



CIVIL ENGINEERING FIRM VALUE MAP

SPRING 2026

Civil Engineering Firm Value Map

Practical paths to grow firm value

Mid-market (50-500 staff) civil consulting firms

How Firm Value is Created

(Value Drivers)

What You Can Do

(Improvement Levers: Processes, Assets, Organizational Capabilities)

Change What You Do

- What services you provide
- Whom you target and serve
- How you compete
- Where you deploy resources
- Which functions you outsource
- Which firms you acquire / divest

Do What You Do Better

- Strengthen governance
- Align resources with strategy
- Improve business processes
- Hone strategic capabilities
- Manage tax impacts
- Improve control / reduce risk
- Collaborate more effectively
- Satisfy clients, staff, owners

PROCESS GROUPINGS

Business Strategy & Management
Business and financial strategy, M&A, tax management, risk, compliance, performance management

Client Strategy, Relationships & Delivery
Marketing, BD, client management, project management, billing, construction admin, service support

Service Strategy, Development & Production
Innovation, design production, technical excellence, QA/QC, Subconsultants

Human Capital Strategy & Management
Recruiting, technical development, licensure support, leadership, ownership transition

Note: Many actions could logically be associated with more than one process grouping. Delivery-improvement actions, for example, often have strong IT/CAD and human-capital components. Use this map as a stimulus for strategic dialogue rather than a rigid taxonomy.

FIRM VALUE

Revenue Growth						Operating Margin (after taxes)														Asset Efficiency				Expectations														
Volume (Net Service Revenue)					Price Realization (Multiplier & Rate)	Selling, General & Administrative (SG&A)							Direct Project Costs (Labor, Subs, Reimb.)							Income Taxes	Property, Equipment & Field Assets	Work-in-Process (Unbilled Services)	Receivables & Payables	Firm Strengths						External Factors								
Acquire New Clients			Retain & Grow Current Clients	Leverage Come-Generati Assets	Strengthen Pricing & Multipliers	Improve Client Interaction Efficiency				Improve Corporate / Shared Services Efficiency						Improve Service Development & Production Efficiency		Improve Project Delivery Efficiency				Improve Income Tax Efficiency	Improve PP&E Efficiency		Improve WIP Efficiency	Improve Receivables & Payables Efficiency	Improve Management & Governance Effectiveness				Improve Execution Capabilities				Anticipate & Respond to External Factors			
Marketing & BD	Client Account Mgmt	Cross-Sell / Multi-Discipline	Client Retention	Backlog & Demand Mgmt	Pricing & Multiplier	Marketing & Brand	BD / Pursuit Operations	Client Service & Support	Project Billing & Collections	IT, CAD/BIM/GIS	Real Estate / Offices	Human Resource	Procurement (Overhead)	Business Management	Financial Management	Service Line Development	Design Production	Project Management	Subconsultants	QA / QC & Quality Mgmt	Construction Admin / Field	Income Tax Management	Real Estate & Infrastructure	Equipment & Systems	Work-in-Process / Unbilled	A/R & A/P	Governance	Business Planning	Program Delivery	Performance Mgmt	Operational Excellence	Partnership & Collaboration	Relationship Strength	Agility & Flexibility	Strategic Assets	Market & Funding Environment	Regulatory & Policy	
Target growth markets (P3, water, resilience, broadband, climate adaptation)	Develop formal account plans for top 20 clients	Bundle services across disciplines (water + transportation, etc.)	Lock in long-term on-call / IDIQ agreements	Diversify backlog across markets, clients, funding sources	Move to value-based / lump-sum fees where appropriate	Consolidate marketing functions across regions	Centralize proposal production in shared service center	Differentiate service levels by client value tier	Centralize billing operations in shared service center	Migrate to cloud collaboration (BIM 360, ProjectWise, Bluebeam)	Right-size office footprint (hoteling, hybrid work)	Consolidate HR functions across regions	Consolidate procurement of software, IT, office supplies	Refresh 3-5 year strategic plan with board	Implement project accounting + GL (Deltex, Vanapoint/Visio)	Develop new offerings (resilience, ESG, digital delivery)	Outsource select production work (offshore CAD/BIM shops)	Centralize project controls in a dedicated PMO function	Develop preferred subconsultant program / panel	Implement firm-wide QMS (ISO 9001 or equivalent)	Bundle construction admin with design contracts	Move to ESOP / S-corp / partnership structure for tax efficiency	Increase use of leased over owned office real estate	Lease vs. own fleet, survey, drone, lab equipment	Move to milestone / progress-billing on lump-sum contracts	Tighten credit terms for new private-sector clients	Add independent / outside directors to board	Refresh long-range strategic plan with scenario analysis	Establish enterprise PMO for cross-firm initiatives	Establish forward-looking dashboards (backlog, pipeline, hit-rate)	Establish continuous improvement / lean program	Pursue strategic JVs for mega-projects	Establish key-client relationship management as priority	Build emergency-respon capability (FEMA, storm, infra)	License or develop proprietary methodologies / IP	Position for federal infrastructure cycles (IIJA, IRA, IIJA-2)	Engage in advocacy through ACEC, ASCE, state societies	
Pursue federal IIJA/IRA-funded work (FHWA, EPA, SPI, FEMA BRIC)	Convert one-off projects into MSAs / on-call / IDIQ contracts	Add construction phase services to design contracts	Pursue contract extensions before expiration	Target longer-duration programs (multi-year on-calls)	Differentiate billing rates by client tier and risk profile	Outsource creative / graphics for proposals to specialists	Outsource proposal production for non-strategic pursuits	Consolidate client inquiry handling across offices	Automate invoice generation from ERP (Deltex, Unanet, Ajaer)	Consolidate ERP, CRM, HRIS into integrated platforms	Consolidate or close under-utilized offices	Outsource payroll, benefits administration to FEO or specialist	Standardize procurement workflows and approvals	Pursue M&A in target geographies / service lines	Centralize FP&A in shared service center	Build practice in emerging areas (carbon, EV, smart cities)	Adopt parametric, generative, and AI-assisted design	Standardize PM playbook and project kickoff process	Pursue strategic alliances with minority firms (OBEMBEWE)	Establish independent technical review board	Develop standalone CM / CA / Inspection service line	Optimize multi-state apportionment and nexus footprint	Divest under-utilized branch offices	Outsource specialty testing (geotech, materials, environmental)	Negotiate retainers and advance payments for new clients	Diversify away from chronically slow-paying client segments	Strengthen ESOP trustee oversight (if ESOP-owned)	Align capital budgets and M&A pipeline with strategy	Dynamically cancel / redirect ineffective initiatives	Differentiate metrics by practice area / office	Adopt ISO 9001 or equivalent quality management system	Develop preferred learning partner network	Expand political and regulatory relationships	Develop multi-state mobility for staff	Develop and protect unique technical expertise	Track state TIP and capital improvement programs	Position for emerging regulations (PFAS, climate, NEPA)	
Expand into adjacent services (program mgmt, owner's rep, asset mgmt)	Assign senior client managers to key DOTs and agencies	Add program / construction management to engineering contracts	Develop relationship succession as agency staff turn over	Pursue work counter-cyclical to current backlog mix	Pursue performance-based / incentive fees on suitable projects	Standardize marketing collateral and project sheet libraries	Cap BD spend as % of NSR with discipline by office	Establish 24/48-hour response standards	Adopt agency e-billing portals (DOT, federal SAM)	Adopt A/IML for design automation and document review	Open offices in priority growth markets	Implement integrated HRIS (Workday, ADP, BambooHR)	Negotiate enterprise license agreements (Autodesk, Bentley, ESRI)	Divest under-performing offices or practice areas	Outsource audit support and tax compliance to advisor	Acquire firms with specialized capabilities to fill gaps	Standardize details, specs, and templates firm-wide	Differentiate PM intensity by project size / risk	Consolidate sub spend with strategic partners	Differentiate QA intensity by project risk tier	Adopt digital field tools (e-construction, mobile inspection)	Pursue cost-segregation studies on new facilities	Reconfigure offices for hybrid / flexing utilization	Rationalize IT hardware (laptop refresh, server consolidation)	Reduce mobilization periods before first invoice	Use factoring / public agency payment selectively	Establish formal audit, compensation, governance committees	Establish portfolio view of practice areas / geographies	Use stage-gated funding for internal investments	Adopt benchmarking (ACEC, PSM, Zweig, Deltex Clarity)	Standardize core processes across acquired firms	Pursue P3 / DB / IP / delivery model partnerships	Develop board-level relationships at major agency clients	Build flexible delivery models (remote, hybrid, mobilized)	Build and protect firm brand and reputation	Pursue counter-cyclical markets (water, resilience, repair)	Build compliance expertise into a billable service line	
Acquire boutique firms in target geographies or services	Pursue prequalification with new public agencies	Add asset management / O&M advisory to capital projects	Manage client concentration risk (target no client > 15% of NSR)	Build recession-resilient public-sector backlog	Decline fee-eroding pursuits and lowball competitors	Move to centralized digital asset management			Outsource collections of aged AR	Standardize on common CAD/BIM/GIS platforms firm-wide	Sublet excess space, renegotiate long-term leases	Build university recruiting partnerships pipeline	Move to e-procurement platform for non-strategic spend	Develop succession plan for executive leadership	Move to rolling forecasts instead of static annual budgets	License or develop proprietary methodologies / IP	Leverage common components / reusable design libraries	Establish a PM 'academy' for systematic development	Build internal capability to replace high-cost subs	Mandate peer review for higher-risk deliverables	Build emergency / disaster-response field capability	Implement tax-effective IP / methodology ownership structures	Sublet under-utilized space to peers or partners	Sell or divest low-utilization specialized equipment	Restructure long-cycle projects into billable phases	Build cash buffer for public-agency payment timing	Refresh shareholder agreements and buy-sell terms	Build a 'next 3 moves' transformation roadmap	Move from monthly to weekly / key-metric reviews		Build relationships with national primes for sub work		Maintain liquidity reserves for opportunistic moves	Develop proprietary data assets (project, cost, performance)	Diversify across funding sources to weather downturns			
Establish JV / teaming arrangements with primes for mega-projects	Develop deeper relationships with key prime consultants	Develop integrated planning-through-service packages	Build switching costs through embedded systems and data	Reduce dependence on single funding programs	Use risk-based contingencies in fee proposals				Outsource end user IT support and helpdesk		Move to flexible / co-working space for small offices	Pursue strategic acqui-hires of talent in target markets		Reorganize under-performing / regions for accountability		Discontinue under-performing or commoditized services	Shift simple work to lower-cost production centers				Coordinate tax strategy with M&A activity																	
Pursue master service agreements with new agency clients	Pursue sole-source positions with select agency clients				Apply premium rates for niche / sole-source capabilities					Move from on-prem to cloud / virtual desktop for design tools																												
Build niche thought leadership (whitepapers, ASCE/ACEC presentations)	Improve client touchpoint cadence (briefings, lunch & learns)	Educate PMs on the full firm service offering	Conduct formal client satisfaction surveys (NPS by PM)	Improve backlog forecasting and burn-rate projections	Increase target net multiplier (3.0+)	Improve campaign / event ROI tracking	Improve go/no-go and bid/no-bid filtering rigor	Improve RFI and submittal turnaround discipline	Reduce billing cycle to <10 days after period close	Implement and enforce CAD/BIM standards and templates	Improve space utilization tracking and benchmarks	Improve recruiting (technical, PM, and leadership talent)	Improve vendor selection and due-diligence processes	Improve strategic planning rigor and cascade	Improve weekly KPI dashboards (utilization, multiplier, backlog)	Improve discipline-leader development and authority	Improve CAD/BIM production efficiency and standards	Drive PM certification (PMIP, CCM) across project leaders	Standardize subconsultant agreements and flow-downs	Strengthen independent technical review on all deliverables	Improve RFI / submittal turnaround (<5 business days)	Maximize R&D tax credits (Section 41) on design work	Improve real estate utilization measurement	Improve utilization of survey, drone, LIDAR equipment	Enforce weekly time-entry closure	Reduce DSO (target <70 days, <80 for public agencies)	Clarify delegations of authority and approval thresholds	Improve risk-informed planning (funding cycles, recessions)	Improve response initiative selection and prioritization	Improve KPI consistency across offices (utilization, multiplier)	Strengthen process documentation and SOPs	Improve teaming agreement and JV management capabilities	Improve depth and breadth of agency relationships	Improve cross-discipline staffing flexibility	Identify and grow internal thought leaders / SMEs	Improve monitoring of agency capital budgets and pipelines	Improve monitoring of regulatory developments	
Strengthen presence in associations (ASCE, ACEC, APWA, WEF, ITE)	Strengthen pursuit pre-positioning before RFP release	Build cross-sell into account plans and PM incentives	Address survey feedback with documented action plans	Improve workload planning across offices and disciplines	Reduce fee write-downs and unbilled write-offs	Improve PR and industry award submissions (ENR, ACEC, ASCE)	Improve capture planning before RFP release	Improve client communication standards and templates	Improve PM review and approval workflows for invoices	Improve drone, LIDAR, and reality-capture workflows	Improve office design for hybrid collaboration	Improve onboarding and PE licensure support programs	Improve negotiation coaching and leadership development	Improve executive coaching and peer-review processes	Improve project-level forecasting (ETC, EAC) discipline	Improve standards / specs / details libraries by discipline	Improve QA/QC on production deliverables	Improve scope definition at proposal and kickoff	Improve sub performance management and scorecards	Improve constructability and peer-review processes	Improve construction observation scheduling and reporting	Manage Section 174 R&D tax credit capitalization issues	Improve preventive maintenance of owned facilities	Improve preventive maintenance of field equipment	Reduce WIP days outstanding (target <30 days)	Improve collections cadence and PM involvement	Strengthen code of ethics and conflict-of-interest policies	Improve linkage between strategy, budgets, incentives	Improve change management for firm-wide initiatives	Improve management reporting cadence (weekly / monthly)	Improve benchmarking against ENR Top 500 peers	Improve collaboration tools across firm boundaries	Improve M&A integration competencies	Improve relationships with industry trade associations	Improve response time to RFPs and urgent client requests	Document and protect institutional knowledge	Improve intelligence on competitor moves and pricing	Improve compliance monitoring for evolving codes
Increase brand visibility in priority client markets	Improve CRM hygiene and pipeline visibility across offices	Improve identification of cross-sell opportunities mid-project	Improve responsiveness on RFI, submittals, change requests	Improve cross-office staff-sharing on peak workloads	Improve scope-fee alignment at proposal stage	Improve marketing CRM and lead-routing processes	Reduce pursuit costs through reusable proposal content	Improve project status reporting cadence and quality	Improve invoice backup documentation quality	Improve cybersecurity posture (CMMC if defense work)	Standardize office facilities and AV equipment	Strengthen mentoring and career paths (technical and management)	Track and benchmark spend categories annually	Improve board governance and committee effectiveness	Improve cash-flow forecasting accuracy	Improve technical innovation budgets and incentives	Improve coordination between disciplines (survey, testing, detection)	Improve change-order capture and negotiation discipline	Improve coordination of sub deliverables and schedules	Improve lessons-learned capture and dissemination	Improve as-built and project closeout discipline	Manage transfer pricing between offices / entities	Improve terms on leases and renewals	Improve calibration discipline (survey, testing instruments)	Reduce unbilled by accelerating invoice issuance	Improve agency-specific invoicing compliance	Improve whistleblower / anonymous reporting mechanisms	Improve strategic communication to staff (town halls)	Improve benefit realization tracking on internal programs	Improve forward-looking project and financial forecasting	Improve cross-office sharing of best practices	Improve M&A integration competencies	Improve relationships with key prime consultants	Improve breadth of PE licensure across states	Improve IT and tool flexibility for remote work	Improve patent / trademark / copyright protection	Improve forecasting of demand by market segment	Improve management of professional licensure across states
Improve marketing collateral and project portfolio sheets	Track client share-of-wallet by service line areas	Improve internal referrals across practice areas	Improve quality of project closeouts and lessons-learned	Use contract labor / temp PEs to absorb peak demand	Train PMs in fee estimation and proposal pricing	Improve digital content production efficiency	Improve proposal templates and submittal libraries	Improve handling of client complaints and escalations	Reduce billing errors and re-issued invoices	Rationalize software licenses (Autodesk, Bentley, ESRI)	Improve safety and ergonomics across offices	Strengthen DEI programs and inclusive culture	Strengthen contract management and renewal calendar	Strengthen scenario planning (recession, funding cycles)	Improve overhead allocation methodology	Improve knowledge management across offices	Improve drawing standards / reduce rework	Improve EVM / earned-value tracking on all projects	Improve pay-when-paid capture and adherence	Improve calculation check standards and review trails	Improve handling of contractor claims and disputes	Utilize state employment / training tax incentives	Improve workplace experience to support recruiting	Improve check-out / inventory tracking for field equipment	Stretch payables to terms (but never beyond)	Improve board communication with leadership and staff	Improve integration of short- and long-term planning	Improve program management methods (ERP, M&A integration)	Improve alignment of incentives with firm KPIs	Strengthen culture of operational discipline	Improve relationships with influential individuals	Maintain breadth of PE licensure across states	Improve incentives around asset development	Improve scenario planning and stress-testing	Develop unique data / methodology / tooling assets	Build a 'next-wave' funding-source watchlist	Improve cybersecurity and data-privacy posture	
Improve digital marketing and SEO for technical service inquiries	Improve handling of client transitions when contacts move	Highlight multi-discipline case studies in marketing	Strengthen mid-project relationship reviews	Improve go/no-go discipline to focus on winnable work	Improve change-order discipline (capture all scope growth)	Improve coordination of marketing across practice areas	Improve win/loss analysis and feedback loops	Build client-portal self-service for status, invoices, deliverables	Strengthen time-entry discipline (weekly close)	Improve digital twin and 3D coordination capabilities	Improve coordination of office moves and refiles	Improve mid-career retention (costliest attrition tier)	Improve spend visibility across offices	Improve scenario planning (recession, funding cycles)	Improve internal controls and SOX-style processes	Improve technical recruiting for new service lines	Improve spec-writing efficiency (MasterSpec, SpecShed)	Improve project budgeting and ETC discipline	Improve sub invoice review and approval cycle time	Strengthen QA on submittals and shop drawing reviews	Improve field staff training and certification	Improve tax-provision forecasting and cash planning	Improve project setup so billing can begin immediately	Improve management of subconsultant pay-when-paid terms	Strengthen mission, vision, values communication	Improve resource allocation across internal initiatives	Improve attribution of P&L to PMs and principals	Improve adoption tracking for firm-wide standards	Improve sharing of intellectual property with partners	Improve mapping of decision-makers at top clients	Improve scenario planning and stress-testing	Develop unique data / methodology / tooling assets	Build a 'next-wave' funding-source watchlist	Improve cybersecurity and data-privacy posture				
Improve speaking / award / sponsorship calendar discipline	Improve client interview / shortlist preparation rituals	Track cross-sell conversion rate and reward principals for handoffs	Improve handling of claims / disputes to preserve relationships	Improve hi-rate reimbursement rates by client, P/C, and service line	Improve reimbursable expense markup discipline		Track and improve hit rate by client type and pursuit cost	Improve coordination with subconsultant invoicing	Improve data backup, disaster recovery, business continuity		Improve PM tool adoption (MS Project, P6, Smartsheet)	Improve performance review discipline and calibration		Improve communication of strategy across the firm	Improve audit readiness and audit committee reporting	Improve quantity takeoff and cost-estimating efficiency	Reduce write-offs and over-runs (target <2% of NSR)			Improve quality metrics (RFI rate, rework, claims)	Improve documentation discipline for claims defense	Document tax positions for R&D credits defensibility		Improve reimbursable documentation type and avoid billing delays	Improve cash metrics (target credit-line management)													
Improve client-specific market intelligence and pursuit analytics	Develop a 'red, yellow, green' client health early-warning system		Improve PM training on relationship-manag fundamentals	Tighten linkage between pipeline, workload, and hiring plans	Benchmark rates annually (Zweig/ACEC surveys)		Move proposal production to digital-first workflows			Improve PM tool adoption (MS Project, P6, Smartsheet)	Benchmark compensation annually (Zweig, ACEC, PSM)			Strengthen profitability analytics by client, market, PM		Improve project setup in ERP and budget structure		Improve risk register usage on complex projects																				
												Improve ownership transition planning (ESOP, partnership)																										



Civil Engineering Firm Value Map

Companion Guide

A reference framework for mid-market civil engineering and professional service engineering consulting firms (50–500 staff).

This guide walks through every branch of the Civil Engineering Firm Value Map poster: the four pillars of firm value, the value drivers under each, the improvement levers that act on those drivers, and the 38 process groupings where the work actually happens. Each branch closes with the specific strategic and operational moves that mid-market civil firms most often find leveraged.

How to use this guide:

- Read top-down to translate firm strategy into operating moves.
- Read bottom-up to make sure every tactical initiative connects to firm value.
- Use it alongside the companion poster as a working artifact in strategy sessions, planning retreats, and annual reviews.

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How Firm Value is Created

Firm value, in a mid-market civil engineering practice, is created in four ways: revenue grows, operating margin improves, working capital and physical assets are used efficiently, and expectations about the firm's future strengthen. Those four pillars sit at the top of the Value Map and frame every other branch below.

The pillars do not exist in isolation. A win that boosts revenue but drags down multiplier hurts operating margin. A working-capital improvement that frees cash but stresses client relationships hurts expectations. The Map is most useful when leaders see the connections — the value drivers under each pillar, the levers under each driver, and the process groupings where the day-to-day work happens.

This guide is organized to follow the Map exactly:

- Four pillars (Revenue Growth, Operating Margin, Asset Efficiency, Expectations).
- Ten value drivers — the sub-categories under each pillar that describe how value moves.
- Fifteen improvement levers — the broad ways the firm can act on those drivers.
- Thirty-eight process groupings — the columns of the poster, where specific tactical moves live.

Each process grouping is presented with: a short description of what it covers; the two or three KPIs most worth watching; the strategic moves (“Change What You Do”); and the operational improvements (“Do What You Do Better”). The same items appear, more tersely, on the poster.

Pillar: Revenue Growth

Revenue is the lifeblood of any consulting firm, but in civil engineering it has a particular shape. Net Service Revenue (NSR) — fee revenue net of subconsultants and pass-through reimbursables — is the cleanest measure of what the firm actually earns from its own labor. Volume grows through new clients, deeper relationships with existing clients, and the firm's ability to keep a healthy book of backlog. Price grows through multipliers, rate discipline, and the willingness to walk away from work that destroys value. The two together drive almost every other lever on the map.

Driver: Volume — Net Service Revenue (NSR)

NSR is the right top-line measure for a labor-based services firm. Gross revenue inflates with subconsultant pass-throughs and reimbursables that earn the firm little or nothing; NSR isolates the work the firm actually performs and gets paid for. Growing NSR comes from three motions: acquiring new clients, retaining and growing existing ones, and leveraging the firm's income-generating assets (backlog, capacity, brand).

Lever: Acquire New Clients

New-client acquisition in civil engineering is rarely a transactional sale. It is pre-positioning, relationship building, prequalification, and the slow accumulation of credibility — punctuated by intense pursuit work during RFP windows. The columns under this lever cover the demand-generation engine end to end.

Marketing & BD

The demand-generation engine: positioning the firm in target markets, building brand and visibility, and putting the firm in a position to be invited to compete for work. In civil consulting this is overwhelmingly a long-cycle, relationship-driven activity — most won projects trace back to relationships established 18-36 months earlier.

Watch these metrics: Pipeline value vs. backlog target • Hit rate by client/market • BD spend as % of NSR (3-7% typical) • Cost per pursuit

Strategic moves (Change What You Do):

- Target growth markets (P3, water resilience, broadband, climate adaptation)
- Pursue federal IIJA/IRA-funded work (FHWA, EPA SRF, FEMA BRIC)
- Expand into adjacent services (program management, owner's rep, asset management)
- Acquire boutique firms in target geographies or services
- Establish JV / teaming arrangements with primes for mega-projects
- Pursue master service agreements with new agency clients

Operational improvements (Do What You Do Better):

- Build niche thought leadership (whitepapers, ASCE/ACEC presentations)
- Strengthen presence in associations (ASCE, ACEC, APWA, WEF, ITE)
- Increase brand visibility in priority client markets
- Improve marketing collateral and project portfolio sheets
- Improve digital marketing and SEO for technical service inquiries
- Improve speaking, award, and sponsorship calendar discipline
- Improve client-specific market intelligence and pursuit analytics

Client Account Management

The discipline of treating top clients as strategic accounts rather than a series of one-off projects. For most mid-market civil firms, the top 20 clients drive 60-80% of revenue, and the difference between an okay account manager and a great one shows up on the bottom line within a year.

Watch these metrics: Share of wallet at top accounts • MSA/on-call revenue % of NSR • Account plan completion rate • Senior touch frequency

Strategic moves (Change What You Do):

- Develop formal account plans for top 20 clients
- Convert one-off projects into MSAs, on-call, and IDIQ contracts
- Assign senior client managers to key DOTs and agencies
- Pursue prequalification with new public agencies
- Develop deeper relationships with key prime consultants
- Pursue sole-source positions with select agency clients

Operational improvements (Do What You Do Better):

- Improve client touchpoint cadence (briefings, lunch-and-learns)
- Strengthen pursuit pre-positioning before RFP release
- Improve CRM hygiene and pipeline visibility across offices
- Track client share-of-wallet by service line
- Improve handling of client transitions when agency contacts move
- Improve client interview / shortlist preparation rituals
- Develop a 'red, yellow, green' client health early-warning system

Cross-Sell / Multi-Discipline

Most civil firms are easier to enter as a vendor than to exit as a relationship. Once a client is sold one service, cross-selling other disciplines and extending into adjacent phases (planning, design, CA, asset management) is often the highest-margin growth available.

Watch these metrics: Multi-discipline project % • Services per client • Cross-sell referrals per PM per year

Strategic moves (Change What You Do):

- Bundle services across disciplines (water + transportation, etc.)
- Add construction phase services to design contracts
- Add program / construction management to engineering contracts
- Add asset management / O&M advisory to capital projects
- Develop integrated planning-through-construction service packages

Operational improvements (Do What You Do Better):

- Educate PMs on the full firm service offering
- Build cross-sell into account plans and PM incentives
- Improve identification of cross-sell opportunities mid-project
- Improve internal referrals across practice areas
- Highlight multi-discipline case studies in marketing
- Track cross-sell conversion rate and reward principals for handoffs

Lever: Retain & Grow Current Clients

Repeat work is the cheapest fee revenue a firm will ever earn. For most mid-market civil firms, 60-80% of any given year's NSR comes from clients served the year before. Protecting and expanding that base — through long-cycle agreements, satisfaction, and account-level depth — is at least as important as winning new logos.

Client Retention

Keeping clients is cheaper than winning them. Retention is the function of doing good technical work, being responsive, and maintaining the relationship through the inevitable rough patches. Mature firms measure and manage it explicitly.

Watch these metrics: Client retention rate (top 20) • Net Promoter Score by PM • % revenue from clients > 3 years old • Survey response rate

Strategic moves (Change What You Do):

- Lock in long-term on-call / IDIQ agreements
- Pursue contract extensions before expiration
- Develop 'relationship succession' as agency staff turn over
- Manage client concentration risk (target no client > 15% of NSR)
- Build switching costs through embedded systems and data

Operational improvements (Do What You Do Better):

- Conduct formal client satisfaction surveys (NPS by PM)
- Address survey feedback with documented action plans
- Improve responsiveness on RFIs, submittals, and change requests
- Improve quality of project closeouts and lessons-learned
- Strengthen mid-project relationship reviews
- Improve handling of claims / disputes to preserve relationships
- Improve PM training on relationship-management fundamentals

Lever: Leverage Income-Generating Assets

A civil firm's most important income-generating asset is its backlog: the contracted work that will convert to revenue over the next 6-24 months. Diversifying, lengthening, and pacing that backlog determines whether the firm can grow steadily through funding cycles or lurches between famine and feast.

Backlog & Demand Management

Backlog is both a forward indicator of revenue and a leading indicator of needed capacity. Managing it well means knowing exactly what's coming, when it will burn, where the gaps are, and how to fill them — at the office, discipline, and individual-staff level.

Watch these metrics: Backlog months (target 9-15) • Backlog by market/funding source • Hit rate • Pipeline value vs. coverage ratio

Strategic moves (Change What You Do):

- Diversify backlog across markets, clients, and funding sources
- Target longer-duration programs (multi-year on-calls)
- Pursue work countercyclical to current backlog mix
- Build recession-resilient public-sector backlog

- Reduce dependence on single funding programs

Operational improvements (Do What You Do Better):

- Improve backlog forecasting and burn-rate projections
- Improve workload planning across offices and disciplines
- Improve cross-office staff-sharing on peak workloads
- Use contract labor / temp PEs to absorb peak demand
- Improve go/no-go discipline to focus on winnable work
- Improve hit-rate tracking by client, PIC, and service line
- Tighten linkage between pipeline, workload, and hiring plans

Driver: Price Realization — Multiplier & Rates

Price in a consulting firm is not a sticker on a product. It is the realized net multiplier — fee revenue divided by direct labor — that emerges from rate schedules, scope-fee discipline, change-order capture, and the willingness to decline unprofitable work. A 0.2 improvement in net multiplier on a \$30M NSR firm is roughly \$1.5M of incremental operating profit. Few levers have a higher return per unit of management attention.

Lever: Strengthen Pricing & Multipliers

Multiplier improvement requires both top-down discipline (pricing strategy, target multipliers, walking-away discipline) and bottom-up rigor (PM fee-estimation skill, change-order capture, reimbursable markup adherence). Without both, leakage erases gains.

Pricing & Multiplier

Net multiplier is the single most influential operating metric in the firm. It captures rate level, fee adequacy, scope-fee alignment, change-order capture, and write-off discipline in one number. A 3.0 net multiplier is healthy for most mid-market civil firms; 3.2+ is strong.

***Watch these metrics:** Net multiplier (target 3.0+) • Effective rate vs. published • Fee write-down % • Change-order capture %*

Strategic moves (Change What You Do):

- Move to value-based / lump-sum fees where appropriate
- Differentiate billing rates by client tier and risk profile
- Pursue performance-based / incentive fees on suitable projects
- Decline fee-eroding pursuits and lowball competitors
- Use risk-based contingencies in fee proposals
- Apply premium rates for niche or sole-source capabilities

Operational improvements (Do What You Do Better):

- Increase target net multiplier (3.0+) discipline
- Reduce fee write-downs and unbilled write-offs
- Improve scope-fee alignment at proposal stage
- Train PMs in fee estimation and proposal pricing
- Improve change-order discipline (capture all scope growth)
- Improve reimbursable expense markup discipline

- Benchmark rates annually against Zweig and ACEC surveys

WHERE INFRA TECH CAN HELP

Business Intelligence & Analytics for civil engineering firms

The hardest part of growth is seeing it coming — pipeline health, hit-rate patterns, client-churn risk, share-of-wallet trends, and market-timing signals. InfraTech Strategy Group builds civil-engineering-specific BI dashboards and predictive analytics that turn scattered BD, CRM, and project data into a forward-looking growth engine. Typical client results: 35% improvement in win rates, 50% better pipeline predictability, 60% more efficient BD resource allocation.

[Explore InfraTech Business Intelligence & Analytics →](#)

Pillar: Operating Margin (after taxes)

Operating margin in a civil firm is dominated by labor: direct project labor (recovered through multiplier) and indirect overhead labor (SG&A). Almost every margin lever on the map is, at root, a labor lever — either making chargeable hours more productive, making overhead hours fewer, or shifting the mix of work toward higher-multiplier services. Tax efficiency completes the picture, since after-tax margin is what funds bonuses, ESOP contributions, and reinvestment.

Driver: Selling, General & Administrative (SG&A)

SG&A in a 50-500-staff firm typically runs 25-40% of NSR. It is the cost of carrying a firm — marketing, BD, billing, IT, real estate, HR, finance, business management — and it is the easiest budget to grow accidentally and the hardest to shrink intentionally. Two improvement levers apply: making client-facing functions more efficient, and making shared-services functions cheaper or better.

Lever: Improve Client Interaction Efficiency

These are the SG&A functions that touch clients directly — marketing, BD operations, client service, and billing. Efficiency here usually means doing the same volume of high-quality client interaction with fewer hours, not cutting the interaction itself.

Marketing & Brand

The brand-building side of SG&A: PR, content, awards, sponsorships, digital presence. The 'always on' work that creates the conditions for BD wins, distinct from the pursuit-specific work in BD Operations.

Watch these metrics: Brand awareness in target markets • Website traffic from target clients • Award wins by category • Marketing spend efficiency

Strategic moves (Change What You Do):

- Consolidate marketing functions across regions
- Outsource creative / graphics for proposals to specialists
- Standardize marketing collateral and project sheet libraries
- Move to centralized digital asset management

Operational improvements (Do What You Do Better):

- Improve campaign and event ROI tracking
- Improve PR and industry award submissions (ENR, ACEC, ASCE)
- Improve marketing CRM and lead-routing processes
- Improve digital content production efficiency
- Improve coordination of marketing across practice areas

BD / Pursuit Operations

The proposal factory and capture-planning function. The cost of pursuits is one of the largest discretionary line items in SG&A; pursuit hit-rate and cost discipline directly affect margin.

Watch these metrics: Cost per pursuit • Win rate by pursuit type • Pursuit cycle time • Pursuit cost as % of won revenue

Strategic moves (Change What You Do):

- Centralize proposal production in a shared service center

- Outsource proposal production for non-strategic pursuits
- Cap BD spend as % of NSR with discipline by office

Operational improvements (Do What You Do Better):

- Improve go/no-go and bid/no-bid filtering rigor
- Improve capture planning before RFP release
- Reduce pursuit costs through reusable proposal content
- Improve proposal templates and graphics libraries
- Improve win/loss analysis and feedback loops
- Track and improve hit rate by client type and pursuit cost
- Move proposal production to digital-first workflows

Client Service & Support

The non-PM client-facing functions — inquiry handling, status reporting, escalation paths, and self-service portals. Often underbuilt in mid-market firms, where 'PM does everything' is the default.

Watch these metrics: Client inquiry response time • Escalation count • Status-report on-time rate

Strategic moves (Change What You Do):

- Differentiate service levels by client value tier
- Consolidate client inquiry handling across offices
- Establish 24/48-hour response standards

Operational improvements (Do What You Do Better):

- Improve RFI and submittal turnaround discipline
- Improve client communication standards and templates
- Improve project status reporting cadence and quality
- Improve handling of client complaints and escalations
- Build client-portal self-service for status, invoices, and deliverables

Project Billing & Collections

The bridge between work performed and cash collected. Slow billing locks up working capital, frustrates clients, and creates rework. The best-run firms close the month, generate invoices, secure PM approvals, and issue clean invoices within 10 days.

Watch these metrics: Billing cycle days post-close • Invoice rejection rate • % bills issued within 10 days • Reimbursable backup completeness

Strategic moves (Change What You Do):

- Centralize billing operations in a shared service center
- Automate invoice generation from ERP (Deltek, Unanet, Ajera)
- Adopt agency e-billing portals (DOT, federal SAM)
- Outsource collections of aged AR

Operational improvements (Do What You Do Better):

- Reduce billing cycle to <10 days after period close
- Improve PM review and approval workflows for invoices
- Improve invoice backup documentation quality
- Reduce billing errors and re-issued invoices

- Strengthen time-entry discipline (weekly close)
- Improve coordination with subconsultant invoicing

Lever: Improve Corporate / Shared Services Efficiency

Shared services are the back-office plumbing — IT, real estate, HR, procurement, business and financial management. For mid-market firms, this is where consolidation, outsourcing, and platform investments tend to pay back fastest, because each office in a multi-office firm usually has accidental duplication.

IT, CAD/BIM/GIS

The technology platform — design tools (Civil 3D, OpenRoads/OpenBridge, Revit, MicroStation), GIS (ESRI), collaboration (BIM 360, ProjectWise, Bluebeam), ERP/CRM/HRIS, and the underlying networking and cybersecurity. In civil consulting, technology investment is increasingly the difference between commodity and premium positioning.

Watch these metrics: IT spend as % of NSR (4-7% typical) • Software license utilization • Cybersecurity posture score • Tool adoption % by discipline

Strategic moves (Change What You Do):

- Migrate to cloud collaboration (BIM 360, ProjectWise, Bluebeam)
- Consolidate ERP, CRM, HRIS into integrated platforms
- Adopt AI/ML for design automation and document review
- Standardize on common CAD/BIM/GIS platforms firm-wide
- Outsource end-user IT support and helpdesk
- Move from on-prem to cloud / virtual desktop for design tools

Operational improvements (Do What You Do Better):

- Implement and enforce CAD/BIM standards and templates
- Improve drone, LiDAR, and reality-capture workflows
- Improve cybersecurity posture (CMMC if pursuing defense work)
- Rationalize software licenses (Autodesk, Bentley, ESRI)
- Improve digital twin and 3D coordination capabilities
- Improve data backup, disaster recovery, and business continuity
- Improve PM tool adoption (MS Project, P6, Smartsheet)

Real Estate / Offices

Office portfolio strategy in the hybrid era. Most mid-market firms are carrying more space than they need, but cutting too aggressively damages culture and recruiting. The right answer is usually a combination of consolidation, hoteling, and strategic expansion into priority markets.

Watch these metrics: Sq ft per employee (target 100-150) • Real estate cost as % of NSR • Average office utilization • % leased vs. owned

Strategic moves (Change What You Do):

- Right-size office footprint (hotelings, hybrid work)
- Consolidate or close under-utilized offices
- Open offices in priority growth markets
- Sublet excess space and renegotiate long-term leases

- Move to flexible / co-working space for small offices

Operational improvements (Do What You Do Better):

- Improve space utilization tracking and benchmarks
- Improve office design for hybrid collaboration
- Standardize office facilities and AV equipment
- Improve safety and ergonomics across offices
- Improve coordination of office moves and refits

Human Resources

In a labor-based services firm, HR is closer to a P&L center than a cost center. Recruiting, onboarding, mentoring, retention, career paths, performance management, compensation benchmarking, and ownership transition all roll up here. The strongest civil firms treat HR as a strategic function reporting to the CEO.

***Watch these metrics:** Voluntary turnover (target <12%) • Time to fill open roles • PE pass rate • Internal promotion % • Employee NPS*

Strategic moves (Change What You Do):

- Consolidate HR functions across regions
- Outsource payroll and benefits administration to a PEO or specialist
- Implement integrated HRIS (Workday, ADP, BambooHR)
- Build university recruiting partnerships pipeline
- Pursue strategic acqui-hires of teams in target markets

Operational improvements (Do What You Do Better):

- Improve recruiting (technical, PM, and leadership talent)
- Improve onboarding and PE licensure support programs
- Strengthen mentoring and dual career paths (technical and management)
- Strengthen DEI programs and inclusive culture
- Improve mid-career retention (the costliest attrition tier)
- Improve performance review consistency and calibration
- Benchmark compensation annually (Zweig, ACEC, PSMJ)
- Improve ownership transition planning (ESOP, partnership)

Procurement (Overhead)

Non-project procurement: software, IT hardware, office supplies, travel, professional services. Often unmanaged in mid-market firms — each office buys its own — but enterprise leverage on a few categories (especially software) is worth real money.

***Watch these metrics:** Top-category spend by vendor • Vendor count by category • Contract renewal calendar coverage*

Strategic moves (Change What You Do):

- Consolidate procurement of software, IT, and office supplies
- Standardize procurement workflows and approvals
- Negotiate enterprise license agreements (Autodesk, Bentley, ESRI)
- Move to e-procurement platform for non-strategic spend

Operational improvements (Do What You Do Better):

- Improve vendor selection and due-diligence processes
- Improve negotiation skills for major service contracts
- Track and benchmark spend categories annually
- Strengthen contract management and renewal calendar
- Improve spend visibility across offices

Business Management

The executive function: strategy, structure, leadership development, M&A, succession. The hardest column to measure but among the most consequential — the firms with the strongest 5-year track records almost always have above-average leadership depth and strategic discipline.

Watch these metrics: Strategic plan refresh cadence • Leadership bench depth • M&A pipeline value • Office/practice P&L visibility

Strategic moves (Change What You Do):

- Refresh 3-5 year strategic plan with the board
- Pursue M&A in target geographies or service lines
- Divest under-performing offices or practice areas
- Develop succession plan for executive leadership
- Reorganize practice areas / regions for accountability

Operational improvements (Do What You Do Better):

- Improve strategic planning rigor and cascade
- Improve executive coaching and leadership development
- Improve board governance and committee effectiveness
- Strengthen practice area / office P&L accountability
- Improve scenario planning (recession, funding cycles)
- Improve communication of strategy across the firm

Financial Management

Finance, FP&A, project accounting, treasury, controls. In a project-based firm, project accounting is the most strategic finance function — it's where the firm's daily margin discipline lives. KPI dashboards that move from monthly to weekly are usually a step-change.

Watch these metrics: Forecast accuracy (EAC vs. actuals) • Weekly KPI cadence adoption • Days to close • Audit-finding count

Strategic moves (Change What You Do):

- Implement project accounting + GL (Deltek Vantagepoint/Vision)
- Centralize FP&A in a shared service center
- Outsource audit support and tax compliance to an advisor
- Move to rolling forecasts instead of static annual budgets

Operational improvements (Do What You Do Better):

- Improve weekly KPI dashboards (utilization, multiplier, backlog)
- Improve project-level forecasting (ETC, EAC) discipline
- Improve cash-flow forecasting accuracy

- Improve overhead allocation methodology
- Improve internal controls and SOX-style processes
- Improve audit readiness and audit committee reporting
- Strengthen profitability analytics by client, market, and PM

Driver: Direct Project Costs (Labor, Subs, Reimbursables)

In a manufacturing business this would be cost of goods sold. In a civil engineering firm it is the direct cost of executing projects: chargeable staff time, subconsultants, and reimbursable expenses. The most leveraged actions are in the design production process (where most chargeable hours go) and in project management (which determines whether those hours convert to fees or write-offs).

Lever: Improve Service Development & Production Efficiency

The supply side of the design economy: developing new service offerings and producing the deliverables themselves. Standardization, reusable content, and emerging AI/automation tools are the dominant productivity stories of the next decade.

Service Line Development

Building and rationalizing the firm's portfolio of services. New offerings (resilience, ESG, EV infrastructure, digital delivery), emerging areas (carbon advisory, smart cities), and discipline rationalization sit here. Closest to 'R&D' in a civil firm.

Watch these metrics: NSR from services <3 years old • New-service pipeline • Discipline leader vacancies

Strategic moves (Change What You Do):

- Develop new offerings (resilience, ESG, digital delivery)
- Build practice in emerging areas (carbon, EV, smart cities)
- Acquire firms with specialized capabilities to fill gaps
- License or develop proprietary methodologies / IP
- Discontinue under-performing or commoditized services

Operational improvements (Do What You Do Better):

- Improve discipline-leader development and authority
- Improve standards, specs, and details libraries by discipline
- Improve technical innovation budgets and incentives
- Improve knowledge management across offices
- Strengthen technical recruiting for new service lines

Design Production

The factory floor: drawings, calculations, specs, models. Where most chargeable hours are spent. Standardization, reusable content, parametric/generative design, and emerging AI tools are reshaping how production scales.

Watch these metrics: Hours per discipline deliverable • Rework % of production hours • CAD/BIM standards compliance

Strategic moves (Change What You Do):

- Outsource select production work (offshore CAD/BIM shops)
- Adopt parametric, generative, and AI-assisted design

- Standardize details, specs, and templates firm-wide
- Leverage common components and reusable design libraries
- Shift simple work to lower-cost production centers

Operational improvements (Do What You Do Better):

- Improve CAD/BIM production efficiency and standards
- Improve QA/QC on production deliverables
- Improve coordination between disciplines (clash detection)
- Improve drawing standards and reduce rework
- Improve spec-writing efficiency (MasterSpec, SpecsIntact)
- Improve quantity takeoff and cost-estimating efficiency

Lever: Improve Project Delivery Efficiency

Project delivery is where the firm makes or loses money one project at a time. Strong PM, disciplined change-order capture, well-managed subconsultants, rigorous QA/QC, and clean construction administration are the practices that separate firms with 12% operating margins from firms with 6%.

Project Management

The single most consequential capability for an engineering consulting firm. A strong PM converts a fee budget into a fee delivered; a weak PM converts the same budget into write-offs, rework, and frayed client relationships. The PM 'academy' concept — formal development, certification, mentoring — pays back fast.

Watch these metrics: Project margin vs. budget • Write-off % of NSR (<2% strong) • PM cert rate • Change-order capture %

Strategic moves (Change What You Do):

- Centralize project controls in a dedicated PMO function
- Standardize PM playbook and project kickoff process
- Differentiate PM intensity by project size and risk
- Establish a PM 'academy' for systematic development

Operational improvements (Do What You Do Better):

- Drive PM certification (PMP, CCM) across project leaders
- Improve scope definition at proposal and kickoff
- Improve change-order capture and negotiation discipline
- Improve EVM / earned-value tracking on all projects
- Improve project budgeting and ETC discipline
- Reduce write-offs and over-runs (target <2% of NSR)
- Improve project setup in ERP and budget structure
- Improve risk-register usage on complex projects

Subconsultants

Subs are both a margin lever (markup on sub revenue) and a risk lever (quality and schedule exposure). DBE/MBE/WBE goals on public work mean strong sub relationships are also a competitive necessity, not just a cost question.

Watch these metrics: *Sub spend % of gross revenue • Sub on-time delivery % • DBE/MBE/WBE achievement vs. goal*

Strategic moves (Change What You Do):

- Develop preferred subconsultant program / panel
- Pursue strategic alliances with minority firms (DBE/MBE/WBE)
- Consolidate sub spend with strategic partners
- Build internal capability to replace high-cost subs

Operational improvements (Do What You Do Better):

- Standardize subconsultant agreements and flow-downs
- Improve sub performance management and scorecards
- Improve coordination of sub deliverables and schedules
- Improve pay-when-paid contract language and adherence
- Improve sub invoice review and approval cycle time

QA / QC & Quality Management

Independent technical review, peer review, constructability, calculation checks. The frontline defense against errors, omissions, and claims — and a major contributor to brand reputation. A formal QMS (ISO 9001 or equivalent) is increasingly expected by federal and large-agency clients.

Watch these metrics: *E&O claim frequency and severity • RFI rate on issued documents • Rework hours % • QMS audit findings*

Strategic moves (Change What You Do):

- Implement firm-wide QMS (ISO 9001 or equivalent)
- Establish an independent technical review board
- Differentiate QA intensity by project risk tier
- Mandate peer review for higher-risk deliverables

Operational improvements (Do What You Do Better):

- Strengthen independent technical review on all deliverables
- Improve constructability and peer-review processes
- Improve lessons-learned capture and dissemination
- Improve calculation check standards and review trails
- Strengthen QA on submittals and shop-drawing reviews
- Improve quality metrics (RFI rate, rework, claims)

Construction Administration / Field

Construction phase services — RFIs, submittals, observation, change-order review, closeout. A natural extension of design work that adds 15-25% to typical engineering fees and significantly strengthens design-quality feedback loops.

Watch these metrics: *RFI/submittal response time • CA fee % of design fee • Field observation coverage % • Claim defense success rate*

Strategic moves (Change What You Do):

- Bundle construction admin with design contracts
- Develop a standalone CM / CA / inspection service line

- Adopt digital field tools (e-construction, mobile inspection)
- Build emergency / disaster-response field capability

Operational improvements (Do What You Do Better):

- Improve RFI / submittal turnaround (target <5 business days)
- Improve construction observation scheduling and reporting
- Improve as-built and project closeout discipline
- Improve handling of contractor claims and disputes
- Improve field staff training and certification
- Improve documentation discipline for claims defense

Driver: Income Taxes

Tax is often treated as a year-end compliance exercise. For civil firms it should be a year-round strategic lever — particularly because design work is rich in tax-credit-eligible activity (Section 41 R&D credits), and because the choice of ownership structure (C-corp, S-corp, partnership, ESOP) materially changes the firm's effective tax rate.

Lever: Improve Income Tax Efficiency

The two highest-leverage tax conversations for most mid-market civil firms are R&D tax credits on design work and ownership structure. Both deserve dedicated advisor relationships and a multi-year roadmap.

Income Tax Management

Two structural moves dominate civil-firm tax planning: ownership structure (especially ESOP, which can produce a 0% federal effective rate on the ESOP-owned share) and R&D tax credits on design activity. Both deserve a multi-year roadmap with a specialist advisor.

***Watch these metrics:** Effective tax rate vs. peer benchmark • R&D credits claimed annually • Multi-state apportionment efficiency*

Strategic moves (Change What You Do):

- Move to ESOP / S-corp / partnership structure for tax efficiency
- Optimize multi-state apportionment and nexus footprint
- Pursue cost-segregation studies on owned facilities
- Implement tax-effective IP / methodology ownership structures
- Coordinate tax strategy with M&A activity

Operational improvements (Do What You Do Better):

- Maximize R&D tax credits (Section 41) on design work
- Manage Section 174 R&D capitalization issues
- Manage transfer pricing between offices / entities
- Utilize state employment / training tax incentives
- Improve tax-provision forecasting and cash planning
- Document tax positions for R&D credits defensibly

WHERE INFRA TECH CAN HELP

Enterprise Systems Deployment (ERP / CRM)

Operating margin in a civil firm lives or dies in the systems where time is entered, project budgets are tracked, and invoices are generated. InfraTech specializes in ERP and CRM deployments and integrations tuned for civil consulting workflows — so utilization, multiplier, EAC, and change-order discipline become a weekly cadence rather than a monthly surprise. Typical client results: 30% improvement in project profitability, 40% better on-time delivery, 25% better budget adherence.

[Explore InfraTech Enterprise Systems Deployment →](#)

Pillar: Asset Efficiency

A civil engineering firm is asset-light in the traditional sense — relatively little PP&E. But it is asset-heavy in working capital: every dollar of unbilled WIP and aged AR is a dollar locked up that cannot be paid out, invested, or returned to owners. Asset efficiency is mostly a discipline conversation, not a capital conversation.

Driver: Property, Equipment & Field Assets

Offices, fleet vehicles, survey/drone/LiDAR equipment, environmental and materials testing kit. Modest in dollar terms, but big swings come from right-sizing real estate in a hybrid-work era and from leasing vs. owning specialized field equipment.

Lever: Improve PP&E Efficiency

The post-2020 office story is real and not over. Most mid-market civil firms can recover 15-30% of office cost by right-sizing for hybrid work — but doing it without damaging recruiting, culture, and client experience takes care.

Real Estate & Infrastructure

The asset-efficiency view of the same office portfolio managed in the SG&A column. Here the question is whether owned space, lease commitments, and improvements are appropriately sized and configured for current demand — and whether divestiture or sublease can free up working capital.

Watch these metrics: Owned real estate book value • Office utilization % • Lease expiry calendar

Strategic moves (Change What You Do):

- Increase use of leased over owned office real estate
- Divest under-utilized branch offices
- Reconfigure offices for hybrid / hoteling utilization
- Sublet under-utilized space to peers or partners

Operational improvements (Do What You Do Better):

- Improve real estate utilization measurement
- Improve preventive maintenance of owned facilities
- Improve terms on leases and renewals
- Improve workplace experience to support recruiting

Equipment & Systems

Fleet vehicles, survey/drone/LiDAR rigs, environmental and materials testing equipment, IT hardware. Lease-versus-own decisions and utilization tracking are usually the highest-value moves.

Watch these metrics: Equipment utilization % • Lease vs. own mix • Maintenance cost per unit

Strategic moves (Change What You Do):

- Lease vs. own fleet, survey, drone, and lab equipment
- Outsource specialty testing (geotech, materials, environmental)
- Rationalize IT hardware (laptop refresh, server consolidation)
- Sell or divest low-utilization specialized equipment

Operational improvements (Do What You Do Better):

- Improve utilization of survey, drone, and LiDAR equipment
- Improve preventive maintenance of field equipment
- Improve calibration discipline (survey, testing instruments)
- Improve check-out / inventory tracking for field equipment

Driver: Work-in-Process (Unbilled Services)

WIP is the engineering firm's inventory. Hours worked, not yet invoiced. WIP days outstanding is the most overlooked working-capital lever in most firms — it directly trades against cash, credit-line draws, and bonus capacity.

Lever: Improve WIP Efficiency

WIP discipline is mostly a PM-behavior problem: time entered late, projects set up slowly, invoices held while everyone waits for a perfect package. Fixing it requires changing weekly habits, not buying new software.

Work-in-Process / Unbilled

WIP is hours worked but not yet invoiced. Days outstanding (Unbilled Days, sometimes called 'work-in-process days') is one of the easiest KPIs to track and one of the highest-leverage to improve. Every day off WIP is roughly a day of operating cash freed up.

Watch these metrics: WIP days (target <30) • Unbilled \$ aging buckets • % of projects with billing held >2 weeks

Strategic moves (Change What You Do):

- Move to milestone / progress-billing on lump-sum contracts
- Negotiate retainers and advance payments for new clients
- Reduce mobilization periods before the first invoice
- Restructure long-cycle projects into billable phases

Operational improvements (Do What You Do Better):

- Enforce weekly time-entry closure
- Reduce WIP days outstanding (target <30 days)
- Reduce unbilled by accelerating invoice issuance
- Improve PM accountability for WIP aging
- Improve project setup so billing can begin immediately
- Improve reimbursable documentation to avoid billing delays

Driver: Receivables & Payables

Days Sales Outstanding (DSO) is the second half of the working-capital story. Public-agency clients can pay slowly (90-120 days is not uncommon); private-sector clients vary widely. The goal is faster collections without damaging client relationships, balanced by disciplined use of payables to terms.

Lever: Improve Receivables & Payables Efficiency

Cash discipline is a PM responsibility as much as a finance one. The PMs with the best client relationships are also the ones who can pick up the phone and ask, politely, when an invoice will be paid.

Accounts Receivable & Payable

DSO and DPO. Public-agency clients pay slowly; chasing them takes diplomatic, relationship-aware collections — not just dunning letters. On the payables side, the goal is to honor terms exactly, not to delay subs whose work the firm depends on.

Watch these metrics: DSO (target <70 days; <90 for agencies) • AR aging buckets • DPO • % subs paid within terms

Strategic moves (Change What You Do):

- Tighten credit terms for new private-sector clients
- Diversify away from chronically slow-paying client segments
- Use factoring / receivables financing selectively
- Build a cash buffer for public-agency payment timing

Operational improvements (Do What You Do Better):

- Reduce DSO (target <70 days; <90 for public agencies)
- Improve collections cadence and PM involvement
- Improve agency-specific invoicing compliance
- Stretch payables to terms, but never beyond
- Improve management of subconsultant pay-when-paid terms
- Improve cash forecasting and credit-line management

WHERE INFRATECH CAN HELP

CAD & Technical Integration

WIP, AR, and project data quality all flow upstream from how design tools, project setup, and billing systems talk to each other. InfraTech's CAD and technical integration practice connects Civil 3D, BIM, GIS, document management, ERP, and analytics platforms — closing the loops that quietly drag working capital, slow billing, and erode margin discipline.

[Explore InfraTech CAD & Technical Integration →](#)

Pillar: Expectations

Expectations is the part of firm value that lives outside the current P&L: how owners, lenders, staff, clients, and acquirers think about the firm's future. Reputation, talent pipeline, governance quality, risk profile, and the firm's ability to ride external waves (federal funding cycles, regulatory change) all roll up here. A firm with strong current profits but weak expectations is worth less than the multiplied earnings might suggest.

Driver: Firm Strengths

Internal strengths — governance, planning rigor, program execution, performance management, operational discipline, partnerships, relationships, agility, and strategic assets — collectively answer the question 'what would a buyer or an ESOP appraiser actually pay for?'

Lever: Improve Management & Governance Effectiveness

The foundations: who's on the board, how decisions get made, how strategy is set, and how performance is measured. Mid-market firms often outgrow informal governance models — adding structure here disproportionately changes how the firm scales.

Governance

Who decides what, how the board functions, how owners are represented, and how ethical norms are enforced. For ESOP-owned firms, trustee oversight adds another layer. Mid-market firms often have governance built ad hoc — formalizing it almost always reduces drag.

Watch these metrics: Independent board % composition • Committee meeting cadence • Open audit findings

Strategic moves (Change What You Do):

- Add independent / outside directors to the board
- Strengthen ESOP trustee oversight (if ESOP-owned)
- Establish formal audit, compensation, and governance committees
- Refresh shareholder agreements and buy-sell terms

Operational improvements (Do What You Do Better):

- Clarify delegations of authority and approval thresholds
- Strengthen code of ethics and conflict-of-interest policies
- Improve whistleblower / anonymous reporting mechanisms
- Improve board communication with leadership and staff
- Strengthen mission, vision, and values communication

Business Planning

Long-range strategy, capital allocation, M&A pipeline. The cycle that turns market intelligence into commitments and budgets. Firms that connect strategy to budgets to incentives outperform firms that treat them as three separate exercises.

Watch these metrics: Strategic plan refresh cadence (every 2-3 years) • M&A pipeline value • Strategy-to-budget alignment %

Strategic moves (Change What You Do):

- Refresh long-range strategic plan with scenario analysis

- Align capital budgets and M&A pipeline with strategy
- Establish portfolio view of practice areas / geographies
- Build a 'next 3 moves' transformation roadmap

Operational improvements (Do What You Do Better):

- Improve risk-informed planning (funding cycles, recessions)
- Improve linkage between strategy, budgets, and incentives
- Improve strategic communication to staff (town halls)
- Improve integration of short- and long-term planning
- Improve M&A integration playbook and capabilities

Program Delivery

How the firm executes internal initiatives — ERP rollouts, M&A integrations, brand refreshes, ISO certification. Most firms underinvest here and over-rely on volunteer effort from already-overloaded operating leaders.

Watch these metrics: Initiative on-time / on-budget % • Benefit realization vs. plan • Active vs. retired initiatives ratio

Strategic moves (Change What You Do):

- Establish an enterprise PMO for cross-firm initiatives
- Dynamically cancel or redirect ineffective initiatives
- Use stage-gated funding for internal investments

Operational improvements (Do What You Do Better):

- Improve initiative selection and prioritization
- Improve change management for firm-wide initiatives
- Improve benefit realization tracking on internal programs
- Improve program management methods (ERP, M&A integration)
- Improve resource allocation across internal initiatives

Performance Management

The dashboard layer: how leadership sees the firm. Strong firms run a weekly cadence on utilization, multiplier, backlog, and project margin; quarterly cadence on strategic KPIs; and an annual benchmarking exercise against industry peers.

Watch these metrics: KPI cadence consistency • Forecast accuracy • Benchmark percentile vs. peers

Strategic moves (Change What You Do):

- Establish forward-looking dashboards (backlog, pipeline, hit-rate)
- Differentiate metrics by practice area / office
- Adopt benchmarking (ACEC, PSMJ, Zweig, Deltek Clarity)
- Move from monthly to weekly key-metric reviews

Operational improvements (Do What You Do Better):

- Improve KPI consistency across offices (utilization, multiplier)
- Improve management reporting cadence (weekly / monthly)
- Improve forward-looking project and backlog forecasting
- Improve alignment of incentives with firm KPIs

- Improve attribution of P&L to PMs and principals

Lever: Improve Execution Capabilities

Execution capabilities are the firm's organizational muscle — how well it can actually do things, beyond setting direction. Operational discipline, partnerships, relationships, agility, and strategic assets all live here.

Operational Excellence

Continuous improvement, lean practices, SOP discipline, cross-office benchmarking. Less visible than strategy but compounding over years — the firms that quietly run their operations well tend to look transformed in five-year windows.

Watch these metrics: SOP coverage of critical processes • CI ideas implemented per year • Best-practice adoption rate

Strategic moves (Change What You Do):

- Establish a continuous improvement / lean program
- Adopt ISO 9001 or equivalent quality management system
- Standardize core processes across acquired firms

Operational improvements (Do What You Do Better):

- Strengthen process documentation and SOPs
- Improve benchmarking against ENR Top 500 peers
- Improve cross-office sharing of best practices
- Strengthen culture of operational discipline
- Improve adoption tracking for firm-wide standards

Partnership & Collaboration

JVs, teaming agreements, prime-sub relationships, and emerging alternative delivery (P3, design-build, IPD) partnerships. As project sizes grow and delivery models proliferate, the ability to team effectively becomes a competitive necessity.

Watch these metrics: JV / teamed-pursuit win rate • Strategic partner count • Partner satisfaction (reciprocal NPS)

Strategic moves (Change What You Do):

- Pursue strategic JVs for mega-projects
- Develop preferred-teaming partner network
- Pursue P3 / design-build / IPD delivery-model partnerships
- Build relationships with national primes for sub work

Operational improvements (Do What You Do Better):

- Improve teaming agreement and JV management capabilities
- Improve collaboration tools across firm boundaries
- Improve M&A integration competencies
- Improve relationships with key prime consultants
- Improve sharing of intellectual property with partners

Relationship Strength

The depth and breadth of relationships with clients, agencies, regulators, academics, and the broader industry. Most won pursuits trace back to relationships established long before the RFP. Mapping and tending those relationships is a strategic activity, not a soft skill.

Watch these metrics: *Relationship-map coverage at top clients • Senior touches per quarter • Board-level relationship count*

Strategic moves (Change What You Do):

- Establish key-client relationship management as a firm-wide priority
- Expand political and regulatory relationships (city, state, federal)
- Develop board-level relationships at major agency clients

Operational improvements (Do What You Do Better):

- Improve depth and breadth of agency relationships
- Improve relationships with industry trade associations
- Improve relationships with academic and research institutions
- Improve relationships with influential individuals (commissioners, DOT executives)
- Improve mapping of decision-makers at top clients

Agility & Flexibility

The ability to move fast — chase emergency funding, respond to a major storm, mobilize staff to a new geography, redirect when a client priority shifts. Often invisible until it's tested.

Watch these metrics: *Time to mobilize new pursuit • Cross-state licensure coverage • Emergency response readiness*

Strategic moves (Change What You Do):

- Build emergency-response capability (FEMA, storm, infrastructure)
- Develop multi-state mobility for staff
- Build flexible delivery models (remote, hybrid, mobilized)
- Maintain a liquidity reserve for opportunistic moves

Operational improvements (Do What You Do Better):

- Improve cross-discipline staffing flexibility
- Improve response time to RFPs and urgent client requests
- Improve IT and tool flexibility for remote work
- Maintain breadth of PE licensure across states
- Improve scenario planning and stress-testing

Strategic Assets

Brand, methodologies, proprietary data, key technical experts, long-term contracts. The intangible assets that distinguish a firm from a commodity competitor. Mature firms invest deliberately in these; less mature firms let them happen.

Watch these metrics: *Patent/trademark/copyright count • SME concentration (single-point-of-failure analysis) • Proprietary methodology revenue*

Strategic moves (Change What You Do):

- License or develop proprietary methodologies / IP
- Develop and protect unique technical expertise

- Build and protect firm brand and reputation
- Develop proprietary data assets (project, cost, performance)

Operational improvements (Do What You Do Better):

- Identify and grow internal thought leaders / SMEs
- Document and protect institutional knowledge
- Improve patent / trademark / copyright protection
- Improve incentives around asset development
- Develop unique data, methodology, and tooling assets

Driver: External Factors

Funding cycles, regulatory change, technology shifts, and macroeconomic conditions are largely outside the firm's control. But how the firm anticipates and positions for them is very much inside its control, and is one of the most valuable capabilities a leadership team can build.

Lever: Anticipate & Respond to External Factors

Read the wave, paddle into it early. The firms that consistently outperform are usually positioned for the next funding cycle before it arrives, not after.

Market & Funding Environment

Federal infrastructure cycles (IIJA, IRA, BRIC, SRF, what comes next), state TIP/STIP programs, agency capital plans. The macro tide that lifts or lowers all civil firms. Anticipating shifts here is the difference between catching a wave and chasing one.

Watch these metrics: Pipeline by funding source • Agency CIP coverage in CRM • Diversity of funding sources

Strategic moves (Change What You Do):

- Position for federal infrastructure cycles (IIJA, IRA, future)
- Track state TIP / STIP and capital improvement programs
- Pursue countercyclical markets (water, resilience, repair)
- Diversify across funding sources to weather downturns

Operational improvements (Do What You Do Better):

- Improve monitoring of agency capital budgets and pipelines
- Improve intelligence on competitor moves and pricing
- Improve forecasting of demand by market segment
- Improve scenario planning for funding-cycle changes
- Build a 'next-wave' funding-source watchlist

Regulatory & Policy

Emerging regulations (PFAS, climate disclosure, NEPA reform, cybersecurity mandates), professional licensure standards, and the firm's posture toward industry advocacy. Regulatory change is both a risk and an opportunity — sometimes the same change is both.

Watch these metrics: Compliance audit findings • Multi-state licensure coverage • Advocacy hours / engagements

Strategic moves (Change What You Do):

- Engage in advocacy through ACEC, ASCE, and state societies
- Position for emerging regulations (PFAS, climate, NEPA)
- Build compliance expertise into a billable service line

Operational improvements (Do What You Do Better):

- Improve monitoring of regulatory developments
- Improve compliance management for evolving codes
- Improve management of professional licensure across states
- Improve management of E&O / professional liability exposure
- Improve cybersecurity and data-privacy posture

WHERE INFRA TECH CAN HELP

Proprietary Software Development & Managed Technology Services

Expectations are shaped by the firm's ability to differentiate, execute, and remain resilient. InfraTech builds proprietary software — pricing tools, asset management platforms, AI-assisted design utilities — that convert institutional knowledge into durable competitive advantage; and its Managed Technology Services give mid-market firms enterprise-grade IT, cybersecurity, and continuity without an enterprise headcount.

[Explore Proprietary Software Development →](#) • [Managed Technology Services →](#)

Putting the Map to Work

The Value Map is most useful as a working artifact — a one-page reference for strategy retreats, planning cycles, board reviews, and the moments when a leadership team needs to step back from operational firefighting and ask the simple question, “where is the firm value actually coming from, and where should we put our next move?”

Three suggested uses:

- Annual planning. Walk each pillar, ask which improvement levers will move the needle most over the next 12 months, and translate those into concrete initiatives with owners, budgets, and KPIs.
- Strategy retreats. Use the map as the scaffolding for a two-day offsite. Day one: where are we strong, where are we weak, where do we want to play? Day two: what are the three to five initiatives we will commit to?
- Board / ownership reviews. Use the map as a common vocabulary for talking about firm value with directors, trustees, ESOP fiduciaries, and — in due course — prospective buyers or successors.

Strategy translates into firm value only through execution — and execution, increasingly, runs on technology. The right BI dashboards, ERP configuration, CAD integrations, and custom tooling are the difference between a strategic plan and a strategic plan that compounds.

ABOUT INFRA TECH STRATEGY GROUP

Civil engineering's technology strategy partner

InfraTech Strategy Group helps mid-market civil consulting firms turn strategic intent into operating reality through proprietary software, ERP and CRM deployment, business intelligence and analytics, CAD and technical integration, and managed technology services — each tuned for the specific operating rhythms of an engineering consulting firm. Most analytics and systems investments pay back within 8–18 months.

[Schedule a strategy session →](#) • [Calculate your ROI →](#)

Appendix A — KPI Quick Reference

A consolidated view of the KPIs referenced throughout this guide. Targets are typical for mid-market civil consulting firms; calibrate to specific market position, ownership structure, and strategy.

Area	KPI	Typical target / benchmark
Growth	Net Service Revenue growth	Outpace inflation + market
Growth	Hit rate (won / submitted)	30–50% depending on pursuit type
Growth	Backlog months	9–15 months
Growth	Client concentration	No client > 15% of NSR
Growth	Cross-sell index (services per client)	Increasing year over year
Margin	Net multiplier	3.0+ (3.2+ strong)
Margin	Utilization — chargeable %	60–65% firm-wide; 80%+ for engineers
Margin	Project write-offs as % of NSR	< 2%
Margin	Change-order capture rate	> 90% of identifiable scope growth
Margin	Operating profit margin (pre-bonus)	12–18% strong
Cash	Days Sales Outstanding (DSO)	< 70 (public agencies < 90)
Cash	Work-in-Process days	< 30
Cash	Billing cycle days (after period close)	< 10
People	Voluntary turnover	< 12% annual
People	Internal promotion rate	> 60% of leadership roles
People	Time to fill open roles	< 60 days for engineering roles
People	PE pass rate	Above national average
Quality	E&O claim frequency	Track over 5-year rolling window
Quality	RFI rate on issued documents	Trending down year over year
Quality	Rework hours % of total	< 5%
Tax	Effective tax rate	Benchmark vs. peer group / ownership structure
Tax	R&D credits claimed annually	Tied to growth in design hours

Appendix B — Glossary

Acronyms, jargon, and shorthand used throughout this guide and the companion poster.

A/E or AEC	Architecture / Engineering (and Construction). The umbrella industry the firm operates in.
Backlog	Contracted work not yet recognized as revenue. Usually expressed in months of NSR at current run rate.
Billable / chargeable hours	Staff hours that can be invoiced to a project; the numerator in utilization.
BIM	Building Information Modeling. 3D model-based design and coordination, increasingly required by federal and large-agency clients.
CA / Construction Administration	Construction phase services: RFIs, submittals, observation, change-order review, project closeout.
CMMC	Cybersecurity Maturity Model Certification. Required for firms handling controlled unclassified information for DoD work.
DBE / MBE / WBE	Disadvantaged / Minority / Women Business Enterprise. Set-aside and goal-based program designations on public work.
DPO	Days Payable Outstanding. Average days from receipt of vendor invoice to payment.
DSO	Days Sales Outstanding. Average days from invoice issuance to cash receipt. The key collections KPI.
EAC / ETC	Estimate at Completion / Estimate to Complete. Project forecasting terms used in project accounting.
ENR	Engineering News-Record. Trade publication; the ENR Top 500 ranking is a common industry benchmark.
ESOP	Employee Stock Ownership Plan. An ownership structure increasingly used in civil consulting; can produce significant tax benefits.
E&O	Errors and Omissions. Professional liability exposure and the related insurance coverage.
EVM	Earned Value Management. A project-controls method for tracking schedule and cost performance.
Hit rate	Won pursuits divided by submitted pursuits; sometimes weighted by dollars.
IDIQ	Indefinite Delivery / Indefinite Quantity. A federal contracting vehicle similar to an on-call.
IIJA / IRA / BRIC / SRF	Federal infrastructure programs: Infrastructure Investment and Jobs Act; Inflation Reduction Act; Building Resilient Infrastructure and Communities; State Revolving Fund.
IPD	Integrated Project Delivery. A collaborative delivery model with shared risk and reward across owner, designer, and constructor.
JV	Joint Venture. A jointly owned entity formed to pursue and execute a specific project or program.
LiDAR	Light Detection and Ranging. Survey-grade laser scanning used for high-accuracy as-built capture.

MSA	Master Service Agreement. A standing contract that allows task orders to be issued without re-bidding.
Net multiplier	Net Service Revenue divided by direct labor. The headline pricing-power metric for a consulting firm.
NSR	Net Service Revenue. Gross revenue less subconsultant and other pass-through revenue. The most useful top-line measure of firm size.
NPS	Net Promoter Score. A widely used measure of client (or employee) loyalty.
On-call	A standing agreement to provide engineering services on demand, similar to an MSA or IDIQ.
P3	Public-Private Partnership. A delivery model in which a private partner finances, builds, and often operates public infrastructure.
PE / SE / RA	Professional Engineer / Structural Engineer / Registered Architect. State-issued professional licenses.
PMO	Project Management Office. The internal function responsible for PM standards, controls, and capability development.
P&L	Profit and Loss. Income statement for a practice area, office, or business unit.
RFI	Request for Information. A formal question from contractor to engineer during construction.
RFP / RFQ	Request for Proposal / Request for Qualifications. The two main solicitation document types.
Subconsultant (sub)	A specialty firm performing scope under the prime consultant's contract with the client.
TIP / STIP	Transportation Improvement Program / State TIP. Multi-year capital plans for transportation projects.
Utilization	Chargeable hours divided by total available hours. The headline productivity metric for billable staff.
WIP / Unbilled	Work-in-Process. Hours worked but not yet invoiced; the engineering equivalent of inventory.
Write-off / write-down	Recorded hours or fees that the firm has decided will not be billable. The leakiest part of project margin.
Zweig / PSMJ / ACEC	Industry research and benchmarking sources commonly used by civil consulting firms.