

The bloated engineering practices of days gone by can no longer afford to explore alternative design options. Make way for the little guy, writes Tim Murnane

In spite of our Tanaiste's recent comments, it is beyond question that this recession has brought more than its fair share of hardship to the consulting engineering profession. Many of the larger and best established practices had doubled, trebled or even quadrupled in size from the mid-nineties through to late 2007 when the Celtic Tiger let out its final roar. But when new projects stopped coming in and fees from existing projects dried up, bloated overheads began to strangle the larger consulting engineering firms. Many of these firms were overflowing with staff and tied into long term rental leases which could not be easily renegotiated.

Literally overnight, dramatic salary cuts and redundancies occurred. Bonuses and overtime payments became fanciful distant memories, replaced by increased working hours and the ominous management pep talk revolving around "you should be glad you have a job". Fee percentages have commonly halved or even worse than that. And the double-whammy is that tender sums are often 20% under cost plan projections. Hence, quite often firms are in a position where their entire budget for a project is gone at tender stage. In effect a consulting engineer may have a further 30% to 40% of his work to do for no fee. And all the above assumes he has been paid for design work already carried out, which is a very big assumption in the current climate.

So how can these bloated Celtic Tiger companies cope in the current market? Unfortunately the answer is with extreme difficulty. In the past consulting engineers tended to absorb design changes into their fee. They were happy to engage with an architect and explore opportunities to deliver the architect's vision.

Times were good and the fee

covered it. This is no longer the case. Now the bloated consulting engineer can only afford to design it once and once only. They may try to disguise this and delay doing their job until the very last moment, when they hope no further changes will occur. However, the reality is that such a stage in a project rarely, if ever arrives. Hence, any aspiration an architect may have to develop his/her vision in conjunction with an equally enthusiastic engineer are extremely unlikely to be realised. Such an engineer will treat exploring opportunities with disdain at worst and at best will be demanding additional fees for what was once a routine part of their job. This approach also applies to reviewing contractors' alternatives on projects. Exploring these alternatives costs the consulting engineer time and money and they cannot afford this. So every effort is made at the outset to dismiss contractor design alternatives. All this leads to an extremely unpleasant working environment for all concerned and relationships are being irreparably damaged as a consequence. The discipline of doing it once and once only is slowly gathering momentum.

Other approaches they are taking include subcontracting work to cheaper economies. Outline designs are sent to places like India where the labour intensive element of the work is carried out at cheaper rates. Unfortunately in engineering, the devil is in the detail and the long term quality implications of this approach will inevitably be felt down the line. Clients are appointing larger consulting engineering firms on the basis that they have the size and expertise to deliver a quality service. In effect they are paying for a brand. However, they may not realize that while they are paying for a quality brand they may well be getting something very different. It's like buying a box of

Barry's Tea and finding it is filled with yellow pack tea bags. And, unfortunately you only discover this when you open the box and yellow pack tea will never taste like Barry's!

But don't despair just yet. Out of the flames, the phoenix will always rise and throughout history there are excellent examples of new business models emerging in times such as this (Hewlett Packard, CNN, Wikipedia to name but a few). In Ireland we can already see a number of new, leaner and more efficient consulting engineering practices emerging from the gloom. Many of these new practices are now negotiating improved rates for rent and all other overheads. In effect they are starting with a cost base that reflects the new market conditions. And from this position they are agile, hungry and ready to respond to the new market conditions, not burdened by overworked de-motivated staff but energized by people who are fresh and ready to make a new start. These firms are on an upward graph and exploring an architect's vision or reviewing contractor's alternative design proposals are considered routine duties and understood to be fundamental to doing the job properly.

As Oscar Wilde said "we are all in the gutter, but some of us are looking at the stars". Unfortunately for the bloated consulting engineering practices of the Celtic Tiger, it is difficult to look at the stars when the excesses of the past are dragging you down. However, a new generation of leaner and more dynamic practices not burdened in this manner may be the best chance to help deliver our industry out of the recession without compromising on the fundamentals of quality and service. ■

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