A Specialty Contractor's Guide:

Implementing Business Software & Driving Adoption

KOJO

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INTRODUCTION

Construction sector faces massive challenges, but is slow to digitize.

40%

Price jump across nonresidential construction materials since 2020

500k+

Construction worker shortage in 2023

Technology is necessary for survival

The construction industry has been slow to adopt new technologies. According to a recent study by Deloitte, the construction industry's spend on IT as a percentage of operating expenses is less than half the national average. Piper Sandler, an investment bank that has advised on many of the largest technology transactions in construction to date, further found that construction ranks 2nd to last in digitization across all major sectors. Their research shows that while 7% of the global workforce engages in construction, labor productivity growth in construction averages 1.0% annually, compared to 2.8% for the global economy.

Within the construction sector, specialty contractors are particularly slow to adopt technology. For many years, tech was seen as an optional add-on needed by only the most forward-thinking firms. That perception is changing. With an average 40% price jump across nonresidential construction materials since 2020 and a 500,000-plus worker labor shortage, specialty contractors must focus on becoming more efficient to survive in this macroeconomic environment.

Forward-thinking specialty contractors are responding by seeking out and implementing tech that allows them to boost productivity and, ultimately, profitability. However, finding tech solutions that add real value, and don't just wind up absorbing time and money with little to show for it, takes proper planning ahead of time. In this guide, we will share our perspective on how to decide whether it's time for your organization to deploy a tech solution, how to vet a prospective tech vendor, and how to build internal support for your new tech solution once you've decided it's time for digitization.

When is the right time for a new tech solution?

Tech solutions should only be introduced to specialty contractors when there is a **clear and definable problem** that is already costing time and money, and **the cost of the problem can be quantified**.

Adopting a new tech solution means big changes for an organization and requires people to let go of old ways of doing things, learn new skills, and follow new processes. Before implementing a new technology, it's important to assess whether the team is ready for a new tech platform by asking three key questions. If the answers are all "yes," then it's a good sign that implementing a new technology will be successful.

Questions for assessing readiness

01 Is your team aligned on your vision of what the tech will help you achieve? If not, do you believe you could win their support?

02 Can you identify all the relevant stakeholders that will need to be involved to ensure a successful implementation?

03 Is your team aligned on the implementation roadmap and what bandwidth it'll require from them?

No to any
Implementing a new technology may not go as well as you'd like.

Yes to all
Congratulations, you're ready to bring on a new technology solution!

We surveyed 500 contractors

"What are the most common bottlenecks you've seen when introducing new technologies into your organization?"

12% Buy-in bottleneck:

12% of all respondents say their biggest bottleneck is securing organization-wide buy-in for the new tech.

38% Implementation delays:

38% of respondents say their top bottlenecks occur during the implementation phase.

67% Training challenges:

A whopping 67% say their top challenge is training the teams to actually use the tech and consistently follow new processes.

We've broken the tech adoption process into three steps:

Identifying pain points and selling the vision, managing risks during initial implementation, and driving user adoption.

01 → Identify Pain Points & Sell the Vision ⋯⋯ **02** → De-risk Implementation ⋯⋯⋯ **03** → Drive User Adoption

Free Tool

Kojo's playbook for selling your vision to the users, influencers, decision makers, and budget holders

⊙ View Now

Identify Pain Points & Selling the Vision

Once you've decided the time is right to begin the tech procurement process, your first step will be to break down the "felt pain" in your organization into a list of more tangible, specific pain points.

Talking through these pain points will help you develop an effective criteria list for the tech you want to bring on board. It will also help you begin to sell the vision by explaining how the tech solution will solve those pain points.

Quantifying these pain points is extremely important. We've seen time and time again that this helps teams move away from ambiguous statements like "this will make us operate better." Instead, create a more compelling vision by clearly stating expected value (e.g., "This will save our foremen 3 hours a week each because they won't have to do XYZ tasks which they find very frustrating").

The clearer the vision, the greater the likelihood of a successful implementation.

Throughout this step, always keep in mind the actual users of the tech platform, not just the decision-makers. You'll certainly need the buy-in of your executives and IT team, but most importantly, you need to consider the people who will be using the tech day in and day out: colleagues in the office, warehouse, and field teams. What are their pains, motivations, and fears? You need to have a plan for addressing each of them individually.

To secure org-wide buy-in, use Kojo's playbook for addressing pain points and selling the vision to each stakeholder.

Initial Implementation

Once you've developed a list of pain points and have buy-in throughout your team, it's time to begin approaching implementation.

Kojo's Q4 2023 customer survey responses show that, although implementation timeline varies by software type and complexity, on average, vendors overwhelmingly promise implementation and onboarding training will take between 1 and 3 months.
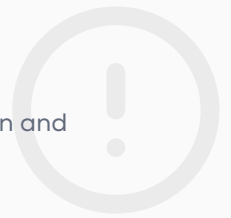
In reality, it turns out that most implementations take around **double** that. Watch out for vendors who promise overly optimistic timelines but fail to deliver:
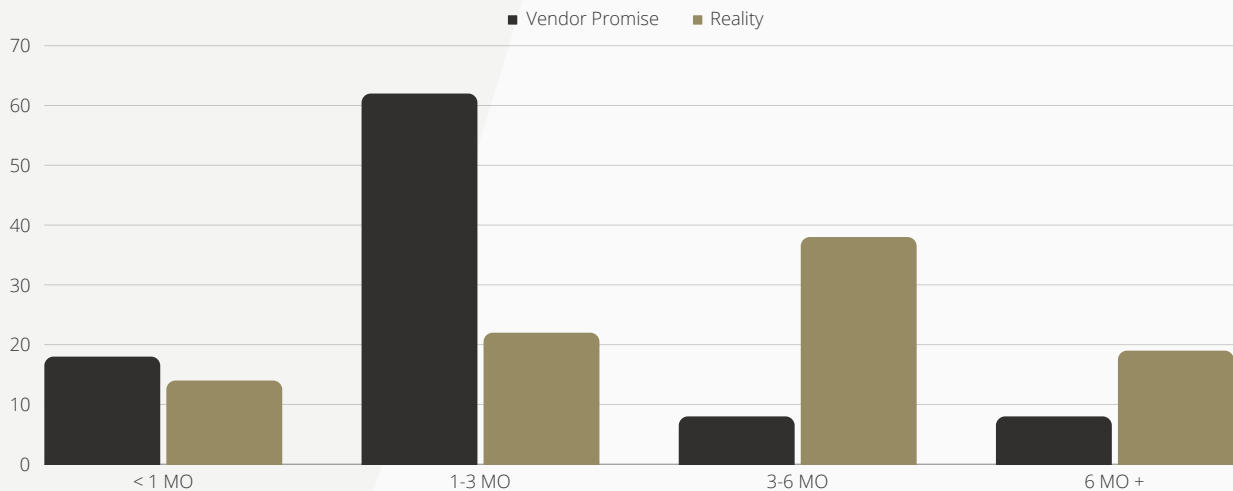
81% Vendors say onboarding is under 3 mo

81% of Kojo survey respondents say vendors promised them it would take less than 3 months to fully implement and onboard.

38% Complete onboarding in 3 mo

Only 38% of Kojo survey respondents see implementation and onboarding actually completed within 3 months.

Time to complete initial implementation & onboarding

■ Vendor Promise   ■ Reality

	< 1 MO	1-3 MO	3-6 MO	6 MO +
Vendor Promise	18	62	8	8
Reality	14	22	38	19

Source: Kojo Q4 2023 Customer Survey

Free Tool

The most important questions to ask tech vendors about implementation (plus what good and bad answers look like)

⊕ View Now

Managing Risks

To ensure successful adoption of a technology solution, it is important to choose a vendor with a proven track record of strong customer retention and successful onboarding. In fact, a vendor's ability to provide high-quality, ongoing support and training should be a critical decision criteria when you select tech vendors. Contractors can use a checklist to identify tech vendors with the necessary implementation and onboarding capabilities.

They have a detailed, battle-tested implementation plan.

Training, support, and a dedicated customer success team should be provided. When considering a product or service, it's important to ask specific questions about the onboarding process and support program.

They understand specialty contractors are not cookie cutter businesses.

A tech partner should recognize that teams have varying workflows, priorities, and tech systems, and show the ability to customize support to fit a company's specific requirements.

They listen and respond to feedback.

A good tech partner listens to your feedback, communicates timelines for feature requests, helps remove blockers and suggests workarounds for success.

They have the capital to be around for the long-term.

Will your tech partner be around in 5-10 years? It's essential to verify a company's balance sheet, investors, growth rates, and resources for executing long-term roadmaps.
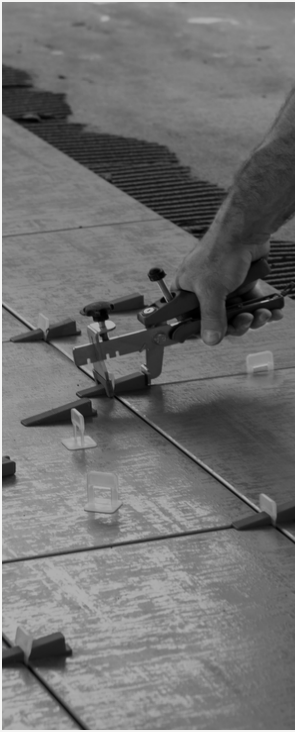
Keeping the Momentum

Implementation is an ongoing process, and requires support over a period of time. It involves integrating the new tech with your existing systems, uploading relevant historic data, configuring the new platform to fit the way your teams work, and onboarding and training users.

It can be extremely helpful to create an implementation and onboarding roadmap to hold yourself and your vendor's onboarding team accountable. Keeping the roadmap in a cloud-based spreadsheet will allow you to make necessary adjustments as you go along and keep both teams on the same page.

During the rollout, you need to do the following:

01 Set expectations for your stakeholders and users for the entire implementation process.

Make sure everyone understands the training process, their point of contact, what's needed from them, and where they can get additional information.

02 Make sure your stakeholders remain bought into the process.

Training and implementation of a new tech platform can become a back burner priority when users have their own deadlines and other fires to put out. You don't want to lose support for the implementation halfway through the process. In our experience, clear guidance from your organization's leaders is often instrumental in ensuring that your project gets the continued support it needs.

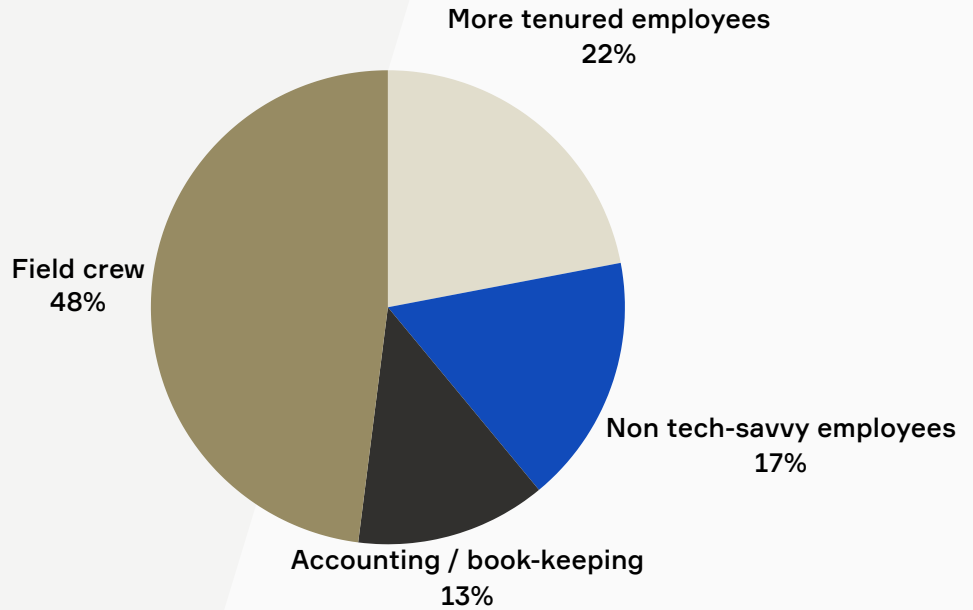## 03 Allow time for the trainings and implementation to take hold.

Maintain open dialogue with the software provider to ensure they're updating you on how well implementation is going and what else can be done to help you get the most value from the product.

From Implementation to Adoption

Once your team has been onboarded in the new tech platform, the next most important step is ensuring full adoption. You're paying for this new platform because you wanted it to solve concrete pain points, so it's critical that people across the company use it consistently in their daily work.

Users who struggle the most to adopt new tech

More tenured employees
22%

Field crew
48%

Non tech-savvy employees
17%

Accounting / book-keeping
13%

48% Of Kojo Customer Survey respondents said their Field crews struggle the most due to generally lower familiarity with tech, as well as language barriers.

22% Said that more tenured employees tend to dislike using apps across devices, since they're used to working in particular ways and desktop and mobile versions of apps often have different features and interfaces.

17% Of respondents said they have employees, independent of job function and tenure, who are not tech-savvy and simply want to hold on to the familiar old ways of doing things.

13% Said accounting professionals are the hardest user group to get onboarded onto new products. Since the bar for data accuracy and system reliability is very high, accounting professionals can be highly sensitive to any perceived risks and unwilling to trust new solutions.

Empowering the Champion

Getting to full adoption takes commitment and discipline. Usually, it's helpful to have an internal champion spearheading this. By staying in close communication with the tech vendor, the champion should get regular updates on how adoption and usage is trending, any gaps around folks or departments who aren't using the product, and suggestions around how the company can get more value from the product. The tech vendor should also frequently solicit feedback from the champion and other key stakeholders and make sure they're incorporating it into their product roadmap.

For those who are in the role of a tech solution champion, here are some extra tips for achieving full adoption quickly:

1 Support your teammates as they learn how the new product works. When they have questions or encounter friction points, having early adopters showcase how they themselves use the product, and the value they're getting from it, can be very helpful.

2 For larger companies, create an early adopter group. Once the people in that group get to full adoption, it becomes easier to explain the benefits to the rest of the org.

3 Work alongside the vendor. Great tech vendors will continue to launch new product features and capabilities—make sure someone from your team attends webinars around what's coming next and schedules trainings wherever you feel they may be useful.

4 Analyze the data collected in your new tech product. New insights should now be available to you—make sure you review them and use them to make more informed decisions.

5 In cases where there's pushback from certain individuals, understand where it's coming from. It might be great feedback to relay to the tech vendor for them to make improvements to their product or their training materials.

6 Track the ROI of your new tech product. How much time is it saving? Is it standardizing processes across the company? Is it opening up staff members to handle more strategic tasks? Is it solving the problems you sought to solve?

Tips from other contractors

Simplify, break the process into smaller steps, and repeat.

"We have people on our team who've been ordering materials the same way for 30 years. To get them to embrace change - and like it - we had to be really clear about how it works and what the benefit for them is."

"For field teams, multi-language solutions help. In the past, I've held 3–4 follow-up sessions to revisit the content, and do hands-on practice after the Foremen have had the opportunity to use the solution."

"In-person training works best for us. We've had tech vendors who just implement the tech, but we had to do most of the onboarding on our own by reading documents. That didn't work that well."

"The key to true adoption is constant follow-up. You need to spend more time with people who are struggling, be able to listen and identify true issues in their feedback, and do your best to solve them."

"We trained everyone as a large group, then we went to job sites and trained in small groups. [That worked well for us]"

Positive peer reinforcement

"Even for our most resistant users, if their coworkers like [the new tech] and talk about it positively, they will eventually do it."

"I started rolling everything out through our 74-year-old shop manager. I then told all men in the field if he can do it, you can do it. At the same time, I was able to build trust by making sure any questions were quickly answered by myself, peers or the vendor's customer service team."

"It might be surprising but our most tenured employees actually like [this new product] the most. They've been waiting for something like this for decades."

Have leadership set the tone

"We told the field team that using this new product was our new company policy. That set the tone for them being willing to spend the time learning it."

"When we set up our time keeping system, it went very smoothly. Honestly the easy part was after we knew the team had been trained, we could easily tell them this was how we'd track work hours and cut pay checks. That got everyone doing it quickly."

Start Your Tech Adoption Journey Today

Tech platforms can be transformative for speciality contractors looking to streamline their operations, cut costs, and boost efficiency. Throughout this guide, we've focused on highlighting the need for contractors to do the proper planning and vetting ahead of time. We covered how to know when it's time to actually begin a tech platform implementation project, how to build internal buy-in for a new tech rollout across the office and the field, how to begin training and onboarding team members, and how to transition from initial implementation to full adoption.

With the challenge of increasingly tight labor markets, tech adoption is a matter of when, not if. This is especially true since new folks entering the construction industry have grown up with computers in their pockets, and want to use the most cutting edge tools to do their work.

Contractors that develop good processes for tech adoption early on will avoid pitfalls like choosing the wrong platforms, excessive team pushback, or paying for a product that never really gets used or delivers value. Setting up a well-planned tech adoption process is not easy, but by approaching your new tech deployment as a series of manageable, bite-sized steps, and working with best-in-class tech partners who can support you for the long term, you'll set your team up for success.