



NOVEMBER 2023

The Digital Craftsman - a true story

A survey of the digitalization of the
construction industry



A crossroad or just a small turn?

In last year's survey, we were able to - at least partially - kill the myth that the Swedish craftsmen lag behind in digitization. Later on, you can form your own opinion about the current situation. Regardless of the view on today's situation, one can question how economic concerns affect the overall development.

We do not believe that a worse economy will make companies, that have undergone digitalization, revert to pen and paper. Partly because the cost of digital tools is not that high, and partly because the benefits of them are so significant. But the question is whether the willingness to make new investments decreases when worries in the world increase? We suspect that this is the case.

Compared to last year, the proportion stating that they will increase investments in digital tools has decreased by a third (from 50.6 percent to 34.9 percent). At the same time, the proportion indicating an unchanged investment level increased almost as much. At present, we do not know why, so the connection to economic anxiety should be considered a hypothesis. Nevertheless, the question arises whether it is a good strategy to slow down these investments or not. Naturally, companies must review their expenses, but is it cost-effective to slow down their digitization?

Based on our survey, we see that there is still great potential to increase efficiency - especially in regard to administrative work in the field. For instance, many seem to discover numerous services that simplify critical operational processes, such as self-checklists and project estimations. A digital investment can thus be a profitable move for many players within the industry.

It will be interesting to follow the development. Apart from the question of investment willingness, we do not see any radical changes from last year - something also, we did not expect. But these small movements may be the beginning of a longer-lasting trend. Time will tell. Nevertheless, we find the results this year to be quite exciting.

Scroll further for more insights into digitization in the industry >>

Every third
plans to invest more in
digital tools

- only 2.2 % wants to downgrade

91.6%
would recommend
digital tools

to other companies in the industry

Two thirds find it is easy
to digitalize their business

The offices have progressed far

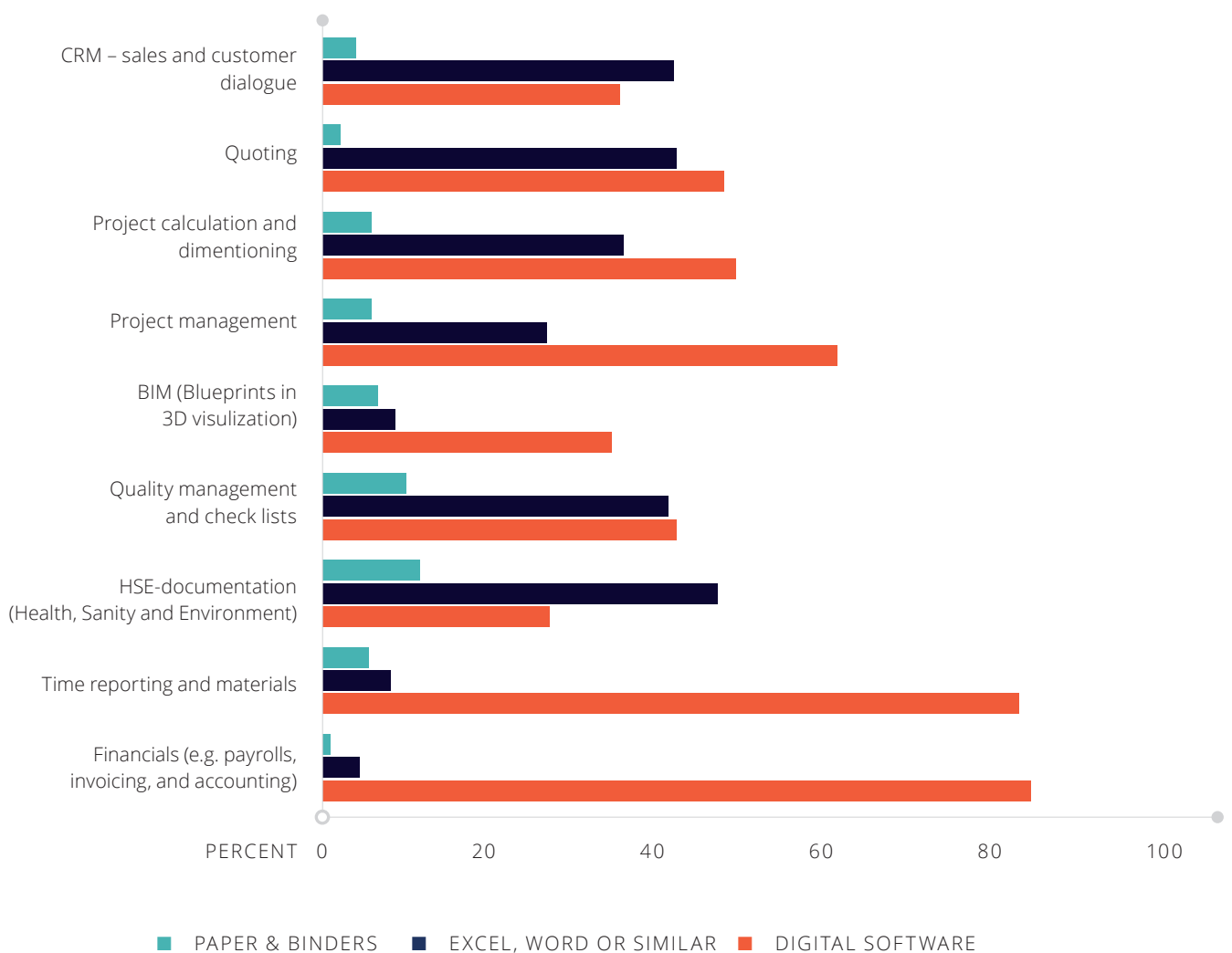
More than 8 out of 10 of the respondents state that they handle time reporting and finances through using digital tools. Additionally, 6 out of 10 also mention using digital tools for project management, material procurement, and performance tracking. We believe that the high numbers are due to the long-standing existence of established, industry-independent systems for these types of services.

Therefore, we see that there is significant potential for development within industry-specific areas - where many use programs like Word and Excel instead of specialized services.

The most striking examples are resource planning, HSE (health, safety, and environment) documentation, and vehicle planning. But it is also worth noting that fewer than half of the respondents have digital systems that can simplify self-checks, quotation management, and sales. In other words, many companies in the industry still have the opportunity to work more efficiently in the office.



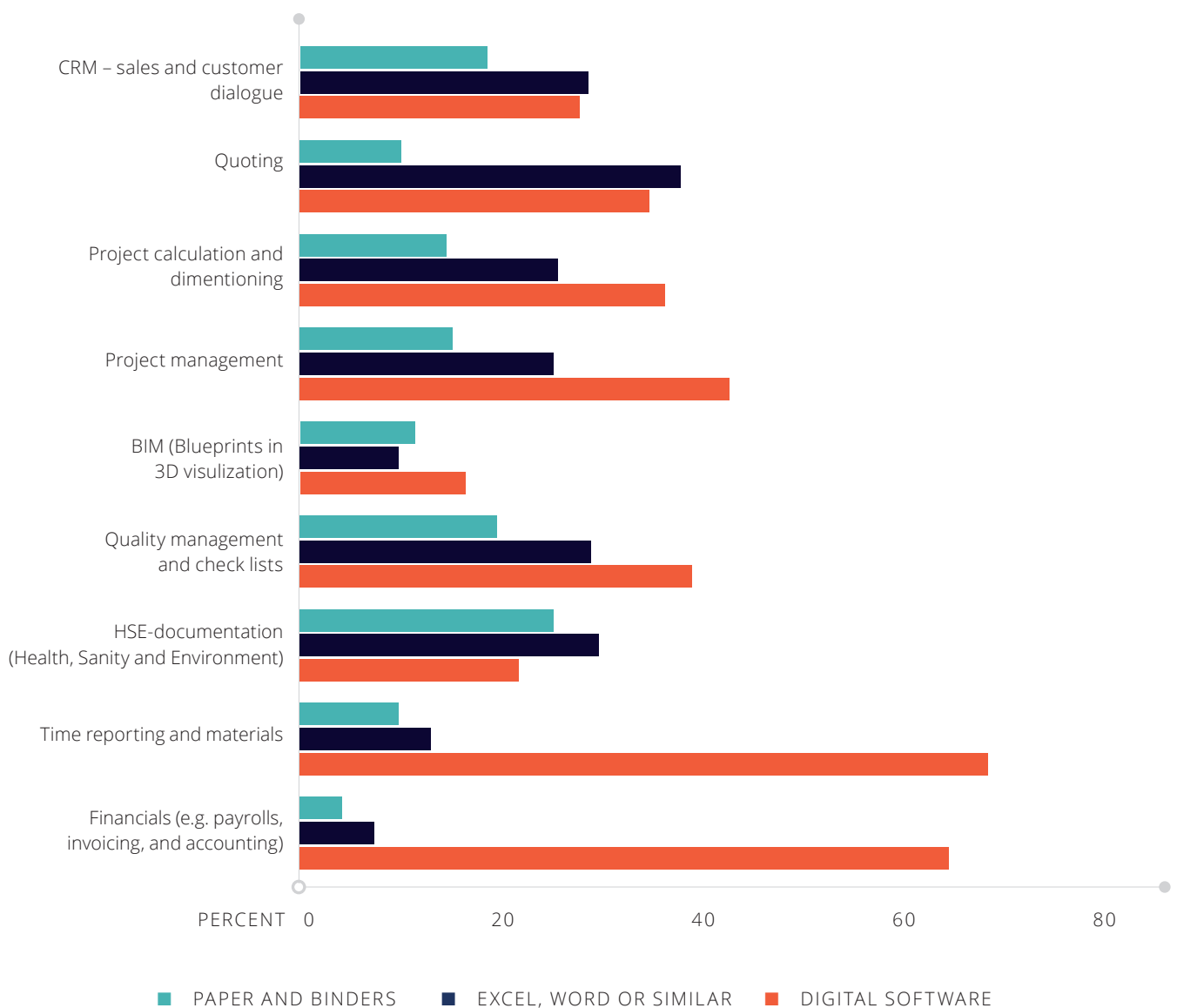
How are the following office work tasks solved today?



In the field, there are both time and money to be saved

Fewer of our respondents use digital tools in the field than 'at home' in the office - regardless of the type of tasks involved. In several instances, as many as one in five individuals still use paper and pen. We wonder whether entrepreneurs have yet to discover mobile solutions or if the mobile solutions are not yet up to desired standards. Perhaps the truth lies somewhere in between. However, there is significant potential to use mobile solutions for their administrative tasks in the field.

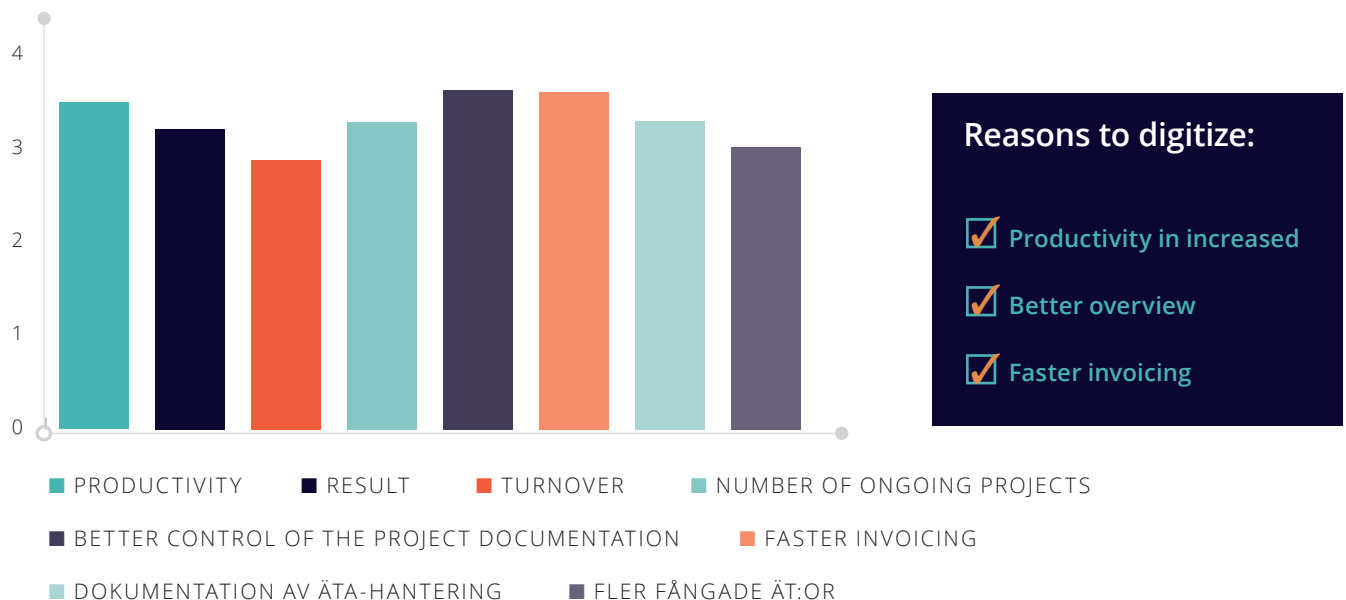
How are the following field tasks solved today?



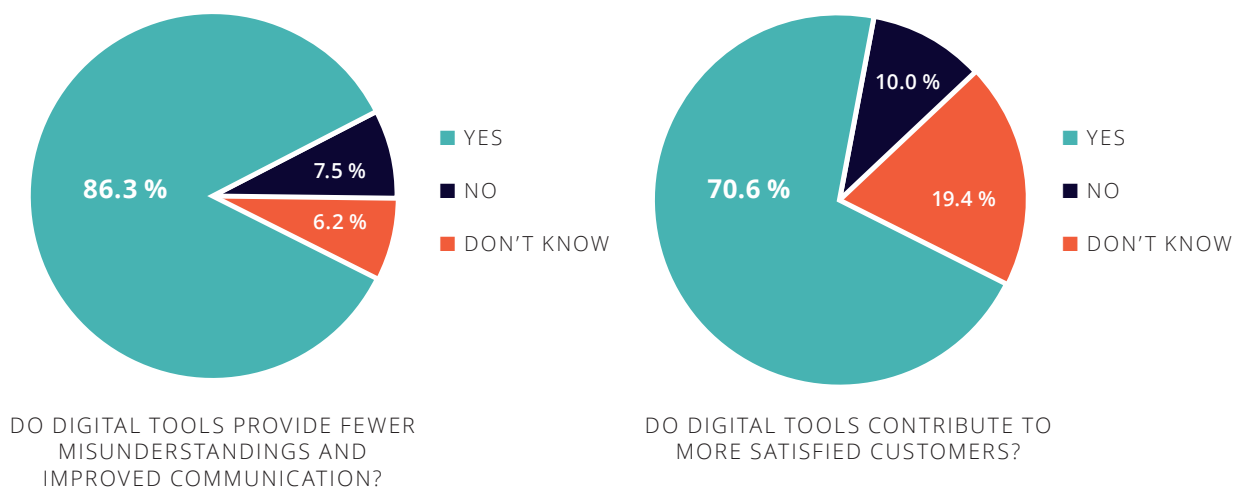
Digitization seems to be worth every penny

The individuals using digital tools in the survey are satisfied or very satisfied. As you can see below, a large majority believes that digitization of their company contributes to everything from increased productivity to happier customers. Of course, there is still room for improvement; for example, several respondents have mentioned missing features. What's interesting is that these often relate to services available in the market. Perhaps there's untapped potential - that many craftsmen have not quite found the right tools yet? We suspect so and therefore believe that these positive numbers will indeed continue to rise.

On a scale 1 – 10, is your business improved by using digital tools?



Better working environment and more satisfied customers

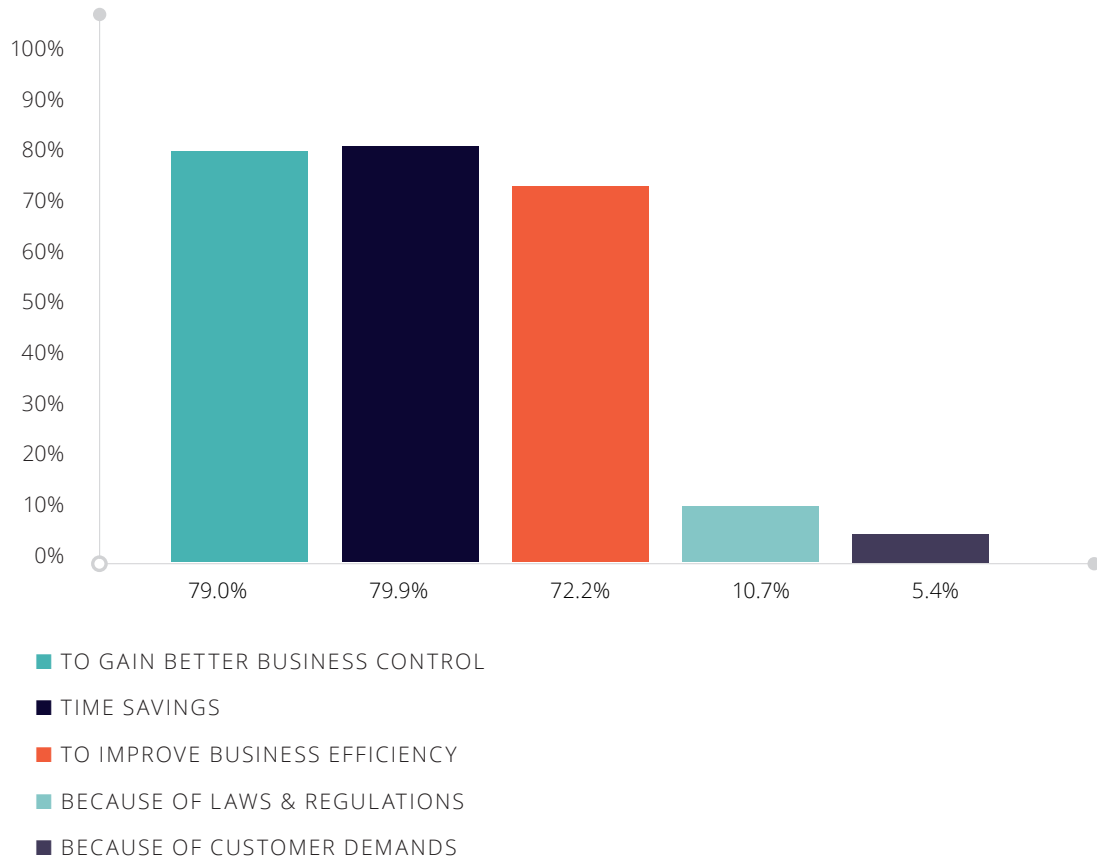


What other benefits are there by using digital tools?



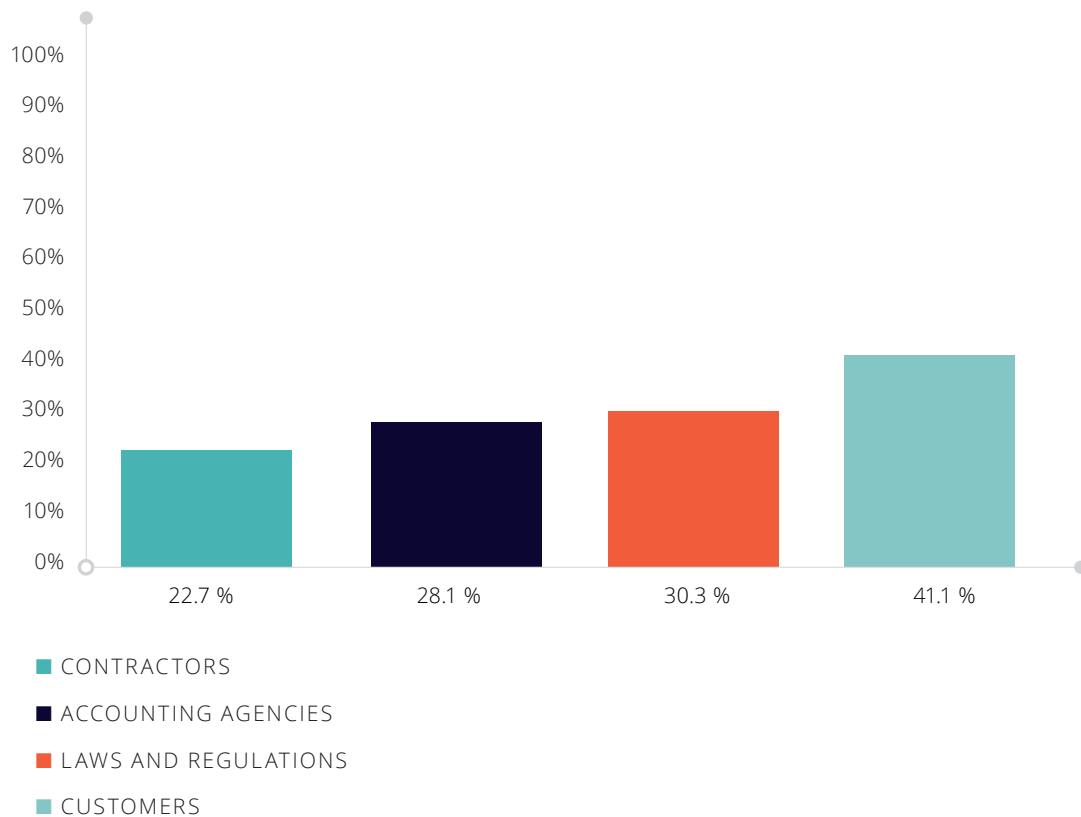
Here, respondents were asked to rate the extent of improvement in various areas on a scale from one to four. We see the percentage indicating the highest number, corresponding to 'significant improvement.' Like last year, improved overview and simplified administration remain at the top. We find it particularly exciting that digital tools can impact recruitment opportunities. Will that trend increase in the coming years as new recruits expect modern digital solutions?

Why are you using digital software instead of Excel or paper?



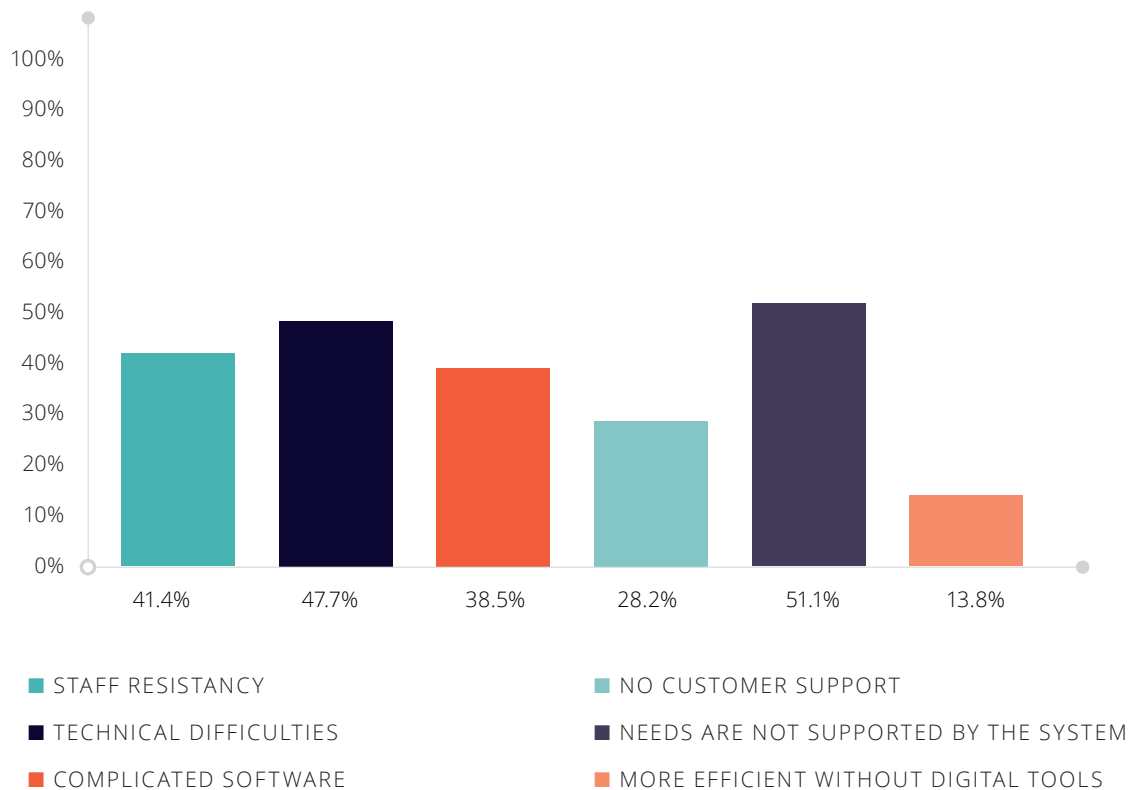
Here, respondents were asked to choose the three most important reasons. Gaining better control, saving time, and increasing efficiency continue to dominate - but they have slightly decreased compared to last year. Instead, 'laws and regulations' has risen. Perhaps more people are beginning to discover the possibilities with digital services for self-checks and similar tasks?

Which external stakeholders demand digital software to be used?



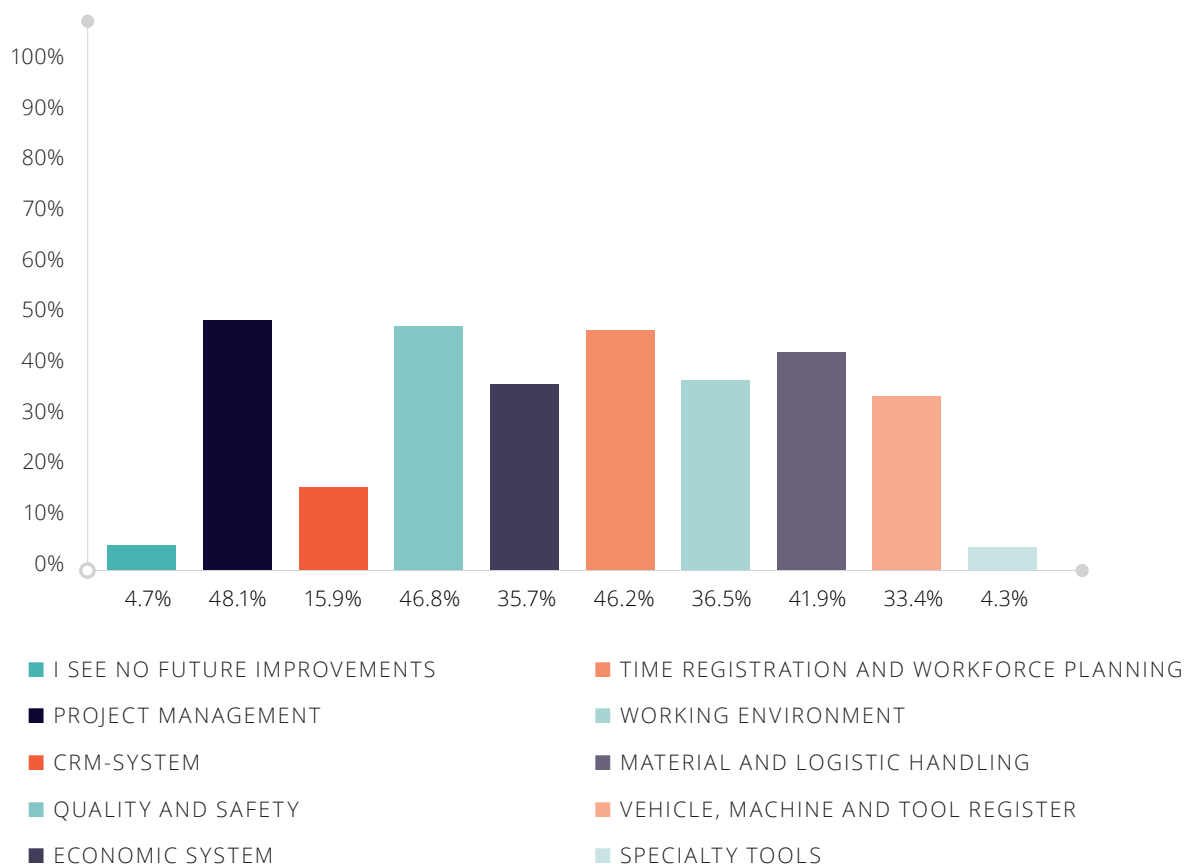
Here, respondents were able to choose multiple answer options. The results are similar to last year, except for the option 'contracting companies,' which has dropped quite significantly (by almost nine percentage points). Could this be related to the economic situation?

To the extent that it is difficult to get started with your digital tools – what are the challenges?



In this question, survey participants were able to choose up to three options. It concerns us that more respondents than last year answered both that the systems do not meet their needs and that the system provider offers poor assistance. Software vendors must make sure to align what their solutions offer to the needs of their customers and not promise something that does not meet expectations.

Vilken förbättringspotential i verksamheten skulle digitala verktyg kunna lösa?



We stick to the same observation as last year: It is striking that there are systems today that can handle everything from projects and quality to safety and the environment – yet such solutions are still in demand. There seems to be an 'information gap' between supply and demand.

“In a way, the industry’s digitalization has only just begun”

When can we say that a company is digitized? It is not black or white. Surprisingly, many craftsmen still use paper and pen, especially out in the field. Many others use Excel or similar programs. It is a form of digitalization and, in comparison, can absolutely save time – but in many cases, there’s potential to work even smarter. I am passionate about having as many craftsmen as possible to discover the full potential of digital tools. SmartCraft, the company I lead, has been helping craftsmen to work more efficiently since 1987.

Sweden is a highly digitized society. Therefore, it’s not surprising that many of the country’s craftsmen have a positive view on digital solutions. At the same time, there’s still a lot more to do. For instance, more companies should start using digital solutions for critical processes like personnel management, logistics, and documentation. I also believe that many entrepreneurs would benefit from choosing more integrated solutions, rather than dealing with a patchwork of software and services. Those who lead the way gain significant competitive advantages – which can be crucial in tough times like these.

But, when I say that digitalization in the industry has only started, I’m only partially referring to this untapped potential. I mean primarily, that we are all just at the beginning of the journey. For example, the rapid development in artificial intelligence will inevitably impact the construction industry. The question is how? However, we can be sure that new digital solutions will free more time for value creation for craftsmen. That is something I look forward to follow, both as a business leader and in the upcoming years’ Digimeter surveys.



A handwritten signature in dark ink that reads "Gustav Line". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Gustav Line
CEO, SmartCraft

Questions? Contact me at:

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What is the Digimeter?

The Digimeter is an initiative started by SmartCraft, where we investigate the digitalization of the construction industry in the Nordic countries. The survey is conducted annually, and this is our second report. Over time, we will increasingly be able to showcase and, ideally, predict trends.

In this way, we want to contribute with facts and insights in a range of areas, for example how many companies that are using certain software tools and how it affects both people and the business. We hope it inspires to continued digitization work to take place.

This year's report is based upon a survey of a random sample of companies of varying sizes and in various areas within the construction industry. The survey was conducted in the second quarter of 2023.

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SmartCraft is the craftsmens friend in the Nordics

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The SmartCraft-group has today close to 200 employees in 15 offices i Norway, Sweden and Finland – and helps over 120 000 users with smart digital solutions.



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