



# Home Improvement and Remodeling

**2024 Annual Business  
Benchmark Report**



## Section I

# Introduction

In the fiercely competitive home improvement and remodeling world, businesses often find themselves stuck in the painful process. The mountains of paperwork keep growing, the time wasted on an estimate that could have taken minutes, or the five-star craftsmanship that gets a one-star rating for “communication issues.”

The demands of your business can be relentless, making it tough to find the time or the headspace to think beyond the daily grind. Yet, deep down, every business owner wonders how they measure up compared to their peers and how they can **Be The Professional.**

In an industry where every tile, window, or shingle installed is a testament to your hard work, taking a step back to assess your business can be daunting. However, knowledge is the catalyst for growth, and by offering you insights and benchmarks, we aim to empower you on your journey toward success.

Leap has partnered with Fidelio Works Consulting, an independent market research company, to conduct a comprehensive survey that delved into the challenges, priorities, and technology adoption trends in your industry. So, grab a cup of coffee, sit back, and let us guide you through the findings that will inform your decisions and help you propel your business to greater heights.



## Section II

# Survey Participation and Demographics

Let's take a closer look at the home improvement businesses that participated in Leap's Annual survey. Nearly **70,000** home renovation professionals received our survey, a blend of Leap customers and non-customers. We are grateful to the more than **200** individuals who responded and enabled us to create this in-depth report.

# 70% of respondents are owners or co-owners

These people embody the entrepreneurial spirit that fuels this vibrant industry.

# 55% of respondents wear multiple hats

A true testament to their versatility, especially among founders.

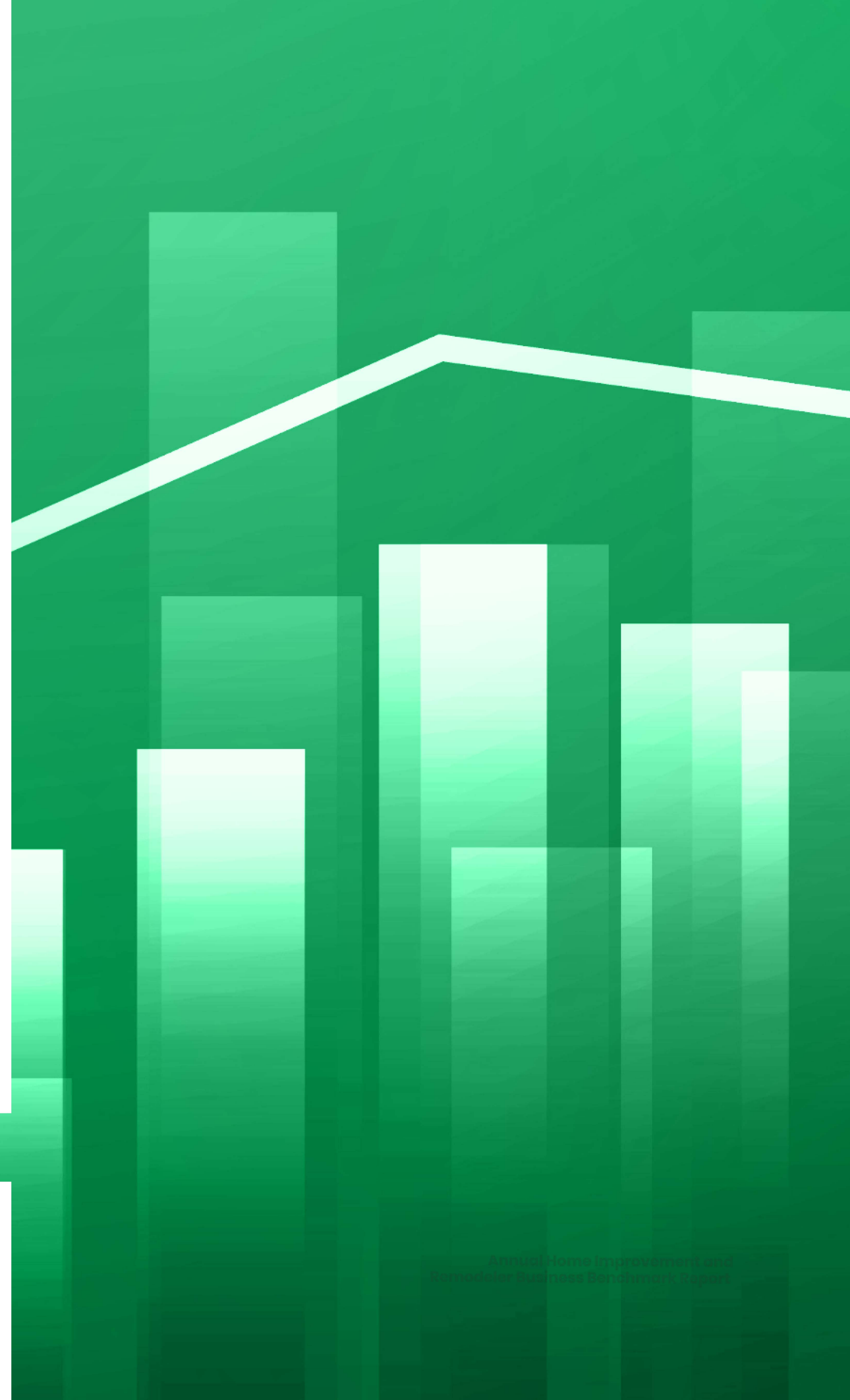


# Company Demographics

The lifeblood of this sector predominantly flows through smaller enterprises, with a staggering **88% representing companies with 0-49 employees**. What's hugely impressive is the longevity of these businesses, with **over 80% have been in operation for eleven years or more**. This resilience suggests that those who took the time to take part in our survey are the very ones with the bandwidth to step back, reflect, and assess how they measure up against their peers.

# 80%

of businesses polled have been in operation for eleven years or more.





# 59%

have **functional leadership** in place, showing a structured approach to management.

# 39%

rely on the **direct involvement of the owner** throughout day-to-day operations.

## Ownership Dynamics

Smaller businesses with fewer than three employees lean heavily on the hands-on expertise of their owners. Even in companies of up to 50 employees, owners play a daily, hands-on role. It is only in larger businesses boasting over 50 employees that owners feel able to focus on strategic leadership. It's a testament to the adaptability and diversity within the industry, where success takes on various forms and structures.

### Top Represented Trades

General Contracting, Windows & Doors, Roofing & Gutters, Bathroom & Kitchen Remodeling, and Siding dominated the trades landscape. While most contractors had around three trades, some outliers skewed the average to five.



# 79%

of respondents said that ease-of-implementation was the most important factor when evaluating a tech vendor.

# 72%

of respondents said that quality of service and support was a key consideration as well.

## Tech Assessment

This concern about implementation was reflected across all segments, who agreed that when selecting technology vendors, ease of implementation and quality of service/support were considered most important. Taken together, this is a powerful message for technology vendors.

About half of respondents chose the greater control of selecting and integrating separate vendors into a complete solution. However, nearly as many preferred the convenience of a single comprehensive solution or a library of integrated solutions from a single vendor.



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Adding technology added validity to what we were doing, a little more believability, and **really changed everything.**”

**Michael Blomerth**  
Sales Manager, NEWPRO





# What's This Mean For **Your** Business?


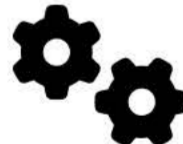

**You don't have to be a large company to have staying power.** Our respondents are agile, wear a lot of hats, and look for expansion opportunities to keep them growing. These results suggest that a path to growth may be looking into other, relevant trades you can invest in. For example, solar installation or adding siding would be a natural addition to a roofing company's offerings and provide new revenue streams.



### Section III

# Business Priorities

Our respondents were loud and clear on what keeps them up at night and the path they see to success. Across the board, the top three priorities were clear:

-  **Boosting Profit Margins**
-  **Improving Business Processes**
-  **Enhancing Customer Experience**

Obviously, many businesses are giving thought to how efficient processes and better communication might impact those profit margins.



# Key Performance Indicators

While most respondents diligently tracked KPIs such as profit margin, revenue, and customer satisfaction, 11% either needed more help to track KPIs or needed clarity on which KPIs to track. Furthermore, 31% expressed concern about the gap between knowing what they should be tracking and gathering the information they need to track it, highlighting an opportunity for improved data accessibility.

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# 31%

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With so many areas of focus, it's easy to see that a **contractor's most valuable commodity is time.** Analytics, prioritization, organization, and delegation is critical. **Properly pointed, with clear objectives, competent team members can execute solutions across the organization.”**

**Patrick Fingles**  
CEO, Leap



# 73%

of respondents view hiring and retaining talent as their largest obstacle to growth.

# 51%

of respondents reported consumer confidence as their largest growth hurdle, 22% below talent retention.

## Section IV

# Obstacles to Growth

Notably, the most significant hurdle to growth was the hiring and retention of skilled labor (73%). This challenge was even more pronounced for roofers, with 80% highlighting it as a primary concern. Consumer confidence ranked as a distant second obstacle, with 51% expressing concern, rising slightly to 55% for roofers.



# What's This Mean For **Your** Business?

**Setting goals and tracking KPIs are an important part of building a successful business.** Building on the longevity of the businesses represented in this report, it's good to note what matters to their business. They pay close attention to improving profit margins, improving business processes, and providing a great customer experience and it shows in their 11+ years in business. When setting your business goals and priorities, **really think about what matters for your business.** It could be the same goals listed here, or other priorities may rise to the top, but those with staying power know to focus on what matters.



Section V

# Technology Adoption and Use

Our survey placed a particular focus on trends  
surrounding technology investments



# Even in an uncertain economy, technology spend is here to stay.

A whopping 85% considered technology “critical” or “important” to their business, while just 5% expressed doubts about the benefits of technology. Given these priorities, it’s not surprising that nearly 80% planned to either maintain or increase their technology budget in the coming fiscal year.

# 85%

considered technology “critical” or “important” to their business.

# 80%

planned to either maintain or **increase their technology budget** in the coming fiscal year.





# Tech Solutions

Respondents reported using a variety of technologies and tools, including office productivity tools (88%), single-purpose software (67%), and industry-specific software (60%). These technological tools have become essential in streamlining operations and improving efficiency.

# 88%

of respondents reported using office productivity tools.

# 67%

of respondents reported using a single-purpose software.

# 60%

of respondents reported using industry-specific software.



## Specialized Software Adoption

While profitability was a top strategic priority across the board, companies who buy specialized software do so because they have business goals around process improvement and construction management.

We also delved into how businesses evaluated and selected technology vendors: Specialized solutions are gaining traction in the home renovation industry, with over half of respondents already having one or more such solutions. Just 14% currently have no plans for this type of solution, perhaps fearing that cost or implementation challenges would outweigh the benefits of this type of solution.

# 70%

of respondents wanted to **create more efficient construction workflows.**

# 15%

of respondents were considering or planning to evaluate software solutions that offer **specific features geared to the home renovation market.**



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Contractors should spend time optimizing their business, not their software. **Software should help them grow their business**, it should be **easy to buy** and **easy to use**. You wouldn't use a tool that makes a job take longer, or reduces the quality of your work. The same standards must apply to your technology.”

**Troy Winskowicz**  
CPO, Leap



# Technology Priorities

Getting into the specifics, our respondents had a lot on their minds, with several factors competing for the highest priority. With the following areas being top of mind for our respondents:

-  **Production Management**
-  **Accounting**
-  **Customer Communication**
-  **Lead Generation**



**20%**

are exploring the possibility of offering homeowner financing.

# Payment Technology

Credit card and ACH have become commonplace payment options in the industry, but it's worth noting that 20% of respondents are exploring the possibility of offering homeowner financing. There is growing pressure to provide more payment options as part of the home renovation service.



# Lead Gen Models

In the quest for leads, the digital frontier shines brightly. However, while company websites and social media channels are the go-to platforms for lead generation, the tried-and-true method of referrals continues to be extremely important, emphasizing the enduring value of personal recommendations in an increasingly digital age.

↑ **65%**

or more are generating leads using referral programs, collecting information on a company website, or through social media.

↓ **22%**

or fewer are generating leads through radio, canvassing (door knocking) and enhancing leads through 3rd-party data.



# What's This Mean For **Your** Business?

When looking at what business priorities matter to our respondents, you can see those reflected in their technology use. The majority of respondents know that technology is important to their business, they also know that finding the best solutions is what makes a difference. While an all-in-one solution sounds good, look for technology that allows you to connect all the tools you love for a fully fleshed out tech stack.



Section VI

# Paving The Way Forward

In the dynamic world of home improvement and renovation, this report provides valuable insights into the industry's challenges, priorities, and technology adoption trends.

With 70% of respondents being owners or co-owners, the entrepreneurial spirit driving this sector shines bright. As technology increasingly takes center stage and competition intensifies, businesses are prioritizing efficiency, customer experience, and profit margins. Understanding these dynamics will empower small business owners to navigate the ever-evolving landscape and pave the way for continued success.





# Thanks to Our Participants

We want to extend our sincere thanks to all participants for their valuable contributions, which collectively push our industry forward and inspire innovation. As you keep enhancing homes, transforming spaces, and exceeding customer expectations, you are also shaping the future of this ever-evolving industry. The journey continues, and we're honored to stand by your side as you pave the way for ongoing success.