

REPORT

How We Build Now Canada

The State of Construction & Technology 2020 and Beyond

Canadian construction leaders reveal how they have been affected by the pandemic, how they have adapted to the new realities, and the role of technology in paving a way to build what's next.

PROCORE[®]





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— 01

The world has changed. And so has construction.

COVID-19 has challenged the construction industry from workers to processes to offices to technologies. How is the industry meeting the challenges? What have we learned so far and how have we adapted? There have been numerous and even dynamic changes to deal with the pandemic, and the response and recovery are still works in progress.

The pandemic has challenged people and nations like no other crisis in the last 75 years. It's changed the way our institutions and businesses operate, and caused radical shifts toward models like remote work, while accelerating the adoption of technologies to support the new normal.

The construction industry is no exception. How we adapt to the change; ensure the safety of the frontline; and implement tools to collaborate and work efficiently will define the industry going forward.

Understanding how the industry has been impacted helps us move ahead. This Report defines a benchmark—a measure of how the industry has so far withstood the challenges brought on by the pandemic, and the capacity of Canada's construction industry to adapt for continued success.



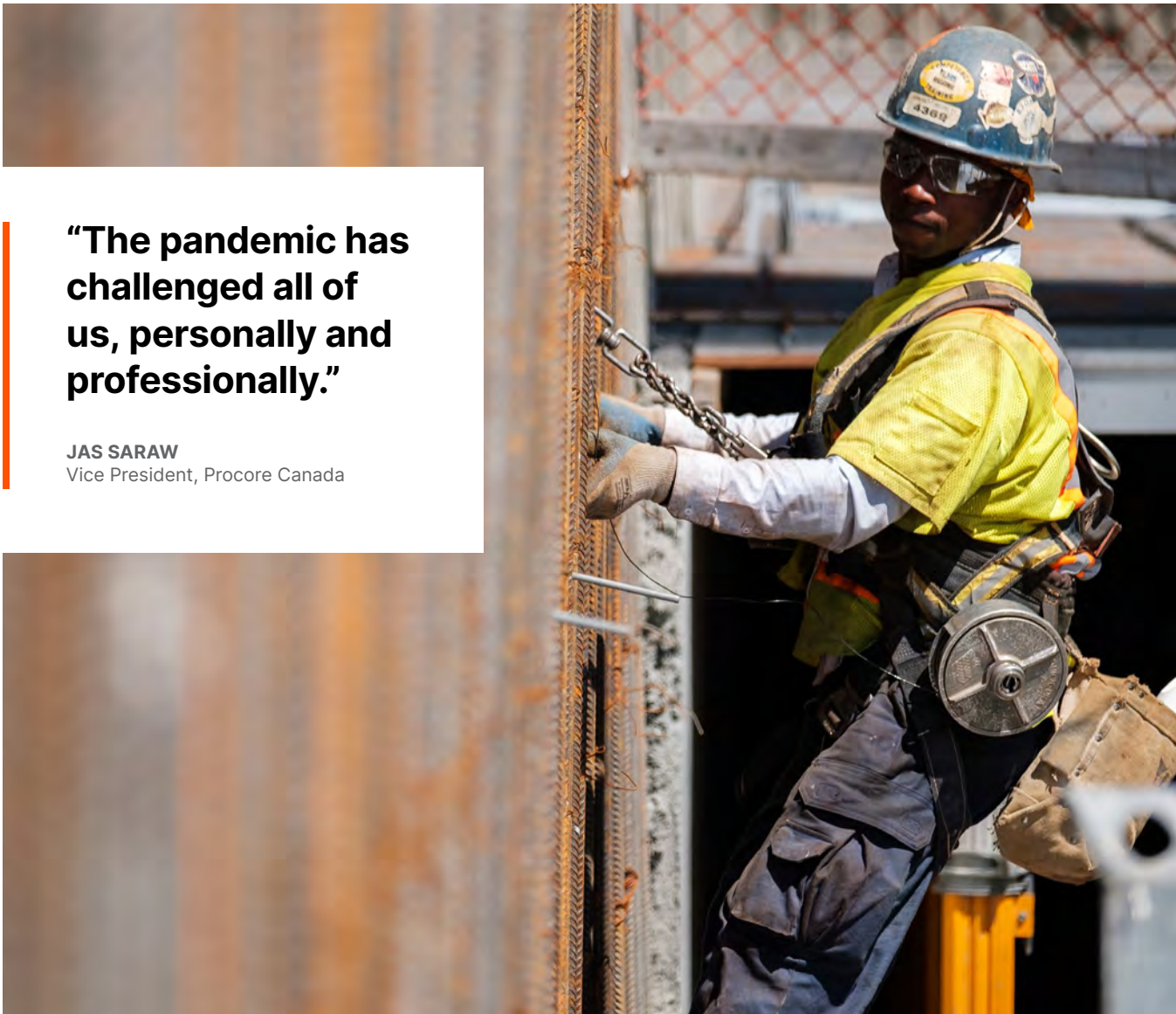
The pandemic had an immediate impact

It didn't take long for the impact of COVID-19 to be felt by Canada's construction industry. [Procore's Construction Activity Index](#) showed activity in Alberta, British Columbia and Ontario dropped to a low of **41%** below baseline by April, 2020.

- + Ontario dropped to an alarming **57%** below baseline before rebounding in June
- + Alberta's decline was less dramatic, but went on longer
- + BC's hit was a modest **7%** in April, with above baseline performance afterward

“The pandemic has challenged all of us, personally and professionally.”

JAS SARAW
Vice President, Procore Canada



National activity returned close to the baseline by the end of July. This [climb back to a near-normal level](#) was commendable, and thanks in no small measure to quick response to the new challenges. Over the first six months of the pandemic, the emphasis was, unquestionably, on safety measures and digital tools. Safety was driven by public health advice and regulations, an increased focus on remote work, and the need for distancing along with other actions taken on the work-site.

What did this mean for construction leadership? A greater focus on scheduling and resourcing teams, doubling down on health and safety, and a critical investment in technology. It's also inspired questions about how to enable new levels of excellence post-COVID-19. For example, how can technology implemented during the pandemic to improve workflow and collaboration be leveraged to build productivity going forward? This is just one of the questions answered in the '*How We Build Now Canada*' Survey.

— SURVEY

How We Build Now in Canada's Construction Industry

During September/October 2020, Procore staged a survey to gain insights from general contractors, governments, sub-contractors, owners and others in the Canadian construction industry. 340 participants gave responses to questions about how they have been affected by the pandemic so far, and how they've dealt with it. They also gave insights into the changes they've implemented and are considering for how they build across Canada.

— 02

The industry is weathering the storm

Perhaps the biggest surprise in the results of the survey is that nearly half of respondents (**44%**) were able to remain as productive as they had been before COVID-19 hit, while only **26%** saw their productivity drop during the months of the pandemic. This in the face of a general drop in construction activity across the industry early in the pandemic.

But what is truly interesting is that **27%** were actually much or slightly more productive, perhaps as a result of productivity-boosting measures put in place to deal with pressing needs brought on by the pandemic. The construction industry, in general, has not seen a significant dip in productivity over the course of the health crisis.

Productivity During the Pandemic.

(Surprisingly good!)

27% ↑

INCREASED

44% ↔

MAINTAINED

26% ↓

REDUCED



So although Canada's building industry has shared in the COVID-induced roller coaster, the country's ups and downs will not deter **43%** of respondents going forward. Due to a mix of sustained demand along with increased spending on infrastructure development, they expect the number and/or value of construction projects completed over the next 12 months to go up.

"We already had cloud-based software, so we could work and build from anywhere."

DAVID GILLARD
Chief Financial Officer, Axiom Builders

But while the construction industry generally expects work to go on virtually unabated, there are some who are still conservative in their forecasting. **23%** of those surveyed expect the number or value of projects they complete to decline through the first half of 2021. However, **15%** of those surveyed expect no change in their business, while **18%** are simply not sure of the landscape going forward.

So while the industry has had ups and downs during the pandemic, builders clearly expect they'll weather the storm, and work will go on.



Growing concern on the front line

In the face of a global health crisis, workers have reason to be concerned for their safety, and for the ability to do their jobs effectively. Many are on the front lines of the construction industry, having to deal with issues like new and sometimes cumbersome safety measures, ever-changing schedules, and the need to work in close quarters. Others must commute to work and share crowded office environments.

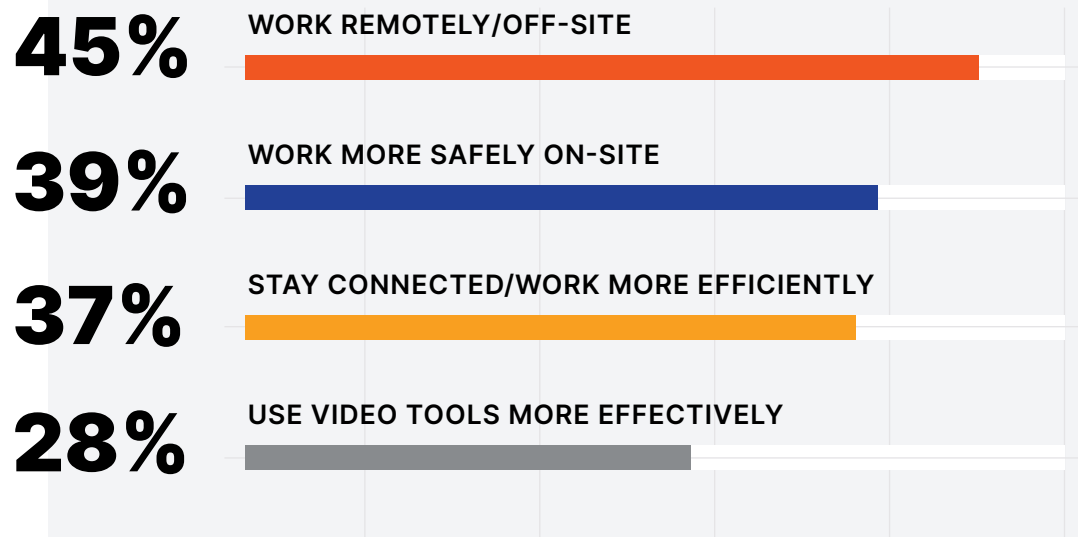
“We immediately put in place all the site safety training measures that came from the government.”

SILVANA DIAZ
Project Management System Coordinator
Entreprise de construction TEQ

So perhaps not surprising, **39%** of companies found construction workers want ways to perform their jobs more safely on-site. **45%** of companies had workers requesting the opportunity to work remotely and off-site, where that is possible.

When working remotely or off-site, workers also want to be able to work better. **37%** want ways to stay connected and work more efficiently, while **28%** want the ability to use video tools more effectively.

What Workers Want



As a result of their experiences as the pandemic goes on, workers continue to provide valuable feedback to employers. That feedback is critical to influence work practices, and ensure projects can be completed on time and on budget.



Safety measures may be habit-forming

Many of the on-site safety measures implemented for emergency purposes when COVID-19 took hold have become integral parts of the work landscape. Like Canadians from all walks of life, on-site construction workers and those in offices have become used to hand sanitizer, washing stations, staggered shifts, physical distancing and other safety measures.

“What helped us is that we had implemented sanitization as part of our health and safety policy even before COVID-19.”

MANNY FERNANDES
Director of Construction, Build It By Design

So it's not surprising that fully **77%** of Canadian builders plan to maintain some or all of those new safety measures post-pandemic. While it is likely that some of the current practices will end eventually, only 10% of builders anticipate a return to the pre-pandemic level of safety measures.

— 03

Physically distanced, but digitally connected

Like many companies, construction teams are using remote work as a safety measure to deal with the pandemic, in situations where it is a feasible work model. In fact, **49%** of all survey respondents chose to shift half or more of their staff to full-time remote work. In fact, all respondents moved at least some of their staff to a remote work model, where that was an option.

“All of our servers and tools are cloud-based, which gives the entire team 100% mobility.”

PAUL BELANGER, PRINCIPAL
Project Director, Elevate-Build

But remote work cannot be a solution for builders in every circumstance. In many cases, the nature of the work determines the ability to implement a remote work model, such as for most on-site workers. So although a large percentage of construction companies have used remote work to maintain some aspects of workforce productivity during the pandemic, most do not see it as the key to keeping sites open or running efficiently.

In fact, only **24%** of respondents felt the ability to shift relevant workers to remote/off-site work quickly and effectively was key to keeping sites open and projects live for longer. Many more felt remote work was simply not necessary to keep sites up and running—either because they already had the means to adapt quickly, remote work was not a difference-maker for them or, somewhat surprisingly, they didn't experience any problems coping with COVID-19.

— 04

Building better beyond 2020

The pandemic forced many construction companies to implement new work models, and modify others. Many have taken a hard look at what has been working, and what further improvements are needed to maximize their success post-pandemic.

Perhaps not surprisingly, **64%** cited increased productivity and efficiency as key to their continued success. Improved transparency (**32%**) and more financial accountability (**30%**) were also cited. All these are common business issues, but have had their importance heightened since the onset of COVID-19.

“Prior to COVID-19 we implemented Procore, Office 365 and TeamViewer to enable Project Managers to work from sites, and improve productivity from the office. When COVID-19 caused restrictions, we adopted a decentralized remote work style.”

PATRICK TUCKER
Project Manager and Systems Coordinator,
Ira McDonald Construction

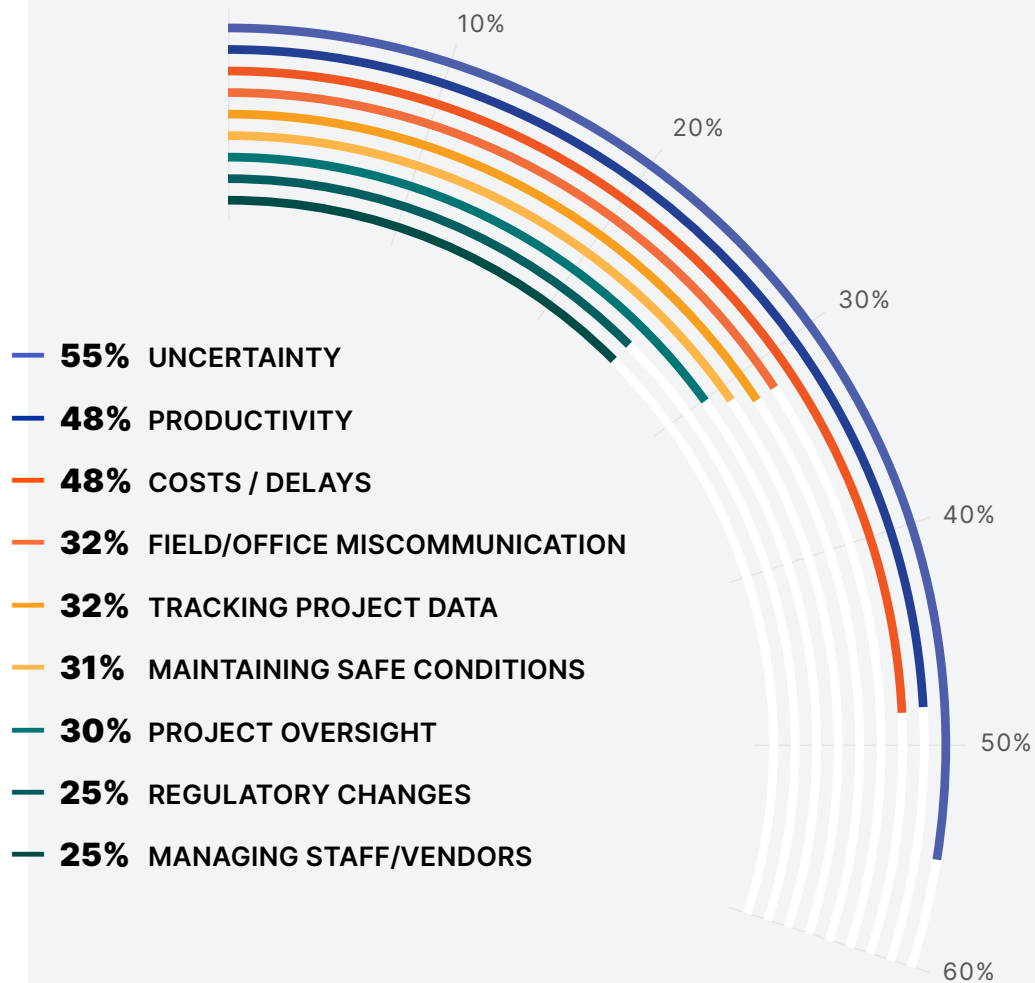
But the impact of the pandemic shows clearly in the fact that **53%** of companies believe the ability of relevant staff to work remotely will be a key success factor even after the pandemic is over. And **38%** of survey respondents realize improved safety and compliance for teams will be a critical success factor going forward.

Overcoming the uncertainty of COVID-19

While builders work to improve practices that are crucial to keep their businesses running successfully, they must also deal with today's unique challenges. Number one among them is the uncertainty caused by COVID-19.

This uncertainty is even more concerning than productivity issues, surprise costs and schedule delays. In fact, a majority (**55%**) of builders say their number one challenge over the next year will be dealing with the uncertainty of the pandemic.

Pandemic: Unique Challenges for the Construction Industry



However, recognizing that COVID-19 will eventually give way to a reliable vaccine, construction teams have not lost focus on their traditional challenges like surprise costs, schedule delays, productivity issues, field-to-office miscommunications, tracking project data across different IT systems, regulatory changes and more.

- + **76%** of respondents who cited a need to focus on tracking project data across IT systems use multiple software programs or spreadsheets to manage different workflows. Their data becomes siloed and requires manual mapping or tracking.
- + Among respondents who indicated a need to focus on project productivity issues, over one-third are still using paper files, spreadsheets and email to manage their projects and workflows.
- + **54%** of respondents who cited project oversight as critical to address in the next 12 months, also expect their project volumes to increase in the same period.

Clearly, effective forecasting and planning to meet these and other challenges will be critical to maintaining post-pandemic success.





Forecasting is a key to 2021 planning

It is difficult, at the best of times, to get a clear view of everything a project team needs in the way of resources and people to get the work done on time, on budget, with the right skilled workers available. And a pandemic is certainly not the best of times since COVID-19 obscures the view.

In the How We Build Now Canada Survey, more than half of respondents cited major challenges gaining transparency into the impact of the pandemic on resource planning as they move into 2021.

The key issue for more than half (**53%**) of survey respondents is forecasting for the projects they will have, and the people they will need in the coming year. Moreover, **37%** are concerned with projects shifting, raising challenges in ensuring they have the right people on the right job with the right skills and experience.

Remote resource planning is a concern for **36%** of builders. They worry about the ability to stage virtual meetings and maintain up-to-date data. Similarly, utilization rates and resource allocations will be difficult to forecast for **27%** of companies, who are concerned about the ability to forecast valid data.

Generally, there is a lack of confidence in the ability to make informed decisions based on the 2020 project data construction companies have at their disposal today.

Work in the future embraces technology

Workforce management, difficult-to-use-technology, field-to-office miscommunication and regulatory changes are obstacles construction teams will be forced to tackle in the coming year. Then there is the previously noted issue of maintaining and tracking project data across different IT systems. To avoid obstacles like these, technology can be the ultimate connector, even though there are still some people who see it as costly and aggravating.

But the industry has learned from the pandemic. Almost half of all respondents to the survey see three key issues that will be critical to work in the future:

- + Enable access to all information in one place, for whoever needs it
- + Align teams to work more efficiently, both on- and off-site
- + Embrace unified platform technology to make information access and team alignment easy and open across the company

“Being solutions-oriented and solving customer problems is in our culture. It drives our adoption of technology and business continuity.”

CHRISTOPHER VALERI

Strategic Advisor and Development Liaison, City of Mississauga

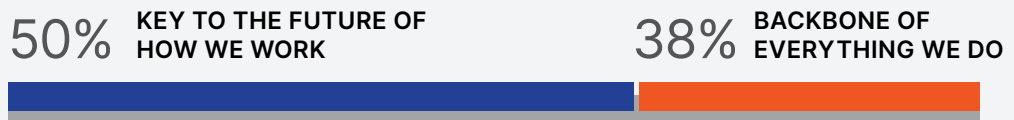
It's clear that work in the future will rely on a great deal of what we've learned during the pandemic. One key to it all is embracing technology, particularly the ability to work more efficiently and effectively with the help of connected technology.

— 05

Technology is changing the way we build

Technology is the most promising category of tools in the builder's toolkit, and has gained universal acceptance as key to the modern construction workplace and the industry. The main question is: how can technology best support the needs of construction?

88% of the Industry Says: Technology is the Future



88% of survey respondents believe technology will either play a key role in the future of how we work in construction, or it will actually form the backbone of the construction industry—something we can't do without. In any case, technology is clearly vital to the future of building.

Technology solves pressing workflow problems

Technology is used across the industry for many tasks. It can be used for mundane work, of course, but one way technology really shines is its ability to solve difficult workflow problems, which can be huge bottlenecks in any construction environment. In this role, technology easily justifies the investment a company might make.

While **50%** of builders surveyed regard scheduling as the number one workflow problem to be solved by technology, it's not the only one. Correspondence and remote meetings are cited by **30%** or more of survey respondents as issues that can be solved with technology solutions for communication and collaboration. Collaboration tools keep teams in touch with jobsites, sub-contractors, clients, owners, and others with custom correspondence and virtual conferencing, which has become a critical part of today's workflow.

“We use Procore, so working remotely is fairly natural. Our site leaders each work on their own site, so we are already working separate and remote from the office. It's been a simple shift.”

CHRIS KADIJK
Superintendent, Silver Ridge Construction

It didn't take a crisis to prove to builders that technology solutions improve the ways their teams and projects operate. In fact, **68%** of survey respondents already had tools in place, such as those to enable remote work.

Most builders see an immediate boost to efficiency

Since rolling out those solutions, builders have found many improvements in the way their teams work and projects run. For example, a majority of respondents found technology solutions improved transparency across projects, leading to greater efficiency, while half found technology reduced costly delays brought on by COVID-19.

Technology Makes a Difference

43% ↑

EFFICIENCY

34% ↓

DELAYS

18% ↑

SAFETY

7% ↑

SAVINGS

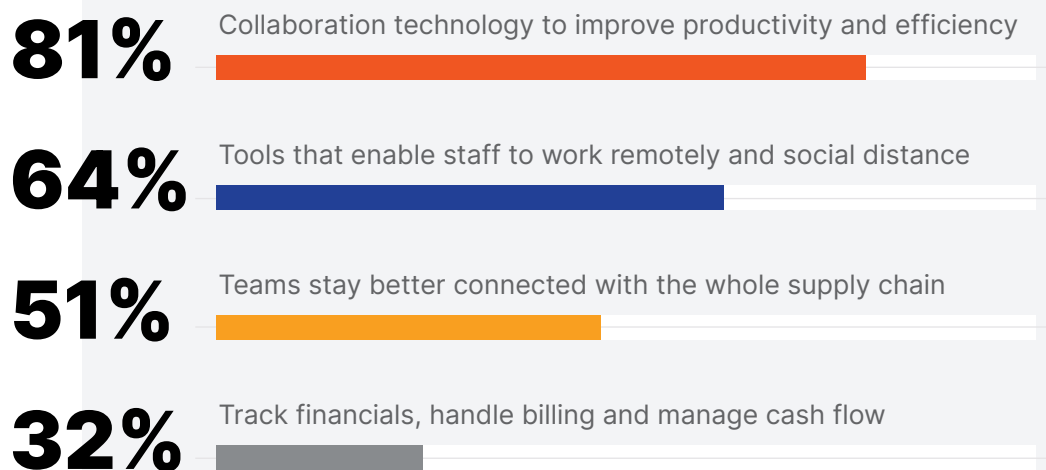
Of course, technology doesn't stop at the office computer or the worksite smartphone. Office and field teams are infinitely connected for communication, collaboration and productivity. In fact, **70%** of builders in our survey use online communication and collaboration solutions—ultimately, to improve team and individual productivity.

Collaboration and productivity lead technology solutions

Online collaboration and productivity tools have clearly been a huge benefit to builders, particularly during the pandemic. But the way they're used is critical to the value they deliver.

Builders face communication challenges that have only been heightened by COVID-19. Many are asking important questions. Do the technology tools we use ensure our teams stay closely connected with the whole supply chain? How about tracking financials, producing and processing bills, approving invoices and managing cash flow?

According to the survey, construction companies use collaboration and productivity solutions for many important purposes:



Few technology brands are more ubiquitous than the ones delivering communication and collaboration solutions, in part spurred by COVID-19. In our survey, these applications led the way in their respective categories, based on usage by survey respondents:

COLLABORATION		FILE SHARING	
Microsoft Teams	65%	Dropbox	47%
Zoom	50%	WeTransfer	11%
Go-To-Meeting	25%	Box	5%
Webex	13%		

It is worth noting that **20%** of builders use construction-specific technology solutions for collaboration and productivity.



— 06

The future is a unified construction platform

Project management in the construction industry has come a long way over a relatively short time, spurred by the advent of technology solutions. But despite the broad acceptance of technology, the survey showed that a surprising number of builders continue to use traditional tools:

27% are still using paper files, spreadsheets and email to manage projects

25% are still using multiple point solutions that don't integrate, and force high-risk copying of data

A growing appetite for a Platform Technology

The continued use of traditional project management tools by some builders always raises an intriguing question—can a comprehensive construction management solution be effectively delivered on one 'platform'—a single destination where all your projects live, data flows through, and people work. **68%** of respondents to the survey answered 'yes'. Even more telling, an overwhelming...

83% said they would employ a single, integrated platform technology.

They chose Platform Technology as the answer to help the industry excel, in particular for its many capabilities:

- + Connect people, projects and tools
- + Increase productivity and efficiency
- + Reduce rework and delays
- + Improve safety and compliance
- + Improve financial transparency

... and importantly, contribute to business growth.



In fact, even among those companies using multiple software for different workflows, **72%** believe that single platform technology is the way forward. They have already invested in bespoke software tools, but their experience has shown a need for one platform to connect people, projects, tools and data in one digital building platform.

72% of companies know the way forward

Platform Technology is the answer to help the construction industry excel

What's holding the others back?

Clearly, a large majority of builders are interested in using a single software platform. And in fact, many have already made the move. But as for the others, what's holding them back? Many factors have to be weighed when choosing new technology. One of those, of course, is cost.

What is a builder willing to spend to gain new productivity and efficiency? Will an increase in remote work necessitate new, unified software? Are projects in need of better workflow management and cost control? And of course, just what are you willing to spend?

The survey asked that question and learned that fully **66%** of respondents would be willing to invest between \$1000 - \$10,000 per month in unified Platform Technology.

— 07

A new way forward?

The How We Build Now Canada Survey revealed some telling facts. It showed how the construction industry has fared through the pandemic, from workers to job sites to processes to offices. How the industry has met the inevitable challenges. What we've learned so far, and how we've adapted.

We've also seen the importance of technology. Since much around the construction industry has been disrupted, technology has proved an important constant that has helped building continue unabated.

It's clear from this survey that a unified technology platform has much to offer builders in terms of productivity, efficiency, safety, financial management and much more. Procore construction management software connects everyone and everything on one platform, so you can build better.

If you'd like to learn more, visit procore.com.

— SURVEY —

Thanks to the Survey Participants

Before COVID-19 arrived in a rush in 2020, Canada's construction industry adapted over decades in many ways. While the pandemic did not stop the drive toward more efficiency and productivity, it diverted energies in our work as we go to war against disease. Contributors to the HOW WE BUILD NOW CANADA Survey help all of us see what has changed in our industry, and where we are going. Procore thanks you for your participation.

— 08

Meet the Procore Platform

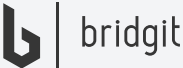




The complete construction management platform that connects everyone on your project to everything they need, all in one place.



[Procore's platform](#) is the connecting foundation for everyone on your construction project—owners, GCs, and specialty contractors—to work together toward the shared goal of high quality projects built on time and on budget.

By combining the power of our real-time Preconstruction, Project Management, Resource Management, and Financial Management tools with over 250 [App Marketplace](#) partner integrations, you can manage your project from concept to closeout all on the Procore platform.

Meet some of our 250+ AppMarketplace partners and the collaborators of this report:

About Procore

Procore is a leading construction management platform, already used by 8,500 companies globally and in Canada. It connects entire project teams, from the office to the field and across companies, with both the tools and the information they need, providing one place to work together. This streamlines work, whether digital or face-to-face, in the office or on-site, and provides the greater agility, flexibility, transparency and resilience organisations need to respond quickly to changing national and international contexts. Over 1 million projects and more than \$1 trillion USD in construction volume have run on Procore's platform.

How We Build Now Canada: The State of Construction and Technology 2020 and Beyond

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