BuildReady
A DEVREADY COMPANY

5 Mistakes
Engineering Companies Make When Resourcing Projects

Need to successfully deliver current projects on ==time,== on ==target,== and on ==budget?==

The current resource model is fundamentally broken. Get the right engineer when you need them and focus on driving growth.

Here are five mistakes that companies are currently making when resourcing projects. ⟶

Mistake #1

Assuming that the resources need to be full-time hires.

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The status quo.
Many engineering firms are convinced the only way to fill resource needs is by offering a position, a sweetheart deal, or even a large signing bonus. Sometimes firms can get away with this, more often than not, it doesn't work out.

ACEC

In the most recent ACEC Research Institute Engineering Business Sentiment report for Q2 2023, 91% of firms have job openings and 56% of firms have had to turn away work because they did not have the staff to complete the job. Additionally, the Deltek Clarity report surveying the AEC industry notes that the top talent acquisition challenge was the "availability of good candidates."

You need flexibility in hiring team members.
Most companies live with these less than ideal circumstances as though no other option exists.

Most human resource departments often make the assumption that the only way to attract top level talent is to offer full time stability to their team members.

The reality.
But, in reality, what engineers want most is to have the flexibility to work remotely and choose projects that are interesting to them.

With engaged engineers, firms increase their productivity and bottom line ten-fold.

Forbes

When losing engineers—it is not just a resource being lost but training, insight, and morale that will take time to replace and can disrupt production.

indeed

A freelance civil engineer is an option if you only need engineering help occasionally. Maybe the workload is too small to justify hiring a full-time engineer, or your needs fluctuate throughout the year. Another situation where a freelance civil engineer can work is if you need a specific type of engineer for one project. When those special needs arise, you can hire a freelance engineer with that expertise.

Mistake #1
Assuming that the resources need to be full-time hires.

Many hidden problems exist within the current status quo thinking:

1. Cost to hire full-time engineers is very high.
2. Cost to replace an engineer is also very high.
3. Significant time is wasted in the interview process.
4. Unrealized billing time because hiring full-time takes too long.

SHRM

One study conducted by the Society for Human Resource Management (SHRM) tells us that replacement costs can equal six to nine months of the employee's salary; others say to double a year's salary for an approximation.

COMPARABLY

The salaries of Renewable Energy Engineers in the US range from $52,010 to $150,830, with a median salary of $95,900 . The middle 60% of Renewable Energy Engineers makes between $95,900 and $106,950, with the top 80% making $150,830.

Assuming bench time is a necessary part of the equation.

Mistake #2
Assuming bench time is a necessary part of the equation.

The status quo suggests that project-based work requiring bench time is inevitable and necessary. Companies build bench time into the project delivery costs and the pricing model/resource strategy.

But it doesn't have to be this way.

Here are some key reasons why bench time is not always necessary:

People Are Nervous	People get nervous and unsettled if they aren't billable. Have you ever wondered how much bench time is hidden in business development activities and other non-essential work?
People Feel Unpredictable	When team members are not on a current project, it takes a mental toll on them, and they feel undervalued and/or unproductive. And many times, these members start looking for other opportunities.
Unrealized Profit Centers	Unrealized profit that is allocated to bench time rather than the bottom line. Unnecessary expenses. Less profit.

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Like the practice assignments he had done in school, one engineer's time on the bench felt devoid of the responsibility he thought would come with a full-time job. "It does really mess with your sense of being an adult," Josh said. "The money isn't really the main part of it that felt weird to me. It's just the lack of responsibility."
The bench was taking an emotional, almost existential toll on him.

The Verge

Conclusion
The engineering space is about to go through a large transformation based on all trending data and marketplace signals. With the growing trend of remote work and global talent, companies can take advantage of the many benefits of hiring freelance engineers to help solve utilization issues.

Mistake #3
Over-hiring during growth periods.

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We have found that when you try and hire proactively before winning a contract, it is risky and can be detrimental to the team's bottom line and culture.

The number of U.S. LinkedIn profiles with at least one green skill grew by 8.4% last year, yet the surge in green job postings was much higher at 20%, highlighting the skills shortage in the sector.

According to the Bureau of Labor Statistics, the engineering profession needs to grow by 15% to meet increasing demand and to replace retiring baby boomers. A shortfall could jeopardize the health of the American economy.

Companies often get excited about growth areas, and they hire with the intention of using the new people as part of their growth strategy. This can be a short-term win that creates long-term problems.

Unfortunately, growth areas are often 'lumpy' as the new business ebbs and flows which can lead to enormous utilization pressure.

And when this happens, this ultimately leads to:

People getting cut

Culture issues

Revenue left on the table

Mistake #4

Putting the wrong people on a project in order to satisfy utilization.

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How many times have you put an under qualified resource on a project just to keep them billable?

$$\text{Utilization rate} = \frac{\text{Total billable hours}}{\text{Total available hours}} \times 100$$

You think thoughts like, "we'll train them," and "we'll find a better matched project soon..."

In 2020, Deltek found:

- Operating profit on net revenue rose for the 10th straight year to 15.8%, up 1.4 points year over year; high performers achieved an average of 24.3%.
- Average collection period decreased by two days to 73 days; high performers saw a decrease of 8 days this year.
- **Utilization rate (by dollars) continues to remain relatively steady at 59.9%.**
- Overhead rate decreased to 154%, dropping six points year over year.

But this leads to:

- Longer Delivery Times
- Wasted Profit
- Loss of People

BuildReady is Different.

When talking with our clients, we found that they usually feel stuck with their current team structure and tend to worry about making sure they have the right engineer for the next project. We have a patent pending matching and vetting process to make sure you have the right engineer for your next project.

And 75% of the time we get it on the first match.
We always work with you to find the right engineer no matter what.
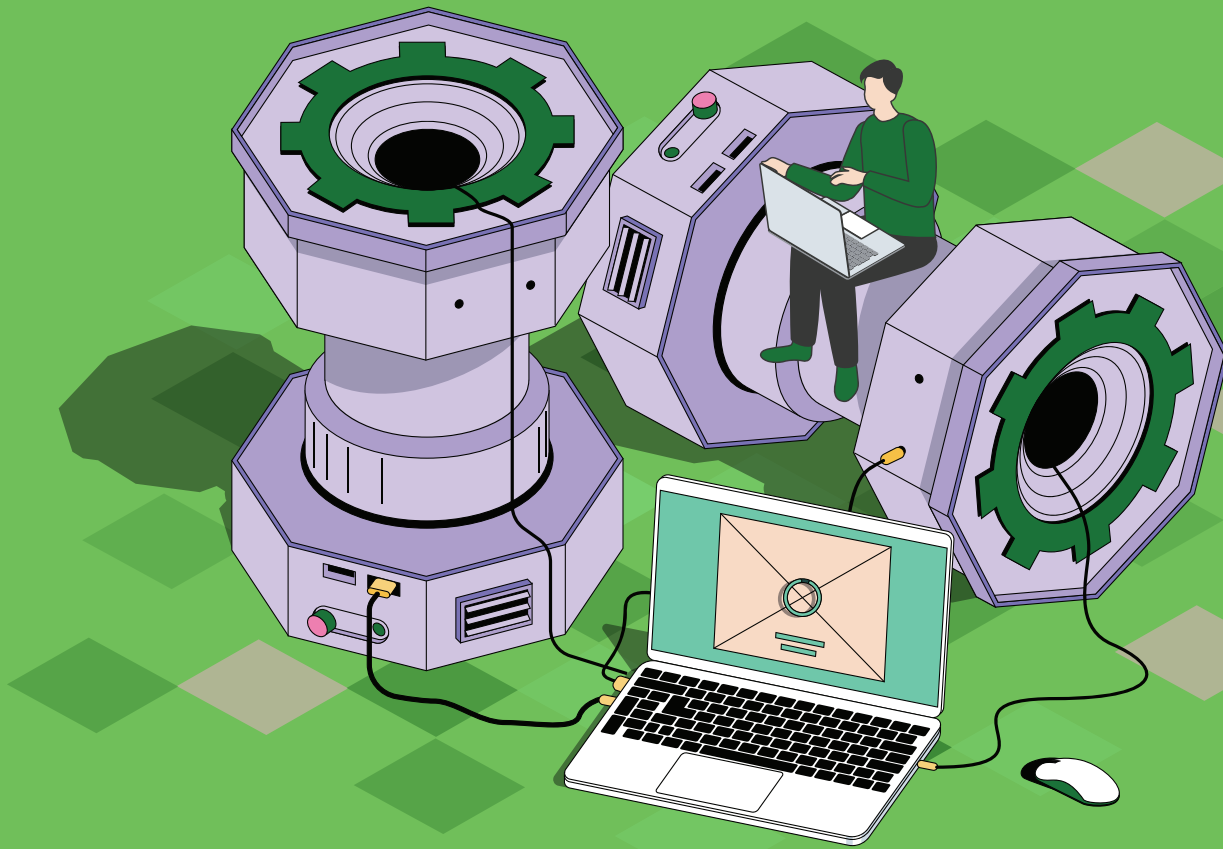
Mistake #5
Not considering a staff-on-demand model when pursuing projects.

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- A frustrated leader that doesn't have the team to take advantage of opportunities. The innovative leader that delivers transformational change and takes the company to the next level.
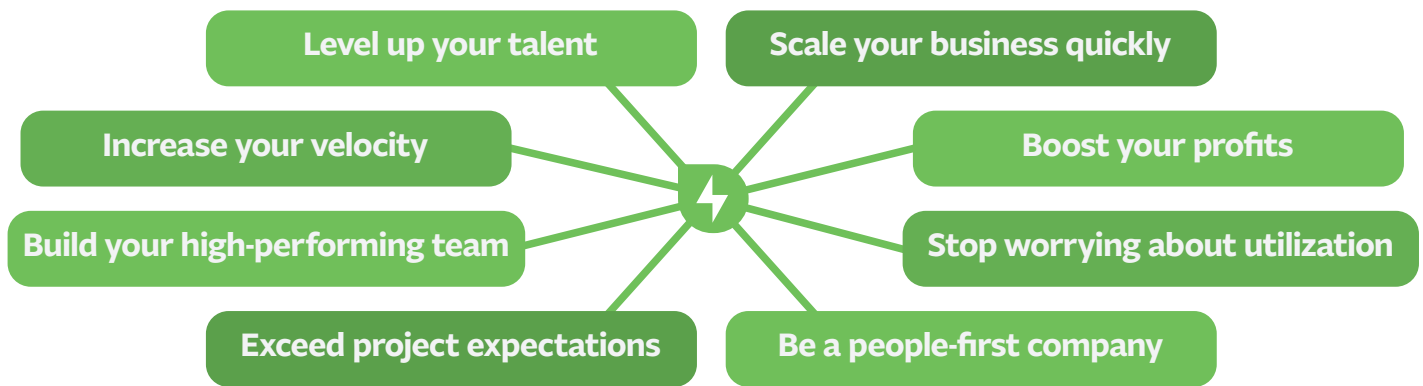
Forbes

Many older executives hope their organization will eventually return to a pre-pandemic "normal". But nostalgia doesn't square with the facts. New generations are more project-centric than employer-focused. They are more confident and competent than ever, and far more worldly-wise. 45 million professionals are part-time freelancers as well as full-time employees. These "freelance lite" employees are demanding, impatient, they know they have options, and rarely stay beyond two years.

And a flexible, blended workforce also delivers obvious benefits at the organizational level. It increases agility, adds to a diverse talent mix, and improves the ability to scale, pivot, and respond more immediately to a changing external and competitive environment.

Forbes

2023 is a growth year for many freelancers. When hiring pauses, the work continues. Fiverr found 78% of companies will rely on freelancing in 2023 rather than add staff. Post-pandemic remote policies make it easier to integrate freelancers. Critical talent gaps make it necessary. Q3 2022 was tough for marketplaces - uncertainty ignited financial markets - but strong growth is expected in 2023. Freelancing growth is lumpy; the rising tide won't lift all boats. However, the freelance revolution is ahead of schedule.

With a staff-on-demand model for your next engineering project, you can:

- Level up your talent
- Scale your business quickly
- Increase your velocity
- Boost your profits
- Build your high-performing team
- Stop worrying about utilization
- Exceed project expectations
- Be a people-first company

Successfully deliver current projects on time, on target, and on budget.

Get your elite engineers on demand to get your projects going.

Schedule a call today!

FRONTIER
AIRLINES

Frontier Airlines was in the process of rewriting all of their customer-facing commercial software and needed to find a lot of quality developers fast.
We needed both state-side and near-shore developers.

DevReady immediately matched us with the perfect developers to jump right in and make an immediate impact. Their unique model of having both US-based and near-shore developers is unmatched by any company I have ever worked with.

We have 15+ approved recruiting vendors at Frontier Airlines, but DevReady is the only one that can help us with both. I have been using them to help me find developers for years and will continue to do so for the foreseeable future.

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2023

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