

Construction Specialty Contractors: Masonry, Tile, Insulation, and Drywall Industry Digest

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SUMMARY

Masonry, tile, insulation, and drywall contractors are a subset of the specialty contractor industry. People and companies perform installation services as independently contracted work or as subcontractor labor within a larger construction project. With specific demands for safety and compliance, these businesses rely on careful planning and execution for success.

Specialty contractors using legacy ERP software or entry-level accounting applications struggle to keep up with today's document-heavy construction industry. Siloed systems that do not communicate with each other create workflow and informational gaps wasting precious time and money.

Get ahead of your competition with a modern, cloud ERP application. Stay ahead and set your business apart with best-in-class financials, embedded CRM, AIA billing and reporting, and robust compliance and inventory features. Harness the power of an unparalleled business platform with cross-industry functionality and low-code and no-code customization tools. Extend the platform with hundreds of certified marketplace applications to fit your business's unique needs.

This Industry Digest provides an overview of masonry, tile, insulation, and drywall contractors with a spotlight on industry trends. Learn how to alleviate common specialty contractor challenges, get a construction ERP checklist, and access industry-specific resources to help you grow and thrive in today's competitive construction economy.



Discover How Specialty Contractors Grow with Acumatica

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INDUSTRY Overview



Masonry, tile, insulation, and drywall contractors possess skills that are necessary for new construction and renovation projects. The steady demand for work translates to profitable projects for the foreseeable future. Companies within these industries have been impacted by skilled workers leaving the field and an inability to find replacement labor. Demand for sustainable materials and a continued supply chain backlog force many companies to manufacture required materials they use for installation and repair services. Technology with multi-discipline capabilities positions these cross-industry contractors to move with agility as the opportunity arises.

INDUSTRY GROWTH PROJECTIONS AND MARKET SIZE

The masonry and tile contracting industry is predicted to decline by 2%¹ from 2021–2031. This decline is the aftereffect of a spike in demand during the pandemic and a gradual decrease in masonry and tile construction needs in the following years. But between building renovations and new home construction needs, there are plenty of contracts for small and mid-sized masonry and tile contractors to compete for and win.

Plastering, drywall, acoustical, and insulation installation specialties are expected to grow at a 4% to 5% compound annual growth rate (CAGR) from 2023 to 2028.² The residential sector’s repair, remodeling, and renovation trend has helped spur this increase. However, plaster, drywall, and insulation prices have gradually increased along with other construction materials. Therefore, monitoring and controlling material costs as much as possible within these industries is essential.

The vast majority of masonry, drywall, insulation, and tile specialty contracting companies have less than 20 employees. Entrepreneurs with the necessary skills often start their companies on generic software systems like Quickbooks. As these businesses grow, leaders discover they need an ERP solution with mobility and service management. They may also want to seize a unique growth opportunity by adding manufacturing capabilities. This supports their material needs and eliminates unpredictable price hikes by producing materials in-house.

As is the case with the entire construction industry, the skilled labor shortage has impacted all these specialties. The rate at which people leave their respective trade, whether for a career change or to retire, is greater than the rate at which new workers enter the workforce. The ability to attract and retain talent is imperative.

Masonry and stonework companies fall under the 4-digit SIC Code of 1741, with the majority being masonry contractors inside SIC Code 1741. Plastering, drywall, acoustical, and insulation are classified as SIC Code 1742. Tile contractors, identified as SIC Code 1743, work with terrazzo, marble, and mosaic products. However, most companies are tile contractors. Below is a market breakdown of US companies for major industry segments.

Masonry, Drywall, Insulation, and Tile Contractor Market Size³ (company size and number of companies)

SIC CODE	INDUSTRY SEGMENT	1-20	21-50	51-100	101-250	251-500	501+	TOTAL
1741-01	Masonry Contractors	13,251	959	287	120	17	6	14,640
1742-03	Drywall Contractors	7,860	787	264	116	14	9	9,050
1742-05	Insulation Contractors – Cold & Heat	5,801	1,153	314	141	22	7	7,438
1743-04	Tile Contractors	14,377	815	193	188	78	13	15,664

1. Source: [U.S. Bureau of Labor Statistics](#)

2. Source: [Expert Market Research](#)

3. Source: [Data Axle 2023](#)

“When we talk about Acumatica, it’s not just about accounting but about where we do all our business. We work in Acumatica and don’t need to leave.”

– SCOTT STARKWEATHER, PRESIDENT, BOULDER CREEK STONE

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INDUSTRY DESCRIPTIONS

Masonry, tile, insulation, and drywall contractors all perform specialty service work. They are often hired as subcontractors by general contracting companies. Therefore, they must maintain certifications, insurance, and compliance documentation to remain viable subcontracting candidates. Efficient and streamlined document management aids in winning work and successful project completion.

Company profitability depends on efficient project management and accurate cost estimates. Subcontractors must present a comprehensive portfolio of work to potential clients. Residential, commercial, and government-funded projects drive demand for work. Reputation and word-of-mouth are essential to garner more jobs.

Most masonry, tile, insulation, and drywall contractors also provide independent services outside GC contracts. They are service-oriented and must provide their own equipment and materials for repairs and maintenance. As a result, they require visibility into service requests, technician schedules, equipment availability, and inventory needs.

The need to control rising prices and demand for eco-friendly materials have given specialty installation contractors an impetus to manufacture what they install and maintain. Therefore, cross-industry functionality is a must-have in addition to managing all necessary documentation and handling field service needs.

MASONRY CONTRACTORS

Masonry and stonework contractors install and repair building foundations, exteriors, sidewalks, and chimneys. They may also perform adobe work and marble installation. The vast majority of this category are masons or masonry contractors.

The masonry trade does brick and stone work for commercial and residential construction projects. They also provide maintenance, repairs, and alterations of existing structures. Masonry work may be structural or ornamental. Structural work involves safety and compliance oversight from project managers and architects, increasing the need for project visibility and collaboration tools.

TILE CONTRACTORS

Tile contractors set and install tile products, such as ceramic, interior stone, and mosaic tiles. The products they install are wide-ranging in material, size, and price. Inventory and procurement management are everyday needs among tile contracting companies. They require visibility into tile prices and stock availability to bid jobs accurately.

INSULATION CONTRACTORS

There are four basic types of insulation that each have different uses: spray foam, loose-fill/blown insulation, batt and roll, and reflective insulation for radiant barriers. Each type has preferred uses and often requires special care during installation. Insulation contractors are hired for new construction prior to drywall finishing begins. A large portion of an insulation specialist’s time is spent on updating and replacing existing structures with more efficient types of insulation.

DRYWALL CONTRACTORS

Drywall contractors cut and hang drywall or wallboard for walls and ceilings. Once it is hung, they must apply drywall tape and sealing compound to cover joints and imperfections. Safety is a concern for this trade as they often need scaffolding to install and work on the heavy wallboard.

“When we add a new company, we don’t have to buy extra licenses. We just create a new branch in Acumatica and quickly integrate them into Dukathole Group.”

– GRAHAM LEONARD, CFO & OPERATIONS MANAGER, DUKATHOLE GROUP

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ERP Features



Selecting a solution to run your specialty contracting company is a decision that will affect your company for years to come. Many products offer the same or similar features, and it can be confusing to sort out what is important and what is not. Acumatica's Construction ERP System Evaluation Checklist is a good starting point for evaluating ERP solutions. The interactive checklist below contains critical features that specialty contractors need to succeed in the market today.

FEATURE	BENEFIT	PRIORITY	Acumatica		
Job Cost Accounting	Guarantee important contracts, clients, and revenues are not lost with included AIA reporting and billing. Compare costs with original and revised budgets.		✓		
Project Management	Enable flow of project data between managers, field teams, and office staff. See changes in project scope, labor, materials, and equipment in real-time.		✓		
Change Orders	Manage change orders with automated workflows. Streamline change orders for multiple projects with unit rate changes, custom retainage, and cost-only change requests.		✓		
Compliance	Manage lien waivers, insurance certificates, and status updates. Provide expiration dates and other alerts to staff and suppliers. Generate automated compliance documents.		✓		
Payroll	Flexible payroll supports multiple unions, locals, classes, benefits packages, complex wages, and certified wages.		✓		
Labor Documentation	Each employee's compensation records are easy to track and report on. Certified payroll allows subcontractors to complete all government-required documentation.		✓		
Daily Field Reports	Collaborate with other subcontractor teams in the field. Ensure everyone has the same project updates to improve planning, scheduling, and billing.		✓		
Embedded CRM	View real-time customer data, including quotes, orders, invoices, payments, support cases, and service calls. Empower customers with a self-service customer portal.		✓		
Document Management	Store and retrieve all project documentation electronically for improved communication with all stakeholders.		✓		
Estimating	Use connected estimating solutions, such as ProEst to save time and create more accurate estimates and win more profitable jobs.		✓		
Field Services	Manage technician schedules and use mobile devices for GPS navigation, voice note dictation, mobile time reporting, and mobile expense receipt capture.		✓		
Inventory Management	Track project materials in warehouses, mobile service vehicles, and on other job sites.		✓		
Purchasing/ Procurement	Built-in drop shipping ensures materials and equipment arrive at the job site when they are needed.		✓		
Equipment Tracking	View equipment service history in the field. Define warranties and schedule recurring preventative maintenance.		✓		
Manufacturing	Connect to Acumatica Manufacturing Edition to grow and evolve your business with material planning, production controls, and automated order management.		✓		
Mobile Functionality	Empower workers to respond quickly to customers, vendors, contractors, and other subcontractors from the field.		✓		
One Source of Truth	Connect all people, projects, and processes with one central location for all project data. Eliminate data silos with a comprehensive 360-degree view of each project.		✓		
Easy Integrations	Easily integrate with vetted Marketplace applications to extend functionality and meet unique business needs.		✓		
Business Intelligence	Use powerful business intelligence to gain a better understanding of financial and customer data to make informed, actionable decisions.		✓		
Ease-of-use	Attract and retain employees with a modern and easy-to-use cloud platform. Customize screens and dashboards to fit different roles in the company.		✓		
Scalability	Scale up or down as business needs change without incurring costs for added licenses. Pay for resources used, not the number of users, giving everyone access.		✓		

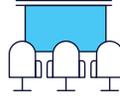
INDUSTRY Resources



Resources are provided below to aid masonry, tile, insulation, and drywall contractors in their digital transformation projects. Network with your industry peers, attend trade shows and read recent trade media and industry reviews. Access Acumatica's resources to learn more about software to automate and streamline business operations.

INDUSTRY EVENTS

- ABC Convention ([Link](#))
- AWCI's Build Convention & Expo ([Link](#))
- Conexpo Con/Agg ([Link](#))
- ENR Future Tech ([Link](#))
- Global Gypsum Conference & Exhibition ([Link](#))
- Greenbuild ([Link](#))
- ICAA Convention & Trade Show ([Link](#))
- The International Surface Event ([Link](#))
- NAHB International Builders Show ([Link](#))
- NCSEA Engineering Summit ([Link](#))
- SprayFoam Convention & Expo ([Link](#))
- SUBExcel ([Link](#))
- World of Concrete/World of Masonry ([Link](#))



INDUSTRY ASSOCIATIONS

- American Subcontractors Association ([Link](#))
- Associated Builders and Contractors ([Link](#))
- Association of the Wall and Ceiling Industry ([Link](#))
- The Brick Industry Association ([Link](#))
- Ceilings & Interior Systems Construction Assoc. ([Link](#))
- Concrete Masonry & Hardscapes Association ([Link](#))
- Construction Financial Management Assoc. ([Link](#))
- Drywall & Acoustical Contractors Association ([Link](#))
- Global Gypsum ([Link](#))
- Gypsum Association ([Link](#))
- Insulation Contractors Association of America ([Link](#))
- Insulation Institute ([Link](#))
- International Masonry Institute ([Link](#))
- Intl. Union of Bricklayers & Allied Craftworkers ([Link](#))
- Mason Contractors Association of America ([Link](#))
- Masonry Industry Training Association ([Link](#))
- Masonry Institute of America ([Link](#))
- The Masonry Society ([Link](#))
- National Concrete Masonry Association ([Link](#))
- National Council of Structural Engineers ([Link](#))



- National Insulation Association ([Link](#))
- National Tile Contractors Association ([Link](#))
- Residential Tile Contractors Association ([Link](#))
- Terrazzo Tile & Marble Association of Canada ([Link](#))
- Tile Contractors' Association of America ([Link](#))
- Tile Council of North America ([Link](#))
- Wall and Ceiling Alliance ([Link](#))

TRADE MEDIA AND ANALYSTS

- Cleaning & Restoration Magazine ([Link](#))
- Construction Business Owner Magazine ([Link](#))
- Construction Dimensions ([Link](#))
- Construction Executive ([Link](#))
- Constructor Magazine ([Link](#))
- Contractor Magazine ([Link](#))
- Floor Covering Installer ([Link](#))
- Floor Trends Magazine ([Link](#))
- Global Gypsum Magazine ([Link](#))
- GypsumNation Newsletter ([Link](#))
- Insulation Outlook ([Link](#))
- Masonry Design Magazine ([Link](#))
- Masonry Magazine ([Link](#))
- Pro Remodeler Magazine ([Link](#))
- SprayFoam Magazine ([Link](#))
- Structure Magazine ([Link](#))
- TILE Magazine ([Link](#))
- TileLetter ([Link](#))
- Walls & Ceilings Magazine ([Link](#))



ACUMATICA RESOURCES

Access the Acumatica Resource Center to learn more about Acumatica's Construction Edition for specialty contractors.



[Visit Resource Center](#)

“I like to make decisions based on data, and with Acumatica, peeling the layers back and diving deeper is easy to do. We are no longer making guesses but decisions with the data to back it up.”

– STEVE SLAUGHTER, PRESIDENT/CEO, FREDERICK BLOCK, BRICK & STONE

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ACUMATICA Benefits



Masonry, tile, insulation, and drywall contractors prosper and grow with Acumatica Construction Edition. Its flexible and scalable platform empowers specialty contractors to tailor the software to their unique needs with low-code, no-code customization tools, configurable workflows, and access to hundreds of certified marketplace applications.

ACUMATICA FOR MASONRY, TILE, INSULATION, AND DRYWALL CONTRACTORS

Acumatica Construction Edition supports masonry, tile, insulation, and drywall contractors' unique needs. With the ability to track material, equipment, and labor costs with one single source of truth, connected estimating, and mobility, Acumatica unites teams from anywhere at any time.

Timesheets and resource allocations link to projects for real-time views of every job. Acumatica streamlines change orders for multiple construction projects with unit rate changes, custom retainage, and cost-only change requests. Maintain project timelines with the ability to drop-ship stock directly to job sites and connect them to change orders.

Store insurance and bond certificates electronically so they are always accessible. Provide automated updates when staff or company compliance documents are close to expiring. Create forms within the system to record employee training and occurrence logs.

Track inventory in warehouses, mobile service vehicles, and other job sites. Ensure the right supplies and equipment are in stock to complete each job. Materials used are restocked as needed with real-time visibility into each project. Manage production with the Acumatica Manufacturing Edition modules to gain control of material prices and grow into new markets.

Acumatica Construction Edition provides ease of use and an adaptable platform that facilitates rapid integrations. Integrate with estimating, human resource management, and many more proven applications. Built on a scalable cloud ERP platform, Acumatica's open architecture is backed by the industry's best value-added reseller network. Acumatica Construction Edition provides masonry, tile, insulation, and drywall contractors with a solution for transforming your business to thrive in today's economy.

“In my opinion, there isn't a better product out there for a specialty construction subcontractor than Acumatica's Construction Edition.”

– SCOTT LYONS, CFO
ALPHA INSULATION &
WATERPROOFING INC.

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About Milestone Information Solutions

Milestone IS has been helping businesses implement enterprise resource planning (ERP) systems to improve business processes and profitability for over 30 years. By combining our unique accounting expertise, dedication to customized support, and attention to detail, we are able to help businesses maximize their ERP systems and get the most out of their investments.

To learn more about how Milestone and Acumatica can streamline your business, visit www.milestoneis.com.