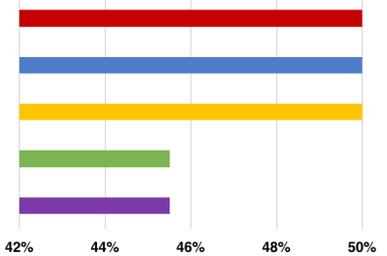


TRENDLINES

Non-reimbursable expenses



Forty-five percent of respondents to Zweig Group's inaugural *Work Travel & Reimbursement Spotlight Survey* say that their firms' travel policies outline non-reimbursable expenses. Here are the five most common non-reimbursable expenses, as reported by respondents to the *Work Travel & Reimbursement Spotlight Survey*: Half of respondents report that their firms won't reimburse employees for **airline upgrades**, **business class seating on domestic flights**, or **personal entertainment expenses**; 46 percent report that their firms won't reimburse employees for **first class flights** or **laundry/dry cleaning**. Percent totals sum to more than 100 because answer choices were not mutually exclusive.
— Andrea Bennett, research and publications manager

End your compensation rut

End-of-year bonuses and evaluations are obsolete. Try monthly or quarterly payouts for your staff.

“Doing these things makes life better. People will be happier. You’ll keep more folks as you’ll have some tools to keep them there.”



Mark Zweig

EDITORIAL

It's clear to me that A/E firms are all in a huge rut when it comes to how they pay their people. The typical firm reviews salaries once a year after doing some sort of cumbersome performance appraisal system. Then the employee gets a raise – sometimes within the constraints posed by an arbitrary salary range for someone in that specific position, say “Engineer 4” – and sometimes not.

Bonuses are handled similarly. The principals/partners decide who gets how much with little or no information to work with beyond what the employee got paid last year in the way of bonus and maybe their utilization data. The money is paid out once a year, either right before Christmas or on the last day of the year.

If you think paying people this way motivates them and enables you to hire and attract the best talent, then I probably can't help you. If you think there **HAS** to be a better way, keep reading.

Here's what I suggest – and many of you will think this is too radical:

1) Get rid of your annual evaluation process.

No one likes to give or receive these reviews. They take a lot of time and are demotivational. And they also frequently provide the plaintiff with all they need to prove a wrongful termination case. The only feedback that really matters to most employees is the money anyway.

See MARK ZWEIG, page 2

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TRANSACTIONS

AEGION CORPORATION COMPLETES THE ACQUISITION OF UNDERGROUND SOLUTIONS INC. Aegion Corporation announced the completion of the acquisition of Underground Solutions Inc., an innovative provider of proprietary fusible PVC technology for the rehabilitation of pressure pipelines. The company paid approximately \$85 million to acquire Underground Solutions and separately paid \$5.2 million for the discounted value of tax benefits associated with existing net operating loss carry forwards. The company funded the transaction with approximately \$60 million in cash and the remainder borrowed through its revolving line of credit. The company expects contributions from Underground Solutions to be accretive to GAAP earnings per share in 2016 with estimated revenues of \$50 million and operating margins in excess of 10 percent. Charles Gordon, Aegion's president and CEO, said, "Underground Solutions' patented PVC pipe and pipe fusing technologies, which uniquely complement our Insituform and Tyfo/

Fibrwrap customer solutions, will enable Aegion to further advance our strategy to expand in the trenchless pressure pipe rehabilitation market. We are especially pleased to have several key members of Underground Solutions' senior management team, who average more than 20 years of industry experience, join Aegion. These individuals will form an expanded team within our Infrastructure Solutions platform dedicated to this promising end market."

Commenting on the acquisition, Frank Firsching, vice president and general manager of Underground Solutions, said, "We believe our products offer a distinct advantage to rehabilitate pipelines in water, sewer and conduit applications. We are excited to join Aegion and add our capabilities with their scale and market leading technologies to create a more effective and less disruptive alternative to significantly reduce water loss in aging pipeline infrastructure."

MARK ZWEIG, from page 1

Just get your managers used to the idea of providing instant feedback to their employees – both good and bad – as close to the incident as they can. It saves time and money and is much more effective.

2) Dump your fixed salary ranges. You aren't a government agency. Stop trying to put people in boxes. Who says these ranges make any sense anyway? Where did they come from? How often are they adjusted? Why do you need them? People are all different even if they work in the same job category.

3) Change salaries for people as often as necessary. Once a year is not enough for really young people unless you want them to be recruited away by your competitors. Give individuals a raise when they need it based on your assessment of their value to your enterprise. You don't really need any set schedule. That is self-imposed. You know who is worth more than someone else. Pay them accordingly with no delay.

4) Implement an open book financial reporting system. Show everyone how much money the company is making or losing, where you stand on collections, working capital, proposals, backlog, and more. Tie the bonus pool to the actual cash basis profitability. Set the percentage to go to the all-employee pool, the management/key person pool, and the owner pool each year as a part of your business planning process. Tell everyone what pools they participate in.

5) Start paying bonuses out monthly or quarterly. Once a year is way too long to wait. If there's a loss, make up the loss before paying out any bonus monies. Let everyone see where the money is coming from based on the open book report. Pay the individual bonuses based on the employee's salary as a percentage of total salaries of people who make up that pool. For example, if the company makes \$150K cash profit for the month, and 20 percent of that goes to the "all employee" pool, that is \$30K in bonuses to be paid that month. If an individual employee has 3 percent of the total salaries of those in the pool, he or she would get \$900.

You can disagree with me about how to pay people if you like, but I know what works over the long haul to attract, motivate, and reduce turnover. Doing these things makes life better. People will be happier. You'll keep more folks as you'll have some tools to keep them there. You'll spend less time on it all. There will be more trust in management. People will better understand your business and feel the company is fair. And you'll be encouraged to weed out the duds because they are getting bonus money they don't deserve. All of this bodes well as it relates to improving the value of your enterprise – one of the primary objectives of an entrepreneurial venture. ■

MARK ZWEIG is Zweig Group's founder and CEO. Contact him at mzweig@zweiggroup.com.

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PROFILE



The National Council of Examiners for Engineering and Surveying coordinates best practices for testing and licensing. In 2013, the council voted to decouple the PE exam from the four-year experience requirement, opening the door for states to follow. / Donovan Brigham

Decoupling and ethics

Texas engineering industry takes center stage with big board vote, ongoing course enrollment for troubled engineers.

By RICHARD MASSEY
Managing Editor

Reflecting a national, if not universal, trend in the engineering industry, the Texas Board of Professional Engineers voted to “decouple” the PE exam from the four-year experience requirement.

This means that a Texas engineer-in-training can take the test whenever he or she is ready – even if that engineer has only been out of school for a year or two. But in the event engineers take and pass the test early, they still must wait the entire four years before being officially licensed as a PE.

While the change does not reduce the rigor of the PE exams, it does create new options for the test takers, as they can get the test out of the way long before they hang their own shingle, or are named principal at a firm.

“Decoupling offers a more flexible timeline to accommodate different career and life paths of our future engineers,” says Daniel Wong, chairman of the Texas board.

A big reason for the change is that many engineers who have been in the field for years look at the PE exam as an obstacle, not an opportunity. Rather than take the test and become a PE, they simply keep working under the industrial exemption for companies, content to have someone else – a licensed PE – sign off on documents and plans.

Reflecting a national, if not universal, trend in the engineering industry, the Texas Board of Professional Engineers voted to “decouple” the PE exam from the four-year experience requirement.

“We lose a number of candidates who never take the exam,” says Jerry Carter, CEO of the National Council of Examiners for Engineering and Surveying, the industry’s central agency for best practices.

See EXAM, page 4



BUSINESS NEWS

FLUOR NAMED TO FORTUNE MAGAZINE'S MOST ADMIRABLE COMPANIES FOR FIFTH CONSECUTIVE YEAR Fluor Corporation announced that the company was named by *FORTUNE* magazine as the top-ranked engineering and construction company in its 2016 World's Most Admired Companies list. For the fifth year in a row, Fluor earned the top designation among its peers in the engineering and construction market sector.

"It is a tremendous honor to be recognized as one of the world's most admired companies by such a prestigious magazine as *FORTUNE*," said David Seaton, Fluor's chairman and CEO. "We strive to be the best in the market. To be the top engineering and construction firm for a fifth straight year is a testament to our 44,000 employees around the globe who work to deliver large-scale projects that have a positive impact on our clients' business and

the communities they serve around the world." *FORTUNE* collaborates with the Hay Group to identify and rank the world's most admired companies based on business practices, innovative spirit, and social responsibility. The rankings are compiled by querying thousands of executives, directors, and analysts to measure corporate reputation and performance against nine key performance areas – from investment value to social responsibility.

EXAM, from page 3

"If we can get them to the exam sooner, we can keep more people in the pipeline."

While those with engineering degrees can be employed by firms, they cannot offer services directly to the public, Carter says. Only PEs can do that. The NCEES estimates that there are about 500,000 PEs in the U.S.

The NCEES voted in 2013 in favor of decoupling, setting the stage for states like Texas, which has about 61,000 PEs. Next on the Texas to-do list? Transfer the PE exam, which is

"We lose a number of candidates who never take the exam. If we can get them to the exam sooner, we can keep more people in the pipeline."

still taken with pencil and paper, to a computer-based model. But that's a few years down the road. For now, decoupling is the big issue in the licensing world, and Texas is not the only state to approve the change.

Oregon, Nevada, New Mexico, Kentucky, Louisiana, Illinois, Nebraska, South Carolina, and Wyoming, have already decoupled. In California, the PE exam and licensure is allowed at two years. According to research conducted by the Texas board, 11 states considered decoupling but declined. Decoupling legislation is pending in Oklahoma, and North Carolina.

For Carter, there is no substitute for being a PE, and if decoupling means more will obtain that designation, all the better.

"It distinguishes you," he says. "There has to be inherent value in going through a rigorous process." ▀

A QUESTION OF ETHICS

The Murdough Center for Engineering Professionalism at Texas Tech University has reached maturity. What began as a tiny startup in 1987 now serves as a source of ethics remediation for engineers across the country, and to date, has served as many as 1,300 engineers in all 50 states.

While the Murdough Center does not track the exact reasons why engineers enroll in the ethics courses – conducted through distance learning – the center does say that a high percentage of them are probably required to enroll due to some form of censure from their state board. Practicing without a license, failure to disclose criminal activity, and practicing with an expired license, are all reasons to draw the ire of a licensing board, and at least in some of those cases, the engineer is referred to Murdough.

Course levels are Basic, Intermediate, and Advanced, and account for 30 hours, 60 hours, or 90 hours of Professional Development, respectively. Most of the referrals come from the Texas Board of Professional Engineers, but over the years, word has spread, and by 2015, referrals were as likely to come from Ohio or New Mexico as they were from the Lone Star State.

"A lot of the engineers are not happy when they are referred to our ethics course," says William Marcy, Murdough's director. "Interestingly, many end up being very happy with having had the course and wish they had had an ethics course in college. We do our best to stay out of the enforcement aspects and just try to help the engineers get back on track."

Last year, a Florida engineer, in addition to \$6,361 in costs and fines, a reprimand, and a two-year probation, was ordered to take a Murdough course for signing off on deficient documents, according to records with the Florida Board of Professional Engineers. And



TEXAS TECH UNIVERSITY

Murdough Center for
Engineering Professionalism

also last year, a Texas engineer surrendered his license after failing to pay a \$15,000 fine and after failing to take a Level 3 ethics course at Murdough.

Ethics is taught across the board at universities these days, but that wasn't necessarily the case 15 years ago, when many of today's engineers were students.

"It's a relatively recent thing," Marcy says, referencing ethics education. "It's an area where many engineers never think it will happen to them."

An engineering ethics case that made international news occurred in 2010, when an explosion on the Deepwater Horizon killed 11 people and sent millions of gallons of oil spewing into the Gulf of Mexico. Robert Kaluza, a BP engineer, emerged as a prime target for prosecutors, but the case eventually fizzled. He was recently acquitted on one count of violating the Clean Water Act, a misdemeanor.

Currently ongoing is the fallout from the General Motors recall tied to a faulty ignition switch linked to over 100 deaths and hundreds of injuries. A key person in the recall is former GM engineer Ray DeGiorgio.

Though high-profile cases like BP and General Motors are rare, local cases, in which an engineer practices without a license, or signs plans he shouldn't, aren't. And if there's at least one thing an engineer can learn through the ethics curriculum, Marcy hopes it's this: "Don't do it just because your boss tells you to do it." — *Richard Massey*

OPINION



The numbers never lie

New *Recruiting & Retention Survey* sheds light on key issues in finding, hiring, and keeping the best talent in the design industry.



Randy
Wilburn

RECRUITING NOTES

One thing I enjoy about working here at Zweig Group is that we offer a variety of services and products meant to help firms in the design industry do the best job possible, both internally and externally. We have many publications addressing everything from salaries, policies, procedures, and benefits, to recruitment and retention, with everything in between.

The data and information we compile helps paint a picture of how your peer firms are doing in the design industry. We compile our surveys to help create benchmarks for achievement and goal setting.

We recently completed the *2016 Recruitment & Retention Survey of AEP & Environmental Consulting Firms*. We uncovered plenty of great statistics and information that give us a glimpse of where things are going in terms of talent acquisition.

This survey applies to a broad audience in the design industry. The largest group, firms from 51 to 200 people, comprised 41 percent of the poll, while the second largest group, firms from 11 to 50 people, comprised 30 percent.

Here are five important findings from this report that may affect the way you recruit and retain good people in the future:

- 1) **More than half (55 percent) of firms polled have hired an executive search firm in the last two years.** This statistic interests me not just because I am a recruiter but because we are starting to see more companies create in-house recruitment teams with one or more full-time recruiters on staff. This approach can benefit larger firms that are trying to keep their cost per hire in line. There will always be a need for recruiters because you may want to pursue someone that you can't because of a peer firm relationship. Trust me these things can be problematic if not handled the right way.

If you don't use a recruiter, you will have to figure out a way to get the word out about your open positions. A well-placed job posting can make the difference. According to the design firms polled, 71 percent said the best place to post jobs was on LinkedIn, and, believe it or not, Facebook was second at 22 percent. Career Builder, the Craigslist local job postings, and Indeed.com, round out the top five.

See RANDY WILBURN, page 8



SPOTLIGHT ON: Kirk

PROFILE



From left to right, the Locust Tap, the Teachout building, and the Hohberger building, Blunck's signature renovation works in the East Village of Des Moines. / Google Maps

In Des Moines, a curious death

In January, well-known architect Kirk Blunck was found crumpled and dead in a stairwell, but beyond that, his case remains a mystery.

By RICHARD MASSEY
Managing Editor



Architect
Kirk Blunck

What happened to Des Moines, Iowa, architect Kirk Blunck? On January 24, police found the 62-year-old dead on the second floor stairwell landing of the Teachout building in the East Village, a neighborhood in the shadow of the Iowa State Capitol.

But weeks after his death, police are not really certain of how Blunck, a husband and father of three, came to die in a historic building he bought and renovated back when the East Village was boarded up.

"We're trying to put everything together and find out what happened. We may never find out what happened."

"There is still potential that it could turn into a criminal investigation. A couple of interviews have raised more questions than they've answered."

"We're trying to put everything together and find out what happened," says Des Moines police Sgt. Paul Parizek, during an interview with *The Zweig Letter*. "We may never find out what happened."

The founding principal of **Knowles Blunck Architecture**, according to various reports in the Des Moines media, had been drinking in the Locust Tap before heading over to the Teachout. The rest of the story, however, remains murky.

A man in the building at the time told police he heard Blunck fall, but police have not been able to



identify any eyewitnesses, says Parizek, so it's not clear why, or how, or from where, Blunck fell. And while plenty of forensic evidence was collected at the scene, it is still being processed, along with a toxicology report and the full autopsy. The only things that have been definitively ruled out are stroke and heart attack.

"There is still potential that it could turn into a criminal investigation," Parizek says. "A couple of interviews have raised more questions than they've answered."

Blunck had planned to collect a large sum of money that day from an associate. Parizek says that Blunck indeed collected money the day of his death, but it was the second in a two-part installment, and that the transaction was part of a "totally legit business deal."

Shortly after news of his death broke, a report was published saying Blunck had planned to collect a large sum of money that day from an associate. Parizek says that Blunck indeed collected money the day of his death, but it was the second in a two-part installment, and that the transaction was part of a "totally legit business deal."

A graduate of MIT, Blunck was considered a leader in Iowa's historic preservation scene, and according to his obituary, over the course of his career received a great deal of recognition, including a 2002 AIA National Honor Award for interior architecture.

The cornerstone of his work in the East Village was the companion projects in the 500 block of Locust Street. There, Blunck bought and renovated two adjoining historical buildings, the Teachout and the Hohberger, and had both of them restored. He also owned the Locust Tap, one of Des Moines' oldest taverns, across the street.

He bought the Teachout and Hohberger for a combined \$317,740 in the late 1990s, and by 2015, the appraised value of the buildings was \$1.9 million, according to Polk County real estate records. The renovation of the Teachout

Various reports out of Des Moines paint a portrait of a complicated man – a prominent architect on one hand, and on the other, a deadbeat developer in deep debt with the city. A review of the docket in Polk County District Court confirms the worst things that were said of Blunck.

Banks, contractors, engineering firms, and construction companies, all tussled with Blunck.

and the Hohberger came at a time when the East Village was all but abandoned. The neighborhood is now the city's top hotspot for arts and entertainment, and Blunck is considered the founding catalyst for the area's renaissance.

There are as many as 10 active developers in the East Village area, and when and if the Blunck buildings ever go on the market, they're expected to generate lots of interest, confirmed an agent at the Des Moines office of **CBRE**, a global commercial real estate firm.

But various reports out of Des Moines paint a portrait of a complicated man – a prominent architect on one hand, and on the other, a deadbeat developer in deep debt with the city. A review of the docket in Polk County District Court confirms the worst things that were said of Blunck.

The list of cases is long, and in many of them, he is listed as the defendant or the debtor. Banks, contractors, engineering firms, and construction companies, all tussled with Blunck. And shortly after his death, at least four claims in the amount of \$53,600 were immediately made against his estate in probate court, according to Polk County records.

"It caught the public's attention and their imagination went wild. The rumors took on a life of their own."

And assistant city manager Matthew Anderson says Blunck owed about \$1.17 million in loans and interest to the city of Des Moines, which loaned him \$285,000 on the Teachout and \$400,000 on the Hohberger. Neither of the defaulted development loans, with a combined accrued interest of \$490,000 at the time of Blunck's death, were secured.

With his spotless, public profile on one hand, and a questionable past on the other, it was seemingly inevitable that people would speculate as to the cause of his death.

"It caught the public's attention and their imagination went wild," Parizek said, referencing a host of sensational stories. "The rumors took on a life of their own." ▀

EAST VILLAGE REBORN

Kirk Blunck was among those with an early vision for the East Village and its potential as a vibrant retail, commercial, and residential district for the city of Des Moines. We are grateful for his contributions to the development of the Historic East Village. He had a true passion for architecture and historic preservation, and we are saddened to hear news of his passing. — *The Board of Directors, Historic East Village Neighborhood Association*

RANDY WILBURN, from page 5

I don't find this hard to believe given how prominent LinkedIn has become these past few years. Most recruiters and executive search specialists use LinkedIn as the standard bearer for getting a search off the ground. One of the widest audiences for business people is on LinkedIn and if you are posting a job, why not go to the biggest bulletin board to advertise your opening?

Even more interesting is that 57 percent of all activity on LinkedIn is done on a mobile device, according to CEO Reed Hastings. That means companies better get their ads and career sites optimized for mobile viewing. Most in our industry are not set up properly to take advantage of the candidate that wants to search for jobs and interact with companies on their mobile device. We have to embrace the times for they are a-changing. And once you find that great candidate, you better make sure you do everything possible to close the deal.

"This Recruitment & Retention Survey is not only timely but telling, and you should take the statistics and figure out how they apply to your current situation. The numbers only lie when we ignore them."

2) Only 53 percent of those polled discuss a counter offer with the job candidate. I was not surprised by this figure. Most firms we come in contact with don't spend time discussing the counter offer, and this is a mistake.

Our recruiting team uses a script to discuss the matter with candidates to make sure we have touched on all of their concerns and whether there could be a stumbling block to them making a decision to join our client.

You must discuss it early and often. Most firms leave this part of the hiring process up in the air. In the design industry, it's hard enough to find suitable candidates let alone leave things to chance. Companies are not letting go of good employees without a fight.

3) Almost 30 percent of those polled said they have used both contingency and retained recruiters to fill positions. Contingency recruiters don't get paid until they make a placement. Retained recruiters need an upfront retainer for any and all searches done. The contract arrangement can vary from one firm to the next. Retained recruiting in the design industry is still a bit of a secret. Most companies we come across are content to use contingency recruiters but then complain when, a year or two later, those same recruiters raid the candidates they placed. I know, it sounds crazy, but it

happens quite a bit. Most retained recruiters create a "hands off" list of client firms that they will not recruit from. We've done this at Zweig Group for almost three decades. If the client is not taken care of, they will go elsewhere.

4) Of companies polled, 65 percent use an employee referral bonus program. I'm torn about this statistic. Our founder, Mark Zweig, doesn't like employee referral bonus programs for the simple reason that if things don't work out with the referred candidate it creates a negative effect on the employee. Mark said, "You run the risk of alienating and angering the employee and may even create a situation where they work against the new person hired, so they fail." It's Mark's contention that if employees like where they work, they should want to refer others to come onboard without the promise of a referral bonus. I guess it does come down to the culture of the workplace and what works in an organization. And speaking of culture...

5) Of those polled, 71 percent said that cultural fit was the most important aspect of hiring a candidate. I've written several articles about the importance of culture and how it plays into finding and hiring the best talent. Firms that cut corners in this area can pay the price for their lack of discretion. Firms in the design industry must have a complete handle on their culture. You should know beyond a shadow of a doubt the type of person that will make it in your organization and the type that doesn't stand a chance. Usually, firms cut corners when they've added new projects and need extra people to get the job done. This is the worst time not to be mindful of your organization's culture. You have to make sure you take care of the people already in the organization, and you need to make sure that the people you bring in understand what they are getting involved with. At Zweig Group, we require everyone to be a go-getter with a positive attitude. We don't have time for negativity or schisms. Take it from me, one bad apple can ruin the whole bunch.

This Recruitment & Retention Survey is not only timely but telling, and you should take the statistics and figure out how they apply to your current situation. The numbers only lie when we ignore them.

If you are looking for ways to refine and tune up your recruitment and retention practice, there will be several opportunities to participate in our Becoming a Better Recruiter seminars throughout 2016. Join me for a one-day Boot Camp where we will bring these statistics to life and show you how to strengthen your organization in the process. ➤

RANDY WILBURN is Zweig Group's director of executive search. Contact him at rwilburn@zweiggroup.com.

DO YOU KNOW WHAT OTHER FIRMS ARE DOING TO RECRUIT AND RETAIN TALENT? The 2016 Recruitment & Retention Survey of Architecture, Engineering, Planning & Environmental Consulting Firms has statistics relating to all the latest methods used to hire and keep your firm's most important resource it's people. This survey contains data about recruiting methods and policies, training, HR departments experiences, attitudes, and challenges regarding the hiring and firing process, turnover rates, and compensation and benefits.

Is it time for you to hire, but you don't know where to start? Do you know what most firms in the industry are doing to recruit top talent? This survey covers all areas of recruitment from the search process through integrating a new candidate into a firm. The 2016 Recruitment & Retention Survey of Architecture, Engineering, Planning & Environmental Consulting Firms also has data about HR departments and the use of outside executive search firms.

For more information, visit zweiggroup.com/survey.php or email research@zweiggroup.com.



PROFILE

Healthy leader, healthy firm

A CEO and a president share a few secrets on how they keep themselves, and their companies, in order – go for a hike and live a little.

By LIISA ANDREASSEN
Correspondent



Douglas
McKeown,
CEO,
Woodard &
Curran

Staying healthy is not just a matter of life and death. It's a big part of being successful in the A/E/P industry. *The Zweig Letter* reached out to the leaders of a couple of top firms to get their insights on how to maintain a sound mind and body, and by extension, a successful firm.

"I value the unplugged time at our camp on a nearby lake to really get separation from the work."

BALANCE WORK AND PLAY. Douglas McKeown, CEO of **Woodard & Curran** (Portland, ME) – an 875-person integrated engineering, science, and operations firm – says that maintaining personal health is critical for him. In fact, it's so vital that he actually put in a fitness center at the firm's main office for him and his employees.

"I prefer a noon workout to break up the long days," he says.

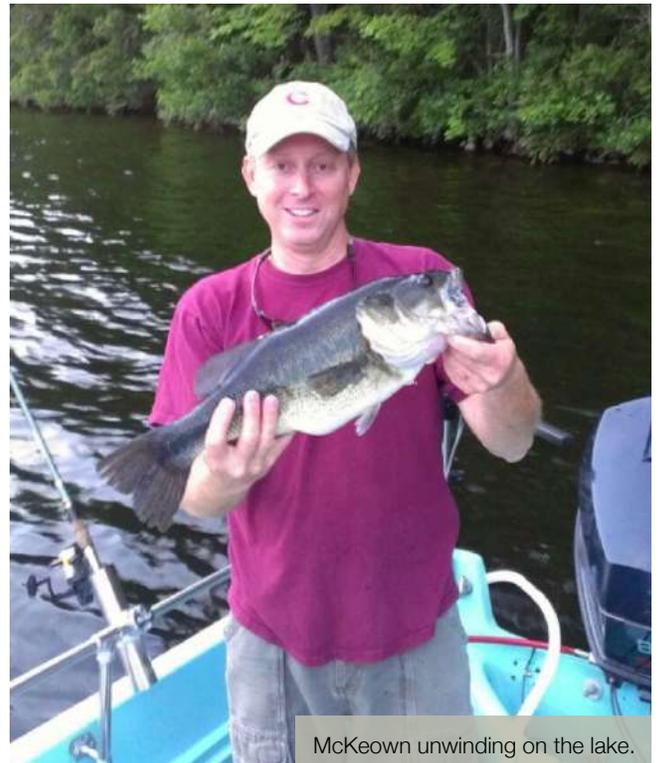
He believes that the intensity of your play time needs to match the intensity of your work time, otherwise it's hard to recharge. He enjoys fishing, wilderness hunting, playing hockey, and logging off the grid.

"After 30 years of travel and realizing that I get to go to some cool places, but never take time to experience the area, I started adding a little time to my trips to actually experience the places and the people."

"I value the unplugged time at our camp on a nearby lake to really get separation from the work," he says.

All these things have combined to help him maintain a good balance and the level of

See LEADERS, page 10



McKeown unwinding on the lake.

CARE FOR YOURSELF AND SUCCESS WILL FOLLOW

CEO.com, a resource for executives seeking out the latest in business news and leadership strategy, reports that staying healthy is on the top of the to-do list and it pays off in terms of success. How are they doing it?

- **They exercise.** If you are getting up early, mornings are the perfect time to exercise. You don't have to sign up for the next triathlon, but you can establish habits to maintain your physical health. And, aside from the primary purpose of better health, there are many other benefits of exercise that help CEOs to be better leaders. Some of these beneficial side effects include a sharper memory, a reduction in stress, improved self-confidence, and greater overall productivity.
- **They meditate.** Setting aside an actual time to just quietly reflect once or twice a day may not solve all your life's problems, but it certainly helps keep things in perspective. Studies show people who meditate have lower stress levels, lower blood pressure, and live longer.
- **They cut back on meetings.** Many meetings are habitual and unnecessary. Before scheduling a meeting, consider if an email, a phone call, or some other form of communication, would save more time. If you absolutely have to have a meeting then stick to the allotted time. And only schedule in-person meetings when it's necessary.



BUSINESS NEWS

WOOD PARTNERS SELECTS BALFOUR BEATTY CONSTRUCTION TO BUILD RESIDENTIAL HIGH-RISE IN WASHINGTON, D.C.'S NOMA NEIGHBORHOOD

Wood Partners has selected **Balfour Beatty Construction** to build its new residential tower in Washington's fast-growing NoMa (North of Massachusetts Avenue) neighborhood. Located at 33 N. Street NE within walking distance of the U.S. Capitol and Union Station, the 13-story residential development will complement the continued revitalization of D.C.'s urban core that has transformed the NoMa neighborhood into a thriving entertainment, retail, and employment district.

With demolition underway, the 33 N. Street NE project will be a 346-unit, concrete-framed luxury high-rise development over a three-level parking garage with 210 spaces. The building will include a mix of studio, one-bedroom, and two-bedroom units, and will also offer a select number of micro units and two-level suites. Custom-designed amenity spaces throughout the development have been thoughtfully designed to foster interaction and a true sense of community. Additional lifestyle features will include a fitness center, club room, expansive co-working space, rooftop pool with resort-style cabanas and barbecue grilling stations, and dog park.

"Wood Partners is well known for developing intelligently-designed projects that greatly enhance communities around the country and we are honored to be their construction partner," said Bryan Frady, project executive, Balfour Beatty Construction. "We have a

great history working with Wood Partners, particularly in the Southeast region, and we're excited to be their construction partner for the first time in the Mid-Atlantic region. Our team has been deeply involved on this project throughout the preconstruction phase and will continue leveraging the latest technologies and Lean construction methodologies to deliver this tremendous project."

Designed by **Hickock Cole Architects**, the project is registered with the certification goal of LEED certified.

THORNTON TOMASETTI EXPANDS INTO CANADA WITH NEW TORONTO OFFICE

Thornton Tomasetti, the international engineering firm, announced the opening of its first Canada office in Toronto. The move is the initial phase of the firm's strategic plan to strengthen and expand its Canadian presence. With this commitment, Thornton Tomasetti now has 38 offices around the globe.

Key points:

- The new Toronto office will allow Thornton Tomasetti to better support its many long-standing clients and partners in Canada. The firm has been collaborating with Canadian architects, developers, and consultants for more than 30 years on more than 50 projects involving nearly each of its 10 practices.
- The firm currently has several high-profile projects under way in Canada. These include structural design and façade

optimization analysis for the 1.4-million-sq. ft. Rogers Place, an 18,500-seat hockey arena for the NHL's Edmonton Oilers scheduled for completion this year, as well as several buildings in the surrounding ICE District, a new 4.4-million-sq. ft. mixed-use sports and entertainment district. The firm is also providing structural design services for the expansion of BMO Field, Toronto's pro soccer stadium.

- In addition to structural design services, the firm anticipates a strong need in the region for its construction engineering, façade engineering, Sustainability and Weidlinger Transportation practices as well as the value-added offerings of CORE studio, the firm's R&D incubator.
- The Toronto office will be managed locally by Associate Principal Chris Minerva, who most recently managed the Toronto office of **MMM Group**, a division of **WSP**. He has considerable experience in structural design, planning and project management for a range of project types.

"Expanding into Canada is a key strategic initiative of our five-year plan," said Thomas Scarangelo, chairman and CEO of Thornton Tomasetti. "As we look to grow our business, Canada is a natural fit. We have considerable project experience there and an extensive client base. It is also a market in which our services are recognized and valued. We look forward to bringing the centers of excellence of our 10 practices to Canada."

LEADERS, from page 9

energy needed to always be "on."

He's also a big fan of green smoothies and will often have one for breakfast and lunch.

"Work some fun into the days," McKeown says. "After 30 years of travel and realizing that I get to go to some cool places, but never take time to experience the area, I started adding a little time to my trips to actually experience the places and the people. Whether it's a hike in Montana, taking in a Cubs game, or going out to the local haunt with employees, it's an opportunity to recharge without just running to the next place. I love what I do, but have had to teach myself to slow down and smell the roses."

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"I need time to decompress, regroup and recharge before I launch into the other things. Without this time I know that I start to get too fragmented and can't follow up appropriately with key actions."

He adds that the greatest issue he needs to work on is not to book too many commitments following a long road trip or board meeting.

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Michael Knopf, president of **Quad Knopf Inc.** (Visalia, CA), a 115-person multidiscipline engineering and architecture firm, admits that so far this year, an intense schedule is taking its toll, but he does make an effort to eat healthy and to "use moderation in all things."

"I hike, walk in the morning, and work outside on the weekends, but it is less consistent than I would like it to be," he says. ▀

Ready to sell?

Avoid these common M&A mistakes, which happen a lot when firms try to close a deal without the guidance of a seasoned pro.



Jamie
Claire
Kiser

M&A INSIGHTS

When we talk to sellers in this industry, we often find that they have minimal experience with M&A. There's nothing wrong with that. The problems arise when firms either seek to go at it themselves, or use inexperienced M&A professionals. This is a short list of four common mistakes made by sellers in our industry that we hear about on an all-too-regular basis. Mistakes made in these four areas during the M&A process reduce the final consideration you receive for selling your firm, and, unfortunately, can kill an otherwise tenable deal.

- 1) Underestimating the time commitment.** An external ownership transition is not an easy process. Successful M&A transactions are incredibly time consuming for the seller. From preparation to meetings, negotiations to due diligence, sellers will have to devote considerable time to the M&A process. M&A transactions usually take between six and nine months to close in our industry. Even with a team of experts (see item three, below, for more on that!), every seller feels exhausted – but hopefully relieved – at the end of the M&A marathon.
- 2) Not organizing information ahead of time.** The sheer volume of information that will be requested by a company interested in acquiring your firm is staggering. Everything from financial statements to contracts, employee information, corporate organizational documents, insurance information, and more will need to be shared with a buyer. Firms that gather the information ahead of time and either create a virtual data room, known as a VDR, or otherwise have these documents in an organized place, communicate to the potential buyer that they are serious and methodical about this process.

“Mistakes made in these four areas during the M&A process reduce the final consideration you receive for selling your firm, and, unfortunately, can kill an otherwise tenable deal.”

- 3) Not hiring the right external team.** This may sound self-serving, but as someone who works with business brokers on a regular basis, I can tell you that using a knowledgeable consultant with industry experience is the best way to assure a prompt transaction and a high price for your firm. I recently worked across the table with a general business broker, a firm that sells every type of company. They sent me a standard glossy prospectus with more than 20 pages of bright charts and graphs – that

“Using a knowledgeable consultant with industry experience is the best way to assure a prompt transaction and a high price for your firm.”

had very little information that is actually relevant in our industry. For example, the prospectus didn't disclose that the company was an MBE/DBE, and didn't include net service revenue! In addition to a consultant, you've got to hire an M&A attorney with industry experience. Your regular corporate attorney does not know how to close an M&A deal.

- 4) Having an unrealistic price expectation and misunderstanding of deal components.** To avoid having an unrealistic expectation for the selling price of your firm, you need to understand true industry comparables. Do not tell a prospective buyer that you should be worth the same earnings ratio as Apple. You're not Apple. In our industry, we see net service revenue and book value as the two consistent metrics that often correlate to the final sales price. Also, don't slam the door on a prospective buyer based on the sales price discussed verbally. Remember that earn-outs, salaries, stock options, bonuses, and what is being acquired (Are you keeping cash? Receivables? Those can be tremendously valuable – and liquid!), are also critical parts of the deal.

The M&A process is challenging, time-consuming, and risky. But when two firms come together to create value, expand opportunities, and develop a growth trajectory greater than either could on its own, firms on both sides of the table tell us that it has been worth the pain. If you are considering selling your firm, the best thing you can do is begin the process with open eyes, and have industry experts in your corner to help you navigate. ▀

JAMIE CLAIRE KISER is Zweig Group's director of M&A. Contact her at jkiser@zweiggroup.com



CALENDAR: APRIL 2016



4.2-5 **APA NATIONAL PLANNING CONFERENCE**

Come to APA's conference if you want to:

- Keep up with a rapidly changing field
- Hunt for your first job – or your next one
- Make your community more connected
- Bring back new ideas for your team
- Work smarter, faster, and better

cost: members: \$835; non-members: \$1,050

location: Phoenix

more info: conference.planning.org/conference/



4.7 **BECOMING A BETTER RECRUITER**

A one-day seminar that was specifically developed to help firm principals, managers, HR people, and design and technical professionals in A/E/P and environmental firms become better recruiters. We will help you and your team be more comfortable approaching great talent and learn how to promote the firm, its culture, and career opportunities and advancement.

cost: fist attendee: \$975; additional attendees: \$825

location: Washington, D.C.

more info: zweiggroup.com/seminars/better_recruiter/index.php

4.7-10 **CONGRESS ON THE FUTURE OF ENGINEERING SOFTWARE**

COFES is a think tank and technology summit gathering executives from design, engineering, architectural, development, and technology companies to discuss best practices for managing change.

cost: \$2,895

location: Scottsdale, AZ

more info: cofes.com



4.10-13 **GEO-AMERICAS**

The third Pan-American Regional Conference on Geosynthetics – hosted by the North American Geosynthetics Society. The technical program will be comprised of short courses, technical sessions, panel discussions, and keynote lectures addressing a range of topics.

location: Miami

more info: geoamericas2016.org/

4.11-14 **SPAR 3-D EXPO & CONFERENCE**

Conference and exhibition focused on business and technology considerations for 3-D measurement and imaging for industrial facilities; building, architecture, and construction; and civil infrastructure.

location: The Woodlands, TX

more info: spar3d.com/event/



4.13 **BECOMING A BETTER PROJECT MANAGER**

This seminar was specifically developed to support new and aspiring PMs in A/E/P and environmental consulting firms. Many architects, engineers, planners, and environmental consultants get little or no training in project management and are drafted into project manager roles totally unequipped. In fact, a Zweig Group survey found that almost half of the firms surveyed did not provide training to their PMs and 76 percent of the firms rely on on-the-job training for their PMs.

Becoming a Better Project Manager will provide project managers with a fundamental understanding of the type of personality and characteristics successful project managers have that allow them to flourish in their role.

cost: first attendee: \$975; additional attendees: \$825

location: Chicago

more info: zweiggroup.com/seminars/better_pm/

4.13-15 **NASCC: THE STEEL CONFERENCE**

Seminars on the latest steel design concepts and construction techniques for buildings and bridges, as well as an extensive trade show featuring cutting-edge products ranging from structural software to state-of-the-art fabrication equipment.

location: Orlando

more info: aisc.org/content.aspx?id=40530

4.14 **ADVANCED PROJECT MANAGEMENT**

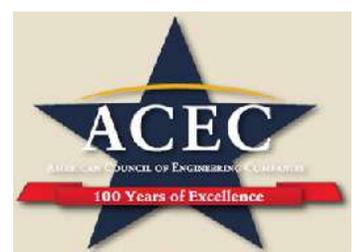
Advanced Project Management is a one-day seminar that was specifically developed to help higher-level design and technical professionals in A/E/P and environmental firms develop the advanced leadership and management skills to better lead projects and clients. Many architects, engineers, planners, and environmental consultants get little or no training in project management and are drafted into PM roles totally unequipped.

Attendees of Advanced Project Management will have a better understanding of specific tools they can use to be more effective as senior project managers in an architecture, engineering, planning, or environmental consulting firm.

cost: first attendee: \$975; additional attendees: \$825

location: Chicago

more info: zweiggroup.com/seminars/advanced_pm/



10.20-21 **ACEC ANNUAL CONVENTION & LEGISLATIVE SUMMIT**

A/E industry policy and political lobbying issues plus the Engineering Excellence Awards Gala, which recognizes engineering achievements for 2015 throughout the world.

cost: members: \$1,195; non-members: \$1,450

location: Washington, D.C.

more info: acec.org/conferences/annual-convention-2016/