

# The Hidden Costs of Change Orders: Data from 100+ Specialty Contractors



# Agenda

1. Introductions
2. About Clearstory
3. The Change Order Gap
4. Industry Insights
5. How Clearstory Closes The Gap
6. Q&A



**Cameron Page**  
Founder and CEO



- Started in High School as an apprentice carpenter in Sacramento
- Studied Construction management at Cal Poly SLO
- 10+ years of commercial construction experience
- Project manager on large scale commercial construction projects Apple, Stanford, Google
- Founded Clearstory out of first hand industry experience



**Google X Headquarters**  
\$280 million project



**Stanford GSB Highland Hall**  
\$65 million project



**Harker High School Events Center**  
\$45 million project



# About Us

Construction's **Only** Change Order Communication Tool Purpose-Built to Reduce Risk for **All** Stakeholders

- Founded 2018 by GCs who wanted to help Trade Partners drive efficiency, reduce revenue at risk and improve cash flow
- One of the fastest growing Construction Tech companies
- Over \$35 billion CORs shared on platform
- Over 11,000 leading contractors – **including 72% of the ENR Top 25** capture and close Change Orders faster with Clearstory.

*Trusted by GCs & SCs alike*

**GCs**

**Barton  
Malow**

**Turner**

**Gilbane**

 **WEBCOR**

**SUFFOLK**

**DPR**  
CONSTRUCTION

**CLAYCO**

**Balfour Beatty**

**SCs**



**PCI**  
PERFORMANCE  
CONTRACTING INC

 **PERMASTEELISA  
GROUP**

 **ACCURATE**  
FIRESTOP & INSULATION

**URATA & SONS**  
CONCRETE  
LLC

**KONE**

 **SME STEEL**

 **CSI**  
ELECTRICAL CONTRACTORS, INC.

**When projects close  
Change Orders and  
T&M Tickets faster,  
all stakeholders win.**

**As Change Orders accumulate, risk increases.**



# The Change Order Gap

# SC Internal Accounting Software

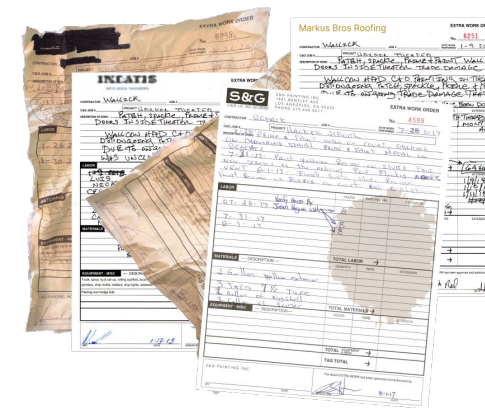


## Change Order Communication Between Companies is Manual

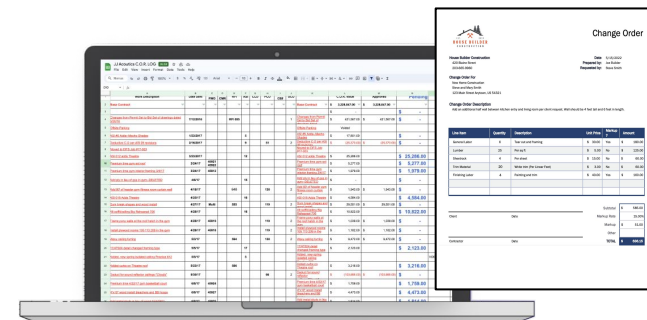
## Change Order Request LOG

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## Paper T&M Tickets



## Manually Pricing CORs



## Email Review Correspondance



**15- 20%**



On average, 15-20% of all project costs come from Change Orders

## GC Internal Project Financial/Acct Software



# A System Under Strain

To understand how contractors are navigating today's surge in project changes, Clearstory **surveyed 100+ commercial trade partners nationwide**, spanning roofing, electrical, mechanical, flooring, and more, with annual revenues from \$10M to \$100M+.

This report unpacks what's broken, where money and time are being lost, and how leading Specialty Contractors are taking control of Change Orders and work tracked on a T&M basis, and getting paid faster because of it.



## Paper still dominates.

97% of Specialty Contractors still use paper-based T&M Tickets



## Revisions are the norm.

70% say most Change Order Requests (CORs) go through 3–4 rounds of revision before approval.



## Cash is on the line.

Lost or un-submitted T&M Tags account for up to 36% of total tickets for some firms.



## Time drains are massive.

Many teams spend 6–10 hours per week pricing, printing, and submitting CORs, plus another 1–10 hours chasing GC follow-ups.

# More Change Orders, More Often = More Risk



**71%**

of Specialty Contractors said  
CORs are more frequent today  
than five years ago

The most common triggers for  
Change Orders include:

**63.7%**

Scope changes by  
the owner or GC

**55.9%**

Unforeseen  
conditions on site

**49%**

Design changes  
or clarifications

**32.4%**

Scheduling impacts  
that require extra work

These stats paint a clear picture: change is not an anomaly in commercial construction, it's the rule. And yet, the processes for capturing, pricing, and approving work often lag far behind its frequency and value.

# GC Alignment Isn't Happening, Surprises Are

For Specialty Contractors, getting paid means staying aligned with the GC. But too often, COR logs don't match—what's "pending" for the Sub might be "rejected" for the GC. Static email logs and missing backup make misalignment and delays inevitable.

## THE COR LOG GAP



**82.4**  
%

of Specialty Contractors maintain a customer-facing COR Log for every project.



**89.3**  
%

export data for those logs from their financial software, but many still edit or re-enter the data into side spreadsheets, with no system-to-system sync.

## THE SURPRISE FACTOR



**63.7**  
%

of contractors said their GCs are "sometimes" or "often" surprised by a COR they submit.



**47.1**  
%

of respondents said slow or inconsistent COR submissions have hurt their relationship with a GC.

# Paper T&M Tickets: Slow, Risky, & Expensive



96.9

%  
of Specialty Contractors still  
use paper-based T&M tickets to  
capture field-directed extra  
work

## Here's Why:

### They get lost.

**Up to 36% of T&M Tags never make it from the field to the office.**  
That's not just a clerical issue; it's lost billable work.

### They're easy to reject.

Missing photos, incomplete descriptions, or illegible handwriting are all grounds for rejection. **Rejection rates due to missing documentation can run as high as 38%, with late submissions hitting 50% for some teams .**

### They slow everything down.

Paper has to be scanned, manually logged, and tied to a COR. For more than half of contractors, it takes **8–14 days** to go from a signed T&M Tag to a priced Change Order sent to the GC. Another **30% take between 15–30 days .**

# Revenue at Risk: Where the Dollars Disappear

## PRIMARY ISSUES

- Missing backup
- Late or incorrect paperwork
- Manual capture



## IMPACTS TO REVENUE

- Short-pays
- Write-downs
- Uncollected revenue

## COMMON CAUSES OF BAD DEBT WRITE-OFFS

56.9%

Missing Backups

55.9%

Communication Gaps

50%

Pricing Disputes

## COMMON CAUSES OF REJECTED T&M TAGS

38%

Missing Documentation

50%

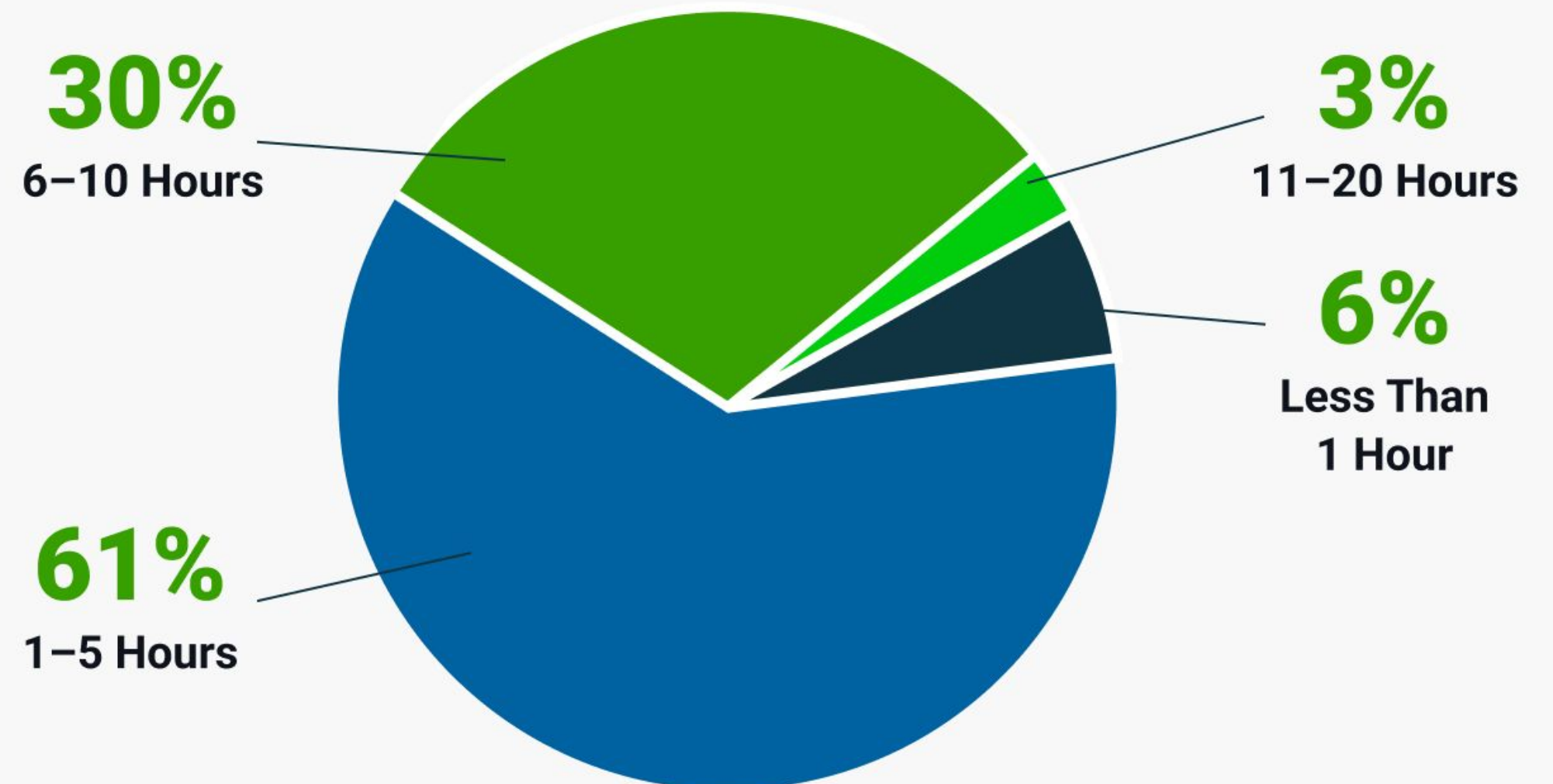
Late Processing

# Modern Tech Stacks, Old-School Workarounds

Hours lost chasing GCs to review CORs each week

Contractors still manage CORs and T&M by hand:

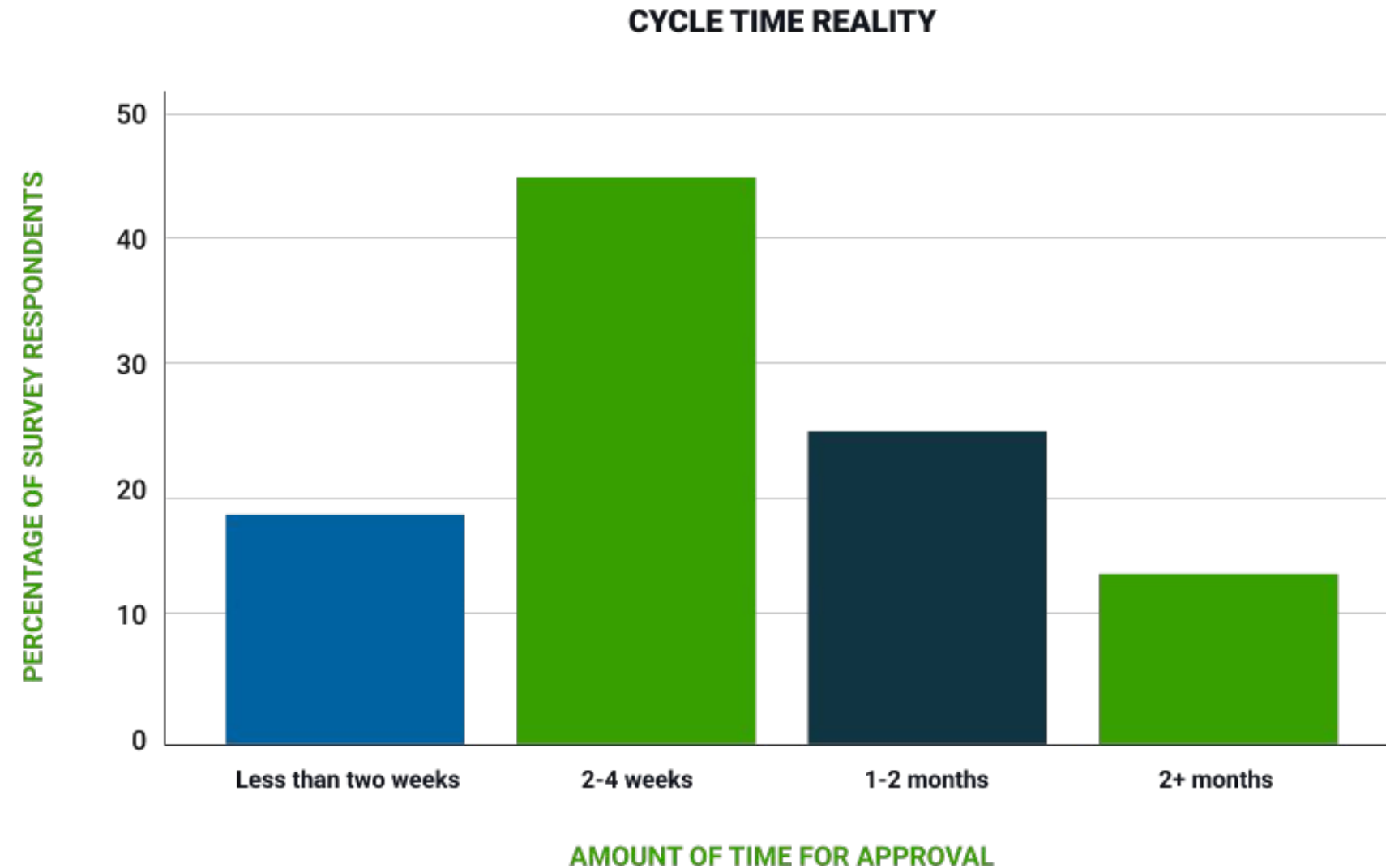
- Manual workflows are still the norm: Clearstory found **83% of GCs still use spreadsheets for CORs**, mirroring the same workaround as subs.
- **Heavy admin load:** Contractors spend 6–10 hours a week creating CORs—and up to 10 more chasing GC reviews.



# Delays, Revisions, and Rejections

Outdated paper and spreadsheet workflows slow down Change Orders—causing delays, rejections, and endless revisions.

When approvals take weeks or months, billing stalls and cash flow suffers—**leaving many Specialty Contractors in a serious crunch.**



**44%** report three rounds of revisions

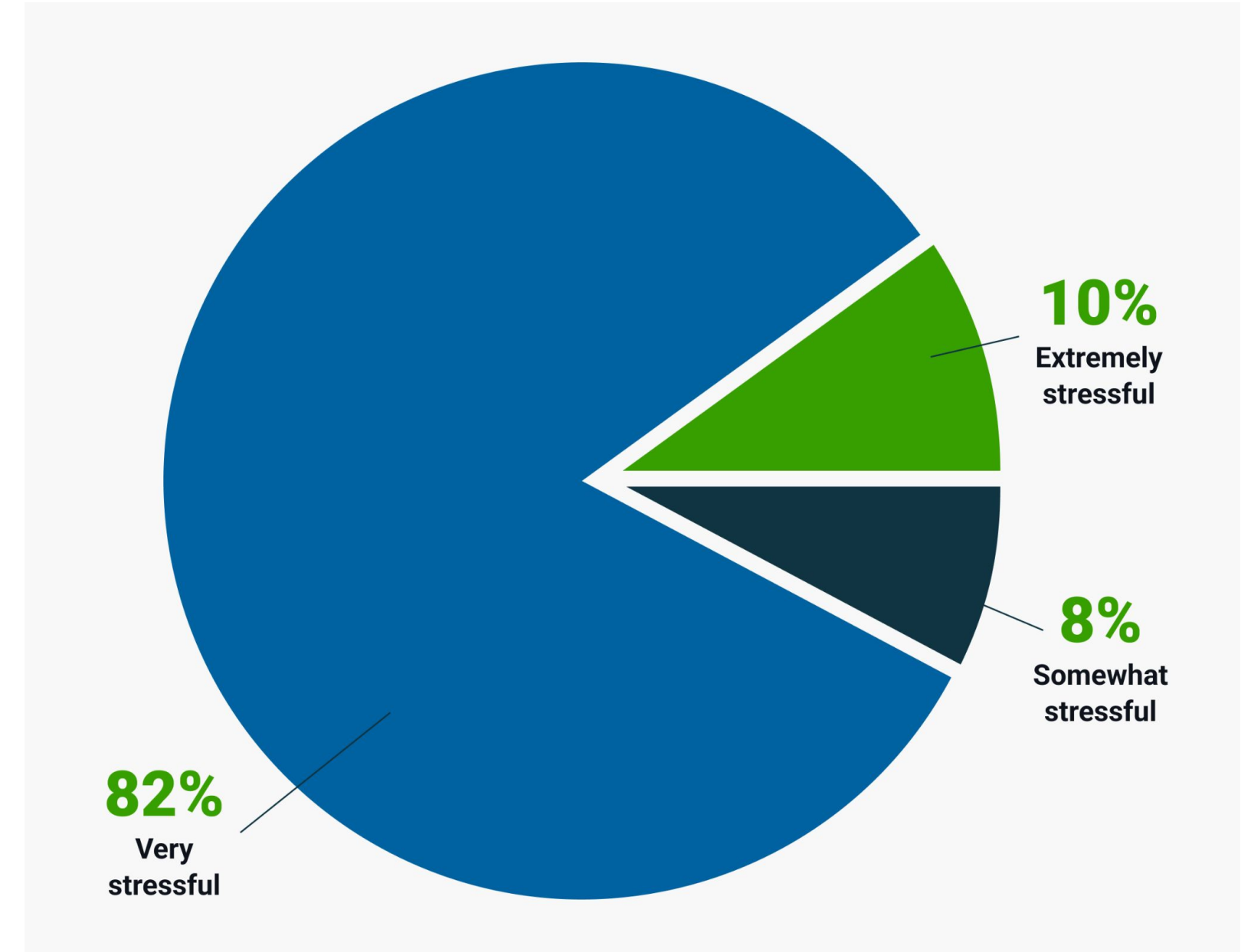
**26%** report four rounds of revisions

# Messy, Mundane Workflows Are Crushing Morale

Change Orders and T&M Tags aren't just admin headaches, they directly impact job satisfaction, stress, and retention.

## The morale drain:

- **39.2%** of respondents said COR and T&M workflows are a frequent source of stress for their teams.
- **28.4%** said they've lost employees who cited administrative headaches related to CORs as a reason for leaving.



# The Risk Isn't Just Delays, It's Relationships

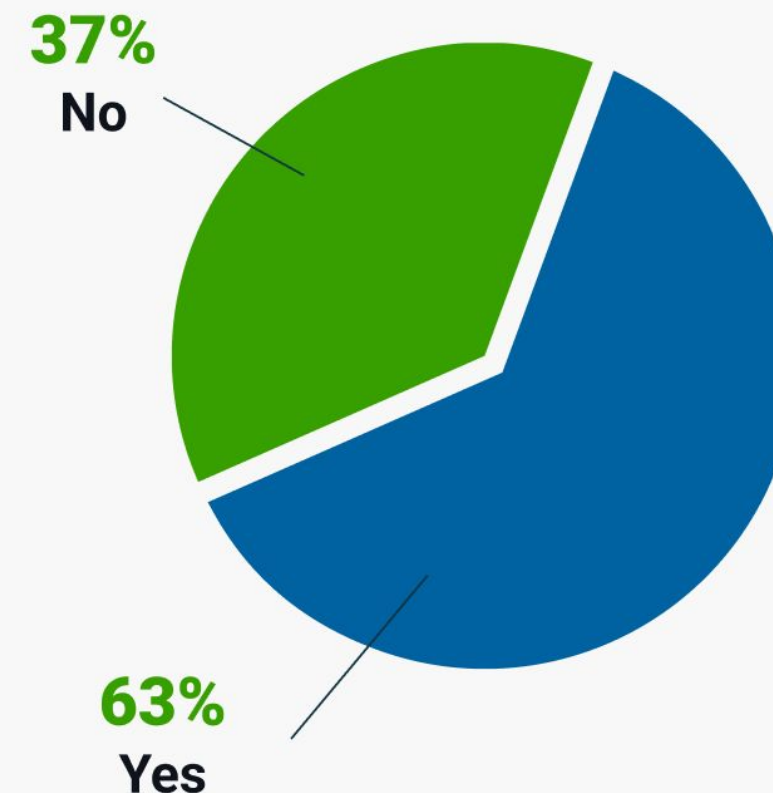
Broken COR processes don't just slow cash flow—they damage trust with GCs.

- 63% say Change Order negotiations have strained GC relationships
- And 28% have walked away from a GC entirely because of it

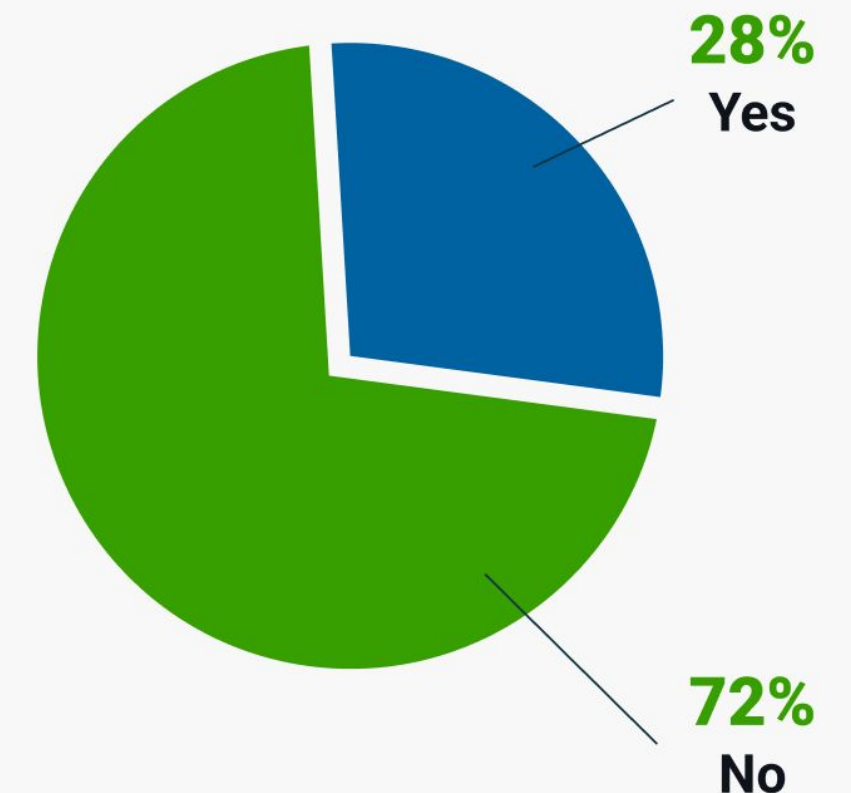
## The culprit?

- Slow or unclear approvals
- Disagreements on pricing or scope
- Documentation buried in emails or missing entirely

Have Change Order negotiations resulted in any relationship strain with your General Contractors?



Have you ever stopped working with a GC because of Change Order issues?



# Closing the Gap

## SC Internal Accounting Software

sage

FOUNDATION  
software

PROCORE®

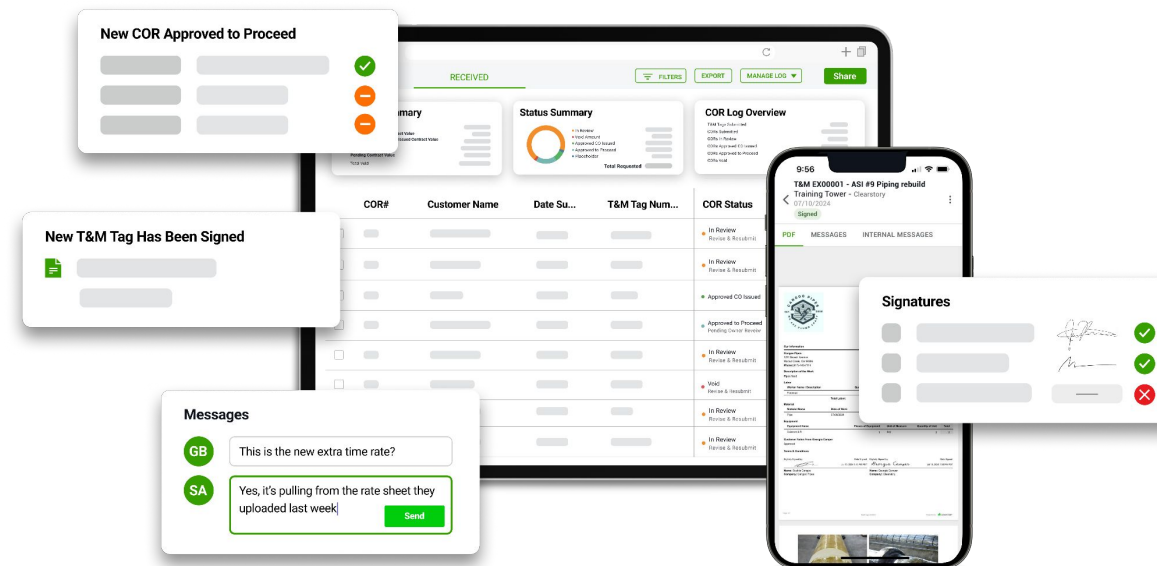
qb  
intuit  
quickbooks®

V | VIEWPOINT

AUTODESK  
Construction Cloud



## Clearstory Communication Platform



- Customer Facing Cloud-Based Change Order log to proactively align with GC
- Full COR visibility and insights across entire company
- Surface costs at lightning speed with automated T&M workflows and COR pricing
- Ensure internal forecasting is accurate



## GC Internal Project Financial/Acct Software

sage

CMiC

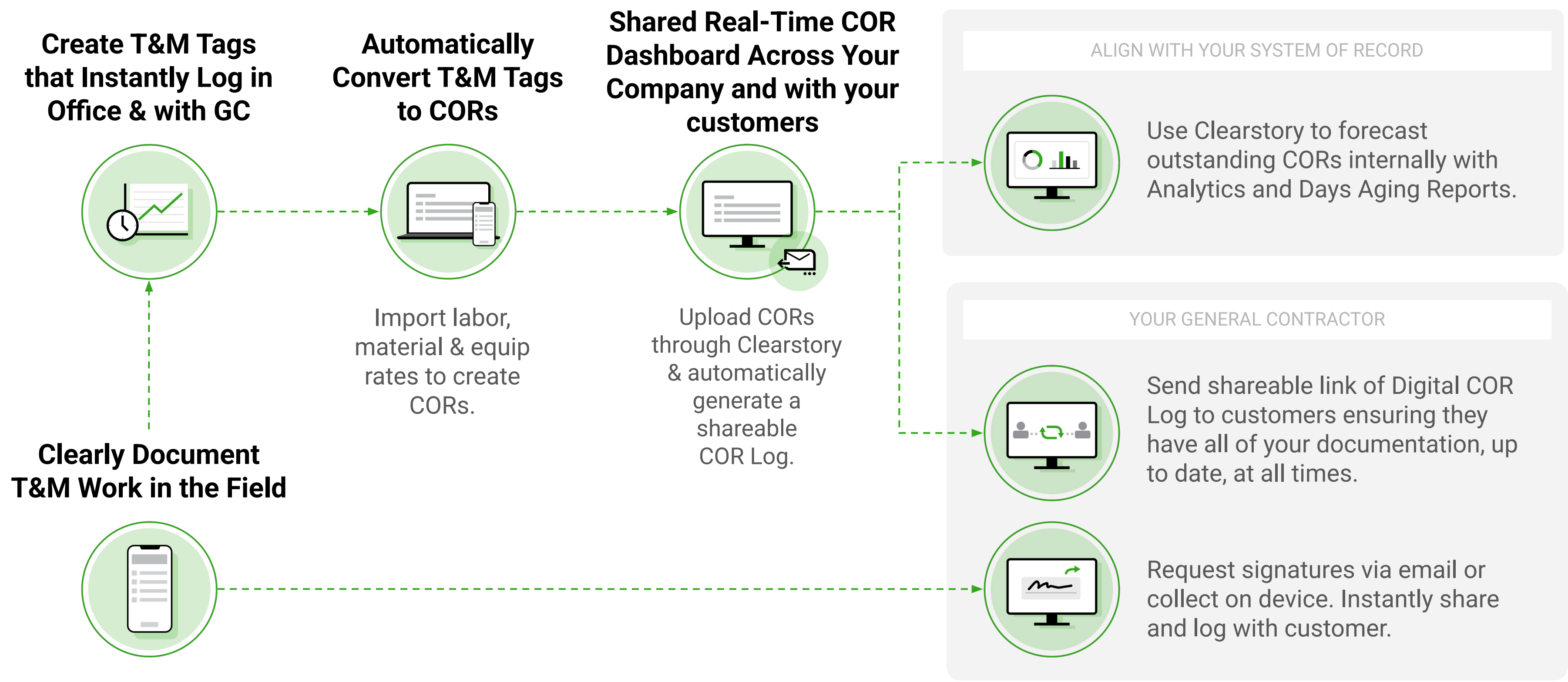
PROCORE®

SAP

V | VIEWPOINT

AUTODESK  
Construction Cloud

# How Clearstory Works



# Key ROI Metrics



**Faster COR Processing Time**

**75%**

*"The lag between performing extra work and billing has reduced by 75%."*

**Greg Duckworth**  
President



**Reduction in Lost Revenue**

**15%**

*"Before Clearstory, we were losing out on 15% of potential Change Order revenue."*

**Kevin Ullrich**  
Project Manager



**Improvement in Cash Flow**

**30%**

*"We experienced a 30% reduction in days aging for outstanding Change Orders, improving our cash flow."*

**Bill Yeager**  
Area Manager



# Accurate Firestop: Better Documentation results in faster COR Approvals

Pleasanton, CA | Specialty Contractor

**“It’s like night and day how much faster we got paid”**

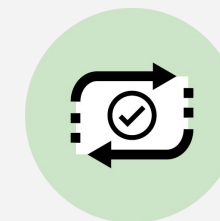
**Jacob Acosta**  
Project Engineer, Accurate Firestop

**“Our GCs love the real-time COR logs and have requested Clearstory on other projects”**

**Gabrielle Lucatero**  
General Manager, Accurate Firestop



**31% reduction in days  
aging**



**Reduce T&M write offs  
by 66%**



**Decreased Processing  
Time by 80%**

# BrandSafway Santa Clara Achieves Remarkable Results with Clearstory

Santa Clara, CA | Specialty Contractor

In 2019, Clearstory was introduced to the Santa Clara office through their General Contractor, Blach Construction. Impressed by the tool, they quickly implemented it in their initial office. Fast forward 3 years, and Clearstory has successfully expanded to 6 additional offices, delivering remarkable results.

**“For us, Clearstory is more than just change order software! It makes change orders and monthly reporting easy and transparent.”**

**Bill Yeager**  
BrandSafway Area Manager

**BRANDSAFWAY™**



**65% Productivity Gain**  
in COR Paperwork



**30% Fewer DSO Days**  
Related to Unbilled  
Revenue



**2 Days Saved**  
Office/Month in Financial  
Reporting Time



# Q&A

# Contact Us

