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TRANSFORMATIONAL GROWTH LEADERSHIP

A CEO Perspective

From Reactive Operations to Project Intelligence: How BST Global Is Revolutionizing the AEC Industry

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in conversation with

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As AI becomes central to business strategy and long-term competitiveness, the global architecture, engineering, and environmental consulting (AEC) industry finds itself amid transformative change. Conservative firms that once lagged behind others in terms of digitalization are being pushed to **modernize legacy operations, embrace predictive intelligence, and pivot how conventional, project-based workflows operate.** Now, rising costs, increasing regulatory and compliance restrictions, and evolving customer expectations are placing additional pressure on industry incumbents to maximize efficiency, profitability, and measurable outcomes.

In this Transformational Growth Leadership (TGL) conversation, **Javier A. Baldor**, Chief Executive Officer at **BST Global**, speaks with **Lynda Stadtmueller**, Associate Partner and Program Leader, Cloud at **Frost & Sullivan**, about how **AI-driven enterprise resource planning (ERP) innovation, autonomous agents, industry consortiums, strategic partnerships, and trust-based customer relationships** can help businesses simplify operations, unify teams, and eliminate workflow friction. The discussion reveals how AI transforms not only tech platforms but also business models, operating structures, and competitive dynamics within the AEC ecosystem.

AI-first Transformation and Overcoming Technology Challenges in AEC

Lynda Stadtmueller: *The AEC industry has historically lagged behind many sectors when it comes to digitalization and digital transformation. With BST Global's services, that is starting to change. What are the biggest technology challenges the industry faces, and how do you respond to them?*

Javier Baldor: AI is unquestionably the biggest topic on the minds of industry leaders today. The consistent question is, "What does AI mean for our business, and how do we apply it in a way that creates measurable value?" Organizations are under pressure to define what they are going to do with AI and how it can best add value.

At BST Global, we stay closely connected to these conversations through several channels:

- ▶ One is **direct engagement** with CEOs, executive leadership teams, and clients.
- ▶ Another is our **AI Summit**, which has become one of the largest AI-focused events for the industry. This helps us track how clients envision the application of AI.

“ You have to meet people where they are. Clients are in different places on their digital and AI journeys. For instance, some have leaned deeply into AI and are actively challenging and co-creating new approaches with us. Others are asking to better understand AI. The interest is universally there. They're just in different places of maturity.”

— Javier A. Baldor, Chief Executive Officer at BST Global

Frost & Sullivan's **Transformational Growth Leadership Program** aims to honor visionary business leaders who possess the foresight and leadership acumen to drive positive change within their organizations. The leaders we celebrate hail from diverse sectors and company sizes, yet they all share an unwavering commitment to innovation and excellence.

- ▶ We have built the industry's first **AI + Data Consortium**, bringing together large global firms to collaboratively discuss the future of AI, data, and business model transformation. Collectively, these companies represent approximately 300,000 employees, giving us front-row views into how they approach AI and operational transformation. The conversations here are not product-driven; they are about thought leadership that gives us a grassroots-level understanding of where firms are on their AI journey.

- ▶ I'm also on the **ACEC Research Institute** board to keep up with evolving dynamics: talent, technology, transformation, and the move away from time and material contracts.
- ▶ Lastly, participating in **AI immersion sessions** with organizations like OpenAI and Anthropic gives us visibility into how transformative companies think about the future, and that influences our long-term investments.

This is an unprecedented era of prosperity for the AEC industry. There is an incessant need for power, water, and infrastructure because AEC is fueling the AI revolution. These firms are designing and building tomorrow's data centers and are the face of AI from an infrastructure and scaling perspective. But historically, they have also been conservative and have lagged behind professional services when it comes to embracing technology. That is fast changing as pressure from private equity firms continues to build around adopting future-ready AI strategies and business models.



Building a Culture of Innovation and Ingenuity

Lynda Stadtmueller: *The challenges have been around for a while, and yet BST Global identified them early enough to become a leader that drives transformation. How have you built upon that culture of innovation from the time your parents launched the company, and how did you get from there to here?*

Javier Baldor: I've been fortunate to work alongside an extraordinary leadership team and incredibly talented colleagues who are deeply passionate about **innovation** and **customer success**. Much of our culture starts with the legacy my father created when he founded the company.

Though he started BST Global in 1971 with just a \$100 bill, he built a global technology company with a relentless focus on innovation and a belief that one must lead from the front rather than simply reacting or responding to market changes. That philosophy became deeply embedded in our DNA. He also emphasized the importance of family, collaboration, and coming together around shared goals, even when there were disagreements along the way.

That mindset is especially important today because we operate in a highly competitive environment with very capable and well-funded competitors. We know we must constantly differentiate ourselves—not simply by talking about innovation, but by applying our **domain expertise and ingenuity** to solve meaningful customer problems in ways others may not have considered.

It is an exciting time to be able to see the advent of this 4th Industrial Revolution with AI. The canvas is blank, and we have an opportunity to help shape what the future of consultancy operations will look like alongside our customers.

Innovative Business Models and Finding the Right Balance

Lynda Stadtmueller: *Even as you introduce innovation, you continue to respect client journeys. How are you able to balance traditional products and business models with newer ones like automation and AI?*

Javier Baldor: It is important to recognize that every customer is at a **different stage of maturity** in their digital and AI journey. Some have leaned deeply into AI and are actively challenging and co-creating new approaches with us. Others need our help to understand what AI means for their business and how they should approach it.

Our role is not to dictate a path forward, but to meet customers where they are with respect and a genuine interest in their success. We spend time understanding their ambitions, visions, business structures, and the challenges they are trying to solve. That allows us to guide them in a way that aligns with their strategic priorities.

Lynda Stadtmueller: *How do you show more conservative customers the possibilities and results of new technologies?*

Javier Baldor: For us, **relationships and trust** are paramount. We do not rely on third-party intermediaries to represent or speak for us because we believe meaningful partnerships are built directly through leadership engagement and close collaboration with customers. Our leadership team spends time in the field meeting with CEOs and executive teams to understand their ambitions and **co-create solutions** together. That business model is different compared to other organizations.

Using AI to Eliminate Friction: Predictive Intelligence and AI Agents

Lynda Stadtmueller: *You approach AI from three different dimensions—utilizing it in your own tools and platforms, offering clients AI improvements, and demonstrating thought leadership through AI associations. Tell me about that AI focus and your unique advantages in seeing this come together.*

Javier Baldor: As seen in Formula One, where pit crew performance improved from 67 seconds in the 1950s to 1.8 seconds in 2023, we draw inspiration from relentless **process optimization, synchronization, and teamwork**. This reflects how we help our customers reduce friction, connect teams, and improve operational performance.

One of the challenges in consultancy is that project teams and operations are disconnected. That creates drag and friction, which leads to poor performance. There's a real prize in understanding and eliminating that friction. But we want to quantify this. When it comes to AI, we apply it in innovative ways that move the needle for our customers. Our goal is to create a **10X return**.



To do this, we are redefining what **ERP systems** can become in the AI era. Traditionally, ERP served as an accounting system, looking back at historical performance. We believe the future lies in fusing actual project performance and data with **predictive intelligence**. This creates real-time, forward-looking operational visibility—beyond a reactive approach. Ultimately, our vision for the next release of BST Global’s ERP is built around three core principles: **simplify, unify, and unleash**. We want to:

- ▶ **Simplify business processes** by eliminating operational friction,
- ▶ **Unify disconnected teams** across project delivery, operations, and finance, and ultimately,
- ▶ **Unleash professionals** to focus on the work they are passionate about.

This platform is built natively on Microsoft Fabric to create a data-driven and AI-ready environment. All of this supports **next-generation AI agents and predictive analytics**.

One of the biggest opportunities we see is using AI agents to **automate laborious**

manual processes that create unnecessary drag inside traditional operations. Billing is one example. Today, billing workflows often involve repeated manual reviews, approvals, and rework cycles that delay cash flow and reduce efficiency. We analyzed a client environment where approximately 695,000 prebills eventually became final bills, yet nearly 50% required no edits at all. That unnecessary review cycle delayed billing by roughly seven days and impacted cost of capital by approximately \$800,000.

To address this, we are developing **autonomous AI agents and software** that can monitor project activity, analyze billing confidence levels, and determine whether invoices can move directly to final billing without human intervention. These agents continuously observe data such as billing history, project preferences, edit patterns, and billing thresholds to assign a “**prebill confidence score**.” If confidence is high, the system can automatically generate, finalize, and deliver the invoice to the client. If confidence is lower, the process routes to human review.

This creates a practical balance between automation and human oversight while significantly reducing operational friction.



Best Practices and Use Cases: Delivering Profit Intelligence and Quantifiable Outcomes

Lynda Stadtmueller: *One of the things I hear from enterprises is the need to retain “human-in-the-loop.” There is a fear of going straight to automation. But what you’ve introduced enables the two paths: retaining “human-in-the-loop” where it is needed and eliminating it from others. I haven’t seen that in any other solution. How do predictive analytics and Profit Intelligence change the way consultancy firms operate?*

Javier Baldor: We want to bring AI and predictive analytics to everybody. Historically, consultancy firms have operated reactively. Most project reporting functions are like driving a car with only a rearview mirror, where leaders recognize issues after they have already impacted performance. That often gives rise to **cliff-based project management**, where teams attempt to recover projects too late in the cycle.

Our focus is shifting organizations from manual forecasting towards a “predict + preempt” operating model. Rather than relying on manually intensive and subjectively generated future assumptions, we use AI and predictive analytics to continuously model likely project outcomes and identify anomalies much earlier in the lifecycle. We’ve connected the project team to project operations. By making the data intelligent, we can help teams deliver better, more profitable outcomes.

Another example is our **net labor multiplier and gross margin models featured in BST Insights Profit Intelligence**. Each can harness seven days of transactional data to predict project performance up to 30 days forward with more than **95% accuracy**. We then surface anomalies that may

otherwise go undetected—issues like bill rate inconsistencies, cost rate mismatches, or work being performed without proper contractual alignment.

We are not simply identifying problems. We want firms to clearly understand the operational and financial impact of every inefficiency because that creates accountability and enables faster decision-making. Ultimately, the goal is to move the **“impact zone”** much earlier in the project lifecycle so firms can proactively optimize outcomes rather than react to issues after profitability has already deteriorated.

Another example is using AI to minimize **bill rate anomalies**, where we analyze an employee’s trailing 12-month project history, determine their median bill rate, and flag deviations above customer-defined thresholds. Those deviations may indicate staffing shortages, quality issues, or incorrect billing structures, and they can represent significant opportunity loss. In one scenario, a single employee generated a **\$22,500 profitability impact**.



We also **identify cost rate anomalies**, where employees receive salary increases without corresponding bill rate adjustments, leading to margin erosion. Another major issue is **work at risk**, where teams begin projects or change orders without approved contracts or budgets, exposing firms to hundreds of thousands of dollars in financial risk. These AI-driven insights are built on Microsoft Fabric and can integrate naturally with BST11 ERP and other ERP offerings from Deltek, Microsoft Dynamics 365, SAP, Oracle, or customer lakehouses like Microsoft Fabric, Databricks and Snowflake because we want to bring AI to everybody. This eliminates the need for change management and operational impacts, and the speed to value is materially increased.

As firms shift from time-and-materials to lump-sum and value-based delivery models, predictive analytics becomes critical for delivering **profit intelligence**. We are modeling best-in-class project performance to identify **burn rate anomalies**, post-project charges, poorly defined scope, utilization distortions, and customer relationship risks before they erode margins.

Competitive Strategies and Industry Focus

Lynda Stadtmueller: *With what you shared about visibility and predictive analytics, why stick to just AEC? I understand that segments like construction, industrial manufacturing, and supply may require more customization. Is that also part of your growth strategy?*

Javier Baldor: We want to deliver excellence in our field and grow in a thoughtful and meaningful way. Our focus is to be world class at what we are doing first and then build off that foundation. As we move toward an AI-agentic future driven by data, there will be opportunities to expand into other project-based and peripheral industries. However, the biggest opportunity today remains within the AEC industry itself. From our perspective, the industry is still in the early innings of AI transformation. As a baseball fan, I would say we are probably only in the “top of the first.”



Lynda Stadtmueller: You mentioned that you are in a competitive field. Most of your competitors are more general in their approaches, whether it's on the ERP side or the project management side. What have you learned from your competitors?

Javier Baldor: We have a tremendous amount of respect for our competitors because they help us up our game. That pushes us to be better, different, and deliver meaningful, tangible, and quantifiable value for our customers.

We know we cannot compete with “me-too” solutions, so our focus is on getting very close to customers, understanding their use cases, and leading from the front through innovation. We are constantly exploring how to apply AI and our domain expertise in creative ways that are not available elsewhere. Like swimming, you cannot focus on the lanes beside you. Our priority is to focus forward, innovate, and be our absolute best.

Value Proposition to Customers: Trust, Partnership, and Technology

Lynda Stadtmueller: Speaking of customers, how do you want your customers to perceive the BST Global brand?

Javier Baldor: The first word that comes to mind for me is “**partner.**” We want to be a partner that truly cares, one that is genuinely invested in our customers’ ambitions and helping them achieve their vision.

Relationships require investment from both sides, so our focus is on fostering **long-term partnerships** built on **trust, listening, co-creation,** and **innovation.** We commit ourselves at the highest levels of the organization to understand customer challenges, work closely with their teams, and co-create solutions together. Ultimately,

our role is not just to provide technology but also to help customers solve meaningful business problems collaboratively.

Lynda Stadtmueller: What excites you most about the future in technology, both in the world and in BST Global?

Javier Baldor: We are very blessed to work with amazing colleagues who are deeply passionate about innovation, excellence, and transforming the industry.

What makes this moment so exciting is that we are living through the **4th Industrial Revolution**, where the world will look dramatically different in just two or three years. There are not many industries where you can wake up every day asking, “How can we help change things? How can we conceive new ideas? How can we innovate?”

That creative energy and sense of possibility is incredibly rewarding, especially when you are building alongside people you care about and respect.

Closing Reflections

As AI adoption accelerates across industries, AEC firms are increasingly shifting toward predictive, data-driven operating models that improve profitability, operational agility, and decision-making. At the same time, advancements in AI agents, predictive analytics, cloud-based ERP architectures, and intelligent workflow automation are reshaping how organizations manage projects, financial operations, and enterprise performance.



Javier A. Baldor | CEO, BST Global

Javier leads a global team of professionals responsible for the market introduction of BST Global's business software products and cloud solutions. He is also instrumental in crafting and implementing the company's business strategy, overall vision and mission with the BST Global Leadership team. In addition to his role as CEO, Javier serves on the ACEC Research Institute Board of Directors. He joined BST Global in 1989 and has served in various capacities during his tenure.



Lynda Stadtmueller | Associate Partner and Program Leader, Cloud at Frost & Sullivan

Lynda has been with Frost & Sullivan since 2008, covering enterprise network services, digital transformation, hybrid & multi-cloud, and edge-to-cloud network configurations. She is a frequent speaker and contributor to technology publications, with over 40 years of experience in the communications industry. Prior to joining Frost & Sullivan, she served in a number of leadership positions with AT&T and other technology firms.

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Annexure

Frost & Sullivan is fully equipped with actionable intelligence that helps business leaders drive differentiation and innovation in the ICT landscape. Our expertise spans transformative megatrends, AI disruption, changing customer expectations, and new business models. To know more about the latest growth opportunities, companies to action, risk mitigation frameworks, and best practices in **AI, Data Analytics**, and **Cloud Business Solutions**, view our latest portfolio of growth analyses on the subject:

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