-25	13%
51-100	10%

How many employees do you currently manage?

Range	Percentage
1-25	27%
25-50	21%
6-10	19%
0-5	18%
101+	15%
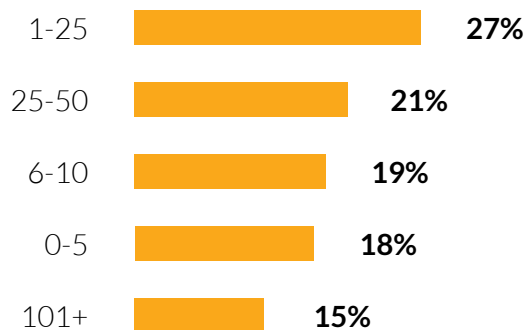
How many employees work for your company?

Range	Percentage
101+	50
26-50	18%
51-100	18%
0-10	11%
11-25	3%
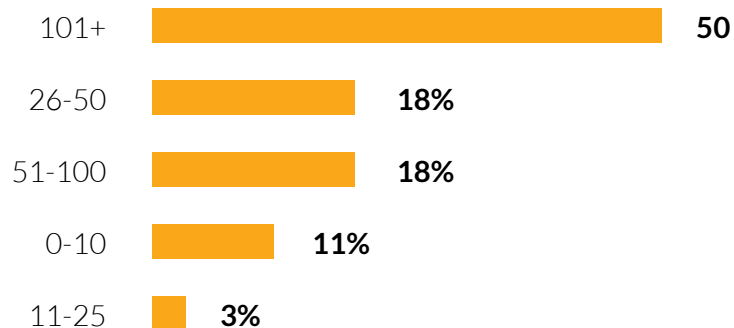
⋮ **Where is your company located?**

California ▐ 23%

Texas ▐ 15%

New York ▐ 6%

Florida ▐ 5%

Washington ▐ 5%

Other ▐ 46%
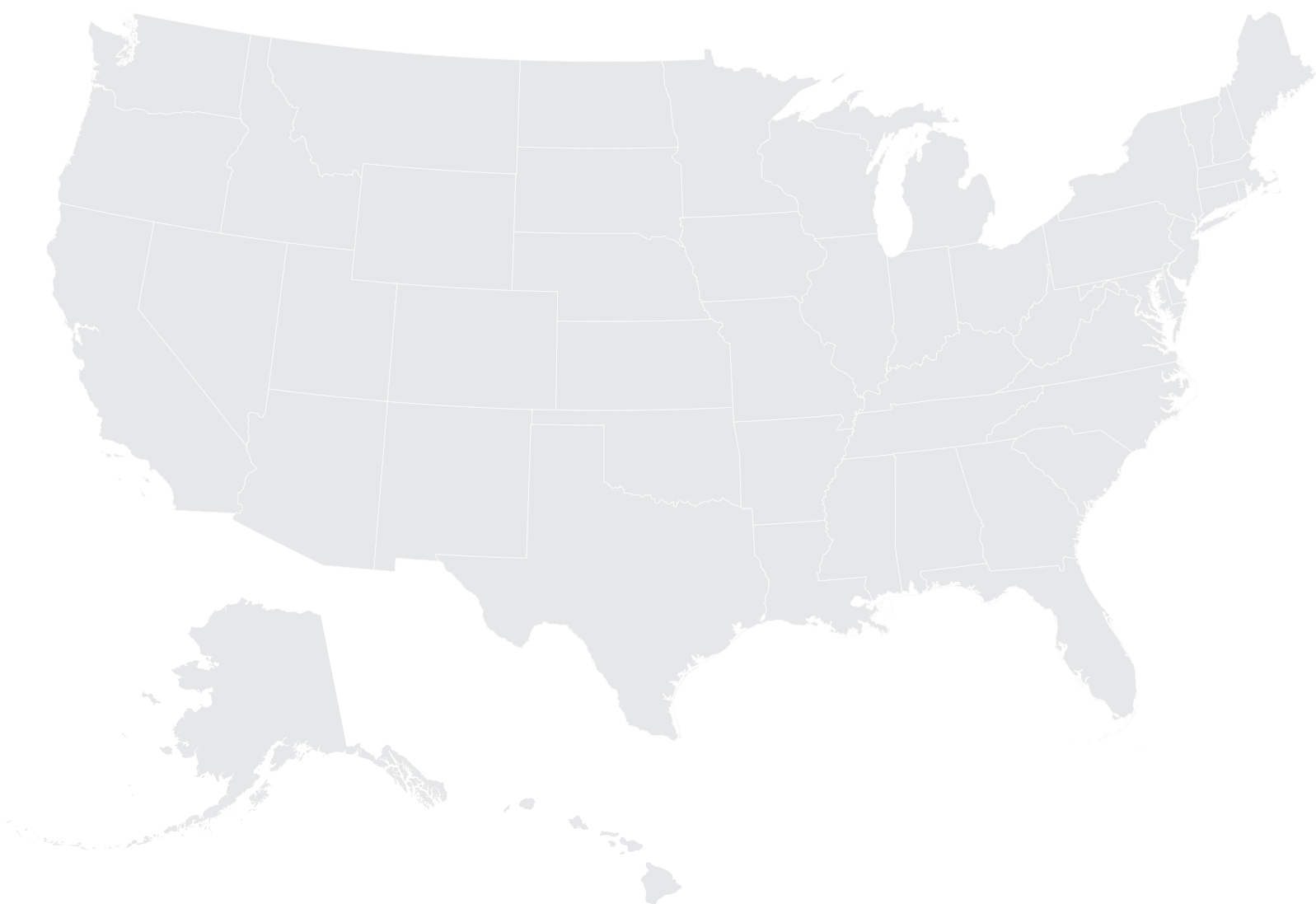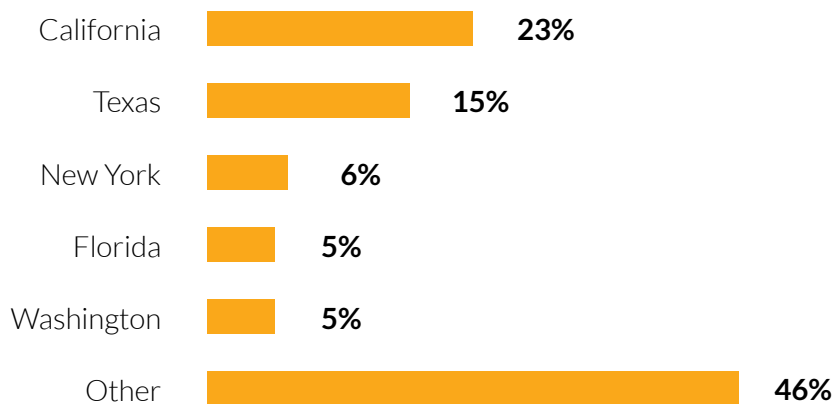
Biggest Industry Challenges

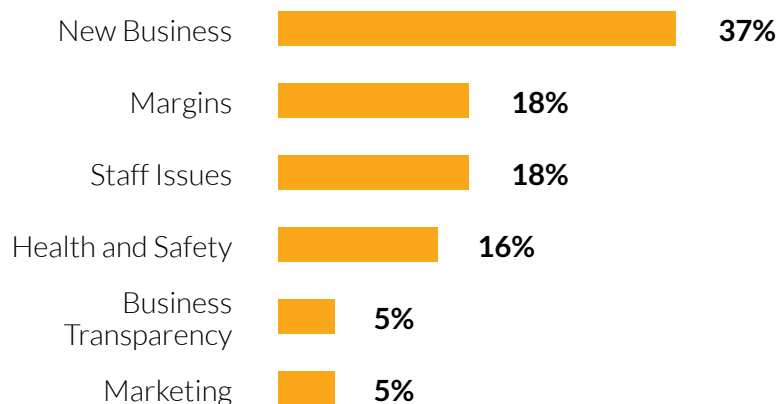: **What is your biggest daily challenge?**

Daily reporting was at the top of the list of biggest industry challenges, followed by deadlines and resource management. Site Managers, Subcontractors and General Managers all listed Daily Reporting as one of their top five industry challenges indicating a growing concern regarding their ability to keep track of critical information, report incidents and review and update construction reports while they are busy in the field. Other top five challenges included procuring new business and staff management.

Challenge	Percentage
Daily Reporting	22%
Deadlines	14%
Resource Management	14%
Procurring new business	12%
Staff Management	11%
Staying on budget	10%
Project transparency	9%
Health and Safety	8%

We asked each group what their biggest daily challenge was in construction management to gain better insight into what each position in the industry identified as role-related strengths and challenges. Here are their answers:

As a construction business owner, what are you most worried about?

As the construction industry enters 2017, the biggest worry construction business owners face is finding new business followed some way behind by margins and staff issues. Marketing is the least of their worries.

Category	Percentage
New Business	37%
Margins	18%
Staff Issues	18%
Health and Safety	16%
Business Transparency	5%
Marketing	5%

⋮ As a general contractor, what is your biggest daily challenge?

When it comes to challenges, resource management significantly lead the way for general contractors who see it as their biggest daily challenge. This is followed by staff management and deadlines, closely followed by daily reporting.
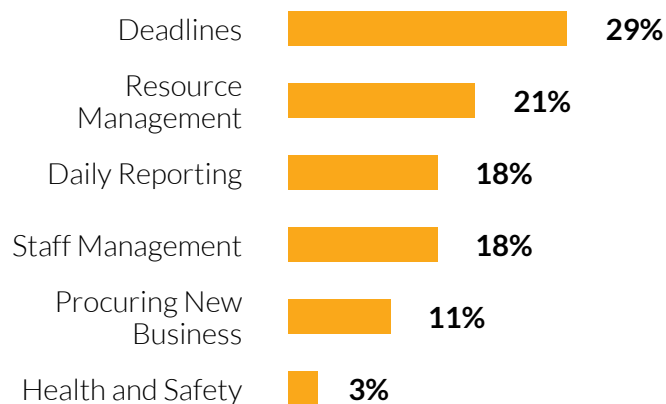
Challenge	%
Resource Management	30%
Staff Management	17%
Deadlines	15%
Daily Reporting	10%
Health and Safety	8%
Procuring new business	7%
Staying on budget	7%
Project transparency	6%

⋮ As a site manager, what is your biggest challenge?

Meeting deadlines is the biggest looming problem for time-pressured site managers, followed by health and safety and daily reporting - showing a growing trend with regard to the challenge of getting reports written and submitted.

Challenge	%
Deadlines	37%
Health and Safety	21%
Daily Reporting	15%
Staff Management	14%
Resource Management	12%
Supplier Issues	1%
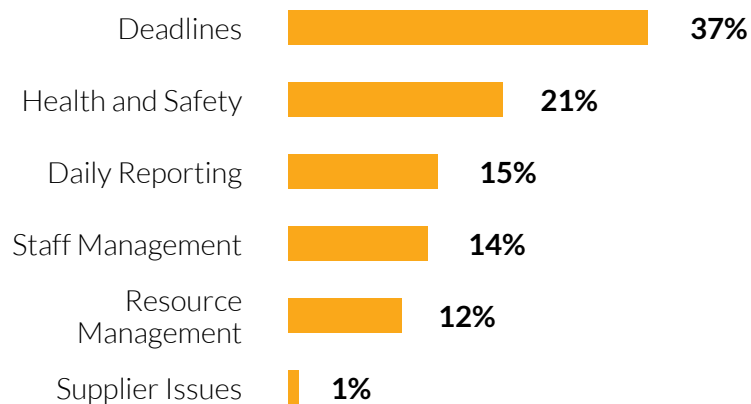
As a subcontractor, what is your biggest daily challenge?

Subcontractors have similar challenges to site managers. Deadlines and daily reporting came in at first and third place, with the only difference being resource management, in second place.

Deadlines — **29%**
Resource Management — **21%**
Daily Reporting — **18%**
Staff Management — **18%**
Procuring New Business — **11%**
Health and Safety — **3%**

## How long does daily reporting currently take you on average?

Almost 50% of the respondents have found solutions to assist with Daily Reporting and are managing to complete their reporting in 30 minutes. However, over a third of respondents said it took up to an hour of their day, with almost 20% saying it took even longer. Most respondents see it as one of their biggest challenges.

18%
Longer

47%
30 min

35%
1 hour

## How do you rate your current operations?

The majority of respondents rated their operations as efficient, but many responders reported that their operations are inefficient. One of the most telling results is that no one rated their operations as very efficient, which could be the reason so many respondents are battling to meet their daily deadlines.

On a scale of 1 to 10, with 1 being the worst and 10 being the best, how do you rate your current operations?

1   3   5   7   9

2   4   6   8   10
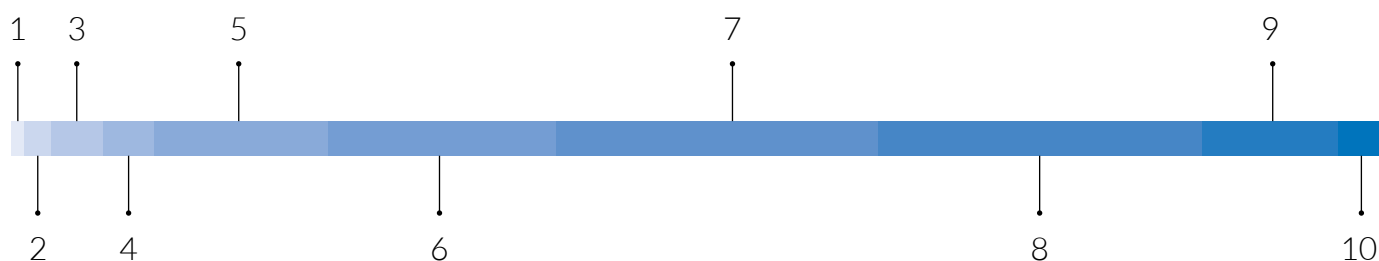
How often does your team experience difficulties due to language barriers?

Language does seem to be an occasional barrier to task completion, with the majority of respondents noting that language differences were *sometimes* problematic. This is a challenge that's not easily overcome, as it can significantly slow down the pace of construction projects and impact directly on project profitability.

|	
Sometimes	36%
Rarely	35%
Never	15%
Often	10%
Very Often	4%
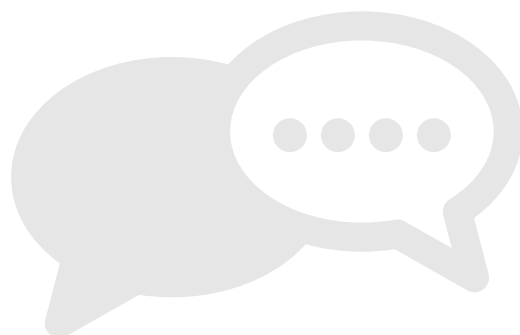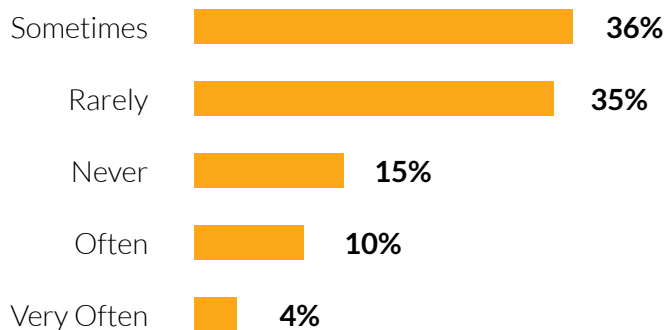
How often does your team struggle with documents, notes, and photos on the job site?

Almost half of the professionals surveyed said they *sometimes* struggle with these issues, followed closely by respondents reporting they *often* struggled. In the construction industry, it's vital to be efficient in terms of documenting and reporting on the job site. The more time spent here, the less time spent in other important areas affecting revenue and job completion.

Sometimes	47%
Often	23%
Rarely	22%
Very Often	4%
Never	4%
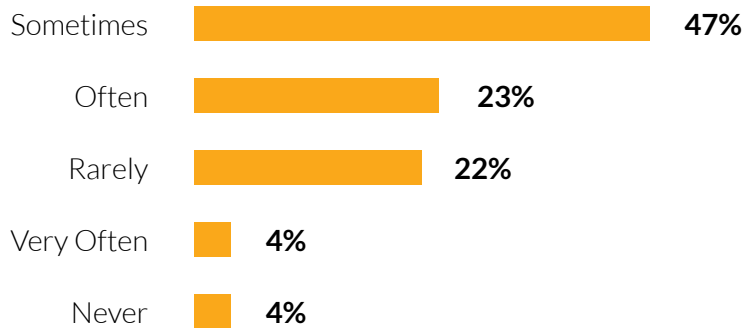
Have you had any uninsured claims this year that weren't your fault?

Almost all respondents replied that they had had no uninsured claims that weren't their fault. But what about the 9% of those who did? In the construction industry, claims like these can devastate a project and a solution should be in place to prevent this.

9%
Yes

91%
No
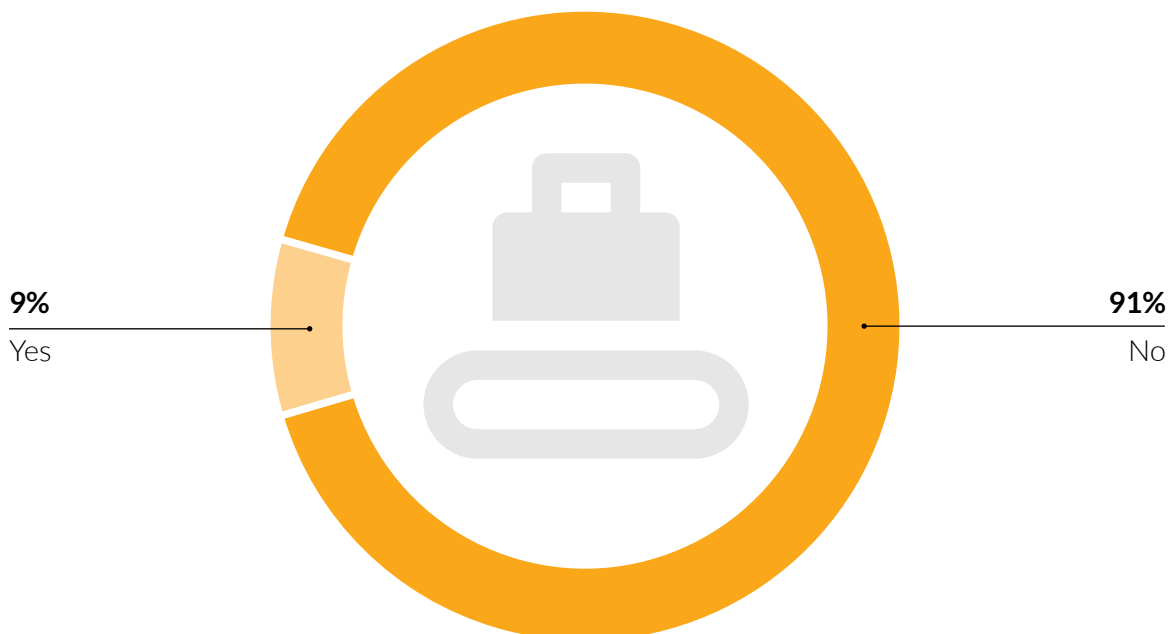
Technology Trends in Construction

There is a growing trend in construction management to embrace technology to assist with efficiency, with more than half the respondents reporting they used mobile apps to manage their construction projects. The majority also feel that they were *highly likely* to adopt smartphone and tablet construction solutions in the next six months.
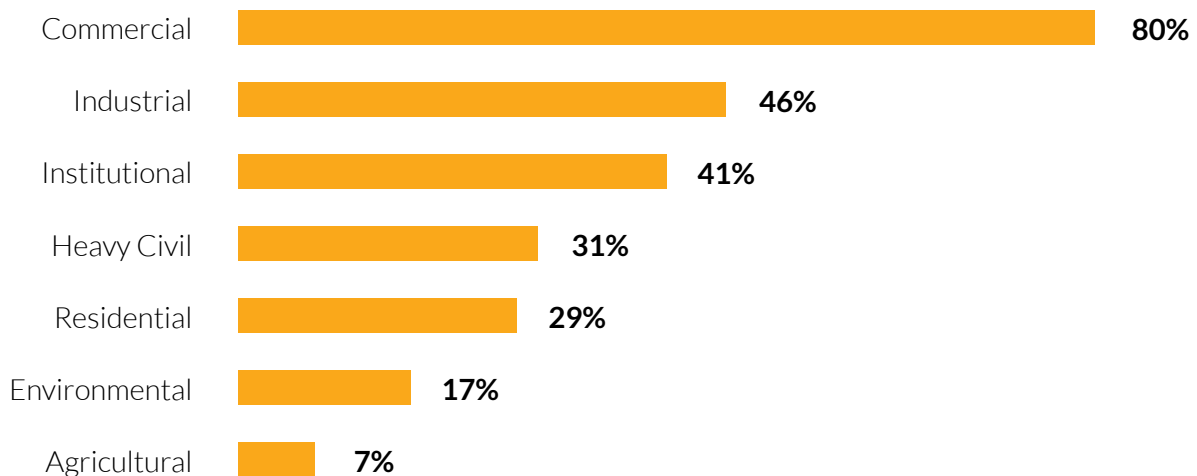
Are you currently using mobile apps to manage your construction projects?

More than half of the professionals surveyed use mobile apps in their construction projects.

64%
Yes

36%
No

What types of construction projects does your company work on? Check all that apply.

More than 80% of respondents work on commercial projects. Just under half work on industrial and institutional projects followed by just under a third working on heavy civil and residential projects.

| Project Type	Percentage
Commercial	80%
Industrial	46%
Institutional	41%
Heavy Civil	31%
Residential	29%
Environmental	17%
Agricultural	7%

What is your likelihood to adopt smartphone and tablet construction solutions in the next 3-6 months? (Unlikely 0-5 highly likely)

43% of the construction industry is willing and likely to adopt smartphone and tablet construction solutions in the near future, showing a very positive attitude towards technology. This enables job sites to increase communication and improve efficiency in their daily operations.
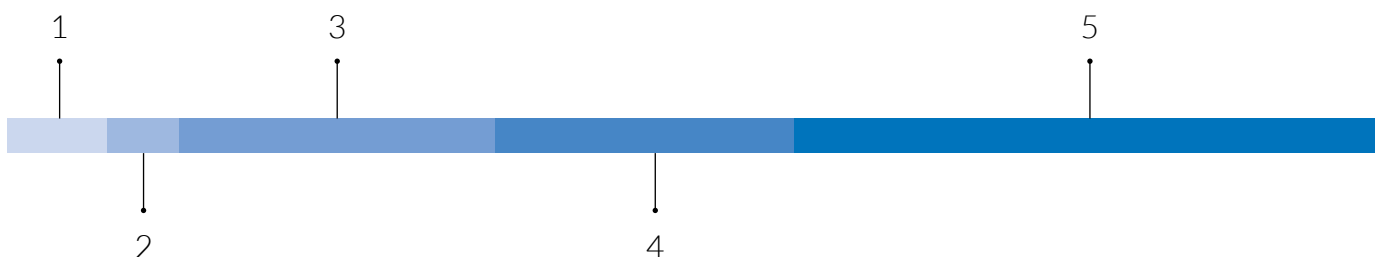
⋮ How many technology products are you using for managing your construction projects?

The trend toward adopting technology to improve efficiency is very evident, with the majority of respondents saying they were using between three and five technology products, followed by companies who were using between one and two products. A small percentage of respondents were companies who had really embraced technology, using up to ten technology products on every project.


3-5	**40%**
1-2	**39%**
5-10	**11%**
10+	**6%**
0	**5%**
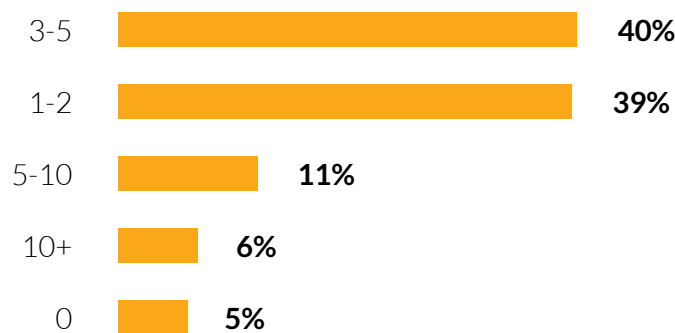
⋮ On a scale of 1 to 10 with 10 being the most skilled and 1 being the least skilled, how skilled with technology is your company?

The results were evenly spread, with the majority ranking their company *very skilled* with technology. This was closely followed by respondents citing *somewhat skilled* and *not skilled* or *unskilled*.

1 3   5   7   9

2   4   6   8   10
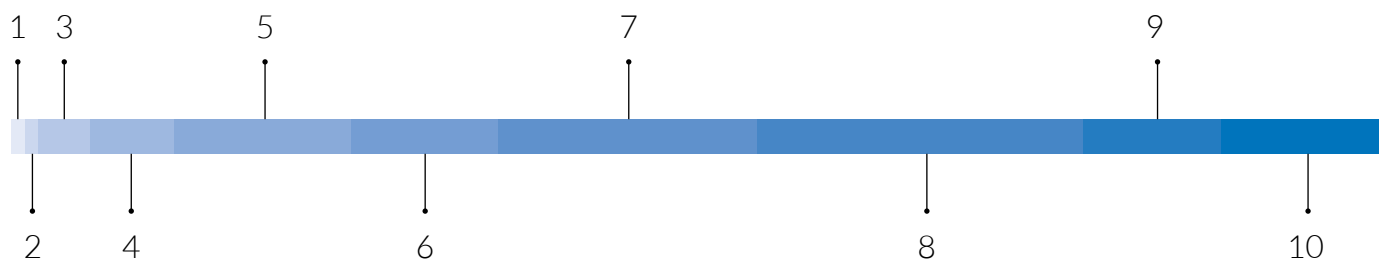
What products are you currently using to manage construction projects? Check all that apply.

NoteVault, software that allows easy voice-to-text citation, increasing productivity and efficiency on job sites, was the most popular product with over a third surveyed using it, followed closely by Autodesk, a form of design, engineering and entertainment software, and PlanGrid, a type of mobile construction management software.

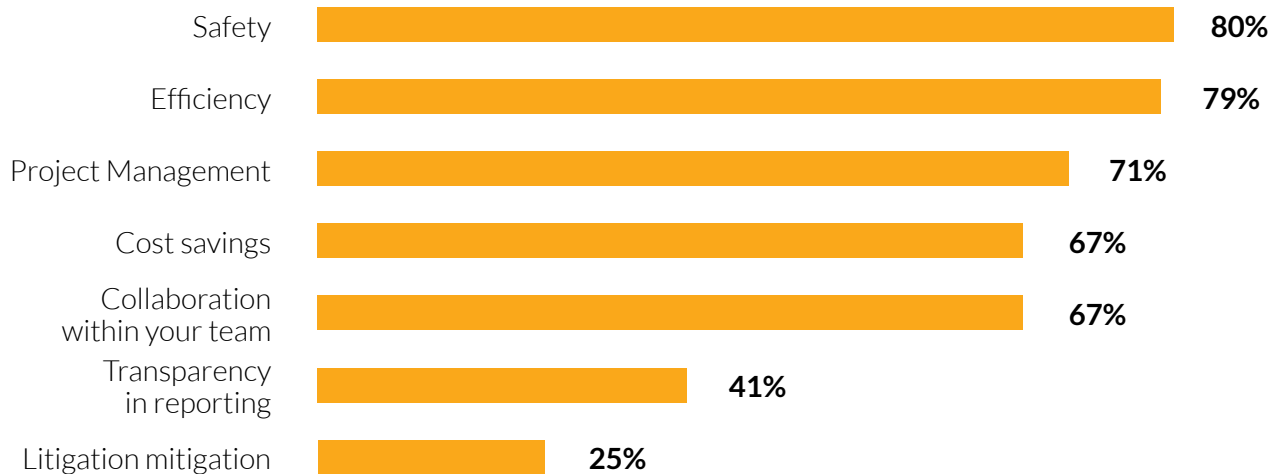| Product	Percentage
NoteVault	35%
Autodesk	30%
PlanGrid	25%
None of the above	21%
Viewpoint	15%
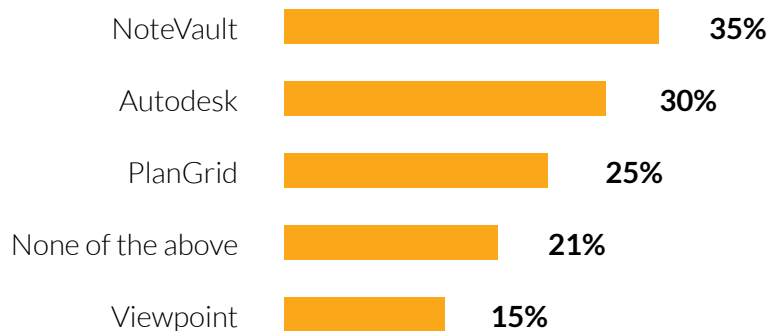
What tasks are you using construction management technology for?

The number one use for construction management technology is project management. Due to the many aspects of project management, such as initiating the project, planning it, executing it, monitoring the process, and closing the project, it makes sense that those in the industry would be using technology to ease the process. By using construction management technology for project management, processes become more efficient and more streamlined.

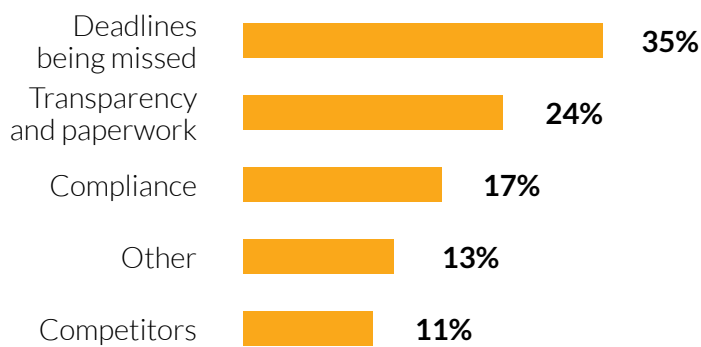| Task	Percentage
Project Management	73%
Document Sharing	59%
Scheduling	57%
Field Data Collection	53%
Mobile Note-taking	41%

What are your business priorities? Check all that apply.

Construction management professionals view safety as the top business priority with efficiency as a close second. Safety is an obvious priority to ensure that all employees are kept safe during the construction process. Ensuring that processes both on and off site are efficient is important as it helps to make sure that the entire construction project is kept to budget and is completed on time.

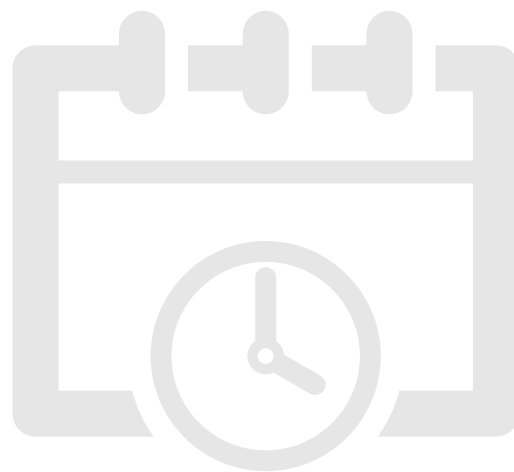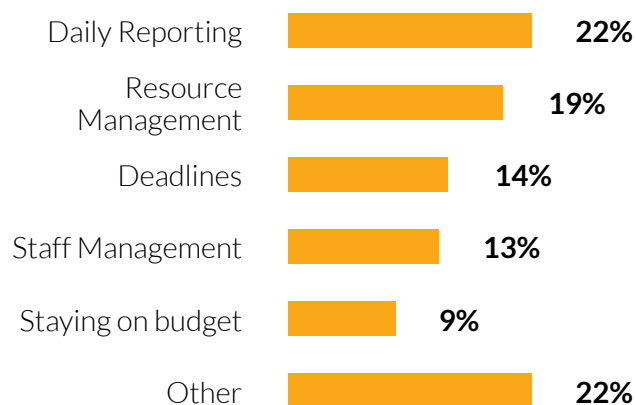| Category	Percentage
Safety	80%
Efficiency	79%
Project Management	71%
Cost savings	67%
Collaboration within your team	67%
Transparency in reporting	41%
Litigation mitigation	25%

What is your biggest frustration?

Missing deadlines is the biggest frustration for the construction industry. Not only does the entire project become delayed, but this is a huge pain point as it impacts directly on the bottom line.

| Category	Percentage
Deadlines being missed	35%
Transparency and paperwork	24%
Compliance	17%
Other	13%
Competitors	11%

What does your team struggle with most?

Along with being reported as the top struggles for *individuals*, daily reporting is also ranked as the top struggle for construction *teams*. It's imperative to have efficient daily reporting, so that time can be better used elsewhere on the project.

| Struggle	Percentage
Daily Reporting	22%
Resource Management	19%
Deadlines	14%
Staff Management	13%
Staying on budget	9%
Other	22%

How effective is your construction management technology solution(s)?

20% of respondents view their construction management technology solutions as effective, followed by 17% who feel they are very effective. Unfortunately 20% of respondents fell into the group five or lower, indicating there is still opportunity for improvement in this area.

1 3 5 7 9

2 4 6 8 10
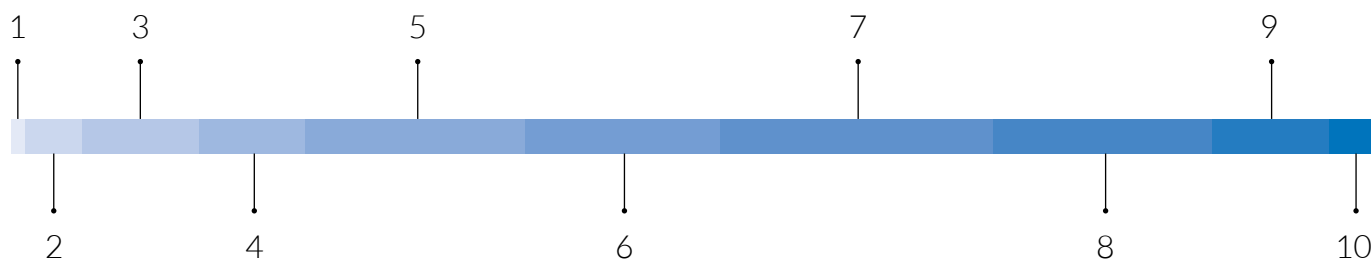
What forms of communication do you use to communicate with team members on the job site?

Phone calls were the most popular form of communication followed by emails and then texting.

Phone calls	**95%**
Email	**90%**
Texting	**87%**
Radio	**22%**
Whatsapp	**6%**
Other	**2%**
Slack	**2%**
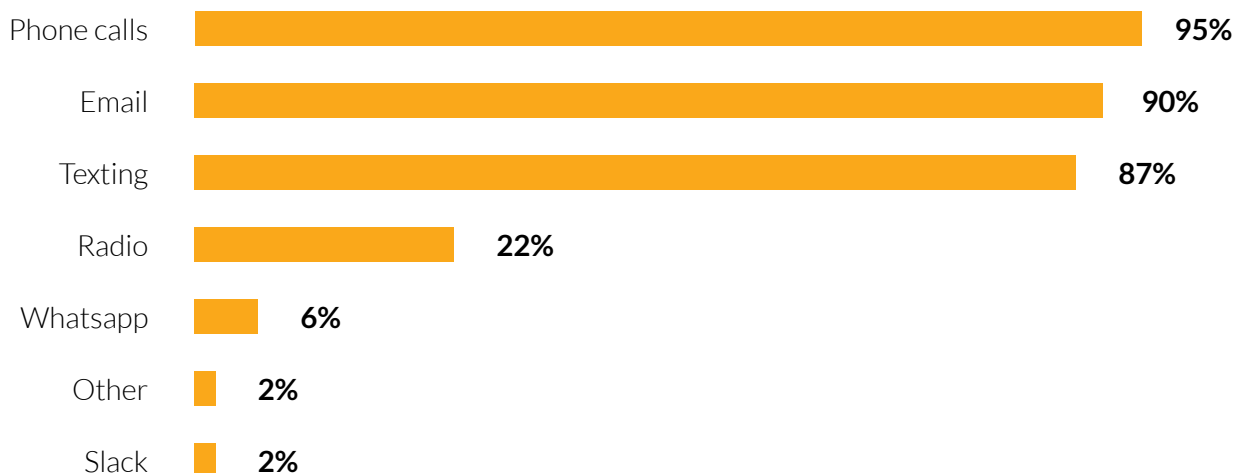
Are you currently using voice-to-text note dictation?

Most respondents are *not* using voice-to-text note dictation. The 35% that does utilize the benefits of voice-to-text dictation are able to execute tasks more efficiently and save ample time normally wasted on reporting.

35%
Yes

65%
No

Construction Management in 2017

There is a strong indication that the majority of the industry is seeing the benefits technology is bringing to the construction industry. It is clear though, that the industry still has some way to go before fully embracing the efficiencies technology can bring, particularly when it comes to the biggest pain point of daily reporting. It's important to note that the majority are not using tools like voice-to-text note dictation which could significantly improve efficiencies and help eliminate top pain points like missed deadlines and paperwork.

There is also an underlying problem with managing documents, notes and photos on site, which could also be solved with voice-to-text note dictation. It's interesting to observe that the majority of respondents only rate their construction management technology solutions as effective and that phone calls and emails still rate as the top forms of team communication.

One technology solution that did seem to stand out however, is NoteVault. When examining responses from all technology users groups, it was identified that NoteVault users rate their operations as 15% more efficient than other groups and spend 40% less time on daily reporting.

While those figures really speak for themselves, most people prefer to give it a try first to see if there's any substance to the stats.

Click Here to get your free 30 day trial of NoteVault.