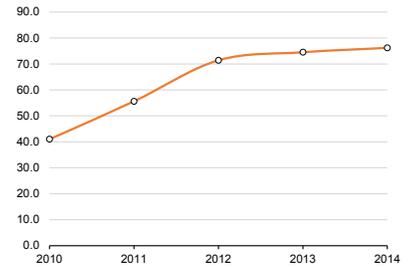


Personal liberation

Feel trapped at work? Four suggestions from Mark Zweig to help you have a saner lifestyle.

TRENDLINES

Space hungry



ZweigWhite's 2014 Information Technology Survey finds that the amount of local shared online disk storage A/E firms provide per employee continues to increase at a steady pace, despite the availability of cloud-based storage. According to the study, the median percentage of local shared online disk storage per employee has reached a five-year high of 76.2 gigabytes, climbing from 74.5 gb in 2013. Moreover, this number climbed to 71.4 gb in 2012 from 55.6 gb in 2011 and 41 gb in 2010.

— Margot Suydam, Director, Research

2014 MARKETING SURVEY

Participate and save! The deadline is Friday, June 20. Take the survey at www.zweigwhite.com/survey-participation.php

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Mark Zweig

EDITORIAL

It's interesting – and frustrating as well – to see how many A/E/P and environmental firm owners and managers feel trapped by the firms they work in.

It's easy to understand how this can happen to any of us. We work in project-centric businesses. Client demands from outside the organization have to be met. If they aren't met, we aren't needed – we become unemployed and our firms go out of business.

But the truth is, all demands on our time are not coming from outside. The higher up you go in the hierarchy, the more time you spend on firm management. There are so many meetings and requests for information. Personal stuff can be hard to fit in, too, especially in families with two parents who work outside the home. Picking up Johnny from school, taking Sally to her softball game, and running your car to the dealer 30 miles from home all take up our limited time and contribute to us feeling trapped.

So how can we be liberated? Here are some thoughts:

1) Get capable people working for you.

The second-in-command(s) and the direct reports to each of us are extremely

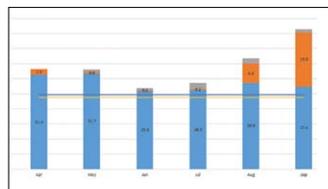
See MARK ZWEIG, page 2

You don't need to say 'yes' and sign up for every committee in your professional association. You don't need to say 'yes' to every request for an 'informational interview' from job seekers you know you wouldn't hire.

MORE COLUMNS

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Presenting the financial picture

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A/E BUSINESS NEWS

POPULATION GROWS FASTER IN SOUTH AND WEST: Austin has been the capital of Texas since 1839, and in 2013 the area became the nation's capital for population growth, according to new U.S. Census Bureau estimates. San Marcos, Cedar Park and Georgetown – each near Austin – ranked among the 10 fastest-growing cities with populations of 50,000 or more during the year ending July 1, 2013. San Marcos was number one in percent growth for the second consecutive year, with Austin itself gaining more people (nearly 21,000) than any city with fewer than 1 million residents.

The South and West dominated the list of fastest-growing municipalities between 2012 and 2013, claiming all of the top 15, seven of which were in Texas. Frisco and McKinney (near Dallas), Odessa (in West Texas) and Pearland (near Houston) were the other Texas cities on the list.

In terms of numeric growth, 13 of the 15 cities that added the most people between 2012 and 2013 were in the South or West, except for New York City, which ranked first in numeric population growth. The nation's largest city, New York, added 61,440 people in the year ending July 1, 2013. New York continued to be the nation's most populous city by a wide margin, with 8.4 million residents in 2013, followed by Los Angeles and Chicago. The list of the 15 most populous cities has remained unchanged since last year, aside from Indianapolis moving past Jacksonville to number 12.

The list of the top 15 numeric gainers was also bookended by another city outside the South or West: Columbus, Ohio, which gained 12,450 people. In between were five Texas cities (Houston, San Antonio, Austin, Dallas and Fort Worth) and three in California (Los Angeles, San Diego and San Jose).

The statistics cover all local governmental units, including incorporated places (like cities and towns), minor civil divisions (such as townships) and consolidated cities (government units for which the functions of an incorporated place and its parent county have merged).

For more information about the geographic areas for which the Census Bureau produces population estimates, visit www.census.gov/popest/about/geo-topics.html.

MARK ZWEIG, from page 1

crucial to the quality of our lives. Yet, A/E firms seem plagued by a culture of what I call "The Full Employment Act of the A/E Industry," where we act like we're obligated to keep whomever comes to work for us employed forever, regardless of their capabilities or performance. You have got to stop thinking like this because you are the paying the price with your very life.

2) Learn to say "no." I'm not encouraging you to become a negative jerk but I am suggesting you simply cannot say "yes" to every request you get, especially when it may be something that you just don't have time for. You don't need to say "yes" and sign up for every committee in your professional association. You don't need to say "yes" to every request for an "informational interview" from job seekers you know you wouldn't hire. You don't need to say "yes" to those who want only 30 minutes of your time to sell you something. There are many, many more of these kinds of time wasters and you have to say "no" to more of them.

3) Get control over your email. Email can take so much of your time if you let it. Unsubscribe. Don't feel obligated to reply to every "reply" you make. Don't copy everyone and then get their

copies. I've even gone as far as requesting I not be included in threads that I don't need to be involved in. And, allocate a certain time every day to file your inbox so it doesn't build up too much.

4) Don't take on the extra "job" of Facebook, Twitter, etc. I've said before that I have found both Facebook at Twitter to be effective marketing tools for both ZweigWhite and my design/build/development business, Mark Zweig, Inc. I'm not a fan of LinkedIn but it, too, can be a great recruiting tool. That said, I also know their downsides. They can take up a lot of your time. It's easy to make a Facebook post about a project and then get sucked into 20 minutes of looking at your wife's postings of pictures of your kids, what your neighbor ate for dinner last night, and what particular cause or complaint one of your former college roommates is ranting about. Take control and say "no" to this stuff.

All of these things – and many more – will work to liberate you and help keep you from feeling trapped. Want to add to this list? Send me a line and we will try to publish your comments. ▶▶

MARK ZWEIG is the chairman and CEO of ZweigWhite. Contact him with questions or comments at mzweig@zweigwhite.com.

USGBC LAUNCHES MAGAZINE: The U.S. Green Building Council launched *USGBC+*, a new magazine for its community of nearly 13,000 member organizations that are committed to USGBC's mission to create sustainable buildings and communities for all within this generation.

The magazine is available as a complimentary amenity for USGBC members, which range from small businesses to multinational corporations, local governments, educational institutions and nonprofit organizations.

USGBC+ content reflects the best and brightest minds in green building, curated by the creators of LEED (Leadership in Energy and Environmental Design), the world's premier green building program. Each issue will highlight green building stories, strategies and lessons, exploring the inspiration and motivation of the leaders and project teams responsible for transforming our built environment. The magazine's sections reflect USGBC's different programs, from advocacy to international, as well as the principles that guide USGBC's LEED rating system, ranging from addressing climate change to facilitating a green economy.

The inaugural May/June 2014 issue highlights Detroit, the location of this year's annual USGBC Mid-Year Meeting, a gathering of the organization's 76 local chapters and volunteer committees.

THE ZWEIG LETTER

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ENTREPRENEURSHIP

The parallel services solution

One firm's been doing it for a long time, the other has just begun. What are they doing? Offering complementary services to their VIP clients, while standing on their own two feet.

By LIISA SULLIVAN
Correspondent

What if, as a firm, you start noticing that you can't meet many client needs, but should? Those services are just on the margin of your area of expertise – such as helping client XZ secure a grant for a project you could be hired to work on.

The two firms below found themselves in that situation and decided to make a move, launching subsidiaries or parallel operations that provide those complementary services and, at the same time, help ensure additional revenue and opportunities.

FORWARD THINKERS. In 1988, Dennie Martin and Gary McGill started Martin-McGill (Asheville, NC) to fill a strategic gap in the **McGill Associates'** service offering. McGill Associates, also in Asheville, is a 115-person civil, environmental and electrical engineering consulting, as well as planning, landscape architecture and public finance services firm. Martin-McGill is a professional services spin-off firm led by Jessica Martin-Lane.

In the late 80s, McGill Associates was experiencing significant growth and was becoming a well-thought-of engineering services provider in North Carolina. To continue on its successful growth trajectory, Gary McGill recognized that the firm's engineering services needed to remain grounded; but the need for a wider variety of consulting services was apparent.

For example, in the public sector, clients were having trouble finding ways to pay for critical infrastructure projects. McGill Associates had helped them figure out how to fund such improvements. Servicing those clients better now included offering non-engineering consulting in the areas of planning, public finance, real estate and operational management outside of the engineering firm. It quickly became evident that "outsourcing" these services to a differ-

ent company was the best strategic solution for McGill Associates. Enter Martin-McGill.

Although completely separate entities, the mutual interests and dependency between the two organizations has preserved the operational relationship and caused both firms to grow stronger over the

Paul Bescher, Creative Strategist, and Sarah Barr, Creative Director, Hickok Cole Creative.



Jessica Martin-Lane, President, Martin-McGill.



"The services we provide to McGill Associates' clients are not perceived as add-on services at all. They are a critical piece of McGill Associates' core service offering and tightly integrated with certain scopes of work."

years. The client/consultant association has kept the marketing services on the cutting edge and avoided the potential for lost efficiencies that is common in organizations that grow rapidly.

In addition to the multitude of managerial and financial consulting services that Martin-McGill provides to McGill Associates and other public and private clients, the venture also provides the following marketing and business development-related services:

- **Project specific response.** Identification and qualification of specific engineering projects and actual proposal development, delivery and follow-up. These services also address the continuing need to produce and update collateral materials – experience and personnel information that is necessary for proposal development and marketing presentations.
- **Strategic client maintenance.** The most effective marketing is through continuation of existing relationships with clients and the solicitation of their new and future engineering work. Martin-McGill assists McGill Associates with anticipating client needs, planning for smooth and continuing contact with key client representatives, monitoring of community and client news and events, and addressing damage control as required to maintain the client. The fundamental marketing element is planned for annually as a component of the marketing planning activities. It involves key staff from both organizations. There is also a very important training element that requires consistent attention.

See SERVICES, page 4

SERVICES, from page 3

- **Print and electronic media marketing services.** These services encompass the placement of advertising, design and maintenance of the website(s), monitoring of various news services, design of promotional materials used in advertising, and monitoring of the media services of competitors.
- **Marketing strategy and general marketing management.** Marketing research and planning, interface with McGill Associates regional offices and managers, relationship building with state and federal agencies and potential private partner organizations, professional and service organization conferences and exhibits.
- **Direct business development marketing.** These activities include direct contact with potential McGill Associates clients by face-to-face encounters, email, direct mail and other opportunities for direct promotion of engineering services. Direct marketing services necessitate careful day-to-day planning, development of relevant personal skills, continuing training, and a variety of tools and materials needed by the staff.

Martin-McGill often provides grant/loan funding assistance to clients on McGill Associates' behalf; it will work with the client to prepare grant or loan applications where McGill Associates is serving as the engineer of record. Martin-McGill has been successful at procuring more than 320 grants/loans worth in excess of \$370 million to McGill Associates clients.

"The services we provide to McGill Associates' clients are not perceived as add-on services at all," says Jessica Martin-Lane, president, Martin-McGill. "They are a critical piece of McGill Associates' core service offering and tightly integrated with certain scopes of work."

For example, if a municipality desires to go through a water/wastewater capital improvement planning exercise, McGill Associates performs the necessary services to lead the client through identification of its infrastructure capital needs. During this process, McGill Associates would engage Martin-McGill to lead the client through a series of financial modeling exercises and "what-if" scenarios to where certain levers, such as project timing, needed revenues, effect on utility rates, possible grants/loan opportunities, effect on fund balance, etc. are taken into consideration to develop a capital plan for the client that is doable and realistic from a financial perspective.

Today, Martin-McGill is a certified woman-owned small business.

"This designation provides yet another strategic advantage to McGill Associates when competing for local government projects and is just another example of how we have continued to adapt and evolve our organization to provide relevant services to one of our most important clients," Martin-Lane says.

GETTING CREATIVE. Sarah Barr, creative director, Hickok Cole Creative (Washington, D.C.), says that there was always an opportunity to incorporate graphic design into projects at **Hickok Cole Architects** (Washington D.C.). Initially, jobs started as add-on services to base building and interiors projects. But, after the positive client feedback, folks within Hickok Cole quickly realized that these services could be turned into a stand-alone revenue source. And, these servic-

es were appealing not just to their current clients, but to the industry at large. So began the recent launch of Hickok Cole Creative.

Hickok Cole Creative works with architecture and interiors' clients, but it also has clients and projects of its own, with no connection to other departments at Hickok Cole Architects. It has four focus areas:

- Branding + Identity (naming, logo, photography)
- Print collateral (brochures, packaging, advertising)
- Digital assets (websites, video, data visualization)
- Signage + Graphics (wayfinding, branded environments, banners)

"We have a wide range of clients. Some may want a postcard, others may require branding and marketing programs for multi-million dollar assets. Now that our brand has officially launched, we're seeing a huge amount of buzz."

"We have a model that takes full advantage of the resources at our disposal," says Sarah Barr, creative director. "If we need to consult with someone from our Lifestyle division on target market information, we can. And if there's something we can't produce ourselves in-house, we partner with someone and manage the process."

So, what has the Hickok Cole Creative done lately?

Currently, they are marketing an asset developed by real estate investment firm Lowe Enterprises and managed by developer Kettler. These longstanding clients of Hickok Cole Architects asked Hickok Cole Creative to submit a proposal to create a comprehensive package to brand and market a new multi-family housing development in the D.C. area (the architecture and interiors for this project were by other firms). They ultimately selected them to develop the name (The George), logo, color palette, stationery suite, advertising, print collateral, leasing sheets, a fully responsive website, building signage, leasing signage, giveaways and photography.

Hickok Cole Creative has also worked for NYU Washington, D.C. Hickok Cole Creative designed a signage and wayfinding package that complements the design of the building and its interiors (designed by Hickok Cole Architects). The project includes a wall-sized lit graphic of the D.C. map, distraction graphics at the glass entry, room signage, auditorium backdrops, electronic donor wall and exterior signage.

"We have a wide range of clients. Some may want a postcard, others may require branding and marketing programs for multi-million dollar assets," says Paul Bescher, creative strategist. "Now that our brand has officially launched, we're seeing a huge amount of buzz." ▲▲

ABI

The numbers are pointing ↓

The ABI is receding, construction starts are down and the big guns are underperforming. What's up with the design industry?

By JOÃO FERREIRA
Managing editor

Things are slowing down before they really pick up in the A/E/P and environmental consulting arena. It is, however, just a hiccup, the experts promise.

While some of the big guns in the industry started the second quarter posting last than stellar performance, as indicated by the ZW15 index (see **THE ZWEIG LETTER**, May 19 issue, #1056), now it's the Architecture Billings Index that announced another month of lackluster performance.

The American Institute of Architects announced on May 21 that the ABI continued in negative territory for the second month in April – the ABI score was 49.6, up slightly from a mark of 48.8 in March. This score reflects a decrease in design activity (any score above 50 indicates an increase in billings). The new projects inquiry index was 59.1, up from the reading of 57.9 the previous month.

Still, AIA officials believe this is a temporary hesitation.

“Despite an easing in demand for architecture services over the last couple of months, there is a pervading sense of optimism that business conditions are poised to improve as the year moves on,” said Kermit Baker, AIA chief economist. “With a healthy figure for design contracts this should translate into improved billings in the near future.”

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.

The AIA has added a new indicator mea-

suring the trends in new design contracts at architecture firms that can provide a strong signal of the direction of future architecture billings. The score for design contracts in April was 54.6.

Meanwhile, Reed Construction Data announced in mid-May that the value of April construction starts, excluding residential contracts, fell 4.9 percent to \$22.6 billion after rocketing 47.8 percent higher in March.

KEY APRIL ABI HIGHLIGHTS:

- Regional averages: South (57.5), West (48.9), Midwest 47.0), Northeast (42.9)
- Sector index breakdown: multi-family residential (52.6), commercial/industrial (50.2), mixed practice (50.7), institutional (47.1)
- Project inquiries index: 59.1
- Design contracts index: 54.6

The regional and sector categories are calculated as a three-month moving average, whereas the national index, design contracts and inquiries are monthly numbers.

The April starts data are an indication the adverse weather conditions many parts of the country are still experiencing (especially heavy rains and flooding) continue to have a negative impact on construction activity, said to Bernard Markstein, an economist with Reed Construction Data.

The April starts numbers were generally negative, with only a few bright spots. The year-to-date numbers were somewhat better. Only heavy engineering was showing any evidence of improvement. The weather may still be responsible for the poor starts numbers. However, unless there is real improvement in coming months, this explanation will no longer be viable, Markstein said.

“For now, various data indicate the economy is bouncing back from a brutal winter and a difficult spring,” Markstein wrote in his report. “We are still comfortable with our forecast of non-residential construction starts improving significantly in coming months, eventually exceeding last year's starts numbers.” ▀▲

RESOURCES

INFORMATION TECHNOLOGY SURVEY:

Is your firm state-of-the art in computer, mobile device, networking, Internet, telephone and email technology?

How much did your firm spend on computers last year? How much on networks, hardware, software, training, consultants, and everything else? Was it too much or not enough?

On one hand, you can't afford to underinvest in information technology to run your business. On the other hand, you can't afford to over-invest, driving up overhead and making it impossible for you to compete.

So how do you determine what's normal for IT spending in a firm of your type, size, or region?

If you're looking for answers to information technology dilemmas, you need the 2014 Information Technology Survey of Architecture, Engineering, Planning & Environmental Consulting Firms.

Updated this year with input from IT directors at leading A/E/P firms, this report contains all the latest data on IT systems, spending, staff, and more.

Whether you need to find out how your firm's spending stacks up among other firms in the design and environmental consulting industry; you're looking to justify new hardware or software purchases; or you want to find out how other firms use project web sites, firm web sites, and other IT tools, this is the book for you.

The information is broken out by firm type, staff size, region of the firm's headquarters office, firm growth rate, and client base so you can make comparisons between your firm and others just like it.

Arm yourself with the 2014 Information Technology Survey to:

- Find out how much other firms of your size, type, or region are spending on information technology.
- See how many IT staff are typical for a firm of your size, and get background, qualifications, and compensation data for IT directors and managers.
- Get the hard facts on the systems and platforms in which firms are investing.
- Make sure your firm is on the leading edge – not the bleeding edge – of technology.

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/p-2197-information-technology-survey-2014.

Here, there, and everywhere

Managing project information
in a multi-platform world.

Project information is everywhere. It's in Microsoft Office files on company servers. It's in CAD files on cloud storage services. It's in mobile apps on tablets and smartphones. It's in BIM data. It's in email, and in ZIP files attached to email.

These project information silos create problems for design and construction projects. Workers have to spend time moving information, or even re-keying information, that does not flow seamlessly from one platform to another.

In addition to creating busywork for already busy individuals, every time the information is handled in this way, the risk rises that information will be entered incorrectly, or not entered at all.

FROM EMAIL TO DIGITAL MODELS: AN INTERCONNECTED WORKFLOW. Consider architects and engineers visiting the job site, gathering notes for a site visit report. While there, they receive an email inquiring about the model and placement of a chiller on the roof. They walk to the roof to answer the question on the spot.

Once there, the design professionals use their iPads to photograph the chiller and details of its location. They use a mobile app on the tablet to create an RFI, and attach the photos to the request for information.

To add clarity to the RFI, they open the building's plans on the tablet and drop a pin at the location of the chiller, associating the location to the RFI and removing all doubt as to the chiller's placement.

Lastly, while they are still in the field, they automatically upload the data to project information management software back at the office, where the project manager can manage the RFI with all the other RFIs associated with that project.

At the office, the PM checks the field note against the chiller specifications in the BIM data. The PM opens the model and confirms that it calls for that model of chiller at that location. The PM links the chiller in the model to the RFI in the project files.

The PM closes the RFI, which confirms the requested information and automatically emails a notification to all of the stakeholders, closing the loop. The emails, the photos, the field notes, the plans – everything is part of the project record.



**Bob
Batcheler**

**GUEST
SPEAKER**

In this process, all the steps are linked, and the process is complete. The original email generates an RFI, which is tied to its locations on the CAD plans and in the model, and the entire work process is captured for project records.

Note the software platforms used: email, mobile apps for field notes and plans, PIM software, and BIM software.

And it should be added that the BIM model may also be published to the cloud, where team members lacking BIM software and know-how can view and navigate it.

This process is the ideal. Is it available? How can you get it?

STRATEGIES FOR MULTI-PLATFORM PROJECT INFORMATION MANAGEMENT. Design and construction companies have three basic strategies to follow in managing project information:

See BOB BATCHELER, page 8

The reality is that design and construction projects work best when all team members work together. The ideal project information management strategy connects team members and makes project information available wherever people need it.

A complete and accurate application

Steps to manage professional liability insurance costs.

Here's an issue that comes up more frequently these days: Two A/E firms with the same total billings and scope of services complete professional liability insurance applications. Yet, one firm's premium is 15 percent higher than the other's. Why is that? It is likely due to how the firm's billings and activities were portrayed on their professional liability insurance renewal application. Experience has shown that being accurate and providing sufficient detail can help keep your firm's premium low. Here are a few areas where added clarity may make a significant difference in your premium costs.

BILLINGS. From an underwriter's perspective, all billings are not equal. Be sure to allocate billings as accurately as possible among the available categories in the application. For example, consider the following:

- **Feasibility studies.** Most insurers discount billings for feasibility studies, master plans, reports, and opinions by as much as 60 to 75 percent. If a study then becomes a full-blown project, you still may be able to categorize the original study billings under "feasibility." For instance, if you examine four alternatives and one is chosen, billings for analyzing the other three options may fall under feasibility studies.
- **Abandoned projects.** Billings for projects abandoned prior to the construction documents phase are also discounted or excluded. Such projects may be on hold, pending financing or other considerations, or truly abandoned. So, there is nothing likely to lead to a claim.
- **Projects with project-specific policies.** Many insurers treat billings from a project covered by a project-specific professional liability insurance policy differently.
- **International work.** International projects have generally created fewer claims and may be discounted by 25 percent or more.
- **Direct reimbursables.** Your insurer may exclude from the premium calculation any directly reimbursable expenses billed separately and not included in your fees for professional services. These expenses include costs of copying documents, traveling to construction sites, and other incidental costs. Even when clients include reimbursables as a percentage of your fees, you still may be able to negotiate a discount with your insurer by estimating the amount of reimbursables involved.
- **Insured subconsultants.** Some underwriters discount revenues associated with subcontracted work to other consultants, as long as these subconsultants are insured. If your application does not request this information, ask about possible discounts.



Dan Knise

GUEST
SPEAKER

SERVICES, PROJECTS AND PROFESSIONAL STAFF. In calculating premium, underwriters also focus on services provided, whom they are provided for, types of projects undertaken and the number of professionals employed by your firm. A few areas to think about when completing your application are:

- **Construction or facilities management.** A discount of 35 percent or more may apply to a firm's coordination of the interface between design and construction or your role in facilities management.
- **Type of client.** History has shown that some clients (e.g., schools) create more litigation and claims than others. Applications will typically ask you to identify the percentage of work you do for each type of client. Be careful to provide an accurate picture.
- **Services and projects.** Most applications include choices for firms to describe their professional service and request allocations by percentage for each category. Some categories, such as structural or geotechnical

See DAN KNISE, page 8

From an underwriter's perspective, all billings are not equal. Be sure to allocate billings as accurately as possible among the available categories in the application.

IN BRIEF

ARUP'S RUSSELL FORTMEYER PENS BOOK: Russell Fortmeyer, an associate in Arup's Los Angeles office, has co-authored a book on kinetic architecture with industry expert Charles Linn, an architect who has specialized in architectural journalism for more than 25 years. "Kinetic Architecture: Designs for Active Envelopes" was published in April by Images Publishing Dist Ac. The foreword is written by well-known German architect Christoph Ingenhoven.

The Scottish architect and professor Alan Dunlop, in his review in the April issue of "The Architects Journal," wrote that the book succeeds as it "explores in a comprehensive and rigorous manner how contemporary architects have reacted to escalating international concern over the use of natural resources and climate change by modulating their designs to consume less energy, perform better and respond to site context."

DAN KNISE, from page 7

engineering, generate significant debits (i.e., higher premiums); others, such as landscape architecture, generate credits (i.e., lower premiums). The same is true for types of projects. Debits and credits vary by insurer, so ask your insurance broker to explain your insurer's approach. Services, such as project or program management, that may not fit the specified categories, should be listed under "other." Provide thorough explanations of each service.

■ **Licensed professionals.** Practically all professional liability insurance applications ask for the number of licensed professionals your firm employs: architects, engineers, land surveyors, landscape architects, and all others. This breakdown does not include temporary or leased professionals and these individuals should be listed separately with an explanation. That will help you avoid surprises if a claim arises from their work.

CLAIMS. Claims information is another key determinant of your insurance premium. Be sure to review your insurer-provided loss runs to make sure that the claims information listed is accurate and hasn't changed (e.g. maybe a claim has

The book is focused on façades as the intersection of energy and human comfort, as well as aesthetics, with a detailed exploration of the historical use of façades as dynamic building elements. The book illustrates the various ways architects, façade consultants, and engineers approach energy and comfort by manipulating air, water, and light through the layers of passive and active building envelope systems. Common techniques include shading strategies, such as high-performance operable blinds, double-skinned façade systems that create an active thermal barrier with accommodations for seasonal adjustments, and the simple practice of installing lift-and-pivot replacement windows. It also explores radically new ideas in façade technology, such as hydronic shroud systems that run water through porous ceramic pipes to create an evaporative cooling effect blanketing a building's exterior.

been settled for less than the reserve amount). Also, be sure you (and your broker) understand the information on the insurer loss run. Some insurers actually not only list reported claims but also reported circumstances (otherwise known as potential claims or pre-claims).

While we always encourage reporting such circumstances/potential claims, you wouldn't want a potential new insurer reviewing your loss run to assume that each item listed on the loss run is a claim if, in reality, it is a pre-claim. In addition, if you decide to change insurance companies, be extra careful to ensure that all claims and potential claims are reported to your current insurer before expiration.

Today, A/E professional liability insurance applications are thorough, requiring you to provide a great deal of detailed information. By answering the questions as carefully and completely as possible, you may be able to shave some costs off your annual premium. ▲▲

DAN KNISE is the president and CEO at Ames & Gough. Contact him at dknise@amesgough.com.

BOB BATCHELER, from page 6

- Best in class software
- Design or financial software spinoffs
- Dedicated PIM software

BEST IN CLASS SOFTWARE. Whether "best in class" is truly superior depends on what class of software is being discussed. Microsoft Office Outlook may be best-in-class email software, but as already noted, email is just one subset of project information.

It's a similar situation with mobile apps. The app stores offer very popular products to take and manage notes on smartphones and tablets, but it's not a simple matter to integrate that app data with related project information.

In the software industry, best in class products are also referred to as "point solutions," suggesting that they address very specific problems, but don't necessarily integrate with other software and processes.

DESIGN OR FINANCIAL SOFTWARE SPINOFFS.

Makers of design and financial software recognize the interconnectedness of project information and are introducing products to manage it. However, integration will be limited to the maker's products. Oft-used applications such as email may be slighted.

DEDICATED PIM SOFTWARE. A third approach to design and construction project information management is to employ products designed to integrate with a wide range of existing applications, and to fill in the gaps between them. This is the strategy used in the chiller RFI example above.

EVERYONE NEEDS INFORMATION EVERYWHERE, ALL AT ONCE. The reality is that design and construction projects work best when all team members work together. The ideal project information management strategy connects team members and makes project information available wherever people need it – at the office, from the cloud, or on the go. ▲▲

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STAFFING

How are firms sourcing candidates?

Social media is part of the equation, but firms do not have a dedicated person scouring LinkedIn and Facebook.

By LIISA SULLIVAN
Correspondent

How do firms identify potential targets for recruiting? Is there designated staff to scan social media and research job boards? Surprisingly, three global firms say, “No.” While most use social media for one aspect of recruiting or another, it’s really not the top dog.

TRADITIONAL METHODS REMAIN TRIED AND TRUE. Laura Harman, senior HR manager at **Kleinfelder** (San Diego, CA), a 1,800-person global science, architecture and engineering consulting firm, says that they focus on the traditional search approach. After comparing the position requirements, skill sets, education and years of experience, HR professionals then search a variety of job boards, professional associations/groups, conduct Boolean searches, look at profiles on social media, and examine existing databases to identify individuals who closely match the position’s requirements.

They also conduct industry research – including competitors with service lines that mesh with theirs – and then search for specific individuals who work or have worked for those organizations.

“These individuals can be a match for our position, but can also be a referral source for other candidates,” Harman says. “We use our network of industry contacts, spreading the word about the position and ask for referrals.”

Many of Kleinfelder’s positions are posted on major job boards or through other means (including their website) that don’t require a need for specialized searches. However, for positions that require unique skill sets and have high market demand, Kleinfelder carries focused searches to identify potential candidates.

Kleinfelder does not currently have a specified individual whose sole purpose is to search social media or job boards.

Harman explains that while Kleinfelder’s social media sites, such as Facebook, Google+ and Twitter have a following, their experience shows that serious candidates are those who are currently em-

ployed and not actively using the more “social” sites or general job boards.

That said, Harman says that LinkedIn is one of the most powerful social media sites for Kleinfelder.

“On LinkedIn, we take a more focused approach and search based on specific need. The recruiter and coordinator team together on a specific position search and use a variety of search methods and media,” she says. “When there is a need to develop a pipeline of future candidates, the recruiter will reach out to develop a contact and relationship with targeted individuals.”

“We do business, including recruiting, the old-fashioned way: People speaking to people about why they like being a part of the team.”

PEOPLE TALKING TO PEOPLE. Sherry Hennes, global director of human resources at **Moffatt & Nichol** (Long Beach, CA), a 600-person global infrastructure advisor, says that they too hire through word-of-mouth.

“Simply put, birds of a feather flock together. Really talented people know really talented people, and they all want to work together,” she says. “We do supplement our in-house staffing manager by using external resources, recruiters and temporary agencies, when we have a need that is proving to be a challenge, but is mission critical, or when it’s outside of our core business areas of engineering and planning.”

While Moffat & Nichol uses social media in their recruiting efforts, primarily they post information about the firm, their projects and current staff news.

“Typically, the people on social media reach out to us to learn about career opportunities,” Hennes says. “The social media branding helps to drive talent in our direction.”

As a result, HR professionals at Moffat & Nichol do not actively search job boards, or use them to post jobs, other than the legally required state agency job boards.

“We do business, including recruiting, the old-fash-



Laura Harman,
Senior HR
Manager,
Kleinfelder.



Kirk Elmy,
Director of
Recruiting
and Talent
Management,
Callison.

GOOD TO KNOW

Firms cite name recognition or reputation (42 percent) and a good work environment (30 percent) as their biggest reasons for success with hiring.

Source: 2014 Policies, Procedures & Benefits Survey, ZweigWhite.

ON THE MOVE

AECOM APPOINTS: AECOM Technology Corporation (Los Angeles, CA), a provider of professional technical and management support services for public and private clients in more than 150 countries around the world, announced that it has appointed **Rick Heinick** as executive vice president and chief human resources officer.

In this role, Heinick leads the company's worldwide human resources organization and is responsible for driving its global human capital strategy across the 45,000-employee enterprise.

Heinick joins AECOM from Bausch + Lomb, where he served as CHRO and head of transformation, and built a people strategy focused on developing high-performing employees, driving employee engagement and delivering business results.

With more than 25 years of leadership experience, Heinick has developed expertise in helping to revitalize organizations to enhance profitability and growth. Previously, he was a senior partner at Schaffer Consulting, where he led the mergers and acquisitions practice and specialized in client transformations.

"Rick has a proven track record creating a high performing client-focused culture, which is part of our vision for becoming the world's premier fully integrated infrastructure firm," said Michael Burke, AECOM president and chief executive officer.

Heinick will be based at AECOM's headquarters in Los Angeles.

MICHAEL BAKER INTERNATIONAL PROMOTES: Michael Baker International (Pittsburgh, PA), a 6,000-person global provider of engineering and consulting services, has announced the promotion of **Rick Rubin**, senior vice president, to regional director of the West Region. This promotion is part of a new operations-centric structure and strategic reorganization for the company, based on office level business units supporting seven corporate regions nationally and internationally. As regional director, Rubin will play a significant role in guiding the growth of the offices through advancement of the firm's extensive portfolio of expertise in Arizona, California, Hawaii, New Mexico, Nevada and Utah.

"Rick Rubin's appointment is based on his strong leadership,

established over the past three decades. His expertise will be a key growth factor in the West region as the company moves forward and continues to offer a greater depth of differentiated services to our clients," said Kurt Bergman, CEO. "This reorganization will further establish local leadership for community, national and international markets and expand worldwide practices in the company's targeted markets."

In addition to the promotion of Rubin and five regional directors named across the country, 33 office executives have been named nationwide to provide unified local leadership and offer clients a broader range of Michael Baker International's services. Based on their extensive leadership strengths, the five office executives selected to lead key offices in the West Region include:

- **Robert Kallenbaugh** – Irvine, Calif. (includes Los Angeles and Camarillo, Calif.)
- **Darin Johnson** – Inland Empire/Desert Areas, Calif. (includes Ontario, Palm Desert and Temecula)
- **Michael Tylman** – San Diego and Carlsbad, Calif.
- **Michael Arens** – Midvale, Utah
- **Douglas Plasencia** – Phoenix (includes Tucson, Ariz. and Reno, Nev.)
- Northern California Operations will be directly led by Rubin

"The West Region provides extensive opportunity for us to serve clients with a higher level of expertise and expanded capabilities," said Jeff Hill, CEO. "This team of West Region leaders know their markets and the demands, and will bring their clients the added value of Michael Baker International's capabilities in each local marketplace."

The launch of Michael Baker International's National and Global Expansion program is directly related to the high demand, growing need and opportunity for expanded engineering, planning, construction management, intelligence, technology and related services across the nation and the increasing need for these services internationally.

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ioned way: People speaking to people about why they like being a part of the team, culture, and family that is Moffatt & Nichol," Hennes says.

While Moffatt & Nichol has a full-time person who focuses on staffing, no one is focused on social media.

"We are focused on being an integral business partner to our teams around the world and to the leadership of the firm," Hennes says.

A HOLISTIC APPROACH. Kirk Elmy, director of recruiting and talent management at **Callison** (Seattle, WA), 1,000-plus-person global architecture and design firm, says that more than 35 percent of new hires come from employee referrals. They are also big believers in university outreach and offer-paid internships across all departments. On average, Callison hosts 100 interns, firm-wide, each year. It also awards up to five scholarships with a paid internship yearly. Many of these candidates become long-term, full-time employees.

At Callison everyone in recruiting uses online job boards.

"We all consult national and industry-specific job and career websites and listings, LinkedIn, Craigslist and other social media outlets to identify potential candidates," Elmy says. "We take a holistic approach to recruiting. One person is responsible for filling any given position – from start to finish. Social media's role in recruitment has increased in recent years, but that said, it's still only one aspect of our recruiting strategy."

BENEFITS POSSIBLE WITH PROVEN ROI. Harman at Kleinfelder says that she can certainly see that there would be an advantage to having a designated social media resource to scan and search to build talent pipelines, but explains that many recruiting/talent acquisition teams are budget-constrained and are forced to do more with less.

"It would be advantageous as long as it was directed, focused and there could be an analysis of return on investment (i.e., how many qualified individuals were identified and how many were turned into active candidates and ultimately hired?)," she says. ▽▲

PERFORMANCE

Presenting the financial picture

Departments use processes to compile financial performance data and present to leadership.

By LIISA SULLIVAN
Correspondent

When compiling financial performance metrics, what methods do firms employ to see how they are measuring up? The answer seems to be a combination of things.

INSIDE AND OUT. At **Bracken Engineering, Inc.** (Tampa, FL), a 32-person multidiscipline engineering firm, William Bracken, president/principal engineer, says that they spent 2013 overhauling their chart of accounts, marketing focus and business architecture.

“Needless to say our current metrics are less than one year old, but our profitability is on the rise,” he says. “On the negative side, the change caused turbulence and brought about more than a few staff changes. However, on the positive side, not only is our firm maintaining a profit margin well above our competitors, but we have established a model whereby all of our excess profits are returned back to our employees.”

Bracken is not aware of any other firms that return their excess profits back to their employees.

“I don’t have anything to compare apples to apples against. Instead, I am focused on employee billability and satisfaction,” he says.

Pennoni Associates (Philadelphia, PA), a 950-person engineering and consulting firm, benchmarks internal data as well as outside sources to measure performance, says Stacey McPeak, CFO.

Pennoni completes annual ZweigWhite and PSMJ Resources financial performance surveys and also gathers industry information from its bank, accountants, associations such as the ACEC, the Environmental Financial Consulting Group and anyplace else that it can.

“However, we have found that our best comparisons come from looking at ourselves,” she says. “We know ourselves best. We know the extraordinary items that happened in a particular year. We know where we include various costs, such as whether billing staff is reported in accounting or in operations.

When comparing to survey results, we are not sure how others report various items. Even with utilization, different firms have different philosophies on what is a direct charge or how overtime is paid. We do find the industry surveys to be good barometers for trending, which is the main reason why we continue to participate.”

TOP TO BOTTOM. **Advantage Engineers, LLC** (Columbia, MD), a 150-person engineering consulting firm, closely tracks and assesses both top line revenue and bottom line margins, says Edward Balsavage, CEO and managing principal.

“Each metric is based on the historic performance of the firm, which has outpaced industry averages,” he says. “Published economic indicators and industry averages are also used as a comparison to provide benchmark indicators for the company’s performance. It’s an expectation of management that we beat industry averages.”

Peaks and valleys in sector performance are also analyzed to determine whether financial performance is on par. For example, if the energy sector has shown a growth of 10 percent, but the firm’s revenue growth in that sector has been five percent, changes ensue in an effort to capitalize on missed opportunities. Revenue and margin goals are also established based on the firm’s core driving force of “responsible growth.”

“Responsible growth in terms of financial performance means growing the top line without sacrificing margins,” he says.

MIXING IT UP. Thomas Lee, CFO, **Ayers Saint Gross** (Baltimore, MD), a 150-person professional international, inter-disciplinary design firm with expertise in college and university master planning, building design, and landscape architecture, says that he does a little bit of everything, depending on the meeting and the audience.

For example, at the monthly executive committee meeting of the firm’s principals, they focus on the actual year-to-date activity at a “high level,” comparing to the year-to-date business plan and prior year-to-date activity. Lee says that he spends most of his time discussing the following variances:

- Gross and net revenue
- Profit margins



William Bracken,
President,
Bracken
Engineering, Inc.



Stacey McPeak,
CFO, Pennoni
Associates.



Edward
Balsavage,
CEO, Advantage
Engineers, LLC.

See PICTURE, page 12

TRANSACTIONS

WARE MALCOMB GROWS: Ware Malcomb (Irvine, CA), an international design firm, and **Connell Design Group** (Seattle, WA), announced a merger of their firms. The move gives Ware Malcomb a new presence in the Pacific Northwest and brings the total number of Ware Malcomb regional offices spanning the U.S., Canada, Mexico and Panama to 15. The transaction also bolsters the architecture and design capabilities of the combined office to better serve corporate and commercial real estate clients in the Seattle market. Terms of the transaction, which closed last month, were not disclosed.

“This merger gives Ware Malcomb a strong presence in the dynamic Seattle market,” said Larry Armstrong, Ware Malcomb CEO. “Ware Malcomb and Connell Design share a passion for quality and client-centered design, and we look forward to building on that legacy to expand our combined presence in the Pacific Northwest.”

Connell Design Group was founded in 1990 with a focus on interior architecture and design for commercial tenant offices, retail spaces, medical and dental clinics, and industrial facilities. The merger with

Ware Malcomb will expand the firm’s depth of resources to include planning, exterior architecture, graphic design, civil engineering and more.

The Seattle office is located at 22002 64th Avenue West, Suite 2C in Mountlake Terrace, Washington. Alan Lambert, president and general manager of Connell Design, will take on the role of regional director of the combined office, and Cindy Kang will serve as studio manager for interior architecture and design services.

“This merger dramatically expands and enhances our capabilities, allowing us to offer our clients an even broader array of architecture and planning services,” Lambert said. “By combining with Ware Malcomb’s international team and brand, we intend to build a stronger reputation for architecture and design services while maintaining our focus on commercial tenant improvements for offices, medical clinics, retail spaces, and industrial-warehouse space throughout the Seattle market and beyond.”

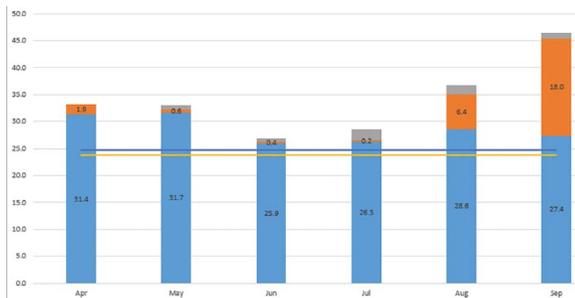
PICTURE, from page 11

- Direct and indirect labor
- EBITDA and net income
- Overhead percentages
- Cash, accounts receivables and debt balances

At this meeting, they also focus on the individual studio financials, again comparing to the individual studio business plans. However, they get into more details with studio leadership when they discuss:

- Studio utilization percentages versus business plan target percentages
- Studio backlog remaining to bill versus current staffing projections

“This provides a good forum to discuss sharing of staff from other studios and offices and/or the need to hire more staff,” Lee says. “In my 10-plus years in the A/E industry, I’ve found that architects like numbers to be displayed in graphs. So, I try to display as many charts and graphs as possible. For example, below is a chart for one of our studios that depicts staffing needs. The blue represents work under contract, the orange, work about to be awarded and the gray, work the company is tracking. The line represents the current studio staff/personnel.



ARCHITECTS LIKE CHARTS: An example of a chart Thomas Lee, CFO at Ayers Saint Gross, uses to show leadership staffing needs. The chart shows work under contract in blue and work about to be awarded in orange.

Quarterly board of directors meetings have another focus.

“Principals and former shareholders (the firm converted to a 100 percent ESOP in October 2013) are excellent at building customer relationships, developing a great product and managing staff and clients’ needs, but they don’t have the time to focus on detailed firm financial statements,” Lee says. “So, at these meetings, we again compare to the business plan and prior year. However, it’s also important to measure our performance against comparable firms in our industry.”

Lee says that they gather relevant data from sources like Deltek and ZweigWhite’s annual publications and compare their data and ratios to benchmarking analysis of comparable industry financial data and ratios surrounding the following:

- Effective multiplier
- Utilization rate
- Revenue factor
- Average collection period
- Net revenue per employee
- Overhead rate with and without bonuses
- Current ratio
- Net pre-tax, pre-bonus on net service revenue
- Net pre-tax, pre-bonus on gross revenue
- EBITDA margin
- Gross margin
- Professional/technical to administrative staff ratio

“I try to give this information and the board package to all board members seven to 10 days before the meeting and spend time with each member explaining the ratio and how we rank as we’ve been fortunate to exceed our competition,” Lee says. “It’s important to know how your metrics compare to others and also helps us to identify business areas that need attention. The important thing is to find businesses of a similar industry, revenue size and geographic location as business conditions can vary greatly between different areas of the nation.”