



Scott L. Melnick

While Thanksgiving is always delicious, Diwali offers certain culinary delights, and the Christmas season has its joys, I have to admit I'm an unabashed fan of Halloween—and not just for the treats, but also for the decorations, costumes, and wild spirit that it inspires. The spooky festival is a delightful mix of fun and fright—not unlike any prognostication about the future of the steel design and construction industry.

This mixed bag of treats was brought home to me by two speakers at AISC's recent Annual Meeting.

First up was Walter Gatti, the bridge industry's most respected detailer. His version of the future for fabricators and detailers was dark and scary—though he offered specific recommendations to overcome the industry's bugaboos. Essentially, he warned of the increasing commoditization of the fabrication industry and the tendency of contractors to simply seek the lowest bids without a realization of the value-added processes that quality fabricators and detailers bring to a project. He recommended such simple steps as demanding partial payment prior to the start of a project (as is common in other industries) and demanding payment upon completion of an assignment (through electronic fund transfer upon delivery of steel to a job or of drawings to a fabricator). He also stressed that fabricators shouldn't get involved in "auctions."

As Walter stated: "In what other business does the customer dictate the price you will get for your product? A low price at bid time only gets you invited to the auction. The contractors routinely hold auctions until some poor soul has gone far into their overhead and takes the job at a loss. The fabricators should insist that bids be in writing and the contractor name their major subs. The industry should lobby for more direct steel bids. The only winner in the auction process is the contractor who used the low price to get the contract, but now makes a larger profit at the expense of the fabricator."

AISC's John Cross offered a brighter future, though also words of caution:

- We'll see a continued demand for increased productivity in building construction, which will result in an emphasis in off-site fabrication of building systems, a streamlining of the design and construction process, and fewer key players on the project team assuming broader areas of responsibility.
- There will be a heightened awareness of the interdependency of design and construction professionals, which will generate a greater demand for collaboration and teamwork
- The U.S. population and economy will continue to grow and will drive construction in what will remain the strongest economy in the world, but at the same time, globalization will force each of us to reevaluate our supply chain, open up opportunities for us for international services and redefine our workforce.
- Technology will continue to advance rapidly driving us into new paradigms of design, communication, document delivery and shop operations.
- Vertical markets will begin to merge with a growing emphasis on re-urbanization and mixed-use structures demanding creative structural systems to optimize each segment of the structure.
- The role and existence of the general contractor will diminish into a delivery system more closely akin to that of a construction manager at risk.

Fortunately, steel is well positioned to take advantage of these trends. If you're interested in learning more, visit www.aisc.org/destination to read all of John's comments.

Happy holidays!


Editorial Offices

Modern Steel Construction
One E. Wacker Dr., Suite 3100
Chicago, IL 60601
312.670.2400 tel
312.670.5403 fax

Editorial Contacts

Editor & Publisher
Scott L. Melnick
312.670.8314
melnick@modernsteel.com
Managing Editor
Keith A. Grubb, P.E., S.E.
312.670.8318
grubb@modernsteel.com

AISC Officers



Chairman
James A. Stori
Vice Chairman
Stephen E. Porter
Treasurer
Lawrence A. Cox
Secretary & General Counsel
David B. Ratterman
President
H. Louis Gurthel, P.E.
Vice President, Finance & Technology
E. Joseph Dietrich
Vice President, Engineering & Research
Louis F. Geschwindner, Ph.D., P.E.
Vice President, Communications
Scott L. Melnick
Vice President, Marketing
John P. Cross, P.E.
Vice President, Certification
Roberta L. Marsteller, P.E.

Advertising Contact

Account Manager
John A. Byrne
847.699.6049 tel
847.699.8681 fax
byrne@modernsteel.com
1400 E. Touhy Ave., Suite 260
Des Plaines, IL 60018
To receive advertising information,
contact John Byrne or view it online:
www.modernsteel.com

Address Changes and Subscription Questions

312.670.5444 tel
312.670.5403 fax
admin@modernsteel.com