



# **The Future of CRM in Home Improvement: What Businesses Need to Know**

# Executive Summary

The U.S. remodeling industry is undergoing a digital shift as businesses look for ways to adapt to a landscape marked by rising costs, labor constraints, and evolving customer expectations. After several years of disruption — from the COVID-19 pandemic to ongoing economic turbulence — remodelers are being pushed to find more sustainable, scalable ways to operate.

**Key Takeaway:** Labor shortages and increased price-based competition among a growing number of remodelers have primarily contributed to profit declines (IBISWorld, 2024).

While the demand for renovations and improvements remains strong, profit margins continue to erode, falling from **9.7% in 2019 to 6.2% in 2024** (IBISWorld, 2024).

Established home improvement and remodeling firms now find themselves at a strategic cross-roads. On one hand, we're seeing increased consumer spending and growing interest in green building technologies, which presents tremendous growth opportunities. On the other hand, operational inefficiencies, disjointed systems, and outdated processes are holding companies back. The gap between legacy systems and modern demands has never been wider. The question is, how do we close it?

By throwing out the old systems and focusing on modernization (which is appealing for both your customers and potential employees). Now is the time to get your team acquainted with CRM (Customer Relationship Management) technology.





CRM software has evolved from a helpful sales tool to a business-critical platform. Platforms like [improveit 360](#), a Salesforce-based solution tailored specifically for the home improvement space, offer remodeling and home services companies a strategic lever for improving operational efficiency, increasing sales team productivity, and preparing for scalable growth. It serves as an enterprise-level operational platform, integrating sales, production, scheduling, finance, and customer service into one unified system.

In this white paper, we'll walk through the current state of the remodeling industry, identify major pain points facing mid-sized and enterprise firms, and illustrate how CRM adoption can unlock lasting competitive advantages. Through real-world examples and analysis grounded in industry research, this paper presents a strong business case for treating CRM as a critical investment, not a luxury or a workaround. improveit 360 not only meets the moment, but positions remodeling businesses for sustainable growth in the years ahead.



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# Navigating Economic Volatility & Margin Pressure

As of 2024, the remodeling industry generates more than \$120 billion in annual revenue, yet average firm profitability is declining (IBISWorld, 2024). Remodelers now operate in a climate shaped by inflation, interest rate hikes, and fluctuating consumer confidence.

According to IBISWorld, the number of remodeling businesses has increased to over 820,000, intensifying competition and further compressing margins. At the same time, suppliers and subcontractors in the industry have raised prices across the board, placing stress on cost management strategies for internal financial management.



## The Market Concerns:

- Continued post-pandemic economic issues and the rise of DIY projects.
- Ballooning interest rates hinder residential construction activity.
- Increased competition and labor shortages decrease profit.

## The Market Positives:

- Recent interest rate cuts.
- Housing market growth and changing income demographics widen the population segment that spends on professional remodeling.
- Energy-efficient homes and green renovations for incentives increase homeowner interest in renovations.

Despite the ups and downs, many executives still rely on spreadsheets, email chains, and siloed software to track revenue, labor, and materials.

In today's conditions, lagging data and poor integration can result in missed opportunities, over-budget jobs, and delayed adjustments.

#### How improveit 360 helps:

- **Real-time job costing and profitability tracking** identify which jobs and teams are under-performing, allowing you to make adjustments and ensure you are keeping up with the rising competition.
- **Multi-location dashboards and business intelligence tools** allow leaders to forecast demand, adjust pricing, and reallocate resources based on data. Robust reporting makes it possible to collect and analyze important information to understand how your business stands against the volatility of the remodeling market.
- **End-to-end integration** across sales, scheduling, and finance ensures teams can make faster decisions using accurate, centralized data. This level of organization and accuracy helps you keep up with the changing economic climate, increase your sales opportunities, and be the best you can be for your customers.

By understanding what's going on in the world and the industry and keeping a close pulse on the inner workings of your business, you can forecast your profitability, make adjustments based on reliable data, and grow faster with improveit 360.

In a volatile economy, visibility equals control. With CRM-enabled insights, remodelers can stabilize margins even when external conditions remain unpredictable.

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## Overcoming Skilled Labor Shortages & Wage Inflation

The industry continues to grapple with a labor market crisis — it's the most glaring struggle in the construction and remodeling industry. Aging tradespeople are retiring, and younger workers are not entering the profession at the same rate. Meanwhile, wages for qualified labor have surged.

The average wage across the sector has increased from roughly [\\$30/hour to \\$40/hour since 2020, outpacing revenue growth](#). Many firms report difficulty keeping up with project demand, not due to lack of leads, but lack of capacity. For operations leaders, the challenge is clear: maximize output without overextending teams or inflating payroll. Firms should be looking at technology to solve these problems:

- **Implement automation tools to streamline processes:** Reduce labor, improve efficiency.
- **Manage projects digitally with CRM project management tools:** Fewer workers on each job, less money spent on labor.
- **Improve communication to cut time spent in back-and-forths:** Less time talking, more time doing.

#### How improveit 360 helps:

- **Calendar optimization tools** ensure every crew member is scheduled efficiently, with minimal travel and idle time.
- **Time-block scheduling and drag-and-drop tools** reduce planning time while improving accuracy.
- **Workforce analytics dashboards** track productivity, project load, and overtime trends, giving leaders insight into performance and burnout risk.
- **Automated task tracking and alerts** remove manual bottlenecks, allowing team leads to focus on coaching and quality assurance.

With CRM as a command center, firms can create scalable processes that stretch labor further without compromising service quality.

“Our sales manager assigns all their appointments on a nightly basis without the need for reps to drive into the office; they’re simply ready to go the next day. Schedules, maps, products that prospects are interested in, and more. Reps also upload photos on a sale, making it easier for our office staff or management to go in and reference on a project-by-project basis.”

— Chris Horney, owner of several Re-Bath Locations, improveit 360 user.



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# Competing on More Than Price

The remodeling industry is becoming commoditized. Customers are bombarded with ads, coupons, and low bid offers from contractors vying for their attention. But competing on price alone leads to margin erosion and commoditization. The real differentiator today? Customer experience.

Homeowners expect transparency, communication, and speed — values they've grown used to in retail and food delivery. Remodelers who can match those expectations build trust and increase close rates.

Paying attention to customer experience is non-negotiable if you're interested in customer satisfaction, loyalty, retention, and driving revenue. Happy customers are a sure way to close more deals, increase your sales leads, and retain a customer portfolio of loyal individuals willing to come back again and again.

With the inundation of remodeling businesses, now at over 820,000, competition is more of a hurdle than ever. Gain a competitive edge and increase your brand reputation when your customers walk away happy. And do it with a reliable CRM platform like improveit 360.



## How improveit 360 helps

- **Web-to-lead automation** reduces lag between inquiry and contact, improving first-touch conversion.
- **Integrated two-way texting** keeps homeowners updated throughout the project lifecycle, reducing confusion and no-shows.
- **Customized follow-up workflows** trigger reminders, updates, and surveys at the right moments.
- **CRM data tagging and tracking** enable highly personalized outreach based on previous projects, preferences, or location.

A CRM like improveit 360 gives remodelers the systems and structure to create a premium client experience, at scale and without manual overhead.

The logo for Sure-Dry, featuring the company name in a bold, red, sans-serif font.

FOUNDATION REPAIR | WATERPROOFING  
CRAWL SPACE REPAIR | CONCRETE LEVELING

**Case Study:** The improveit 360 system gave Sure-Dry users the ability to run multiple sessions at once. The Sure-Dry team could find information faster and schedule client calls faster, something that drastically improved their customer experience.

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## Tackling Material Cost Instability

One of the most volatile inputs in remodeling is material cost. In recent years, global supply chain disruptions, domestic inflation, and political uncertainty have caused wide price swings across lumber, drywall, roofing, HVAC equipment, and other key materials. According to IBISWorld, purchases represent the largest single cost category for remodelers — nearly 50% of revenue in 2024. What's more, the timing and availability of these materials can drastically affect project timelines and customer satisfaction.

Many remodeling firms still rely on manual tracking or disjointed software systems to manage purchasing. This leads to inefficiencies like over-ordering, missed deliveries, and poor coordination between sales, procurement, and production.



### How improveit 360 helps

- **Integrated quote and materials linking** ensures that costs are accurately associated with each job before it's sold.
- **Purchase order management tools** allow businesses to generate, track, and adjust vendor orders in real time.
- **Vendor tracking dashboards** monitor supplier performance, cost trends, and delivery timelines across jobs and regions.
- **Margin alerting features** automatically flag when a material price hike risks pushing a project below target profitability.

improveit 360's purchasing and material tracking features reduce financial surprises, protect margins, and give project managers the information they need to respond in real time — keeping jobs profitable and clients satisfied.



**Case Study:** Cost overruns and change orders made it hard for Matrix Basements Systems, Inc. to understand whether profits were being made on their projects. improveit 360 allowed them to create customized reports, develop pre-cost estimates, identify discrepancies, and quote accurately. They could easily see profit estimates, gross profit percentage, and adjusted profit figures in real time.

## Navigating the DIY Boom & Changing Customer Preferences

Post-pandemic, the rise of the DIY culture — fueled by TikTok tutorials, big-box store promotions, and a wave of home-centered consumerism — has reshaped how many homeowners approach remodeling. IBISWorld notes that demand for remodeling materials through retail channels (rather than pro-only distributors) has grown significantly, especially for small-scale kitchen, bath, and landscaping jobs.

While this trend has reduced contractor demand in some segments, it has also raised the bar for professional services. Homeowners now expect:

- Real-time updates and digital communication
- Transparent pricing with no hidden fees
- On-demand scheduling and flexible options

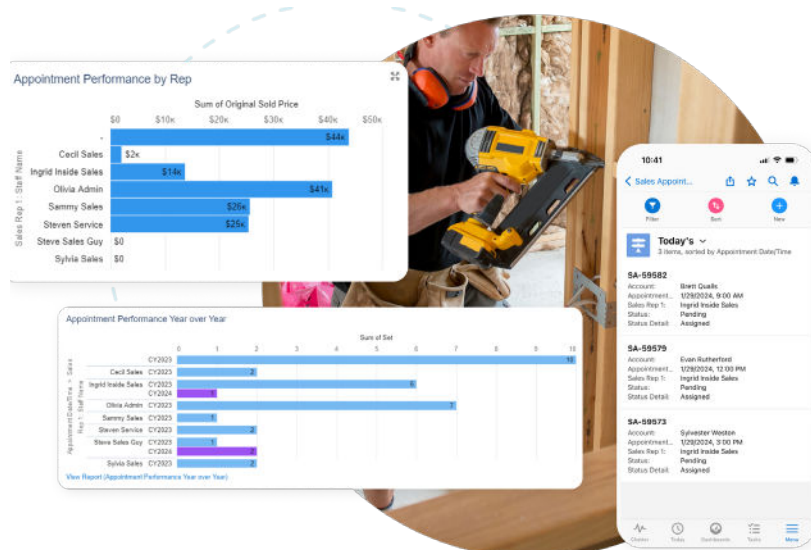
Remodelers can't beat DIY on price — but they can win on trust, execution, expertise, and experience.

Investing in new technology, such as improveit 360, enhances operational efficiency and quality. Streamlining operations, enhancing service quality, and yielding more appealing results can help you stay ahead of substitute services. Aside from technology, offering more unique remodeling solutions and tailoring your services speaks to remodeling that is hard to do on your own.

### How improveit 360 helps

- **Automated appointment confirmations and updates** ensure clients stay informed at every phase.
- **Surveys and satisfaction tools** collect feedback and promote continuous improvement.
- **Digital document delivery** (contracts, warranties, estimates) meets clients where they are: on their phones.
- **Lead source tracking and campaign insights** help companies refocus marketing efforts on larger, pro-worthy projects.

In a world where customers do more research and demand more transparency, CRM platforms like improveit 360 enable remodelers to stand out and stay relevant. A CRM platform also gives you the tools you need to position your marketing optimally, touching on aspects of a remodel that are frustrating to handle on your own and uplifting the ease and professional ability of a pro-remodeler.



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# Staying Ahead of Compliance & Documentation Requirements

Increased regulation is changing how remodelers operate — especially those scaling into multi-jurisdictional or commercial work. From permit processing delays to complex inspection checklists and shifting OSHA requirements, the administrative load of compliance is heavier than ever.

IBISWorld notes that many midsize firms are investing in technology to maintain competitiveness against national providers with legal and HR departments. For firms without full-time compliance staff, having a digital system that automates and documents these steps is critical.

Regulations that impact the industry include:

- **State Housing Authorities:** State regulations require you to register or obtain a license to operate. Each state has its own housing authority to enforce these rules and the rules vary. If you operate across states, it's important to keep track of all this information.
- **OSHA:** An acronym known well in the industry, this administration holds construction projects to a high standard. Key requirements: protective clothing & helmets.
- **Building Codes:** The International Code Council (ICC) covers largely remodelers, ensuring they are adhering to various safety codes, sometimes very specific to industries such as plumbing or electrical wiring.

## How improveit 360 helps

- **Centralized storage** of all documentation — from contracts to change orders — ensures every stakeholder is aligned and records are always accessible.
- **Automated reminders** for permit renewals, warranty expirations, and inspection dates reduce costly oversights.
- **Customizable workflow templates** align with internal SOPs or regional regulations.
- Role-based access controls protect sensitive data while ensuring field teams can upload photos, sign-offs, and notes from the job site.
- **Track activity** to know who is doing what and when throughout the construction process. This can also be very helpful when training new employees, ensuring they are up-to-date on all regulations.

By automating compliance tasks and centralizing documentation, remodelers not only reduce risk — they also reclaim time and bandwidth to focus on quality execution.





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# Long Story Short: You Need a CRM

Remodeling companies face a future shaped by complexity, but also full of potential. The firms that win will be the ones that embrace smart systems, elevate the customer experience, and empower their teams with tools that increase productivity and reduce friction.

A CRM is not just for sales anymore. Platforms like [improveit 360](#) unify your sales, production, service, and back-office teams under one roof. Instead of managing ten disconnected tools, leaders can focus on one platform that helps:

- Convert more leads without adding sales headcount.
- Deliver better customer experiences with fewer manual touchpoints.
- Identify cost overruns before they happen.
- Create audit trails and compliance records automatically.
- Scale into new markets or services with full visibility.



**“After 2 years of using [improveit 360](#), we have become more efficient in almost every area of our business and, certainly, we have profited from those efforts.”**

— Gary Falcon, Vice President of Bay Home & Window



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**The first step?** Book a free demo to see how [improveit 360](#) can transform your business.

[Book a Demo](#)