



# Future of Collaborative Project Delivery

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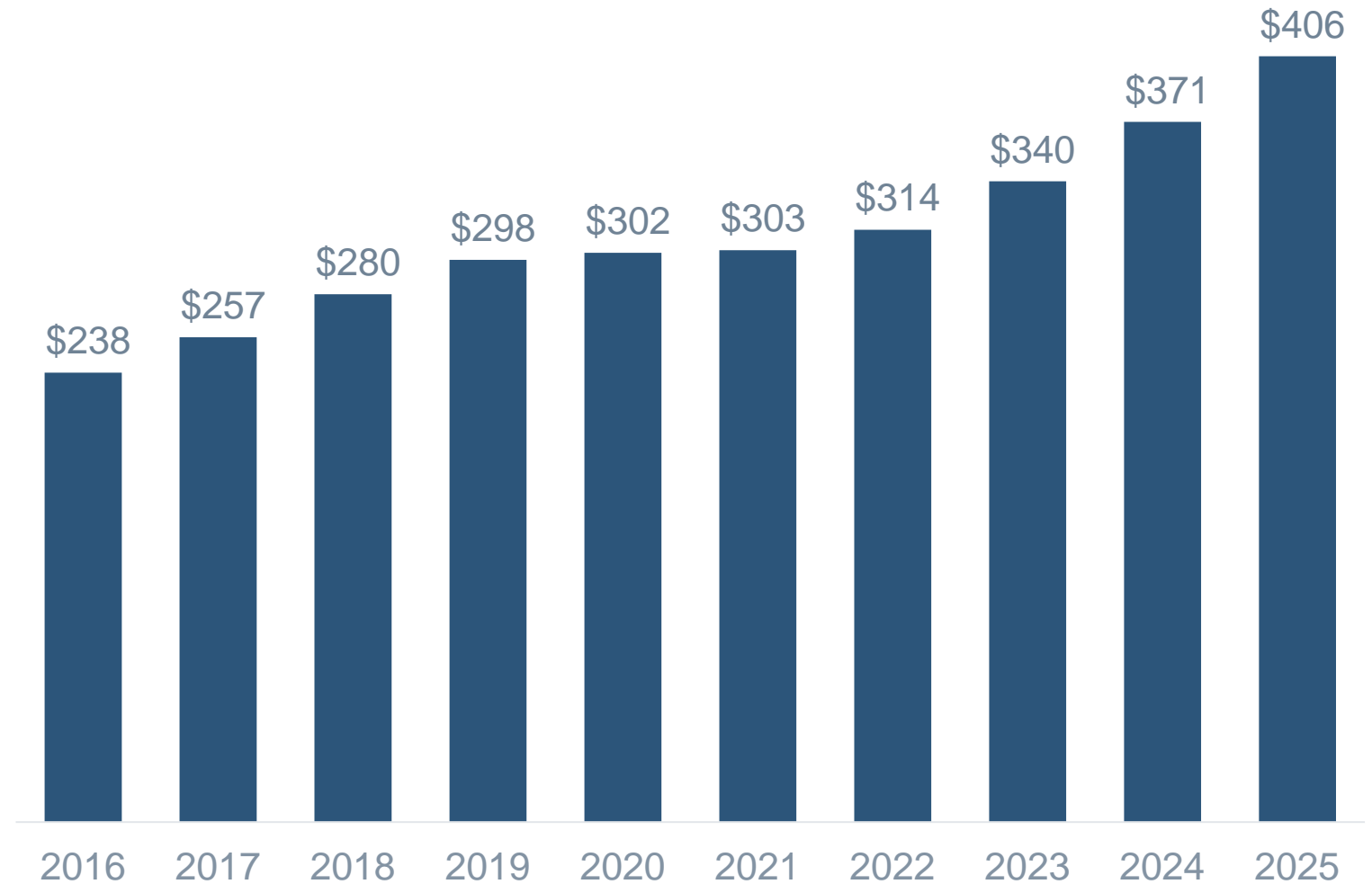
Paul Trombitas, Partner  
FMI Corporation

- Market Outlook for Design-Build
- Top Factors Influencing Design-Build Delivery
- Key Considerations for Companies in the Market

# 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





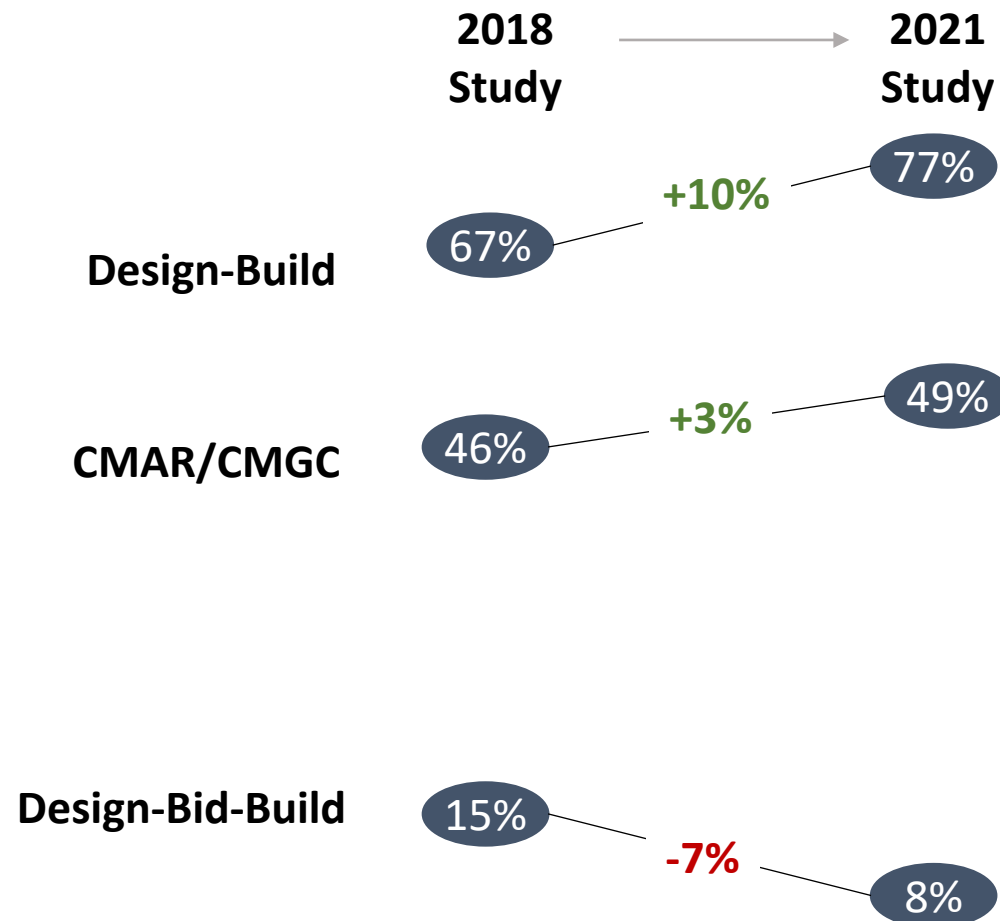
*Design-build is no longer an alternative method.  
It is a main part of how we deliver our program.”*

*- Owner*

# Anticipated Increase of Delivery Methods

Percentage of respondents that indicated an increase over the next 5 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.”*

## Top-Factors Influencing Use

**Project Complexity and Innovation**

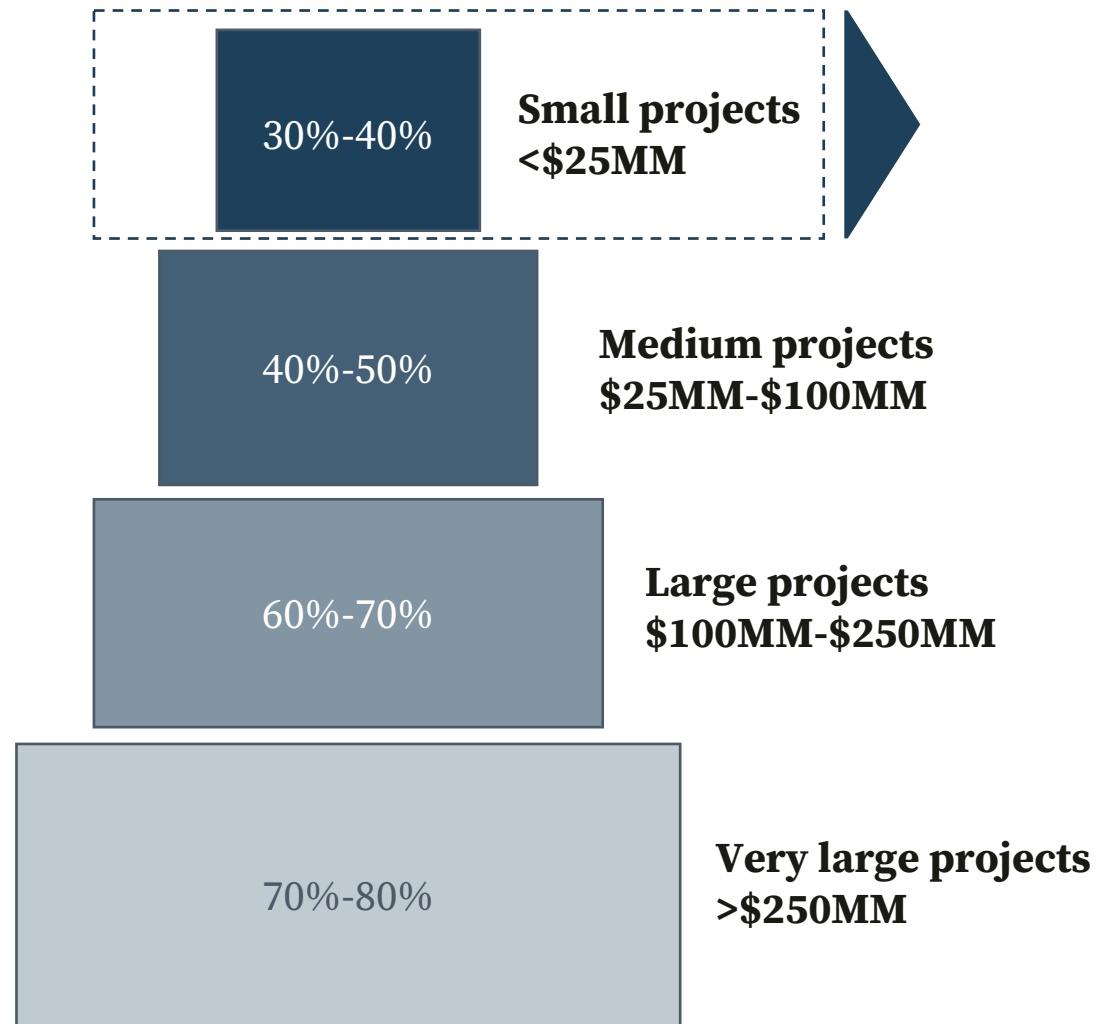
**Project Schedule**

**Industry Expertise**

**Project Type**

*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.*

# Utilization by Project Size

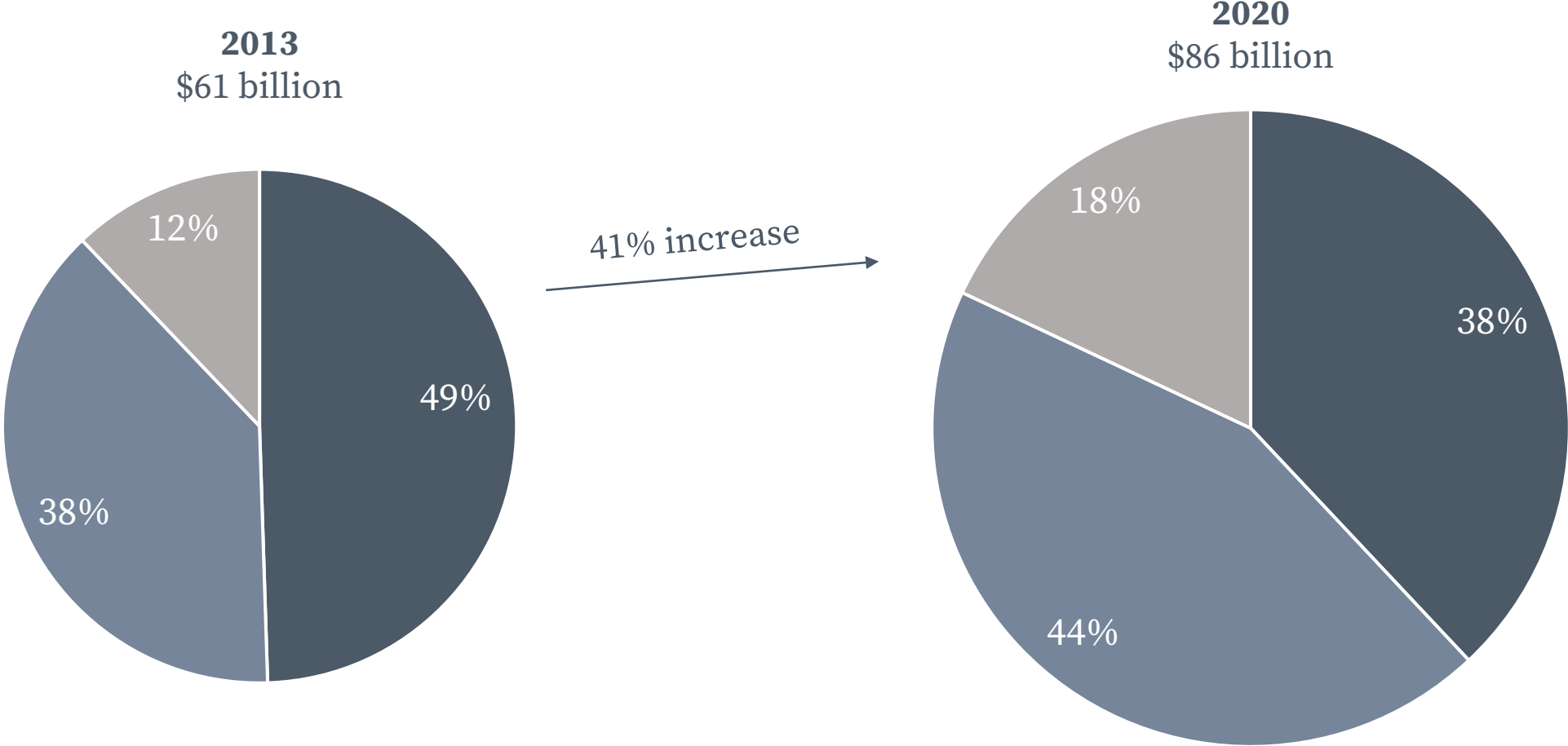


Owner's increasing experience and understanding of the benefits associated with design-build has led to a growing use of this method across all project sizes.

*“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.”*

# Design-Build Growth Across Firms



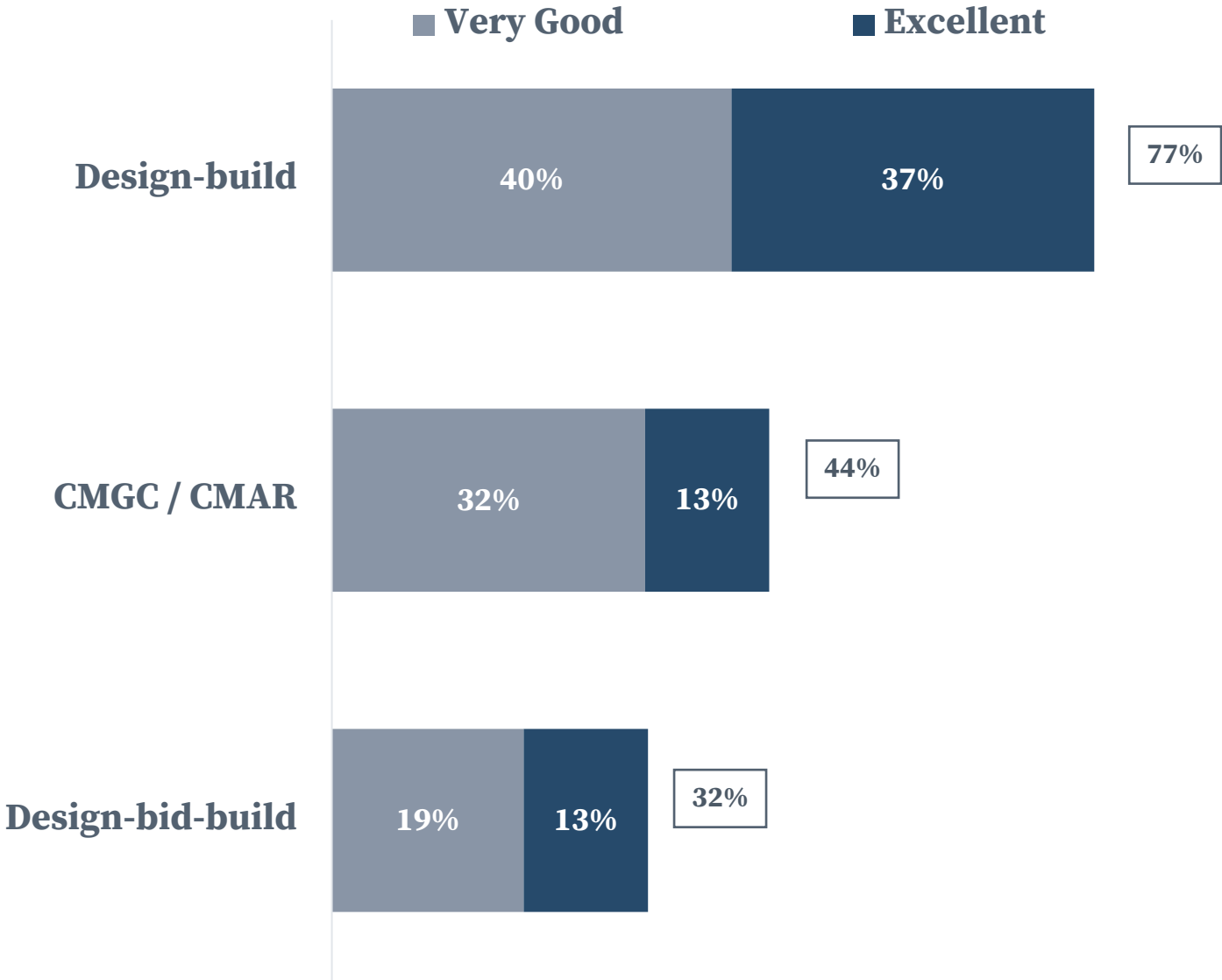
**Growth 2013-2020**

■ Top-10 firm revenue	■ Firms 11-50 revenue	■ Firms 51-100 revenue
9%	63%	111%



# Delivery Method Experience

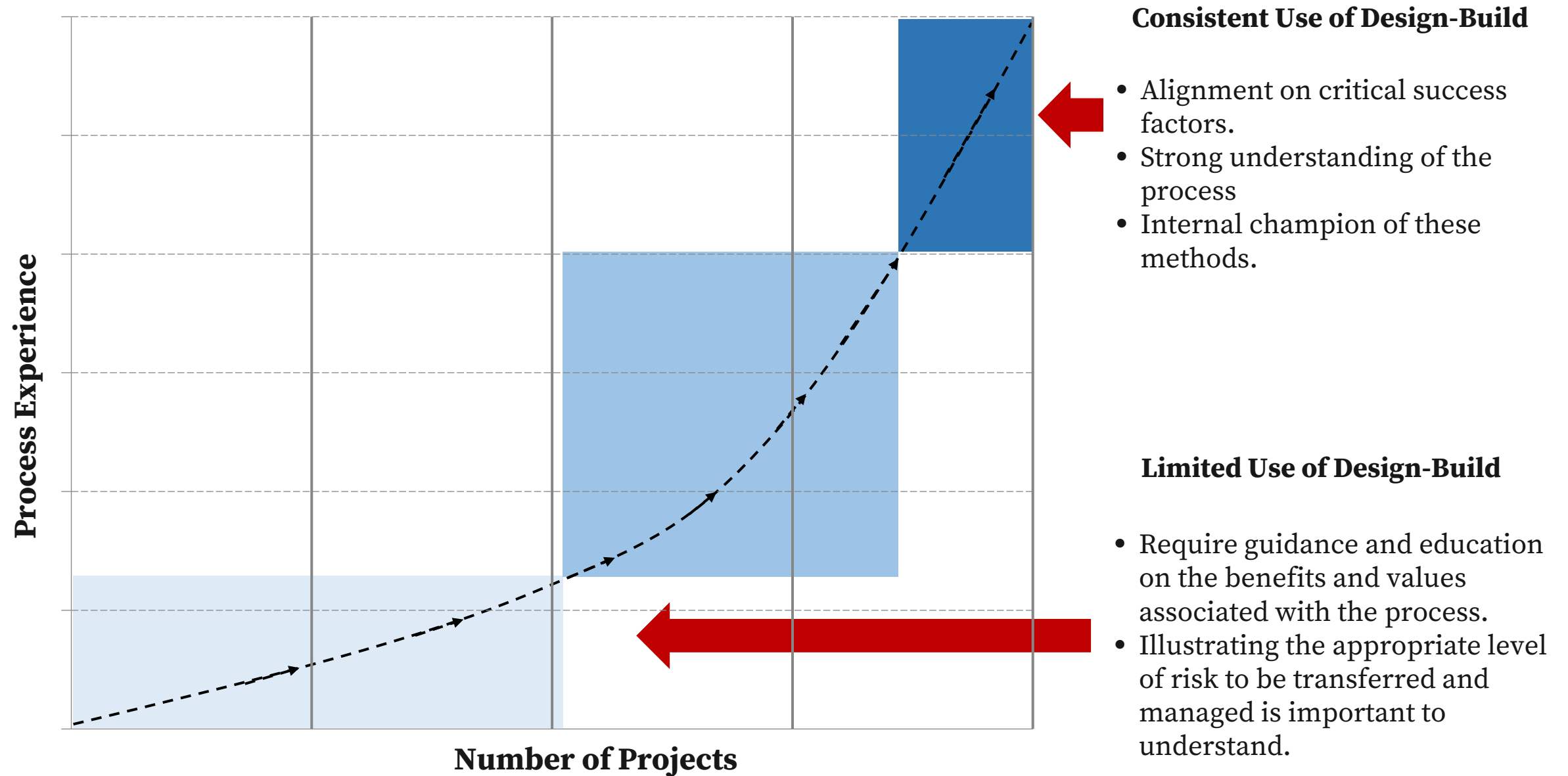
Delivery Method Experience  
Source(s): FMI Survey



“Concerning design-build, clearly there are scheduling benefits and there are cost benefits. Additionally, I think we achieve greater efficiencies and if we can do things more efficiently, we can do things better. Overall, the collaborative approach certainly has its benefits, both cost and scheduling.”

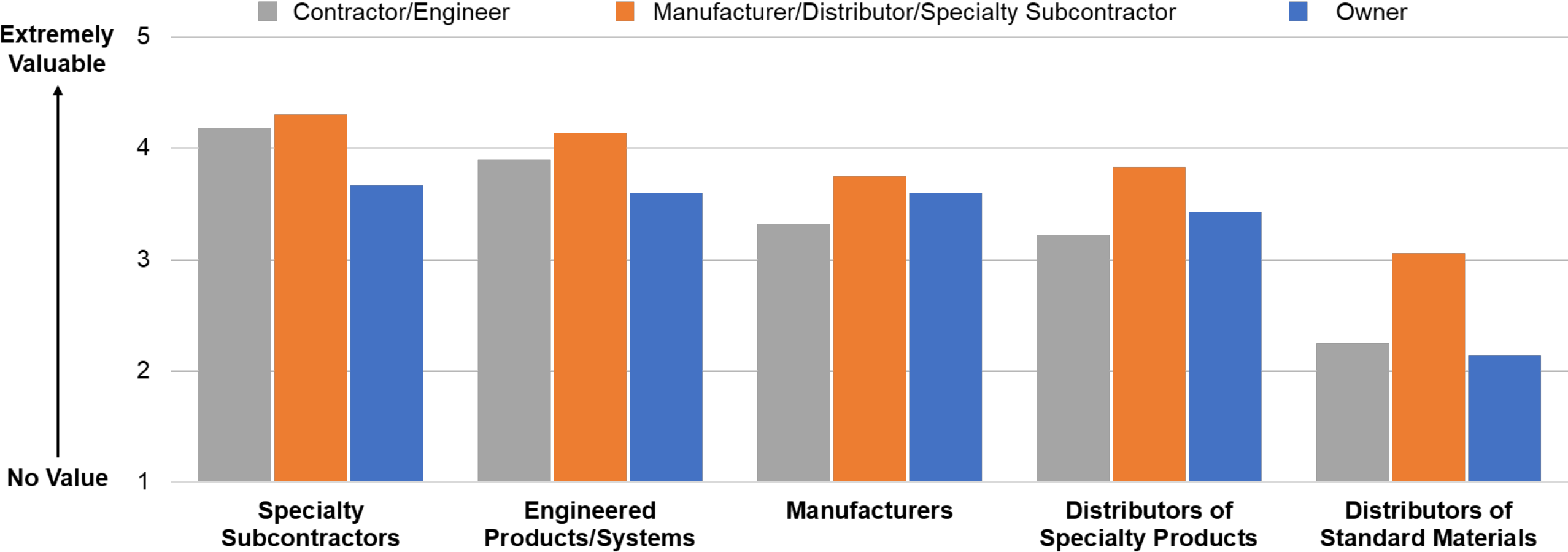
“The opportunity for innovation is the greatest in design-build projects. The ability to solve complex technical challenges and gain the innovation from the team are the greatest draws for me.”

# Understanding of the Process



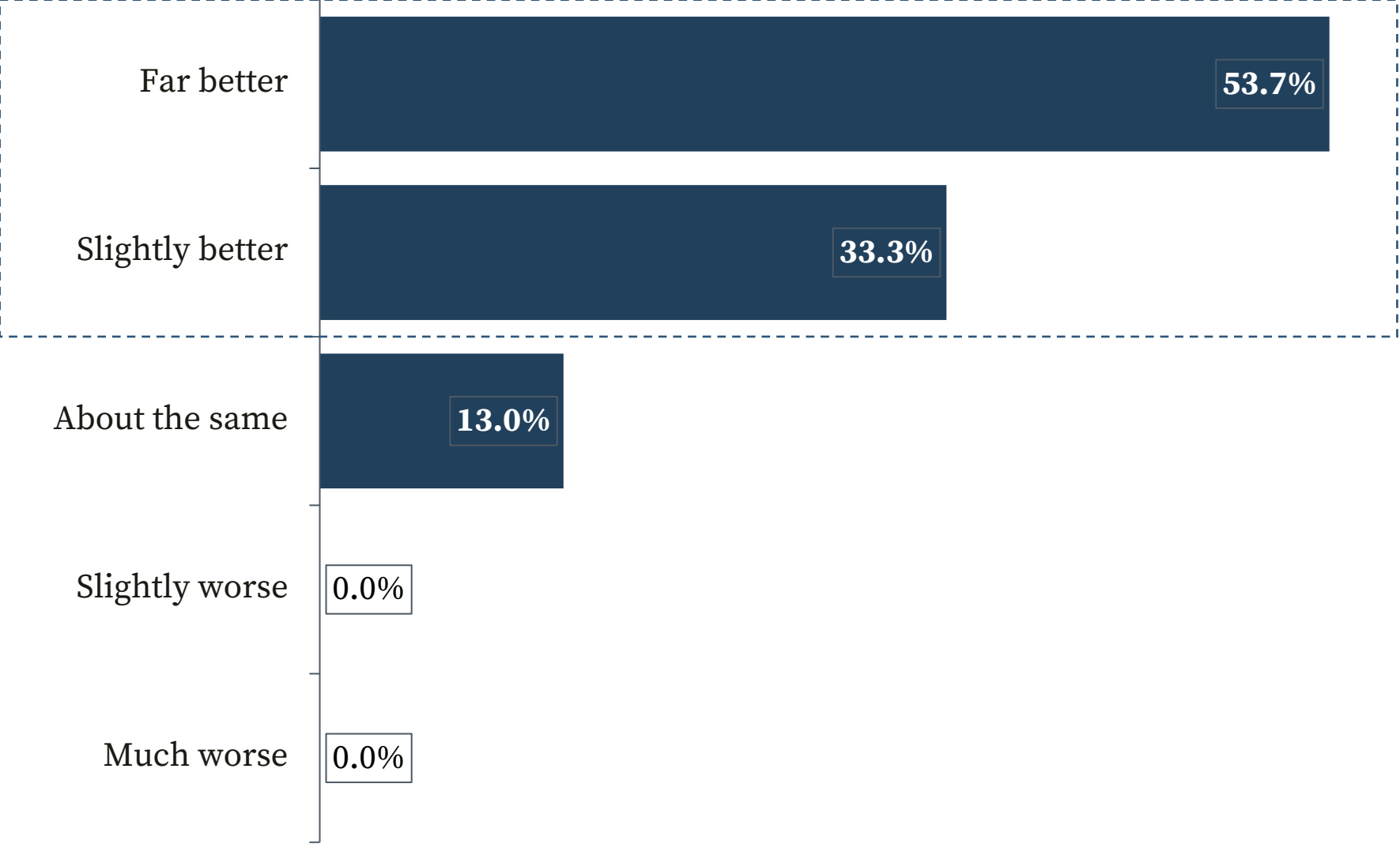
# Early Stakeholder Involvement

Level of value received when each stakeholder is included early in the design-build process, by organization/role



# Design-Build Profitability

## Design-Build Profitability Compared to Design-Bid-Build



*Trade contractors that committed to design-build found it more profitable than traditional methods.*

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



*-Contractor*

# Key Areas of Consideration

**Identifying the right opportunities**



**Aligning with the project owner and key project stakeholders**

**Building the “right” partnership and “best” project team**

# Importance of Team Chemistry

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## **Project Approach**

- **A company's decision-making process, operational priorities, and attitudes toward dispute resolution.**

## **Management Alignment**

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

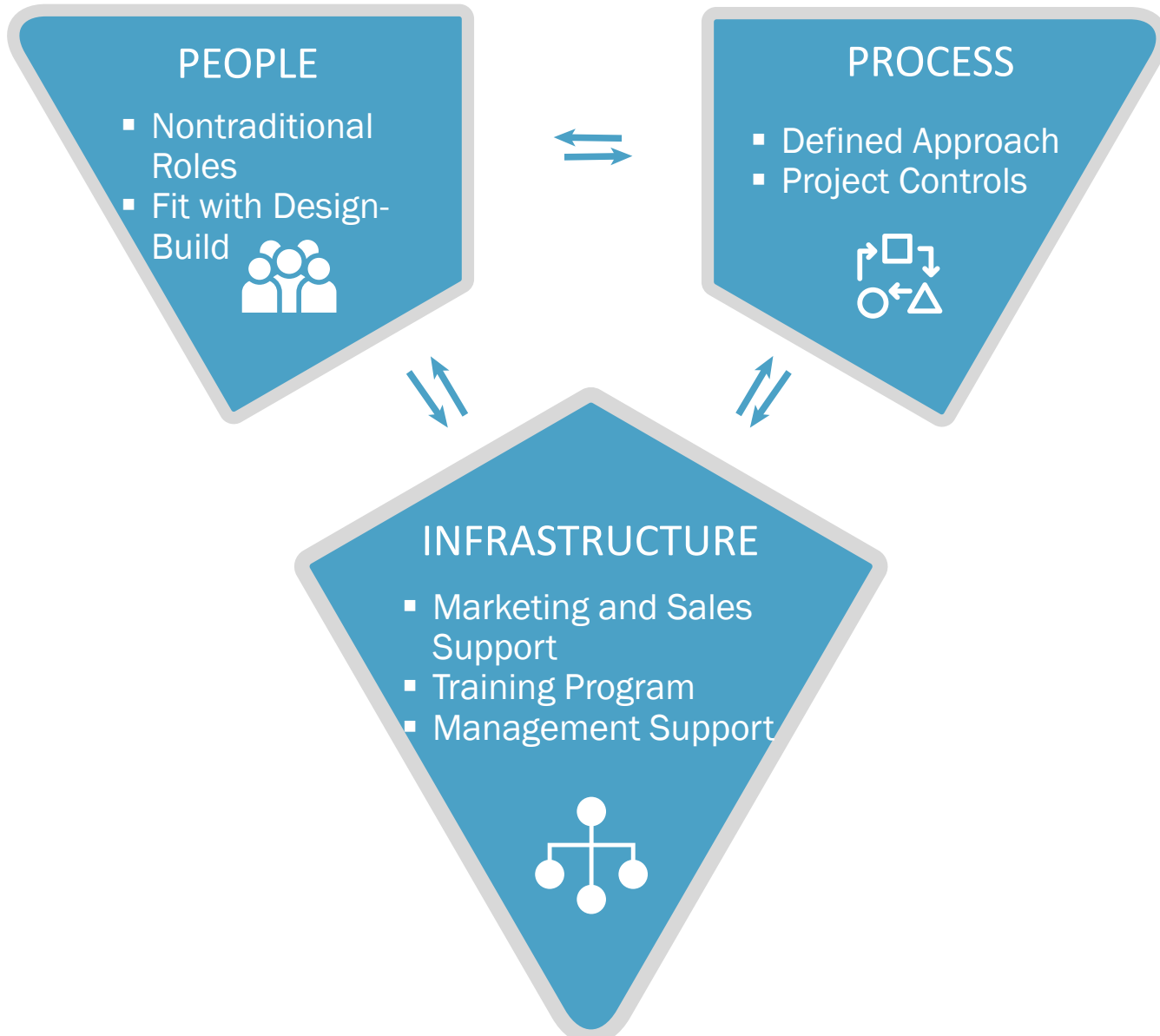
## **Communication Style**

- **The frequency of communication and involvement of all stakeholders.**

## **Corporate Culture**

- **Entrepreneurial vs. conservative – operational vs. innovative.**

# Exploring the Roles that People, Process, and Infrastructure Play in Design-Build Success



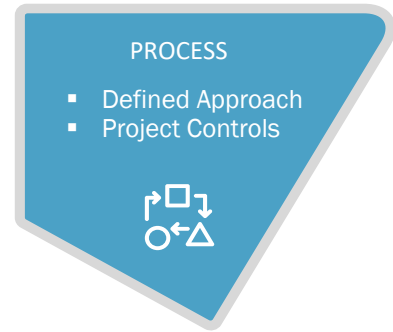
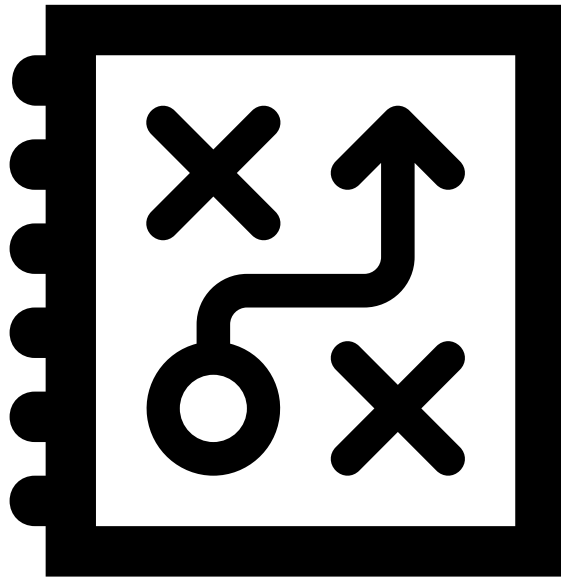


*Start by understanding key nontraditional roles critical for success and key attributes of team members.*

## PEOPLE

- Nontraditional Roles
- Fit with Design-Build





- 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?

## Need for...

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



# Roadblocks



- Familiarity with Design-Build
- Cultural mindset shift
- Market awareness
- Resource commitment

# Conclusion

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- With Design-Build spending increasing year over year in the United States, these project delivery methods present 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 Design-Build 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.

# Questions?

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Paul Trombitas

Partner

FMI Corporation

[Paul.Trombitas@fmicorp.com](mailto:Paul.Trombitas@fmicorp.com)



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**Denver**

44 Cook Street  
Suite 900  
Denver, Colorado 80206  
303.377.4740

**Houston**

1301 McKinney Street  
Suite 2000  
Houston, TX 77010  
713.936.5400

**Raleigh**

223 S. West Street  
Suite 1200  
Raleigh, NC 27603  
919.787.8400

**Tampa**

4300 W. Cypress Street  
Suite 950  
Tampa, FL 33607  
813.636.1364