

Benchmarking Firm Performance – Insights Gained from PKFOD's Engineering Study

Presented to ACEC/MA Accounting & Finance Forum

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Introduction

With in-depth experience in the architecture and engineering industry, our team includes specialists in advisory, tax, and financial statement matters, areas vital to success in today's complex business environment.

Background of our 2023 Engineering Study:

- Regional and national firms
- Employee-owned
- \$3M to \$400M in gross revenues
- 10 to 2,000 employees

Today's session will cover various Key Performance Indicators and Metrics from our 2023 Engineering Study along with how this information can be used for budgeting within your firm.

Key Performance Indicators & Metrics

Net Fee Income Growth

Net Fee Income Per Employee

Utilization and Profit as a % of Net Fee Income

Utilization (Hours vs. Dollars)

Utilization by Role

Employee Breakout

Total Labor Billing Multiple (Revenue Factor)

Billing Multiple vs. Breakeven Multiple

Profit Per Direct Hour

Components of the Overhead Rate

Average Hourly Rates

Raises as a % of Salary

Bonuses as a % of Salary

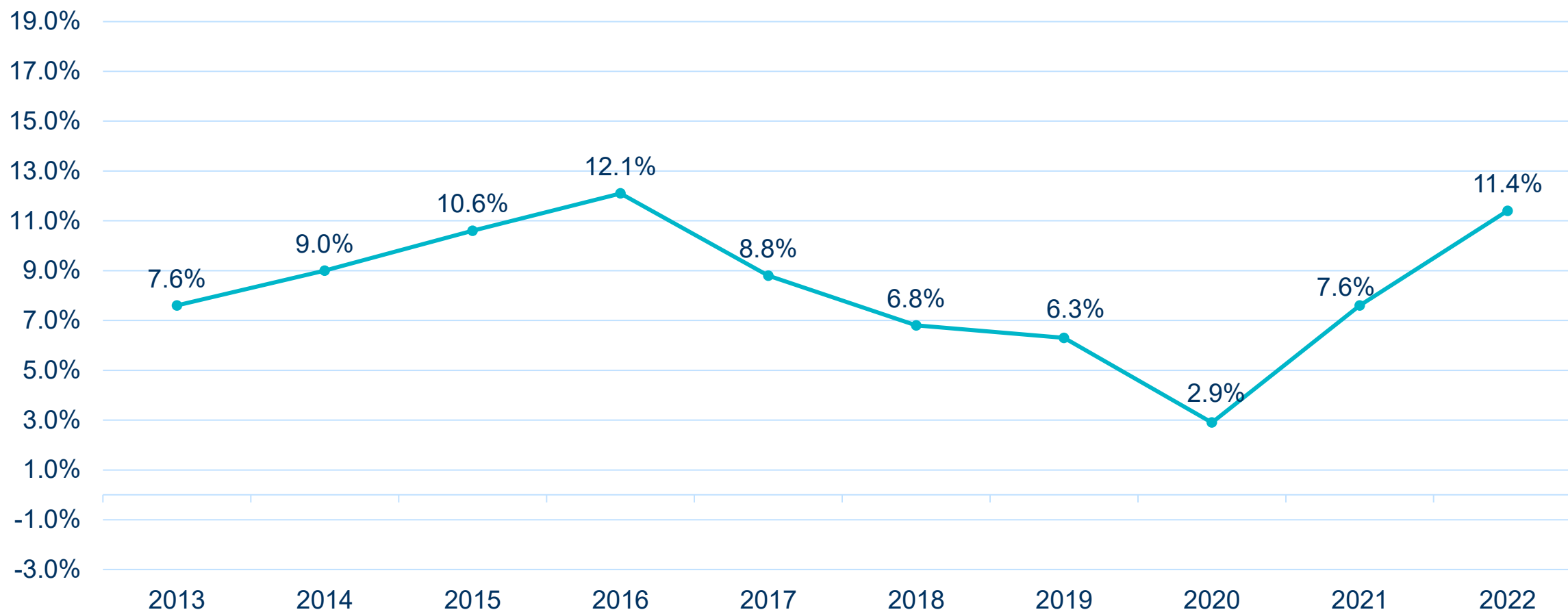
Staff Turnover Ratio

Days Fees in Accounts Receivable (DSO)

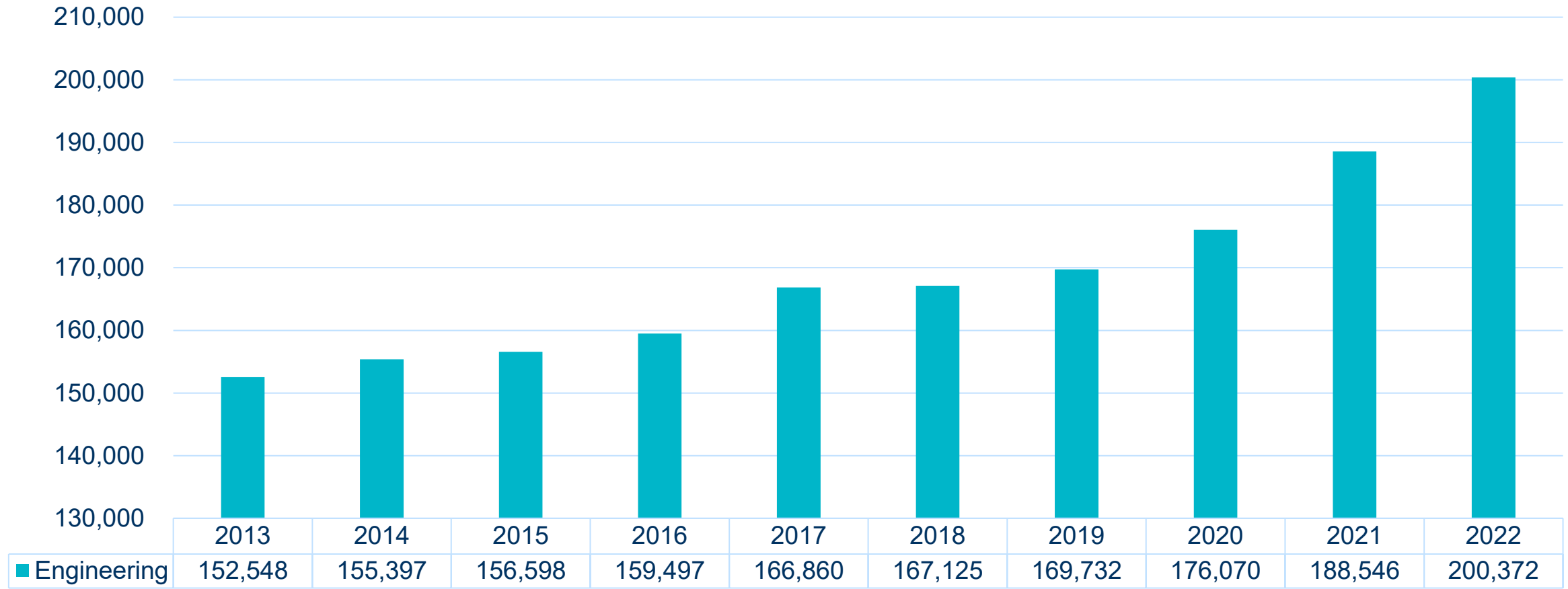
Working Capital as a % of Net Fee Income

IT Statistics

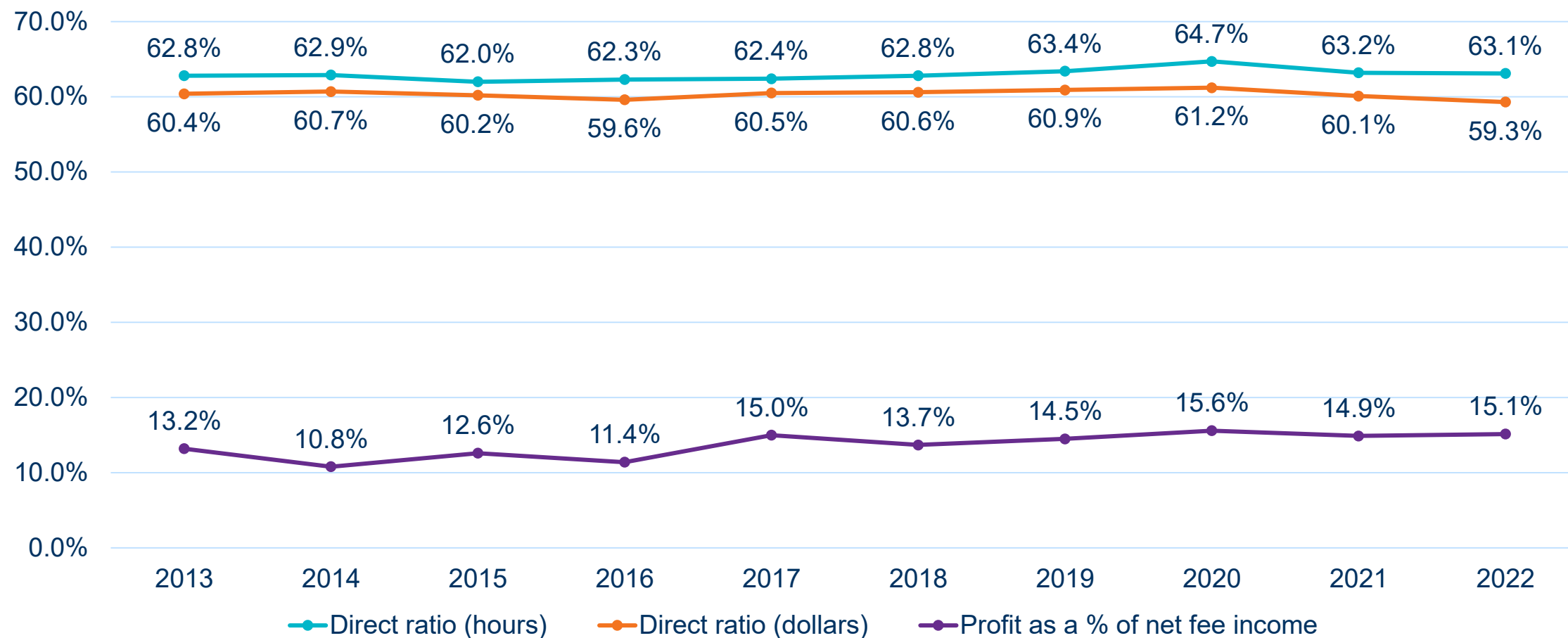
Net Fee Income Growth



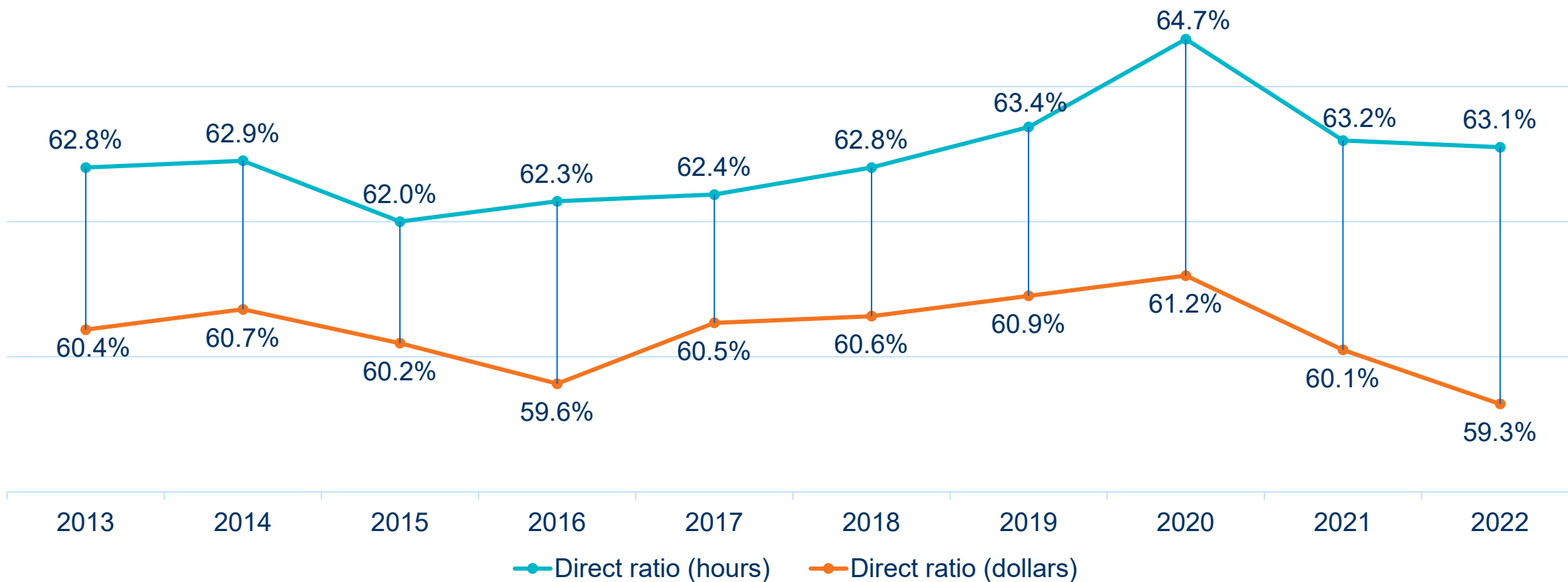
Net Fee Income Per Employee



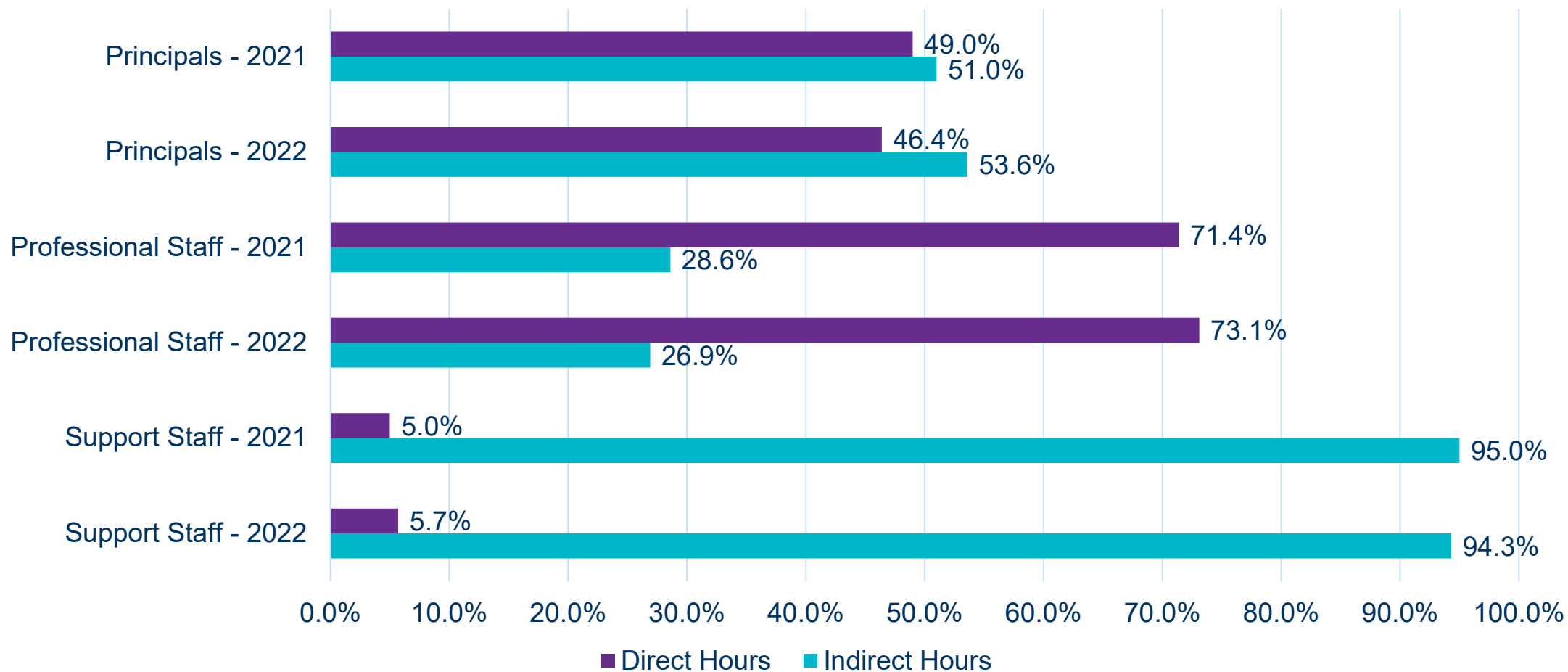
Utilization and Profit as a % of Net Fee Income



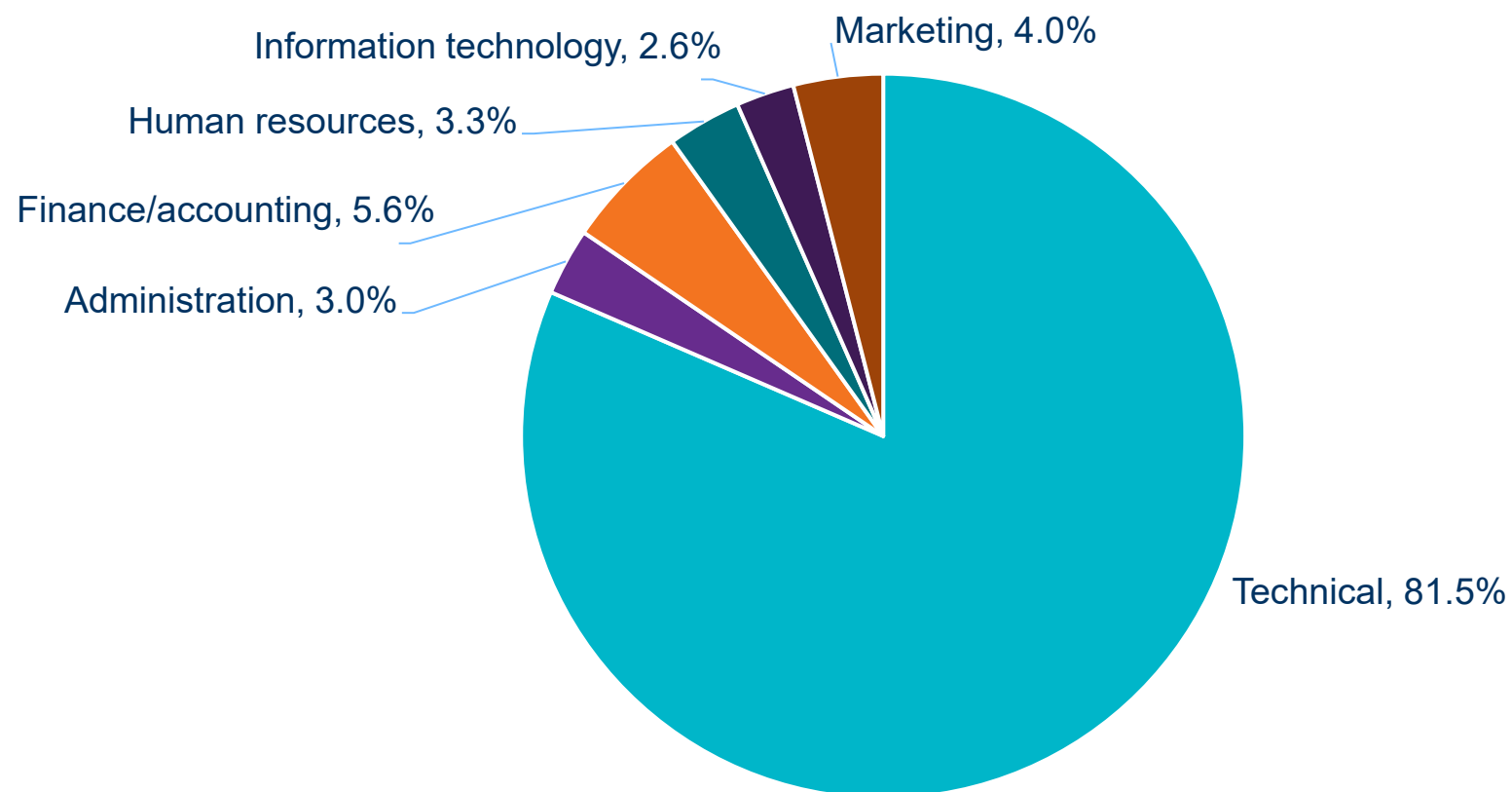
Utilization (Hours vs. Dollars)



Utilization by Role

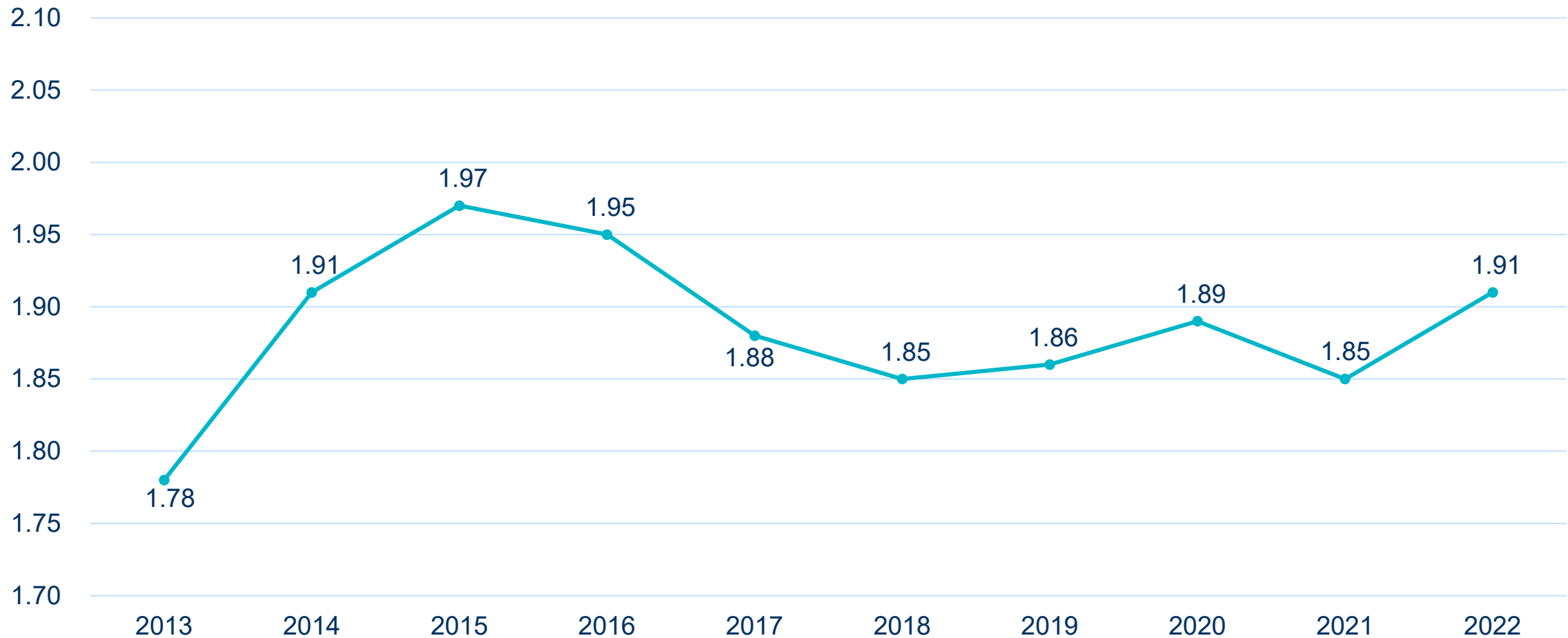


Employee Breakout

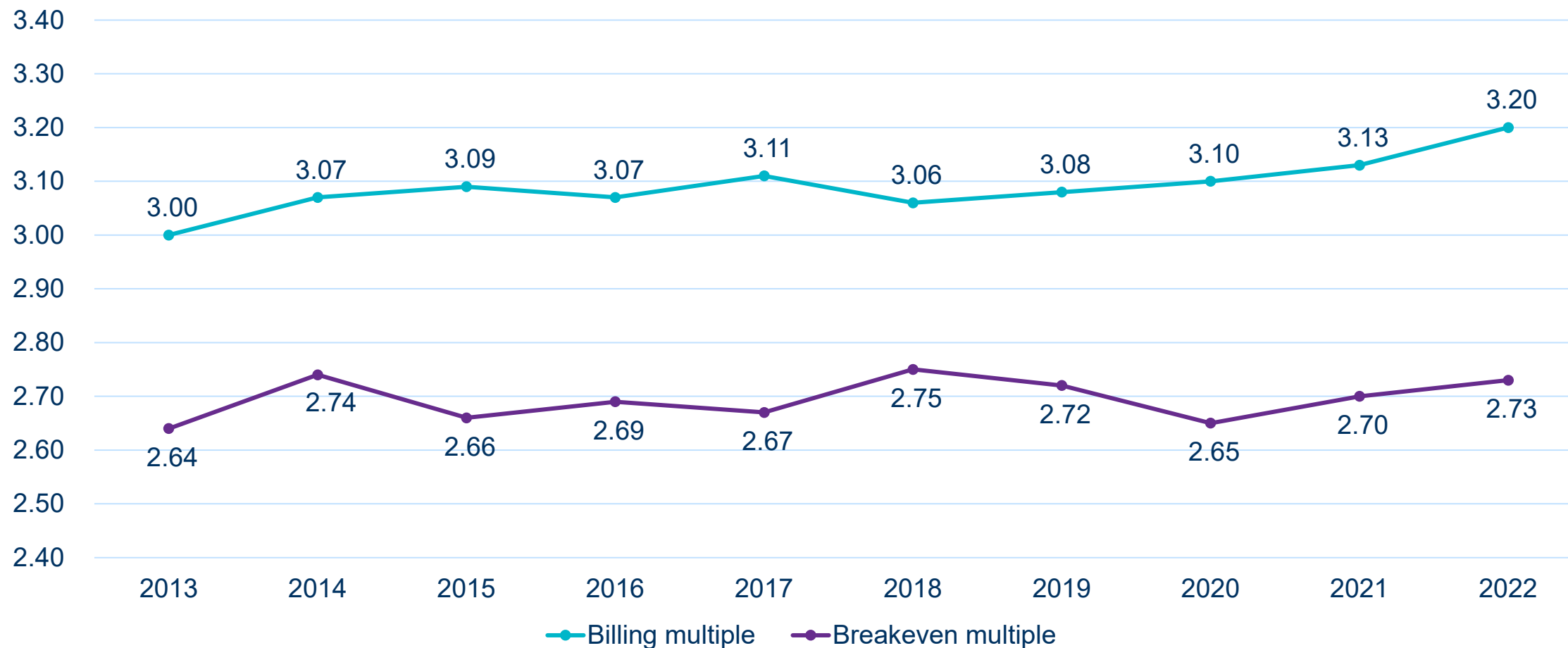


■ Technical ■ Administration ■ Finance/accounting ■ Human resources ■ Information technology ■ Marketing

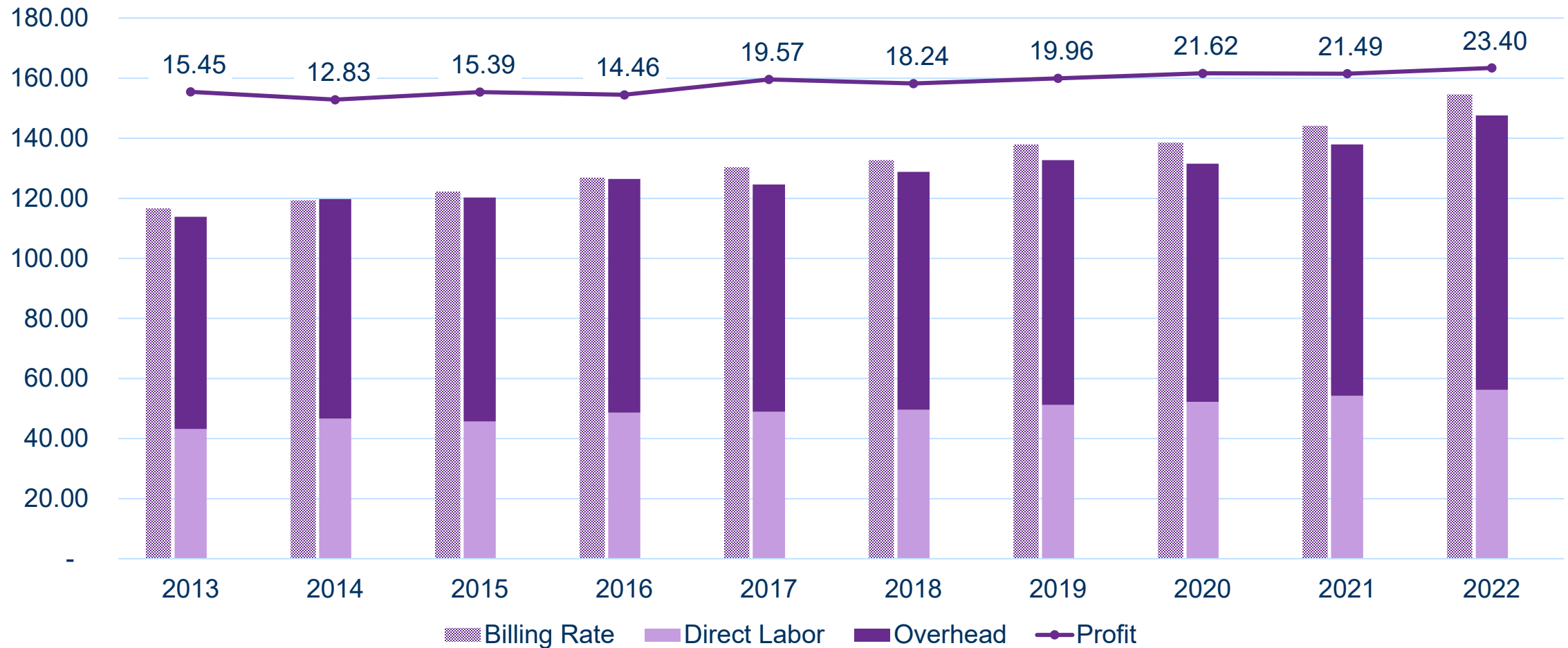
Total Labor Billing Multiple (Revenue Factor)



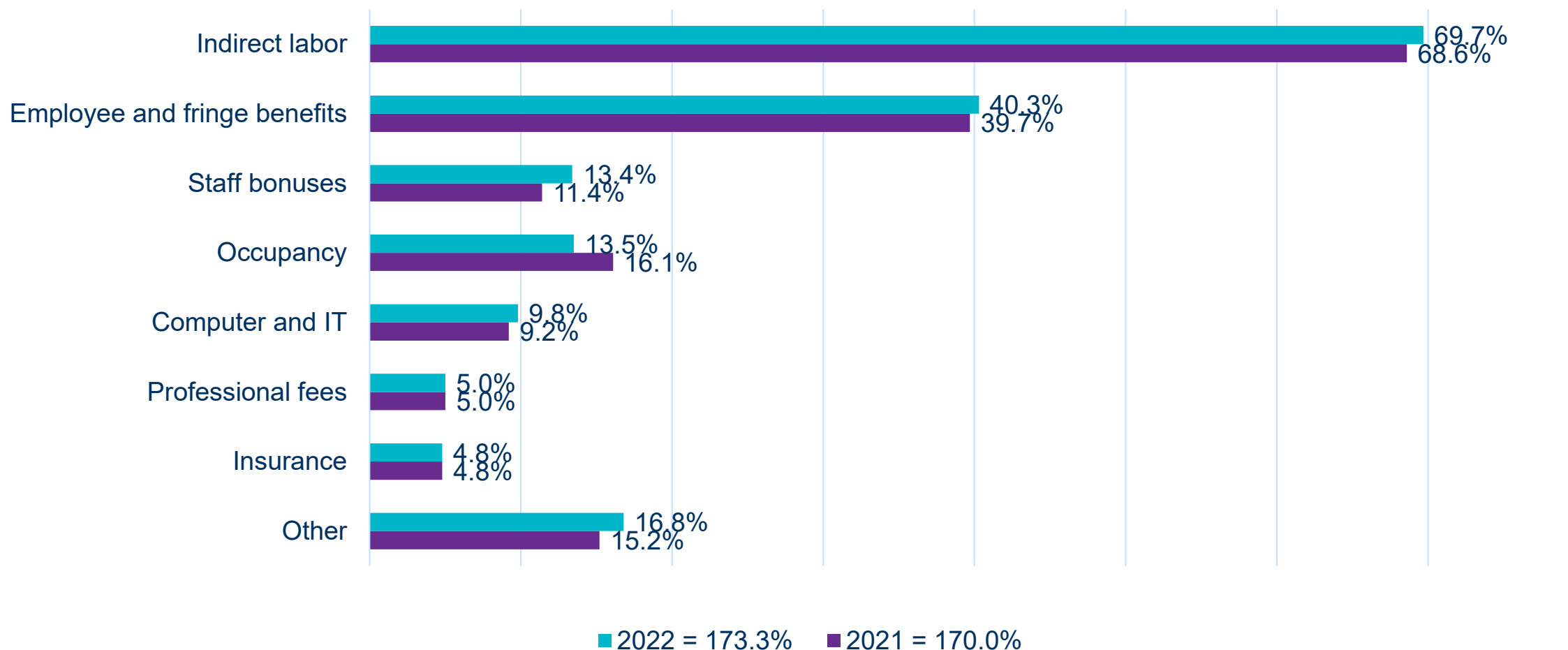
Billing Multiple vs. Breakeven Multiple



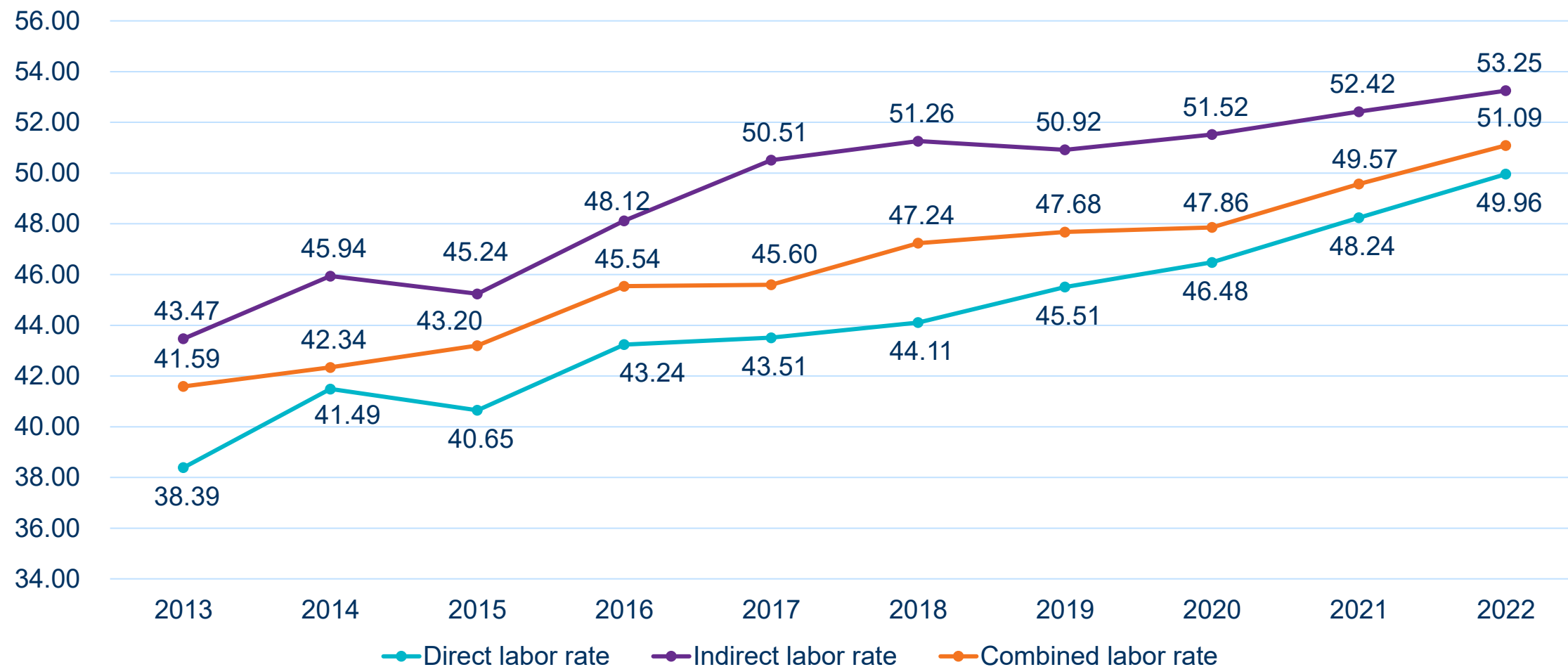
Profit Per Direct Hour



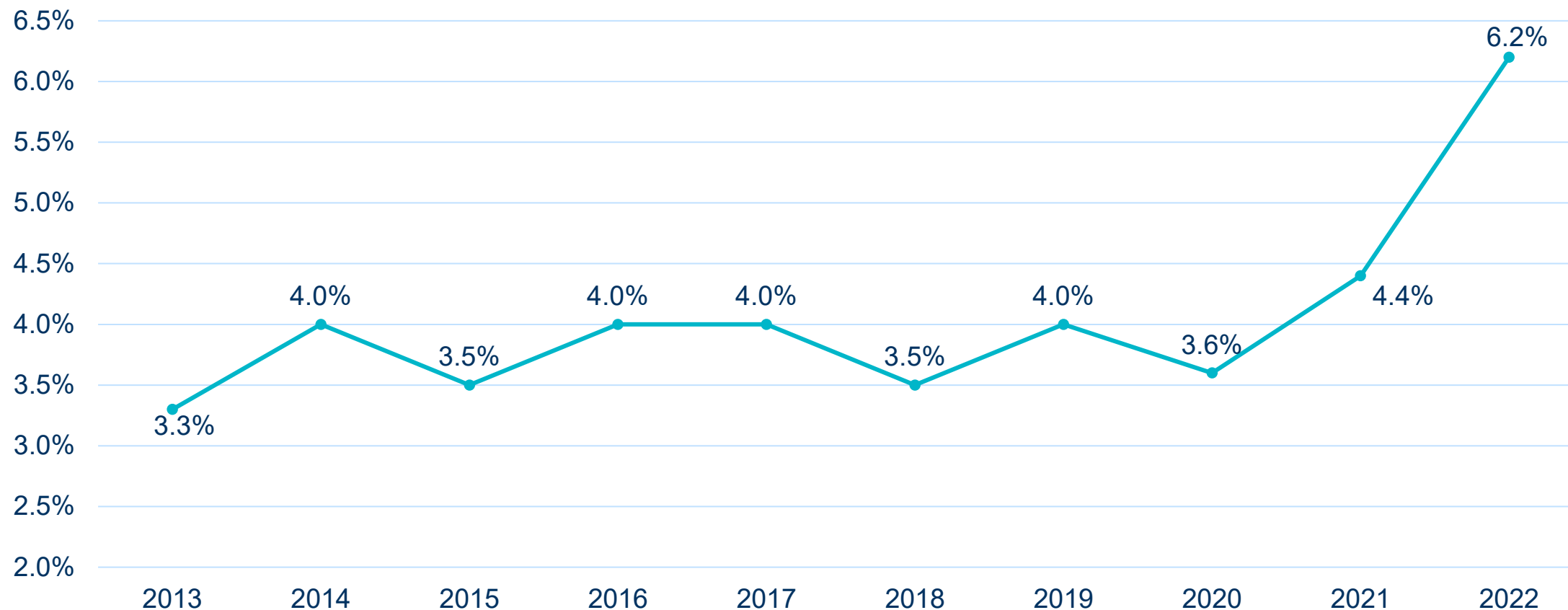
Components of the Overhead Rate



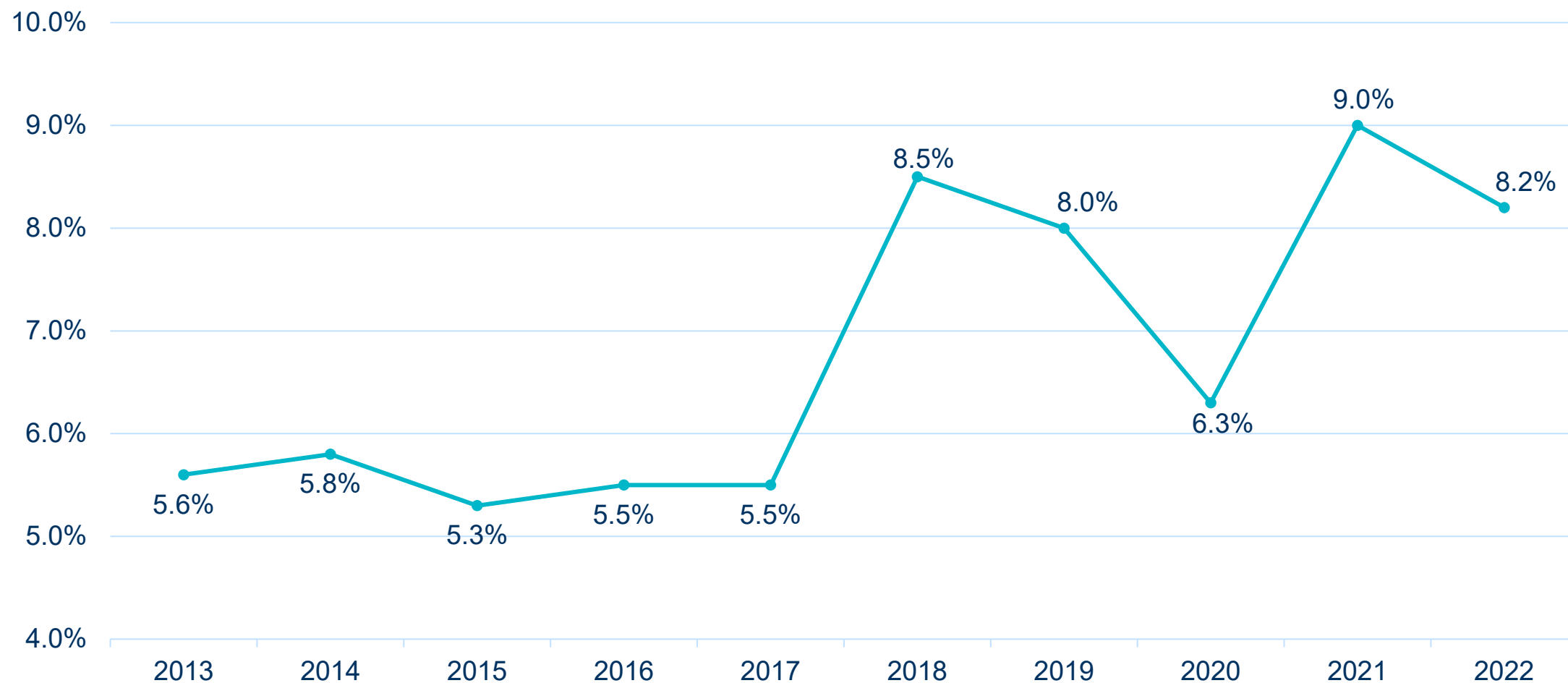
Average Hourly Rates



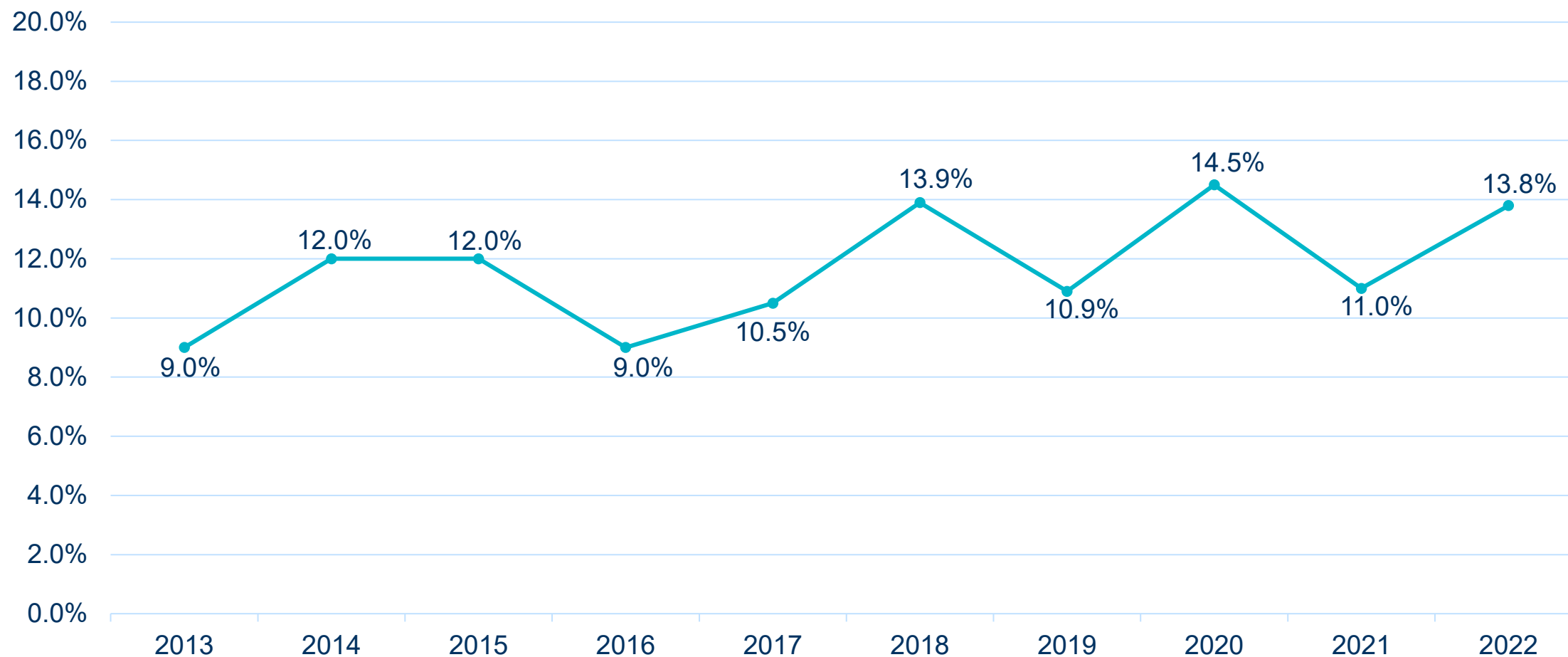
Raises as a % of Salary



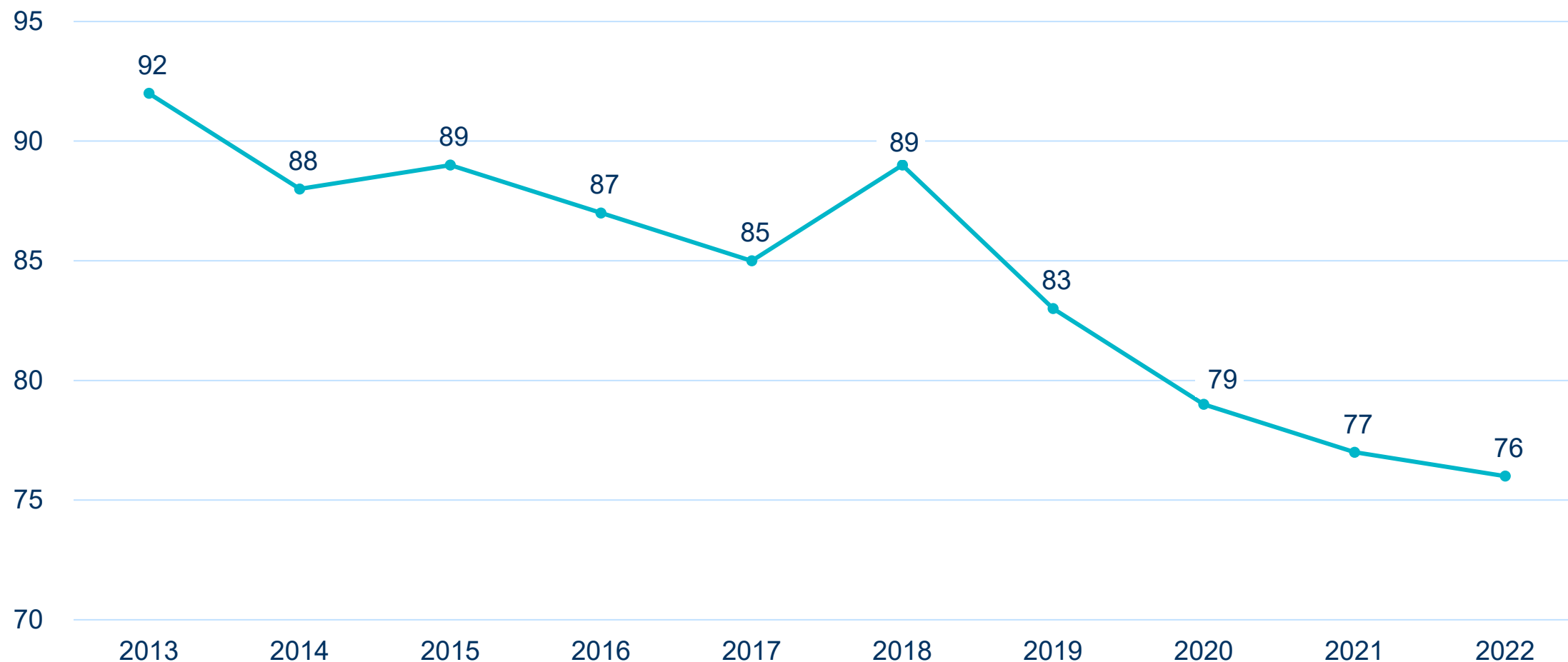
Bonuses as a % of Salary



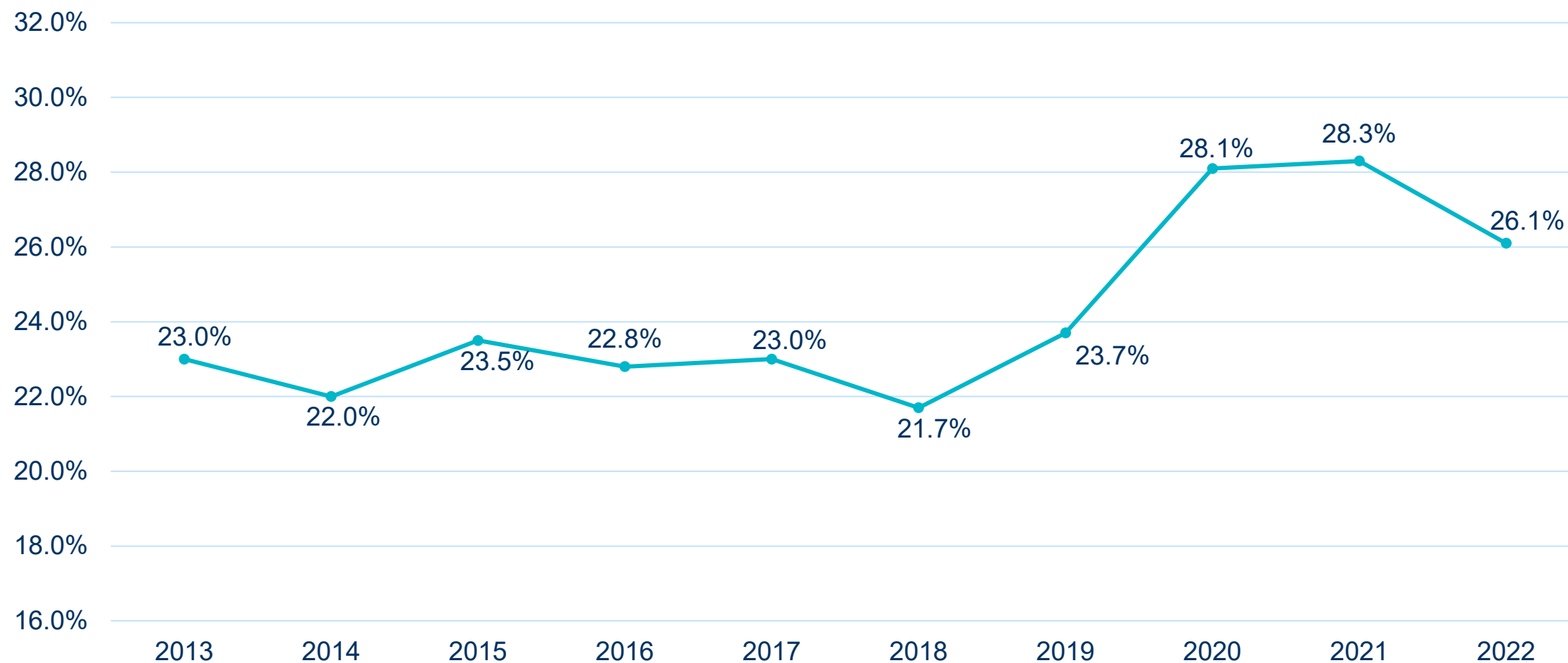
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Days Fees in Accounts Receivable (DSO)

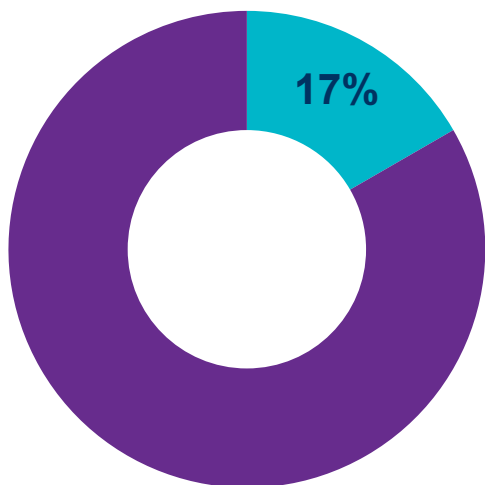


Working Capital as a % of Net Fee Income

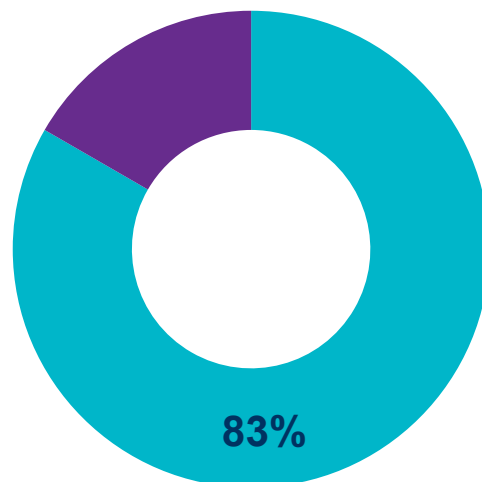


IT Statistics

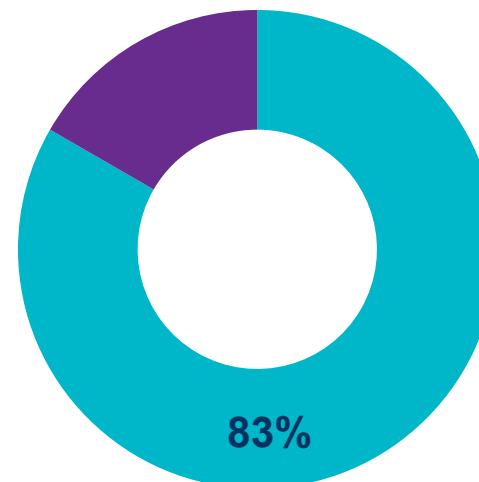
% of Firms Outsourcing IT



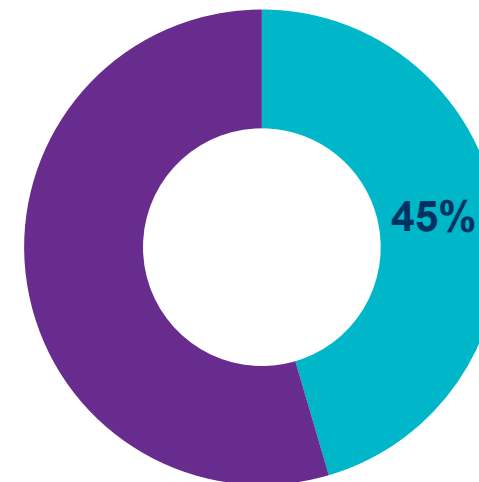
% of Firms with Cyber Insurance



% of Firms with an IT Budget

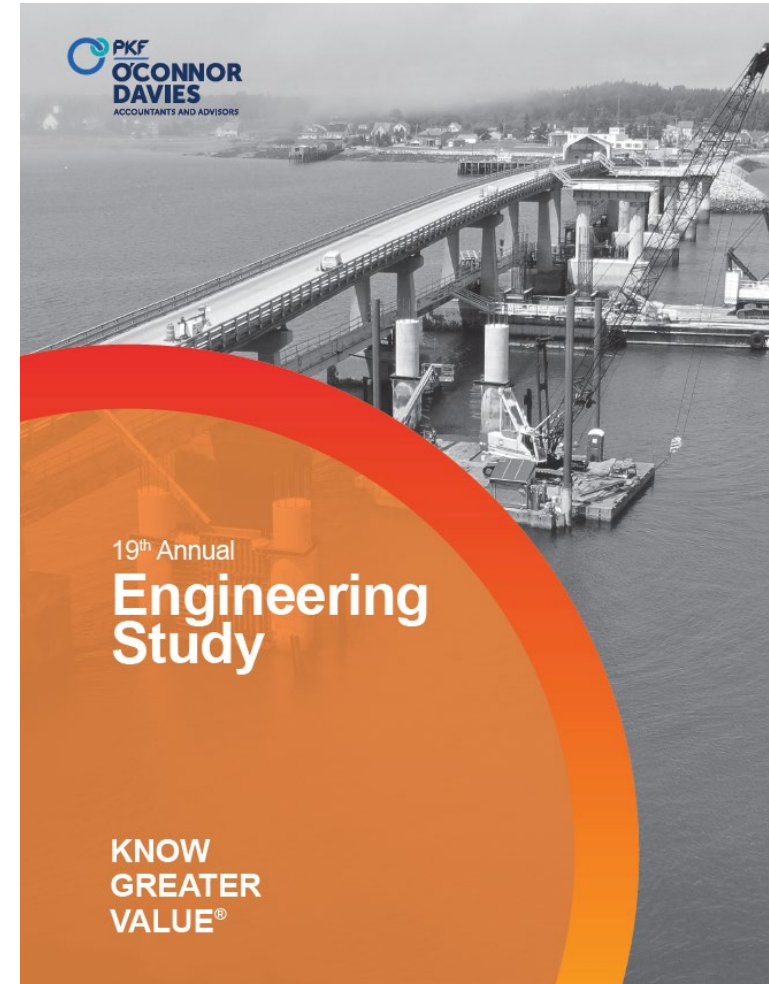


% of Firms with Dedicated Cybersecurity Budget



Resources

Visit the Architecture and Engineering industry page at **PKFOD.com** for additional resources, including our annual study.



Thank You



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