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**BUSINESS OF ENGINEERING  
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**SUMMARY OF GEORGIA'S NEW PUBLIC-PRIVATE  
PARTNERSHIP LAW FOR WATER PROJECTS**

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# In the Path of Emerging Trends

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The macroeconomics of today defines a world stage impacting every decision made here in the U.S. The global economic slowdown, the European Union in financial chaos with several countries close to default, and China's slowdown in growth monopolize our headlines. At home, the troubles have mounted with the recent downgrading of our bond rating for the first time in history from AAA to AA+ reflecting a federal government that can't stop spending and leadership gridlock. The Federal Reserve Bank has run out of options and all Federal policies to stimulate the economy have failed leaving a debt solution that will require reducing federal spending, increasing revenue, reforming social security and Medicare, and increasing taxes. With the economists predicting one in three chances to 50/50 that we are going to enter another recession in 2012-2013, the outlook for growth is uncertain.

Amidst the uncertainty, some certainty does exist. With the 2012 election looming, we can expect gridlock in Washington and resulting reduced government spending at all levels. A slow GDP growth of two percent is estimated. Increased taxes are inevitable. And it appears that there will be no new net jobs for years until unemployed workers are re-trained for future positions.

By 2009, it was clear that ACEC member firms had been hard hit by the economic slowdown and the February 2008 GDOT stop work order. At first, the board saw a ten-year strategic plan for ACEC as the way to help members recover. It chartered the Emerging Trends Task Force (ETTF) to develop that plan. It soon became evident that the uncertain environment made certain long-term planning impossible. So the question before the Task Force was revised: "What trends must ACEC recognize and address to help member firms flourish?"

One book on trends that the ETTF reviewed identified 220 trends that will shape the next 50 years. The members of the ETTF

identified 47 trends. The ETTF realized the focus needed to be on the most important few to identify concrete, actionable recommendations. Even focusing on the most important few, there were some knotty issues to sort through.

What, for example, is the difference between an issue and a trend? Both matter. The ETTF's role was not to focus on only one static point but to look at the trend line itself. Politics has always been a difficult issue. However, at one time the ground rules were known, and member firms were good at navigating them. Since 2008 in Georgia, however, the ground rules have been in flux. Politics has become less transparent, less predictable, and less friendly. That shift is the trend the ETTF addressed.

What about a silver bullet? The ETTF was unable to identify one. Initially, ETTF members thought trends might be identified like:

- Computer software will....To successfully cope with that change, we must.... OR
- Virtual design will....To successfully cope with that change, we must.... OR
- Our primary clients will be....To navigate this shift in markets, we must....

Instead, the ETTF found that the trends that were most troubling would be viewed by many as much 'softer,' but, in reality, the options to deal with them were much harder to develop and much harder to execute.

In studying emerging trends, it would be easy to suffer from information overload. The ETTF experienced what the consultants were stating.

- Information no longer equals power. Most people have more information than they know what to do with.

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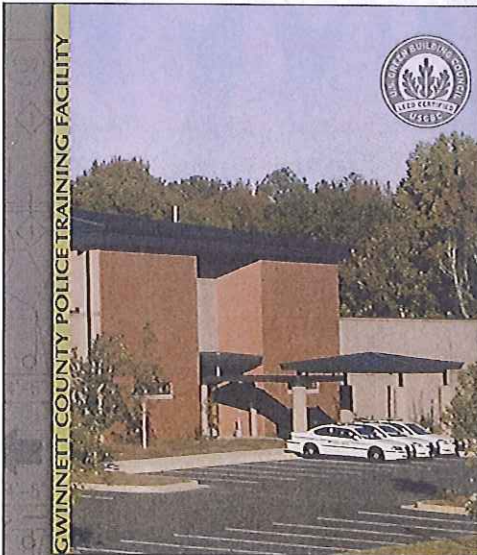


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- Today, attention equals power.

To become successful trend-followers, you must focus your own attention. To become trend setters, you must go even further: you must attract the attention of decision makers before they can be influenced.

First, there is too much information to try to analyze it all, all at once. The ETTF focused their attention on the trends they identified as having the most impact on engineering.

Second, without looking at the big picture first, addressing one individual trend may limit the ability to deal with another. Examining the interaction of several trends within a cluster allowed the ETTF to look for a clear path to follow. Six trend clusters seemed especially relevant. They are; 1) Politics, 2) Client Expectations: Technology, 3) Profitability, 4) Client Expectations: Other, 5) Globalization and 6) The Economy.

Third, even naming a trend is not easy. Different people and different sources used the term 'trend' differently. For example in Drivers of Change, Arup sorted facts and events into seven Driver Categories; energy, waste, climate change, water, demographics, urbanization, and poverty. A specific driver could trigger any number of trends depending on its interaction with one or more contexts—social, technological, economic, environmental or political. Instead of focus-

ing on individual facts or events, the ETTF elected to focus on the trends those triggered. Fourth, simply being able to name a trend is not enough: you have to actually do something different to address the trend. What to do? Figuring that out isn't easy. Each of the six trend clusters has both an external component and an internal one. Often, the internal trend makes the external one more difficult to address. We are left with growing gaps between the demand placed on us by the external environment and our capacity, internally, to respond to these demands.

#### Politics Trend Cluster

Politics has become more turbulent and unpredictable. Engineers (and others) are reluctant to change the way they address political issues. The gap between the political environment and our willingness and ability to change has grown wider.

#### Client Expectations: Technology Trend Cluster

Clients increasingly make new technology a requirement but are unwilling to pay for it. Small companies have a limited capacity to invest in the new technology. The gap between client technical expectations and small companies' ability to meet those expectations has grown wider.

#### Profitability Trend Cluster

The cost of doing business has gone up and at the same time client willingness to pay has gone down. Engineering firms are left with a shrinking, sometimes negative, margin.

#### Client Expectations: Other Trend Cluster

Traditional ways of doing business (Design-Bid-Build, Percentage Fees, and so on) are on the decline. They are being replaced with Integrated Delivery, Value-Based Fees and so on. The gap between client expectations and engineer-friendly business practices has grown wider.

#### Globalization Trend Cluster

Some of the most promising business opportunities are outside the country. The cost of getting this business, however, is high. The gap between global markets and our

ability to compete has grown wider.

#### The Economy Trend Cluster

The weak economy appears to remain weak going forward at least another few years. At the same time the availability of money to help companies 'wait it out' has dwindled. Bridging the gap has become more difficult.

Comfortable 'Armchair Management' that we may have relied on in the past won't be enough now. We are facing 'Wicked Problems,' problems with complex interdependencies and changing (often hidden) requirements. Much of what is happening out there is beyond our control. However, we own our ability and willingness to change. We must recognize the bellwethers and change ourselves accordingly in order to succeed going forward. ❖



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