Construction Software BuyerView Report | 2014

Insight into today's software buyer
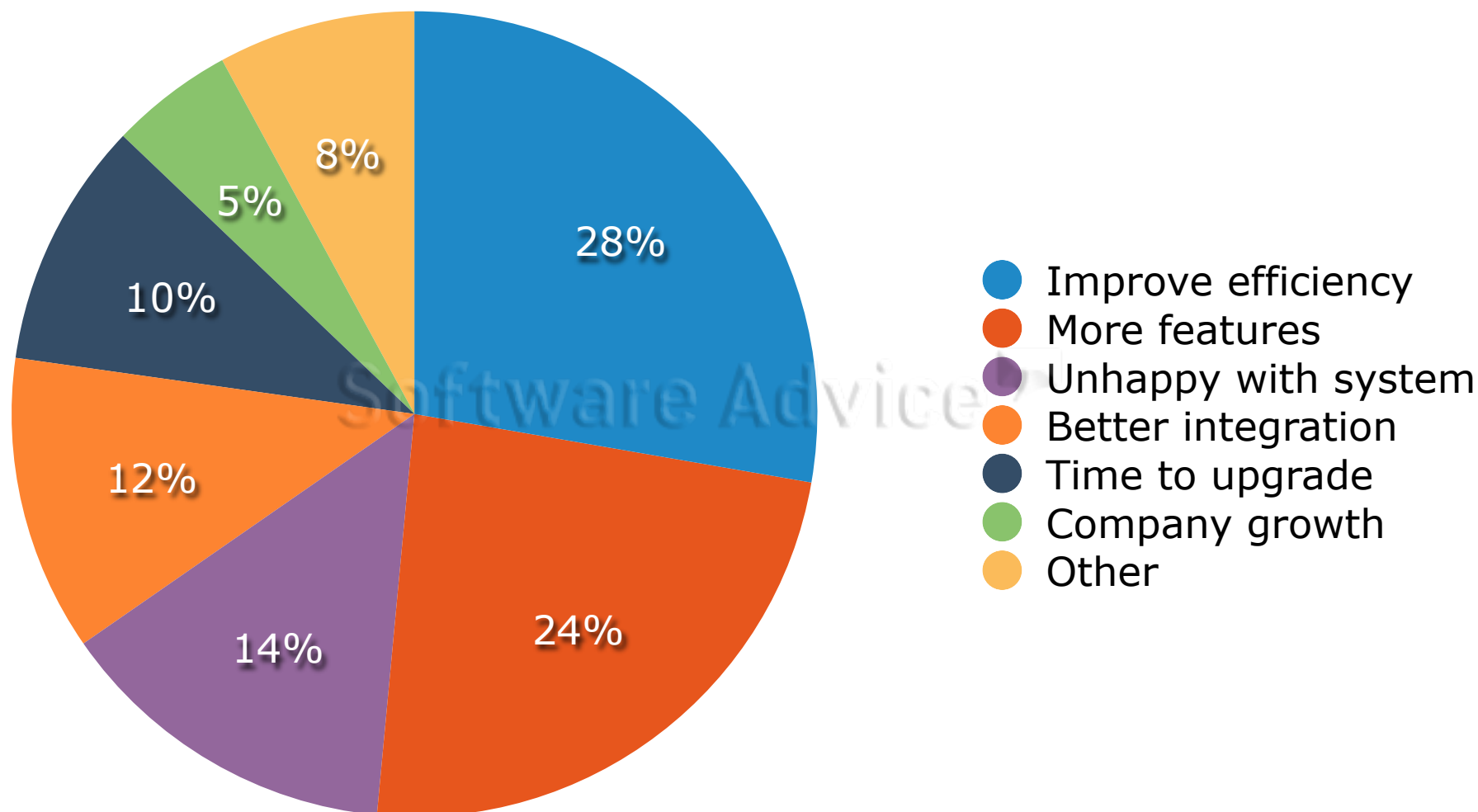
Software Advice™

Abstract

Each year, Software Advice speaks to thousands of construction software buyers. We recently analyzed interactions that occurred from January 1 to June 30, 2013 to find out what criteria they use to evaluate software. Here are our key findings:

- Increasing efficiency of processes is the top reason construction companies evaluate new software.

- Project management and estimating are the most frequently requested applications.

- Seventy-eight percent of buyers do not have a software deployment preference, but among those who do, 62 percent prefer Cloud-based applications to on-premise solutions.

Buyers Want Increased Efficiency and Features

Pie chart with legend:
- Improve efficiency: 28%
- More features: 24%
- Unhappy with system: 14%
- Better integration: 12%
- Time to upgrade: 10%
- Company growth: 5%
- Other: 8%

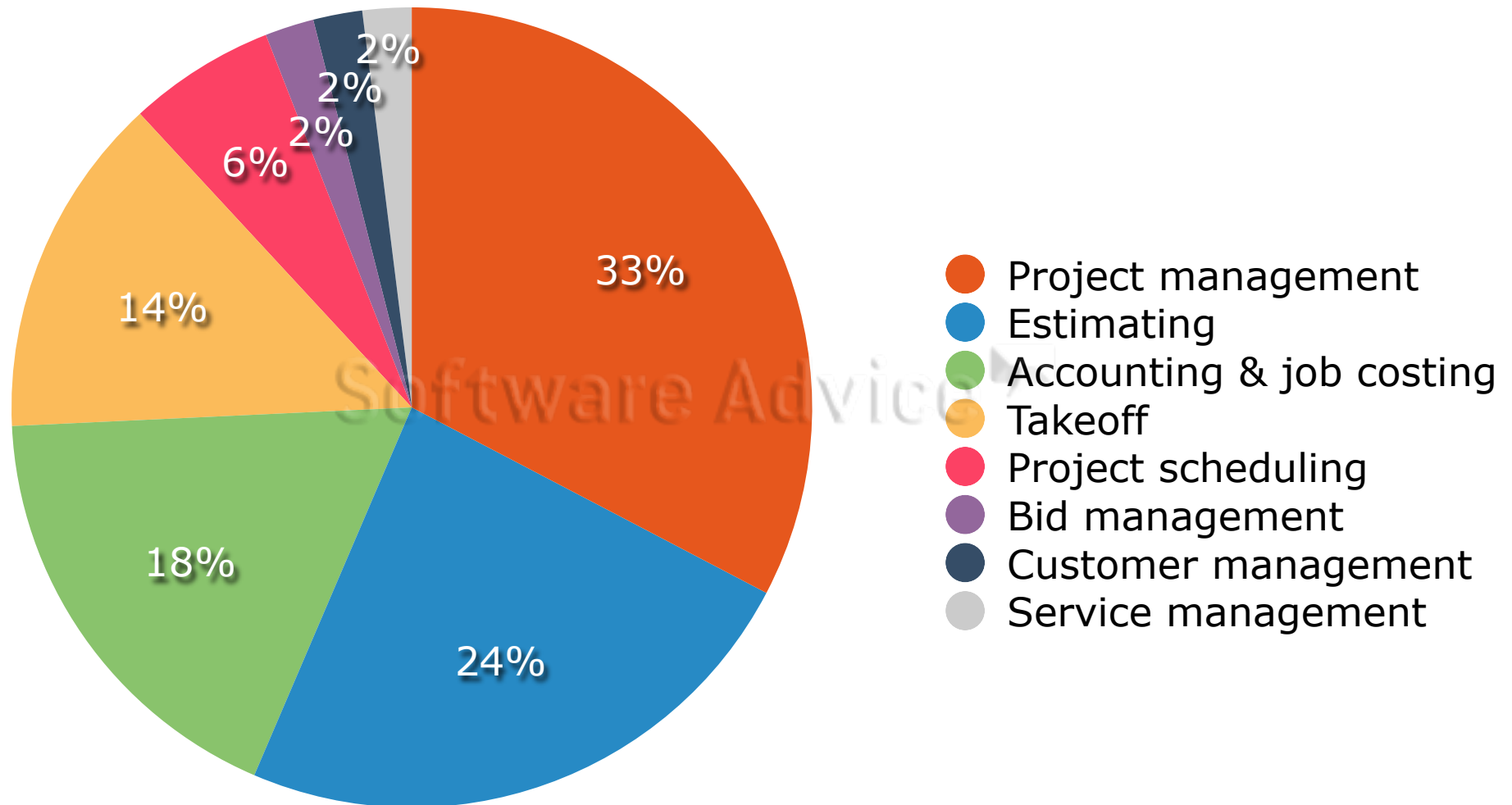Buyers cited improving workflow efficiency and needing more robust application features as the top reasons for evaluating software.

Many Buyers Use Manual Processes to Manage Operations

- 35% Manual methods
- 35% Construction software
- 23% Accounting software
- 4% Custom-built system
- 3% Other
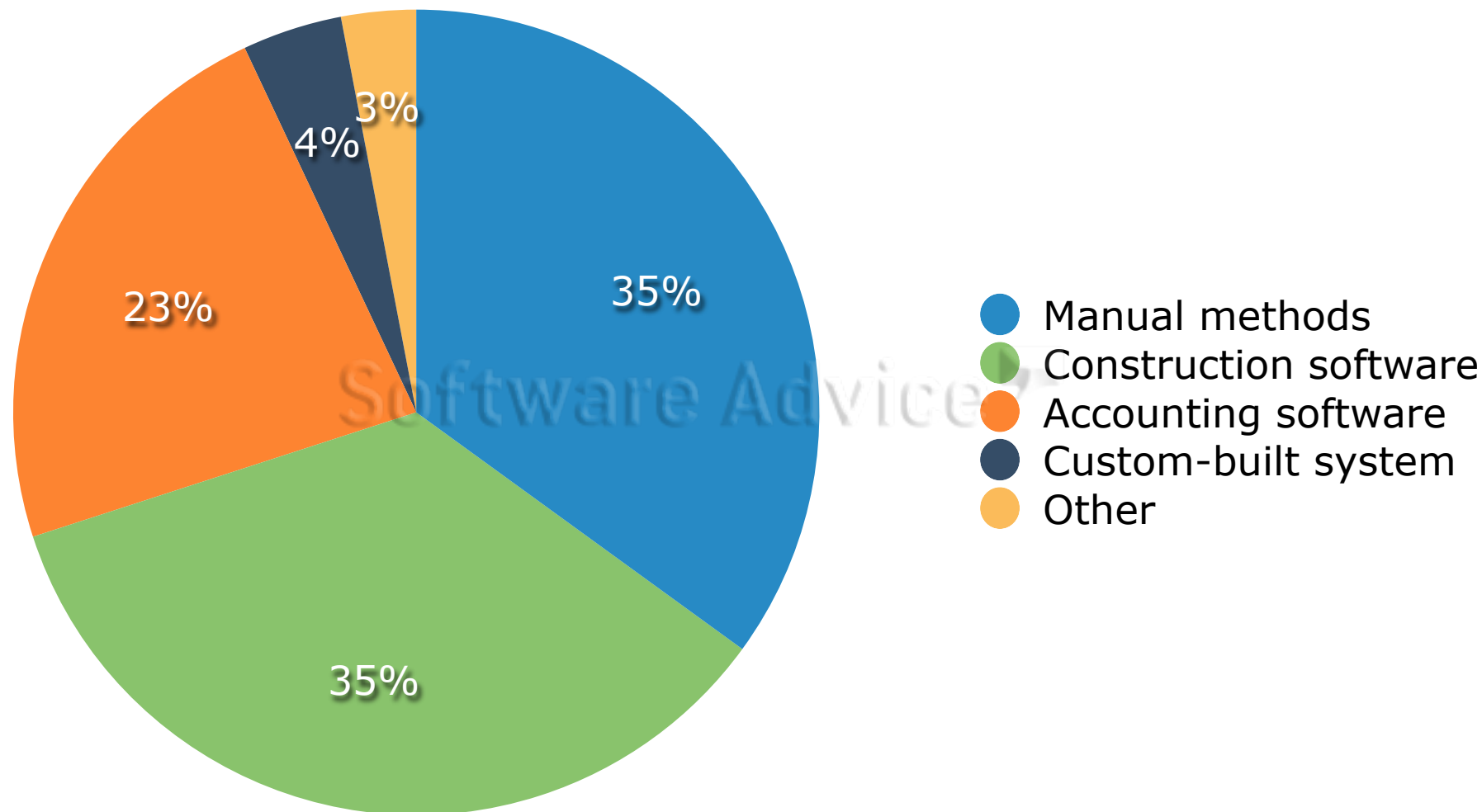
Thirty-five percent of buyers manually track important information. An equal number currently use other construction-specific software.

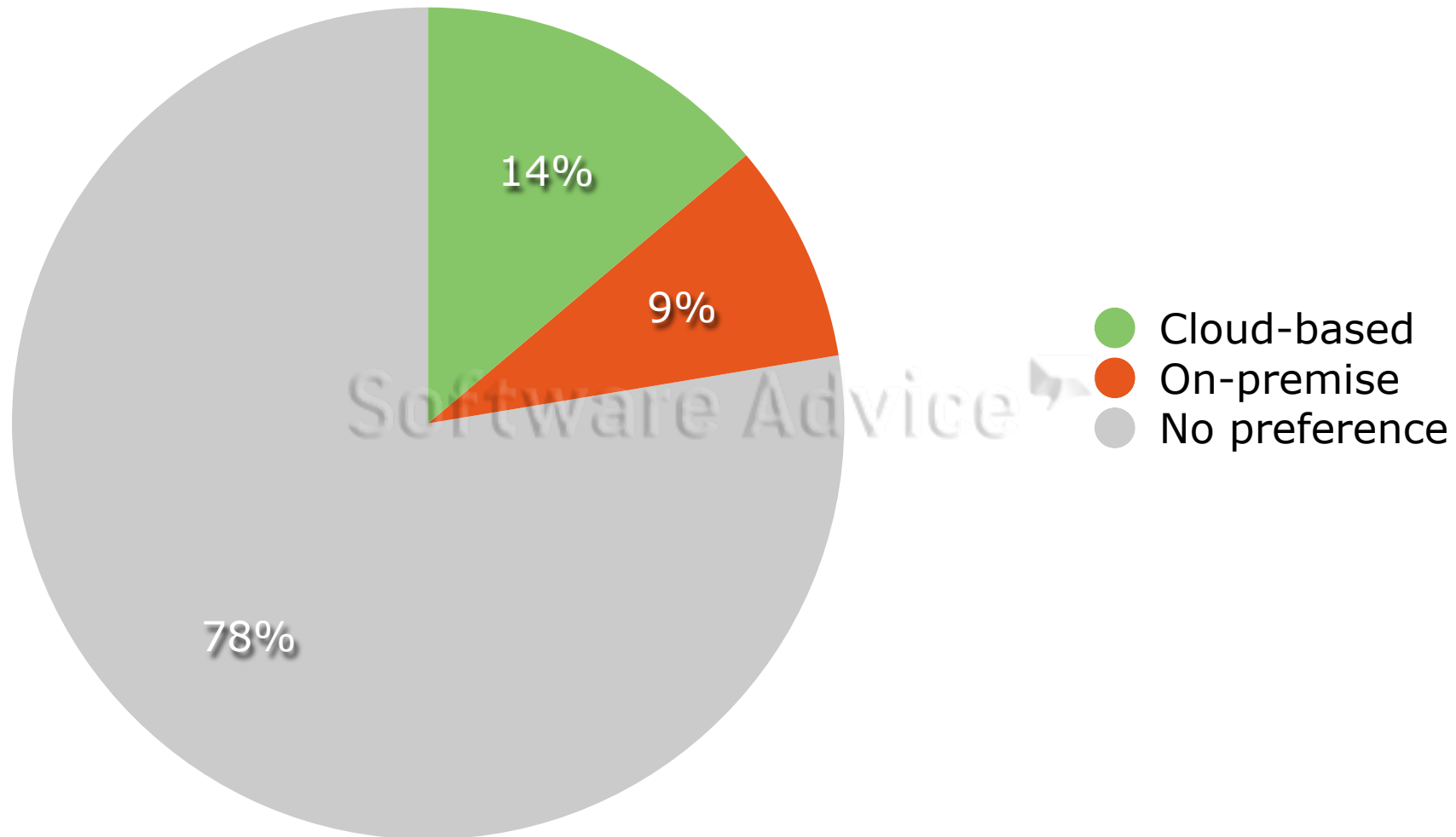# Project Management Is the Top-Requested Application

- Project management — 33%
- Estimating — 24%
- Accounting & job costing — 18%
- Takeoff — 14%
- Project scheduling — 6%
- Bid management — 2%
- Customer management — 2%
- Service management — 2%

The most requested construction software application is project management (33 percent), followed closely by estimating (24 percent).
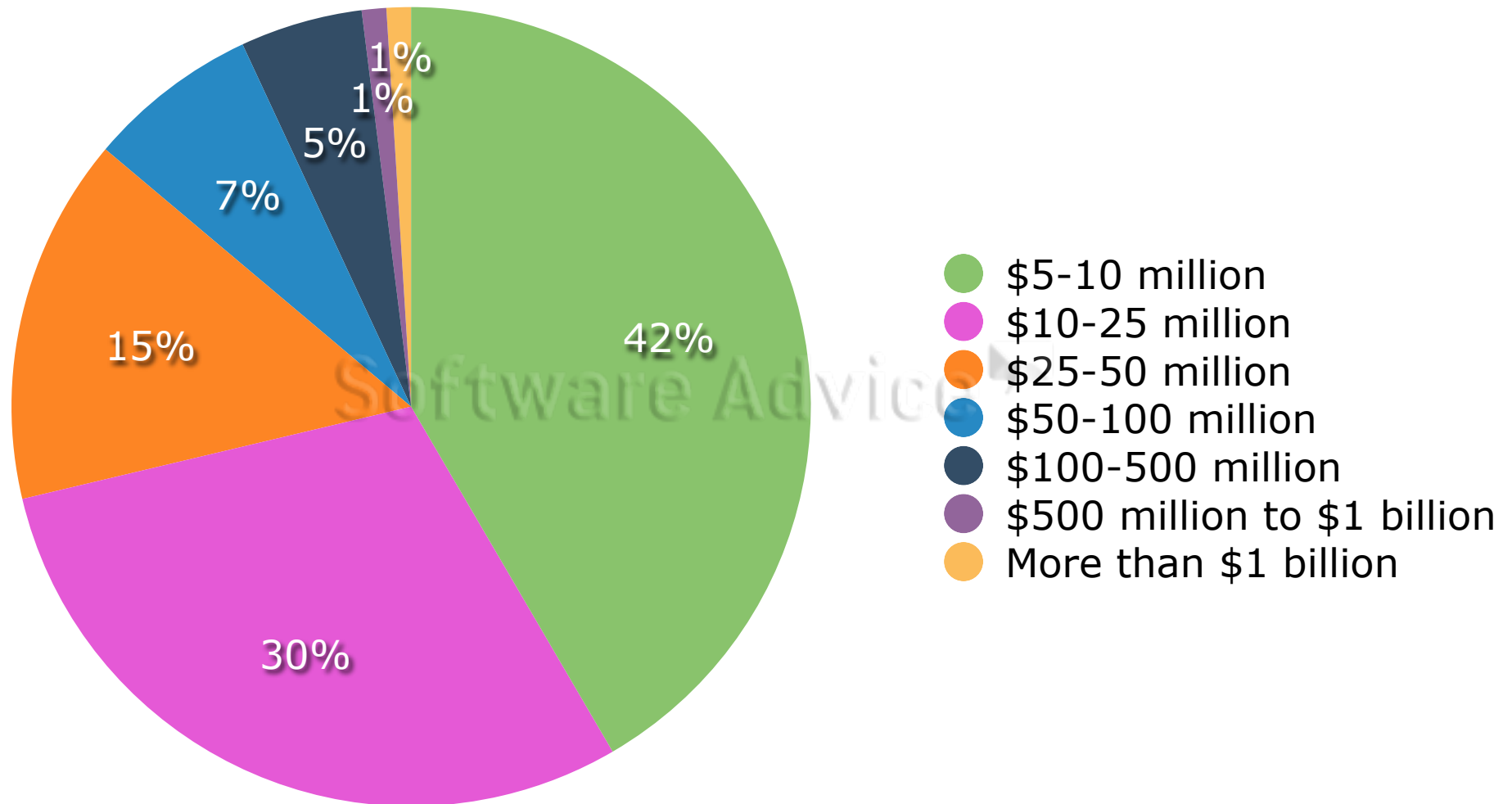
Best-of-Breed Applications Requested Most Often
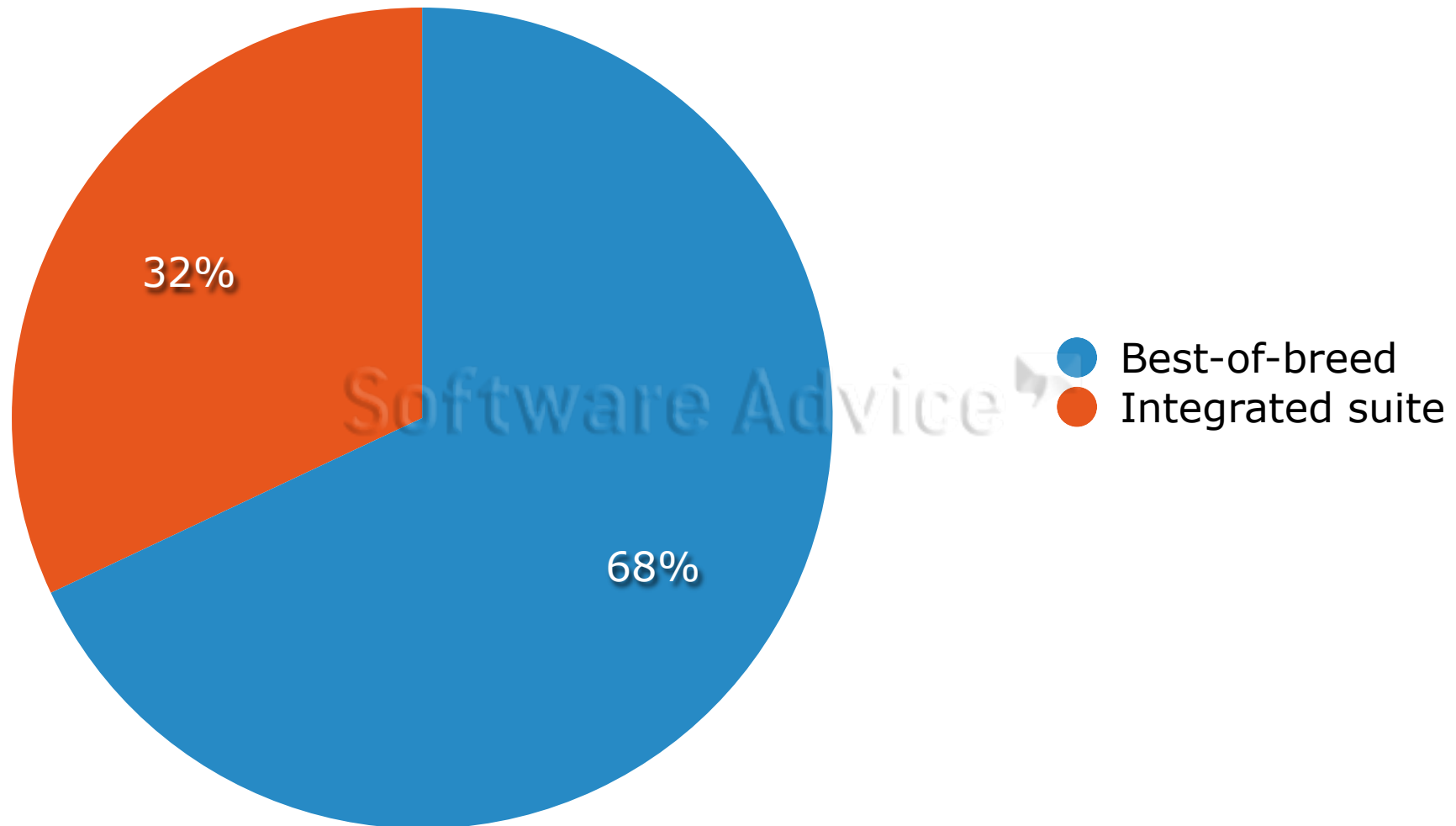
Among construction buyers who shared a preference for a particular integration model, the majority want to evaluate best-of-breed solutions.

Buyers Generally Prefer Cloud-based Applications

Legend:
- **Cloud-based** (green)
- **On-premise** (orange)
- **No preference** (grey)

Pie chart values: 14% Cloud-based, 9% On-premise, 78% No preference

Seventy-eight percent of buyers had no deployment model preference, but among those who did, 62 percent preferred Cloud-based over on-premise solutions.
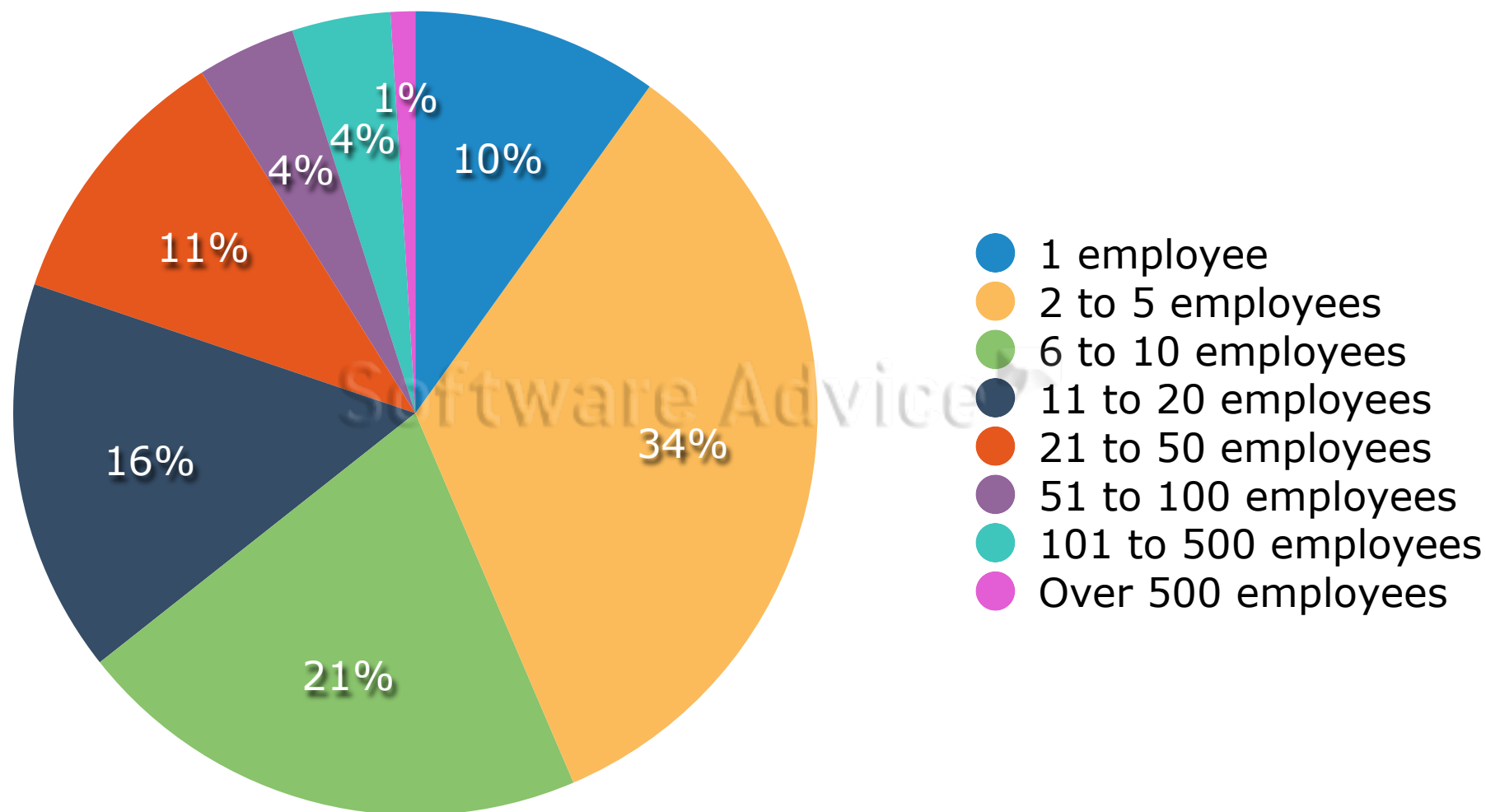
Small Businesses Comprise Most of the Sample

Legend:
- $5-10 million
- $10-25 million
- $25-50 million
- $50-100 million
- $100-500 million
- $500 million to $1 billion
- More than $1 billion

Pie chart values: 42%, 30%, 15%, 7%, 5%, 1%, 1%

Most construction companies included in the sample had annual revenues of $5-10 million (42 percent).

Most Buyers Have Ten or Fewer Employees

Legend:
- 1 employee
- 2 to 5 employees
- 6 to 10 employees
- 11 to 20 employees
- 21 to 50 employees
- 51 to 100 employees
- 101 to 500 employees
- Over 500 employees

Pie chart values: 10%, 34%, 21%, 16%, 11%, 4%, 4%, 1%

Thirty-four percent of buyers have two to five employees. The next largest employee count segment is six to 10 employees, at 21 percent.

The Most Active Buyer Segment is Specialty Contractors

- 47%
- 32%
- 12%
- 2%
- 8%

Legend:
- Specialty contractor
- General contractor
- Homebuilder
- Engineer/architect
- Other
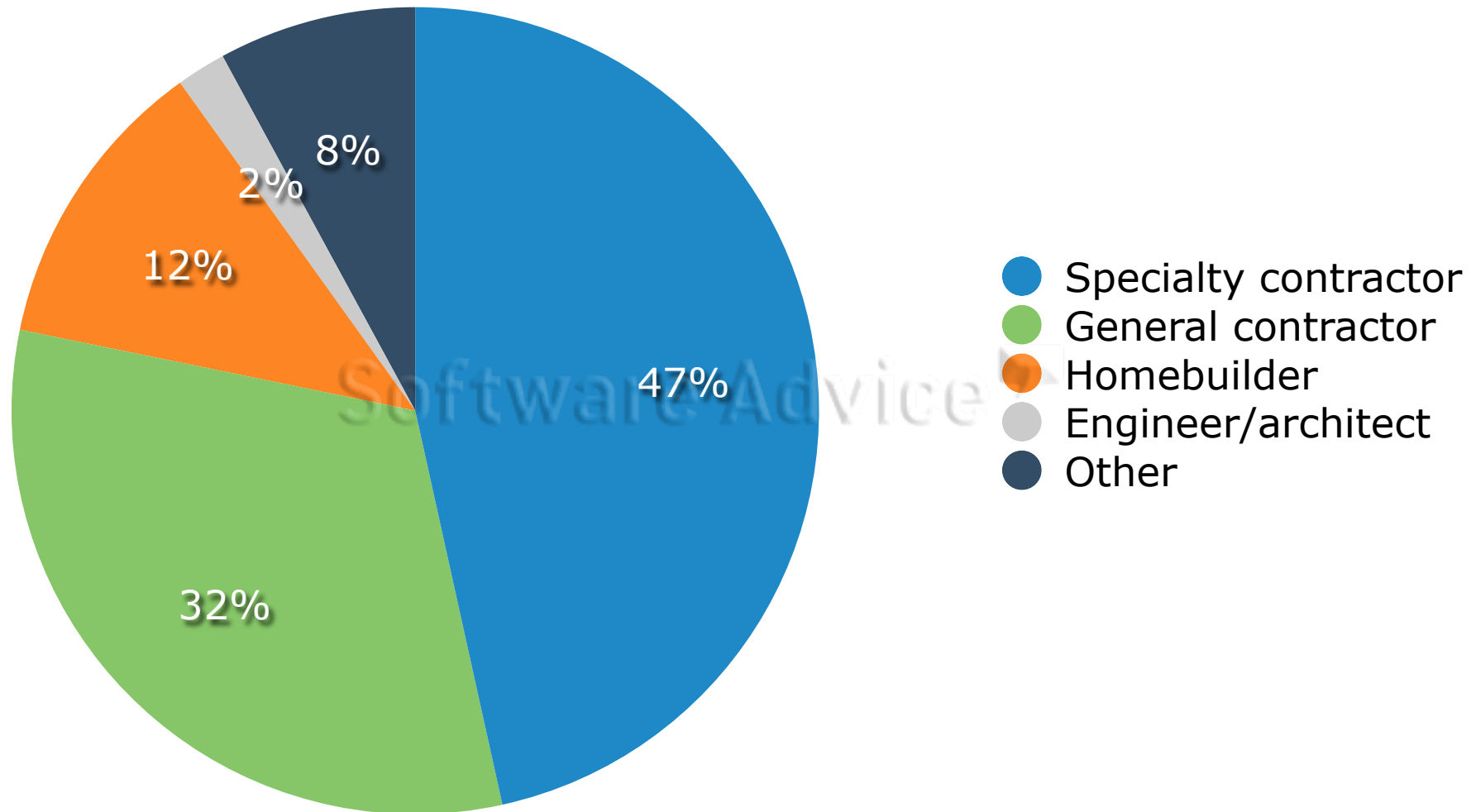
Specialty contractors (e.g. electrical and plumbing) account for 47 percent of buyers. General contractors are the next most active segment at 32 percent.

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