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Topics

- Market Outlook for Design-Build
- Key Trends in the Market
- Areas of Consideration for Companies in the Market

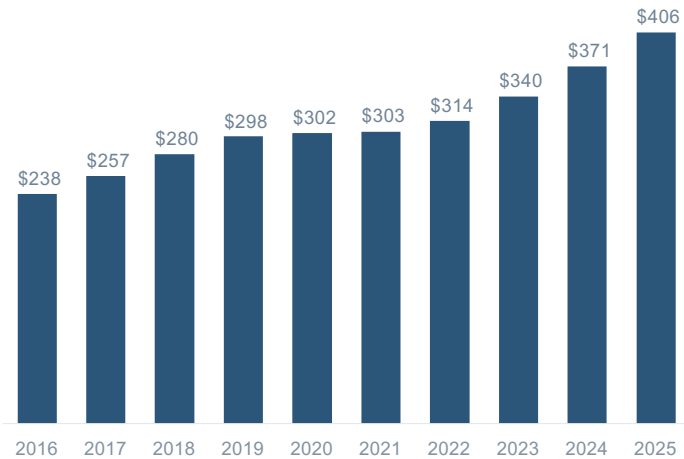
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Overall Market for Design-Build

Owners have traditionally employed design-bid-build as the project delivery method of choice. As owner needs and project demands have changed, owners have increasingly opted to employ alternative delivery methods based on specific project factors.

Estimated design-build construction spending
Billions of dollars



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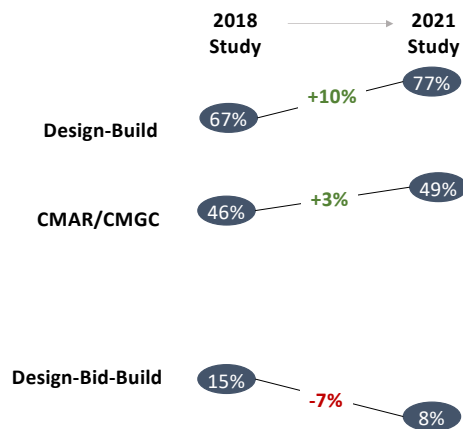
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Anticipated Increase of Delivery Methods

Percentage of respondents that indicated an increase over the next five years

Source(s): FMI Survey



"We have seen significantly more design-build work, and I think this will continue. We are also seeing more CMGC— we are working on a significant project that is driving that growth. The success of CMGC is dependent on the owner's ability to manage the project and their ability to collaborate."

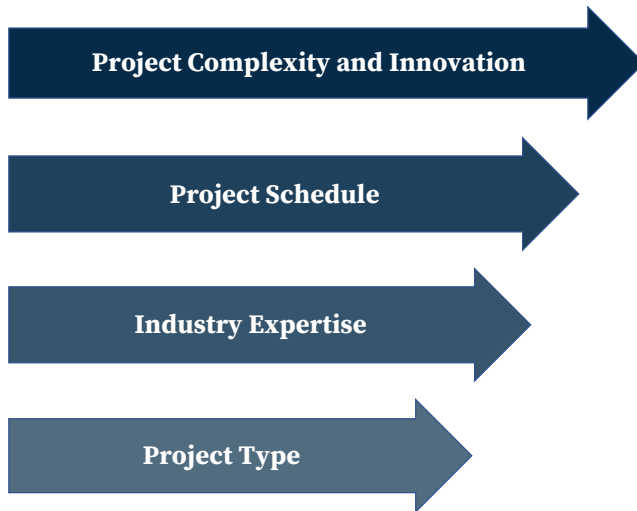
"Virtually everything in our geography is going design-build. I can't think of a market sector that is not using design-build."

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Top-Factors Influencing Use



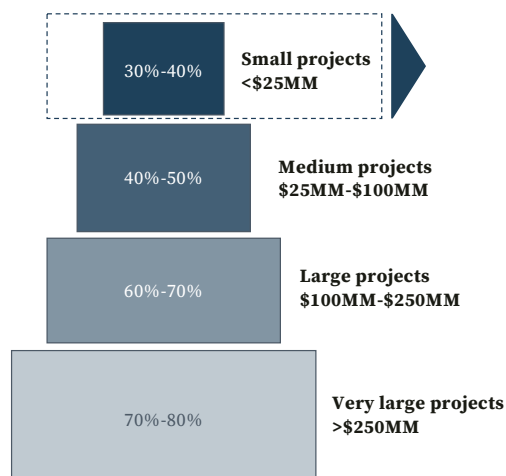
*In our research, owners identified “**complexity and innovation**” as a critical decision factor, followed by project schedule, both of which are highly influential in project delivery method selection.*

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Utilization by Project Size



Owner's increasing experience and understanding of the benefits associated with design-build has led to a growing use of this method across all project sizes.

“Historically, design-build has been used on large projects. Recently, we have seen a growing use of design-build on smaller projects.”

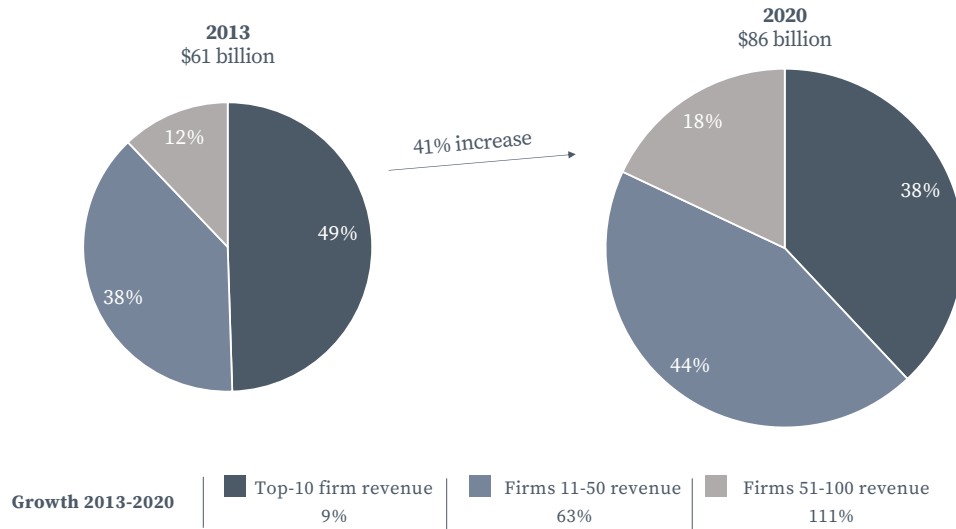
“Greater familiarity and understanding of alternative delivery methods has led to greater use on projects under \$10 million.”

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Design-Build Growth Across Firms



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Early engagement enables the team to identify the best systems, technologies and value-added solutions to most effectively address the project needs.”

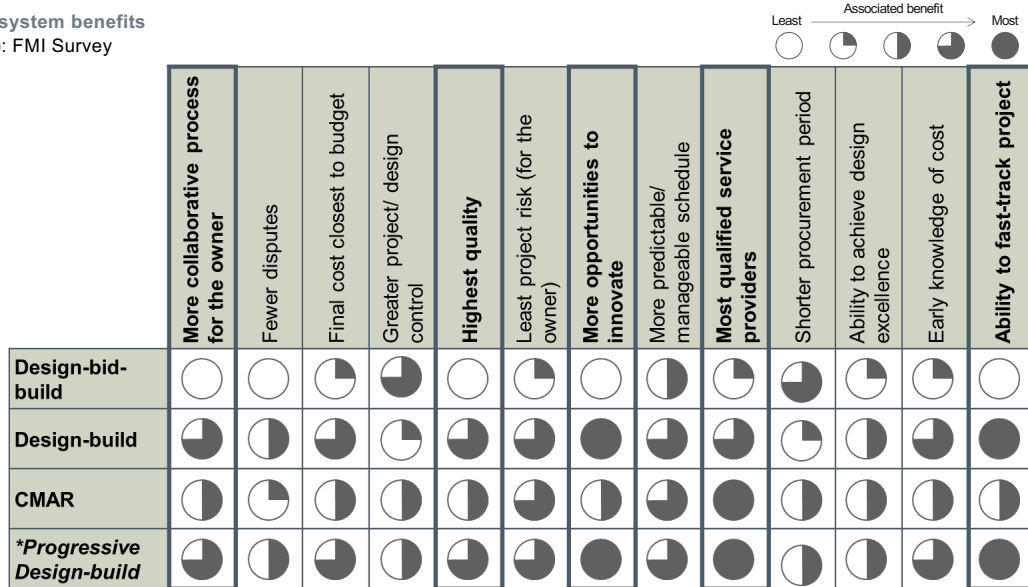


-Contractor

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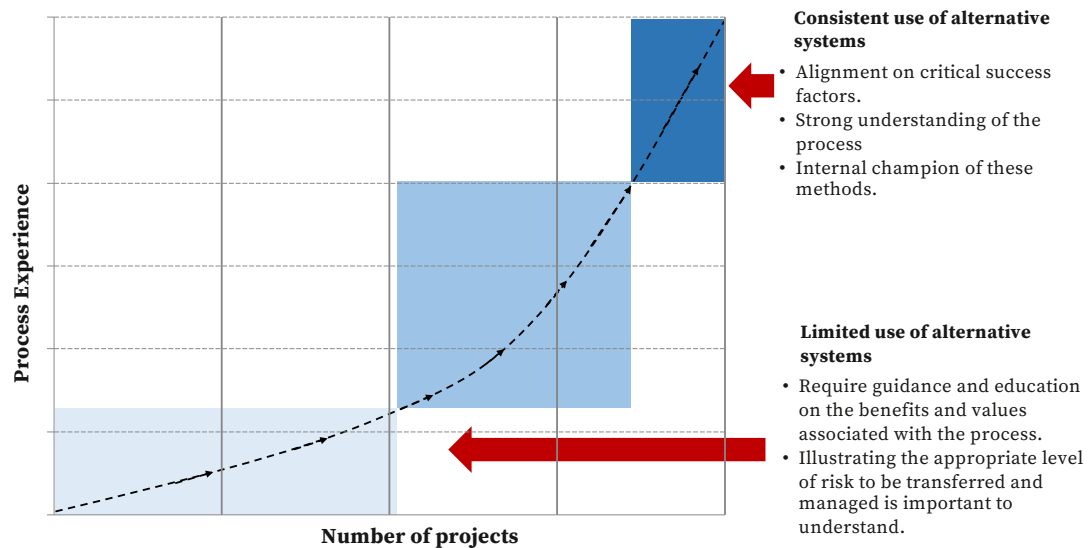
Identified Benefits of Alternative Methods

Delivery system benefits
Source(s): FMI Survey



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Understanding of the Process



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Key Areas of Consideration



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Importance of Team Chemistry

Project Approach

- A company’s decision-making process, operational priorities and attitudes towards dispute resolution.

Management Alignment

- How the individuals representing a company are able to come to decisions in a compatible manner.

Communication Style

- The frequency of communication and involvement of all stakeholders.

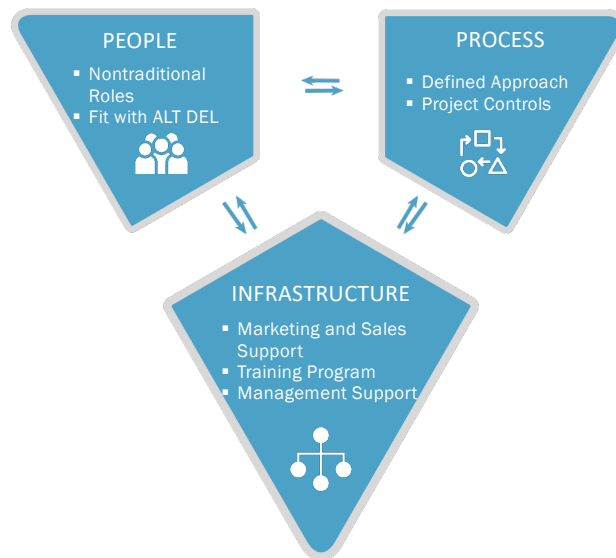
Corporate Culture

- Entrepreneurial vs. conservative – operational vs. innovative.

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Exploring the Roles that People, Process and Infrastructure Play in Alternative Delivery Success



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People

Start by understanding key nontraditional roles critical for success and key attributes of team members.

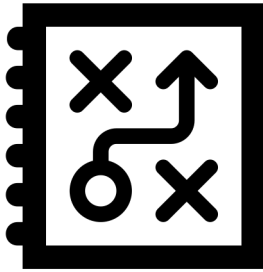


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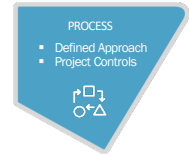
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Process



- What is our playbook for pursuing and executing these projects?
- What steps do we have to take to get these projects from concept to completion?
- What are the critical decision points that must be considered along the way?



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Infrastructure

Need for...

- Management support
- Development and education
- Marketing and sales support



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Roadblocks



- Familiarity with alternative delivery
- Cultural mindset shift
- Market awareness
- Resource commitment

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Conclusion

- With alternative delivery system spending increasing year over year in the U.S., these project delivery methods presents a major opportunity for firms that are willing to put the time and effort into building out their approach.
- As companies continue to jump into the alternative delivery space, the most successful ones will be those that developed their teams, drew up their playbooks well in advance, and didn't wait to be asked to make those moves.

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Questions

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