

CUT OR SPEND

Vs

Save & Invest

Or Mom...

*"...why did you want me to
be an Architect or Engineer
anyway?#??"*

y25s

Breckenridge
A R O U P
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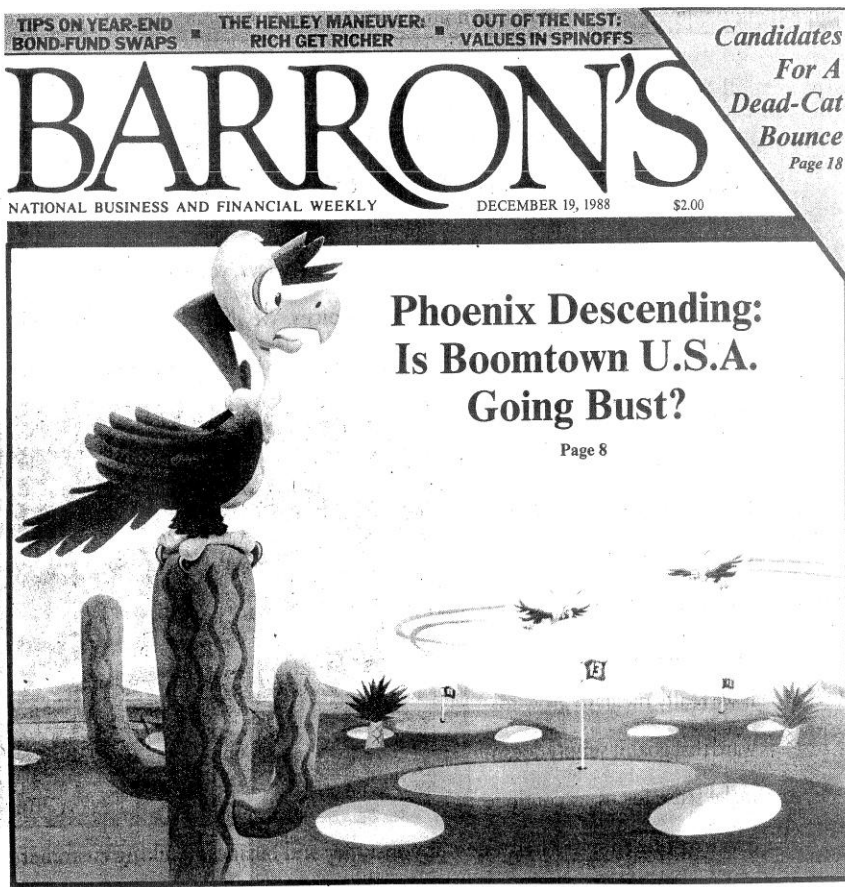
The economy has ups and downs

Four Major recessions since 1970

1970, 1974, 1980-1, 1991, 2001, 2007-1?



Remember this one?
Arizona comes back



Construction job loss at over 40%
NCARB has seen a net outflow of registrants
This is the reality



What do we do?

We cut expenses



The effects of cutting

Are the cuts adding value



“Generally, cost-cutting is a good thing. Specifically, too much of a good thing.”



Savings

Sure staff is our largest expense and that will be cut

Layoffs

Reduced hours

Furloughs

Benefits????

What other savings

Subscriptions

Travel

Utilities

Marketing *but be Careful*



How are you spending the money

Study business ratios

Chargeability ratio

Net Multiplier

Profit on Net Revenues

Current Ratio of Assets to Liabilities

Overhead

Break Even Rate



Investing What to invest in

People
Training
Technology

Do now while you have the time



People

Mentor
Team Building
Lunch and learn
Site Visits



Training

Give staff the time and place to learn

Set the goals to learn

Specs

Contracts



Technology

Revit ... need I say more

Makes Architects and Engineers more Efficient

Allows us to do the job not the technique

The end of the day it is the *lines* on the paper that build a project!



Why

- We will survive, but with lots of pain
- Don't give up the economy will come back
- Manage expenses beyond just cutting
- People Invest in them
- Technology use it to achieve the end result

25
years

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