Marketing is everything

“Are you missing out on this valuable knowledge in these or any other areas that it is needed? If so, amend your evil ways and make better use of your marketing talent!”

Marketing – while a seemingly simple subject to most of us working in the AEC world – is a widely misunderstood subject. Most people think it’s just about selling work. That means promotion, RFP responses, SOQs, presentations, and the occasional company open house or rebranding. And ultimately, I guess it’s about selling jobs. But there is a lot more that happens in there to make that actually happen.

Here are some other questions that have to be answered that should have marketing input – yet many (if not most) marketing people working in AEC firms never get close to being involved with:

1) What services does the firm provide in the first place? This is a marketing issue of primary importance. What you sell should be a function of what the marketplace wants and needs – not just what YOU want to do regardless of that. It’s so fundamental but often overlooked. This takes research and study and looking ahead to anticipate client needs all before they actually have them if you want to be able to adapt to a changing market. This is a job for marketing!

2) Who does the firm have as service providers to specific markets or clients? This is yet another big marketing issue. Whose talents is the firm selling? In many markets the specific individuals who provide professional services are known, and each has a good or bad reputation. Knowing who the good ones are so you can hire them – and who the bad ones are so you can avoid them – can be critical to your success. Getting the right people inside the

See MARK ZWEIG, page 2

MORE COLUMNS

PHIL KEIL: What do you believe? Page 3
DARIN ANDERSON: Successful string of mergers Page 9
MARK CELONI: A successful firm Page 11

The right direction: Mike Nelson

THE VOICE OF REASON FOR AEC FIRMS & MANAGEMENT CONSULTANTS
BURNS & MCDONNELL NAMES NEW TRANSPORTATION LEADER Mike DeBacker has been named general manager of the Transportation Global Practice at Burns & McDonnell. With nearly three decades of experience in transportation policy, planning and design, he will assume the role when current general manager Ben Biller retires in July.

“In an era of driverless cars and aging infrastructures, the transportation industry is being completely reimagined,” says Ray Kowalk, chairman and CEO, Burns & McDonnell. “It’s more important than ever to have a leader who is visionary and can continue to drive us forward. Mike’s extensive knowledge of transportation policy and bold approach to future planning are critical for our industry.”

DeBacker joined Burns & McDonnell in 2007 and has managed and participated in transportation studies and projects with the Federal Highway Administration, turnpike and tollway authorities, departments of transportation, city and county governments, and private industry. He has managed many large, complex bridge, highway and rail studies and projects around the country.

DeBacker has led innovative transportation studies forecasting future transportation needs, including multistate corridor planning projects. He directed the first-ever planning and environmental linkages (PEL) study in the Kansas City region with the Mid-America Regional Council. The study provided alternatives for the aging Buck O’Neil (Broadway) Bridge over the Missouri River. The project identified significant opportunities in the downtown Kansas City freeway loop system and transportation network of the central business district, and the direct impacts to land uses, development and urban revitalization.

“Transportation is the lifeblood of commerce, innovation and everyday life for all of us,” DeBacker says. “It is a privilege to lead a team that is committed to partnering with our clients and policymakers across the country. As a trusted partner, our mission is to make our clients successful to reimagining, maintaining and building innovative transportation infrastructure that will support us for generations.”

DeBacker is the co-champion of the Big 5 transportation initiative, an effort with the Greater Kansas City Chamber of Commerce to develop future transportation strategies for the region. He is also past chairman of the American Council of Engineering Companies for Missouri, leadership academy of the International Bridge, Tunnel & Turnpike Association and serves in several roles with chambers of commerce and nonprofit organizations.

DeBacker holds a bachelor’s degree in civil engineering from the University of Missouri-Columbia and a an MBA from the University of Kansas. He is a registered professional engineer in Missouri, Massachusetts, and Florida.

Burns & McDonnell is a family of companies made up of 7,000 engineers, architects, construction professionals, scientists, consultants, and entrepreneurs with offices across the country and throughout the world. The firm strives to create amazing success for its clients and amazing careers for its employees.

3) Where does the firm have office locations? What is the design of those offices?

Another important marketing decision is this one right here. In some markets, the location of the office is crucial to being able to serve certain specific clients. In other markets, location doesn’t matter at all. And how that office looks can be important to your marketing as well. Some clients want to see a space that looks like one appropriate for a successful professional service provider. Others will be turned off by anything that isn’t bare bones. We need the input of marketing here!

4) What type of contractual arrangement does the firm use for particular types of work/specific clients, and what prices are set? Contractual arrangements and pricing can have huge impacts on whether or not you will win the job and how profitable it is or isn’t. Marketing is often cut out of these decisions and they are strictly left to the design and production end of the business but they shouldn’t be.

5) What are policies for work hours, travel reimbursement, and more? These policies can most certainly affect total job cost, not to mention can be big points of contention we don’t want with our clients. Marketing needs to be considered here and give input so client relationships don’t inadvertently suffer.

There are many other areas of your company and decisions that need input from marketing to be handled properly. Are you missing out on this valuable knowledge in these or any other areas that it is needed? If so, amend your evil ways and make better use of your marketing talent! 

MARK ZWEIG, from page 1

MARK ZWEIG is Zweig Group’s chairman and founder. Contact him at mzweig@zweiggroup.com.
I am continually confounded that the majority of “leaders” within the organizations Zweig Group does strategic planning with find it nearly impossible to articulate their current mission and vision, either personally or for their firm.

They find it difficult to describe their passion, their purpose, why they exist, or what they believe. They then go on to explain that they don’t trust their teams, don’t have anyone who could succeed them, don’t share information, and wonder why their number one problem is recruiting and retention. Then, they enjoy complaining about how it’s the millennials’ fault. That is, of course, the tip of the iceberg. Furthermore, when asked to define their mission, many want to know what other firms have done. They want to know how they compare to the industry. All of this highlights much larger systemic problems and philosophical deficiencies.

Are you trying to be number one? Are you trying to win business or are you working to achieve a larger purpose? There are no agreed upon metrics, no universal rules, and there is no way to “win.” There is no such thing as beating your

“Things will only get harder if you fail to take some time for introspection in order to find the root cause of your problems. This is a continual process that needs to be revisited frequently. Don’t be afraid to look in the mirror.”

competition: The challenge is to compete against yourself. Metrics should be used to uncover your firm’s weaknesses rather than to beat the competition. It’s fine to tactically evaluate your “competition,” but you should not do so strategically. What you need to find is a firm that represents an opposed ideology that you can hold up to your team as an example of what not to be.
ON THE MOVE

CASEY SVEIVEN JOINS WGI IN AUSTIN OFFICE WGI is pleased to announce that Casey Sveiven joined the firm’s MEP Engineering Division as a project engineer in its Austin office. He comes to WGI with over three years of experience, and specific expertise in commercial and residential electrical design the majority in national retail rollout programs.

Sveiven passed the Principles and Practice of Engineering exam and holds a bachelor’s degree in electrical engineering from California State University, Chico.

As a multidisciplinary solutions-providing consulting firm, Zweig Group’s strategic planning experts begin with a detailed assessment of the firm, then compare operations – inside and out – to Zweig Group’s comprehensive data set of industry benchmarks and best practices. Armed with this current assessment, these experts work with leadership to craft a rich and compelling plan for the company’s future, including vision, mission, goals, strategies, and actions for execution.

Areas of expertise include:

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WGI has 18 offices in six states, serving an active client base in more than 30 states, specializing in the following disciplines: Land development/municipal engineering, traffic and transportation engineering, parking solutions, geospatial services, subsurface utility engineering, structures, landscape architecture, environmental sciences, architecture, land planning, MEP engineering, and creative services.

Zweig Group ranked WGI No. 11 on its 2018 Hot Firms list and No. 23 on the 2018 Best Firms to Work For list.

3) Trusting teams and trust in your team. If your people can work at their highest and best use, they will take care of the clients. It is not the responsibility of the senior leaders of the organization to take care of clients, it is to take care of their team. If the team feels they can work for someone they trust, they will produce results. In toxic cultures, where this isn’t the case, your team will feel the need to protect themselves from leadership.

Build an environment where people feel safe to express their needs, concerns, and fears without worrying about repercussions or condemnation. Otherwise, you will get a group of people who come to work every day lying, hiding, and faking. Do you need to be copied on every email, especially when you’re on vacation, or do you trust your team to handle it?

4) Find a worthy rival. This is someone whose strengths point out your weaknesses so that you can work harder to fill in the gaps within your organization. The goal is not to be number one, it is to create an organization that will outlast your leadership, to leave a legacy. Your firm exists to achieve something that could very well last beyond your lifetime.

5) The ability to pivot. You must be able to adapt, change, innovate, and evolve given the environment, technology, resources, and resolve you have. If you are focused on your vision, you are more likely to withstand change as a result of the decisions you are making. If done right, you will create the infrastructure and lay the foundation for an organization/leadership that gets spoken about as visionaries. Others will wonder if you can see the future, but you simply adopt practices that further your belief rather than waste resources chasing fads or the whims of your “competition.”

I recommend taking your team through the exercise of setting a 100-year vision. Things will only get harder if you fail to take some time for introspection in order to find the root cause of your problems. This is a continual process that needs to be revisited frequently. Don’t be afraid to look in the mirror.

PHIL KEIL, from page 3

This is certainly a much larger topic than can be covered in this article, so I will give you five things you can begin implementing in your firm. I would also encourage you to reach out to start a conversation. We need to get together and have these philosophical discussions if we are to elevate our industry.

1) Your firm needs a just cause. What is your mission and why does your firm exist? This is the higher moral calling that will be used as a rallying cry, serving as a beacon that brings the best team members together. This cause is why people will be willing to sacrifice their self-interest in service to the cause: their blood, sweat, and tears. One of the best examples is the Declaration of Independence. All men are created equal: life, liberty, and the pursuit of happiness. You are looking to generate a thirst for the ideal you are striving for.

“What is your mission and why does your firm exist? This is the higher moral calling that will be used as a rallying cry, serving as a beacon that brings the best team members together.”

2) Courageous leadership. Look for people who talk about who they are, not what they do. These people know what their values are (and the firm’s values). We do not want people in leadership positions who are only interested in money, position, or power. If you are constantly marketing how great your bonuses are, you are only going to attract people who are interested in more bonuses and other superficial things. If we are the aggregation of the five people we spend the most time with, who would you rather lead your teams? We want people who are capable of sacrificing in the short-term to achieve the long-term vision. Leadership should be willing to sacrifice their own interest or money from a client who doesn’t further propel the shared vision. This type of leader would never sacrifice their people in service to their self-interest. It shouldn’t need to be said, but title isn’t leadership.

PHIL KEIL is director of strategy services at Zweig Group. Contact him at pkeil@zweiggroup.com.
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The Elevate AEC Conference is the AEC industry’s premiere experience to connect global leaders, solve industry issues, present next practices, and celebrate the most successful firms in the built environment.

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Zweig Group exists to advance the AEC profession. Our Mission is to Elevate the Industry. We believe in a world that celebrates the built environment and recognizes its impact on individuals, communities, and commerce. Empowering organizations with the resources they need – to perform better, grow and add jobs, pay better wages and to expand their impact on the community – is always at the forefront of our action.

QUESTIONS?
For group rates, or if you have any questions, contact Melissa Swann at 479-305-3357, mswann@zweiggroup.com or visit zweiggroup.com.
The right direction: Mike Nelson

President and CEO of LACO (Best Firm Multi-discipline #46 for 2018), a California firm with a famously branded shirt.

By LIISA ANDREASSEN
Correspondent

“D"uring the lean years, it wasn’t very attractive to become an owner,” Nelson says. “We had difficulty in retiring underperforming principals as well as attracting new owners. We have since improved our financial performance and focused on attracting more shareholders by having tangible benefits of ownership and cultivating our rising stars.”

A CONVERSATION WITH MIKE NELSON.

The Zweig Letter: When did you have the most fun running your firm, and what were the hallmarks of that time in your professional life?

Mike Nelson: There have been many ups and downs over the years, but I would have to say from 2017 to 2018. It was a strong growth period for us. We acquired a survey firm and several key new hires and improved our company culture. We had a number of marketing initiatives that really took off. Our marketing efforts for "#inmylacoshirt" was a great success – more than I ever expected and I am really proud of our team for building company culture around this initiative. We promoted our staff doing community service events, traveling, enjoying nature, going to site visits on projects or anything else they are passionate about in their LACO shirt. Our staff really enjoyed it and went above and beyond from skydiving to international travel and even a wedding! I am also proud to say we received a Zweig Group Marketing Excellence award for our #inmylacoshirt staff yearbook.

TZL: Are you currently pursuing the R&D tax credit?

MN: Yes. This is the second time we are doing it. It has considerable benefits and we’re still learning the ropes about how best to take advantage of it. It’s all about capturing those opportunities up front rather than after the fact. It can offset investments, encourage companies to stay up to speed on regulatory changes, and can encourage innovation. It’s good for the industry.

TZL: Do you share base salary or bonus amounts with your entire staff?

MN: We do not share base salary information or individual bonus amounts. We do share company overall performance on key performance metrics, such as net service revenue, utilization and profit. We also share the total or gross bonus...
amounts that are distributed quarterly. We are not always profitable in every quarter and profit sharing is adjusted accordingly (i.e., different percentages for employees, managers, owners, etc.)

“LACO has had success as rural generalists providing a range of professional services rather than as an urban specialist or being a very large firm.”

TZL: Have you ever closed an under-performing office? If so, tell us about it.

MN: Yes. It was about 10 years ago. We simultaneously opened offices in Concord, California (one hour east of San Francisco), and Ukiah, California (two-and-a-half hours north of San Francisco). Both were a slow start, but Ukiah has grown significantly since then; Concord failed and we closed it after one year. There were several contributing factors to the differences between the two office locations. Concord was a more sophisticated and expensive location and was a bigger stretch for us, geographically. The San Francisco Bay area is a challenging market with well-established competition that was much better capitalized than we were at the time. In general terms, successful Bay Area firms are either very large or highly specialized niche providers (there are successful firms outside these parameters, but most have been established for a longer time). We couldn’t get traction in the Bay Area market in a time frame that we could capitalize on.

Overall, LACO has had success as rural generalists providing a range of professional services rather than as an urban specialist or being a very large firm. Other factors include the quality of the leadership in each location and the ability to capture market share. In Concord, we were a small fish in a very large pond whereas in Ukiah we became big fish in a small pond in a rural area that was more similar to our experience and history in Eureka. Ukiah now accounts for 41 percent of LACO gross revenues.

TZL: Internal transition is expensive. How do you “sell” this investment opportunity to your next generation of principals? How do you prepare them for the next step?

MN: This is a great question. LACO had challenges with this during the economic downturn. In 65 years of business, LACO had to navigate at least three major ownership transitions and several smaller transactions with shareholders. During the lean years, it wasn’t very attractive to become an owner. We had difficulty in retiring underperforming principals as well as attracting new owners. We have since improved our financial performance and focused on attracting more shareholders by having tangible benefits of ownership and cultivating our rising stars. We now have eight owners, but it’s still a challenge. Preparing the next generation for ownership is an area we can still improve on, but we start with identifying candidates and pairing them up with a strong leader. They do things like go to client meetings together. Last year we also acquired a small firm of eight that had strong leaders that could be on track for ownership.

TZL: Describe the challenges you encountered in building your management team over the lifetime of your leadership. Have you ever terminated or demoted long-time leaders as the firm grew? How did you handle it?

MN: We had a principal who had kind of “retired in place.” I had to deal with that and really retire the person through termination. It was time to make room for new leadership. We’ve also grown to a size that is beyond some of our expertise and, as a result, are looking to add more people from the outside to join the board, including people from other industries.

“Preparing the next generation for ownership is an area we can still improve on, but we start with identifying candidates and pairing them up with a strong leader.”

TZL: In one word or phrase, what do you describe as your number one job responsibility as CEO?

MN: Keep everyone going in the right direction.

TZL: The seller-doer model is very successful, but with growth you need to adapt to new models. What is your program?

MN: It’s a current challenge. All of our key managers are in seller/doer roles. They do it all. The challenge is there is too much on their plate. It’s a bandwidth situation. We See THE RIGHT DIRECTION, page 8
are working to take the seller/doer model to the next tier and distributing more to project managers. Right now we have three to four department managers who do it all. We’re looking to train more mid-level people to handle more of these tasks. It’s similar to our internal transition leadership model. We have to manage burnout.

TZL: Diversity and inclusion is lacking. What steps are you taking to address this issue?

MN: We are looking to have more female managers and working through internship programs and with universities. Currently, three out of our eight owners are women and we are pretty proud of that. We have a high level of diversity at the firm and have tribal members as key managers. It’s important to have a variety of opinions and backgrounds – we need different perspectives.

TZL: A firm’s longevity is valuable. What are you doing to encourage your staff to stick around?

MN: We have declared that we want to be among the Best Firms To Work For. We’re a professional but fun place. While we can’t compete with the perks offered at places like Google and Apple, we do pretty well in that department. We have lots of social events, ping pong tables, and communicate to people that we’re not just a place to have a job – we build careers. We want people to know that we’re in it for the long-term.

“We promoted our staff doing community service events, traveling, enjoying nature, going to site visits on projects or anything else they are passionate about in their LACO shirt. Our staff really enjoyed it and went above and beyond from skydiving to international travel and even a wedding!”

TZL: If the worker shortage continues, do you see wages increasing to encourage more talent to enter the AEC space, or will technology be used to counter the reduced workforce?

MN: There’s continued wage pressure. We’re working to bridge the gap and are promoting our strong culture. We encourage flexibility, promote working from home, and highlight that we are in an area where there is a lower cost of living when compared to many other regions. We’re working to capitalize on our culture – smaller teams on projects and opportunities to work on specialty projects. So, quality of life, cost of living, and interesting jobs.

TZL: Engineers love being engineers, but what are you doing to instill a business culture in your firm?

MN: We’re working to train project manager assistants or project coordinators. It’s rare to get people who can do it all well. People tend to gravitate to what they like to do. We’re pairing up people to work together. For example, tech people who show a strong affinity for financials – they’re likely a strong candidate for the leadership track.
A successful string of mergers
Find your ‘why’ and ‘how,’ make a plan, and – with the help of a few strong mergers – achieve astronomical growth.

Salas O’Brien’s history could almost be summarized as a string of successful mergers. When I share our story with industry colleagues, they marvel at how we can keep it up. So friends, colleagues, and anyone else who’s interested, here’s how we do it.

Why? If you’re looking to grow your firm and increase your people’s passion and focus, you need to answer this question first.

At Salas O’Brien, we do mergers because growth is in our DNA. Our “ownership values,” which define what it means to be an employee-owner of Salas O’Brien, state that we “encourage the growth of our owners” and “provide positive energy, passion, and commitment to everything we do.” We could not be true to our identity without pursuing aggressive growth.

Growth will look different for your organization than it will for Salas O’Brien. My advice is to take a hard look at your values and long-term plans, and design your growth around those.

That said, we know that growth cannot simply be an artificial conglomeration of unrelated firms, which is why we strive for a balance of organic growth and M&A growth. Growing organically through sharing clients and pursuing bigger clients is where you create opportunities that couldn’t come through more informal means of collaboration.

“Growth brings new ideas, innovation, and best practices into your company, which in turn serves clients better and builds value for your firm.”

Whatever the “why” behind your strategy, growth also brings new ideas, innovation, and best practices into your company, which in turn serves clients better and builds value for your firm.

See DARIN ANDERSON, page 10
BUSINESS NEWS

WALLER, TODD & SADLER PROJECT WINS APWA PROJECT OF THE YEAR AWARD

The Virginia Beach Housing Resource Center has been awarded the 2019 American Public Works Association Mid-Atlantic Chapter Project of the Year Award. The Virginia Beach Department of Public Works facility was honored in the category of structures between $25 million and $75 million. Waller, Todd & Sadler, a Woolpert company, designed the $27 million, 63,000-square-foot site.

The new facility is one of the first of its type to use a consolidated campus-style approach to serve different housing groups within one building and provide multi-layered services to clients with coordinated assessment and case management on-site.

The Housing Resource Center, completed in 2018, was designed to support the efforts of the department of Virginia Beach Housing and Neighborhood Preservation by providing a one-stop shop of services, resources and training for at-risk individuals working toward permanent housing. The most vulnerable homeless families and individuals will be sheltered and housed at the facility and will have access to the support services they need.

The three-story facility includes dormitories with 49 beds for singles needing emergency shelter, 40 beds in short-term motel-style rooms for families, and 30 one-bedroom efficiency apartments for long-term residents. The Day Center provides services such as laundry, mail, showers and counseling services to anyone in need.

The Housing Resource Center provides multiple community resources for facility residents and city residents, including access to an independent health care clinic and the offices of the Virginia Department of Social Services. The clinic and the department have exterior entrances and access from within the facility to support the mission of the Housing Resource Center. Five dedicated entrances were required to provide access to the programs in the facility and to meet the design challenge to facilitate “integration while providing separation.”

Waller, Todd & Sadler Project Manager Maureen McElfresh said, “It was gratifying to be able to provide this beautiful, versatile and highly functional facility and support those in need of assistance, furthering the great work of the city.”

This was the first collaborative project between Waller, Todd & Sadler and Woolpert, which acquired the award-winning firm in January of this year. Woolpert provided civil engineering services for the Housing Resource Center, while Waller, Todd & Sadler served as the architect of record. S.B. Ballard Construction Company was the contractor for this project.

This project also is in the running for the national APWA award, to be presented this month.

Waller, Todd & Sadler, a Woolpert Company, offers architecture, planning, interior design and LEED services to both public and private sector clients. It is a testimony to the firm’s professional abilities and commitment to customer service that approximately 90 percent of Waller, Todd & Sadler’s work is from repeat clients.

Woolpert is the fastest growing architecture, engineering and geospatial firm in the country and is ranked 95th among ENR’s Top 500 Design Firms and 18th on the Zweig Hot Firms List. For more than 100 years and with 28 offices across the U.S., the firm serves federal, state and local governments; private and public companies and universities; energy and transportation departments; and the U.S. Armed Forces.

How? Our approach with mergers can be summed up as: Build national strength with local action. We don’t want to create a top-down, highly centralized organization, although we strive for efficiency wherever we can get it and have a unified brand and values. Instead, we look for healthy organizations that already fit our values and have strong leadership in place, and then integrate these organizations into the larger structure of Salas O’Brien.

Do merger candidates believe me when I say Salas O’Brien isn’t coming in to run the show? Most probably don’t. But it’s true: No one from Salas O’Brien comes in to run the newly merged business. We just want to integrate everyone into the life and fabric of the organization, so we can all grow in an organic, collaborative manner.

Your “how” may be different from ours, just as your “why” might be. Maybe your strategy is to find value in turning around companies. But whatever your strategy, if growth is your aim, you as a leader need to get clear on your approach, and communicate that approach clearly in your existing company as well as in those you intend to merge with or acquire.

The results. Does it really work? History will be our ultimate judge, but so far, all I can tell you is that we have grown 2,000 percent since 2006, from a single office in San Jose, California, to (at this writing) 19 offices around the country. For the past six years we have been on the Inc. 5000 list of our country’s fastest-growing private firms, and we continue climbing the ranks of the ENR and MEP Giants lists as well.

But more importantly, in an industry with historically low unemployment and an almost unlimited number of options for talented people, our retention rate since beginning our M&A strategy is 98 percent for mid- and senior-level leaders and more than 90 percent for the entire team. People appreciate that our values come first and are lived out in everyday life, and most want to stick around for the long term because their values are our values.

“Our ‘ownership values,’ which define what it means to be an employee-owner of Salas O’Brien, state that we ‘encourage the growth of our owners’ and ‘provide positive energy, passion, and commitment to everything we do.’ We could not be true to our identity without pursuing aggressive growth.”

My industry colleagues look at our growth and see something astronomical and unsustainable (though they’re usually polite enough not to say it). But we’ve really been quite deliberate and steady with our strategy, focusing on the “why” and “how” and building a team of people who are committed to Salas O’Brien and our shared values (including growth). Find your “why” and “how,” and I think you’ll also achieve growth that no one else thought was possible.

DARIN ANDERSON is CEO of Salas O’Brien. Contact him at darin.anderson@salasobrien.com.
Employee stock ownership plans, although not unique, are increasingly popular, and they have been known to save jobs, prevent companies from moving out of communities, and improve retirement security for employees. A federally qualified employee benefit program, the ESOP gives employees a means of accumulating significant equity holdings that will allow holders to save additional money for retirement, and as the participating company increases in value, the stock in the ESOP, including the employee’s share, increases in value.

At Pennoni, our ESOP was established in 1994 to allow ownership of the company to be transferred from Chuck Pennoni, the founder, to the employees who helped build the firm to what it is today. An ESOP is an employee-owner program that provides employees with an ownership interest in the company, empowering employee-owners to more directly benefit from their efforts, further ensuring the steadfast commitment and passion found in all corners of our service offerings. As Pennoni’s Philadelphia office director, let me explain what the ESOP means to me.

I was born and raised in the Roxborough neighborhood of Philadelphia and have lived, completed my education, and worked in the city my entire life. I began my engineering career in the mid-1980s as a Drexel co-op working first for the city and then for Pennoni. I have worked full time at Pennoni since 1988. My father was a war veteran and also lived in the city his entire life. He worked as a civil engineer for the Streets and Water Departments for 30 years.

As a grandson of Italian immigrants to this great city, education and improving one’s self and community have always been important in our family structure. These principles live on at Pennoni.

The three founding goals of Pennoni are “excellent professional reputation, profit, and growth.” These...
MARK CELONI from page 11

goals along with the pillars of “honesty, integrity, and service” define the culture of Pennoni. Keeping that culture alive as the firm transitioned its ownership to an ESOP was important.

“The ESOP allowed the company to continue to successfully grow. This growth provided opportunity for employees that remained with the firm. The growth of the company has benefitted the employees who have seen their ESOP retirement accounts increase in value.”

I can remember attending a Saturday morning seminar in the early 1990s at Community College of Philadelphia to learn more about ESOPs. As education is also extremely important to Chuck Pennoni, he asked an expert on the subject to explain how an ESOP works and how the ownership of the company would transition to the employees. It was the right choice as the culture of the company remained unchanged as the ownership transitioned. This is often not the case if an owner decides to sell to another owner or outside investors.

Equally important, the ESOP allowed the company to continue to successfully grow. This growth provided opportunity for employees who remained with the firm. The growth of the company has benefitted the employees who have seen their ESOP retirement accounts increase in value. The Philadelphia community has also benefited from Pennoni’s growth as it has allowed the firm and its employees to participate in and donate to many charitable organizations and causes.

One of the reasons I am still employed at Pennoni after 30 years is due to the growth and success of our business. Unlike friends in many other companies, I didn’t need to leave my firm to find opportunity. I consider myself fortunate. I don’t know if I would be part owner of a firm if I didn’t work at an ESOP company. It has given me a retirement benefit that will greatly improve the financial stability of my family.

It also makes me proud to be able to work in the city I grew up in at a company that serves the community well. With an ESOP in place, we dedicate ourselves daily to client service, to giving back to the community, and to nurturing the entrepreneurial spirit of our employee-owners.

There is a very healthy culture and attitude at Pennoni which can be credited to its founder and leadership. The ESOP has allowed this culture to continue because our employees recognize that the performance of their own accounts is directly related to the success of the firm.

Our firm continues to succeed with Chuck Pennoni’s original mantra, and we pride ourselves on the core values of honesty, integrity, and service. Fostering an environment like this has always been a priority at Pennoni. Transitioning to a 100 percent ESOP firm reiterated the depth of commitment to our employees and the value we place on partnering with our employee-owners to deliver exceptional service to our clients.

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