

2025 Architecture & Engineering Industry Benchmark Report

By  Total
Synergy



Building a **Stronger Future** for Architecture & Engineering Firms

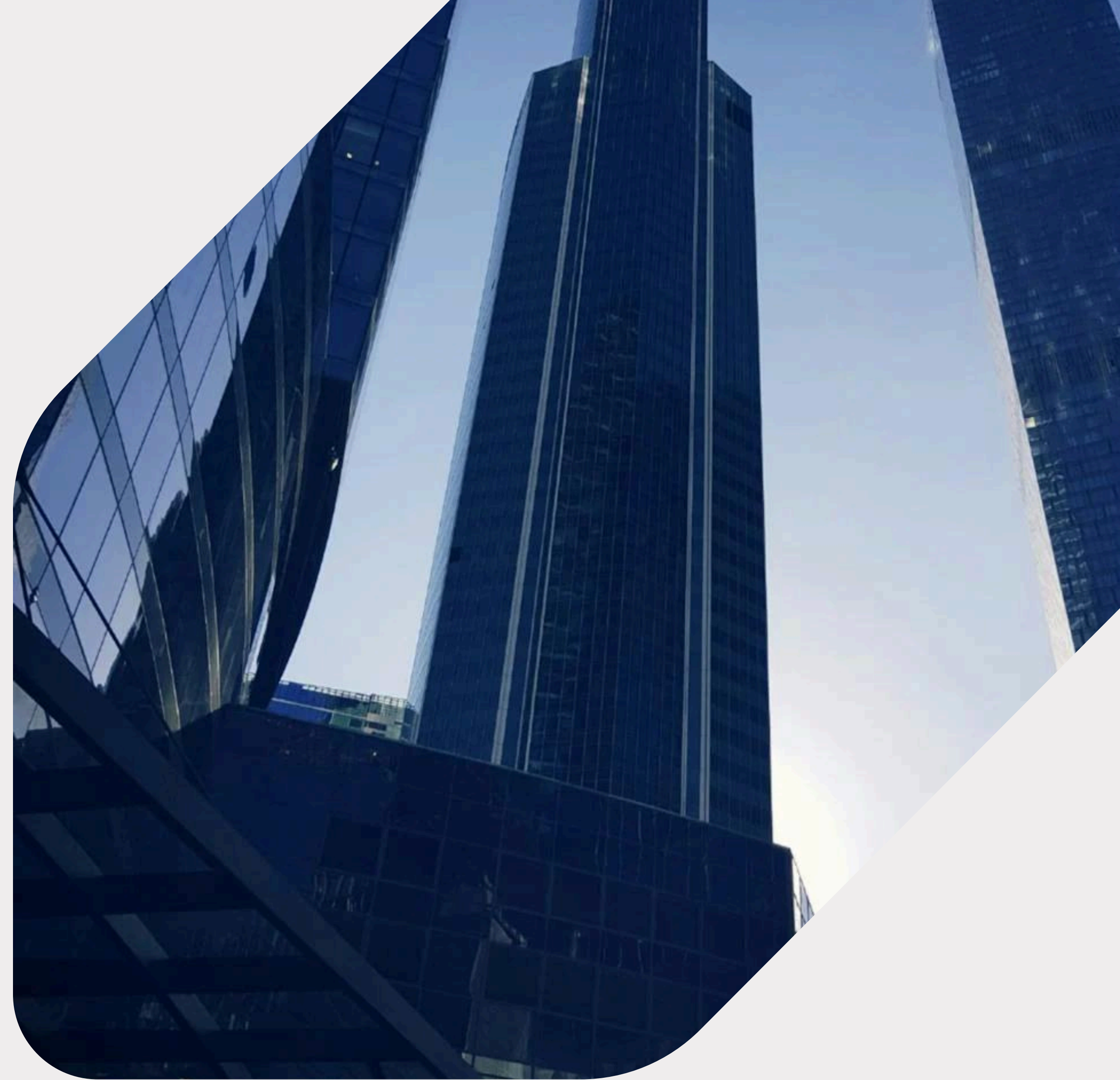
At Total Synergy, we're all about helping architecture and engineering firms thrive. We know it's not always easy, juggling internal operations, project management, financial performance, HR, talent, growth, client communications, and your internal tech stack. But we believe that with the right insights, you can turn those challenges into opportunities.

This report brings together key trends and challenges shaping the future of architecture and engineering, and we hope it sparks new ideas and perspectives for you. We're excited to continue supporting your growth and look forward to seeing the incredible work your team will accomplish in the years ahead.

Happy reading!



Kane Hochster
CEO of Total Synergy



Key Findings

69%

of firms have adopted a hybrid work model (mix of remote and in-office).

52%

of firms say more than a quarter of projects go over budget.

47%

of firms report staff turnover is less than 5% annually.

48%

of firms spend more than 70% of their time on design.



Scope creep

is the #1 reason for blown budgets.

41%

of firms say 51-75% of their clients are repeat customers.

51%

of firms collect client payments within 31-60 days (from the date of the invoice).

100%

of firms using project management software report a noticeable improvement in overall efficiency.

48%

of firms report net profit margins above 15%.

57%

of firms do not have a formal method to measure client satisfaction.

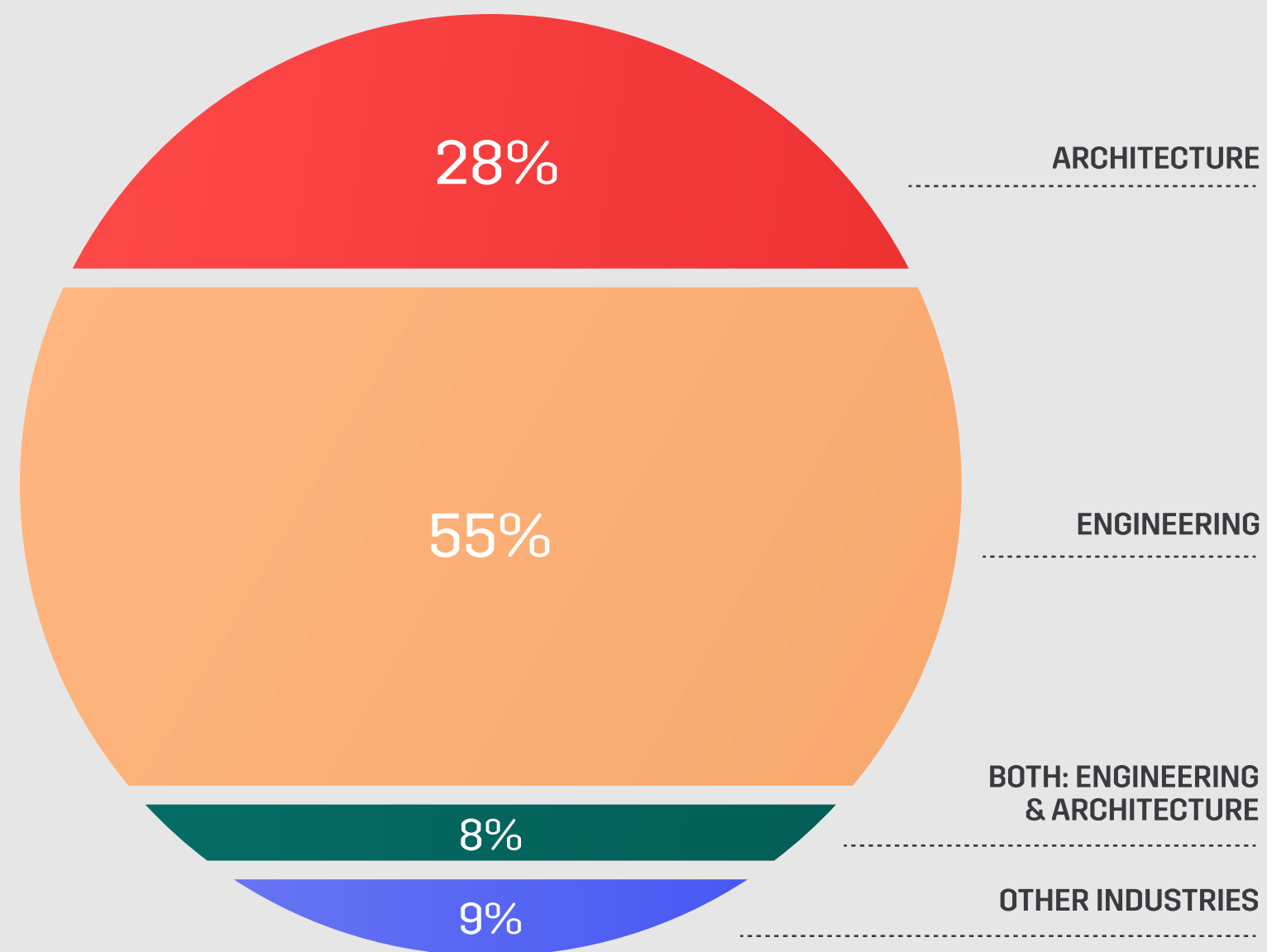
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The Firms Behind the Data

Before we dive into our findings, below is a quick look at who we heard from, so you know where the insights are coming from.

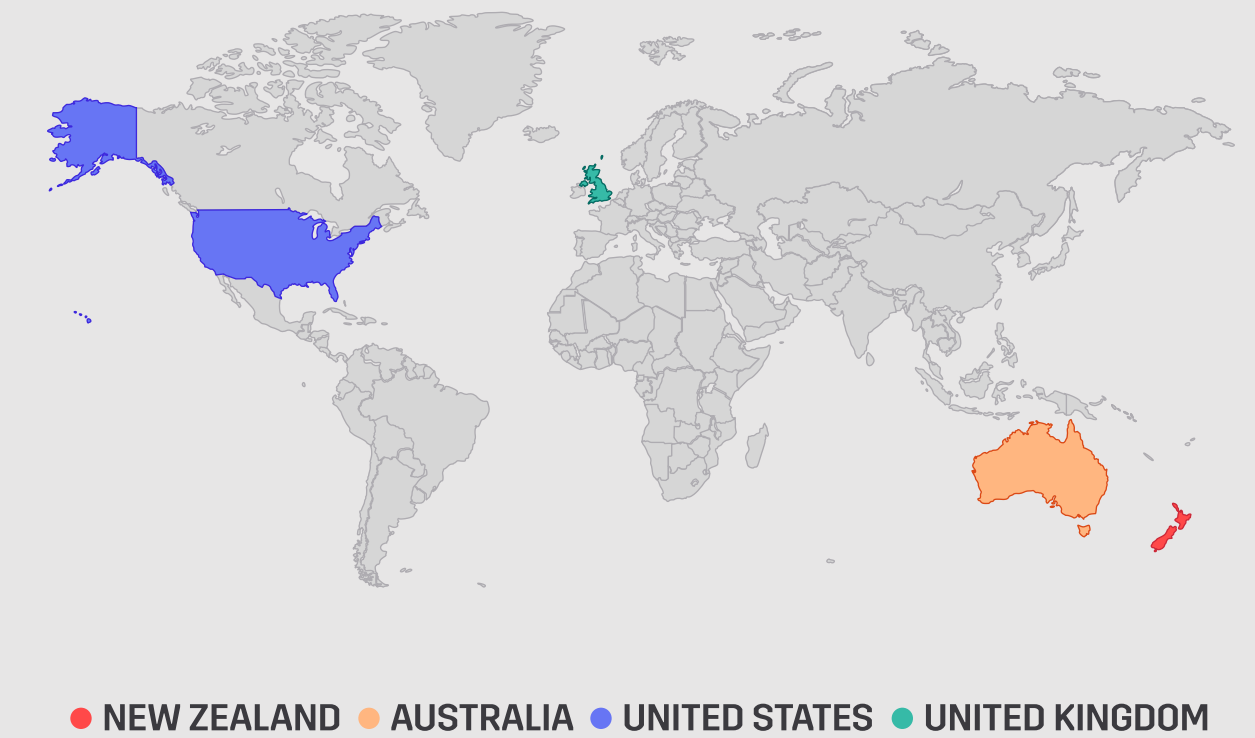
Industry Breakdown



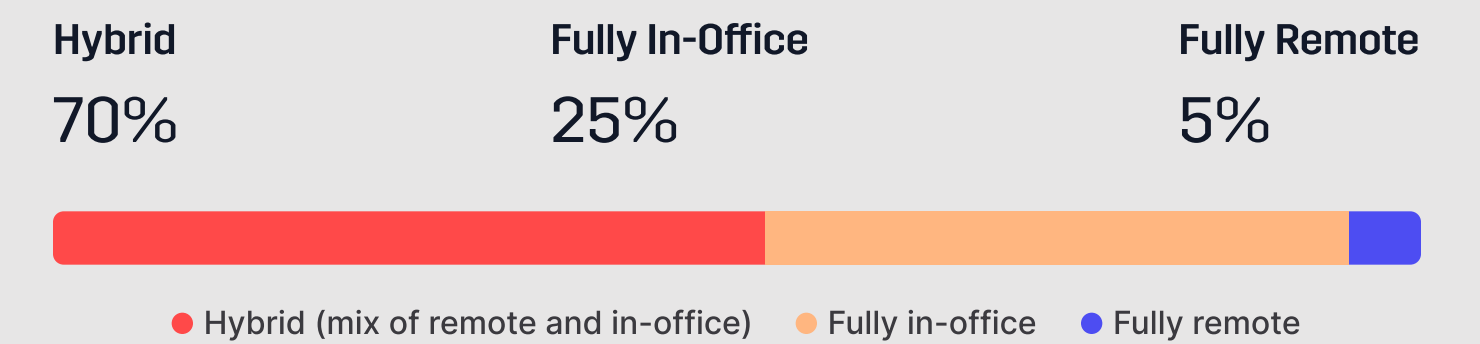
Company Size by Employees

0-10 EMPLOYEES	36%
11-20 EMPLOYEES	24%
21-30 EMPLOYEES	9.3%
31-40 EMPLOYEES	5.3%
41-50 EMPLOYEES	9.3%
61-70 EMPLOYEES	4%
71-80 EMPLOYEES	1.3%
101-150 EMPLOYEES	2.7%
201-500 EMPLOYEES	1.3%
501-1000 EMPLOYEES	6.7%

Geographic Location of Firms



Current Work Model



The Firms Behind the Data

Before we dive into our findings, below is a quick look at who we heard from, so you know where the insights are coming from.

Avg. Project Fee

Average

AUS \$41,199.80

USD \$26,316

GBP £19,733.05

Max

AUS \$400,788.48

USD \$256,000

GBP £191,961.60

Median

AUS \$20,039.42

USD \$12,800

GBP £9,600.53

Min

AUS \$1,878.70

USD \$1,200

GBP £899.82

Length of Current Backlog

(in months of work at current staffing levels)

LESS THAN 1 MONTH

27%

1-3 MONTHS

36%

4-6 MONTHS

17%

7-12 MONTHS

12%

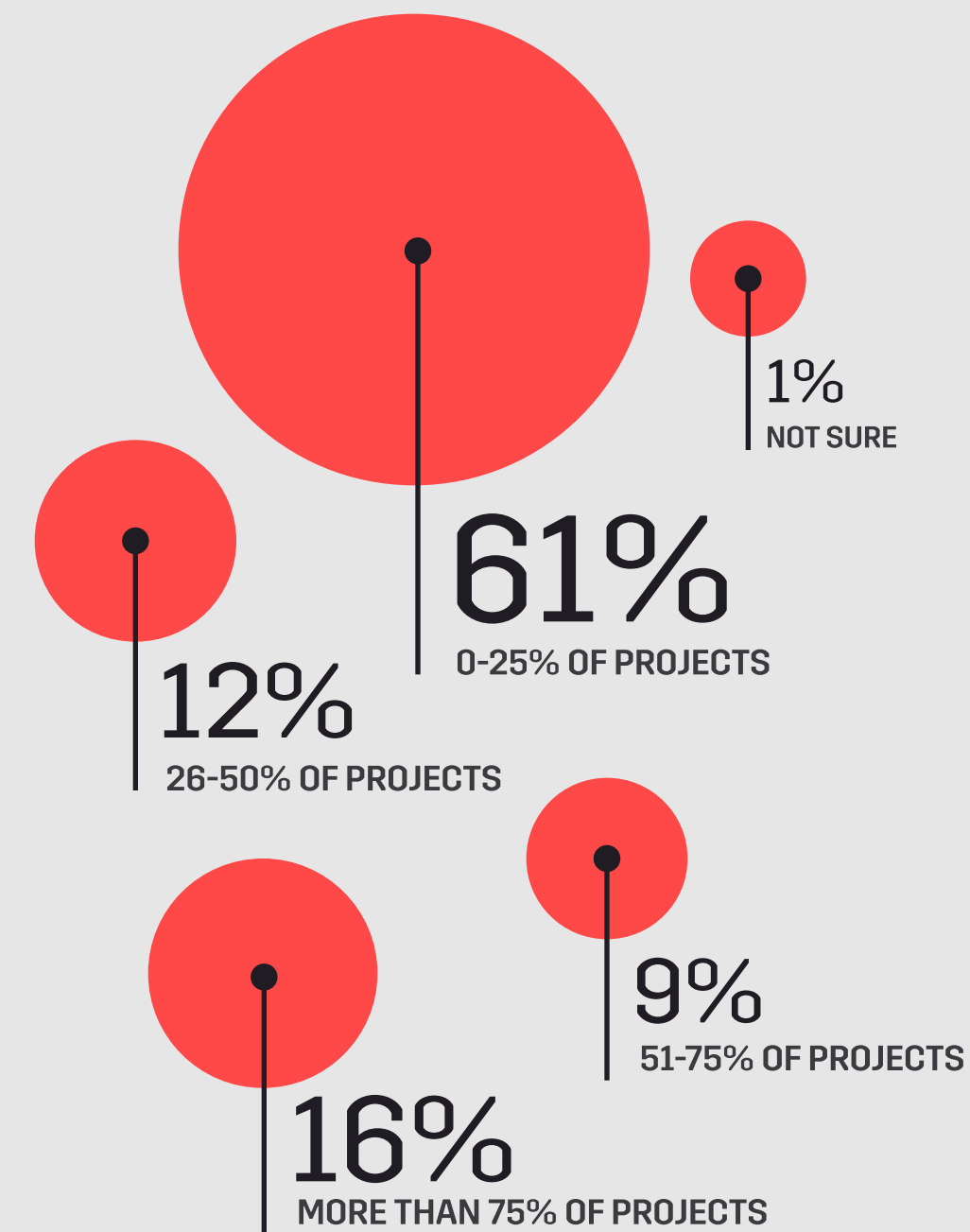
OVER 12 MONTHS

5%

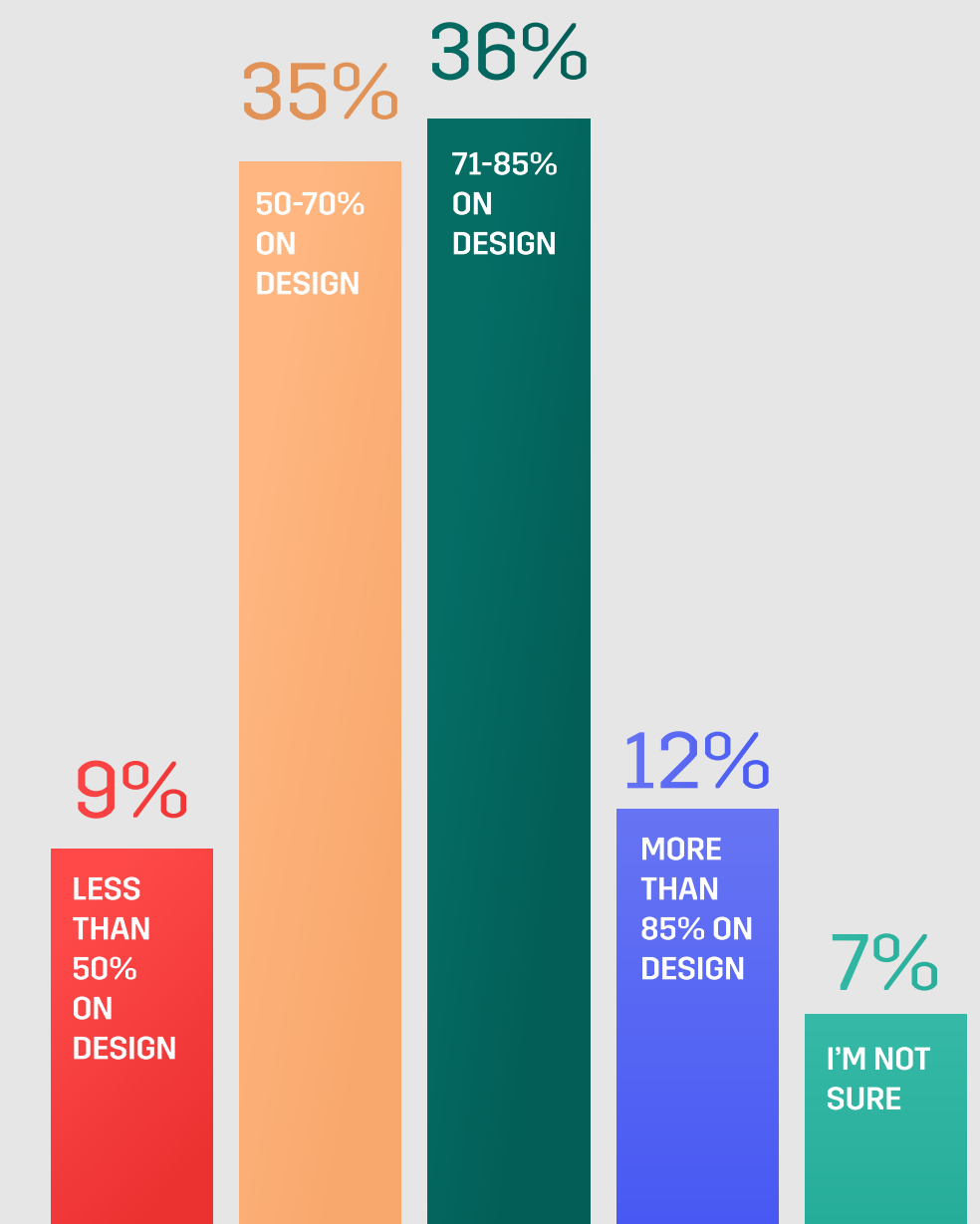
NOT SURE

3%

Projects Involving Sub-Consultants or External Collaborators



Time Spent on Design vs. Administrative Tasks



Operational Efficiency & Workflow



Operational Efficiency & Workflow

Key Stats Snapshot

1/2

Nearly half of firms spend more than 70% of their time on design.



What pulls teams away from design the most?

1. Client communication
2. Manual project management
3. Tedious invoicing/billing

45%

of firms report utilization rates of 71% or higher, while 55% are operating below 70% or are unsure/not tracking this metric.

100%

of firms using project management software report a noticeable improvement in overall efficiency.

Design Time vs. Everything Else

Firms are holding onto design time but just barely. While 48% say they spend at least 70% of their time on design, that means more than half of respondents are losing significant time to administrative work, coordination, and communication.

What's stealing that time? The biggest culprit is client communication and approvals. Close behind are project management tasks, followed by invoicing/billing.

[Project management software](#) like Total Synergy brings everything together, from approvals and comms to billing, so your team can stop chasing updates and focus on the work that matters.

Utilization Hasn't Caught Up

Higher design time doesn't always translate to higher efficiency.

While almost half of firms report utilization rates 71% or higher, the other half are operating below 70% or are unsure/not tracking this metric. That signals lost potential, whether it's due to uneven workloads, admin bottlenecks, or inefficiencies in how time is tracked and managed.

Firms that are tracking utilization but still falling short may benefit from reviewing not just how their time is spent but how work is planned and distributed across teams.

The Tools Firms are Using to Boost Efficiency

Software plays a role in helping firms manage the admin side of their workflow, but not all tools serve the same purpose.

Time Tracking & Resource Management Software: Of the 69% of firms using time tracking and resource management software, 87% have reported a

noticeable improvement in efficiency. These tools help streamline the tracking of billable hours, manage resources effectively, and reduce time spent on manual scheduling and tracking tasks.



Time Tracking & Resource Management Software helps firms monitor how time is spent across projects and allocate team resources efficiently. It ensures workloads are balanced and billable hours are accurately captured.

Financial & Invoicing Software: Of the 89% who use financial and invoicing software, 85% have reported a noticeable improvement in efficiency. These tools help streamline invoicing, reduce time spent on manual processes, and improve financial tracking by making it easier to stay on top of budgets, monitor project

Operational Efficiency & Workflow

spend, and get a real-time view of where profits are made or lost.



Financial & Invoicing Software is used to manage budgets, track project spend, and streamline the invoicing process. It helps improve cash flow and cuts down on manual accounting work by automating tasks like billing, expense tracking, and reporting. Tools like QuickBooks, Xero, and Wise make it easier to send invoices, track payments, manage expenses, and keep a clear view of your firm's financial health. Many of these platforms also connect with project management software for even smoother operations.

Project Management Software: Of the 60% of firms using project management software, 100% report a noticeable improvement in overall efficiency.

These tools are especially valuable for managing the behind-the-scenes work, including tracking project progress across timelines, budgets, and deliverables, assigning tasks, and surfacing key analytics to keep everything running on time and on budget. From financials to team workloads, firms get better visibility into every moving part.



Project Management Software helps teams plan, manage, and track every stage of a project, from quoting to final delivery. It brings together timelines, tasks, budgets, and communications in one place, so nothing falls through the cracks. With real-time visibility into progress and performance of each project, teams can make faster decisions and keep projects running smoothly.

Building Information Modeling (BIM) Software: Of the 55% of firms using BIM software, 81% have seen a positive impact on their overall efficiency, particularly in streamlining design processes. These tools are proving to be highly valuable in improving day-to-day project workflows.



Building Information Modeling (BIM) Software is used to create and manage digital 3D models of buildings. It supports better design coordination, clash detection, and collaboration across disciplines.

Takeaway

The most efficient firms aren't just logging time, they're protecting it. That means identifying what's slowing things down, using the right tools to lighten the admin load, and giving teams the breathing room to focus on what they were hired to do: design.

Project & Resource Management



Project & Resource Management

Key Stats Snapshot

65%

of firms track project profitability in real time using software (either project management software, another type of software, or custom dashboards).

54%

of firms rely on spreadsheets or manual coordination to manage resources across multiple projects.

52%

of firms say more than a quarter of projects go over budget.



The most common reason for blown budgets? Scope creep, followed closely by underquoting the initial project fee.

Profitability Tracking: Getting More Real-Time

When it comes to tracking profitability, the majority of firms (65%) have moved beyond guesswork and adopted some form of software, whether it's a dedicated project management platform, custom dashboards, or another tool.

Tracking profitability in real time is crucial for staying on top of project costs and preventing unexpected financial issues. It enables teams to catch problems early, make adjustments as needed, and ensure margins are maintained throughout the project. This approach not only helps firms make more informed decisions but also ensures greater control over their finances, minimizing costly surprises.

However, a significant portion of firms still face challenges with real-time profitability tracking.



Without the ability to track profitability in real time, these firms risk losing control over costs and missing opportunities to make proactive financial adjustments.



Resource Management Still Feels Manual

Managing people across multiple projects remains a pain point. 66% of firms are still coordinating resource allocation manually either through internal meetings or spreadsheets, or don't have any process in place. The result? Less visibility into team capacity, and more risk of overbooking or underutilizing staff.

And when it comes to matching the *right* people to the *right* project, 59% of firms rely on gut feel, not formal skill tracking. That kind of intuition works in smaller firms but doesn't scale easily.

Project & Resource Management

Budget Overruns are a Reality

Going over budget is common and for many, it's more than the occasional slip.

52%

OF FIRMS SAY MORE THAN A QUARTER OF PROJECTS GO OVER BUDGET.

The top causes? (in order)

- ① Scope creep
- ② Underquoting initial project fee
- ③ Poor project tracking
- ④ Resource shortage

These reasons point back to the need for better forecasting, clearer contracts, and more frequent profitability checks. Tracking resource management in real time is also essential to avoid overbooking, underutilization, and budget overruns.

Takeaway

Firms that track profitability and resource management in real time are better positioned to stay on budget and ahead of problems. There's still work to be done in replacing manual tracking with purpose-built tools, especially when it comes to staffing projects effectively.

The more visibility a firm has into its people, its processes, and its project performance, the better it can balance margins and workloads without burning out the team.

Financial Performance & Metrics




Financial Performance & Metrics

Key Stats Snapshot

48% of firms report net profit margins above 15%.

% The most common overhead rate is less than 100% (23% of respondents) while 39% of respondents are unsure or do not track it. (The most efficient firms aim for below 180%)



Payment Collection

51% of firms collect client payments within 31-60 days (from the date of the invoice).

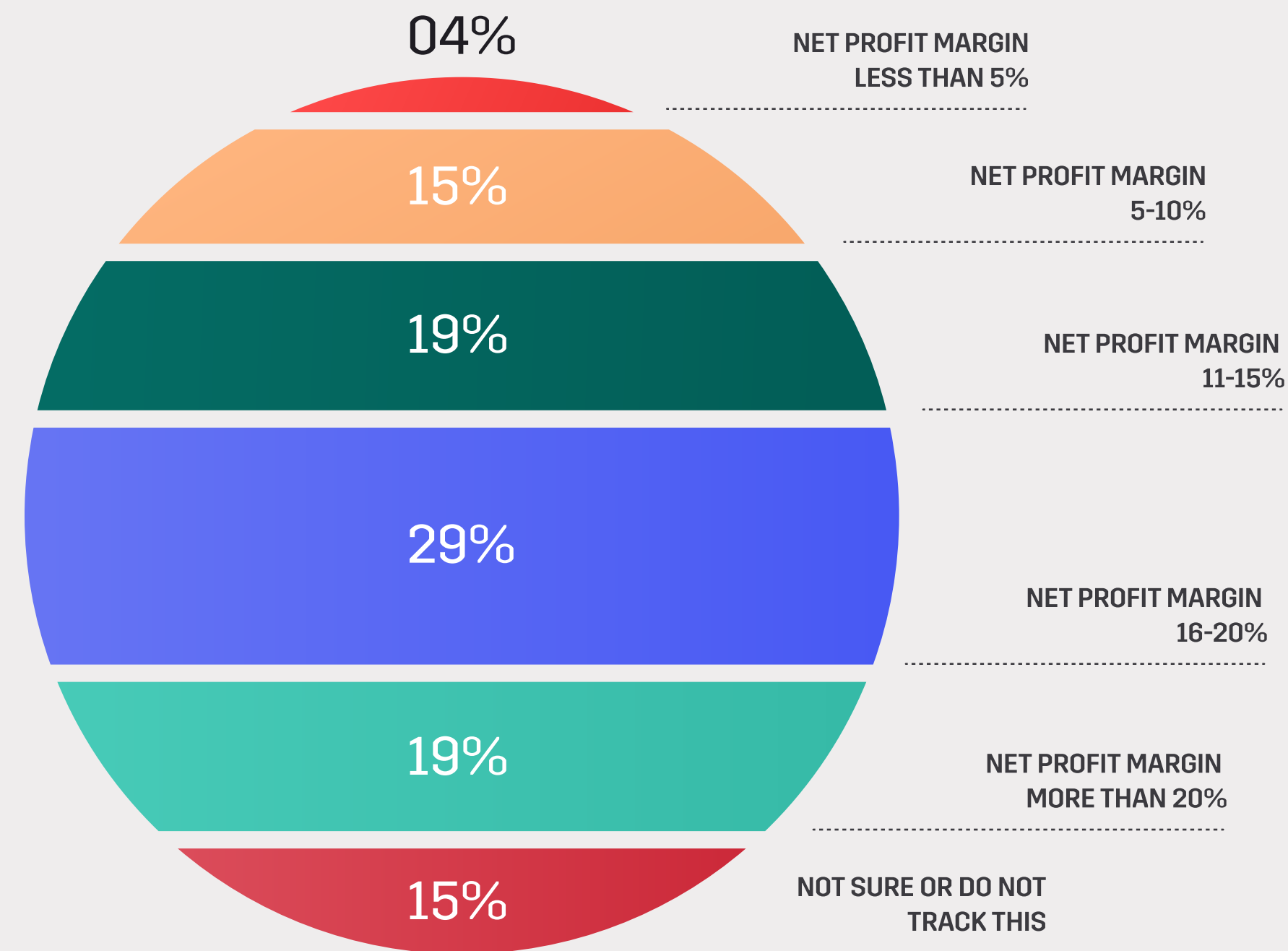
Realization Rates

Realization rates are the least tracked metric. 41% of firms don't track it or are unsure.

Profit Margins

The data reveals a broad spectrum of profit margins across A&E firms.

Typical Net Profit Margin (After All Expenses) on Projects



While some firms are clearly achieving strong financial performance, others may be missing key signals about their business health.

Getting Paid on Time (or Not)

Cash flow can make or break a project-based business and while many firms are doing well here, there's room for improvement.

29%

OF FIRMS COLLECT CLIENT PAYMENTS WITHIN 15-30 DAYS (FROM THE DATE OF THE INVOICE).

51%

OF FIRMS COLLECT CLIENT PAYMENTS WITHIN 31-60 DAYS (FROM THE DATE OF THE INVOICE).

Any lag in collecting payments can create financial strain, especially for smaller firms or those with tight margins.

Financial Performance & Metrics

Realization Rate: The Forgotten Metric?

One of the most overlooked performance indicators in the A&E space is realization rate—the percentage of billable time that actually turns into collected revenue.

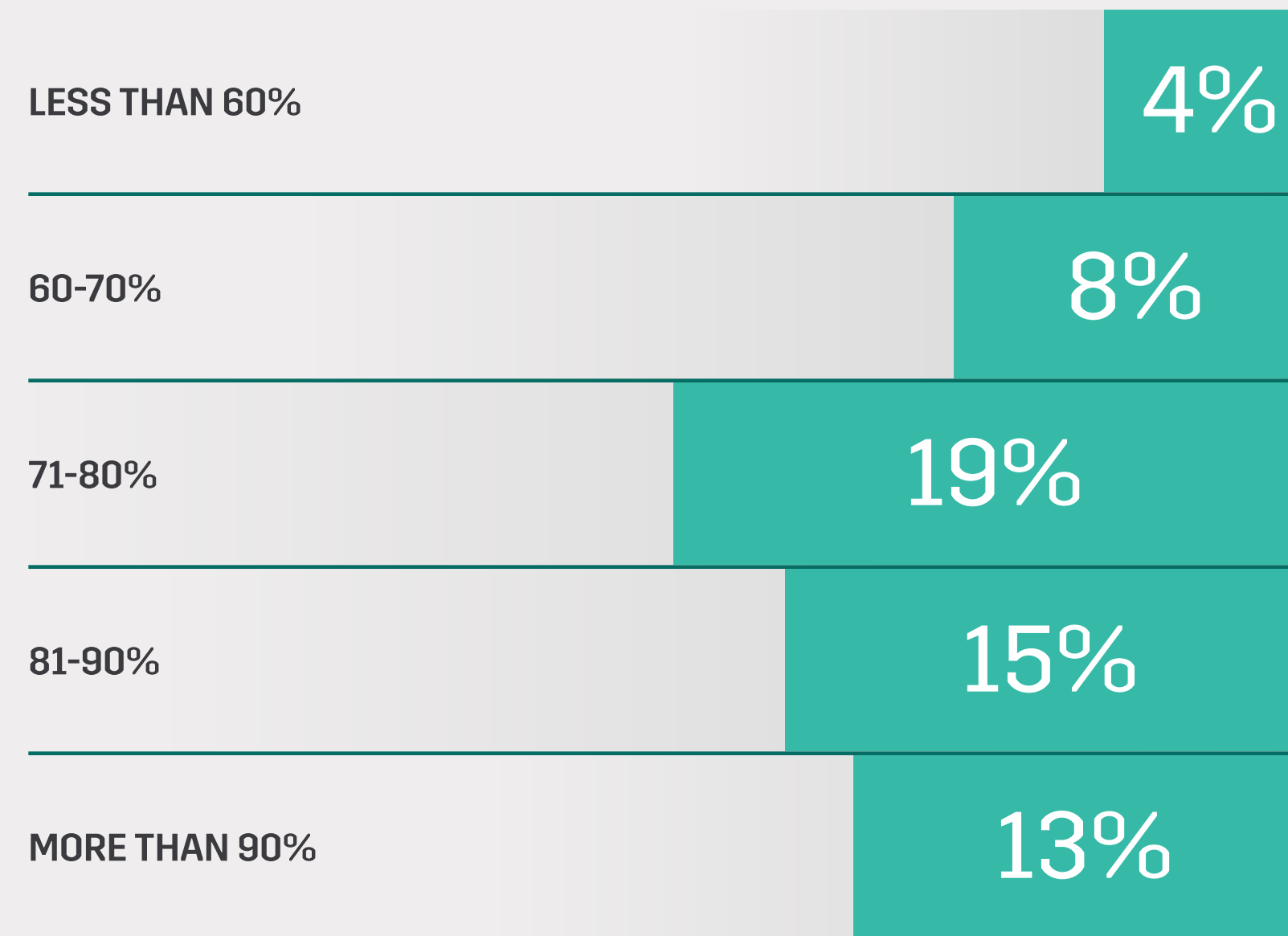
41%

OF FIRMS DON'T TRACK REALIZATION AT ALL OR ARE UNSURE

That means nearly half of all firms lack visibility into how much of their team's work is actually earning income. Without this insight, it's hard to know if pricing strategies are working, where revenue leakage is happening, or how efficient the billing process truly is.

For firms focused on improving profitability, tracking realization could be one of the simplest and most impactful steps forward.

For firms who do track the metric, they report their realization rate as



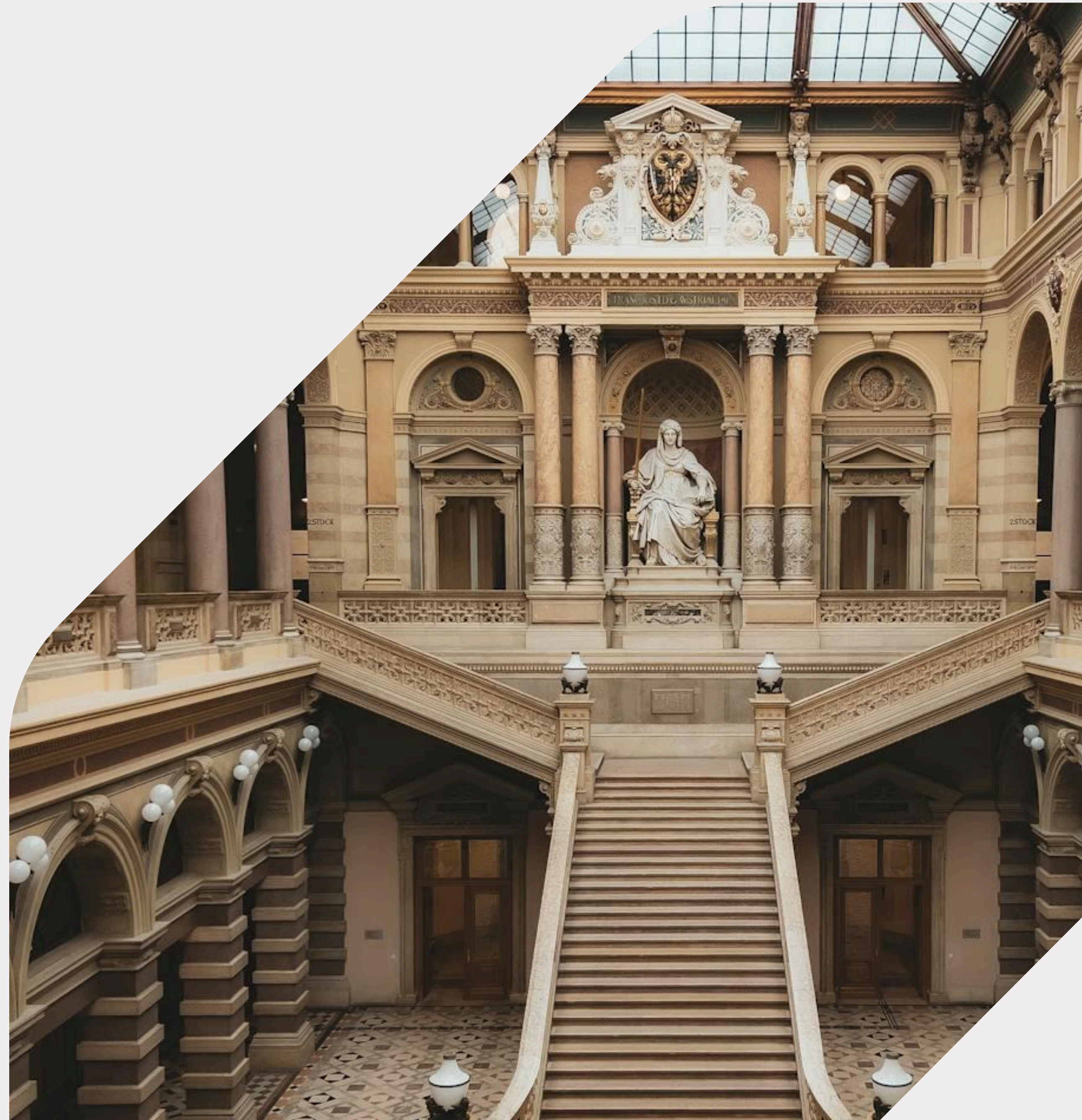
Takeaway

Financial health isn't just about setting the right fees, it's about knowing what's really driving your bottom line. The firms keeping a close eye on profit margins, overhead, and how quickly they get paid are in a better position to handle curveballs, whether it's a change in scope or a shift in staffing.

But many firms still don't have a clear view of core metrics. Getting a handle on those numbers isn't just helpful, it can be the difference between just getting by and building a more sustainable, profitable business.

[Watch our 10-Minute Demo](#)

Human Resources & Talent Management



Human Resources & Talent Management

Key Stats Snapshot

44%

of firms say their biggest personnel challenge is managing project demand with current staff levels.



Strong company culture and engagement is the majority of firms' top retention strategy.

47%

of firms report staff turnover is less than 5% annually.

35%

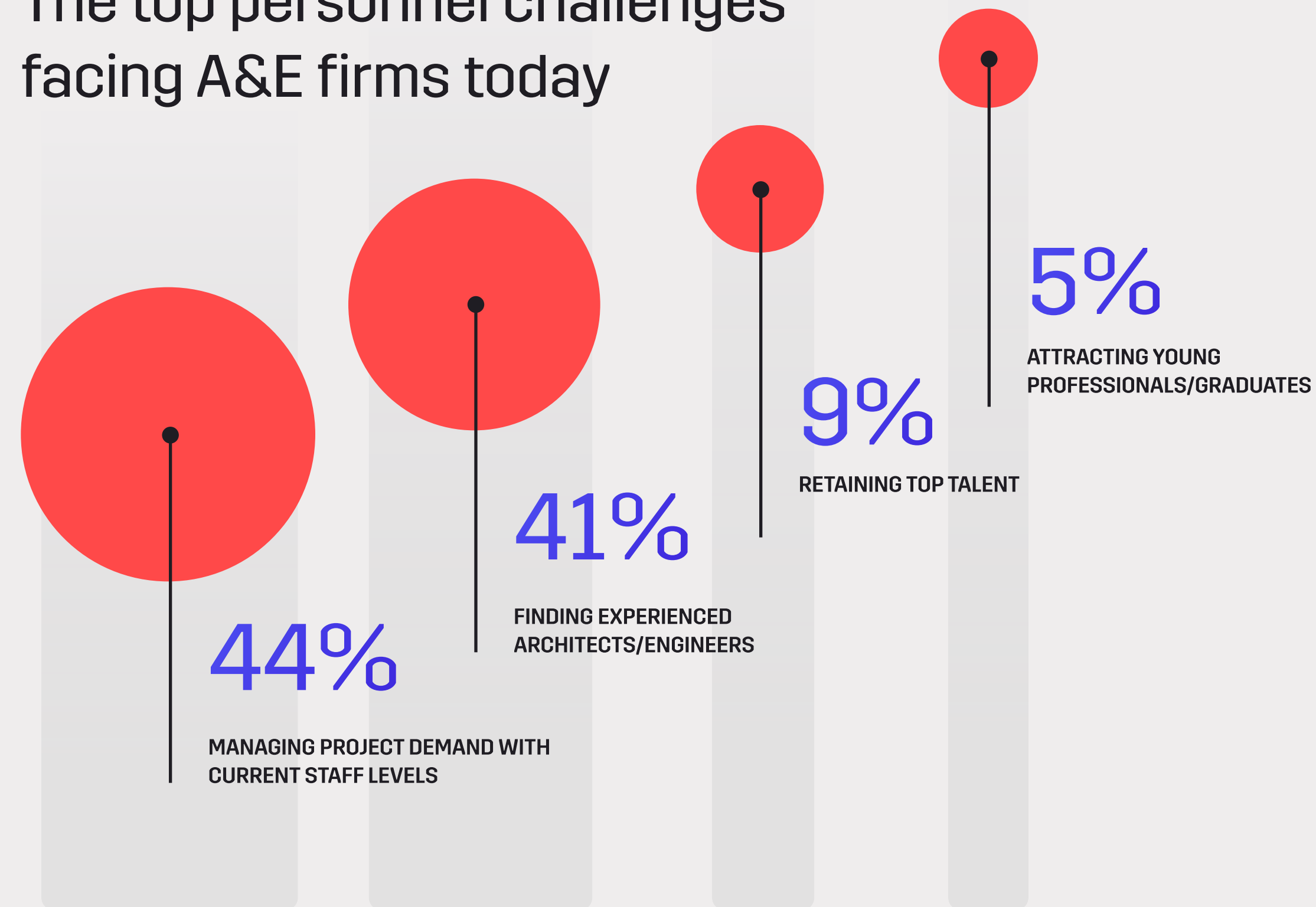
of firms spend 1-3% of their budget on professional development.

44%

have an informal mentorship or promotion track for their junior staff.

Talent Troubles: Finding and Keeping the Right People

The top personnel challenges facing A&E firms today



With competition for skilled professionals increasing across the industry, firms are leaning into a mix of tactics to keep their people engaged.

How firms approach talent retention

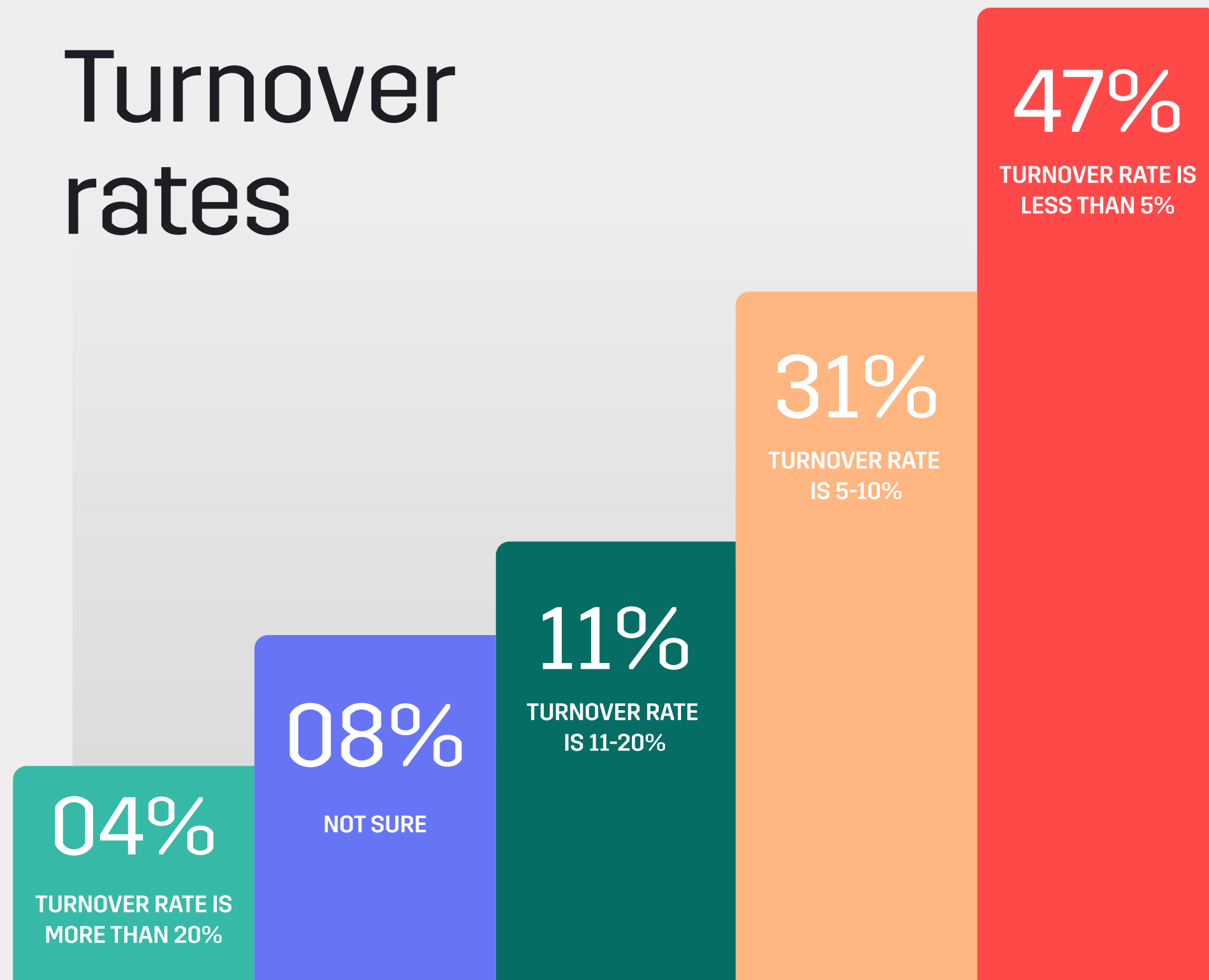
- ① Strong company culture & engagement
- ② Work-life balance initiatives
- ③ Competitive salaries & benefits
- ④ Professional development opportunities

Investment Gaps in Growth and Retention

While development opportunities are on the menu, they're not always meaningfully funded. 52% of firms allocate 3% or less of their annual budget to professional development.

Human Resources & Talent Management

Turnover rates



Few Firms are Planning for the Future

Only 17% of firms have a formal mentorship or promotion track for junior staff. While informal learning is common (44%), it often depends on individual managers and can lack consistency across the firm.

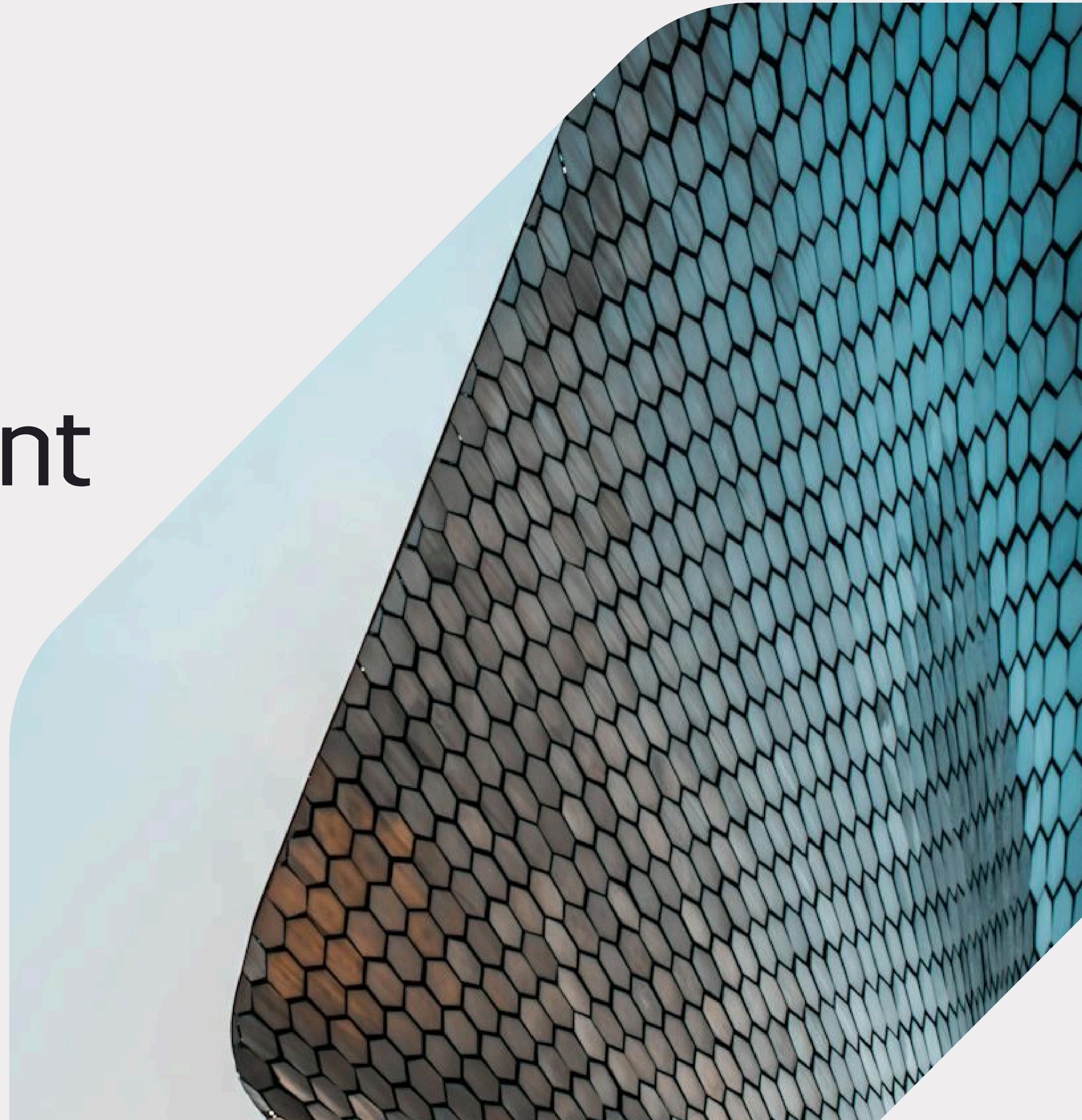
And on the leadership side, 64% have an informal succession plan or strategy in place. Without structures that support both short-term growth and long-term leadership transitions, firms risk losing not just talent, but momentum.

Takeaway

Hiring challenges may be urgent but retention, growth, and planning are what truly shape a firm's future. Firms that invest in their people with clarity, consistency, and intention are better positioned to attract top talent and keep them growing with the business.

You don't need a formal HR department to make it work. Sometimes it's as simple as putting structure behind what's already working, whether that's mentorship, training, or just a clear path forward.

Business Development & Client Relations



Business Development & Client Relations

Key Stats Snapshot

41%

of firms say 51-75% of their clients are repeat customers.



The most common lead sources? Word of mouth and referrals followed by networking and industry events.

29%

of firms use a CRM to manage client relationships.

57%

of firms do not have a formal method to measure client satisfaction.

39%

of firms cite clients demanding lower fees as their biggest challenge in winning new projects followed by difficulty in demonstrating value (27%).

Business Growth is Still Personal

Despite all the digital tools available, business development in the A&E space remains deeply relationship-driven.

How firms are generating new business (in order)

- ① Referrals & word-of-mouth
- ② Networking & industry events
- ③ Partnerships & collaborations
- ④ Online marketing (SEO, social media, PPC)

The biggest challenges in winning new projects

04%

LONG SALES CYCLES

17%

INCREASING COMPETITION

27%

DIFFICULTY IN DEMONSTRATING VALUE

39%

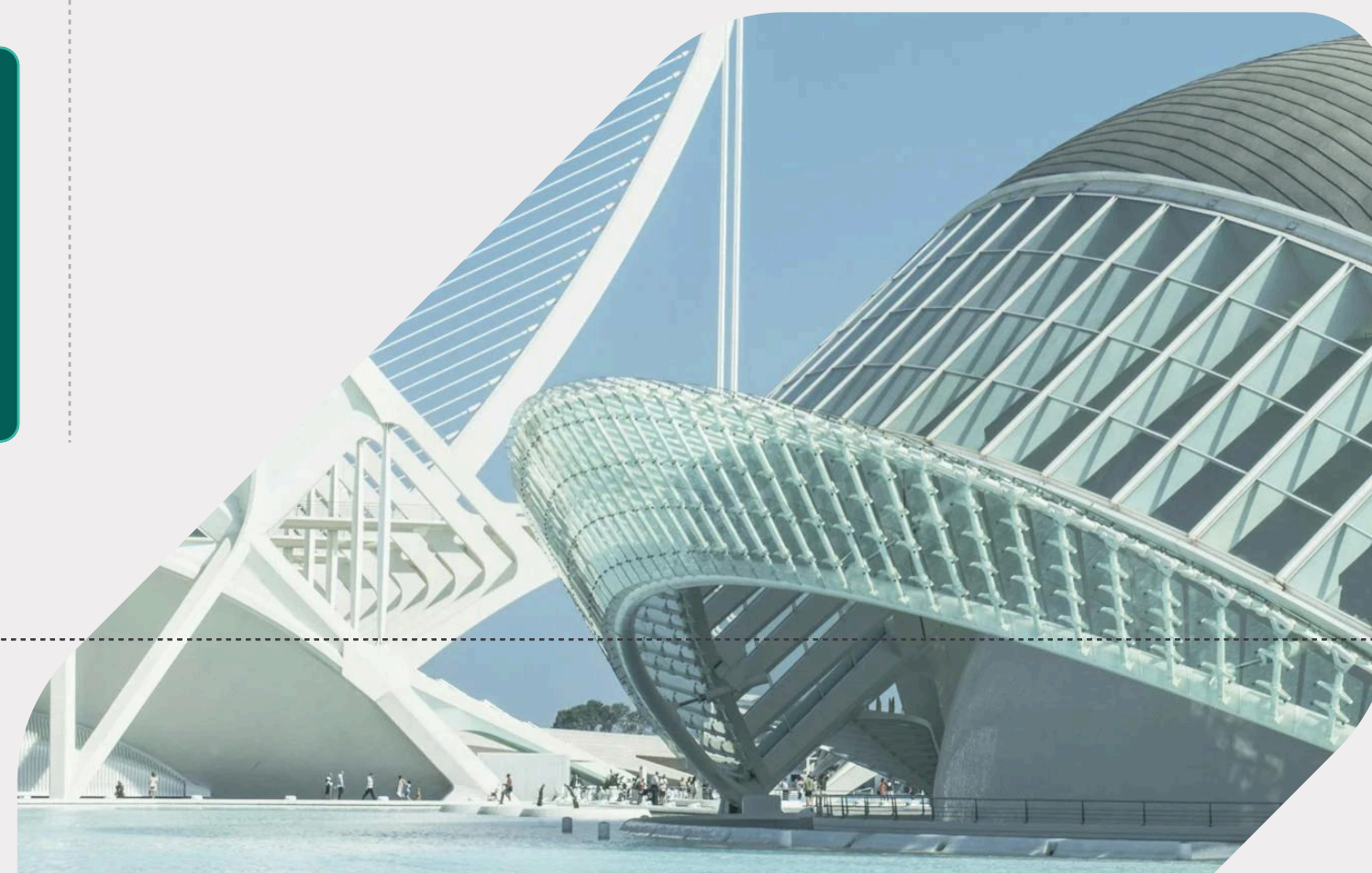
CLIENTS DEMANDING LOWER FEES

13% of respondents didn't know what their challenges were.

CRM Adoption Remains Low

While relationship management is critical, few firms are investing in systems to support it. Only 29% of respondents report using a dedicated CRM to manage client data, track interactions, or follow up on leads.

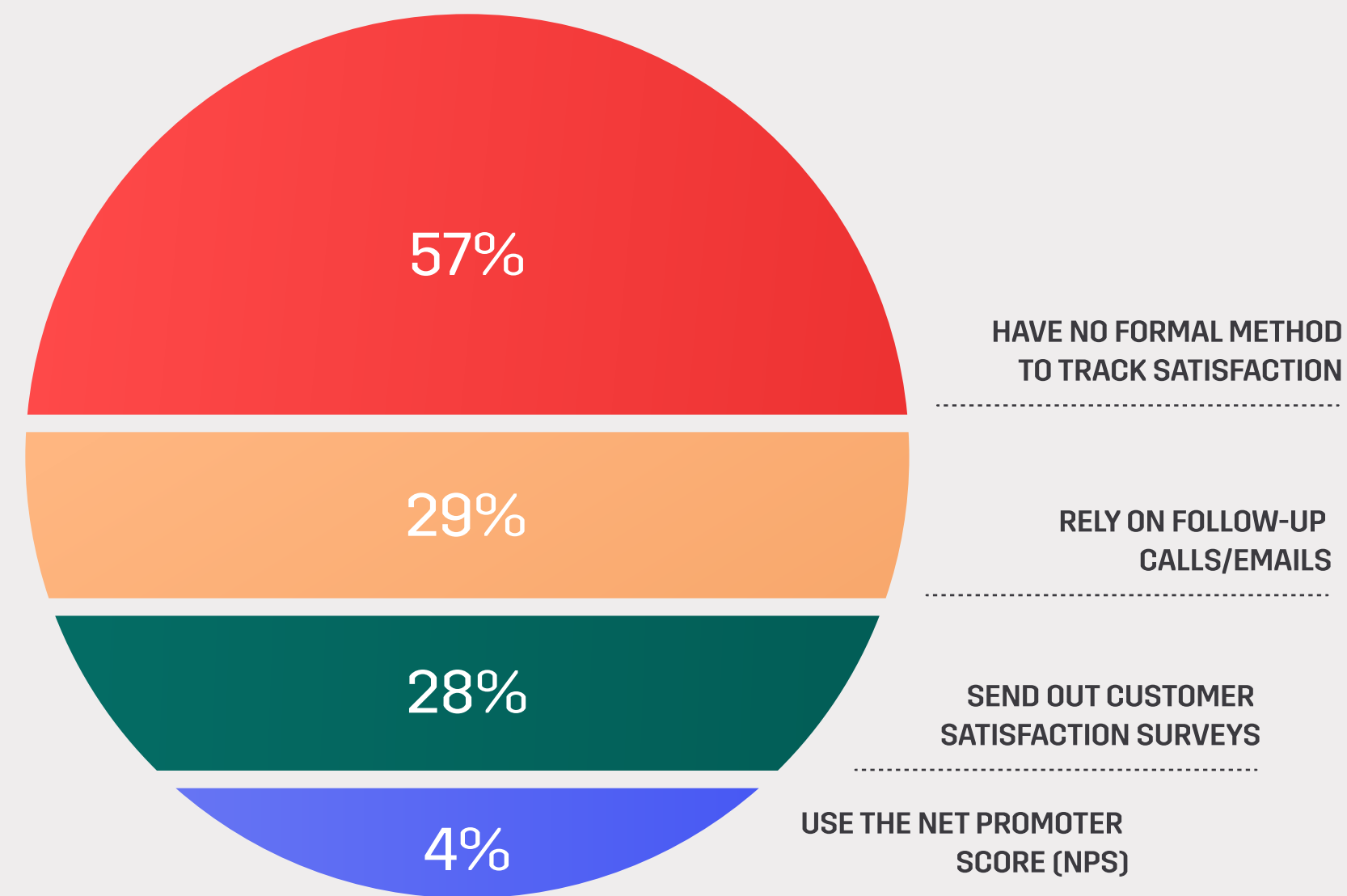
For most firms, business development efforts are still managed informally, using spreadsheets or inboxes. That informality can make it harder to spot patterns, track pipeline health, or ensure consistent follow-through.



Business Development & Client Relations

Tracking Satisfaction: Room to Improve

Maintaining client relationships doesn't end when a project wraps, but only a portion of firms are actively tracking how clients feel about the process.



Whether through surveys, informal check-ins, or NPS scores, gathering feedback can be a powerful tool, not just for relationship building, but for improving internal processes and identifying future opportunities.

Takeaway

Business development in A&E is still all about relationships, but relationships alone aren't enough to grow sustainably. The most successful firms are starting to put structure behind their growth: carving out time, using tools like CRMs, and building repeatable ways to nurture leads and keep clients close.

You don't need a big team or flashy strategy. Sometimes, just making space for consistent follow-up, tracking what works, and listening to client feedback is what sets growing firms apart.

Technology



Technology

Key Stats Snapshot

60%

of firms use project management software and 100% have seen an impact on efficiency.

55%

of firms use BIM software and 81% have seen an impact on efficiency.

89%

of firms use financial & invoicing software and 85% have seen an impact on efficiency.

69%

of firms use time tracking/resource management software and 87% have seen an impact on efficiency.

29%

of firms use CRM & business development software and 64% have seen an impact on efficiency.

Many Tools, Limited Integration: The Real Challenge

The vast majority of firms use some form of time tracking tools, project management software, or both.

However, the true value comes when those tools are fully integrated and used to drive decision-making. While most firms have adopted software, many are still working in silos or relying on manual systems (such as spreadsheets or disconnected tools for resource management and skills matching) that don't integrate with each other.

The firms that get the most out of their software are the ones that treat it as a system, linking tools to real-time data, using insights to inform decisions, and eliminating unnecessary complexity.

Takeaway

The firms seeing the most benefit from technology aren't necessarily using more tools, they're using the right ones in the right ways. Whether it's improving project delivery, enhancing design workflows, or freeing up time for billable work, the real impact comes from integration, visibility, and follow-through.

Tech adoption shouldn't be about adding complexity. It should be about giving teams the systems they need to do their best work, both creatively and operationally.



Future Outlook & Strategy



Future Outlook & Strategy

Key Stats Snapshot

47%

of firms anticipate economic uncertainty impacting project funding as the biggest challenge in the next five years.

80%

of firms say automation & AI in design processes is the trend that will have the most impact on the A&E industry.

77%

of firms differentiate themselves from the competition with their client service and responsiveness.

49%

of firms are not actively pursuing mergers and acquisitions (M&A).

45%

of firms have no immediate plans to expand their services or enter new markets in the next 12-24 months.

Challenges and Opportunities Ahead

The A&E industry faces several key challenges, with 47% of firms citing economic uncertainty as the biggest threat to project funding in the next five years followed by talent shortages and hiring challenges (27%).

However, despite these challenges, automation and AI in design processes are seen as key opportunities, with 80% of firms believing these technologies will have the most significant impact on the industry.

Thoughts and Insights from Industry Leaders

Take a look at some of the valuable insights shared by real industry professionals in our survey.

What do you believe will be the biggest opportunity for your firm in the next 5 years?

"AI automation of repetitive design tasks and admin tasks."

"Simplifying processes."

"Diversifying our areas of specialty in the services we offer."

"To get out and create new client relationships...go for the big fish."

"Growth of brand awareness against larger competition."

"Acquisitions and potential sale of company."

"Providing high quality and high value expertise in the setting of a boutique consultancy model."

"Evolve from a company run by one director to multiple directors developing from senior architects looking to acquire the business."

Future Outlook & Strategy

Share one lesson learned or best practice your firm has discovered in the past year.



“Planning for the long term rather than reacting to the short term.”

“Don't trust AI results. Always verify the findings and reword questions to get the most accurate results.”

“Government procurement processes are impacting both project budgets and timelines more so than they have before.”

“Customer service is everything.”

“Clear, concise and timely communications is key to customer satisfaction and trust.”

“Our best focus area is on increasing the skillset of our existing staff.”

“Have clear contracts in place and do not rely on the spoken word.”

“Consistency in cross-channel marketing.”

“Tracking KPIs and making project managers aware of the financial aspect of projects.”

“Outsource admin tasks and focus on the bigger picture.”

“Nurture employees.”



Unlock the Full Potential of Your Projects with Total Synergy



Total Synergy

W Hudson Engineering Pty Ltd Organisation

25 PROJECTS 25 UNPAID INVOICES 25 ACTIVE CONTACTS INCOMPLETE TIMESHEET WEEKS LEADERBOARD POSITION 25 ACTIVE STAFF 3 DRAFT INVOICES

Dashboard Business Finance Forecasting Sales Projects People

Project	2024-08-31	2024-09-30	2024-10-31	2024-11-30	2024-12-31	2025-01-31	2025-02-28	Total
20240015 - Koala Park 4								
Proposal Forecast								
Active Forecast				29,011	26,447	48,549	30,954	134,961
Total Forecast			0	29,011	26,447	48,549	30,954	134,961
Invoiced	46,349	46,589	22,014	29,011				143,963
Invoiced - Forecast	46,349	46,589	22,014	0	-26,447	-48,549	-30,954	9,002
Forecast Variance				0%				
Resourced Charge	44,988	32,041	27,339	24,961	26,150	33,050	35,195	223,723
Actual Charge	41,313	37,761	22,312	14,059				115,444
Resourced - Actual	3,675	-5,720	5,027	10,903	26,150	33,050	35,195	108,279
Resourcing Variance	9%	-15%	23%	78%				
20240016 - Koala Park 5								
Proposal Forecast								
Active Forecast				30,459	30,459	30,459	57,762	149,140
Total Forecast			0	30,459	30,459	30,459	57,762	149,140
Invoiced	66,553	58,038	54,391	26,481				205,463
Invoiced - Forecast	66,553	58,038	54,391	-3,978	-30,459	-30,459	-57,762	56,323
Forecast Variance				-13%				
Resourced Charge	54,327	51,858	37,803	29,762	31,179	32,596	29,982	267,508
Actual Charge	57,507	59,789	35,123	10,039				162,458
Resourced - Actual	-3,180	-7,931	2,680	19,723	31,179	32,596	29,982	105,050
Resourcing Variance	-6%	-13%	8%	196%				
20240017 - Koala Park 6								
Proposal Forecast								
Active Forecast				47,811	37,402	54,787	27,182	167,203

Office: All Cost Centre: All Discipline: All Project Type: All Project Manager: All

Total Synergy

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25 PROJECTS 25 UNPAID INVOICES 25 ACTIVE CONTACTS INCOMPLETE TIMESHEET WEEKS LEADERBOARD POSITION 25 ACTIVE STAFF 3 DRAFT INVOICES

Dashboard Business Finance Forecasting Sales Projects People

Tasks due

- DD - QA 6/152 Quay St, Auckland Due 22/12/24
- SD - QA 13/44 Wharf Road, Melrose Park Due 8/1/25
- CDOCS - QA 6/152 Quay St, Auckland Due 23/3/25

To-dos

- Overdue 143 days: S200089 - Woolahra Public School - library. Called to get some background on the job.
- Due yesterday: M200032 - Roselary Hospital - reception refurbishment / Concept Design. Confirm design outline and requirements.
- Due today: S200088 - Community centre - Alexandria. Take the client to lunch to review the proposal and get any inside knowledge.
- Due in 3 days

Recent projects

- S200104 - Clydesville - 112 Office Fitout (Active)
- S200064 - Ermington Views (Active)
- S200138 - Toowoomba Windfarm (Proposal)
- P200017 - 185 Chisholm St, Kewdale (Active)
- S200071 - Depot, 90 Rainbow St Randwick (Active)

Aged WIP

Total \$133,221.58

- 0-30
- 31-60
- 61-90

Aged debtors

Total \$169,242.81

- 0-30
- 31-60
- 121+

Project profit

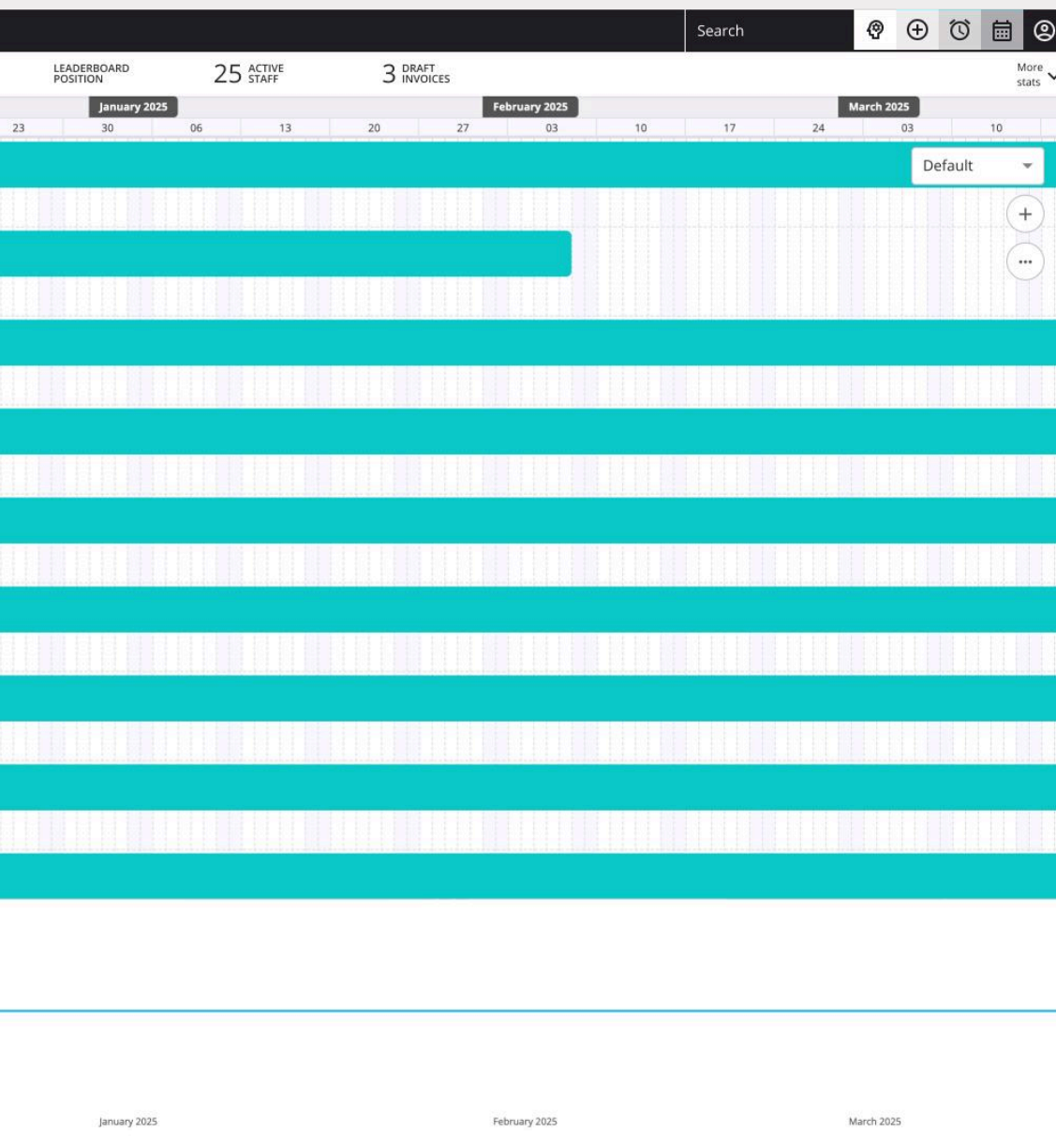
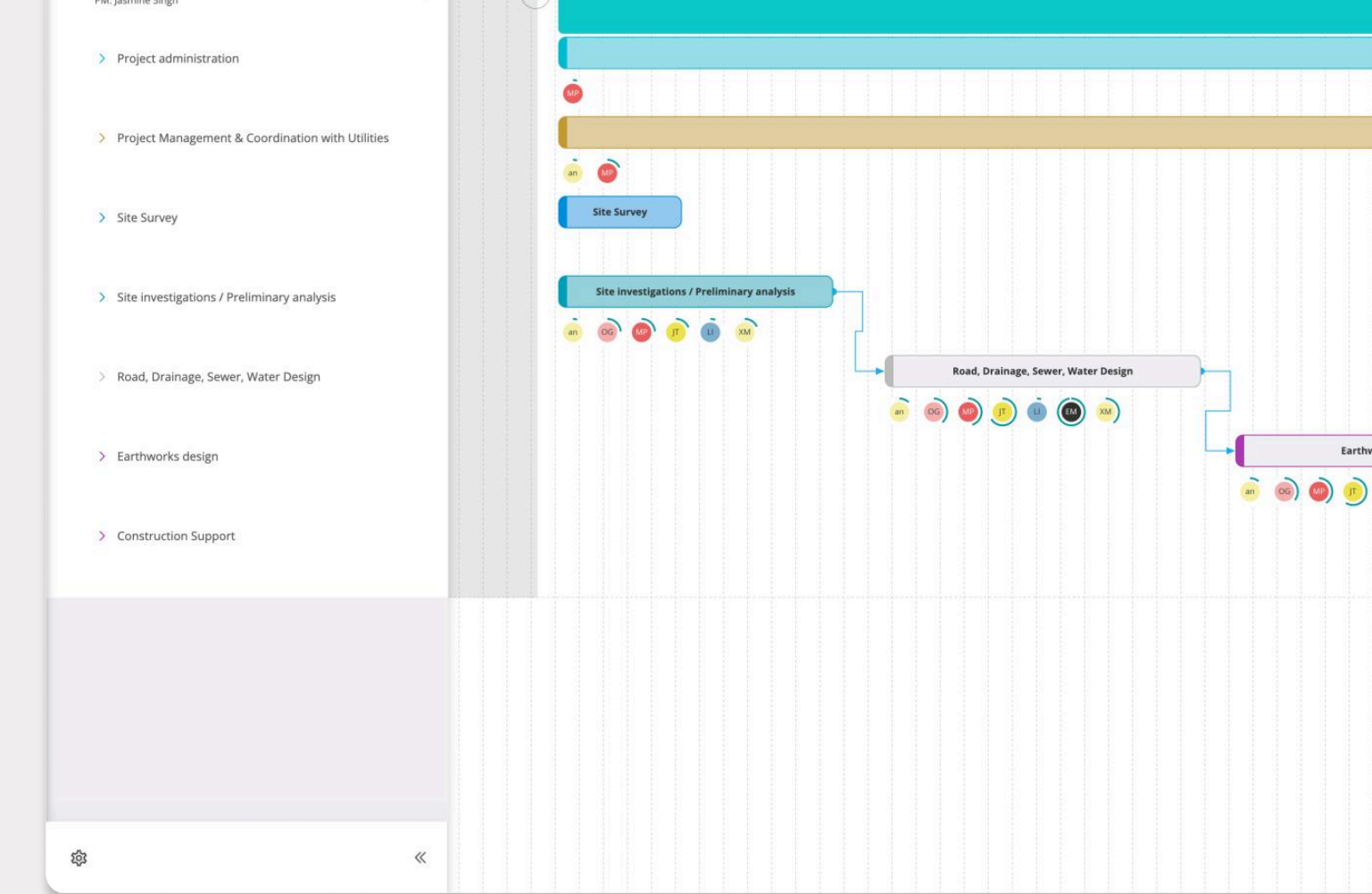
Transaction markup

Recent contacts

- 2TD 23 Tanunda Drive, Rivervale
- DL Diane Larsson Residential Owner
- AC Allaki Consulting (NSW)
- QS Quay Studio
- FP Filament Precision

Unlock the Full Potential of Your Projects with Total Synergy

Most engineers and architects didn't choose this career because they love timesheets and invoices. But tracking finances and managing projects is the difference between a thriving business and one that's constantly chasing its tail. Total Synergy gives you visibility, control, and confidence to run your business and projects, without the admin headaches.



Project Management

- ✓ Keep projects moving with clear milestones, task assignments, and timelines.
- ✓ Track progress in real time and stay ahead of delays.
- ✓ Collaborate with your team in one central workspace. No more disconnected tools.



Project Finance

- ✓ Monitor budgets, forecasts, and cash flow in one place.
- ✓ Speed up invoicing and improve accuracy with connected financial data.
- ✓ Stay on top of profitability with clear, project-level cost insights.



Project Analytics

- ✓ See how your projects, teams, and budgets are performing at a glance.
- ✓ Identify trends, spot bottlenecks, and make data-backed decisions.
- ✓ Customize dashboards to track what matters most to your firm.

Turn **Insights** into **Action**

From improving efficiency to tracking profitability and strengthening client relationships, you've seen how the right tools can transform your firm. Now it's time to see how Total Synergy can help you put these insights into practice.

[Watch our 10-Minute Demo](#)