THE ZWEIG LETTER

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HR | FINANCE SUPPLEMENTS
Pages 9 - 12

March 31, 2014, Issue 1049

Small demotivators; big impacts

Being treated as a second class employee, independent of rank, is very demoralizing, Mark Zweig writes.

Some companies DO demand total compliance from their people over seemingly small, trivial things – and they also demotivate their good employees in a thousand other small ways.

Mark Zweig

EDITORIAL

The other day I stopped to talk with ZweigWhite's CPA, who was meeting with our in-house accountant – a young woman who was a former student of mine.

When first built, ZW's office was the home of Fayetteville Diagnostic Clinic – a doctors' office. The accountant's office is right off the reception area and has a small, sliding glass window that opens up to the reception area where people used to go to pay their bills and set appointments.

Both our men's and women's restrooms are off the reception/waiting area. So you can imagine how everyone likes to go past that window, slide it open, and make some kind of a joke or wisecrack, or just say "Hi" to our accountant. I am one of those people.

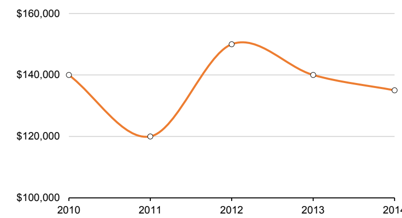
After I left her office I used the restroom. On the way back, however, I found myself wanting to say something to our CPA again. But then I noticed a lock on the "appointment" window. Evidently, because she was getting tired of the constant interruptions, our employee installed a small lock on the window. I acted frustrated with the lock (was really joking around) and said I didn't care for it there (again, joking).

See MARK ZWEIG, page 2

ALSO INSIDE

TRENDLINES

Principal highs and lows



The median base salary for A/E/P and environmental consulting firm principals continues to fluctuate, according to ZweigWhite's 2014 Principals, Partners & Owners Survey. After declining from a high of $150,000 in 2012 to $140,000 in 2013, principals' median base salary dropped again to $135,000 in 2014. This follows a significant increase in 2012 from a five-year low of $120,000 in 2011, a drop from $140,000 in 2010.
– *Margot Suydam, Survey Manager*

TZL time machine

The stories making the headlines 10 and 20 years ago.

Page 5

FIRM INDEX

PROFILE

Deby Forry juggles finance and the law

Page 11

Vision: something to get behind

Page 3

A/E BUSINESS NEWS

ABI EDGES IN FEBRUARY: After starting out the year on a positive note, there was another minor increase in the Architecture Billings Index last month. The American Institute of Architects reported the February ABI score was 50.7, up slightly from a mark of 50.4 in January. This score reflects an increase in design services (any score above 50 indicates an increase in billings). The new projects inquiry index was 56.8, down from the reading of 58.5 the previous month.

"The unusually severe weather conditions in many parts of the country have obviously held back both design and construction activity," said Kermit Baker, AIA chief economist. "The March and April readings will likely be a better indication of the underlying health of the design and construction markets. We are hearing reports of projects that had been previously shelved for extended periods of time coming back online as the economy improves."

As a leading economic indicator of construction activity, the ABI reflects the approximate nine- to 12-month lead time between architecture billings and construction spending.

Key February ABI highlights:

- Regional averages: South (52.8), West (50.5), Northeast (48.3), Midwest (47.6)
- Sector index breakdown: multifamily residential (52.5), commercial / industrial (51.9), institutional (49.6), mixed practice (46.6)
- Project inquiries index: 56.8

DODGE SLIPS: The Dodge Momentum Index slipped 2.6 percent in February compared to the previous month, according to McGraw Hill Construction.

February's decline brought the Momentum Index to 116.5 (2000=100), down from January's revised 119.7 but still nearly 20 percent above the year-earlier (February 2013) reading of 97.4. The latest month's retreat is expected to be a brief pause in a broader upward trend. Weak employment growth in December and January raised concern that the U.S. economic expansion was losing momentum, dampening the planning environment for commercial and institutional buildings. The moderate improvement in the February jobs report should help alleviate some of that concern going forward.

The Momentum Index is a monthly measure of the first (or initial) report for nonresidential building projects in planning, which have been shown to lead construction spending for nonresidential buildings by a full year. The February Momentum Index saw contraction in both its main components. New plans for commercial buildings, usually the more cyclically sensitive sector, dropped 1.7 percent while institutional building fell back by 3.7 percent. On the commercial side, declines were reported across all of the major building types.

MARK ZWEIG, from page 1

Later that day, I learned from our CFO that the accountant took her window lock off because she thought I didn't want it there. I said, "Tell her it's OK. I was kidding and don't need to demand total compliance over such a small thing!"

You see, the truth is some companies DO demand total compliance from their people over seemingly small, trivial things – and they also demotivate their good employees in a thousand other small ways. Some of these include:

- **Not paying money owed on expense reports promptly.** This seemingly little thing is decided all of the time by those who pay the bills in firms. They may make employees wait two, three or four weeks, or even more, just to get a reimbursement. You are in a better position to finance business expenses than your employees are. Don't abuse and demoralize them by being a slow-pay company!
- **Having special privileges for a few people only.** I always like to think back on an architectural firm I worked for as a consultant some years ago where the owners had special parking places close to the building and everyone else had to walk blocks through some severe weather to the "regular" employee parking. It was horrible and a major source of discontent in the firm. Same thing when executives get their parking paid for but admins have to pay $200/month to park. Demoralizing when the word gets around.
- **Not having business cards for people at or below a certain level.** Nothing says, "We don't think you're important enough to merit anything" like not getting business cards for everyone in the firm, regardless of level. It's demoralizing for them.
- **Not having a mailbox for everyone.** See my comments on business cards above. Some firms have mail cubbies for all employees. Just imagine if you are hired and then don't get one. Demoralizing!
- **Not including certain people on "company-wide" communications.** It may be an oversight – or it may be deliberate. But to exclude someone from a company-wide email list (even if just a part-timer or intern) could be devastating to them in terms of morale.
- **Not inviting people to meetings they should probably attend.** I remember this happening to me the first year I worked at Carter & Burgess. They went off for a shareholder's retreat to talk about people and marketing and finance, and left the HR director, the marketing director, and the CFO back at the office. VERY demoralizing.

It may be as small as not having a good stapler when the person in the cube next to you has a fantastic one. But the truth is, little things really do matter. If you're smart, you'll get tuned in to this stuff. I can assure you that not doing so will eventually prove costly!

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THE ZWEIG LETTER

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FOUNDATION

Vision: something to get behind

The firm's vision is in place. Now what? How do you get others to share and adhere to that vision?

By LIISA SULLIVAN
Correspondent

Editor's note: Second of a two-part article.

Having a vision and crafting a mission statement is a worthless exercise if leaders can't convince others to follow that vision.

"Rather than instituting a prescriptive definition of what the vision means, project teams have been free to interpret the meaning for themselves based on the circumstances at hand."

Get people involved. Gary Skog, chairman and CEO, **Harley Ellis Devereaux** (Southfield, MI), a 105-year-old, 235-person architecture and engineering firm, says that while it may seem self-evident, the first step in getting people to follow your vision is to be sure that a broad enough cross-section of leaders in your firm were involved with crafting the vision in the first place.

"It may not matter that they all interpret the vision in exactly the same way at first, as much as that they each have a sense that the vision is something they can get behind," Skog says.

After HED leaders crafted the company's vision, they organized an initial roll-out through a series of meetings with principals, associates and staff on an office-by-office basis and reinforced it again at the annual shareholders meeting. In each case, leaders explained who was involved with crafting the vision, the process, and the reasons

Gary Skog, Chairman and CEO, Harley Ellis Devereaux.

why they felt the vision had value in guiding the future direction of the firm.

"But, we also made it clear that there was much work to be done to discover the true meaning of the vision and to move our firm toward its realization," Skog says. "We then followed up with incorporating our vision statement on all office signage and marketing, project and collateral materials."

Skog says that HED's overall approach to this vision effort has been as follows:

- **Show, don't just tell.** Highlight examples of work that you feel exemplify your vision. "One of the ways we do this is to begin our regular principals' and associates' meetings with a presentation of two projects or interviews from across our offices that we believe advance our clients' world by design," Skog says. HED's exact vision statement is: Advancing your world… by design.
- **Allow for interpretation**. At a project level, more and more HED sees project teams engaging in upfront discussions about how a project can "Advance your world… by design" for the client as well as for our firm. "This has been an interesting process to observe because rather than instituting a prescriptive definition of what the vision means, project teams have been free to interpret the meaning for themselves based on the circumstances at hand," Skog says.
- **Get everyone involved.** "We've asked our design, architecture and engineering disciplines to think about how our vision relates to their services with an eye toward innovation and continuous improvement," Skog says. "Even our financial, HR, technology and legal support services are part of that conversation."

Proof that it's working. HED's vision has become a benchmark for them in recruiting and retaining talented staff. Asking whether or not a potential candidate will help advance HED's vision is now a key component in the recruiting process.

Skog says that for him success is communicated in the fact that the vision statement has now become a part of conversations in all of HED's offices without leadership having to bring it up.

"I see it showing up in presentations and publications beyond our standard collateral material. I hear it discussed in project and discipline meetings in the context of questioning if a particular decision is consistent with our vision," he says. "To me, this is affirmation that we have crafted a vision that resonates with our staff; one that they are willing to get behind."

Michael Mulhern, Principal, Mulhern & Kulp.

Trickle down. Michael Mulhern, principal, **Mulhern & Kulp** (Ambler, PA), a 36-person, full-service structural engineering firm, says that he has realized that most of the younger employees, as long as they have an open mind, a strong work ethic, and good character, simply follow and believe the vision set before them by the leadership – as long as that vision has integrity and produces results.

See VISION, page 8

GOOD TO KNOW

Principals list business/strategic planning as their third biggest challenge. Motivating employees comes relatively low on the scale, at No. 9.

Source: 2013 Principals, Partners & Owners Survey, ZweigWhite: www.zweigwhite.com/p-2153-principals-partners-owners-survey-2013

NEWS

Wood for taller buildings agenda pushed

USDA Secretary Tom Vilsack and the White House Rural Council announced funding for tall wood competition.

Cees de Jager, executive director of the Binational Softwood Lumber Council, applauded the Obama Administration's focus on the environmental and jobs benefits of using wood in taller buildings during the "White House Rural Council Workshop Building with Wood: Jobs and the Environment," held March 18.

Announcements by USDA Secretary Tom Vilsack and the White House Rural Council to provide $1,000,000 in funding for WoodWorks and $1,000,000 in funding for a tall wood building competition will accelerate technology transfer and implementation of expanded uses of wood products for building construction in the U.S.

De Jager said, "Secretary Vilsack's leadership is a win for both the environment and the economy – these projects will support the creation of many new jobs in rural communities, stimulate U.S. manufacturing innovation, and lower the construction costs and environmental impact of buildings."

The use of wood for taller wood buildings is becoming increasingly common in Canada, Europe, the U.K. and Australia because they store carbon, save on energy costs and reduce the overall cost of construction. In support of the USDA's efforts, the Binational Softwood Lumber Council announced its intent to provide an additional $1,000,000 to support the construction of a tall wood building. "We look forward to partnering with the USDA on these initiatives to accelerate the expanded use of wood-based building systems in the U.S.," de Jager added.

Across the U.S., wood product businesses support more than one million jobs and provide billions in economic growth in rural communities. A typical wood-frame house stores enough tons of carbon to offset seven years of emissions from an average car. Sustainably-managed forests ensure that the carbon-absorbing role of forests is preserved. With strong wood products markets, forest owners are able to keep their forests as forests, which preserves habitat for fish and wildlife and protects water quality.

"These projects will support the creation of many new jobs in rural communities, stimulate U.S. manufacturing innovation, and lower the construction costs and environmental impact of buildings."

The Binational Softwood Lumber Council, a non-profit organization, was established in 2006 by the Canadian and U.S. Governments. The Council is leading the effort to increase the use of wood products as part of the shift to green building. Sustainably-harvested wood products from North America create jobs in rural communities, sequester significant amounts of carbon and help reduce the overall environmental footprint of a home or building. The council's effort includes initiatives that bring together expertise from various disciplines to promote the use of North American wood products in green building. It is an excellent example of the Council's ability to bring together landowners, private businesses and government agencies from Canada and the U.S. to achieve a common goal.

CALENDAR

PRINCIPALS ACADEMY: The Principals Academy, a crash course in all aspects of managing a professional services firm, is coming to several cities.

The program is presented by a team of speakers – including ZweigWhite founder and CEO Mark Zweig – with extensive experience working with and for A/E firms.

They have a clear understanding of what it takes to survive, and even thrive, in any economy.

The two-day agenda covers six critical areas of business management from the unique perspectives of architecture, engineering and environmental consulting firms, and is presented in tutorial and case study workshop sessions.

The Principals Academy program also includes a case study workshop session that will provide an opportunity to practice implementing these management strategies in a supervised test-case scenario.

Upcoming events include June 12 and 13 in Pittsburgh, Pa., Oct. 16 and 17 in Los Angeles and Nov. 13 and 14 in Miami.

For more information or to register, call 800-466-6275 or log on to www.zweigwhite.com/seminars/tpa.

BECOMING A BETTER SELLER: Could every person in your firm describe your services in a succinct and persuasive way that demonstrates what sets you apart from the competition? It's not enough to have the technical expertise to complete projects, you need seller-doers who can convey excitement and tailor the message for the audience.

That's why ZweigWhite developed a one-day program that will help anyone who could possibly be involved in selling and who wants to be more successful and increase their value to their employers – design and technical professionals as well as marketing and business development professionals, principals, managers, architects, engineers, planners, scientists, surveyors, designers; anyone who wants to know more about selling.

Becoming a Better Seller was specifically developed to help design and technical professionals become more comfortable dealing with clients and promoting the firm and your services.

Seminars will be led by Mark Zweig, ZweigWhite CEO and chairman, or Chad Clinehens, executive vice president, ZweigWhite.

Seminar dates scheduled for 2014 include April 11 in Washington, D.C.

Group discounts are available for teams of four or more attendees from the same firm. Please call 800-466-6275 or log on to www.zweigwhite.com/seminars/better_seller for details.

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HISTORY

TZL time machine

10 years ago

Something big, huge, was taking over the world 10 years ago. A/E/P and environmental consulting firm principals were not immune.

We're talking about wireless devices, of course.

An article penned by Mark Grady for the March 29, 2004 issue of **THE ZWEIG LETTER** (#555) titled "The wireless addiction hits A/E firms," delved into a new CrackBerry addiction growing among firm principals. While devices have changed, and evolved since then, the addiction continues.

Here's what some firm principals said back then:

"I've been using a BlackBerry probably for four-and-a-half years now. At first, I had a couple of people who wanted it, but now we are handing them out to project managers, associates, and principals. It's been great. The firm has really embraced this." – Len Cubellis, president, **Cubellis Associates, Inc.** (Boston, MA).

"It kind of started slowly. We got our first Palm and Ipaq devices three or four years ago. People liked the flexibility, but they found it limiting because they couldn't update their devices on the road, so we began switching to BlackBerries several months ago." – Mark Farnsworth, director of IT, **Timmons Group** (Richmond, VA).

Continuing the same general theme, an article titled "Small Firm Corner: Investing in front-office software," described how smaller firms could also have high-end information systems.

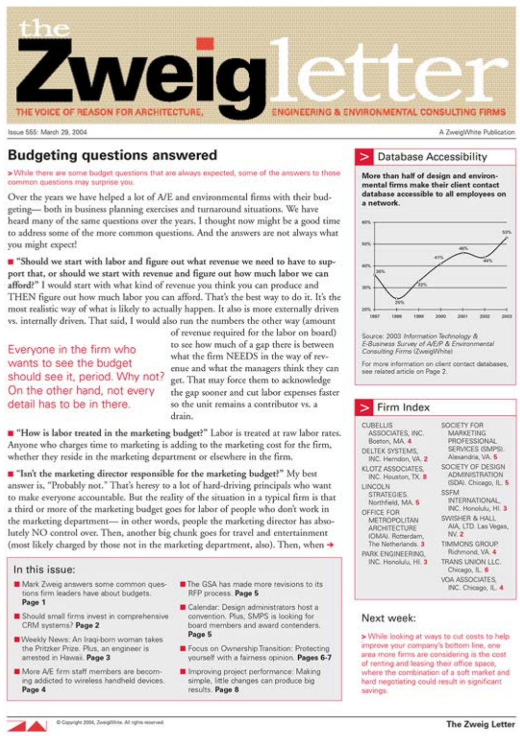
Small firms may be able to track all of their clients using an Excel spreadsheet and an Outlook database just fine. But both software vendors and smaller firms that have implemented CRM systems say any firm, no matter what the size, can benefit from having a good software system, the article argued.

"Any firm that is interested in taking their business to the next level should easily realize what kind of benefits a CRM system will bring to their company," Eric Brehm, executive vice president and general manager of professional services automation systems for Deltek Systems, Inc., told **THE ZWEIG LETTER** then.

In his editorial, Mark Zweig answered budgeting questions ranging from "Shouldn't every unit have to hit minimum multiplier and utilization targets?" to "Who should see the budget?"

20 years ago

THE ZWEIG LETTER recently reported that merger and acquisition activity is expected to increase during 2014. Twenty years ago, in 1994, this publication ran a three-part series of articles on the topic of M&As. The first of those articles, published on March 28, 1994 (Issue #53), discusses the topic of "Buying the right firm."



the Zweig letter

THE VOICE OF REASON FOR ARCHITECTURE, ENGINEERING & ENVIRONMENTAL CONSULTING FIRMS

Issue 555: March 29, 2004

A ZweigWhite Publication

Budgeting questions answered

> While there are some budget questions that are always expected, some of the answers to those common questions may surprise you.

Over the years we have helped a lot of A/E and environmental firms with their budgeting— both in business planning exercises and turnaround situations. We have heard many of the same questions over the years. I thought now might be a good time to address some of the more common questions. And the answers are not always what you might expect!

■ **"Should we start with labor and figure out what revenue we need to have to support that, or should we start with revenue and figure out how much labor we can afford?"** I would start with what kind of revenue you think you can produce and THEN figure out how much labor you can afford. That's the best way to do it. It's the most realistic way of what is likely to actually happen. It also is more externally driven vs. internally driven. That said, I would also run the numbers the other way (amount of revenue required for the labor on board) to see how much of a gap there is between what the firm NEEDS in the way of revenue and what the managers think they can get. That may force them to acknowledge the gap sooner and cut labor expenses faster so the unit remains a contributor vs. a drain.

Everyone in the firm who wants to see the budget should see it, period. Why not? On the other hand, not every detail has to be in there.

■ **"How is labor treated in the marketing budget?"** Labor is treated at raw labor rates. Anyone who charges time to marketing is adding to the marketing cost for the firm, whether they reside in the marketing department or elsewhere in the firm.

■ **"Isn't the marketing director responsible for the marketing budget?"** My best answer is, "Probably not." That's heresy to a lot of hard-driving principals who want to make everyone accountable. But the reality of the situation in a typical firm is that a third or more of the marketing budget goes for labor of people who don't work in the marketing department— in other words, people the marketing director has absolutely NO control over. Then, another big chunk goes for travel and entertainment (most likely charged by those not in the marketing department, also). Then, when →

In this issue:

- Mark Zweig answers some common questions firm leaders have about budgets. **Page 1**
- Should small firms invest in comprehensive CRM systems? **Page 2**
- Weekly News: An Iraqi-born woman takes the Pritzker Prize. Plus, an engineer is arrested in Hawaii. **Page 3**
- More A/E firm staff members are becoming addicted to wireless handheld devices. **Page 4**
- The GSA has made more revisions to its RFP process. **Page 5**
- Calendar: Design administrators host a convention. Plus, SMPS is looking for board members and award contenders. **Page 5**
- Focus on Ownership Transition: Protecting yourself with a fairness opinion. **Pages 6-7**
- Improving project performance: Making simple, little changes can produce big results. **Page 8**

> Database Accessibility

More than half of design and environmental firms make their client contact database accessible to all employees on a network.

Source: 2003 *Information Technology & E-Business Survey of A/E/P & Environmental Consulting Firms* (ZweigWhite)

For more information on client contact databases, see related article on Page 2.

> Firm Index

CUBELLIS ASSOCIATES, INC. Boston, MA. 4
DELTEK SYSTEMS, INC. Herndon, VA. 2
KLOTZ ASSOCIATES, INC. Houston, TX. 8
LINCOLN STRATEGIES. Northfield, MA. 5
OFFICE FOR METROPOLITAN ARCHITECTURE (OMA). Rotterdam, The Netherlands. 3
PARK ENGINEERING, INC. Honolulu, HI. 3
SOCIETY FOR MARKETING PROFESSIONAL SERVICES (SMPS). Alexandria, VA. 5
SOCIETY OF DESIGN ADMINISTRATION (SDA). Chicago, IL. 5
SSFM INTERNATIONAL, INC. Honolulu, HI. 3
SWISHER & HALL AIA, LTD. Las Vegas, NV. 2
TIMMONS GROUP. Richmond, VA. 4
TRANS UNION LLC. Chicago, IL. 6
VOA ASSOCIATES, INC. Chicago, IL. 4

Next week:

> While looking at ways to cut costs to help improve your company's bottom line, one area more firms are considering is the cost of renting and leasing their office space, where the combination of a soft market and hard negotiating could result in significant savings.

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The Zweig Letter

Which method is better, taking an aggressive stance on purchases or acting when a good opportunity comes about, the article asked? Editors concluded that both methods are valid, depending on circumstances, and dished out some advice.

"One key to developing a good acquisition plan is to determine *why* you want to buy in the first place. Is it to expand geographically, add new services, or gain skilled managers? Maybe it's a combination," the article reads.

The article also warns: Buying a firm in financial trouble can be a drain to both parties involved.

In his editorial, Mark Zweig wrote on the topic of getting paid. He offered six points on what companies with low average collection periods and minimized work-in-progress were doing:

1) They have high-speed billing processes.

2) They have well-designed invoices.

3) They sign their invoices and always include a name and phone number of who to call in case of a question.

4) Previously billed, unpaid invoices are listed on all subsequent invoices.

5) They have consistent collection procedures.

6) They don't keep a lot of cash in the bank.

Create a culture of accountability

Accountability is the foundation of all successful firms.

STEPHEN LUCY

BEST PRACTICES

Accountability, in its most basic definition, is doing what you say you will do. You will have a difficult time finding someone who does not want to be known for this character trait. Similarly, all firms want to be known for having integrity. Yet, we all know of times when firms – and possibly even our firms – have not held themselves or their staffs fully accountable. By acknowledging the importance of accountability, we begin to understand that creating a culture of accountability must be a central goal for any successful firm.

Accountability starts at the top. As leaders, we are the primary ambassadors of our firm's culture. We must exhibit our stated values in all our actions. Absent this behavior, the firm's culture is just empty promises. In a circular argument, we must hold ourselves accountable to always act in an accountable manner. If we adopt accountability as the filter through which all our actions are judged, we can begin to translate that trait throughout all aspects of the firm.

Establish clear goals. It is hard to hold someone accountable if we have not clearly identified the mission, vision and goals of the firm. Absent that clarity of vision, staff can be rightly confused about the goals they are working to accomplish. You cannot hold someone accountable in meeting goals if those goals are not well-defined and articulated.

From a global viewpoint, the firm must have a strategic plan that is disseminated to all staff, not just upper management. All decisions by the firm need to be vetted for compliance with the plan or, if a different decision is made, the rationale for the variance must be clearly stated and the plan updated. This is the roadmap for the direction of the firm and shows the staff how the firm plans to evaluate its successes, now and in the future.

From a day-to-day perspective, the goals on any given task must be clearly defined between staff and supervisors. All staff must understand what is expected of them so that they at least understand the minimum levels to which they are to perform. However, the goals must be obtainable as you cannot have credibility if you establish unrealistic goals. Without this clear vision of realistic expectations, how can you evaluate the performance of your staff or take steps to address problem areas?

Provide coaching. When we were young, we were constantly being told by our parents and other adults what we were to do. As we got older we became more and more resentful of that teaching approach. Conversely, the most impactful life lessons were probably learned by observing the actions of others and emulating those behaviors. That is the difference between coaching and instructing.

It is incumbent for the firm to establish processes that coach staff in accountability and the firm's culture. An obvious choice is a mentor-protégé program. However, these programs cannot blindly tie a mentor and a protégé together solely at the discretion of firm management. We utilize an application process for both mentors and protégés in which they state the goals each party wants to achieve and whether they have a specific person they want to assist. Remember that the coaching in a successful mentor-protégé program goes both ways, with each party gaining knowledge for one another.

See STEPHEN LUCY, page 8

As leaders, we are the primary ambassadors of our firm's culture. We must exhibit our stated values in all our actions. Absent this behavior, the firm's culture is just empty promises.

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Three keys to more business in 2014

Focusing on the best opportunities, keeping a positive attitude and making the time for business development three key factors that drive success.

Leo MacLeod

GUEST SPEAKER

As I launch into a new year of coaching and consulting, I'm evaluating what really matters in successful business development. There is a lot of great information out there, but I've found the three essential keys to winning work are focus, attitude and discipline.

Focus. Here's the reality: Most of us who have to sell and do the work have to be wise about how we spend our time selling. What are the best opportunities that are going to advance your business? Who are the people you need to be in front of regularly? It's very tempting to lunge at any opportunity that comes within our view, no matter how small or off-target. But with every piece of business there are opportunity costs. Since time is limited, what are you not doing by chasing small dollars? Let's say you have done some planning and determined that healthcare is a prime target for your firm. You want to aim high by securing work with the largest organizations. Getting to know the right people and doing what's necessary to put yourself in the right position, attending conferences, networking, continually doing research, and educating yourself about critical technologies takes focus. We lose time and focus when we spend time on any RFP that comes across the desk or take on projects we regret because we tell ourselves any money is good money. It takes time for those larger opportunities to happen; there's a balance between doing what's necessary right now and what's important over time. When we focus on the biggest and best opportunities over time, we grow credibility and top-of-mind awareness when the time is right.

Attitude. Selling is hard and draining. Those people who do it full-time and are successful have something that most of us lack: a perennial positive attitude. They don't see rejection, they see a challenge. I was at a holiday function and bumped into a business development manager for a construction company. He was totally distracted by whether he was going to win one of eight raffle prizes. I just wanted to get a beer and relax. There was nothing he could do about the outcome but his competitive drive was palpable. When they drew names, he won three of the eight items. For a moment, it seemed like his attitude had made the difference. He wanted those prizes and his drive to win seemed to separate him from the rest of the party-goers. No matter how you might actually feel about networking or selling, you're wasting your time if you don't bring a positive attitude to every encounter. Mark Edlen of Gerding Edlen Development says that people don't want to hear how tough things are, they want to hear good news and what you're excited about. Counting small wins, positive self-talk, surrounding yourself with positive people can help you maintain the right attitude to win work.

Discipline. New Year's resolutions are as disposable as confetti. We like to make them but rarely follow through. Woody Allen says 80 percent of success is showing up and that's true of sales. You don't succeed if you're not trying and doing the work to get the work. What's required is developing a business development habit and that takes time to ingrain into your schedule. First, it's good to set realistic goals of what you are going to do every week. A lot can be done in 10 minutes: research on a prospect, thank you letter, forwarding an article of interest, reaching out to set up a coffee with a colleague, or reviewing your past activities for follow up. Everyone has 10 minutes in a week. The key is doing

See LEO MACLEOD, page 8

Selling is hard and draining. Those people who do it full-time and are successful have something that most of us lack: a perennial positive attitude. They don't see rejection, they see a challenge.

LEO MACLEOD, from page 7

it consistently and that's where scheduling is important. Mark the time on your calendar to do the work. We find other things that are more pressing but to be successful, we need to be disciplined to take the time. Personally, I find it more achievable if I give myself reasonable milestones within a week. If something comes up – and it always does – I'll rearrange my schedule to make sure by the time the week is done, I've checked it off my list. Having your action items in front of you and reviewing every morning means it won't be forgotten. I have a weekly phone call at 10 a.m. each Monday with four other consultants to look back on my progress from the prior week and schedule my upcoming week. I get strength, encouragement and ideas from having a support group. Every two months, I Skype with a colleague for two hours to revisit my progress on long-term goals and problem-solve on current challenges. The colleague isn't in my business but he has something I admire: He's disciplined and consistent.

This last year was my best year ever and I've concluded that focusing on the best opportunities, keeping a positive attitude and making the time for business development are the three key factors that drive success.

LEO MACLEOD is a leadership and business development coach and strategic consultant. He can be reached at leo@leomacleod.com.

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VISION, from page 3

"This means that our project managers are critical, and that most of the time my partner and I are mentoring and leading them," Mulhern says. "Our confidence is based on their ability to carry out our vision to the senior engineers, and then from that group to the staff."

Mulhern & Kulp is founded on certain principles that are shared with any other successful firm – excellent work product, excellent service, and a commitment to providing employees with a work environment that is rewarding and fulfilling.

"The visionary leaders need to have a radical commitment to these principles and live it out personally and in the work environment, with constant, meaningful contact with the project managers and employees," Mulhern says. "It helps to have natural leadership abilities – and by that I mean the ability to be absolutely serious and have a sense of humor at the same time, and that your employees *get it*."

Rebecca Rubin, President and CEO, Marstel-Day.

Rebecca Rubin, president and CEO of **Marstel-Day** (Fredericksburg, VA), a 130-person environmental consulting firm, agrees with Mulhern in that it starts at the top.

"You have to first believe it yourself, because from there, all else follows. Be authentic in how you talk with people – they can tell the difference. And don't be afraid to share with your employees your emotional investment in your work," she says.

STEPHEN LUCY, from page 6

REWARD EXCELLENCE. There is no better way to reinforce the importance of accountability than to reward those who embrace it. All too often we tend to punish poor behavior, but not publicly reward those who perform. We talk about how "back in the day" we were just expected to do good work and thus question why it should be openly rewarded. That did not work to motivate us then and it certainly does not work now.

Rewards do not have to be material gifts such as spot bonuses, although that can be very effective. Most staff simply want to be recognized by their peers, and you can easily accomplish this by formally recognizing those top performers in team meetings, in the company newsletter or even in office conversations. Even better, brag about them to a client. This not only shows your staff that you recognize the importance of being accountable, but highlights to staff and clients the cultural value you place on this trait.

ADDRESS COMPLACENCY. Just as you reward excellence, you must quickly deal with lack of accountability. This may involve coaching to assist the individual in correcting their behavior, but ultimately may result in separation from the firm. Failure to address the problem quickly indicates that leaders recognize the problem but do not value accountability. The poor performance of one individual can rapidly grow into acceptance of poor performance by all. Worse, it can disillusion your top performers and make them top performers for your competitors.

Leaders must also address complacency and accountability failures in their ranks. Failure to do so signals that leadership has established a culture separate from that which they hold staff accountable to uphold. All leaders must be walking examples of the firm culture, or they have failed as leaders and must be removed.

Accountability must be engrained in the firm culture.

STAY VIGILANT. Creating a culture of accountability takes a conscious decision by firm leadership. Maintaining that culture requires the commitment of leadership and staff to hold themselves and everyone else in the firm accountable to each other and the goals of the firm. If you can make accountability the cornerstone of your culture, you have laid the foundation for the future success of your firm.

STEPHEN LUCY is managing principal at **JQ** in Dallas, TX. Contact him at slucy@jqeng.com.

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OPERATIONS

The mechanics of staff reassignments

Having employees involved in the process, and hopefully giving them a choice, makes a big difference.

By LIISA SULLIVAN
Correspondent

When change occurs within a firm, positions often need to be shifted. So, what's the best way to reassign staff without rocking the boat too much?

GET EVERYONE ON SAME PAGE. Sue Slade, HR manager, **Spicer Group, Inc.** (Saginaw, MI), a 130-person professional engineering, land surveying, community planning and architecture services firm, says that it first identifies areas that may not be as busy as others or areas that are perhaps going through an off-season slowdown. The company will then move employees from those areas to ones that have an increased need for help.

"By doing this, we actually share talent, increase cross training among departments and keep things on track," she says.

The need to reassign staff at Spicer is identified by supervisors and project managers, or it may even be at the request of an employee.

"As long as the supervisors from the different areas affected agree with the reassignment, and the employees involved understand the need for the change, it usually happens seamlessly and without problems. The key is to make sure all parties involved are on board with the change," Slade says.

Roshelle Pavlin, HR Director, Dade Moeller.

"As long as the supervisors from the different areas affected agree with the reassignment, and the employees involved understand the need for the change, it usually happens seamlessly and without problems."

MAKE IT A BLT, PLEASE. At **Dade Moeller** (Richland, WA), a firm that specializes in occupational and environmental health sciences, a group of senior managers (the business leadership team, or BLT) meets often to discuss staffing, work flow, process improvement, project resource requirements and other items that impact organizational efficiencies. One of the necessary functions of this group is to not only make sure information flows down through each member's organization, but to also ensure that information flows upstream. As a company of approximately 180 employees in seven offices in 15 states (40 percent work at client sites and 15 percent work from home), making sure everyone is on the same page can be a challenge.

Roshelle Pavlin, HR director, says that when positions need to be shifted, the process begins with a conversation between the employee's manager and the division manager.

"The employee's manager will discuss the need for change with the employee as well as the employee's availability and preferences," she says. "Then, the employee's manager and the division manager make the best decision for both the company and the employee. In the case of a larger reorganization, appropriate BLT members meet to determine the best path forward with regard to reassigning staff based on workflow, similarity of duties, and employee location, while keeping in mind the ratio of manager to team members."

A company-wide plan is then formulated; BLT members take the draft plan back to their manager for feedback and then the BLT reconvenes to discuss manager ideas and concerns. Once again, the employee is involved in the decision-making.

"As we all know, getting buy-in always makes change easier," Pavlin says.

KEEP FOUR TIPS IN MIND. BusinessKnowledgeSource.com, an online resource that provides information to help people build their businesses, provides several tips for gracefully navigating staff reassignments:

1) **Be understanding**. Reassignment is generally not terribly stressful since most of the time the employee keeps their same job, but with a different focus. However, that said, change always comes with some level of stress, so be open to answering questions and addressing concerns.

2) **Present it well.** Rather than saying, "Well Mac, as of Tuesday you will be reassigned to the northern district and you'll be reporting to Jane," you might try saying, "Well Mac, what would you

See REASSIGNMENTS, page 10

GOOD TO KNOW

The majority of firms (42 percent) will pay to relocate both new and existing employees. Another 16 percent will pay only for new employees.

Source: 2013 Principals, Partners & Owners Survey, ZweigWhite: www.zweigwhite.com/p-2153-principals-partners-owners-survey-2013

ON THE MOVE

LERA NAMES PARTNER AND ASSOCIATES: Leslie E. Robertson Associates (New York, NY), 120-person M/WBE firm providing structural engineering services to architects, owners, contractors, and developers, announced that **Wing-Pin (Winnie) Kwan**, has been named a partner of the firm.

As a new partner with LERA, Wing-Pin has also relocated from New York to the Shanghai office and serves as the director of LERA Shanghai. Wing-Pin has extensive project experience in China and other parts of the world, including serving as the project manager for the Shanghai World Financial Center and the Suzhou Museum, and the project director for the OCT Shenzhen Tower, the Jinan Cheda International Financial Center, the Chongqing Shui On International Trade and Commerce Center Peer Review, and the Guangzhou East Tower Peer Review.

She is fluent in English and Chinese.

Wing-Pin was honored by the "40 Under 40" award by the Building Design and Construction Magazine in 2011, and was selected as a Rising Star in Structural Engineering by the Structural Engineer magazine in 2012.

In addition, LERA has named two new senior associates to the firm, **Sangho Han** and **Patrick Hopple**.

Sangho is a project manager with over eight years of experience at LERA. Prior to joining LERA, Sangho worked as a structural engineer in Korea for over five years. His recent project experience includes Lotte Jamsil Tower, Seoul, Korea, World Trade Center - Tower 4, New York, Kuala Lumpur City Centre, Kuala Lumpur, Malaysia, and Azersu New Office Tower, Baku, Azerbaijan. He has been actively growing LERA's presence and client base in Korea.

Patrick Hopple is a project manager at LERA with over eigh years of experience. His recent project experience includes State University of New York Health Science Center, School of Public Health, New Academic Building, Brooklyn, N.Y., Broad Art Museum, Los Angeles, Public Farm 1, New York, and the Staten Island Courthouse.

Hopple is a primary contributor to the firm's Analysis and Modeling Standards Committee and is LERA's Revit and BIM manager for engineering services. He is an Assistant Adjunct Professor of Architecture at Columbia University's GSAPP program, teaching the Building Systems and Core II courses.

SWCA PROMOTES: SWCA Environmental Consultants (Phoenix, AZ), an environmental services firm, has promoted **Megan Peterson** to office director for Half Moon Bay, Calif. She joined SWCA July 2013 to expand the company's permitting and compliance presence in California and identify business development opportunities in Northern California. In her new role, she also manages office financials and provides staff guidance and mentoring.

Peterson has more than 17 years of experience in environmental planning, permitting, and construction compliance for energy and infrastructure projects. She has managed environmental programs for several long-distance linear projects across a diverse range of sensitive habitats, with specific expertise in water quality, sediment and erosion control, biological resource protection, and stream and wetland restoration. She has a thorough understanding of the National Environmental Policy Act, California Environmental Quality Act, Clean Water Act, Endangered Species Act, and the California regulatory process.

"Megan will provide outstanding leadership to our growing Half Moon Bay and surrounding Bay Area operations," said Cara Corsetti, SWCA California principal. "Her regulatory knowledge, combined with a solid construction compliance background, has proved highly beneficial to clients in project planning and developing feasible mitigation strategies."

LJA HIRES: James Bielstein has joined **LJA** (Houston, TX), a 375-person employee-owned, full-service consulting engineering firm, as a project manager in the firm's East Houston Public Works Division.

Bielstein joins LJA with over 22 years of experience in design engineering, project management, construction management, and client relationship development. Bielstein' expertise includes detailed project plan creation, design and construction of urban and marine terminal infrastructure. Prior to joining LJA, Bielstein spent over 11 years with the Port of Houston Authority, where he managed the Facility Redevelopment Program and the 5-Year Capital Improvement Plan for the Port of Houston Authority's Barbours Cut Terminal, and 11 years with the City of Houston Department of Public Works & Engineering, where he managed the design and procurement of various municipal wastewater, drainage, water, and paving capital improvement projects.

Bielstein will be responsible for the design of projects at various marine ports along the Texas Gulf Coast, as well as the design, procurement, and construction of projects for local municipalities.

REASSIGNMENTS, from page 9

think about making a lateral move over to the northern district? Jane really needs an extra set of hands over there. Your commute would be a little shorter and the workload will be about the same." When possible, it's always a better option to allow people to make their own decisions, rather than to make their decisions for them.

3) **Explain the situation**. If you cannot give the employee a choice, at least explain the situation in detail. Well in advance of the actual reassignment, let the employee know what is going to happen and why. You should be able to outline the specific job description or describe the new location.

4) **Be prepared for a defensive response.** People don't like to be told what to do, or to feel like they are dispensable in their current position. Even if the move has nothing to do with personal issues, be prepared for the employee to take the move personally. It would be great if all companies had human resources personnel trained to handle these situations, but many companies don't. If you are a business manager who has to deliver some unwelcome news about a reassignment, prepare yourself for a defensive response. Don't argue with the employee, just reassure them that they are a valued member of the team and that you regret losing them in their current position.

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PROFILE

Deby Forry juggles finance and the law

Ability to assess the big picture and formulate action plans, and change with the needs of the company, are defining characteristics.

By LIISA SULLIVAN
Correspondent

Deby Forry is CFO and corporate counsel at **Trihydro Corporation** (Laramie, WY), a 375-person engineering and environmental consulting firm with 19 office locations. She's been with the firm for 14 years, but has been in the industry for about 23.

Deby Forry, CFO and Corporate Counsel, Trihydro Corporation.

"My first summer job was with an engineering firm in my hometown," she says. "I was in high school. I was able to continue working for that firm's branch office throughout my time in college and law school."

Education is important to Forry. She has a bachelor's in accounting, a master's in finance and a law degree – all from the University of Wyoming.

"I took a brief stint away from the engineering consulting industry after I graduated from law school and clerked at the Wyoming Supreme Court," she says. "I engaged in private practice, focusing on transactional and corporate law. At this point, Trihydro approached me about coming on board as their in-house counsel."

When asked to explain her responsibilities, Forry says that this question is always a difficult one to answer because she oversees multiple areas. However, she says she would not have it any other way.

"I have a knowledgeable team and support group. They allow me to manage the workload effectively," she says. "I love the opportunity to meld my finance background with my legal experience."

As corporate counsel, Forry negotiates contractual agreements, and ensures the company is in compliance with multi-state jurisdictions. And, she keeps up to speed on the changing laws and regulations pertaining to tax, employment and secured transactions.

In 2004, she stepped into the role as the company's CFO. Here, she has strategic and business planning responsibilities.

When Forry started working for Trihydro in 2000, they had about 50 employees. Today, they are nearing 400.

"During this period, I've been instrumental in developing processes, procedures and infrastructure to support the steady growth," she says. "I work closely with our president to implement strategic initiatives and identify acquisition targets."

Forry also serves as a senior partner and officer and as treasurer/assistant secretary for the board of directors.

A CONVERSATION WITH DEBY FORRY

THE ZWEIG LETTER: Since you've been CFO, what major accomplishment has made you the most proud?

Deby Forry: Since the day I became part of the company, I have been allowed to grow professionally beyond my wildest dreams. I've been a contributing factor in Trihydro's success, while living in a small community in Wyoming. Over the past 14 years, Trihydro has successfully completed three acquisitions and seen significant organic growth while continuing to be profitable and maintaining a low turnover rate. It's our goal as a company, and my personal mission, to make Trihydro the "Best Place to Work." I take great pride in the fact that Trihydro has grown over the years and been able to maintain a small company feel with great benefits and a positive work environment. One achievement that stands out during my career with Trihydro was being named one of the "Top 40 Business People under 40" in the state of Wyoming.

"I approach life with the attitude that there isn't anything that I can't do and that there is a solution to every problem. Along with that, I have an ability to assess the big picture and formulate action plans."

TZL: What are your key strengths? What are the key strengths for an effective CFO?

DF: I am a loyal business partner. I have an ability to "think outside the box" and have a strong "can do" work ethic. I approach life with the attitude that there isn't anything that I can't do and that there is a solution to every problem. Along with that, I have an ability to assess the big picture and formulate action plans. Effective CFOs need to be more than just "numbers people." They need to be able to think strategically and formulate business strategies. They need to be a good business partner and to be able to see multiple solutions. They also need to be passionate about the company they work for and to be a strong leader. There is no room for rigidness and tunnel vision when it comes to growing a business in today's economy. If you're not willing to adapt or change to the current needs and changing

See DEBY FORRY, page 12

TRANSACTIONS

THREE-WAY TRANSACTION: Hancock Associates (Danvers, MA), a multidisciplinary surveying, engineering and wetland science firm, has acquired **Acton Survey & Engineering** (Acton, MA) and its business partner **Andrysick Land Surveying** (Princeton, MA). Hancock will operate both the Acton and Andrysick offices at their present locations and will retain all existing staff.

The combined resources of the three firms ensure that Acton and Andrysick clients' existing and future needs can be met with quick project scheduling, while allowing for continuing growth regionally by Hancock. These additional resources, as well as wetland science and large project experience across a wide breadth of market sectors, will allow Hancock growth at each location.

Founded in 1978, Hancock Associates has additional offices in Marlborough and Chelmsford, Mass., and Salem, N.H.

FIRMS ON THE MOVE

CARNEY OPENS OFFICE: Carney Engineering Group (York, PA), a multi-discipline structural engineering firm serving the Mid-Atlantic region, has opened a new office location at 1922 Greenspring Drive in Timonium, Md. in order to strengthen their customer reach throughout the greater Baltimore area.

Carney Engineering Group anticipates that three to five employees could be employed in the Maryland office within the next year. The location of the new office was strategically selected to support Carney's anticipated growth opportunities in Maryland over the next five years.

"Our primary opportunities for business development and growth over the next five years are centered in the greater Baltimore area," said Josh Carney, president of Carney Engineering Group. "Because of this potential, we anticipate that our Maryland office and staff will continue to grow."

Carney Engineering Group will continue to service clients throughout the Mid-Atlantic region and their Pennsylvania office, located in York, Pa., will also remain open.

TLC OPENS OFFICE: TLC Engineering for Architecture (Orlando, FL), a 400-person engineering firm with 11 offices, has opened a new office in the central business district of New Orleans.

The new location allow TLC to strengthen its services in Louisiana, Alabama and Mississippi, where the company has several relationships.

IN BRIEF

CONSTRUCTION UNCHANGED: At a seasonally adjusted annual rate of $486.7 billion, new construction starts in February were essentially the same as January's amount, according to McGraw Hill Construction. After the strong finish to last year, the construction start statistics have shown lackluster activity during the first two months of 2014.

The flat pace for total construction starts in February was due to a mixed performance by major sector – less nonresidential building, but more housing and public works. For the first two months of 2014, total construction starts on an unadjusted basis were reported at $66.7 billion, down 3 percent from the same period a year ago.

February's data kept the Dodge Index at 103 (2000=100), remaining below the full year 2013 average for the Index at 111.

"While construction activity has generally trended upward over the past two years, the monthly pattern has frequently been hesitant, and early 2014 has turned out to be one of those hesitant periods," said Robert Murray, chief economist for McGraw Hill Construction. "To some extent, the harsh winter weather has played a role in dampening construction activity, particularly as it relates to single family housing. At the same time, multifamily housing in early 2014 has been able to strengthen further. For nonresidential building, the upturn so far has been much more gradual and subject to setback, such as what took place in this year's first two months.

"Still, the commercial building sector is seeing rising occupancies and rents, and the improved fiscal health of states and more financing from bond measures should help the institutional building sector stabilize, which would enable nonresidential building to soon regain upward momentum. For nonbuilding construction, the prospects for renewed growth in 2014 are more limited, given the comparison to 2013, which included the start of several massive public works projects, in combination with the continued retrenchment for new electric utility starts underway after the record high reached back in 2012," Murray said.

- Nonresidential building in February dropped 9 percent to $141.9 billion (annual rate), sliding back for the third month in a row after the heightened volume registered last fall.
- Residential building, at $213.8 billion (annual rate), increased 3 percent in February, as 17 percent growth for multifamily housing outweighed a slight 1 percent drop for single family housing.
- Nonbuilding construction increased 8 percent in February to $130.9 billion (annual rate), making a partial rebound after the steep 33 percent decline in January.

DEBY FORRY, from page 11

times, you are going to die. A good CFO is willing to constantly be changing with the needs of the company.

TZL: How would you describe your work style?

DF: I like having a lot of irons in the fire; I thrive on pressure and the variety that comes with my position. I'm always looking to improve efficiencies or to change the way we currently do things. I anxiously await the next challenge thrown at me.

TZL: What are your top priorities for 2014?

DF: They include continuing to diversify our operations. We also continue to focus on providing a positive work environment for our employees and identifying new opportunities. We are growing, but it's about achieving smart growth, not just growing to grow.

TZL: What's been one of your greatest on-the-job challenges?

How did you deal with it?

DF: Maintaining a small company feel as we reach 400 employees and engaging employees in the company's success and their future careers. We have put together an employee engagement committee that focuses on being a better company.

TZL: What do like most about your job?

DF: I enjoy the people who I work with and the new challenges I encounter each day. I look forward to the future and what it has to bring in both my career and for Trihydro.

TZL: What do you enjoy in your spare time?

DF: I am a wine connoisseur and love gourmet cooking. I'm also an avid runner, enjoy being near the mountains and traveling. I spend a lot of time following my 8-year-old daughter, and 13-year-old son around in their busy lives.

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