**NEWS ARTICLE**

AECOM exceeds its South African targets as it takes on more global work

**16 November 2023:** Globally trusted infrastructure consulting firm [AECOM](http://www.aecom.com) is on track to exceed its targets for the current financial year, according to **Darrin Green**, Africa MD. “It has been really good in terms of the numbers. Our strategy is to diversify and work more for the global business because the local market is so challenging.”

Green adds: “On the local front, we focus on key clients and global clients that we already work for. We also look at projects of scale and complexity rather than the run-of-the-mill stuff because we are not really set up to do the smaller work. We are a business that is geared to carry out the big projects.”

Another indicator of AECOM’s ongoing success is a 30% increase in head count over the year, “which in our market is pretty unheard of.” Emigration, however, remains a problem, with the company losing on average two professionals a month to greener pastures abroad. “If you extrapolate that across the entire industry and our low number of engineers per capita compared to elsewhere, it tells a story,” says Green.

Bringing in a lot of new people at once poses the challenge of ensuring they fit in with the AECOM corporate culture, but it also injects new ideas and energy into the business. “Our expansion into other markets and working for the global business all over the world has brought a lot of opportunity and different exposure for our staff in terms of working on exciting international projects. It broadens their horizons, capabilities and opportunities.”

AECOM continues to accelerate its digitisation and automation journey, which it had already embarked upon pre-coronavirus. “We were fortunate in that we started perhaps ahead of others locally. I really can say that our South African team is ahead of other parts of the world on the digital front. Digital is a major trend and growth area.” Green adds that AECOM remains at the forefront of this trend globally, with members of the South African team forming part of its global digital hub.

“We are playing a direct role in developing some aspects associated with BIM, which is a bit of a misnomer in terms of digital. The cutting edge at present is computational engineering and parametric design, really a subset of digital. We focus on that quite heavily, which to some extent is automation,” explains Green. He reveals that AECOM is both investigating and investing in AI.

“There are still some drawbacks before it will be widely adopted, like liability issues around verification of information. It certainly is a powerful tool and much more specific than a search engine. It is ideal to organise information and generate reports, but we have to ensure that the inputs are correct. Obviously, it will learn and improve in terms of functionality. For the time being, we are mainly deploying it to make our processes and designs more efficient. AI will certainly be a large part of that at some point in the future.”

Green highlights that the industry has been maturing in terms of the application of digital twins, a significant step up from simply using BIM models to extract quantities for contractors. “We strive to hand over a smart model to clients to assist them with operations, maintenance and scheduling. That is where it is going. However, it does not replace the engineering. It is extremely powerful, if I think back to when I started out and everything was still all done by hand.”

A major benefit of the latest iteration of smart BIM models is that a global team can work simultaneously on a project in real time. “That leads to its own challenges, as it is such a dynamic and live environment.” Green says that while clients sometimes drive the process for a digital twin, this is fast becoming AECOM’s standard approach to design and engineering.

Commenting on his outlook for 2024, Green affirms that consolidation and supporting the global business remain at the top of the agenda. “I do not believe the local and African market is going to turn around in the short term. There are a lot of challenges there. In Africa, projects are few and far between and generally not well developed or prepared.

“The selection around those projects is not necessarily always an even playing field. We would only pursue something that is primarily quality- based rather than cost-based in terms of the selection criteria. We will follow our global clients who we already have agreements with. But we are not going to just chase anything unless it is really the right client and the right project.”

In terms of South Africa specifically, Green predicts that the 2024 national election will likely delay the infrastructure pipeline rollout significantly. “It is also an issue of affordability. I am unsure that we have the funds to roll out the infrastructure we should be. We have probably got another year post-election before we see where we are headed. At the moment, we are maybe two years out before we see any real significant spend on infrastructure.”

Looking at the ongoing issues around water provision and power generation, Green points to the fact that much of South Africa’s bulk infrastructure is 40 to 50 years old. “There is no asset management plan. It becomes a reactive approach. There is no proactive maintenance and replacement. It is going to take a really steady hand, a measured approach and a lot of time and money to rectify the current situation.”

As to the role of the private sector in assisting the government to address the country’s growing infrastructure deficit, Green warns that privatisation entails both pros and cons. “We all know the private sector is going to be more efficient around delivery, but it will cost more. Citizens will baulk at additional costs, especially if government is failing to deliver essential services.

“The problem is that while government wants the assistance of the private sector, it does not want to relinquish control while not looking at fair risk transfer. Now, that does not work. You have got to do it in the right way. Just think of some of the early toll concessions, these worked because the transfer of risk was acceptable to both parties. We are not seeing that at the moment.”

Meanwhile, AECOM’s South African team continues to collaborate on a range of giga projects in the Middle East region. “Some are quite amazing. They are certainly ground-breaking,” says Green. “It is a lifetime’s chance to work on projects like this. From that perspective, it is wonderful. However, the number of changes often required, combined with fast-tracked deadlines, present major challenges.”

Green says, however, that the South African team’s performance has been exemplary in terms of finding a middle ground between client expectations and delivery. “It is also a duty of engineers and other professionals to inform the client what can be delivered realistically. Obviously, they are going to push the envelope. I strongly believe that doing proper planning upfront saves money down the line from a lifecycle perspective. It saves money on construction and during operations and maintenance. Again, it goes back to the issue of having a mature client that understands the full scope of their requirements.”

Even though 60% to 70% of AECOM’s business is still derived from key local clients, the South African team is hard at work on projects from New Zealand to Australia, Singapore, Canada, the Middle East, the US and the UK. “We are well diversified and probably a little bit more immune and futureproofed to some of the current geopolitical volatility,” says Green. “We are fortunate to be part of a global company with such extensive global work. We remain committed to our excellent local clients, both government and private.”

As for future growth areas, Green says AECOM has a particular expertise in data centres, which is standing it in good stead as that sector expands, especially in Africa with its young and rapidly growing populations. However, the sector is growing globally, with the team currently working on data centre projects around the world. Energy and renewables remain a key focus for South Africa, while AECOM’s local skillset allows it to support the Australian business in terms of resources and commodities.

“Aside from meeting the numbers, what is more important for me is that we look after our people by rewarding their hard work and ensuring career opportunities. That is building a sustainable business. I strongly believe if we look after our people, they will look after the business. Despite its global reach, a major focus of AECOM is to make an impact at grassroots level.

“We are involved with local communities wherever we deliver projects. Obviously, some of that is driven by contracts in terms of localisation of work. It is, however, something that is part of our values and which our teams strongly believe in. It is a differentiator, frankly. Also, it just makes good business sense. People join us for these reasons and our strong support of ESG goals,” concludes Green.

***Ends***

**Notes to the editor.**

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