



Benchmarking Firm Performance – Insights 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 2024 Engineering Study:
 - Regional and national firms
 - Employee-owned
 - \$3M to \$450M in gross revenues
 - 10 to 2,000 employees



Key Performance Indicators & Metrics

Net Fee Income Growth

Net Fee Income Per Full Time Equivalent

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

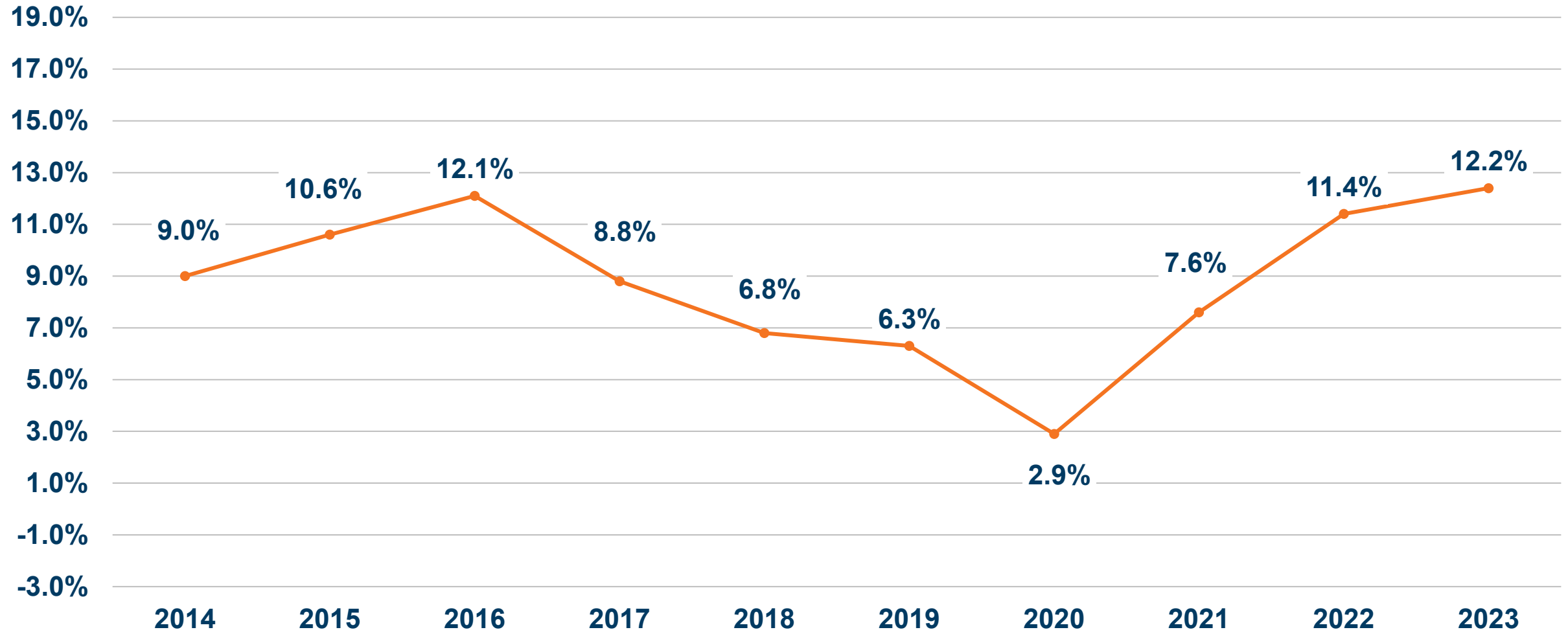
Staff Turnover Ratio

Days Fees in Accounts Receivable (DSO)

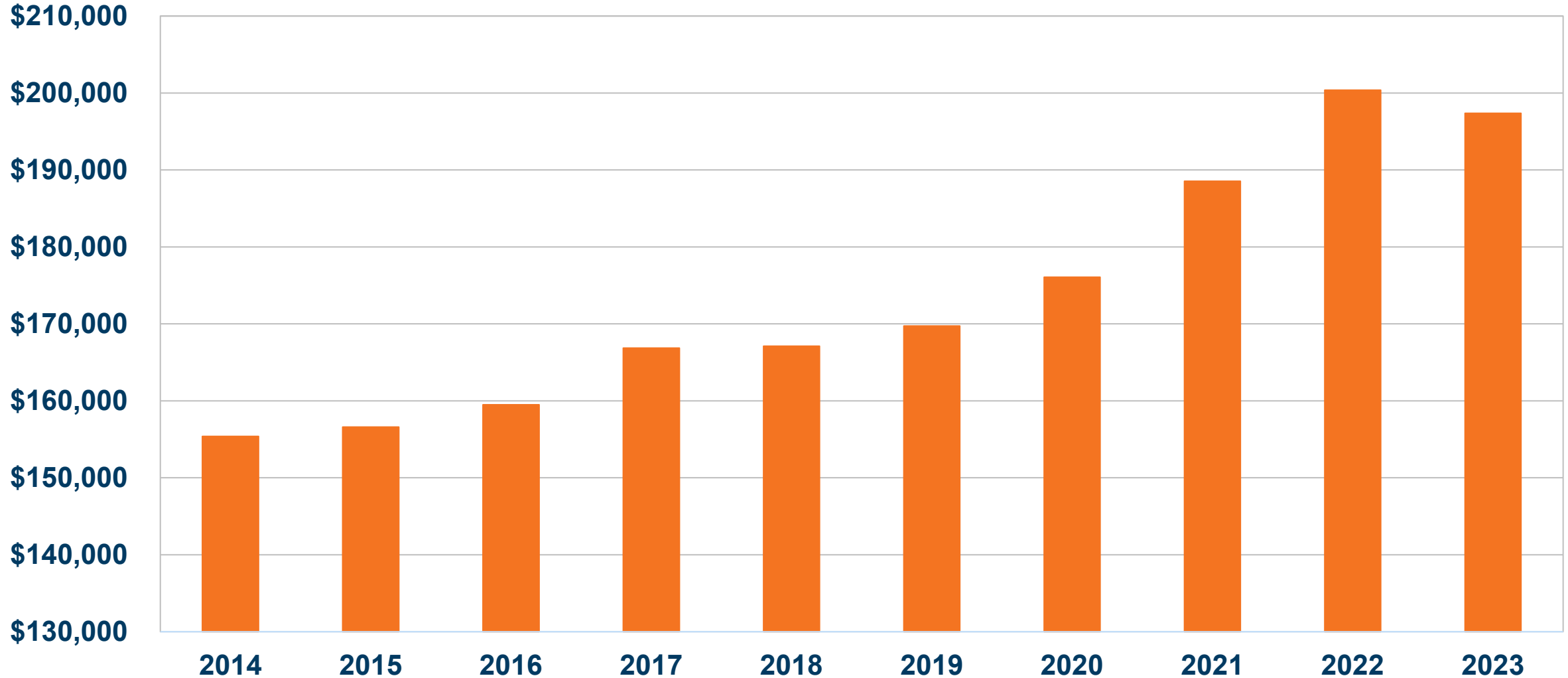
Working Capital as a % of Net Fee Income

Technology Trends

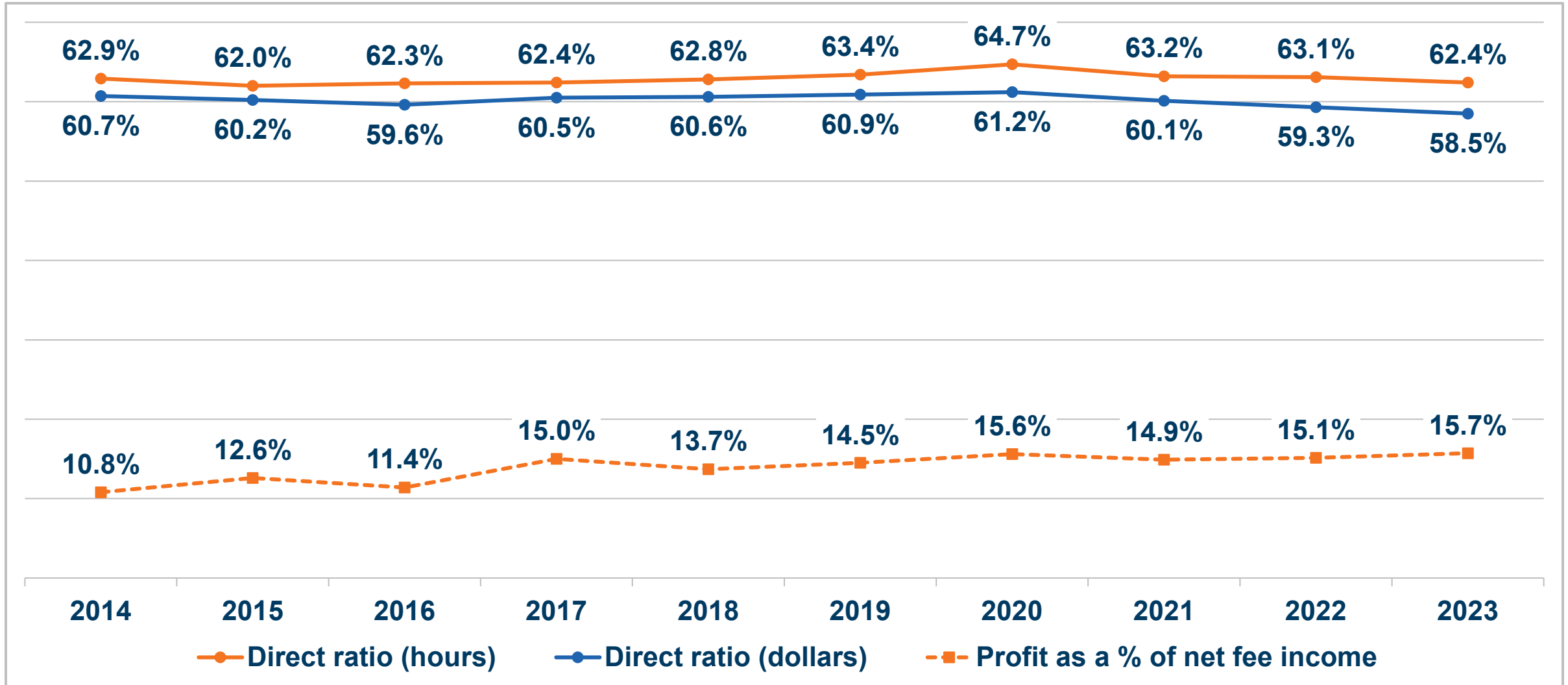
Net Fee Income Growth



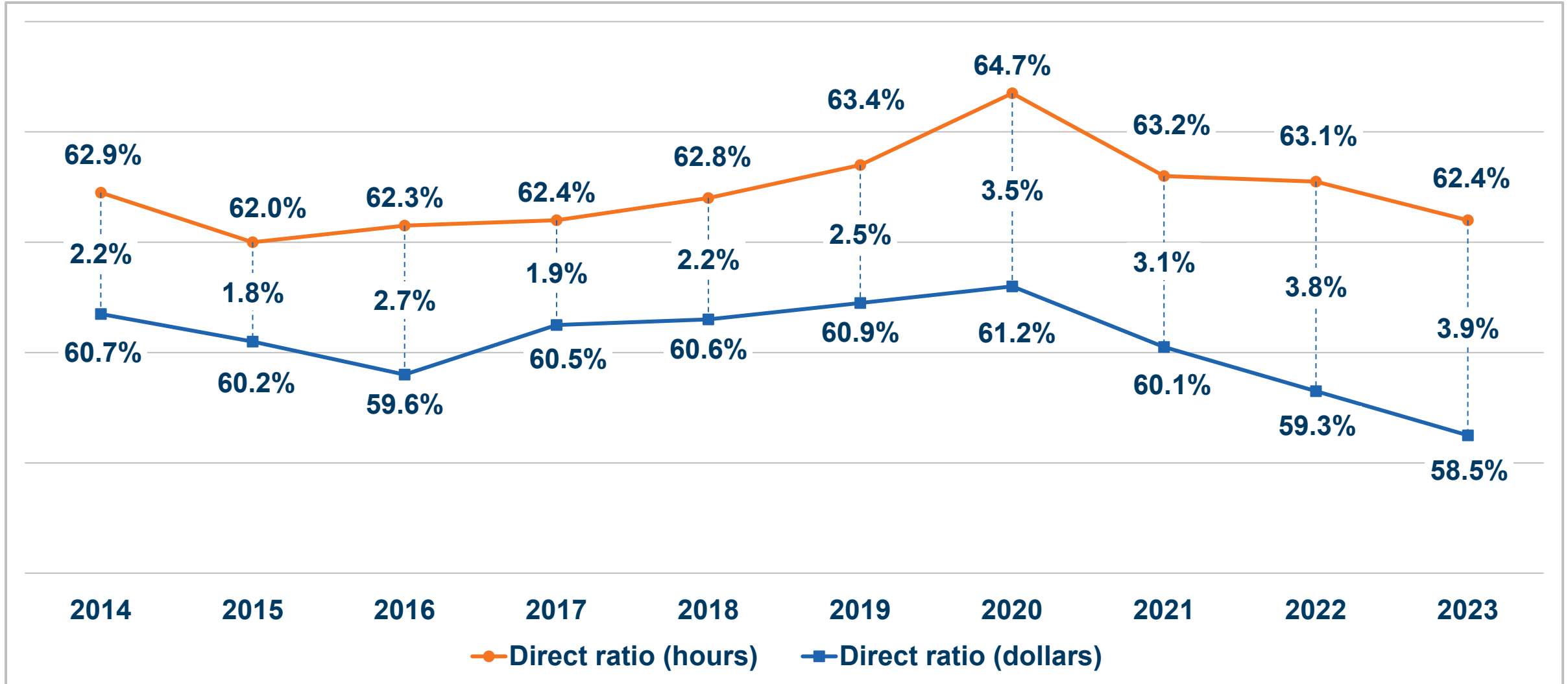
Net Fee Income Per Full Time Equivalent



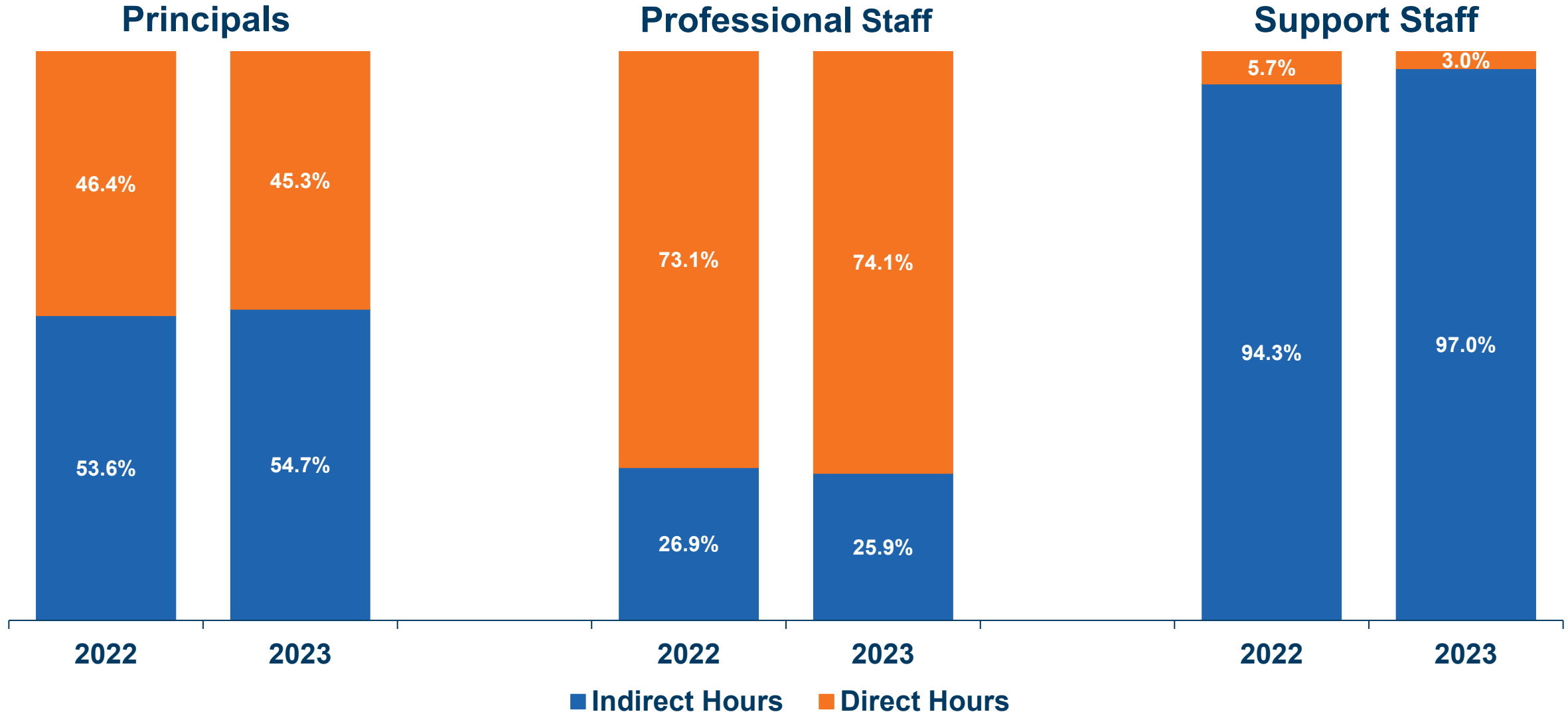
Utilization and Profit as a % of Net Fee Income



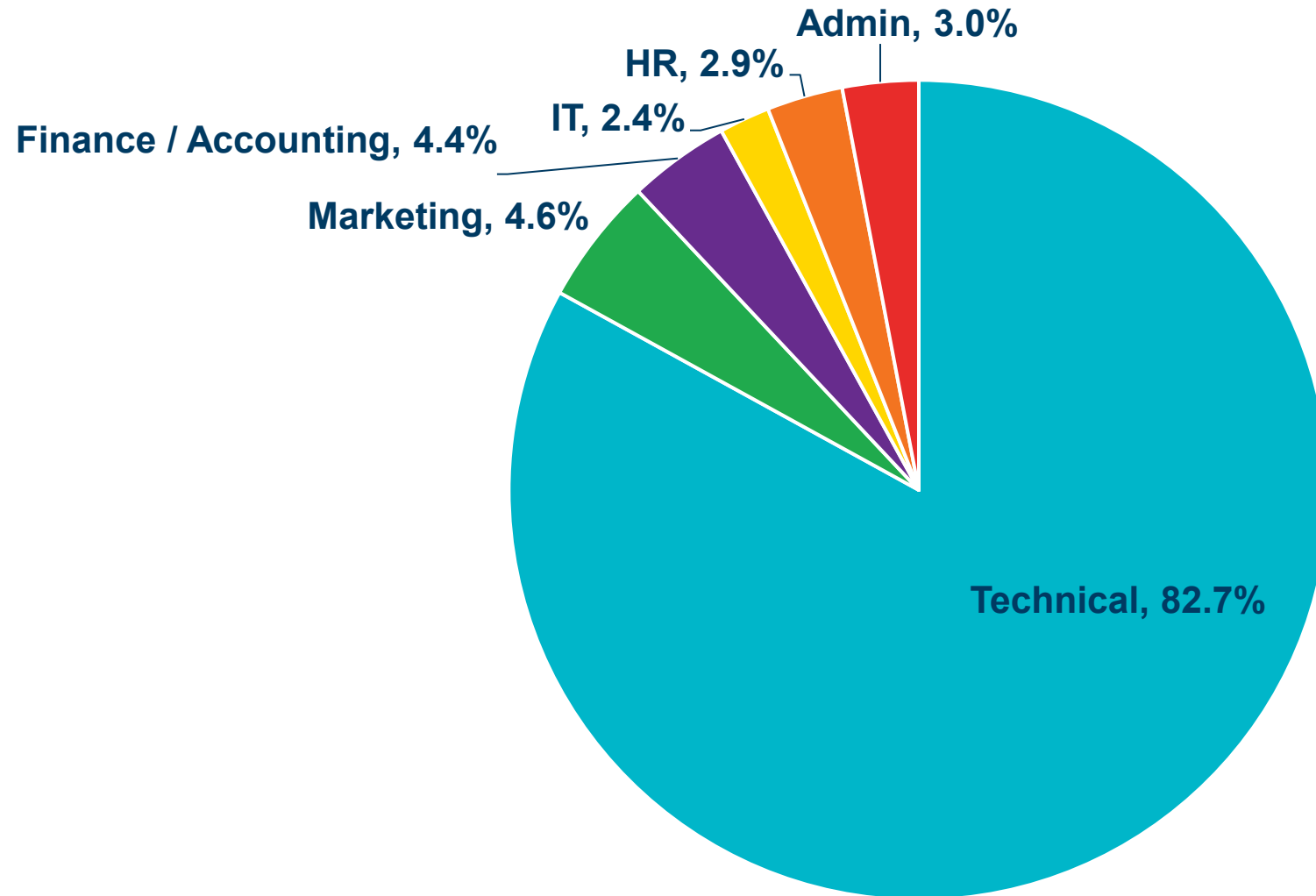
Utilization (Hours vs. Dollars)



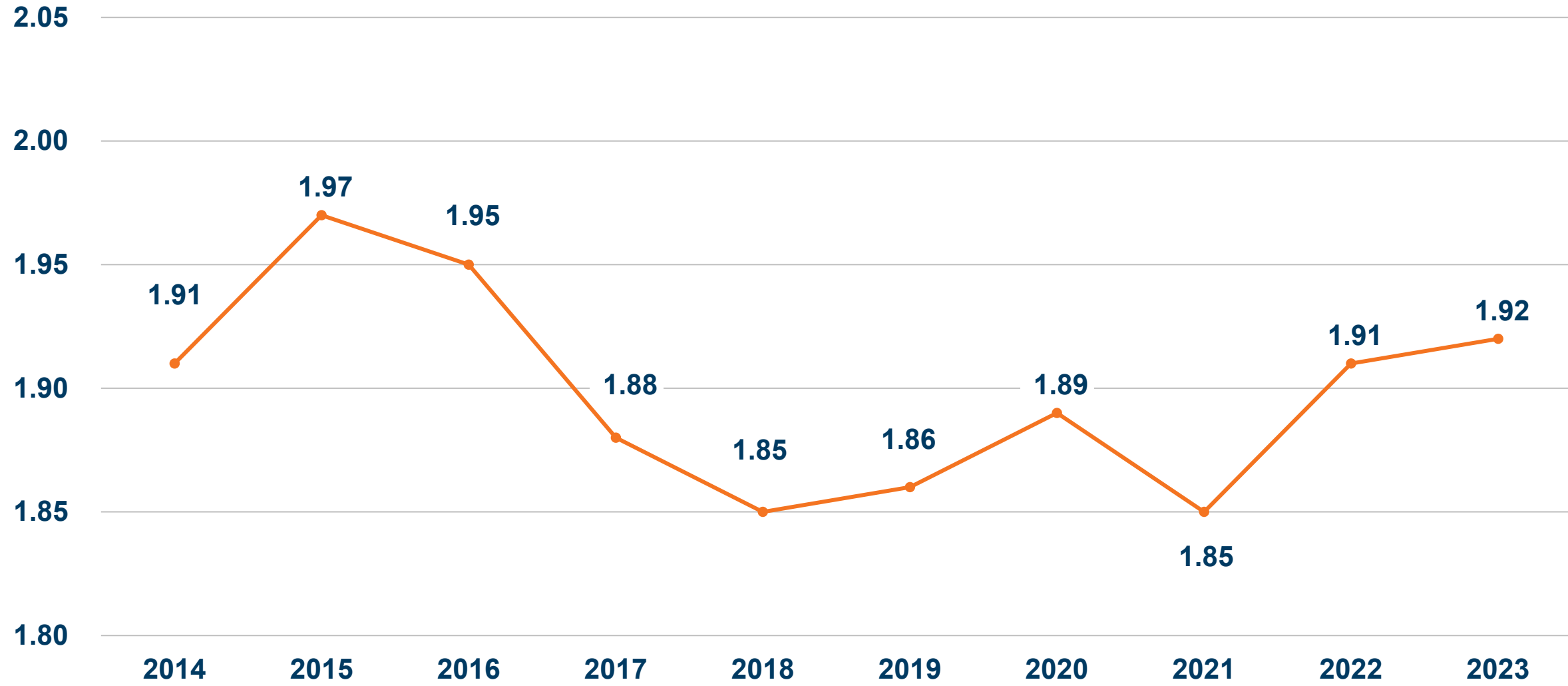
Utilization by Role



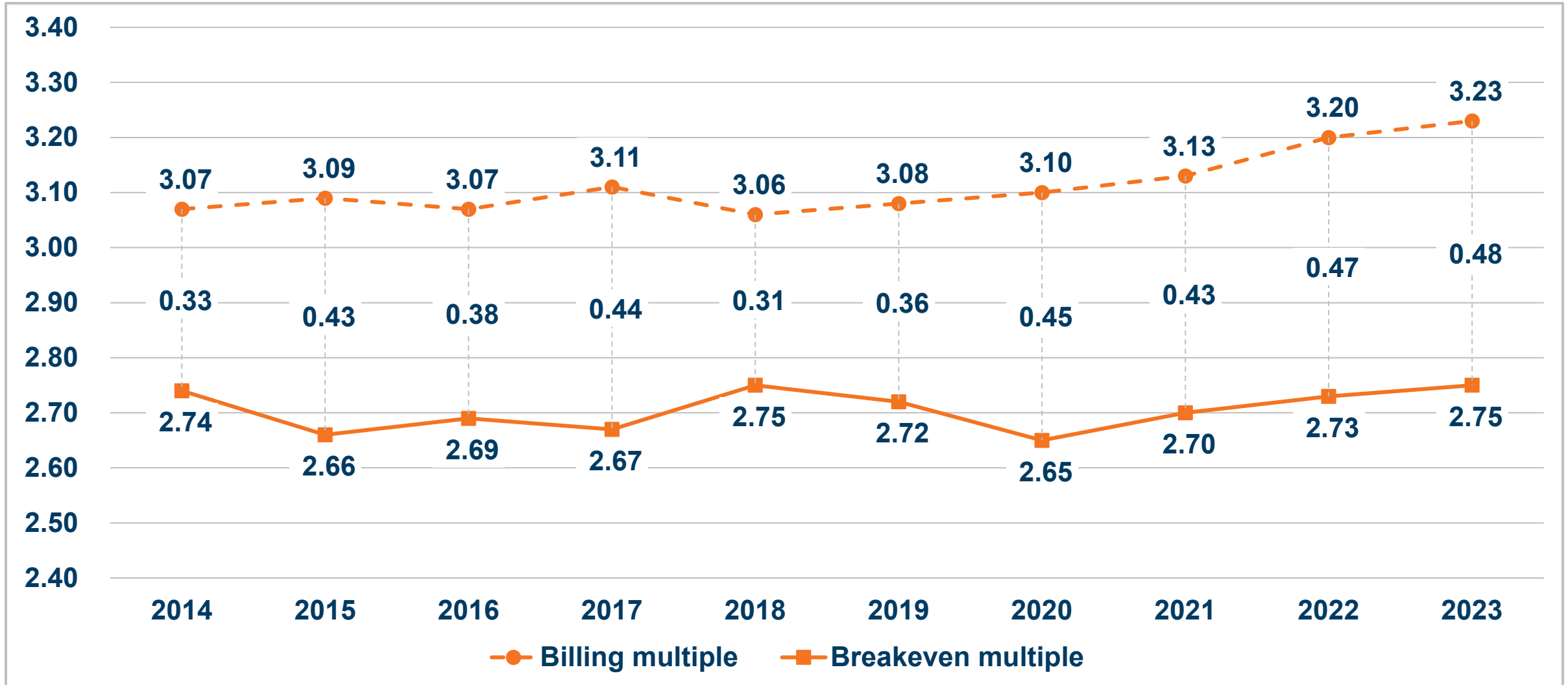
Employee Breakout



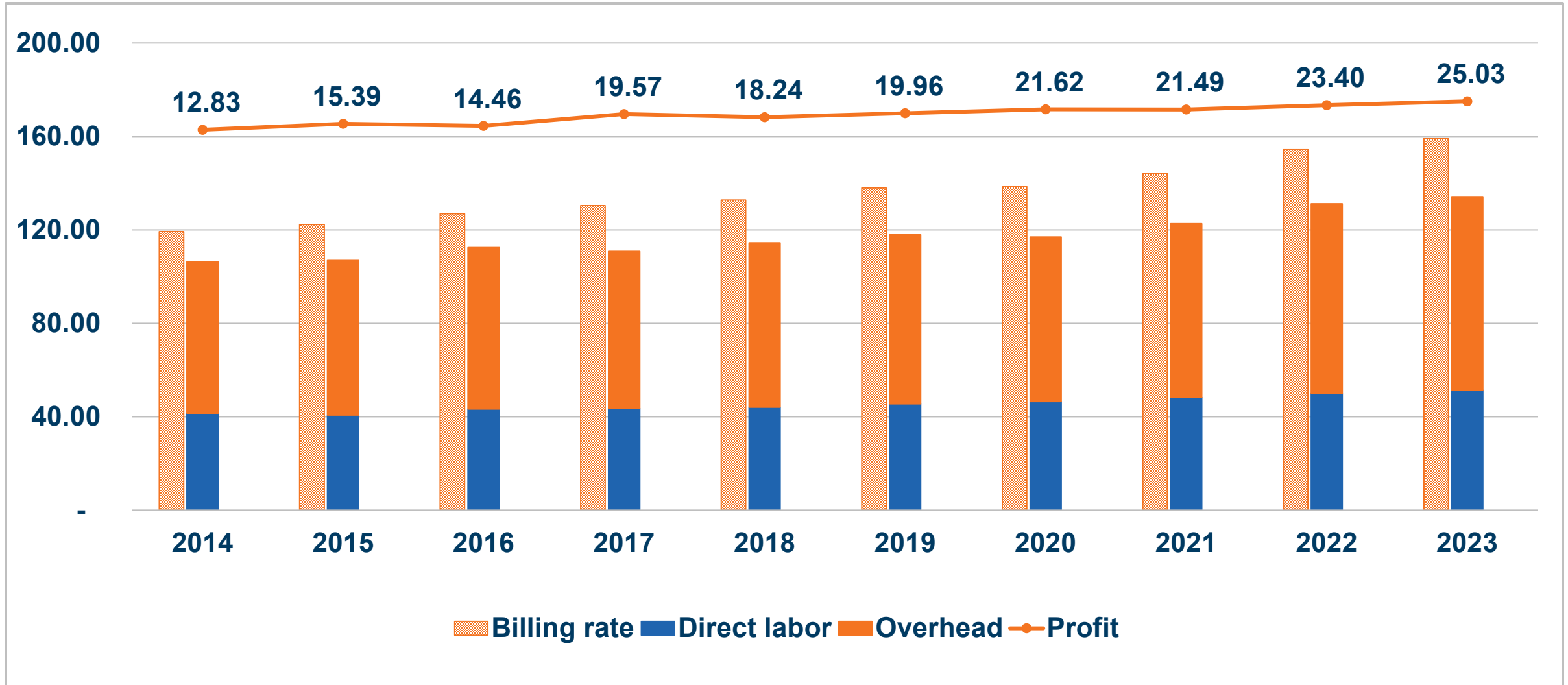
Total Labor Billing Multiple (Revenue Factor)



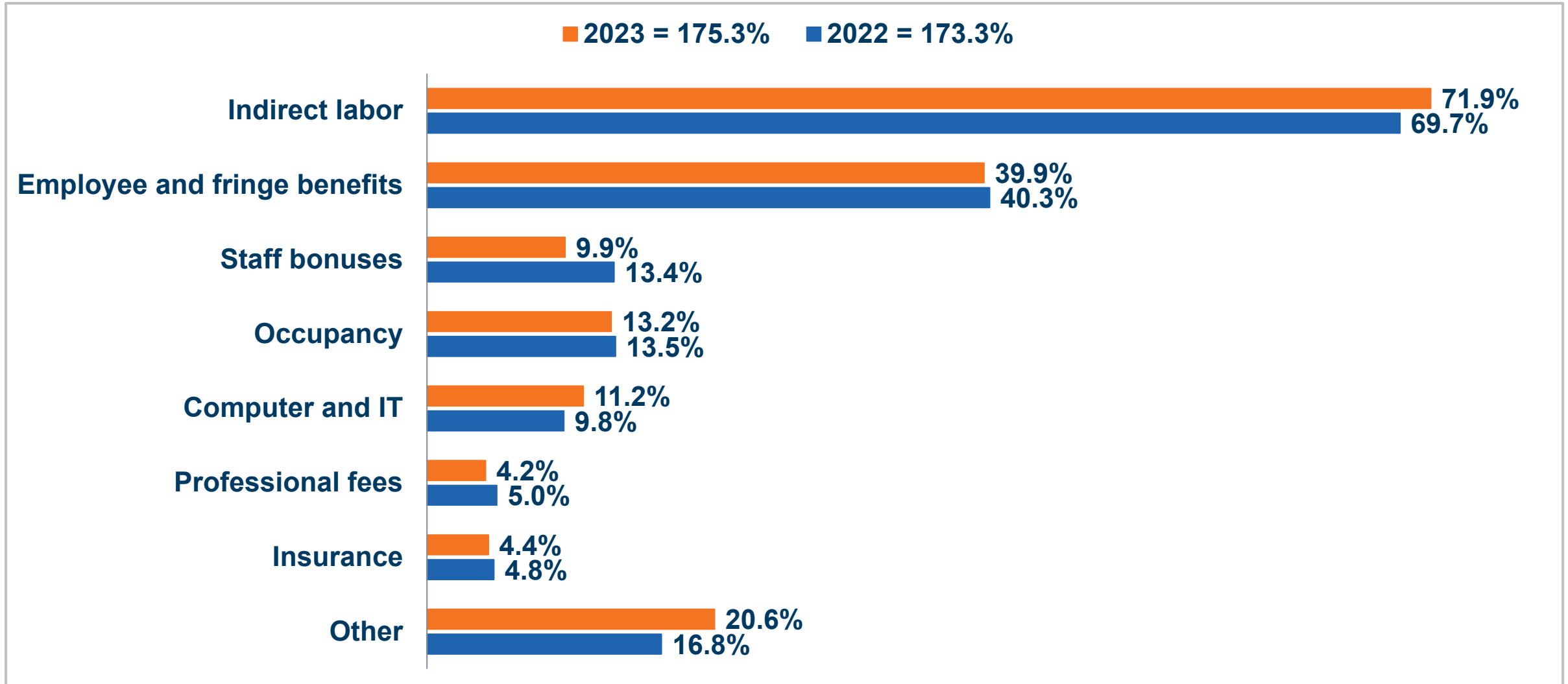
Billing Multiple vs. Breakeven Multiple



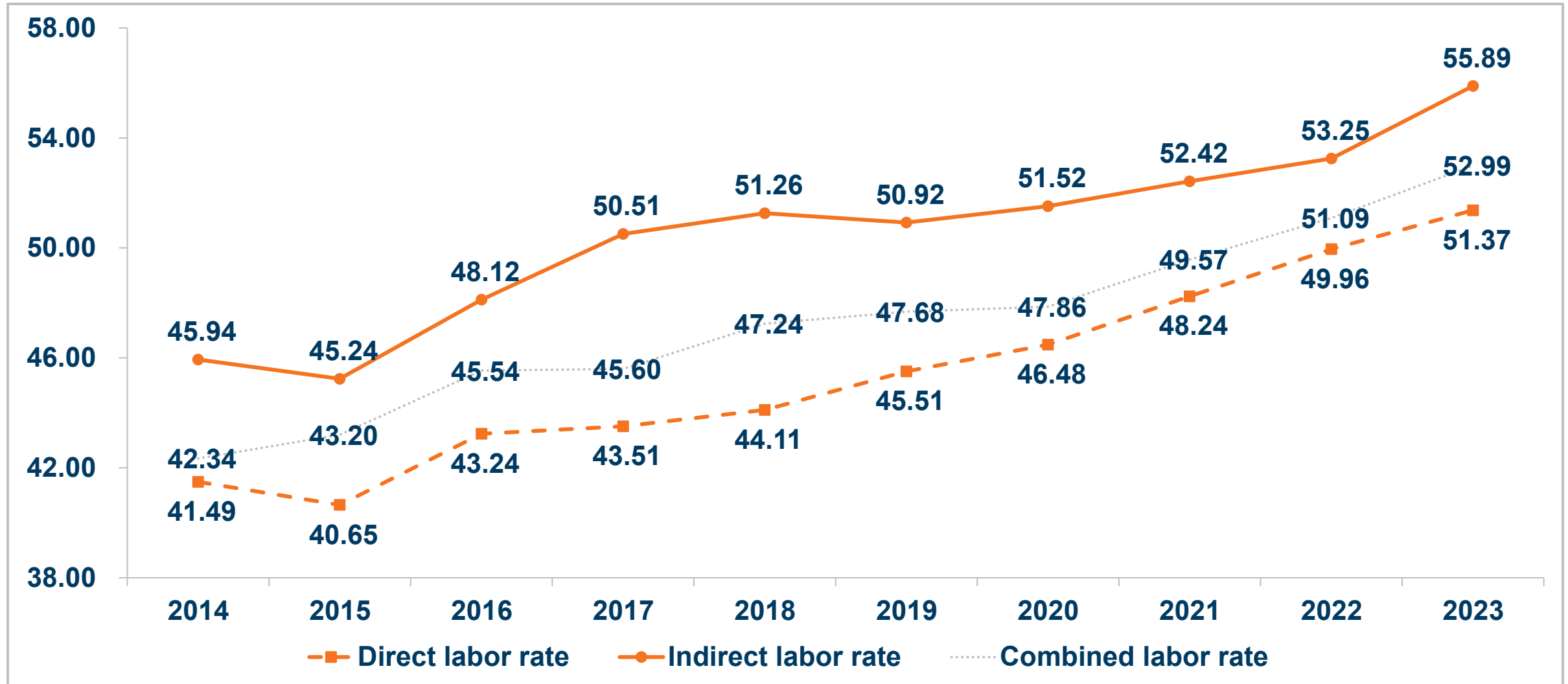
Profit Per Direct Hour



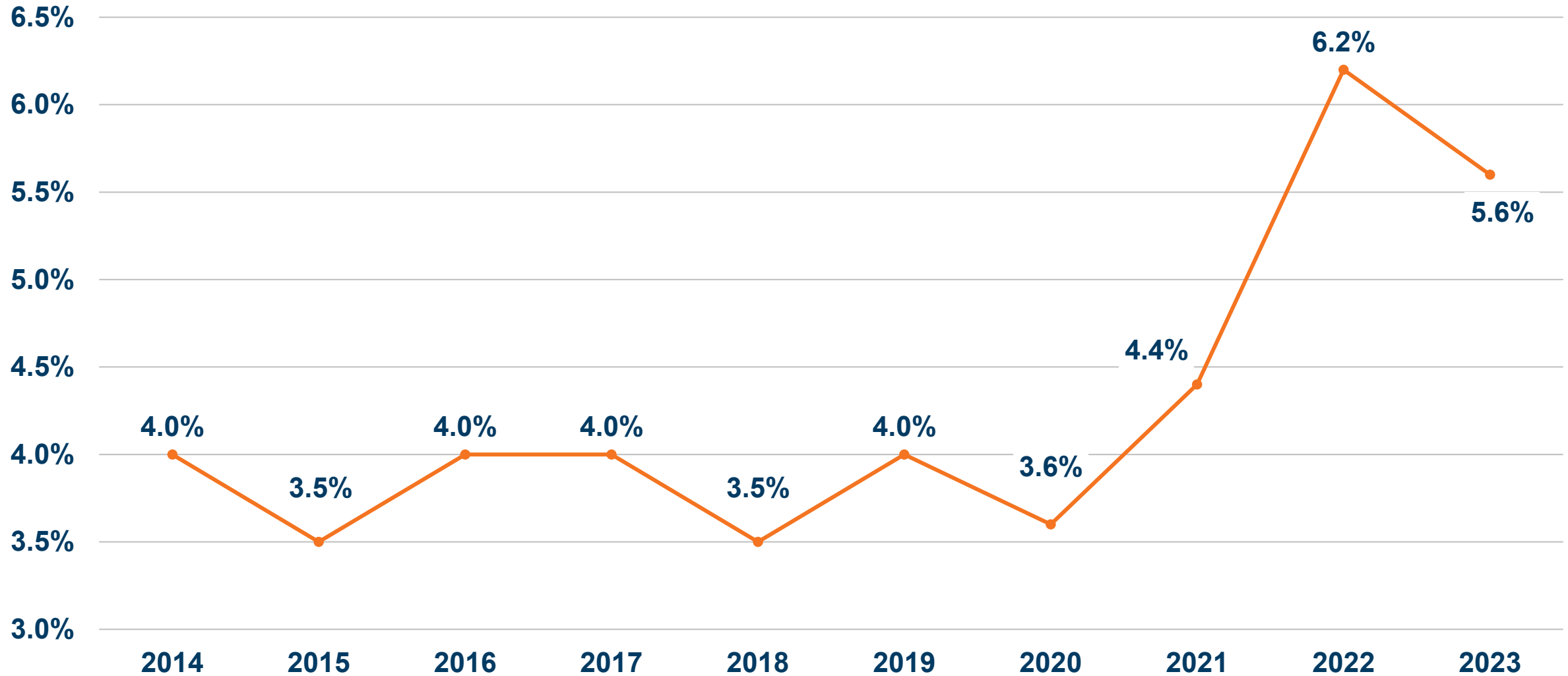
Components of the Overhead Rate



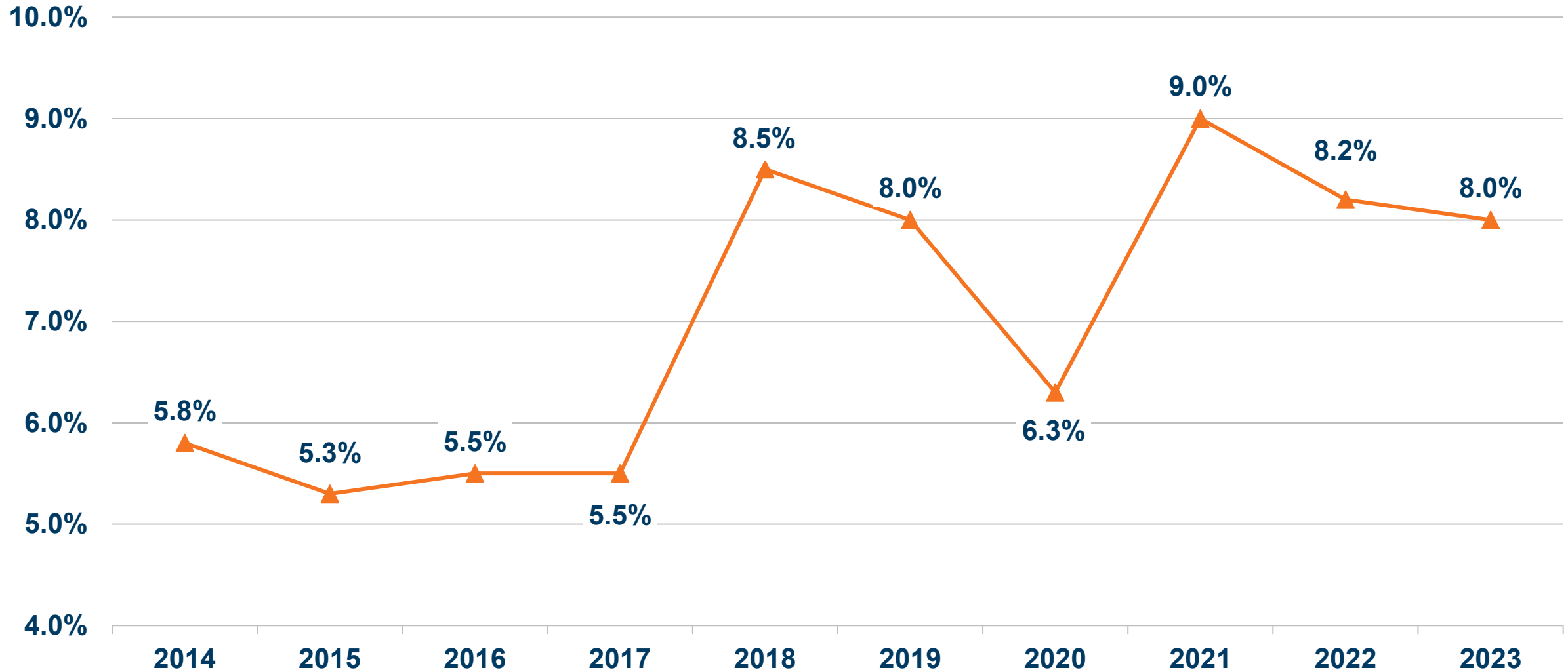
Average Hourly Rates



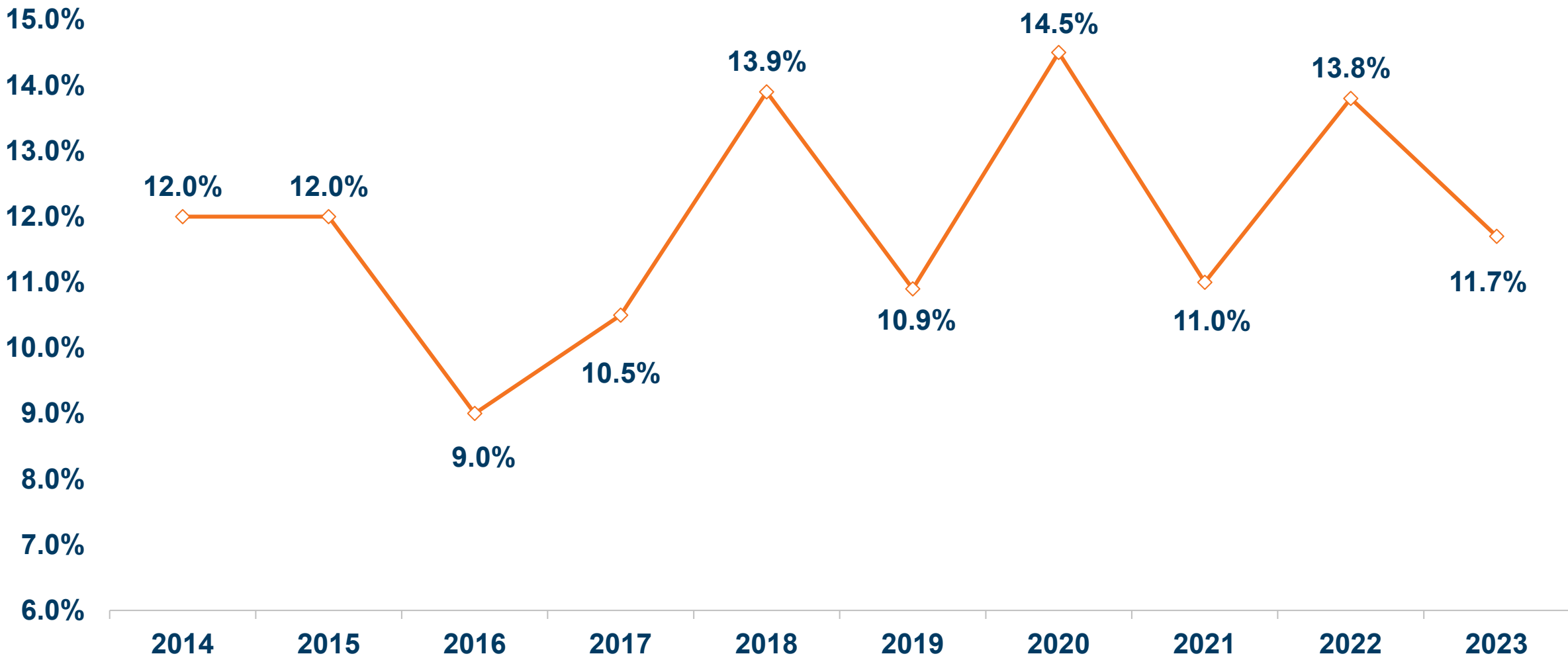
Raises as a % of Salary



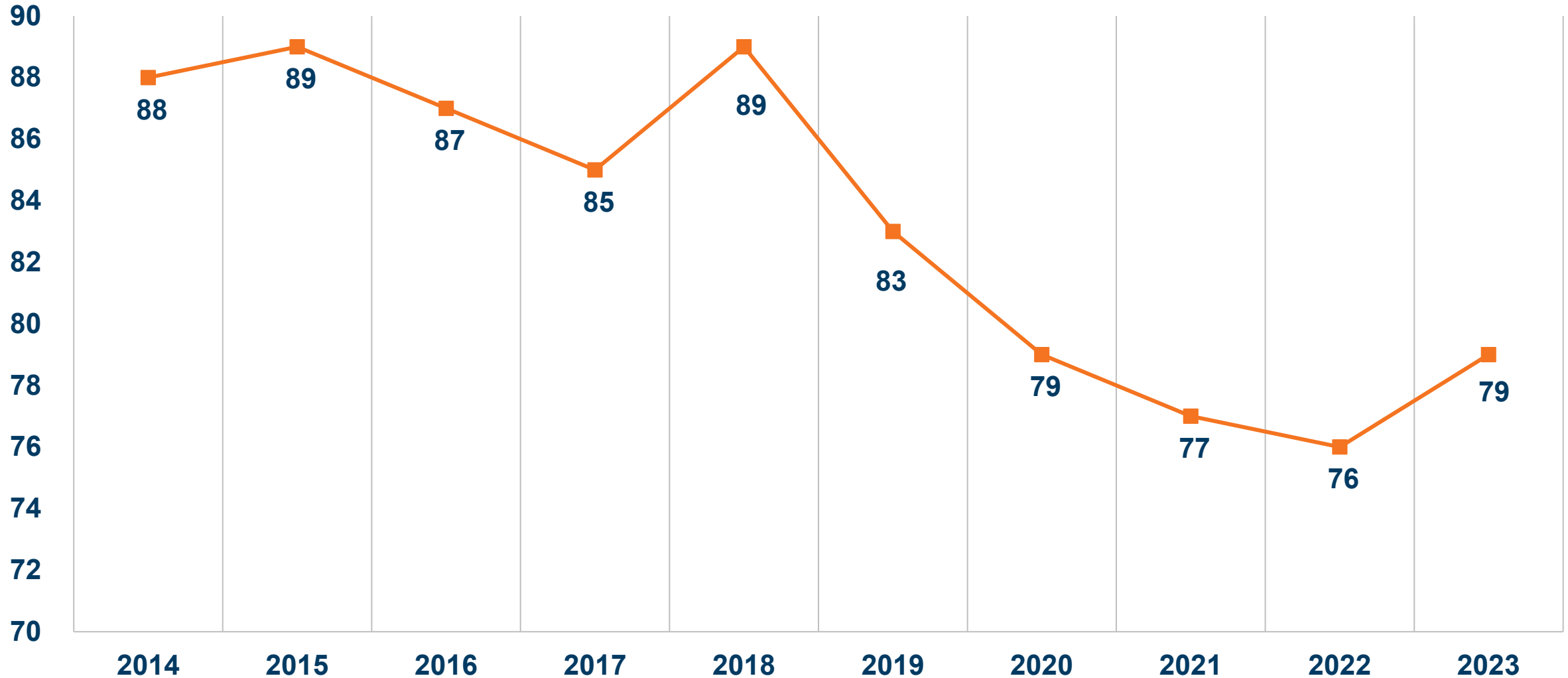
Bonuses as a % of Salary



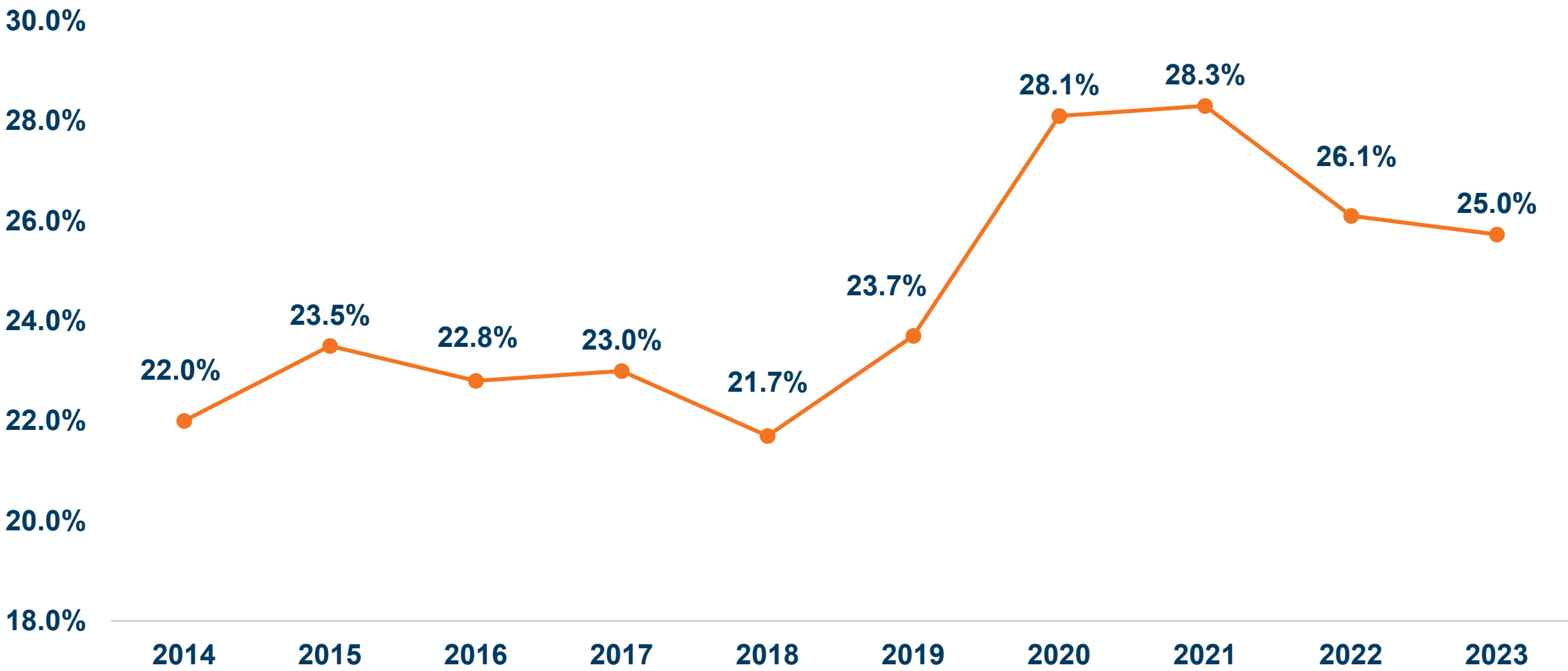
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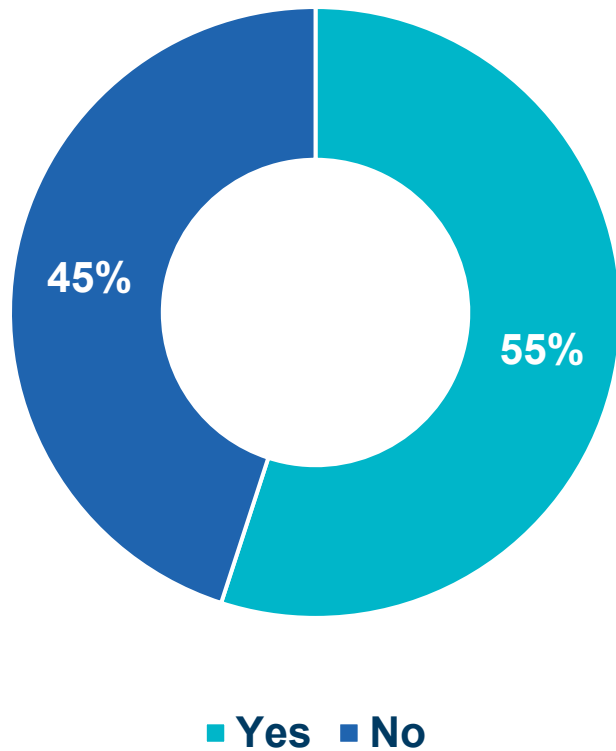


Working Capital as a % of Net Fee Income

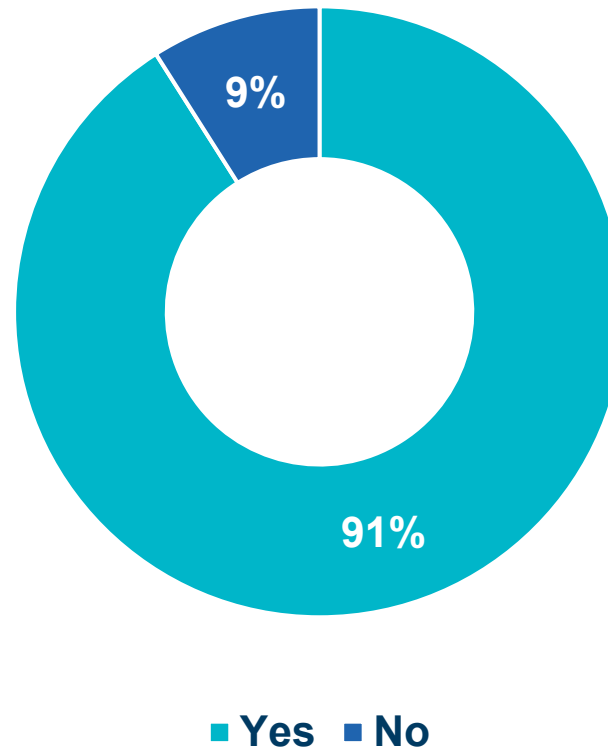


Technology Trends

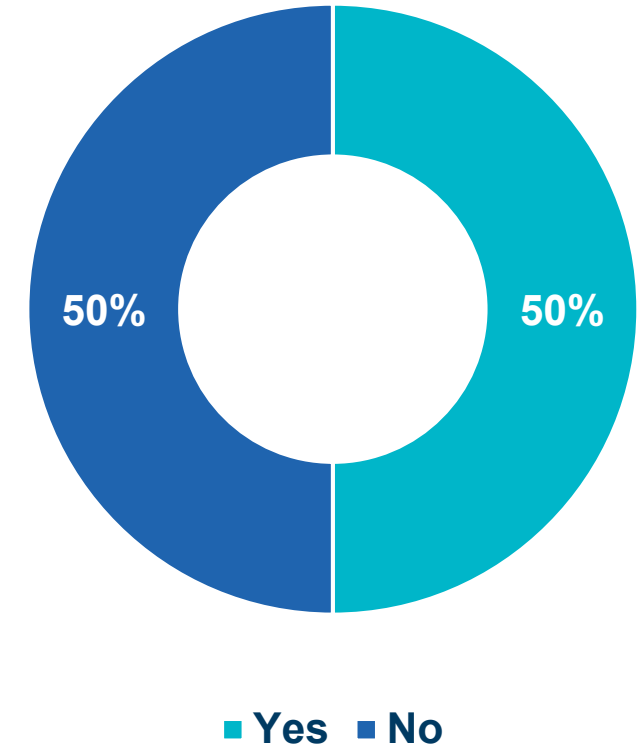
Firms currently utilizing AI tools internally



Firms utilizing AI tools internally within 5 years

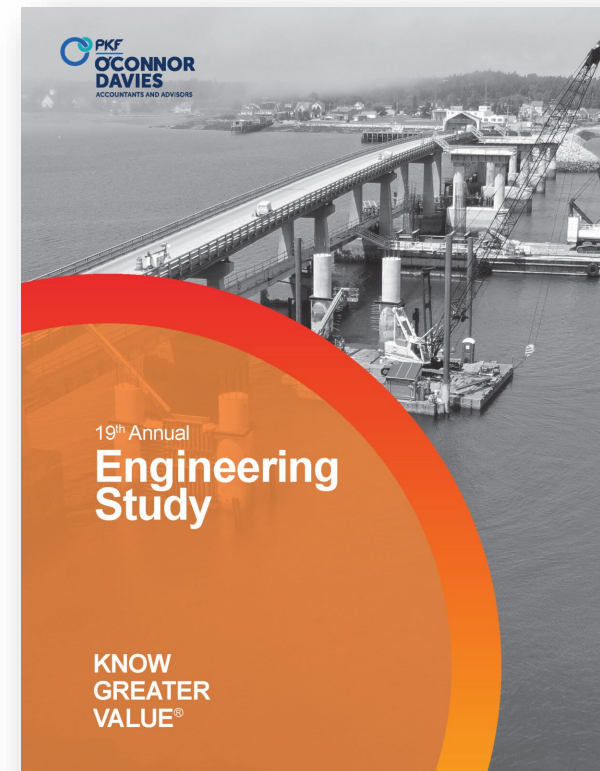
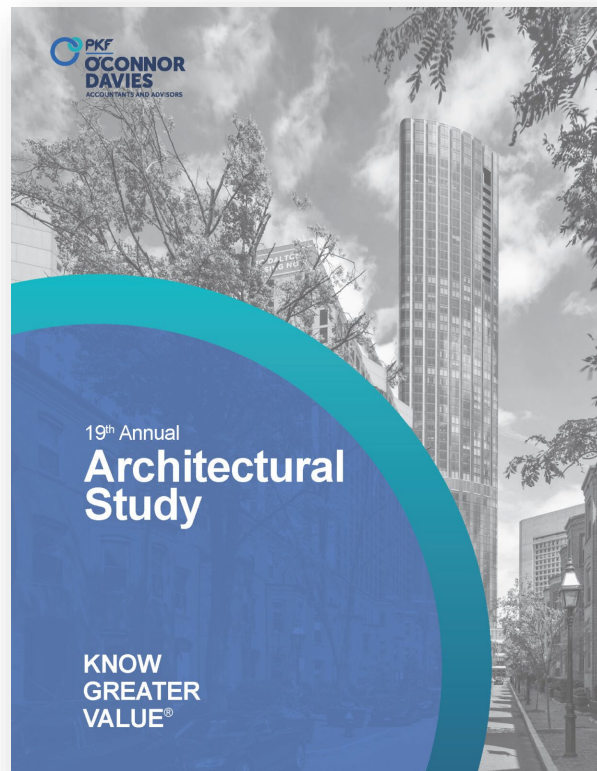


Firms offering AI product/service within 5 years



Coming Soon

Visit the Architecture and Engineering industry page at [PKFOD.com](https://www.pkfod.com) for additional resources, including our annual studies.



Thank You



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