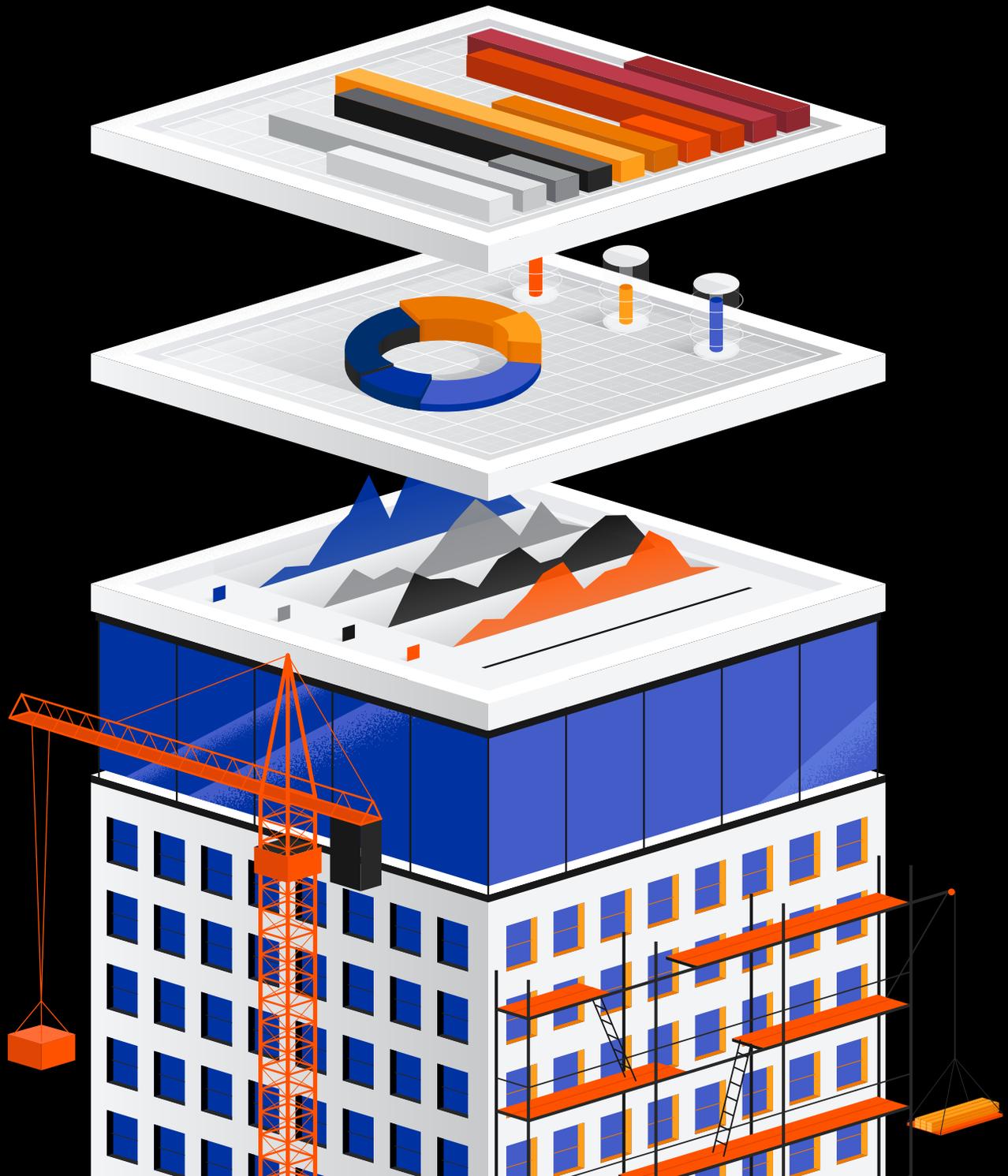# PROCORE®

Unlocking the ROI of Construction Technology

Global insights from Procore customers who are improving performance and transforming how we build.

Contents

Introducing the next era of construction.

2020 accelerated the need for technology, and **2021 will be an inflection point for the construction industry**—an opportunity for transformation. We cannot predict the future, but we can help you prepare for what's next.

As we enter the next decade of construction, only one thing is certain: More change is coming. This report is an in-depth look at the current state of construction technology and how the construction industry at large is accelerating into the next decade.

It's both an uncertain and exciting time for the construction industry. As you're planning for the future, some doubts are inevitable. This report is here to help.
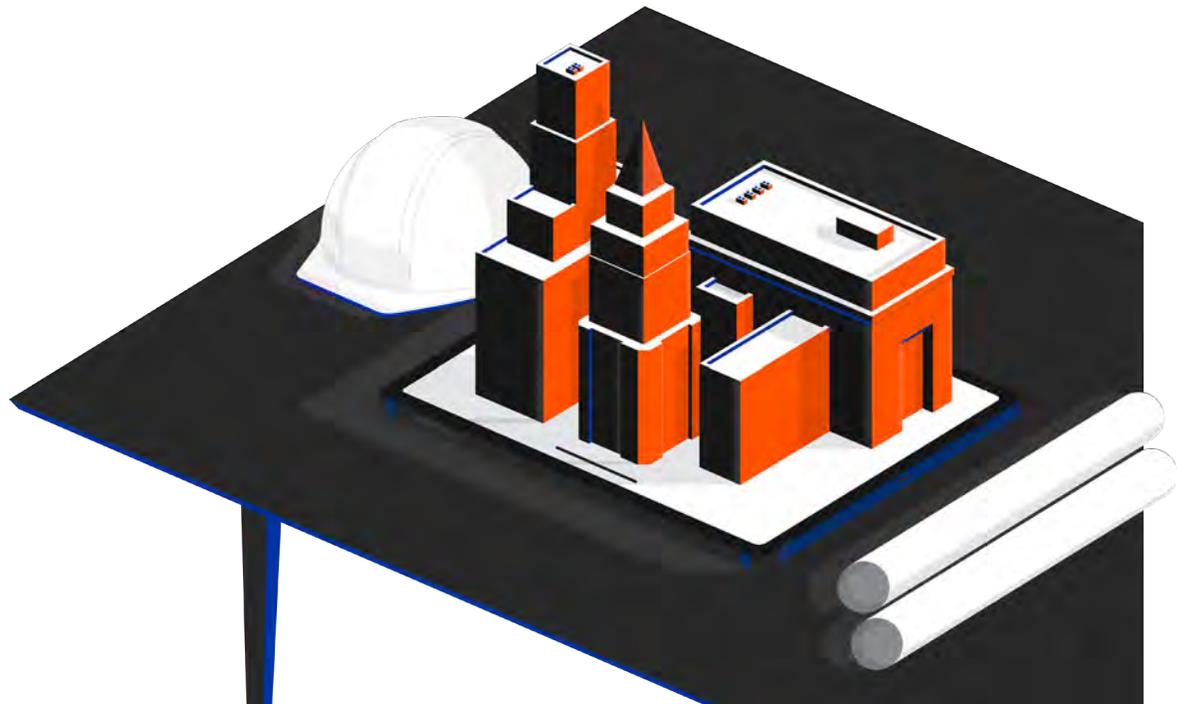
Global Survey Participants

We surveyed **4,784** Procore customers from around the globe—including North, Central and South America, Asia, Europe, Australia and the Middle East. The data includes responses from head contractors, subcontractors and owners/developers from companies and public entities of all sizes. All survey responses are self-reported and, unless otherwise noted, all references to customers, users or any individual stakeholder group mentioned herein refer to the population surveyed.

How you can use this report.

Throughout the survey, respondents kept using one word over and over: communication. In fact, it was mentioned 548 times—showing a unanimous emphasis on remaining connected in a year of mandated distancing. Terms like **"standardised processes"**, **"accurate forecasting", "improved communication"** and **"exceeding profit goals"** seem like luxuries in a year focused on survival. And yet, these numbers are staggering:

89%

of survey respondents reported having **more standardised processes**

79%

reported **improved communication** for a remote workforce

71%

reported that they met or **exceeded profit goals**

70%

reported more **accurate forecasting**

The findings correspond with those reported by consulting firms like McKinsey. According to McKinsey, the first "action for success" in response to the Coronavirus's impact is to "accelerate rollout and adoption of digitisation. There is no time to experiment with the perfect road map". Action is indispensable. This report should function as a guide for areas of improvement, identify where other companies are saving time and money, where they are reducing risk and utilising digital tools to similar effect.
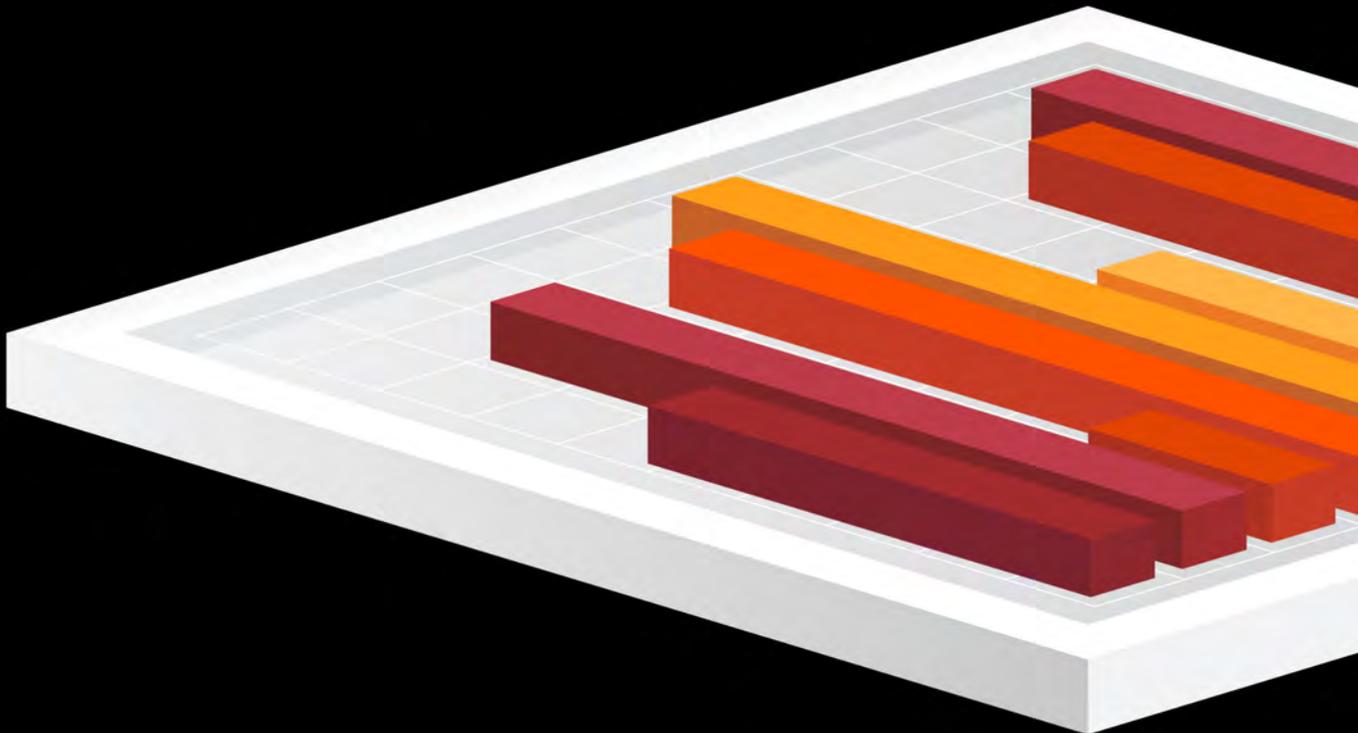
Communication and Collaboration During a Siloed Year

"The biggest advantage of using Procore is being able to view trends like variations, safety, sharing information simultaneously, reducing data silos and improving communication across all stakeholders."

Tower Finishing Lead,
Owner/Developer, Ontario, Canada

PROCORE®

A Changed World—
Rethinking Communication

For everyone in construction, communication is the linchpin that holds projects together. Although this has always been true, the challenges of remote and siloed work in 2020 have further underscored the importance of staying connected. As FMI put it, "Optimising digital technology... is probably just what the construction industry needed. Now, in the absence of true face-to-face interactions, these tools have become essential to maintaining schedules and good communication. They've become as ubiquitous as a hammer drill or backhoe on worksites, enabling teams to close the distances and utilise time more effectively". Our survey respondents echoed this sentiment. One of the most consistent themes of the feedback we received is how technology, and specifically the Procore platform, helped teams stay connected this year.


Footnote: "The Silver Lining of Construction Productivity and COVID-19"
https://www.fminet.com/fmi-quarterly/article/2020/12/the-silver-lining-of-construction-productivity-and-covid-19/

The key to adaptability and better communication.

65% of respondents say their business is **more adaptable and future proof** with Procore.

67%	HEAD CONTRACTORS
59%	OWNERS
61%	SUBCONTRACTORS

0% 20% 40% 60% 80% 100%
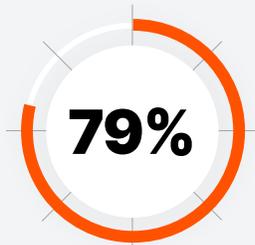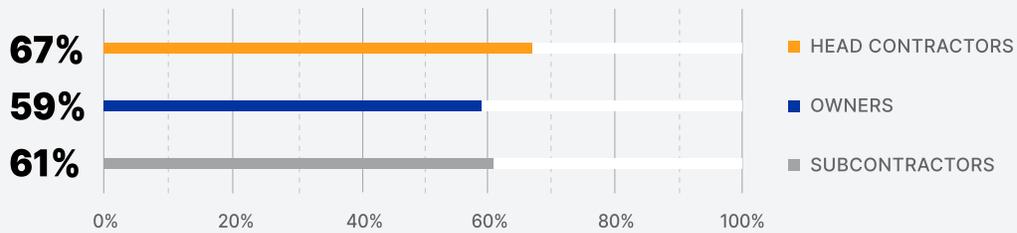
79% of survey participants report **improved communication for a remote workforce** with Procore.

80%	HEAD CONTRACTORS
77%	OWNERS
76%	SUBCONTRACTORS

0% 20% 40% 60% 80% 100%
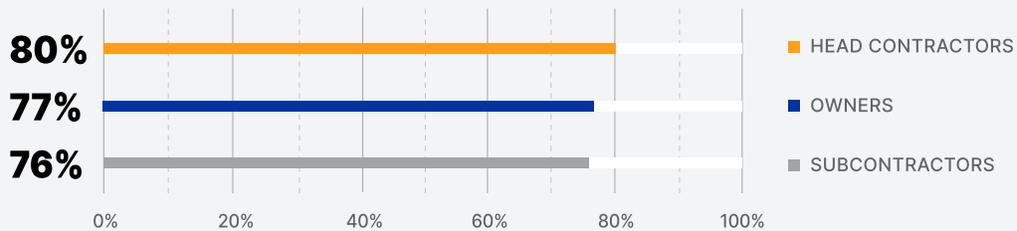
"The single platform allows us to manage all required functions and provide the same level of service with a smaller overall staffing. We can even support some functions remote from the jobsite."

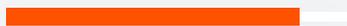**Project Executive**
Construction Manager as Agent, Oregon, USA

Procore improves site-to-office communication.

Site teams and office teams have seen **significant improvements in communication.**

7 out of 10

Subcontractors say Procore helps **improve labour productivity** on site.

85%

Improves your **site-to-office communication**

85%

Improves your site teams' ability to **communicate site issues**

84%

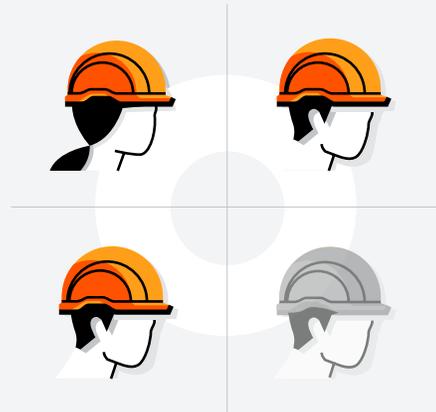Improves your site teams' ability to **document site issues**

> "Procore is an excellent tool to increase communication between the site team, the subcontractors and the main office."
>
> **Project Manager**, Multifamily Residential Head Contractor, USA
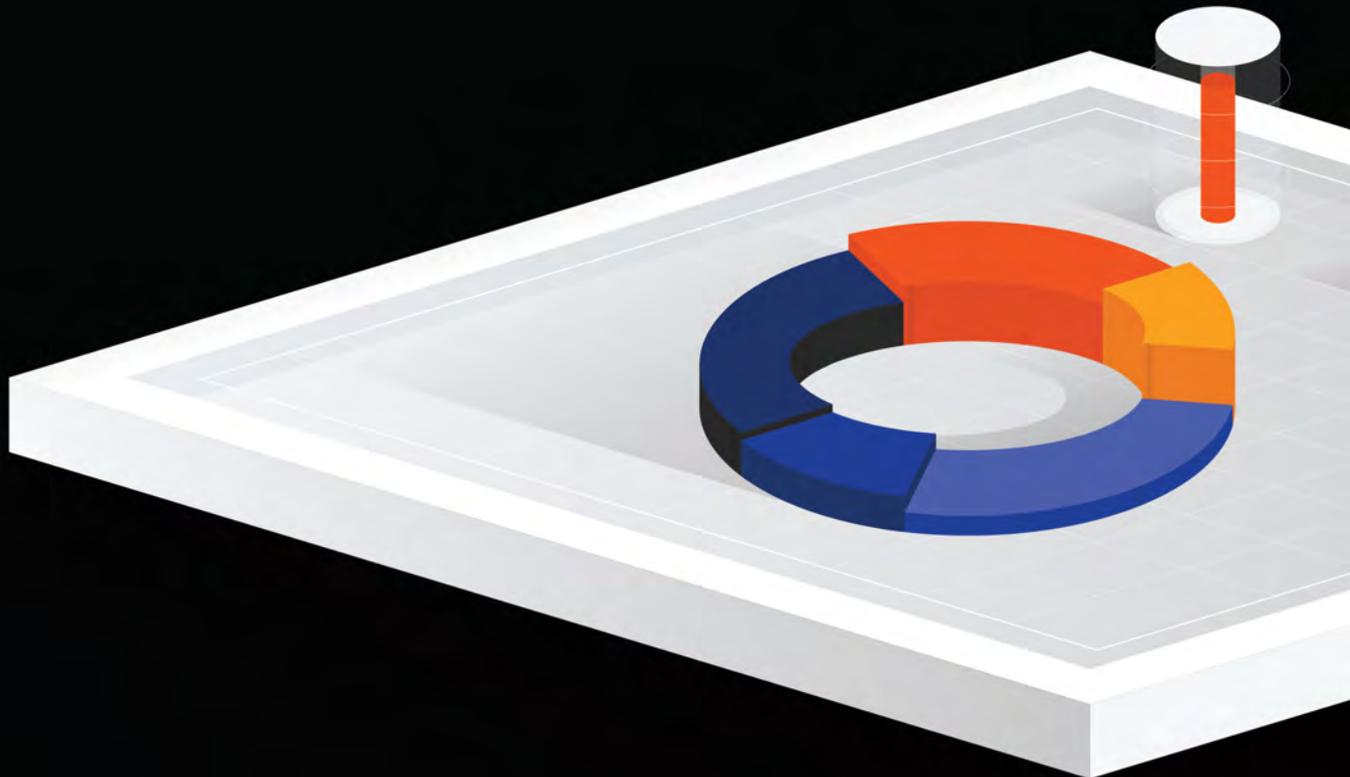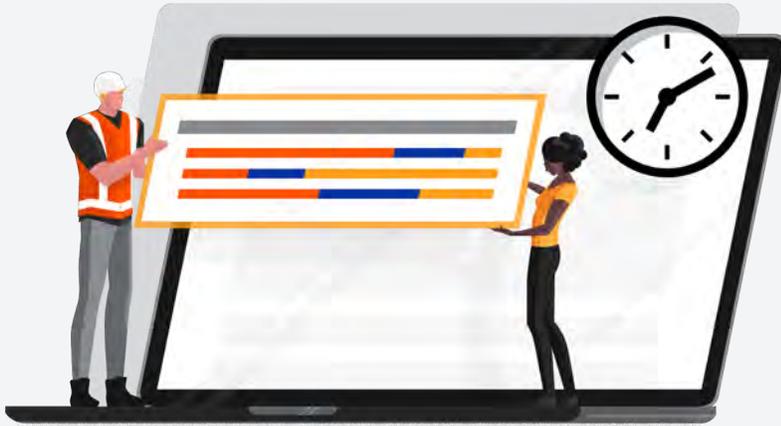
How Teams Can Do More with Fewer Resources

"Procore allows for improved efficiency in monitoring and communicating information between the site and the office."

Contract Administrator
Head Contractor, Victoria, Australia

PROCORE®

The best time-saving tools.

This year, companies in every industry were given a seemingly impossible task: do more with less. As the world locked down, efficiency became essential. However, this forced optimisation is setting teams up for future success. If 2020 was the year of uncomfortable adjustment, 2021 is looking like it will be the year of high performance. Here are some highlights of how teams are improving their bottom line by improving their day to day processes.

Shrinking Defect Lists

40%

FASTER CLOSEOUT

On average, respondents have reduced defects resolution time by 40%.

20%

SHORTER DEFECT LIST

On average, respondents have reduced the number of defect items by 20%.

More efficient teams.

Save weeks of work. Reach decisions on RFIs, submittals, and variations a week faster.

DAYS SAVED

4 DAYS

5 DAYS

4 DAYS

PER PROJECT WITH PROCORE'S RFIs TOOL

PER PROJECT WITH PROCORE'S SUBMITTALS TOOL

PER PROJECT WITH PROCORE'S CHANGE MANAGEMENT TOOLS

Respondents save **13 hours on average every week** with Procore's Site Diary Tool.

11 days saved per project.

11 DAYS

On a typical project, respondents say they saved **11 days** on their projects with Procore.

11 **Head contractors** saved on average **11 days**

10 **Subcontractors** saved on average **10 days**

12 **Owners** saved on average **12 days**

Hours saved daily by role.

PROJECT ENGINEERS

11.5
HOURS/WEEK

PROJECT COORDINATORS
/ ADMINISTRATORS

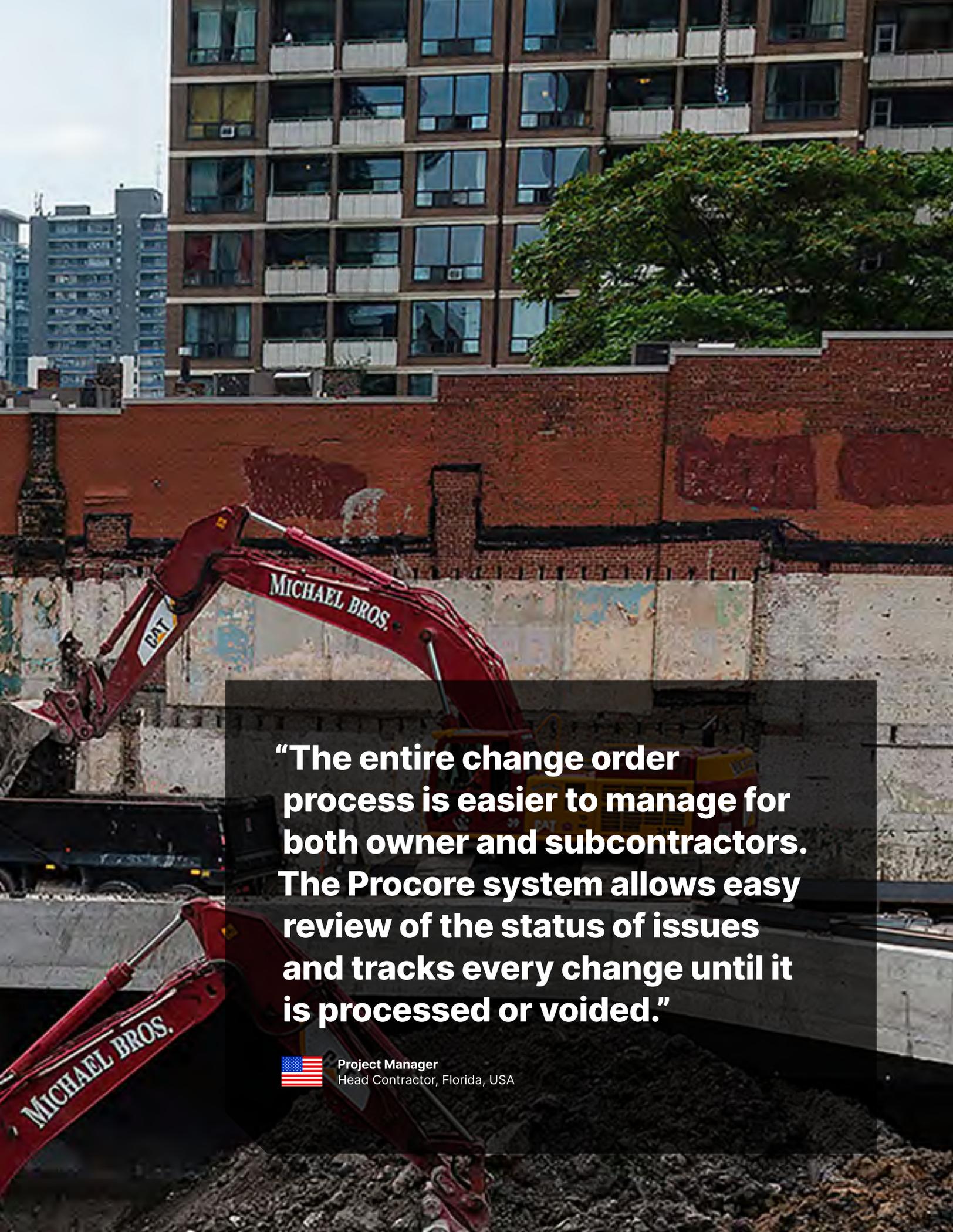## 11
HOURS/WEEK

SITE MANAGERS / FOREMEN

10.5
HOURS/WEEK

PROJECT MANAGERS

10
HOURS/WEEK

According to the survey, Portfolio Managers for Owners save on average 10 hours per week using Procore.

"The entire change order process is easier to manage for both owner and subcontractors. The Procore system allows easy review of the status of issues and tracks every change until it is processed or voided."

Project Manager
Head Contractor, Florida, USA

Significant improvements to change management.

88%

of **Head Contractors** surveyed say Procore's change management tools help better manage variations on their projects.

89%

of **Owners** surveyed agree Procore's change management tools have helped better manage variations on projects.

85%

of **Subcontractors** surveyed agree Procore helps better manage variations on projects.

Standardise processes, own your data.

89% of respondents say **Procore helps standardise processes** across all projects.

HEAD CONTRACTORS	**90%**
SUBCONTRACTORS	**86%**
OWNERS	**88%**
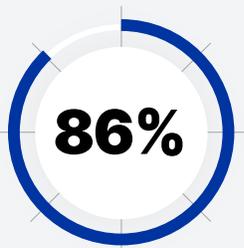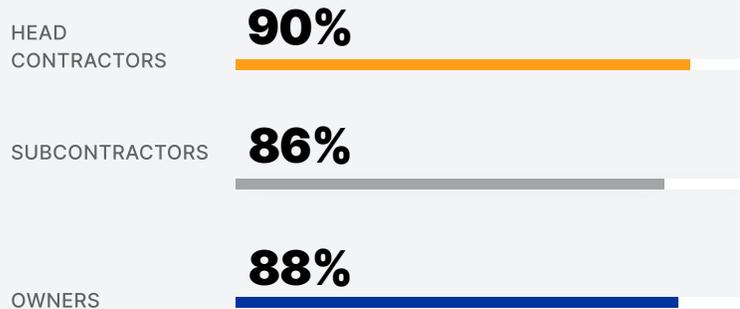
86% of Owners surveyed believe **Procore has helped them own their project data** throughout the lifecycle of an asset.

"**Procore allows connectivity among the entire project team. This increased efficiency allows better management of larger and more profitable projects.**"
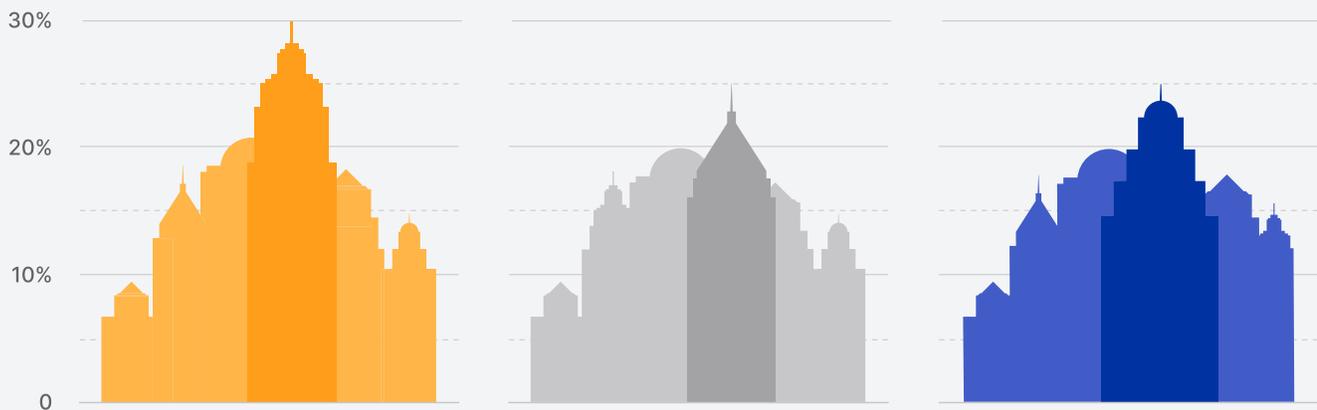
Operations Integration Manager, Head Contractor, Alabama, USA

Manage more construction volume per person, creating opportunities to expand business growth.

HEAD CONTRACTORS

SUBCONTRACTORS

OWNERS

30% ↑

Average **increase in construction volume** each person can manage.

24% ↑

Average **increase in construction volume** each person can manage.

24% ↑

Average **increase in capital projects/ assets** each person can manage.

"Procore allows for increased visibility and communication, streamlined and consistent workflows across all projects."

Project Engineer, Subcontractor, USA

Protect your business in case of litigation.

6 out of 7

survey respondents agree **Procore offers more protection in a litigation scenario.**

- ✓ **87%** of **Head Contractors** agree
- ✓ **82%** of **Subcontractors** agree
- ✓ **80%** of **Owners** agree

76% **of Owners surveyed agree Procore can help identify areas for improvement on a construction project to ensure efficiency.**
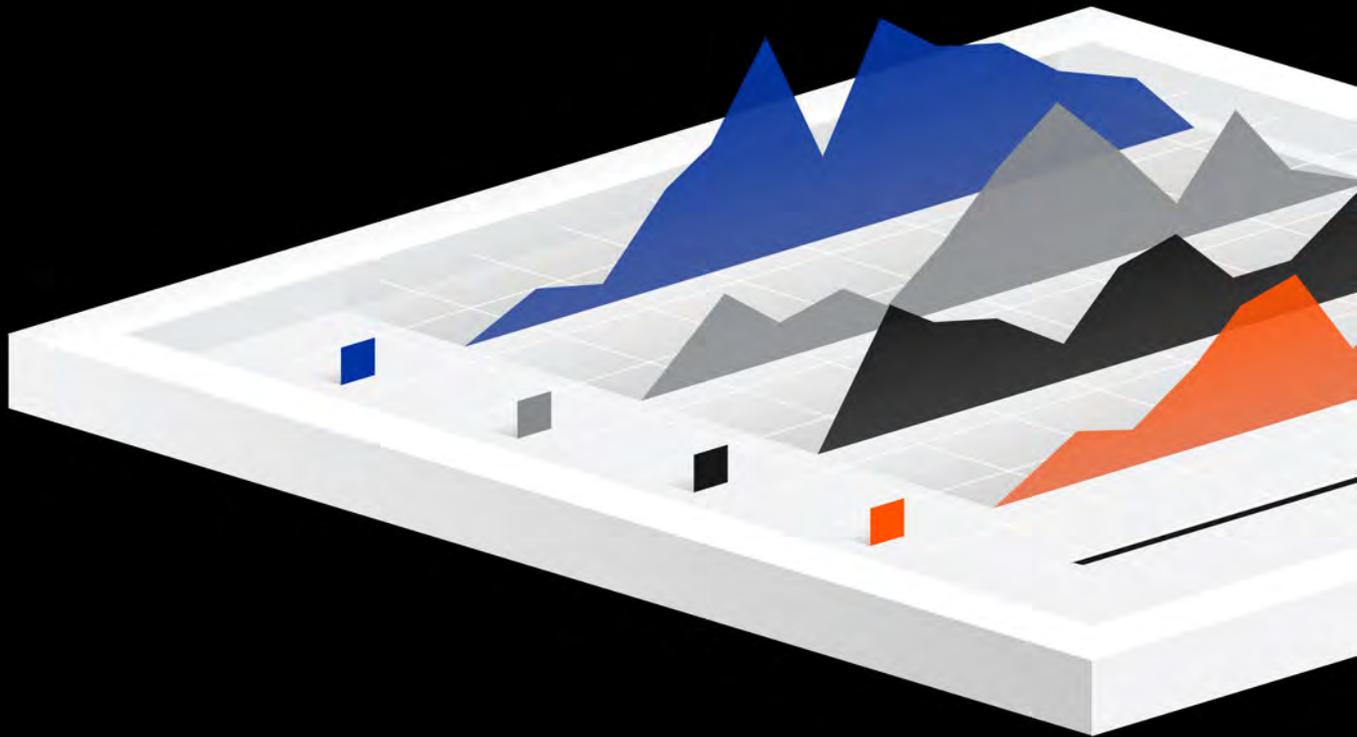
Owning Your Bottom Line with Financial Technology

"Financial Management and the ERP integration has been a huge ROI for our company. The site team having access to current costs is critical and has improved accounting efficiency."

**Construction Technology Manager**
Owner/Developer, Arizona, USA

PROCORE®

Improving Profits

Construction has always been an industry with thin margins. In a year plagued by uncertainty, accurate forecasting and reliable financial processes were especially vital. According to Construction Dive, the cost of construction materials is rising on a monthly basis, with a 0.8% in May, followed by a 2.3% rise in June of 2020. McKinsey highlights supply chain interruptions and a decrease in demand for new construction as additional hurdles for the industry. It goes on to suggest that economic activity in construction might not return to 2019 levels until 2023. With these new challenges, protecting margins has become more important than ever. Here's how businesses are finding ways to shore up their bottom lines.
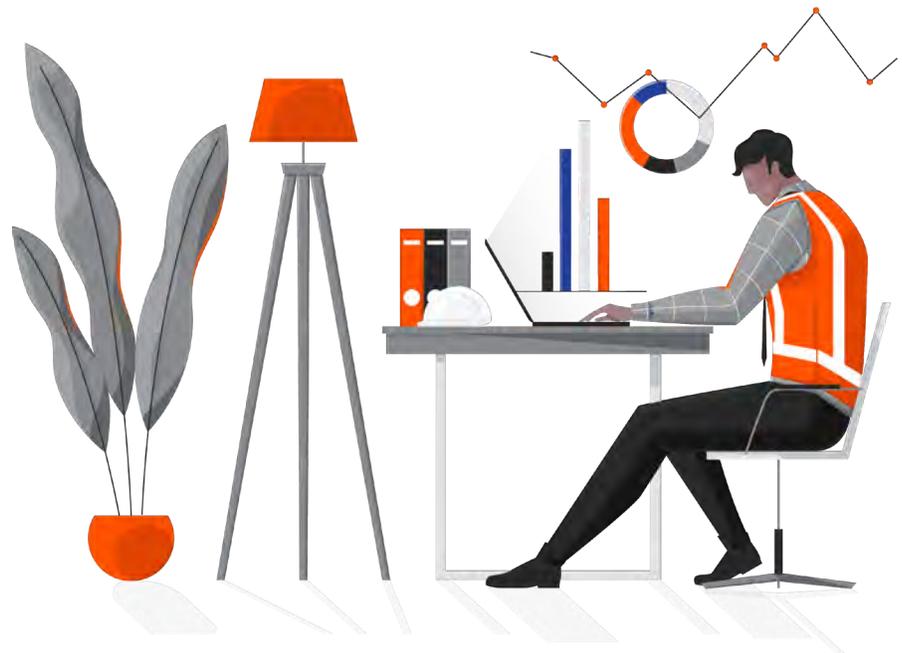
Footnote: "The next normal in construction" - McKinsey & Company June 2020 mckinsey.com/business-functions/operations/our-insights/the-next-normal-in-construction-how-disruption-is-reshaping-the-worlds-largest-ecosystem

"Materials prices rise for second straight month since COVID-19 crisis began" - Construction Dive July 2020
constructiondive.com/news/materials-prices-rise-for-second-straight-month-since-covid-19-crisis-began/581449/

Reducing costs and non-recoverable expenses.

Surveyed customers agree Procore change management tools have helped **reduce the frequency of non-recoverable variations.**
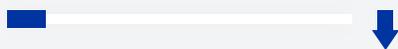
HEAD CONTRACTORS

25%

SUBCONTRACTORS

26%

Surveyed real estate developers, investment managers, and owners alike agree that Procore can **reduce construction costs by 11%.**

OWNERS

11%

80% of respondents believe implementing Procore financial tools has improved transparency between project management and accounting teams.

Avoid future cost overruns with better budgeting and billing processes.

70% of all respondents say **Procore's Budget tool has made forecasts more accurate.**

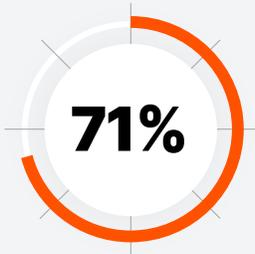**48%** of all respondents say **Procore helps prevent overbilling.**

"The biggest advantages of using Procore is project management and field staff have real-time visibility into the financial health of projects."

Controller, Head Contractor, California, USA

Protect your margins using technology.

71%

of all respondents say Procore helps meet and **exceed profit goals** on projects.

71%
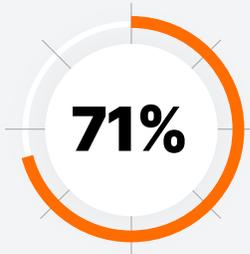
agree Procore helps **reduce the amount of rework** on any given project protecting their bottom line.

84%
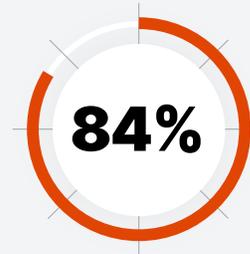
of respondents agree that Procore gives **visibility into the health of their projects** in order to stay on time and budget.

> **"Procore allow us to streamline processes and improves timeline and profit margins as a result."**
>
> **Business Development Manager**
> Head Contractor, Dublin, IE

The Labour Shortage and the Future of the Industry

"We're a 77-year-old company, but we like to think we're on the leading edge of what's going on. When people hear that we're using Procore and we're doing different things with construction technology, they get excited about possibly coming to work for us."
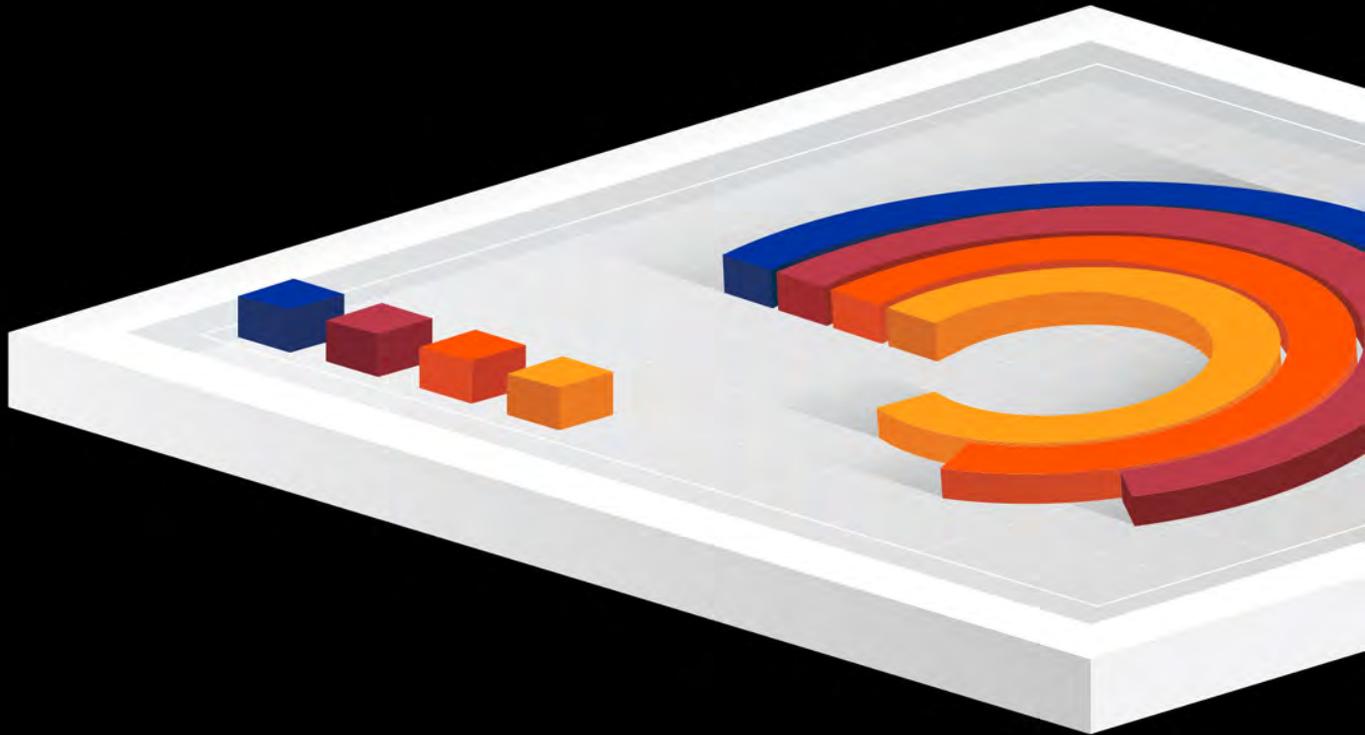
Division Manager
Subcontractor, California, USA

PROCORE®

Building the future of your company.

The future of construction isn't just software—it's the people who use it. As the technology continues to change and improve, the one constant will always be the builders. They continually adapt to new tools and find new ways to move the industry forward. Employee retention, job offer acceptance rate and speed of new hire onboarding are directly affected by a company's commitment to cutting-edge technology. And retention is especially important amid the current labour shortage. As KHL points out, "The 2018 Turner and Townsend International Construction market survey reported that labour shortages are becoming an increasingly common feature of global construction. The 2018 report noted that 27 markets experienced a skills shortage". Amid this historically dire labour shortage, staying relevant is particularly essential. Clearly, remaining competitive now and in the future comes down to a simple conditional statement: if you want the best and the brightest, offer them the best tools for the job.

Footnote: "Construction's skills shortage" - KHL May 2019 https://www.khl.com/news/Construction-s-skills-shortage/1138380.article

Increasing employee retention and job offer acceptance.

16% of survey respondents say they have seen **increased employee retention** since they started using Procore.

14% of survey respondents also say they believe Procore has **helped in talent acquisition.**

Getting teams up to speed faster.

18% of survey respondents agree that Procore helps **increase the speed of onboarding and training** new hires.

From adjustment to acceleration.

The successes construction teams had in a year of unprecedented adversity are a true testament to an industry that rises to challenges and always finds a way to get the job done. Survey respondents continually attributed their success to a single, connected platform that brings together people, processes and data.

By implementing a streamlined platform, businesses are able to connect everyone on a project and gain the support of a long-term solution that sets them up for success both now and in the future. It offers unique benefits that not only enable full integration, but also help optimise people and processes—not to mention profits.
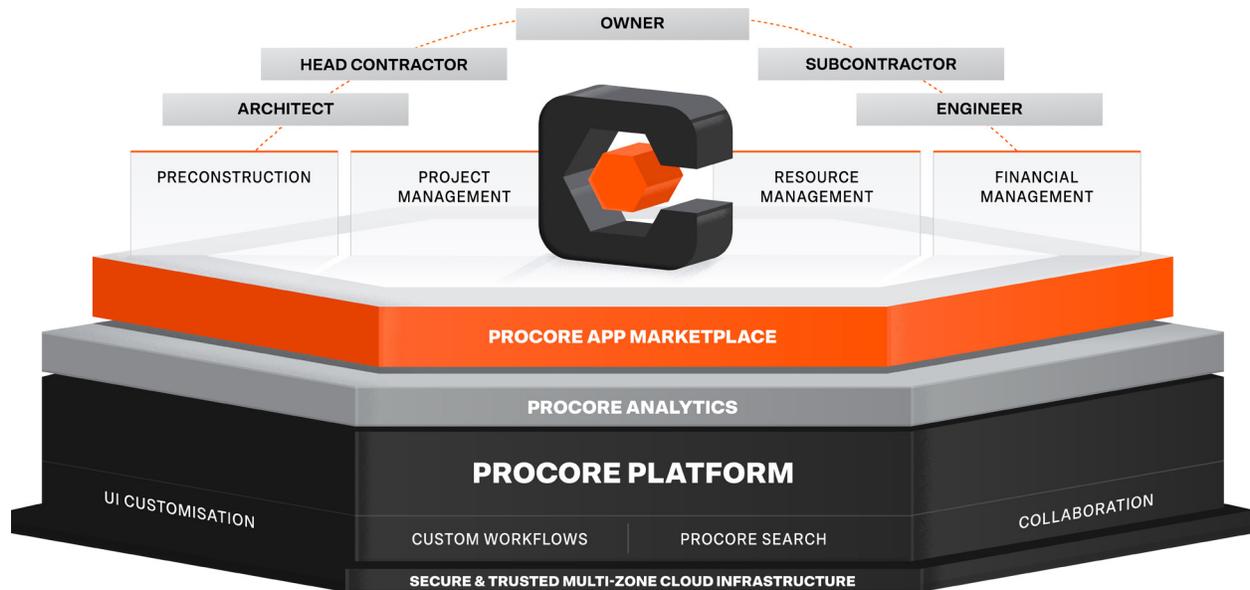
Procore's platform is the connecting foundation for everyone on a construction project—owners, head contractors and subcontractors—to work together toward the shared goal of high-quality projects built on time and on budget.

By combining the power of real-time Preconstruction, Project Management, Resource Management and Financial Management tools with over 300+ App Marketplace partner integrations, you can manage your project from concept to close out all in one place.

After a year of adaptation and adjustment, teams with improved processes and communication in place are optimised for success. 2021 is looking to be the year of high performance for businesses running on the Procore platform.

Audience Breakdown

HEAD CONTRACTOR   **3,144**
All types of specialisations and projects including residential, commercial, heavy civil/horizontal, industrial/manufacturing, energy and utilities and governmental projects.

SUBCONTRACTOR   **766**
MEP (mechanical, electrical and plumbing), structural and finish trades for all types of projects including residential, commercial, industrial, infrastructure and governmental projects.

OWNER   **767**
Real estate owners, developers, investment managers, construction managers as agents, private corporations and governmental entities of ground-up development, capital improvements and industrial projects.

OTHER   **107**

TOTAL   **4,784**

Annual Construction Volume (ACV)/Capital Spend Range

EMERGING ($20 million or less)   **1,307**

MID/MAJORS ($21 million - $100 million)   **1,776**

ENTERPRISE ($101 million or more)   **965**

TOTAL   **4,048**

Given the sample of survey respondents from year to year, we do not recommend comparing this report to previous ROI reports.

When customers come first, acclaim comes next.

We're proud of these accomplishments because they reflect our dedication to improving the lives of everyone in construction. We're honoured to support this industry during a moment when technology is critical to building what's next.

Best Construction Management Software

Top 20 Construction Management Software
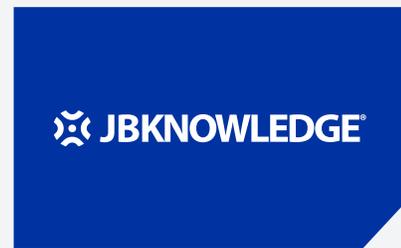
Ranked #1 in Construction for Project Management and Mobile Reporting

TrustRadius 2020
Tech Stack Essentials Award Winner

TrustRadius 2021
Best of Customer Support Awards

PROCORE

Produced by
PROCORE TECHNOLOGIES, INC.

Procore manages your projects, resources and financials from project planning to closeout. Our platform connects every project contributor to solutions we've built specifically for this industry—for the owner, for the Head Contractor, and for the Subcontractor. Our App Marketplace has over 250 partner solutions that integrate seamlessly with our platform, giving you the freedom to connect with what works best for you, even if we don't build it. The ability to easily communicate across disparate teams makes it easier to work together by eliminating silos and establishing a single source of truth. It's how Procore gives your team access to everything they need to know to get their job done.

If you have any questions email us:
team-apac@procore.com

[**Talk with an Expert**]

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