

Designing Tomorrow: 10 Critical Business Moves for Architecture & Engineering Firms

Discover the actions you can take to succeed in the changing built environment landscape.

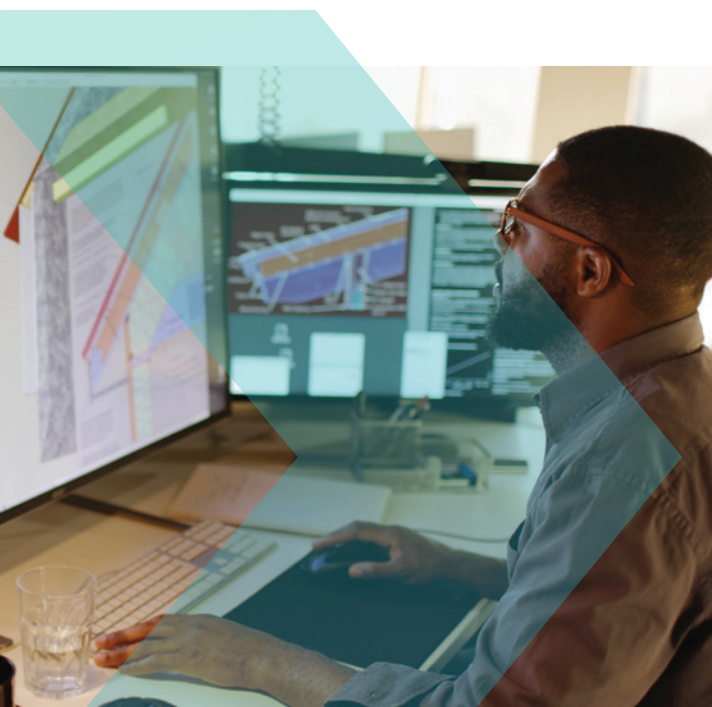


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In a world propelled by rapid technological advancements, evolving client demands and growing environmental awareness, architecture and engineering firms find themselves at a pivotal crossroads. This pace of change is unprecedented, but it opens up a number of opportunities. To thrive in this dynamic landscape, your firm must do more than adapt; it must strategically position itself for success.

Our white paper explores ten critical business moves, including supporting data and input from your peers and industry experts, that will empower your firm as it looks to shape the future of the built environment.

1 Make Progress with Digital Transformation

39%

39% of architecture and engineering firms believe they will lose market share within two years unless they make significant progress with digital transformation.

– 5th Annual Deltek Clarity Report

In today's digital age, embracing digital transformation is no longer an option but a necessity. Your firm must leverage the power of technology to streamline its processes, enhance collaboration and deliver innovative solutions. However, many firms need help with where to start and how to prioritise which technologies and systems to implement. Below are some areas you should focus on the road to digitalising your firm.

EMBRACE EMERGING TECHNOLOGY

Integrating artificial intelligence (AI) and other emerging technologies into operational, design and reporting processes can improve efficiency, expedite data analysis and reduce employees' time spent on non-fee-earning work. For example, AI-powered tools can assist in project scheduling, risk assessment and cost estimation, enabling your firm to make data-driven decisions and mitigate potential challenges.

"AI will ultimately change the creative process, and the value in doing so must come from the top down. You need a strategic group to lead the plan so everyone knows how to use AI responsibly and effectively."

– Keir Regan-Alexander, Principal at Arka Works

ADOPT CLOUD-BASED SOLUTIONS

By adopting cloud-based solutions, firms can improve efficiency, enhance collaboration and ensure the security of valuable project data. Storing your project data and design files in the cloud enables employees and external contractors to access and collaborate on projects from anywhere, at any time.

As the software vendor handles the solution's management, you can take advantage of upgrades, robust security measures and reduced resourcing needs.

LEVERAGE CUTTING-EDGE PROJECT ERP

Project enterprise resource planning (ERP) software is built for the project lifecycle, integrating all business functions and encompassing all processes of a project-based organisation into one solution. Project ERP solutions enable real-time project progress tracking, allowing for better financial management, decision-making and more efficient resource allocation.

Implementing a project ERP will allow your firm to streamline operations, eliminate manual processes, and improve project delivery.

2 Commit to Sustainable Design Practices

23%

23% of architecture and engineering firms are concerned that they will not be able to achieve their ESG goals by planned deadlines.

– 5th Annual Deltek Clarity Report

Integrating sustainable design principles benefits the environment and gives projects a competitive edge. By incorporating energy-efficient systems, utilising renewable materials and considering lifecycle assessments, your firm can create aesthetically pleasing and environmentally responsible buildings.

STAY INFORMED ABOUT GREEN CERTIFICATIONS AND REGULATIONS

To ensure that projects meet the highest sustainability criteria, you should stay up to date with the latest sustainable design standards and certifications, such as BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design).

SEEK COLLABORATION ON SUSTAINABLE DESIGN

Actively seeking opportunities to incorporate sustainable design principles can also lead to collaboration with other industry leaders and organisations focused on sustainability. By forming partnerships and affiliations with these organisations, your firm can further showcase its commitment to environmental responsibility and gain access to valuable resources and knowledge.



3 Take a Client-Centric Approach

32%

32% of architecture and engineering firms listed increasing client satisfaction as one of their top three priorities.

– 5th Annual Deltek Clarity Report

Understanding and meeting client's needs is crucial for building strong relationships and ensuring repeat business. When businesses prioritise customer relationships they build trust and reliability leading to a positive reputation in the marketplace.

CONDUCT A THOROUGH NEEDS ASSESSMENT AND LISTEN TO THE CLIENT'S VISION FOR EACH PROJECT

Take the time to understand your client's goals, aspirations and budgets. By conducting a comprehensive needs assessment, you can ensure the designs align with the client's expectations and requirements.

Actively listening to your clients and involving them in decision-making will enhance client satisfaction and foster trust and loyalty.

DEVELOP EFFECTIVE CHANNELS FOR COMMUNICATION AND COLLABORATION

Clear and consistent communication is vital throughout the project. You should establish open lines of communication with your clients, providing regular updates, sharing progress reports and seeking feedback. By keeping clients informed and involved, you can avoid misunderstandings and scope creep and ensure that the outcome meets the client's expectations.

DELIVER EXCEPTIONAL CUSTOMER SERVICE

Going above and beyond to provide exceptional customer service can set your firm apart from competitors. You can deliver excellent customer service by promptly responding to client inquiries, addressing concerns and actively resolving any issues that may arise during the project. This will result in satisfied clients and lead to referrals and repeat business.



4 Plan for Talent Acquisition and Retention

45%

45% of architecture and engineering firms feel that difficulty attracting and retaining talent negatively affects their organisation.

– 5th Annual Deltek Clarity Report

As a business's success heavily relies on the expertise and skills of its employees, focusing on talent acquisition and retention is a critical move for your firm.

BUILD A STRONG EMPLOYER BRAND

An attractive and reputable employer brand is crucial for attracting top talent. Your firm should showcase its company culture, values and commitment to employee development. Social media engagement, participation in industry events, maintaining a positive online presence and sharing information about current team members to humanise your brand are great tactics for building a strong employer brand.

SHOWCASE YOUR SYSTEMS AND TECHNOLOGY

As younger generations enter the workforce, they will have certain expectations about the technology and systems they will work with. Your firm should invest in and showcase its cutting-edge systems and technology to attract top talent. By demonstrating that it is at the forefront of technological advancements, your firm can position itself as a highly desirable workplace for young professionals.

EMPHASISE CAREER GROWTH AND DEVELOPMENT

Investing in employee growth and development is crucial for retaining top talent. Your firm should offer training programs, mentorship opportunities and professional development resources.

Demonstrating a commitment to employee growth increases the likelihood of keeping existing talent engaged and attracting ambitious professionals looking for opportunities to advance their careers.

PROVIDE A POSITIVE WORK ENVIRONMENT

A positive work environment plays a vital role in employee satisfaction and retention. Your firm should create a workplace culture that promotes collaboration, creativity and work-life balance. This can be achieved by fostering open communication, providing flexible work options and creating spaces that encourage collaboration and innovation.



5 Build Financial Resilience

30%

30% of architecture and engineering firms listed expansion into new markets as one of their top priorities this year.

– 5th Annual Deltek Clarity Report

Your firm should focus on building financial resilience. It should closely monitor its finances and implement strategies to mitigate financial risks. This will ensure that it has the resources to withstand economic challenges and slow periods and continue operating smoothly.

DIVERSIFY REVENUE STREAMS

Your firm should strive to diversify its revenue streams by seeking out new clients and projects in different sectors or geographic locations. Diversification reduces dependence on any client, project or industry and opens up new growth opportunities.

MONITOR THE RIGHT KPIS

Key Performance Indicators (KPIs) such as net revenue, project profitability, effective billing rate and operating profit are critical metrics that firms should regularly monitor. These metrics provide valuable insights into the business's financial health and help identify areas for improvement or potential risks.

ESTABLISH STRONG FINANCIAL MANAGEMENT PRACTICES

Your firm must establish robust financial tracking and reporting systems to ensure precision and timeliness in invoicing. Actively managing cash flow, closely monitoring expenses, diligently following up on late payments and making informed strategic financial decisions backed by data and insights is crucial.

A quarter of architecture and engineering firms feel that they need to improve their tracking of operating profit, and 20% of firms felt the same about net revenue.

– 5th Annual Deltek Clarity Report



6 Strategic Marketing and Branding

10%

10% of architecture and engineering firms believe that strengthening their brand and market positioning will deliver the most significant growth opportunities for their firm over the next year.

– 5th Annual Deltek Clarity Report

Focusing on strategic marketing and building a solid brand play a crucial role in the success of architecture and engineering firms. Here are some critical moves you can make in this area:

DEVELOP A STRONG BRAND IDENTITY

Creating a solid brand identity involves defining the business's unique characteristics, values and offerings and consistently portraying them through visuals, messaging and client interactions. A well-defined brand identity helps build credibility, attract clients and establish a favourable reputation in the industry.

INVEST IN A PROFESSIONAL WEBSITE

In today's digital age, a well-designed and user-friendly website is a powerful marketing tool for showcasing past projects, services offered, team credentials and client testimonials. A website also allows potential clients to contact the business and inquire about your services easily. Investing in a professional website can significantly enhance your firm's online presence and visibility.

UTILISE RELEVANT DIGITAL MARKETING PLATFORMS

Digital marketing is vital for reaching a larger audience and building brand awareness. Your firm should leverage platforms like LinkedIn, Instagram, Twitter and TikTok to showcase its expertise, share project updates and engage with potential clients and industry influencers. Regularly posting relevant content, such as project highlights, industry insights, and thought leadership articles, can help establish your firm and its employees as industry experts and attract potential clients.

90% of B2B buyers research 2-7 websites before making a purchase.

– Kurve, 2024



7 Keep on Top of Regulatory Compliance and Risk Management

89%

89% of architecture and engineering firms believe that document management is very or somewhat important to their organisation's success.

– 5th Annual Deltek Clarity Report

Staying current with the constantly evolving regulatory landscape in the construction industry is crucial. Compliance with building codes, zoning regulations, environmental regulations and safety standards is necessary not only for legal and ethical reasons but also for the smooth operation of your business.

STAY INFORMED ABOUT CODE CHANGES AND INDUSTRY REGULATIONS

Laws and regulations regarding construction and design are continually changing. Firms must stay informed about updates or revisions to building codes, zoning regulations and other industry standards. Subscribing to industry newsletters, attending conferences or webinars and joining professional associations can keep you up to date with the latest developments.

IMPLEMENT RISK MANAGEMENT AND COMPLIANCE STRATEGIES

Taking proactive steps to minimise potential liabilities helps firms ensure their business operates within legal boundaries. Focus on developing and implementing standardised processes and procedures that adhere to industry regulations.

Regular audits and inspections play a vital role in identifying any areas of non-compliance, allowing for prompt corrective action.

MAINTAIN PROPER DOCUMENTATION AND RECORD-KEEPING

Architecture and engineering firms should ensure that all project-related documentation, such as design plans, contracts, permits and licenses, are adequately maintained and accessible when needed. This helps demonstrate compliance and provides a record of the work done, which can be helpful in case of disputes or legal issues.



8 Enable Data-Driven Decision Making

50%

Over 50% of architecture and engineering firms have access to data and data analytics tools, but they do not have a clear business intelligence strategy in place.

– 5th Annual Deltek Clarity Report

In today's digital age, data has become a valuable asset for businesses. Instead of relying solely on intuition or experience, firms should embrace data-driven intelligence to make informed decisions. By leveraging data and analytics, you can gain valuable insights into market trends, client preferences and project performance.

COLLECT AND ANALYSE PROJECT DATA

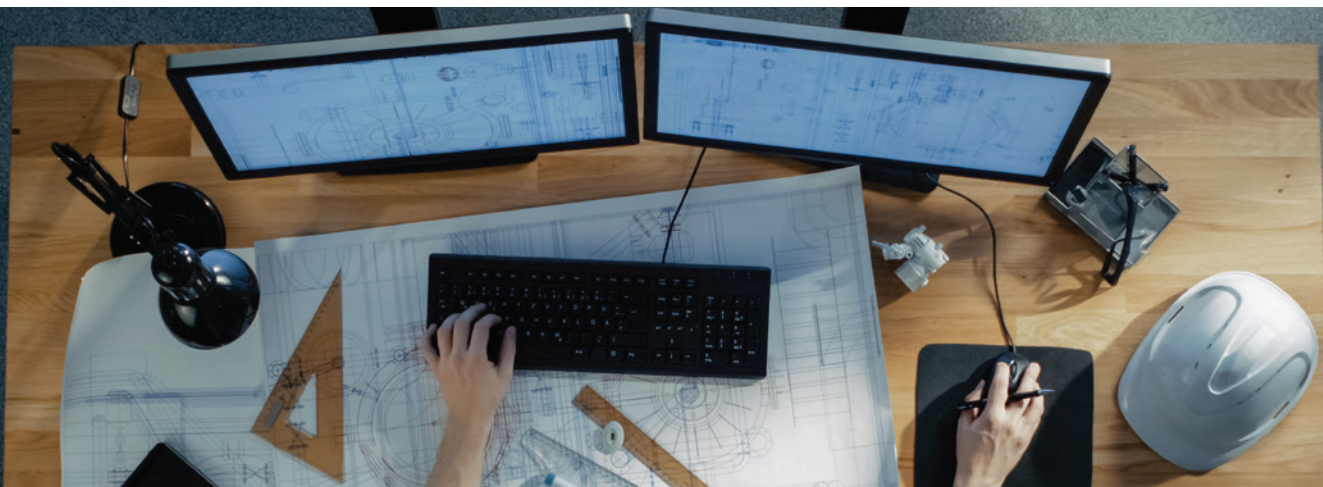
Collect reliable data throughout the project lifecycle to gain insights into various aspects, such as project timelines, costs, resource allocation and client satisfaction. You can use your ERP and project management systems, survey tools, or manual tracking systems. Analysing this data can help identify trends, patterns and areas of improvement.

IDENTIFY YOUR KEY PERFORMANCE INDICATORS (KPIs)

Identify key metrics that align with your business goals and use them as performance indicators. Your KPIs can include project profitability, client retention rate, employee productivity and project completion time. Regularly track and measure these indicators to monitor your business's health and progress.

UTILISE TECHNOLOGY FOR DATA VISUALISATION

Invest in state-of-the-art data visualisation tools specifically designed for architecture and engineering firms. These tools can turn complex data sets into visually appealing and easy-to-understand reports and dashboards. These reports can help you communicate project performance, identify trends and make data-driven decisions quickly.



9 Encourage Your Team to Research and Innovate

Innovation and research are crucial for firms to stay at the forefront of their industry. Embracing new technologies, exploring cutting-edge design techniques and staying updated on the latest trends can set you apart from the competition.

STAY CURRENT WITH INDUSTRY TRENDS AND ADVANCEMENTS

Subscribe to industry magazines, attend conferences and seminars and seek out information about the latest advancements in architecture and engineering. Stay informed about emerging technologies such as artificial intelligence (AI), sustainable design practices and smart building solutions.

FOSTER A CULTURE OF INNOVATION WITHIN YOUR TEAM

Encourage your team members to think outside the box and challenge conventional approaches. Create an environment that fosters creativity and rewards innovative ideas. By encouraging collaboration and open communication, you can inspire your team to develop fresh, groundbreaking solutions.

10 Collaborate and Forge Partnerships

Collaboration and partnerships are crucial for architecture and engineering firms to expand their capabilities and take on more complex projects. By forming strategic alliances with other firms, contractors, or specialists in related fields, you can leverage their expertise and resources to deliver comprehensive and holistic solutions to clients.

Collaboration also extends to fostering strong relationships with clients, consultants and stakeholders. By actively involving them in the design process and seeking their input, your firm can gain valuable insights and ensure that the outcome meets their expectations.

WHAT LIES AHEAD? OPPORTUNITY.

Fluctuating economies often act as accelerants, allowing yesterday's business models and practices to give way to new ideas and innovation.

As architects and engineers, staying ahead of the game is vital to navigating these changes and seizing opportunities. By making these 10 critical business moves, you can position yourself for success.



Get more information on the KPIs you should monitor
to track success across your business, people and
projects:

KPI-Guide-For-Architects-Engineers »

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