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IMPACT 2030

The Future of AI and How It Will Affect Design Firms Worldwide

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50 Years of Improving the Business Performance of Architecture, Engineering, and Construction Organizations Worldwide

So WHAT did I predict in my 2019 book.....???

4 Major AEC Predictions Made in 2019

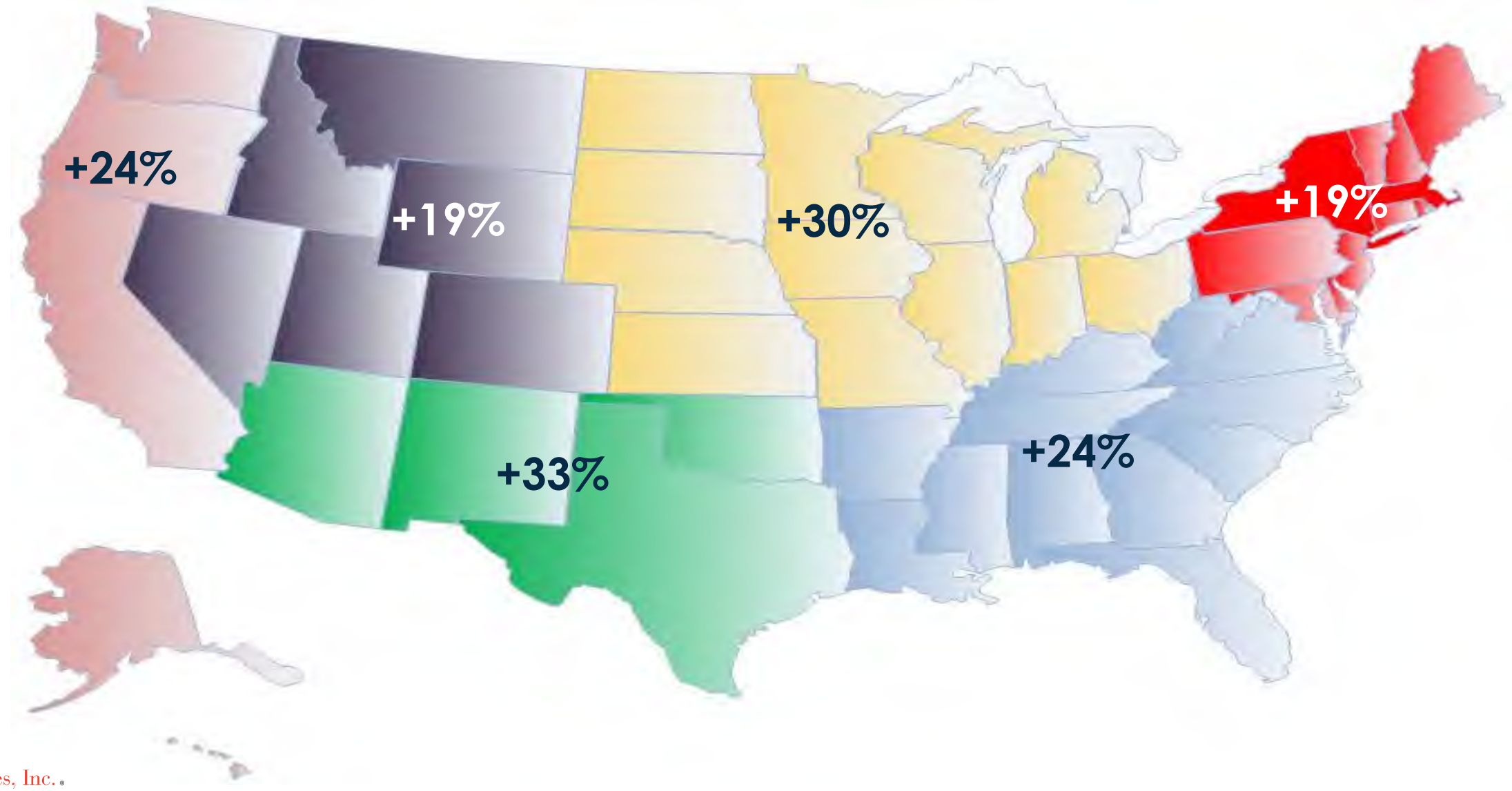
1. Major Economic Disruption
2. Roaring 20's
3. Huge Shortage of Talent
4. Massive Transition of AEC Ownership

So……

Where are we in 2025?

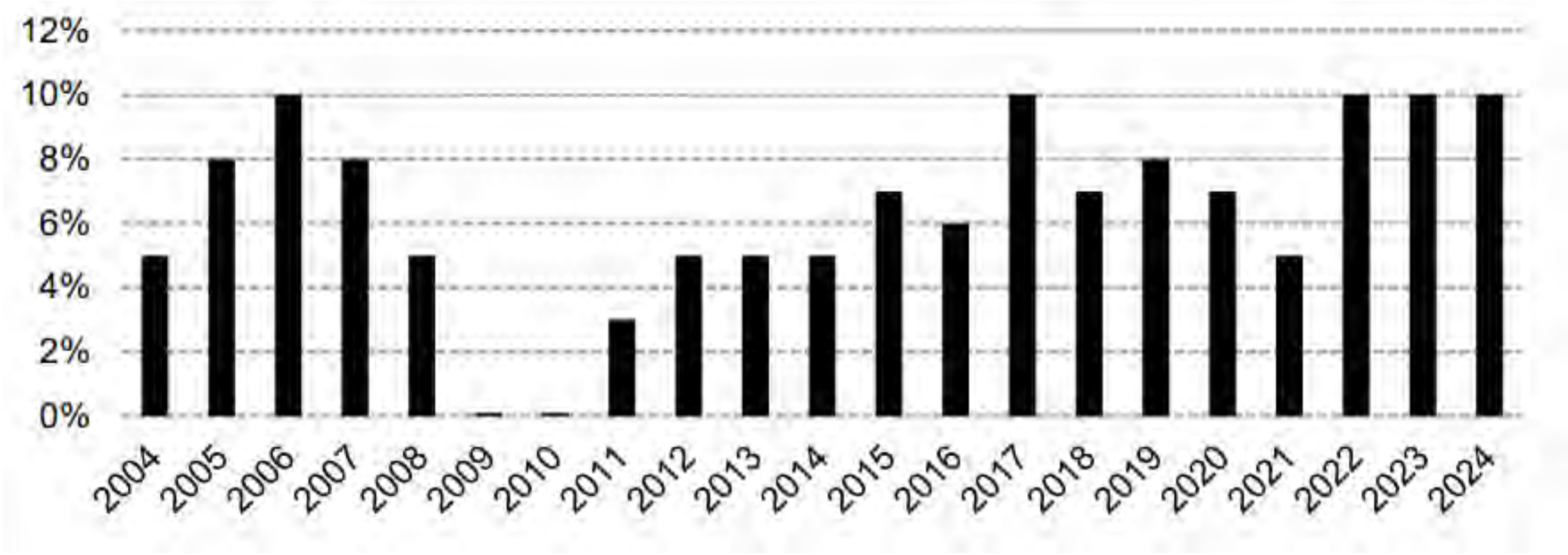
FACTS

Proposal Growth Continues Strong in All USA Regions



Rapid Staff Growth is Expected to Continue

Staff Growth Continues in 2024

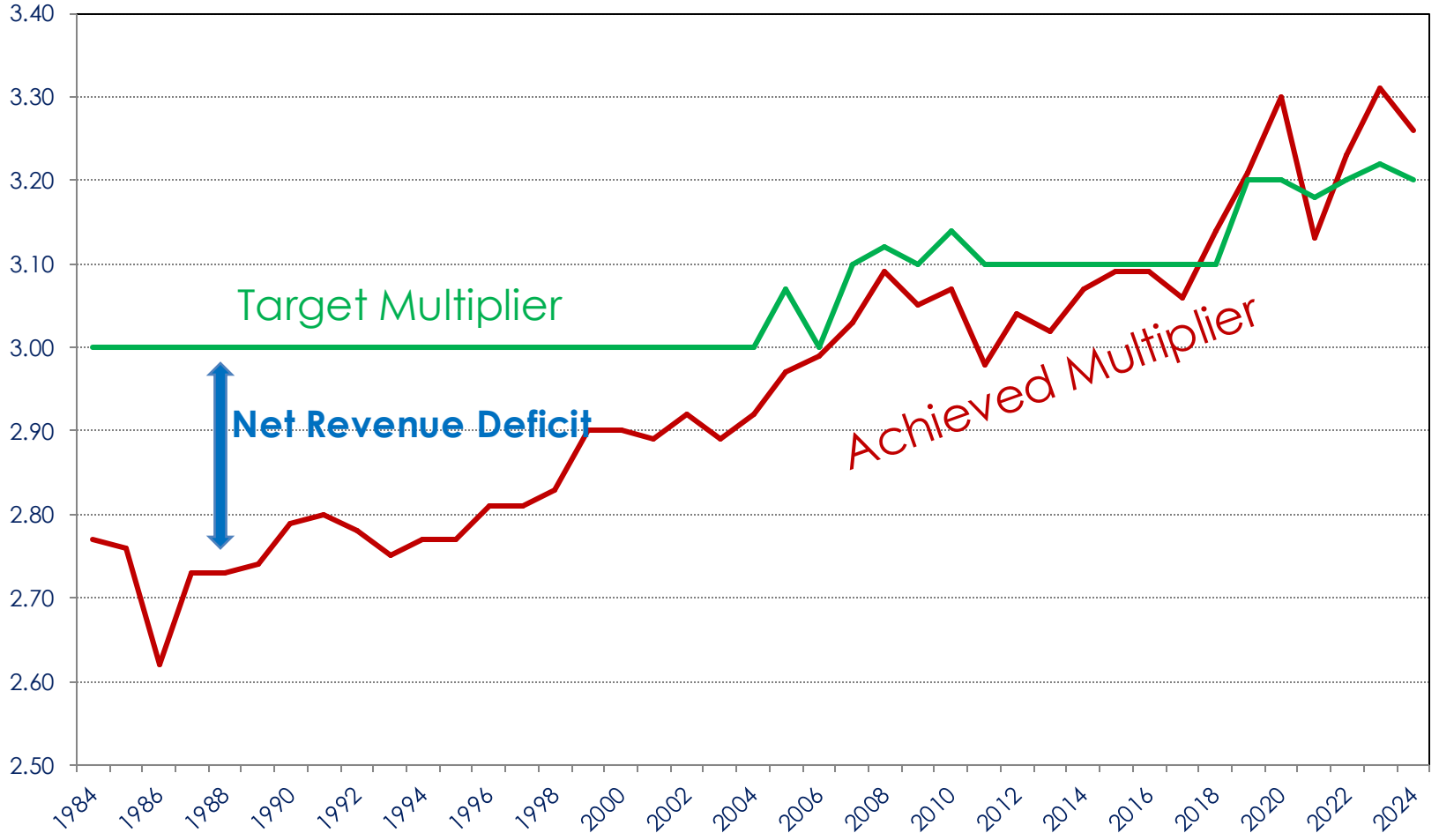


…For Virtually All Firm Categories

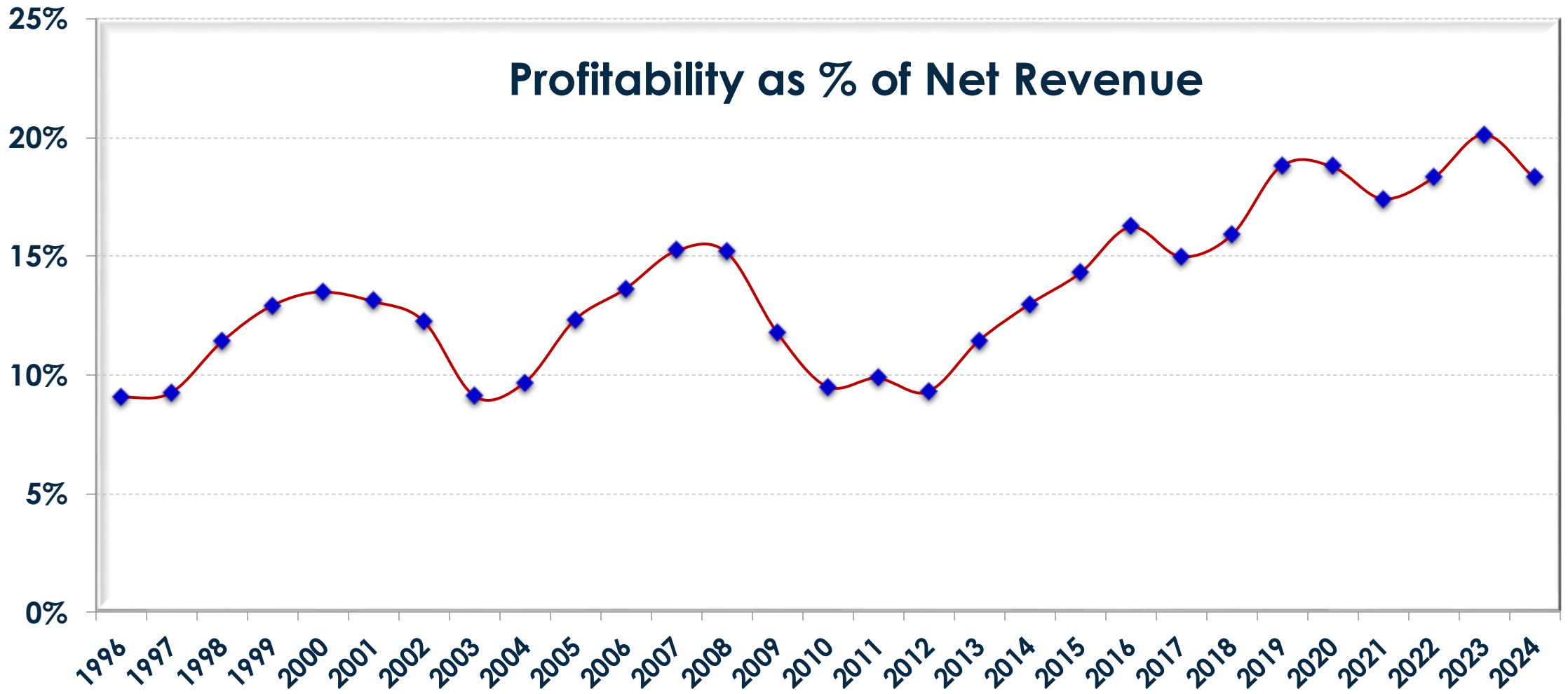
2024 Staff Size Changes

	25th Percentile	Median	75th Percentile
Overall	5%	10%	12%
Staff Size 1 to 20	0	10	15
Staff Size 21 to 50	4	8	12
Staff Size 51 to 100	5	10	10
Staff Size 101 to 250	5	10	13
Staff Size 251 to 500	8	10	10
Staff Size over 500	5	10	14
Architectural	0	8	10
Architectural/Interiors	0	7	10
Engineering Prime	6	10	17
Engineering Subconsultant	5	10	12
Engineering/Surveying	5	8	10
A/E	9	10	15
A/E/P/I	9	10	12
Environmental	5	10	10
Private	5	10	10
Government	6	10	15
Mixed	5	10	10

Pricing and Project Management Have Really Improved in Nearly ALL FIRMS

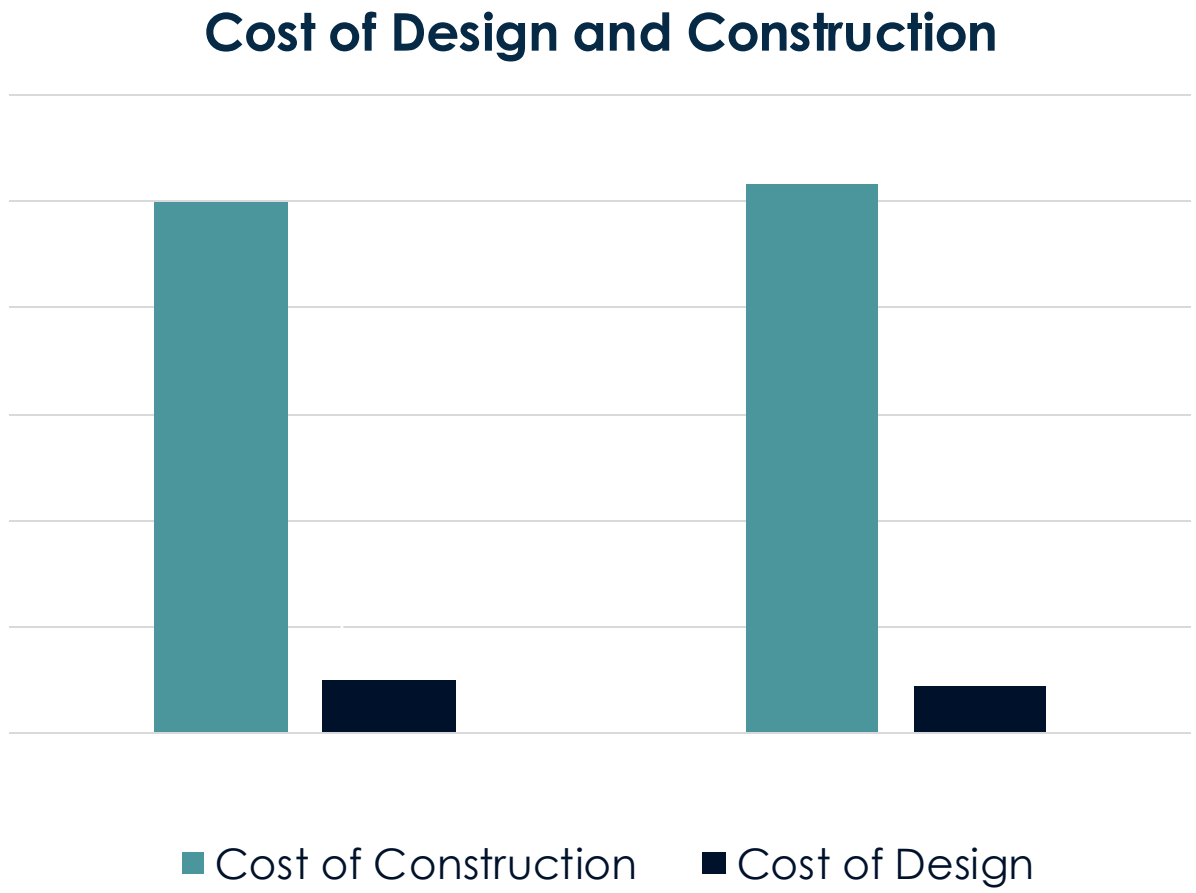


Profitability is Near an All-Time High



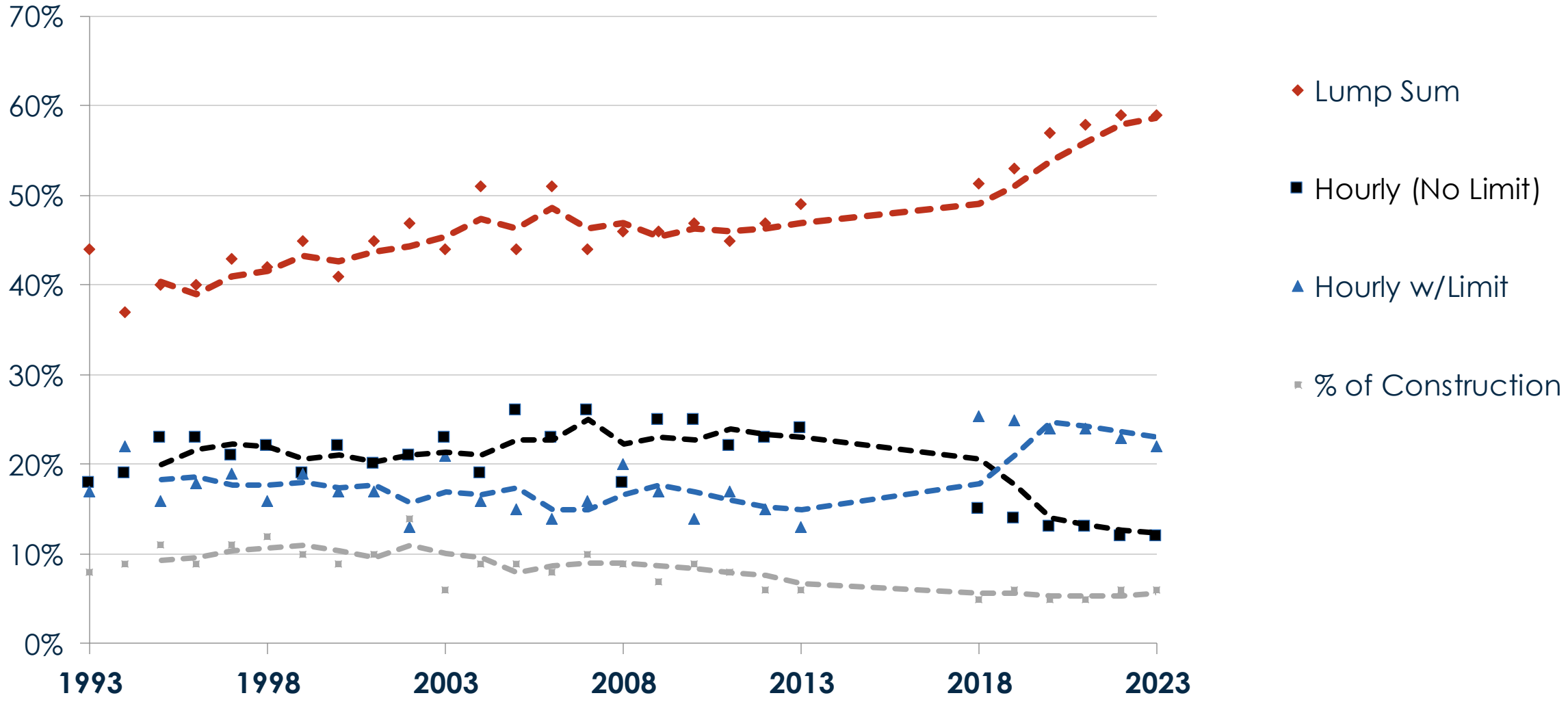
Technology is Raising Design Productivity. Not So Much for Construction.

What This Means to Your Firm:



- If your designs cost you 10% of construction costs in 2011, your costs today would be 8.9% of construction cost.
- If your pricing didn't change (as a % of construction cost), your profit in 2021 would be double what it was in 2011.
- This should accelerate as we adopt AI and other new tech if…

…We Stop Charging by the Hour



NOW….Let's Examine AI Usage TODAY…..

- **Only 29% of all firms are "officially investigating" potential use of AI**
- **17% see NO USEFUL Applications at all today**
- **Only 5% of all firms have firm WRITTEN POLICIES about AI**
- **100% of All Firms are Spending 5X -10X more on Technology than 5 years ago**
- **90% of all firms expect an INCREASE in usage over the next 3 years**
- 95% of **all EMPLOYEES** report using AI on some type of project work
- #1 concern of all CEO's about AI is the SECURITY RISK of sharing a firm's CLIENT CONTACTS and PROJECT DATA publicly.

A Few of Facts about AI Software Development.....

- **Only a Small LIST of tested AEC VENDORS and REAL APPLICATIONS today----note our own PSMJ AEC INNOVATE VENDORS**

- **90% of all AEC APPS currently in use are for MARKETING/ PROPOSALS use only..but take a look at** https://www.outlineai.com/

- A couple of more names ----STABLE DIFFUSION--- MidJourney

- **No one is certifying the SECURITY or ACCURACY of DATA in AI Reports.....Can you TRUST AI output???**

- **Using AI Requires sophisticated training on how to ASK QUESTIONS CORRECTLY to obtain the most accurate results.**

4 POINTS of REAL Advice for you…..

- **Point #1:** Technology must be part of a significant part of a firm's STRATEGIC PLANNING alongside things like BD, Project Delivery, Financial Performance, etc.; it can't be relegated to the second tier.

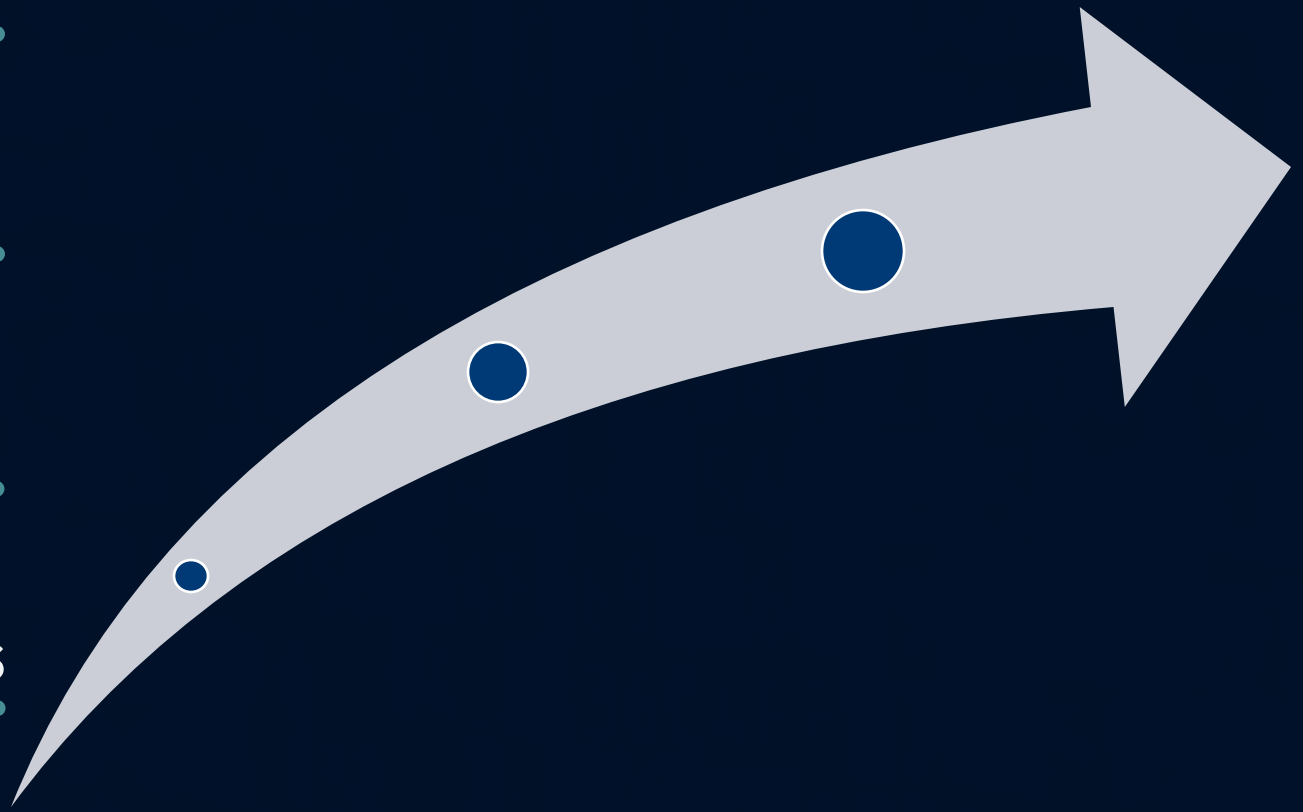
- **Point #2:** Since it's the business of an A/E firm to deliver projects, the best place to evaluate technology strategies, especially AI, is on the OPERATIONAL PROJECT DELIVERY SIDE.

- **Point #3:** Given the incredible advancements with AI now underway, every firm should have a specific AI strategy, which includes a policy for how a firm expects to manage its AI usage.

- **Points #4:** A/E firms must structure a way to evaluate and discuss technology issues; PSMJ suggests strongly that a firm establish a TECHNOLGY COUNCIL, made up of the best tech minds in the firm ESPECIALLY YOUNG PEOPLE, to establish the direction taken.

5 Critical Changes RIGHT NOW

1. Artificial Intelligence
2. Quantum Computing
3. Robots Working for You
4. Massive Demographic Shifts
5. Empowering Youth



2035 at Lightning Speed

Imagine a Bold New 2035 AEC Practice

1. Driven by Quantum Computing
2. Contracting and billing on the value of speed and accuracy
3. No more time cards
4. Consulting at high prices NOT Producing at hourly rates
5. Delivering 400 Times Faster than 2025

What's Your Vision for YOUR FIRM in 2035???

What's Your Vital Purpose?

Are you EMBRACING RAPID Change?

How much risk can you handle?

What's Your End Game?

Impact of Technology on Your BUSINESS Practices

1. Value Contracting NOT Cost Contracting
2. A Shift in Who You Hire going Forward
3. Heavy Annual Investment in TECHNOLOGY
4. C-Suite TECHNOLOGY Partners and Principals
5. Delivering “ADVICE”400 Times Faster than 2025

So now let's debate what I've said……

Questions anyone?

Participate in PSMJ's *AI in AEC Benchmark Survey* to get a FREE copy of the Survey Report

*Compare your AI adoption and spend to peers

*Learn implementation best practices

*Set strategic AI priorities for 2025-2026

*Compare your AI adoption and spend to peers

*Learn implementation best practices

*Manage risks and avoid missteps

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THANKS!

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