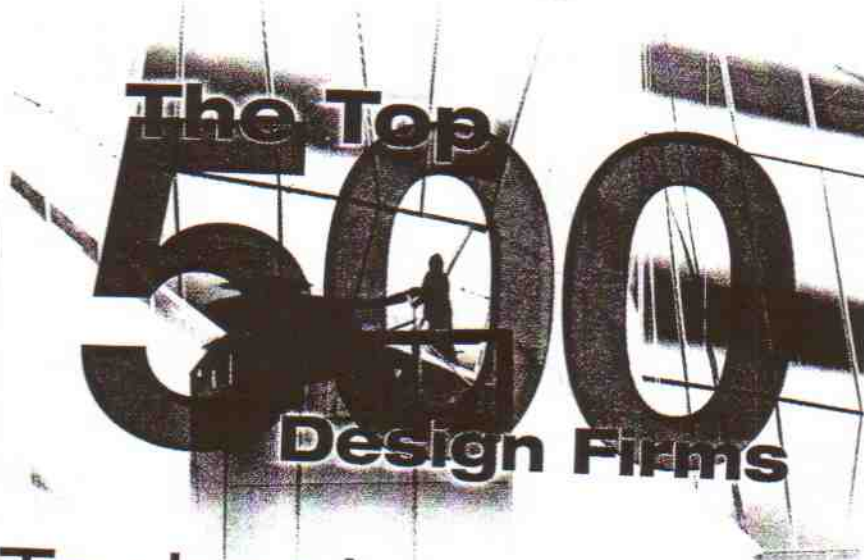


Top 500 Design Firms

By Gary J. Tulacz



The market for design in the U.S. and around the world is as strong as it has ever been and large design firms are reaping the bounty. But with the strong market come challenges that are promising to bring significant changes to the industry as firms struggle to cope with the climbing volume of work, staffing issues, new client demands and a shift toward a more sustainable building model.

Technology and Sustainability Are Surging

The scope of the current construction boom can be measured by the huge surge in revenue from design. The ENR Top 500 Design Firms as a group generated \$69.61 billion in design revenue in 2006, 17.5% above the \$59.25-billion level in 2005 and 31.4% over 2004, when the Top 500 garnered \$52.99 billion. The Top 500 enjoyed volume increases both domestically and abroad. The Top 500

recent months, AECOM also has acquired Hayes, Seay, Mattern & Mattern Inc., No. 114 on this year's list, and Stantec followed suit by acquiring Vollmer Associates LLP, No. 132. Just last month, Jacobs signed a letter of intent to acquire Edwards and Kelcey Inc., which is No. 67 on this year's list.

New technology is beginning to have a significant impact on design professionals, with the advent of building information modeling and 3D and 4D CAD systems. While still in its early stages, BIM is attractive to architects and

engineers because of its potential to streamline the design process.

There are some concerns about adopting BIM, such as how it will alter the decision-making process. Under the old process, architects and engineers could put off final decisions on critical issues as late as the delivery of construction documents. In the BIM environment, those decisions have to be made early in the process, requiring input from all the players at the outset. Designers also are question-

ing how to allocate risk in the design. But for many, BIM represents the future.

For the industry, "green building" and "sustainable projects" have been catchphrases for several years. But sustainability recently has moved from mostly talk to real action. Even developers are asking for as high a Leadership in Energy and Environmental Design [LEED] rating as possible because it sells.

Many top designers point to growing public awareness of global warming for pushing sustainability to the forefront in the design profession. This has spurred public and corporate clients to demonstrate their commitment to the environment. And even where clients aren't pursuing LEED certification, they are finding that energy efficiency and facility lifecycle cost assessments make sense.

For large design firms, issues like BIM and sustainable design represent a sea change. But in a hot market where margins are rising and firms are selective, top designers are managing to cope well. ■

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revenue level from projects in the U.S. reached \$54.72 billion in 2006, up 15.5% from 2005, while design revenue from work outside the U.S. topped out at \$14.89 billion, up 25.7% over 2005.

The level of mergers and acquisitions among large design firms has accelerated in the past couple years. Four firms on last year's Top 500 were acquired in 2005-06, including EDAW Inc. and The Retec Group by AECOM, W.H. Linder by Jacobs, and H.C. Nutting by Terracon. In

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