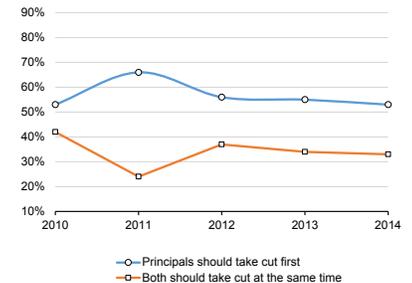


Training managers to manage

Four pointers from Mark Zweig for firms stuck in a no-growth mode.

TRENDLINES

Not letting go



Principals are slightly less willing to take a pay cut first before passing one onto their staff this year than they were last year, according to the 2014 Principals, Partners & Owners Survey. The report finds that the percentage of principals who say they would take a pay cut first decreased to 53 percent this year from 55 percent in 2013. In 2012, 56 percent were willing to take a pay cut first, a big drop from a five-year high of 66 percent in 2011. Meanwhile, the percentage of principals who say that principals and staff should both take a pay cut decreased to 33 percent this year from 34 percent last year. In 2012, 37 percent said that principals and staff should both take a pay cut, a significant rise from 24 percent in 2011.

– Margot Suydam, Survey Manager

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Information flows from the top. You have to make sure the right info is getting out to people so they clearly have the gauges they need on every performance metric you're trying to drive.



Mark Zweig

EDITORIAL

One thing is for sure about the A/E/P and environmental consulting business: We're all "stuck" if we can't train people who work for us how to manage others.

Let's face it, many A/E firm owners ARE stuck. There are a jillion small workgroups inside medium and larger size firms that just don't grow – and even more small firms out there stuck with 10, 15 or 20 employees. One reason is the inability to train managers who can manage.

If this is a problem for you, then you'll want to read my four pointers on how to train your managers:

1) Get the right information flowing to managers so they can see what's really happening. Information flows from the top. You have to make sure the right info is getting out to people so they clearly have the gauges they need on every performance metric you're trying to drive. That includes everything from incoming leads, sales, backlog, profitability, cash flow, project performance, WIP, utilization, rework, and so many other statistics. But don't overload them. And make it easy to interpret this information through simple graphs and charts. I find it very common that firms don't share what they need to share information-wise with their managers so

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A/E BUSINESS NEWS

AIA ENDORSES EFFICIENCY ACT: The American Institute of Architects endorsed the Energy Efficiency Tax Incentives Act (S. 2189) introduced April 1 by Senator Ben Cardin (D-Md.) that restores energy efficiency tax incentives – specifically the 179D tax deduction for commercial buildings that expired in 2013.

The 179D provision currently allows building owners to claim a tax deduction of \$1.80 per square foot of building area to install systems that reduce the total energy and power costs by 50 percent or more when compared with a reference building. The deduction applies to nearly all commercial, high-rise multifamily residential, health care, institutional, public, and educational facilities. It also allows public building owners to allocate the deduction to the designer of energy efficient property. In turn this permits the designer to take advantage of all the resources necessary to design the most energy efficient property possible, while giving the building owner a tool for financing.

Senator Cardin's bill raises the tax deduction to \$3 per square foot and makes other key improvements.

"The 179D tax deduction has been a major factor in encouraging energy conservation through-out the built environment since it became law almost a decade ago. Architects campaigned for its enactment then, and have campaigned tirelessly to improve and restore it since December 31," said Robert Ivy, AIA CEO. "We commend Sen. Cardin for introducing this legislation, and we urge the full Senate Finance Committee to restore this important incentive."

ARTBA ACCEPTING NOMINATIONS: The American Road & Transportation Builders Association Foundation is now accepting nominations for the 2014 Transportation Development Hall of Fame. The Hall honors individuals or families from the public and private sectors who have made extraordinary contributions to U.S. transportation development or demonstrated exceptional leadership over their lifetime.

Nominees are considered in two categories:

- Transportation Design & Construction Industry Innovators – Honors the men and women who discovered or created a "game changing" product or process that significantly advanced transportation design, construction and/or safety. It seeks to honor the original innovator.
- Transportation Design & Construction Industry Leaders (Individuals or Families) – Recognizes men, women and families who have made significant contributions – beyond just having successful businesses or careers – that have notably helped advance the interests and image of the transportation design, construction and safety industry.

Nomination forms must be received by close of business Friday, June 13, 2014. Visit www.artbahalloffame.org for the nomination form.

Anyone can nominate a candidate. ARTBA membership is not required. Individuals can be living or inducted to the Hall posthumously. The selection process is extremely competitive, and only a very limited number of individuals will be inducted.

A committee of judges that includes industry journalists will select the inductees. Two-thirds of the committee must vote in favor of a nominee's induction. The class of 2014 will be announced in July.

MARK ZWEIG, from page 1

they can understand the situation. Or, conversely, firms overwhelm managers with SO MUCH information the significance of any of it is lost. Neither is acceptable and both will hurt your ability to train your managers!

2) Force them to deal with THEIR problems. Don't do what they aren't doing. It's easy, and expedient, to start making decisions for your managers who won't deal with something that needs to be done. But as soon as you do, you teach them that they don't need to deal with their problems – you'll gladly take care of it for them. AND, you are communicating to everyone else that the manager isn't a decision maker and they should really be dealing with you instead of your manager. So every problem will eventually land in your lap. Not what you want!

3) Get them over the idea that they need to hold a meeting to deal with every issue that comes up. Everyone who works in a project-centric business and is competent has way too much to do. When you load these people down with management responsibilities they often feel overwhelmed because they don't have time to schedule a meeting to address

whatever the problem is. They are going to have to get over the idea that every issue requires a meeting. Use the phone. Use email. Use a text. You don't have time to set up a meeting to deal with something. I find this is a BIG problem with the people we have working in management jobs. They are perfectionists. They value their relationships and want to be loved by all. But you'll never have enough time to do what has to be done if it always requires a meeting.

4) Get them to understand that they need to stay calm at all times. Staying calm under fire is a skill you can learn. Some people are hotheads who start fights. Some get easily rattled and stressed. Some get upset and easily crushed. Some may have outbursts that hurt their relationships. None of these tendencies will help you lead and manage others. Staying calm is easier the older you get and the more perspective you acquire, but there's no reason you have to be old to understand the benefits. Work on your people to stay calm and you'll make them better managers AND solve many of your problems at the same time. ▲▲

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GROWTH

The leader's learning curve

As they move from the technical side there's much to learn, but they can't do it alone.

By LIISA SULLIVAN
Correspondent

Leading a firm into the future takes more than just business savvy. It requires continuous learning and keeping up with market and industry trends. So, how do CEOs do it? How do they keep up with things such as new technology and management techniques? In most cases, "It takes a village."

"CEOs/presidents and business owners have a two-fold issue: They need to be learning about their profession as well as their business. You can be a great professional, the top of the world in knowledge about your profession/trade/industry, but if you are a rotten businessman, you're doomed to fail."

BALANCE TECHNICAL SKILLS WITH BUSINESS ACUMEN. Geoffrey Butler, president, **Butler, Rosenbury & Partners** (Springfield, MO), a 20-person design firm comprised of architecture, structural engineering, planning and development professionals, says that everyone, including the CEOs and presidents, need to be in learning mode all the time.

"Of course, depending on your position, what you learn will vary," he says. "CEOs/presidents and business owners have a two-fold issue: They need to be learning about their profession as well as their business. You can be a great professional, the top of the world in knowledge about your profession/trade/industry, but if you are a rotten businessman, you're doomed to fail. Conversely, if you're a great businessman, but know nothing about your profession/trade or industry, you have nothing to offer."

Speaking from experience, Butler says that he finds networking with peers to be great for the business side of things.



Geoffrey Butler,
President,
Butler, Rosenbury
& Partners.

"For 15 years, I belonged to a group called 'Chief Executive Network,' which was comprised of design firm leaders from all over. We'd meet in groups at various sites around the country for three-day meetings," he says. "We'd get presentations on leadership, business and strategic planning. We'd also have roundtable discussions. I always came away with a new perspective."

Combining networking with a good solid support group in the office, including the corporate tax attorney and CPA, keeps Butler on top of his game.

As for other firm professionals, Butler says it is his job to seek out ways to enhance training for everyone without wasting resources. For example, architects are obligated to maintain a continuing education process to keep licenses. Leading this effort is necessary and very beneficial.

"After all, the more you know the fewer mistakes you'll make, thereby reducing your liability," he says.

Butler admits that the technology aspect of the business is passed off to the younger principals who are more actively involved in that part.

"As the firm's leader, it's also my responsibility to balance the technology and costs with the need and available resources," he says. "I learned long ago that you do not have to do everything (nor could you). You have to delegate and then provide guidance, oversight and make people accountable."



Gordon
Matheson,
President/
CEO, Schnabel
Engineering.

IT'S A TEAM EFFORT. Gordon Matheson, president/CEO, **Schnabel Engineering** (Glen Allen, VA), a 311-person civil engineering firm, says that it's the responsibility of company management to keep abreast of all of the above – and more.

At Schnabel, each broad technical discipline has a senior manager responsible for the technical and financial performance of the unit. It is the responsibility of these leaders to implement quality control and assurance processes, and oversee implementation of changes in the way work is accomplished. This is done through a combination of continued personal internal and external pro-

See LEADER, page 4

GOOD TO KNOW

More than half of principals (58 percent) have had at least some college-level business education.

Source: 2014 Principals, Partners & Owners Survey, ZweigWhite: www.zweigwhite.com/p-2193-principals-partners-owners-survey-2014.

NEWS

New architecture prize announced

Aims to raise stature of Canadian professionals.

The Royal Architectural Institute of Canada Foundation announced the launch of one of the largest architectural prizes in the world – the Moriyama RAIC International Prize.

Distinguished Canadian architect Raymond Moriyama established the prize together with the foundation. To be awarded every two years, the prize consists of CAD \$100,000 and a sculpture designed by Canadian designer Wei Yew.

“My hope is that this prize will raise not only the stature of the RAIC internationally, but also the stature of Canada, and inspire Canadians and Canadian architects to aspire higher,” said Moriyama, 84.

The prize is open to any architect, firm, or collaboration in the world for an outstanding building or project. It may also be granted to a non-architect for an exceptional contribution to architecture. The winner will be selected through an open, juried competition.

Submissions are due by Aug. 1, 2014. The first award ceremony takes place in Toronto on Oct. 11, 2014.

In addition, three students of Canadian schools of architecture will each receive scholarships of CAD \$5,000. They will be chosen on the basis of a written essay.

LEADER, from page 3

professional development, use of internal specialists for various technical specialties within business lines, and participation in technical industry groups.

To keep abreast of emerging management trends, Schnabel’s senior managers hold various leadership positions in business-oriented industry groups. Within these groups, they collaborate with other industry leaders and develop relationships through which management-related knowledge of the industry is integrated into the firm. These individuals also subscribe to various business- and management-related publications and regularly read and discuss articles that address significant management issues.

STRUCTURED LEADERSHIP DEVELOPMENT. Schnabel also works to educate emerging leaders through a structured leadership development program taught by internal and external specialists.

“This 12-month program is the foundation for the firm to develop those individuals identified to be the next generation of leadership,” Matheson says. “The program provides those individuals with the basic tools needed to understand various business issues and the responsibilities and obligations

The prize reflects Raymond Moriyama’s passion for architecture that has the power to transform society through humanistic values such as social justice, equality, and inclusivity.

“It is not a lifetime achievement award,” he said. “Anybody, young or old, could apply and have a chance of winning. Criteria include design excellence, client satisfaction, and quality of detail.”

The idea first came to Moriyama in 1976 while on a three-month walk in the footsteps of Buddha through India and Nepal. More recently, he made a bequest to the RAIC Foundation to create the prize.

Toronto-based **Moriyama & Teshima Architects** is known for many critically acclaimed projects including the Canadian War Museum in Ottawa and the Canadian Embassy in Tokyo.

The Foundation promotes excellence in architecture and exchange between Canadian and international architects, clients, and policy makers. Supported by donations, it aims to raise a \$5-million endowment for the prize.

“Raymond Moriyama conducted his practice with a rare degree of humanity and humility,” said Barry Johns, chair of the RAIC Foundation Board of Trustees. “The prize is a testament to his vision and generosity.”

Prize details at www.raic.org/moriyamaprize.



Greg Shipley,
President,
Morrison Shipley.

of firm leaders to develop them into stewards of the firm’s reputation and resources.”

A SHIFT IN RESPONSIBILITY. At **Morrison Shipley** (Fort Smith, AR), a 33-person civil engineering and land surveying services firm, Greg Shipley, president, says that since he has assumed the duties of president, his role has transferred from the “technical” side to the “business” side.

“The biggest part of my ‘business’ duties is marketing Morrison-Shipley’s services to both new and existing clients,” he says. “In the past, my continuing education would focus on discipline-specific technical training. I now attend, almost exclusively, training courses that keep me current with new marketing trends.”

With respect to staying current in new technologies, Shipley says that the firm has strong feelings about continuing to offer leading-edge services to its clients.

“Over the past two years, we have invested significantly in new surveying technologies, while also keeping our computers and software current to handle these advances,” he says.



HISTORY

TZL time machine

10 years ago

Just as in April of 2014, the economic outlook in April 2004 brightened with every passing day. So did the mergers and acquisitions market.

In this issue of **THE ZWEIG LETTER**, consultant Ryan Renard writes about being ready to make a deal in 2014 (page 7). Back in the April 12, 2004, edition of **THE ZWEIG LETTER** (issue #557), M&As were the topic of several articles.

THE ZWEIG LETTER reported that with the improving economy in 2004, more firms were looking to make deal. The 2004 Merger & Acquisition Survey found that 64 percent of respondents were considering buying another firm then.

That number is much lower today (41 percent according to the 2014 survey), but an increase from 35 in 2013 and 30 percent in 2012. It's the new normal, some might say.

The same issue tackled the issue of billable staffing in an article titled, "Making smart use of your unbillable staff?"

ZweigWhite's 2003 Financial Performance Survey found that the ratio of technical and professional staff to administrative staff had been steadily rising. The point: "With advances in technology and more technical and professional staff becoming computer literate, most can get by without a secretary or other administrative professional doing their typing or other tasks while still keeping their chargeability high, which explains why there has been an increase in the staff ratio. And with firms looking to become more efficient, those unbillable staff members left on the payroll are being put to better use."

Conclusion: "With increased efficiencies in the office, clearly some unbillable positions are no longer necessary. But areas like marketing, accounting, and IT, while considered overhead, provide support that's critical for success. By having most of your unbillable staff working in areas like these, employees who once took away from the bottom line can now be responsible for increasing it."

In his editorial, Mark Zweig wrote about opportunity and how many A/E firms were seeing a lot of potential for growth and success – just like today.

20 years ago

Many design profession professionals work way beyond the "expected" 40-hour week, especially when things get busy. But how do you motivate a salaried employee to work beyond 40 hours when that person is acutely needed for the success of the project at hand.

The April 11, 1994 issue of **THE ZWEIG LETTER** (#55) tackled this precise problem. First, paying overtime is not the answer, because it becomes expected and often abused, editors wrote.

Therefore, after consultation with firm leaders, the article offers three suggestions:

- **Make it a job requirement.** "In a couple of our offices, we have a mandatory 50-hour work week," Lee Smith, chairman of **Handex Environmental Recovery** (Morganville, NJ), a 170-person environmental firm, told TZL at the time. "The guys that run the offices say 'You're professionals and this is what we expect of you'."
- **Pay people what they're worth.** If you pay a competitive salary, your staff shouldn't be counting hours.
- **Be generous with bonuses.** An incentive compensation system based on company and group profitability, combined with occasional discretionary bonuses, is better than overtime for compensating extra effort. Why? First, because *management* gets to define the plan and control the rewards (with overtime, *employees* get to set and collect their bonuses on the "installment plan"). Second, unlike overtime, a system like this rewards results, not just hours.

In his editorial, Mark Zweig wrote a generation known for a less austere work ethic – Gen. X. After listening to a seemingly confused group of young people talking about careers at an airport lounge, Mark Zweig offered the following thoughts to readers:

- A/E/P and environmental firms should hire co-op students and interns for entry-level positions instead of hiring new graduates who have never set foot inside a firm in this industry.
- We really have to work hard to make sure expectations for our younger employees are realistic.
- There is a crying need for training in communications skills, especially for young people.

Sound familiar?



Management plans that win

Essential chapter in federal proposals describes how your firm can deploy its assets to achieve high-quality results.

First of a two-part article.

A “management plan” is a required element of almost all proposals to the federal government, and typically is weighed heavily in the evaluation criteria.

The overall proposal focuses on the quality and depth of the assets you will provide under the contract – your personnel, subcontractors and consultants, specialized equipment, expertise, and so forth. The management chapter focuses primarily on how you will *orchestrate* these assets.

Your goal is to persuade the evaluation panel that you can deploy these resources effectively, while minimizing risks to the government. You want to convince the evaluation panel that your firm:

- Understands the specific management challenges of the contract, especially the complexities that are unique to government contracts.
- Knows the specific contracting protocols, preferences, and procedures of this particular agency (or division, bureau, etc.).
- Has the capacity and experience to meet these challenges, including traditional management skills, and sufficient knowledge of the intricacies of relevant contract clauses and applicable portions of the Federal Acquisition Regulation (FAR).
- Will be easy to interact with on a routine basis and in resolving issues that may arise – in a manner that is consistent with the particular culture and style of the procuring agency or department.
- Is well equipped to successfully deploy resources, coordinate the contract’s diverse activities, respond effectively to unforeseen changes, and deliver high-quality services on time and within budget.
- Will place a minimal management burden on the agency.

This two-part article identifies eight specific ways that you can meet these objectives. Here are the first four:

1) Demonstrate your firm’s proven ability to manage similar contracts. The first paragraph of the management section should set the stage. You will want to express – with simple language and self-assurance – that this contract is well within your firm’s comfort zone.

Make a two-fold case:

- *Highly relevant management experience.* Your firm has managed many contracts that are similar to the one being



Dave Alexander

GUEST
SPEAKER

procured. Provide concrete examples of contracts you have managed and describe why they are similar to the one being competed (e.g., size, scope, number of subcontractors, and so forth).

- *Highly successful experience.* Provide concrete indicators of your consistent record of performing these contracts on time and within budget. In addition, can you provide brief excerpts of written testimonials from clients, in which they attested to your firm’s management skills?

2) Demonstrate a sophisticated understanding of the management challenges of this particular contract. Describe your detailed, concrete insights into the specific management challenges associated with this contract. For example, will the workload be highly variable during the contract’s life, including periods of low activity and periods of peak workload? Will there be particular requirements to engage in complex coordination (e.g., coordination with other prime contractors)? Will the client agency require especially detailed cost reporting? Sometimes you can identify an agency’s special concerns

See DAVE ALEXANDER, page 8

The goal of the management section of a federal proposal is to persuade the evaluation panel that your firm can effectively deploy its assets to achieve high-quality results, with a minimum of risk to the government.

Opportunistic M&A

Your firm may be interested in buying,
but is it ready to act quickly?

“**M**ergers and acquisitions is the name of the game in today’s industry.” This sentence is extracted from a conversation I had last month with a client ZweigWhite is helping identify and select a company that could benefit them through acquisition growth.

This simple phrase can quickly sum up the large the number of transactions occurring the A/E/P and environmental consulting industry. Consolidations are a part of the lifecycle of events that make up the history of today’s design firms. A firm grows organically and through strategic mergers and acquisitions until enough value has been built that it attracts the attention of a larger company or pushes through to become one of the giants. All while many employees strike out on their own to feel the sense of pride in growing their own company into something of value.

With the numbers of mergers and acquisitions on the rise over the past decade it can be hard to find a firm principal who has not been approached at least once with a proposed sale or merger opportunity. Nevertheless, most firm principals are not prepared to receive such proposals. Always being prepared can allow a principal or group of principals to make a quick decision on whether to act or not. Quick action can allow for better, speedier deals and create opportunities for a swifter transition into one cohesive new firm.

As a buyer, being prepared to receive inquiries about a merger or acquisition comes down to having a team in place that can quickly react, evaluate, and execute a transaction. This is seldom just an internal effort, as successful efforts include contributions from many external “team members.” That begins with a strong relationship with your banker. Keeping your bank aware of overall strategy can help your banker be prepared when you come looking for capital for an acquisition or more heavy-handed merger. Other external team members should include a merger/acquisition transaction attorney, accountant, management/firm integration consultant, and professional liability insurance consultant. The internal team is usually a handful of the officers and directors who understand the short- and long-term strategic goals of the firm.

Together, these two teams should be able to efficiently and accurately move through the stages of reaction. Such stages include making the firm transaction ready, initial phone calls and meetings, exchanging proprietary



Ryan
Renard

INSIDE VIEW

information (at least three previous years of financials), visits to each other’s offices, letter of intent, due diligence (legal, financial, and cultural), deal structuring, integration, and benchmarking success.

Opportunistic deals often occur between two firms that team-up on projects frequently and realize they have similar strategic goals. Alternatively, it may be that the selling firm is in some sort of distress. Either way, having a plan and team in place that can make a quick go or no-go decision on transaction opportunities can pay terrific dividends and put your firm in a place to succeed! ▽▲

RYAN RENARD is a financial analyst and consultant with ZweigWhite. Reach him at ryan.renard@zweigwhite.com.

As a buyer, being prepared to receive inquiries about a merger or acquisition comes down to having a team in place that can quickly react, evaluate, and execute a transaction.

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.

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.

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

The next seminar is scheduled for June 26 in Chicago.

Please call 800-466-6275 or log on to www.zweigwhite.com/seminars/better_seller for details.

DAVE ALEXANDER, from page 6

by carefully reading the solicitation (e.g., RFP; Combined Synopsis/Solicitation). An experienced federal proposal writer can identify administrative requirements that exceed typical boilerplate language and that may, therefore, signal an area of heightened concern by the agency (e.g., perhaps because other contractors in the past had failed to fully adhere to these requirements).

3) Establish that the firm has excellent systems and procedures, which you will tailor as necessary to meet this contract's management challenges. The longest section of this part of the proposal will typically be a discussion of your firm's management systems and procedures.

In describing your management systems and procedures, there are a few good rules of thumb:

- **Be comprehensive.** Reassure the evaluation panel that your firm represents a low-risk choice by proving that you understand the complete range of management issues that have to be addressed on federal contracts. For example, describe how your management systems and procedures address: external communications (e.g., between your firm and the client agency); internal communications (e.g., between your firm and your subcontractors); accounting systems and procedures; cost control; schedule control; quality assurance and quality control; personnel continuity; handling workload peaks and valleys; effectively handling rapid response requirements; protection of sensitive data and documents.
- **Avoid boilerplate.** Describe how you will tailor your systems and procedures to meet the unique management challenges of this contract. For example, if the contract will require a certain type of non-standard budget status report, briefly describe how your accounting system's report-writer will be tailored to print this report automatically.
- **Demonstrate knowledge of the rules.** Successful execution of a federal contract requires much more than on-time, within budget performance. It also requires strict adherence to dozens of contract clauses, which are rooted in the FAR and relevant agency supplements to the FAR. A good management plan always demonstrates the offeror's knowledge of the rules, a commitment to following them, and the company's resources and procedures for making good on this promise.

■ **Be succinct.**

■ **Be realistic.** For example, in proposing procedures for communications on the contract, don't suggest too-frequent meetings with the client. In addition to appearing unrealistic, this procedure might strike the evaluation panel as a sign that your firm will require too much daily guidance from the agency.

4) Describe an organizational approach that will resonate well with the procuring agency. Your proposal should present an organizational structure that is as simple as possible for the contractual effort that is being procured and reflects a clear vision of how the firm will manage the effort. The most compelling organizational approaches are often those that:

- Have simple, clean lines of authority and communication, with few or no dotted-line relationships.
- Clearly indicate a core group of technical staff who are fully dedicated to the contract effort.
- Are headed by a dedicated program manager who has unambiguous authority over the contract effort and who in turn has simple reporting lines directly to a senior corporate manager.
- Provide for ample administrative support, so that the contract manager will not be overly distracted by administrative details.
- Give the evaluation panel a clear understanding of who will manage each major task or project within the contract.
- Use the procuring agency's jargon, wherever appropriate (For example, if the solicitation uses the term "project leader" to denote what you normally call your "program manager," use the former.)

The goal of the management section of a federal proposal is to persuade the evaluation panel that your firm can effectively deploy its assets to achieve high-quality results, with a minimum of risk to the government. The second part of this article, being published in next week's issue, presents four more ways that you can write a management section that achieves this objective. ▀▀

DAVE ALEXANDER, Lincoln Strategies, LLC (www.LincolnStrategies.com). Alexander authored ZweigWhite's "Guide to Winning Federal Government Contracts for AEC & Environmental Firms" (2nd Edition), on which this article is based. Reach him at da@LincolnStrategies.com.

PROCESS

How good is your onboarding?

Beyond the customary, companies are seeking best practice processes that fully immerse new hires in the firm.

By LIISA SULLIVAN
Correspondent

You've put time and energy into finding that perfect new hire. Now, you want to make sure that they get what they need up front. New employee orientation materials, mentoring and support are all part of the process.



Ruth Robinson,
HR Consultant,
Kennedy/Jenks
Consultants.

HOPING FOR A RETURN TO THE GLORY DAYS. Ruth Robinson, HR consultant, **Kennedy/Jenks Consultants** (San Francisco, CA), a 430-person engineering, environmental science, and architectural services firm, says that she is not completely satisfied with the current method of onboarding new hires.

"Right now, our method is adequate," she says. "It's not best practice."

Robinson explains that when the recession hit a few years back, the company had to cut out its "Phase II Orientation," which really came close to a "best practice."

"It's remembered fondly and with a nod to a successful method of involving new hires in both training as well as becoming acquainted with cultural norms," Robinson says. "It was conducted at headquarters and lasted two full days. However, with all the air flights, hotels, food, and time away from billable work, we simply needed to cut it out. I hope the economic situation will allow this to return to its former place in our onboarding process."

Right now, Kennedy/Jenks Consultants uses a rather script-like process. Onboarding includes things such as getting forms completed, which is all done electronically prior to the employee's start date. Once in the office, the new hire works with several individuals to get basic items: business cards, name plates, computers and phones – the basic necessities. The new hire's immediate supervisor will handle job assignments, introductions and day-to-day items.

"What has been eliminated, and is sorely missed, is a connection to the larger organization," Robinson says. "When offices are located in places from Boston to Honolulu, the learning curve can be pretty great. This process is yet to be solved... without a large expense of course."

However, Kennedy/Jenks Consultants continues to put on a happy face.

"We've tried a wide variety of mentoring activities. These include things like assigning a more experienced technical individual to mentor the new hire, to doing virtual mentoring across offices. After six to 12 months, we also have the new hire self-select someone to be his/her mentor. Mentoring is so elusive, yet so needed," Robinson says.

It's a work in progress. And Kennedy/Jenks is not alone.



Liz Uzzo,
VP of HR, H2M
architects +
engineers.

EXPANDING ON THE EMPLOYEE EXPERIENCE. Liz Uzzo, vice president of HR, **H2M architects + engineers** (Melville, NY), a 225-person full service consulting and design firm, says that their company too, continues to make improvements to its onboarding process.

"We are constantly seeking feedback and making improvements with an eye

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TIPS FOR CREATING AN EMPLOYEE ORIENTATION HANDBOOK

If your company does not have an employee handbook, you may want to think about creating one. An employee handbook is an important communication tool. A well-written handbook outlines employee expectations as well as what employees can expect from your company. The handbook should also describe your legal obligations as an employer, and your employees' rights. The U.S Small Business Administration provides some tips for what to include:

- Non-disclosure agreements and conflict of interest statements
- Anti-discrimination policies
- Compensation information
- Work schedule policies (e.g., work hours, attendance, punctuality and process for reporting absences, along with guidelines for flexible schedules and telecommuting)
- Standards of conduct
- General employment information (overview of your business and general employment policies covering employment eligibility, job classifications, employee referrals, employee records, job postings, probationary periods, termination and resignation procedures, transfers and relocation, etc.)
- Safety and security policies
- Computers and technology (outline policies for appropriate computer and software use, and steps employees should take to secure electronic information, especially any personal identifiable information you collect from your customers.)
- Media relations (it's a good business practice to have a single point of contact for all media inquiries.)
- Employee benefits
- Leave policies

ON THE MOVE

ARUP NAMES CHAIRMAN: Arup (London, UK), a multidisciplinary engineering and consulting firm, announced that **Gregory Hodkinson** will take over the role of chairman. Hodkinson is joined by deputy chairmen Tristram Carfrae and David Whittleton. Together they will lead a global group of more than 11,500 staff members with turnover in excess of \$1.7 billion.

"Arup's strategy is quite simply to deliver the best quality work for our clients across all sectors," Hodkinson said. "I believe that we have the right people with the right skills to add even more value in vitally important areas such as resilient city development, transport, water and low-carbon energy, so that's where we aim to refine our focus."

Hodkinson has spent his professional career at Arup and is a passionate believer in Arup's mission, "Shape a better world." He brings more than 40 years of experience in large-scale projects to the new role, including several in the U.S. and Canada: JetBlue, British Airways and Delta Airlines terminals at JFK International in New York; New Terminal Development for Toronto's Pearson International Airport; Fulton Street Transit Center, and Second Avenue Subway in New York.

Hodkinson joined Arup in 1972, having been inspired by the firm's work on the Sydney Opera House. He worked on major urban development and transport projects in Australia and the UK, before leading the firm's expansion in the U.S. in 1988 as a founding principal of the New York office. Hodkinson became chairman of the Americas Region in 2004, a role now held by Mahadev Raman. In 2011, Hodkinson moved to Milan to lead the firm's European business and was subsequently appointed chairman of the global group by the Arup trustees, as of April 1.

KLEINFELDER NAMES CMO: Bart Schubert, a senior strategy and marketing executive well known in the architecture and engineering industry, has been named Kleinfelder's chief marketing officer.

Kleinfelder is a San Diego-based, 2,000-person architecture, engineering, and science consulting firm.

Schubert will draw from 30 years of experience to help grow Kleinfelder's key market segments, which include the energy, facilities, government, transportation, and water groups. In this new position, Schubert will work closely with Bill Siegel, the company's

president and CEO, to drive business development and brand visibility to support the company's goals. His responsibilities include driving the company's strategic growth plans and the development and supervision of Kleinfelder's client account managers.

"As we continue to execute our strategic growth plans, Bart will be instrumental in expanding our reach and presence within Kleinfelder's market segments," Siegel said. "He brings an ideal combination of senior leadership, marketing expertise, and industry knowledge that will help position us to win work, while supporting the professional development of our client-facing staff."

Schubert's strong track record has helped other prominent architecture, engineering, and science consulting firms drive worldwide business growth, improve sales efficiency, create market differentiation, and develop strong client relationships.

"I'm very excited to join Kleinfelder's accomplished senior leadership team and build on the company's successes," Schubert said. "I plan to broaden the firm's reach by translating services into new, adjacent markets, and by developing integrated service bundles with high value to our clients as we help them address increasingly complex challenges."

The CMO role is a new executive position that will provide leadership, strategy, and management of the company's marketing and sales forces.

BECKER MORGAN GROUP APPOINTS: Becker Morgan Group (Salisbury, MD), an architecture and engineering services firm, has announced two appointments.

Jordan Cooper joined the Dover, Del. office as a survey technician. His project experience with Becker Morgan Group includes Garrison Oak Technical Park in Dover, Del., the Optical Science Center for Applied Research at Delaware State University; SPI Pharma in Lewes, Del.; William F. Cooke, Jr. Elementary School in Wilmington, Del.; and Redner's Warehouse Market in Georgetown, Del.

Jennifer Sawyer joined the firm as the IT manager in the Salisbury, Md. office. Sawyer manages the IT department for all three offices. With over eight years of experience in IT, she previously worked as a senior project manager, technical support, and configuration manager.

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on the 'employee experience,'" she says.

Currently, there are many resources available to new hires at H2M:

- A "Welcome Aboard" email is sent out to all new hires. The email includes links to the things that they will need during their first week of employment (e.g., orientation guides). Also included: contact information for staff who can assist with things such as helping to understand company standards, IT, CADD/Revit, marketing standards, print room and office supplies, and information on things like setting up email signatures.
- An intranet is the communication vehicle for new hires and current staff. A member of the HR team goes through a demo of the intranet with all new hires and walks them through what is available.

- About two weeks after new hires start, HR does a follow-up meeting with a PowerPoint presentation (sometimes in a group setting) to go into more detail – beyond what was covered in their initial meeting. HR then has a follow-up meeting at 90 days and talks about what is needed and what struggles, if any, the new hire has. During the initial orientation meeting, it's also stressed that employees can always seek out a member of the HR team with questions and concerns.
- A "buddy" system is in place. New hires are assigned a buddy who helps the person figure out how to navigate the company's systems. If at all possible, H2M tries to assign this task to another employee from the same department. However, due to limited resources, the responsibility sometimes falls on the first level supervisor.
- A new hire checklist is published as an "action item" and can be used for tracking by everyone involved in the onboarding process. Every member of the team knows what they need to do and when they need to do it by. The "buddy" is responsible for ensuring that this happens. ■▲

PROFILE

A career-long commitment

During his time at KJWW, Larry Pithan has seen the firm go from 12 employees to nearly 500.

By LIISA SULLIVAN
Correspondent

Larry Pithan provides financial leadership throughout the fairly vast organization that is **KJWW Engineering Consultants** (Quad Cities, IL), a 500-person global engineering design consulting firm with 14 offices.

Pithan, senior vice president and secretary-treasurer responsible for the firm's financial management, has worked his entire career at KJWW since graduating from Iowa State University in 1973 with a BS in mechanical engineering.



Larry Pithan,
CFO, KJWW
Engineering
Consultants.

Throughout this time, he has held various positions. For the past 10 years, he has been the CFO.

“When I first started with the firm, there were 12 employees,” Pithan says. “Now we have approximately 500. I am most proud of being involved in the firm’s growth. A significant part of that growth occurred since I became CFO. As a company grows, there are different challenges that must be addressed and it has been very rewarding to respond to these challenges and to see our success.”

Pithan is also the recipient of ACEC-IL’s Community Service Award and a Lifetime Achievement Award from the Quad City Science and Engineering Council. He is licensed in 12 states and is a member of ASHRAE, ASME, NSPE and IES.

A CONVERSATION WITH LARRY PITHAN

THE ZWEIG LETTER: Can you give us a detailed overview of your responsibilities?

Larry Pithan: The accounting department, through our comptroller, reports to me. I lead our acquisition team and am responsible for all corporate insurance – general and professional liability, and take an active part in risk management. I also work with our comptroller to manage cash flow, budgets and company growth. The human resources manager also reports to me.

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

LP: With a background in engineering, I certainly have been a “numbers” guy my whole career. I think the thoroughness and practical problem-solving that I learned as an engineer have served me well in the CFO position. I do lean towards the conservative side, and I think this is an important strength for a CFO. While there are always risks in a business, it’s important to manage those risks – especially when the financial health of the company is involved.

TZL: How would you describe your work style?

LP: Growing up as a Midwest farm boy, I obviously developed a strong work ethic and I have continued this throughout my career. The one thing I always have attempted to do, whether as an engineer or a CFO, is to enable younger staff to develop their own careers. One of my earlier bosses told me that the only way to advance is to train someone to take your place. I receive great satisfaction in seeing those around me who have progressed and become successful.

TZL: What are your top priorities for 2014?

LP: We are still seeing some significant challenges in 2014. A large part of our business, historically, has been in the healthcare industry. With the economic downturn several years ago, this segment took a big hit. There certainly is some pent-up demand, but with the seemingly daily changes in the insurance rules, most healthcare owners are reluctant to make the investment in new facilities. As

such, we continue to look for diversity both in markets and geography. We have spent considerable time and effort developing international work and it looks like 2014 will see some return on that investment.

TZL: What has been your greatest on-the-job challenge to date? How did you deal with it?

LP: I continue to be amazed at how our profession is treated with respect to timely payment of our fees. Collections are a continuing challenge. Some clients were not well positioned for the economic depression and they did not respond quickly enough to cut their internal costs. This meant that payments to their subconsultants were often way past due. We have redoubled our efforts on collections and adopted some additional tactics. I believe this is a challenge that never will go completely away – it just needs to be managed as effectively as possible.

TZL: What is your favorite part of the job?

LP: The consulting field is a very interactive business – internally and externally. I enjoy the planning and strategy that goes along with the CFO position and the great interaction with other employees. With the growth of our firm over my career, I have always felt there were challenges and opportunities for me to learn. It has been a great career.

TZL: What do you enjoy in your spare time?

LP: My wife and I enjoy traveling and have visited many wonderful places around the world. Now that our granddaughter is old enough, we have begun showing her many of our favorite destinations. I am also a hands-on guy and enjoy woodworking.

TZL: What have been some of your more unusual travel destinations?

LP: Cape Horn on the Isla Hornos, Chile.

TZL: Who do you look up to most?

LP: I really respected Ward Jensen – one of the founders of KJWW. His ethics were beyond reproach. He was a great mentor and had an incredible sense of humor.

THE ZW15

A bright quarter for ZW15 firms

M&A activity, new projects on the rise.

By RYAN RENARD
Consultant

Nothing drives an A/E firm more than winning new projects. There have been some big winners lately. **AECOM** (Los Angeles, CA), a 47,000 person global provider of professional technical and management support services, and **Shaw Environmental & Infrastructure**, subsidiary of **Chicago Bridge & Iron** (The Hague, Netherlands), a 50,000 employee engineering, procurement and construction company, were among a handful of companies that received pieces of large \$361.8 million contracts from the Pentagon in support of the U.S. Army Corps of Engineers. CBI has also received two contracts for a liquefied natural gas project in Australia right on the heels of another \$6 billion LNG construction project in Hackberry, La. and a \$100-million-plus contract in Texas and \$40 million from Oman Oil Refineries and Petroleum Industries Company. CBI is rapidly eating up more share of the market and establishing itself as the go to company for gas, petroleum, and chemical storage and manufacturing facilities.

New contracts means new capital; this opens up acquisition opportunities for the big players of the industry. **AMEC**

(London, UK), a 29,000 employee multinational consultancy, engineering, and project management company has signed an agreement for the purchase of U.S. listed but Switzerland-based **Foster Wheeler AG** (Baar, Switz.) a global engineering conglomerate with 14,000 employees, for \$3.3 billion – including some stock for stock trade plus cash per share to stockholders. This happening while Foster Wheeler is in the process of acquiring **MDM Engineering**, a South Africa engineering and mining company, as well as the environmental services division of Siemens.

All of this activity is proving to be encouraging for the industry – as stocks rise to post-recession peaks, some are at their highest point ever. **EMCOR Group** (Norwalk, CT), a mechanical and electrical construction, energy infrastructure, design/build, life safety, and facilities services firm, hit an all-time high in March along with **Tetra Tech** (Pasadena, CA) and **Stantec** (Edmonton, AB). Both **Jacobs Engineering Group** (Pasadena, CA), one of the world's largest construction consulting firms, and **Fluor Corporation** (Irving, TX), a 38,000 employee global engineering and construction firm, are their highest price per share since 2008-2009. This quarter is looking bright for the firms in the ZW15. Acquisitions and stocks rising (not too fast of course) are a sign of a healthy industry and one that is making new advancements with every project. ▲▲

MARCH MULTIPLES

Ticker	Name	Market	Share Pricing								Efficiency				
			Market Cap	Close Feb 28, 2014	Close Mar 31, 2014	Begining of Month Change	% Month Change	Change from 50-day MA	% Change from 50-day MA	EPS	EV/Revenue	EV/EBITDA	Price/Sales	Price/Book Value	
ACM	AECOM Technology Corp	NYSE	3.2B	31.94	32.17	0.23	1%	1.15	3.68%	2.58	0.45	8.08	0.39	1.51	
CBI	Chicago Bridge and Iron Co.	NYSE	9.36B	84.19	87.15	2.96	3%	4.52	5.47%	4.23	0.95	11.29	0.84	3.99	
EEL	Ecology and Environment	Nasdaq	41.95M	11.98	9.58	(2.40)	-25%	(1.59)	-13.99%	(1.10)	0.28	(13.94)	0.33	1.04	
EME	EMCOR Group Inc	NYSE	3.16B	46.78	46.79	0.01	0%	2.31	5.14%	1.82	0.47	10.59	0.49	2.13	
ENG	ENGlobal	Nasdaq	42.79M	1.62	1.56	(0.06)	-4%	0.02	1.52%	(0.11)	0.23	30.56	0.25	1.88	
EXPO	Exponent Inc.	Nasdaq	991.87M	71.24	75.06	3.82	5%	2.54	3.46%	2.76	2.88	13.26	3.5	4.17	
FLR	Fluor Corp	NYSE	12.43B	77.69	77.73	0.04	0%	(0.15)	-0.19%	4.06	0.38	7.38	0.46	3.34	
FWLT	Foster Wheeler AG	Nasdaq	3.26B	32.12	32.42	0.30	1%	1.17	3.68%	0.96	0.83	11.28	0.97	4.28	
HIL	Hill International Inc	NYSE	228.56M	4.50	5.50	1.00	18%	0.92	19.34%	0.04	0.62	7.96	0.43	1.68	
JEC	Jacobs Engineering Group Inc	NYSE	8.41B	60.65	63.50	2.85	4%	1.85	2.99%	3.18	0.69	11.01	0.69	1.94	
KBR	KBR Inc.	NYSE	4.01B	27.62	26.68	(0.94)	-4%	(1.97)	-6.79%	1.54	0.40	7.33	0.54	1.51	
STN	Stantec Inc	NYSE	2.83B	61.33	61.08	(0.25)	0%	0.51	0.84%	3.20	1.54	11.40	1.52	3.13	
TRR	TRC Companies	NYSE	201.84M	6.90	6.65	(0.25)	-4%	(0.02)	-0.23%	1.13	0.54	16.81	0.58	1.69	
TTEK	Tetra Tech Inc.	Nasdaq	1.92B	28.88	29.59	0.71	2%	0.13	0.45%	(0.02)	0.97	14.12	0.96	1.88	
URS	URS Corp	NYSE	3.47B	46.50	47.06	0.56	1%	1.66	3.57%	3.31	0.44	6.34	0.31	0.86	
VSR	Versar Inc.	NYSE MKT	38.73M	0.78	4.00	3.22	81%	0.04	1.02%	0.14	0.33	6.47	0.34	1	
WLDN	Willdan Group Inc	Nasdaq	33.82M	4.61	4.53	(0.08)	-2%	(0.02)	-0.39%	0.35	0.37	9.73	0.39	1.65	
DJIA	DOW Jones Industrial Avg.	NYSE		16321.71	16457.66	135.95	1%								
											Average	.73x	9.98x		
											Median	.47x	10.59x		

Information at close of day, April 1, 2014.