

VENDOR EVALUATION

When it comes to selecting a technology provider, construction companies are realizing that size isn't so much of a deciding factor these days. In our survey of *Constructech* readers, a mere 6% of builders and contractors consider the overall size of a technology vendor to be an important factor when selecting a technology partner. This seems to coincide with the trend of construction companies preferring to work with smaller, industry-specific technology providers as opposed to the larger enterprise vendors.

This could also indicate a level of frustration from some contractors that were running these smaller, construction-specific applications, only to see those applications acquired by larger technology conglomerates. In some cases, the acquisition could lead to a compromised level of support/service, and even a higher price tag for the system.

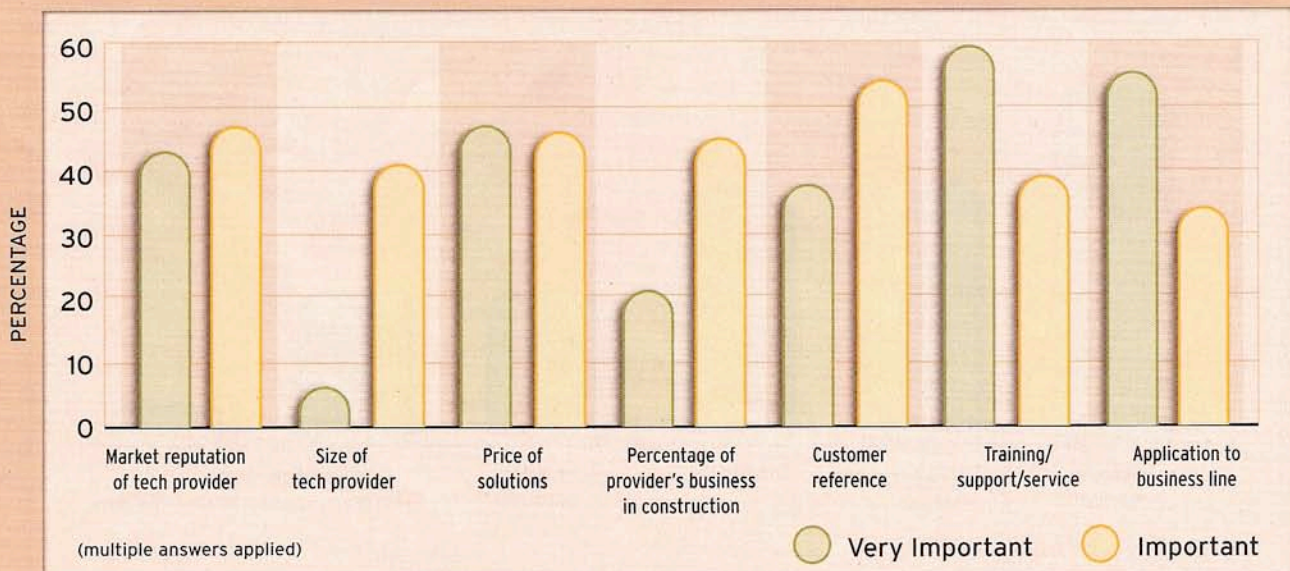
These factors that are at times associated with such acquisitions can leave a bad taste in the mouth of some organizations. However, it is fair to note this is not indicative of every large technology provider serving construction.

As for the factors that do greatly influence vendor selection for builders and contractors, things such as price (47%), training and service (59%), and reputation in the market (43%) hold great weight during the evaluation and selection process.

The training and service number is no surprise given the fact some construction companies have had to cut back on internal IT support lately, therefore relying on technology providers to lend strong support in helping the staff understand and embrace the software or hardware being deployed.

PRIORITIES FOR VENDORS

These factors rank as 'very important' or 'important' among construction companies when selecting a technology provider.



Source: *Constructech* magazine

Approximately 54% look to customer reference as being important during the selection process. This shows contractors still trust the recommendations of their peers when evaluating technology, and are looking for solid success stories in the industry as guidance when making purchasing decisions.

Getting down to which applications contractors are using specifically, respondents were very candid in their responses this year. Many shared both positive and negative thoughts on the vendors in which they were using and/or evaluating. Overall, as the numbers reveal, very few vendors hold a clear market-leading position in this year's survey.

Instead, the field looks to be more evenly distributed with contractors using multiple applications in some instances. Respondents were able to fill in the names of systems being used, and in many cases some smaller, niche vendors play an integral part in the IT strategy.

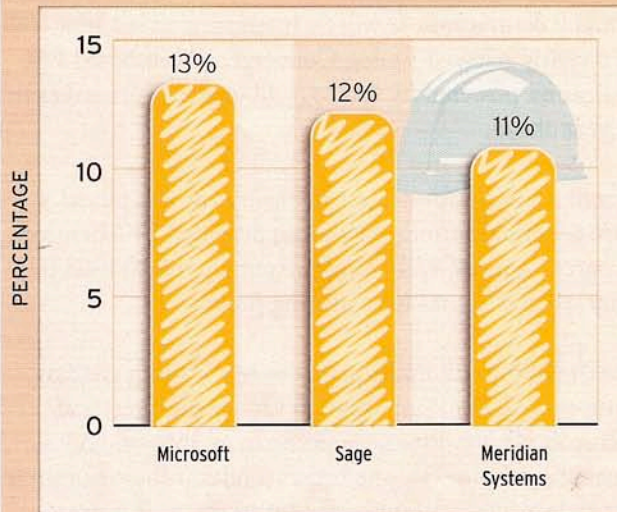
Not surprising is the fact builders and contractors are still using homegrown applications as part of their technology strategy.

Are builders and contractors unhappy with current providers? Are these firms taking a wait-and-see approach to the market; evaluating more options now that they have the time? Without a doubt this creates an opportunity for technology providers to step up and grab marketshare that could be left on the table by others in the space.

When it comes to project-management technology, the numbers dip a bit from 2009. It is fair to note, however, that in 2009 project management and scheduling numbers were coupled together. This year, scheduling was broken out into a separate set of data giving our readers a chance to truly express their thoughts on IT usage.

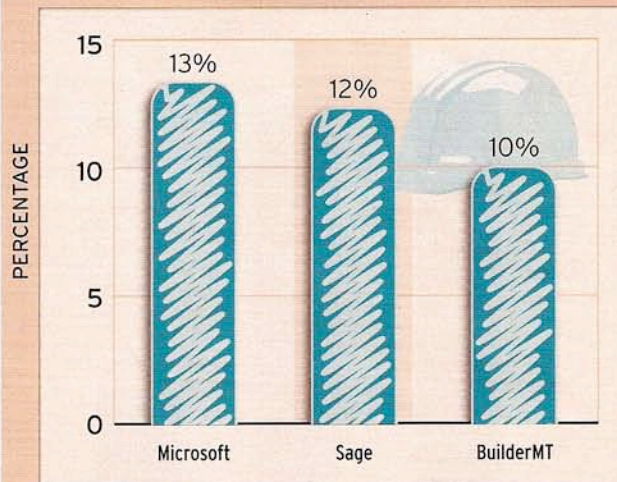
PROJECT MANAGEMENT

Commercial*



Also receiving significant responses: CMIC, Oracle (Primavera), Viewpoint Construction Software

Residential



Also receiving significant responses: Constellation HomeBuilder Systems

*This category included scheduling in 2009, which is now broken out into a separate category in 2010.

Source: Constructech magazine

On the commercial side, Meridian Systems still had a solid showing in the market, with its Prolog system in use by many contractors. It will be interesting to see how well the recently released Prolog Converge, a Web-based PM application powered by Prolog, will impact the market in the year ahead.

Overall, the field for project management was mixed. More generic solutions, like those provided by Microsoft, are part of a multi-technology system approach used by many when it comes to managing projects.

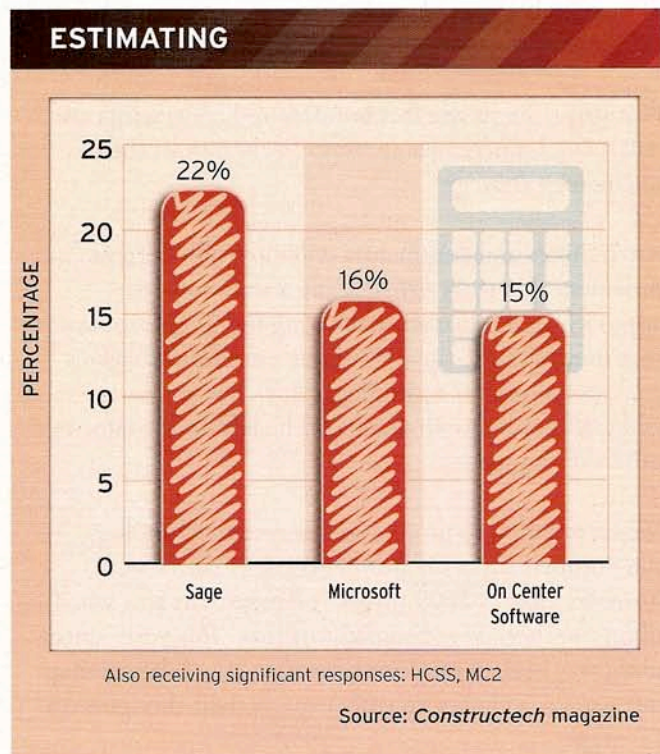
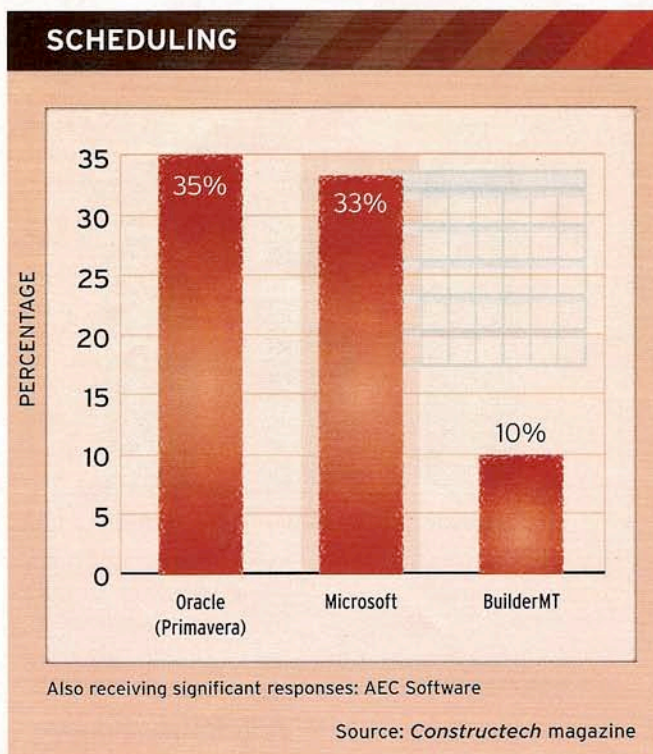
For scheduling, it's no surprise the two leading systems in use come from Primavera (an Oracle product) and Microsoft via MS Project, coming in at 35% and 33%, respectively. However, one must wonder if these numbers start to look considerably different in the near future.

Oracle has been vague with regards to plans for Primavera SureTrak and Primavera P3—two systems widely in use across the industry—saying that SureTrak will be supported through December 2011 and P3, indefinitely.

Could this open the door for other scheduling software providers to enter the market? Could it also force some contractors to make some tough decisions when it comes to their scheduling software? It will be interesting to see how the market for scheduling ultimately shakes out for the construction industry.

When it comes to estimating, the numbers make for some interesting conversation as well. While Microsoft, with its Excel application, still ranks second in responses this year (16%), this number is far below the 32%

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response rate it received in last year's survey. It goes without saying that the construction industry has made Excel an integral part of its estimating strategy throughout the years. But more are looking to specific software applications to help supplement their estimating efforts, perhaps in response to tighter market conditions placing greater importance on the thoroughness of the estimate.

One company holding strong ground in estimating is On Center Software, with a 15% response rate, reflecting well on its line of construction-specific applications for estimating and digital takeoff. Sage continues to be a widely used tool for estimating, with others like MC2 and HCSS also in use by many respondents.

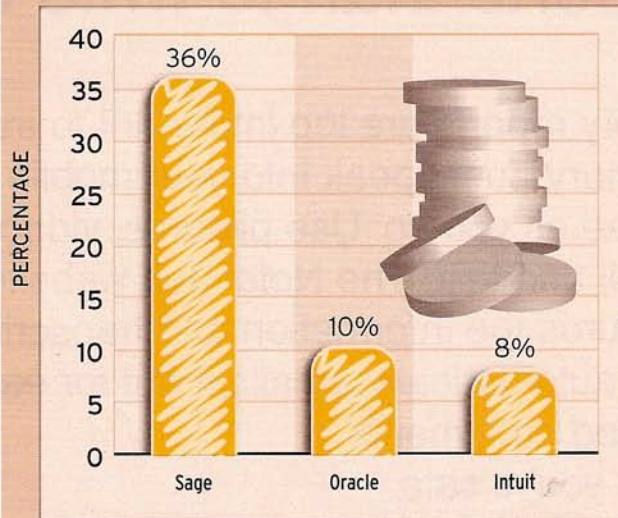
When it comes to job cost/accounting it comes as little surprise that Sage holds the top spot in both residential and commercial, with a 36% rate. It will be interesting to see how the next version of Sage Timberline, due out this fall, is received by the market. Rebuilt with new underlying Web architecture and database technologies, many believe this release could have a big impact on job cost/accounting in construction.

Companies like CMiC and Viewpoint Construction Software, which provide construction-specific technology, continue to be used heavily by commercial contractors, while residential builders turn to technology from Intuit and Constellation HomeBuilder Systems (with its FAST and NEWSTAR ERP product lines), among other applications.

When it comes to document management, builders and contractors are using a mix of different technologies and applications. Most notably, they are using familiar systems like Adobe Acrobat and Microsoft SharePoint for creating and sharing content. Of note in this category is the fact the majority of respondents cited the use of multiple systems and applications for managing documents and workflow.

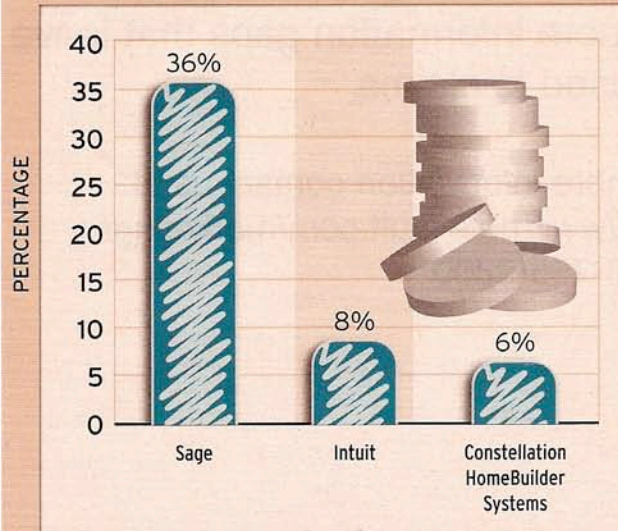
JOB COST/ACCOUNTING

Commercial



Also receiving significant responses: CMiC, Viewpoint Construction Software

Residential



Also receiving significant responses: MARK SYSTEMS

Source: Constructech magazine

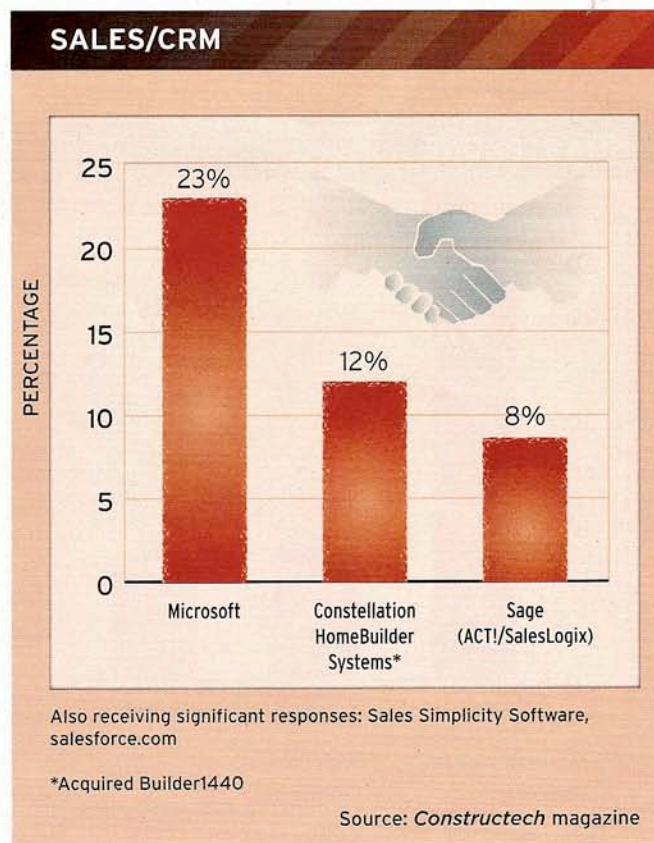
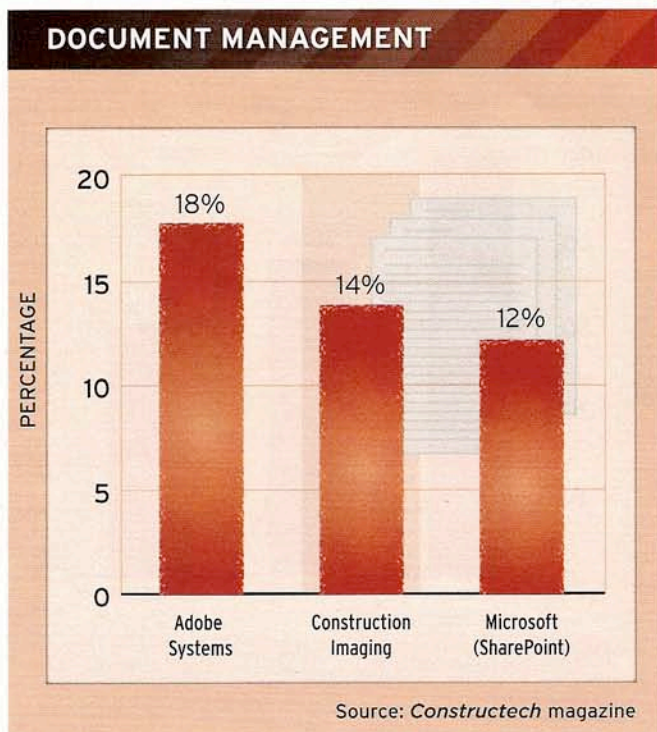
When it comes to industry-specific solutions for document management, Construction Imaging still has a nice showing, 14%, in this year's survey. This demonstrates that market specificity in a solution provider still matters to some when it comes to managing critical content within their organizations.

With regards to sales/customer-relationship management technology, builders and contractors are still using a mix of systems.

While Microsoft ranks as number one in the category this year, its high ranking seems to be more a reflection on the fact builders and contractors are using a blend of different applications to serve customers than anything else. Aside from Microsoft, Constellation HomeBuilder Systems has a strong showing. Along with its own line

of systems, Constellation now owns Builder1440, a system used by many homebuilders across the country. How this acquisition will play out over the long term is still yet to be determined. It will be interesting to see how this impacts the market for CRM technology moving forward.

It's no surprise that Autodesk is at the top when it comes to design, and is used by 79% of respondents. Supplemental systems, like those from companies like AmeriCAD and Cadsoft, were also mentioned by many builders and contractors, showing there is a growing market for add-on applications when it comes to design in the construction industry.



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