

CAPITAL INVESTMENT. CAPITAL GAINS

Our latest study reveals who is spending what, where and why in the year ahead



If budget was endless, business would be easy, right? Well, business is challenging, and budgets get squeezed all the time. Yet, professionals throughout the surveying, mapping and geospatial sectors remain optimistic that capital investment is possible ... and most certainly critical to success.

“Business has gotten very slow again,” says one reader in response to our annual capital investment questions, “but we still need to upgrade some of our equipment.”

To provide detailed information on expected spending in the next year on equipment and software, BNP Media’s market research division again this fall worked with the staff of *POB* to gauge professionals who have buying influence within their organizations. And just who did we ask? The majority of our 2015 market study respondents — 59 percent — works directly in surveying/geomatics; another 16 percent are in corporate/executive management and 12 percent are in general management. Of this year’s study respondents, once again 75 percent have been in the business for more than 20 years.

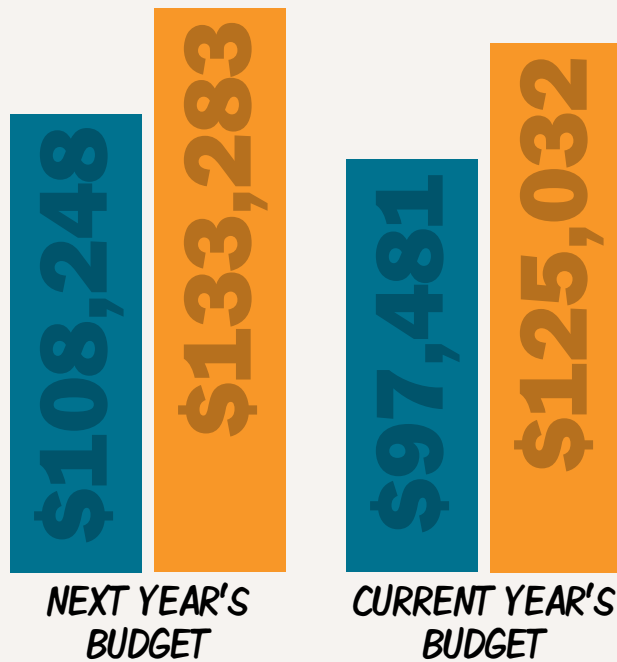
For the full results of the 2015 *POB* Capital Investment Market Study, please go to www.pobonline.com.

A LEANER APPROACH?

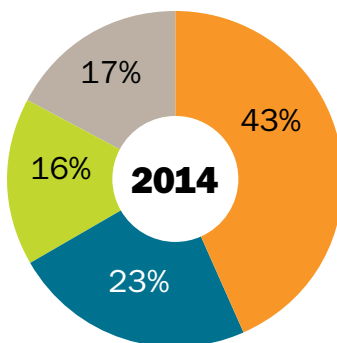
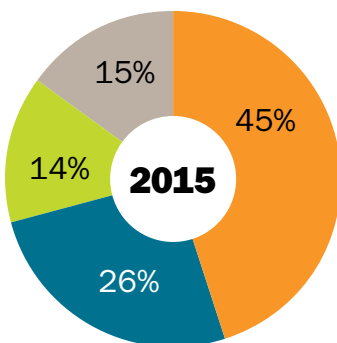
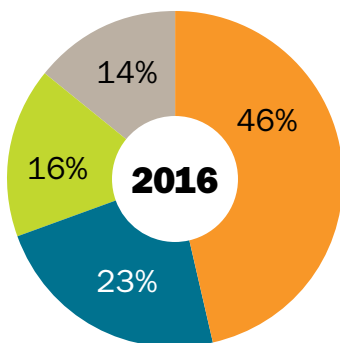
Judging from study responses received, it appears sector-wide belt-tightening has already taken place, but yet optimism remains. Last year, respondents forecast an average capital goods budget of \$133,283 for 2015; their reality is a more humble 2015 mean budget of \$97,481. Based on such an adjustment, they are projecting an increased 2016 capital investment of \$108,248.



■ 2015 STUDY
■ 2014 STUDY



In the year ahead, study respondents are again increasingly focused on equipment in their capital investment projections. At \$49,794, the average allocated for equipment represents 46 percent of next year's capital budget, up from 45 percent allocated for this year and 43 percent for the year prior.



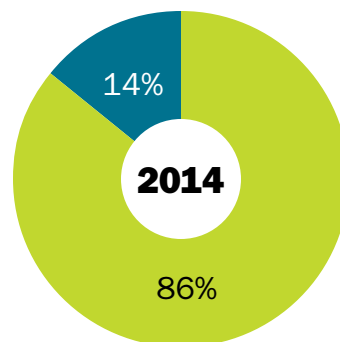
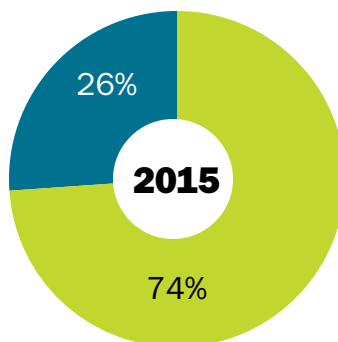
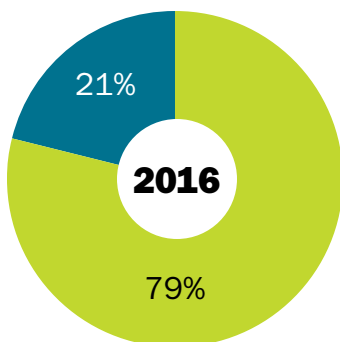
■ EQUIPMENT
■ SOFTWARE
■ TRAINING/SUPPORT
■ ADD-ONS/ACCESSORIES

NEW OR USED?

The percentages may fluctuate a bit, perhaps depending upon the budget available, but it's clear study respondents will always prefer to buy new equipment. This makes particular sense in a sector that is continually pushing forward with new technologies. If you're going to spend, best to upgrade.



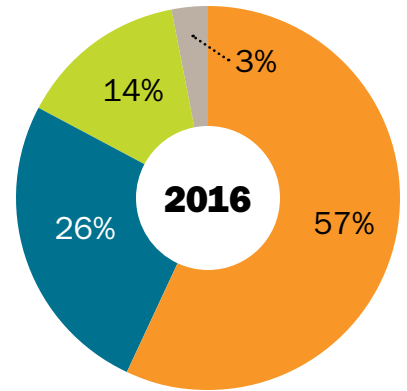
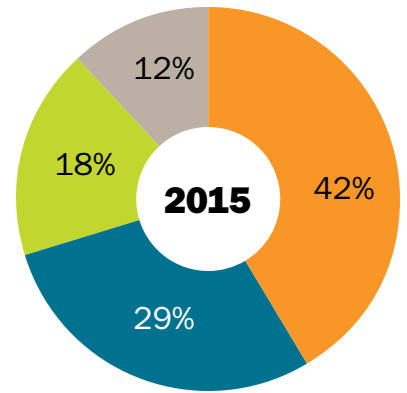
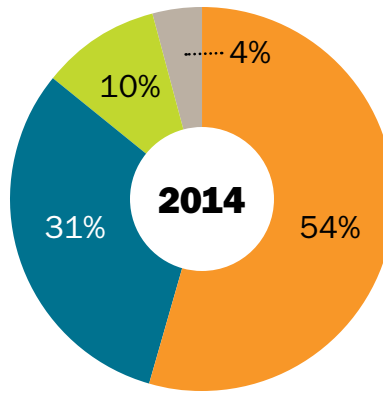
■ NEW EQUIPMENT
■ USED EQUIPMENT



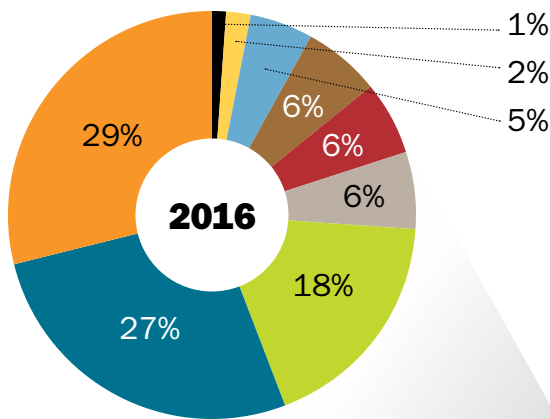
WHY SPEND?

Replacing outdated equipment remains the primary motivator for study respondents to invest in capital goods in the year ahead. Perhaps further reflecting a belt-tightening adjustment throughout the sector, it's in fact an even more overwhelming factor than in previous years; 57 percent say it is the top reason for planned purchases in 2016, up from 42 percent for the current year. "When I purchase new equipment, I expect to need/want the additional gadgets that make life easier when I know how to use the unit," says one study respondent, "and I budget for that in my purchase."

- REPLACE OUTDATED EQUIPMENT
- INCREASE PRODUCTIVITY
- IMPROVE ABILITY TO LAND NEW BUSINESS/ENTER NEW MARKETS
- NONE OF THE ABOVE

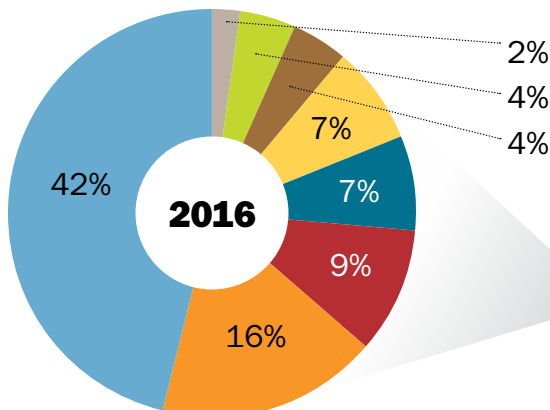


WHICH EQUIPMENT?



- GPS RECEIVERS (SURVEYING)
- TOTAL STATIONS (SURVEYING GRADE)
- DATA COLLECTORS (HARDWARE)
- DIGITAL DATA AND IMAGERY
- LASER SCANNERS
- GPS RECEIVERS (MAPPING)
- UAVS/UAS/DRONES
- TOTAL STATIONS (CONSTRUCTION GRADE)
- AERIAL CAMERAS

FIRST-TIME INVESTMENTS

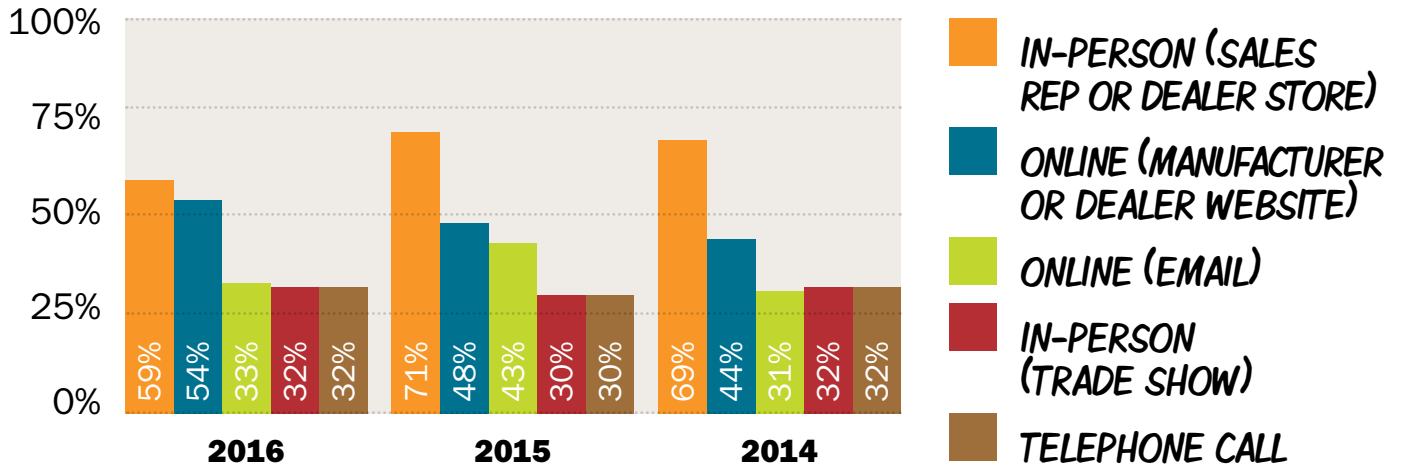


When it comes to gear, the majority of anticipated spending remains allocated for assets used in surveying. Collectively, GPS receivers and total stations for surveying comprise 56 percent of the equipment total, but that's down from 61 percent the previous year. The difference? Well, we added unmanned aerial vehicles to the list this year ... and collectively UAVs/UAS/drones drew 5 percent of the budget. That's not huge, but it's not insignificant for a first-time entry and it will be interesting to watch if it grows rapidly in future years. We suspect it will.

Based on the emergence of unmanned aerial vehicles to the equipment wish list of study respondents this year, it will come as no surprise that the largest percentage of respondents will apply at least some of their first-time investments to UAVs/UAS/drones in the year ahead.

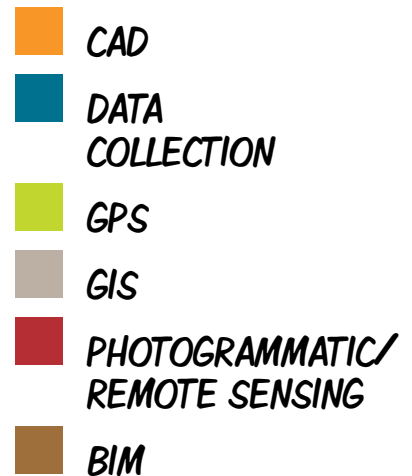
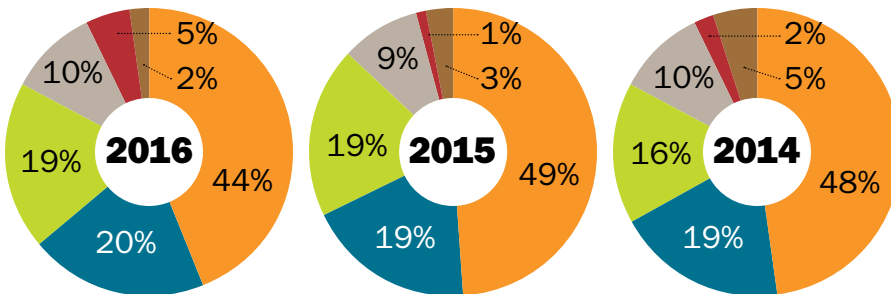
WHERE TO BUY?

When purchasing the preferred new equipment, the majority still prefers in-person meetings with dealer stores and sales representatives. But there's no doubt that more are going to sources online either first or, at least, in tandem with the face-to-face meetings.



For study respondents intending to make first-time investments, software is on the radar of some, although correspondingly not to the same levels overall as equipment. Again in the year ahead, CAD is expected to take a little under half of the entire software budget allocated, but the percentage is down a bit. Across the board, the splitting of the software pie has remained fairly steady over the past three years.

NEW SOFTWARE



Where study respondents expect to spend their training/support budget remains well distributed between the types studied. The five groups are separated by single-digit percentages, although third-party training has shifted to the top spot despite only jumping one percentage point itself. "Any equipment requires some training," sums up one respondent.

TRAINING

