

Construction Trends and Directions

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CMAA President & CEO

ConsMa 2014 * Seoul, ROK

Thank You and Congratulations

- ConsMa 2014
- International CM Day
- Global CM Contest
- CMAA/CMAK Memorandum of Understanding renewed November, 2011
- Chairman Bae at CMAA National Conference & Trade Show



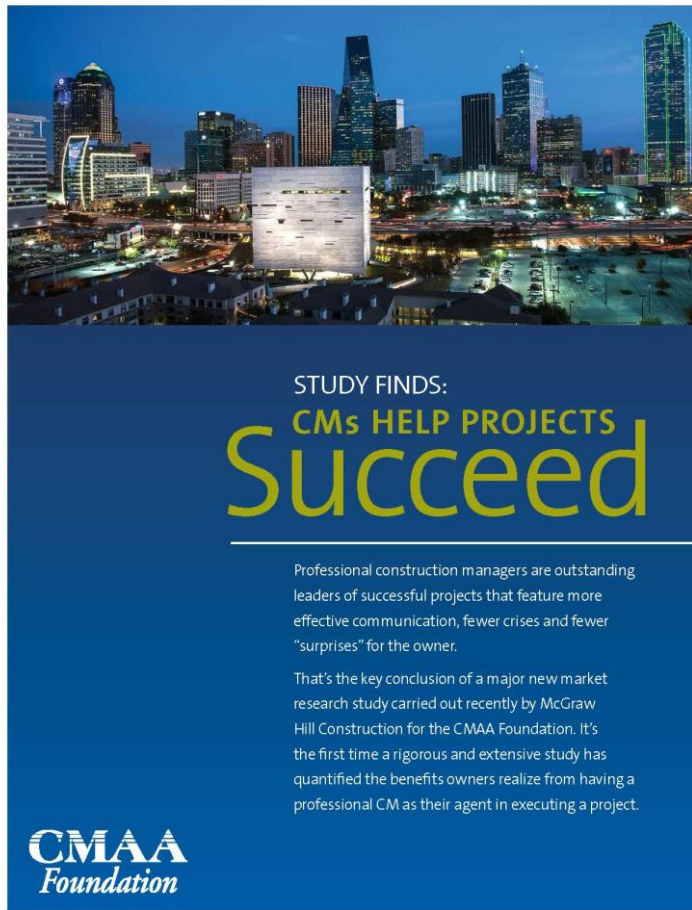
What's New At CMAA?

- Membership > 12,000
- Major new members: Fluor, Hargrove
- Certified CMs now >2,100
- CII Endorses CCM
 - Major consortium of leading owners, contractors, universities.
 - CII Best Practices now part of CM SOP
 - CCM “a value-adding credential”

What's New at CMAA?

- CMAA Joins ABET
 - Leading organization accrediting college and university programs
 - CMAA will develop criteria for accrediting CM programs
 - Major recognition of professionalism of CM and leadership of CMAA
 - Criteria expected this summer

New Owner Research



- CMAA Foundation research finds CMs excel in:
 - Leadership
 - Avoiding/solving problems
 - Communicating
 - Handling complex projects
 - Delivering success!

Online Impact Library

**CMAA**

Advancing Professional Construction
and Program Management Worldwide

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Impact Library

These practical case studies illustrate the range of positive impacts Professional CM can provide for owners' projects and programs.



NYC DEP South-Central Building - 186th Transfer Conduits, Photo by Bernstein Associates



Union Station Platform 7



NYC DEP Newtown Creek WWTW South Battery Upgrade



NYC DEP, Newtown Creek WWTW, Central Residuals Building



Mertes Center for the Arts, Las Positas CC



Little League Museum Renovations



Cherokee Health Systems Crisis Stabilization Unit



Rangely Replacement Hospital



Franklin County Regional Intermodal Facility



West Hollywood Library Project



State College Area School District District Wide Facilities Master Plan Phase I

NEW Event in 2014

CAPITAL PROJECTS SYMPOSIUM

MAY 4 – 6 | BALTIMORE, MARYLAND

Presented by **CMAA**  

- Comprehensive exploration of all major delivery methods
- Advantages/disadvantages
- Case studies
- Role of CM in each method

What's New in the Industry?

- Project delivery methods are big news
- Surging interest in Public-Private Partnerships, Design-Build, CM-At-Risk, and other methods
- Driven by owner budget pressures and demand for efficiency

U.S. Construction Industry

- US\$982 billion in 2011 — Bureau of Economic Analysis
- Construction Put in Place in 2013 = US\$910 billion — FMI
- Construction was 3.5% of GDP in 2011
- Steady decline in share of GDP
 - Overall GDP growing
 - Construction suffering from recession 2008 - ?

CM and PM for Fee

- Total revenue in 2012 = US\$19.2 billion
- Increased 2.9% from 2011

BUT

- Domestic revenue was down 5.8%
- International revenue for U.S. firms surged by 41.6% to US\$4.87 billion

Source: Engineering News-Record, June 2013

Pressures on the Owner

- Time and budget
 - “Do more with less”
- In-house staff limitations
 - Major staff cuts in 2009-2010
 - Slow return – if any – to previous staff levels
- Public sector reliance on legislation, taxes, etc

Alternative PDMs

- Promise owners streamlined project execution and opportunities to cut costs
- Contractor-led Design-Build
 - Brings design function in-house
 - Designer works for contractor, not owner
- “Commoditization” of CM – “part of the package” – “don’t need a CM”

Workforce Concerns

- CM workforce is aging
- Insufficient number of people “in the pipeline”
- Companies retaining older practitioners past retirement age
- Industry losing talented young people to other fields

The Challenge

**Professional construction management
is under more pressure
than ever before**

The Answer

Professionalism

CMAA's New Mission and Vision

Mission

To promote the profession of construction management and the use of qualified construction managers on capital projects and programs

Vision

All owners realizing capital project and program success by using professionally qualified construction managers

What Makes CM a Profession?

- Responsible for a *process*, not a product
- Conditions not fully know-able or fully under the practitioner's control
- Exercise of learned judgment
- “Duty of care” – the same level of care employed by reasonably prudent professionals practicing in the same field in the same area”

CM as a Profession

- U.S. Office of Personnel Management:
 - Knowledge uniquely acquired through extensive education
 - Equivalent to requirements for bachelor's or higher degree
 - Continuous study to explore, extend, discover knowledge

CM as a Profession

- The profession itself determines what skills and knowledge are required of newcomers
- CMAA membership in ABET is a step to define this better
- Based on a clear, recognized Body of Knowledge

The Profession in Society

- Professional society or trade association?
 - Some groups can be both, but functions are different
- CM as contractor or as “trusted advisor?”
- Do all associations maintain the definition of professionalism in their memberships?
- Dedicated to standards and ethics, or just sales?

New PDMs Add to the Challenge

- Are CM services “part of the package” or a distinct, owner-responsive function?
- Need to maintain the *value* of CM in a changing environment
- Need to preserve high level of performance and professionalism
- SOP and CCM are keys

Building Internationally

- Growing global interest in the CM Standards of Practice and CCM certification
- Multinational firms integrating SOPs and CII Best Practices into their operations
- CCM international in the future?
- Outreach by groups like CMAK in Asia Pacific and CMAS in Spain, Latin America
- Future is bright

CMAA

www.cmaanet.org