SmartCraft Digimeter

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FINLAND 2024

How digital are the Finnish construction and contracting companies?

A survey of the industry's digitalization

Still some way to go on the digitalization journey

We have examined the use of digital tools among Finnish construction and contracting companies and can conclude that most have made significant progress. However, this is not true in all areas.

Almost all contractors use digital tools in some ways to simplify their administration, but more people work digitally in the office than in the field. We believe that many have not yet found the most efficient solutions. For instance, while using a spreadsheet program like Excel can be helpful, in some contexts it is not much more efficient than paper and pencil. In such cases, a more specialized tool can make a significant difference.

The situation described above could change quickly. The encouraging aspect of this report is the industry's positive attitude towards digital aids. From our perspective, the question is not whether the country's companies should continue the digitalization journey, but how. As you can see at the bottom of this page, most people find digitalization easy.

Nevertheless, we must not forget the 20 percent of respondents who find the change challenging. What do they need? Perhaps it is time for service providers to reflect. Are the digital tools as user-friendly as they can be? Do they support the intended work well enough? Is the marketing sufficiently clear? Similarly, some companies might need to ask themselves if they have sought out the best possible service. In some cases, it might be that an individual provider did not meet expectations, rather than digitalization itself being difficult.

It will be very interesting to see how digital tools develop and how the industry's behavior changes. We will follow this development through annual reports like this one. Our prediction is that smart and efficient digital aids will become crucial competitive advantages, especially in the current market situation. What do you think? Perhaps the answers on the following pages can provide some clues.

Read on to gain more insights into the industry's digitalization >>

One in three plans to invest more in digital tools

- only 2 % expect to cut back

86%

Half find it easy to digitalize their operations,

but 1 in 5 find it challenging

Digitalization in the office is a fact

As you can see below, very few of our respondents report using paper and binders. This indicates that the digitalization of the industry's office work has progressed significantly. However, many companies still lack specialized digital tools for specific tasks.

In areas such as resource planning, bid management, and CRM, 'generic' programs like Word and Excel still dominate. This suggests that many companies in the industry have substantial opportunities to increase their office efficiency. Often, using the most effective software can save both time and money.



How are the following office work tasks solved today?

The greatest potential for improvement is in the field

A smaller proportion of our respondents use specialized digital tools in the field compared to the office. This applies to all types of tasks except for quality documentation and management. In the field, a slightly higher number uses paper and pencil, but this figure rarely exceeds five percent. Instead, programs like Excel and Word are more commonly used than in the office.

Could it be that many companies have not yet discovered mobile solutions, or that these solutions do not work well enough? Perhaps the truth lies somewhere in between. Regardless, it is clear that there are significant opportunities to streamline fieldwork.



How are the following field tasks solved today?

No one regrets digitalization

The respondents who have specialized digital tools are generally satisfied or very satisfied. As you can see below, a clear majority believe that their digital investments contribute to everything from increased productivity to stronger results.

Our survey also shows that digital tools can enhance several 'soft' values. For example, many think that these tools facilitate the recruitment of young talents. And more than 8 out of 10 say that the tools help them provide good customer service.



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





What other benefits are there by using digital tools?

Here, the respondents were asked how much their specialized digital tools have improved their daily work in various areas. The ratings were on a scale from one to four, and here the proportion which gave the highest rating is shown. This corresponds to a 'great improvement.' It might not be surprising that many appreciated time savings and increased efficiency, but it is interesting that 'softer' values also are recognized.



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

- TO GAIN BETTER BUSINESS CONTROL
- TIME SAVINGS
- TO IMPROVE BUSINESS EFFICIENCY
- BECAUSE OF LAWS & REGULATIONS
- BECAUSE OF CUSTOMER DEMANDS

Here, the respondents were asked to choose their three most important reasons. Gaining better control, saving time, and increasing efficiency dominate significantly. We understand that many want to streamline their operations – without digital aids, many companies spend more time on administration than on productive work. However, we also suspect that not everyone has discovered the benefits of digital services that facilitate compliance with various workplace regulations.



Which external stakeholders demand digital software to be used?

■ CONTRACTORS

■ ACCOUNTING AGENCIES

LAWS AND REGULATIONS

CUSTOMERS

Here, the survey participants were allowed to choose multiple answer options. We find it very interesting that customer demands are so strong.



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

For this question, the respondents could choose up to three options. System-related difficulties dominate, but we were somewhat surprised that staff resistance was such an important factor. Shouldn't everyone appreciate reduced administration time?



What areas for improvement in operations could digital tools address?

Those answering this question work at companies with existing digital tools. Therefore, we find it striking that they are asking for things that actually exist on the market – for example, solutions for quality management, resource planning, and logistics. This suggests that there is quite a significant gap between supply and demand. Service providers, in particular, need to reflect on this.

"This survey provides interesting insights into the future of the construction industry"

It is not easy to define when a company can be considered digitalized. Do all administrative tasks need to be handled digitally? And is a task truly digitalized just because some data is entered into Excel? We must probably accept that there is no clear-cut boundary. Therefore, perhaps the starting point should be whether companies are working in the smartest possible way. In tough economic times, this is more important than ever.

I am passionate about all construction and contracting companies discovering the efficiency potential of digital tools. At SmartCraft, we have been helping construction professionals work smarter since 1987, but we are never done – development continues relentlessly. For example, it will be extremely exciting to see how artificial intelligence will impact the industry. And even though Finland is a highly digitalized society, many of the country's companies still have a way to go on their digitalization journey. I do not think this will be a problem, as most have a very positive attitude towards digital aids.

The areas where I see that the country's construction and contracting companies can still make significant gains, both in time and money, are in business-critical processes where relatively few uses specialized digital tools. This is especially true in the field. I am thinking, for example, of tasks such as resource planning, purchasing, and customer management.

I hope that our report can inspire companies to invest in new digital tools. By all accounts, it can lead to better results – both for the business and for the customer. Such a win-win development is likely unstoppable. Therefore, I am convinced that the digitalization journey will accelerate. At SmartCraft, we are making significant investments in product development with the long-term goal of becoming a leader in Western Europe. Follow us!



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What is the Digimeter?

The Digimeter is an initiative started by SmartCraft, where we examine the digitalization of the construction industry in the Nordic countries. This is our first report for Finland, surveyed by 626 respondents and the idea is to conduct the survey annually. Over time, we will increasingly be able to show and, hopefully, predict trends.

Through the Digimeter we want to provide facts and insights in various areas, such as how many people use certain types of digital tools, when, and how it affects people and companies. Our hope is that this will help the continued digitalization work to proceed on a solid foundation.

This Finnish report of 2024 conducted during the spring, is based on the responses of 626 respondents at a random sample of companies of varying sizes and in different areas of the construction industry.

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SmartCraft is the craftsmens friend in the Nordics

SmartCraft is the leading Nordic provider of mission-critical SaaS solutions to SMEs in the construction sector, increasing their productivity, margins, and resource efficiency.

The Group currently has more than 13 000 customers and 260 employees distributed across Norway, Sweden, Finland and UK. SmartCraft was listed on the Oslo Stock Exchange in June 2021.



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