

Who do you talk to?

It's lonely at the top and hard to find someone who will listen and provide useful advice, Mark Zweig writes.

Good business partners can be good sounding boards. The problem is that if you are higher level in the ownership or management pecking order, they may not be honest with you.



Mark Zweig

EDITORIAL

It's been said before that it's lonely at the top. There's a lot of truth to that. When you're the boss, who do you talk to? More importantly, perhaps, is who can you talk to who will give you good advice?

This is a very real problem and not a simple one for most people leading successful AEC firms to solve. Here are some of your options:

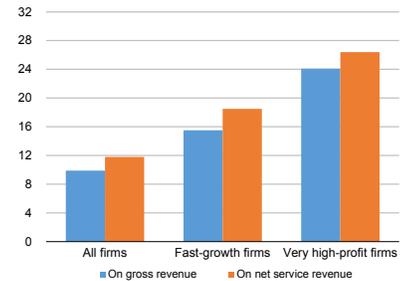
1) Spouse. If you are one of the lucky few, you have a spouse who is a good listener, has good business instincts and can provide you with worthwhile advice. But for most – even those with loving and caring spouses – you won't get that. You'll be getting input from someone who has a very limited perspective, largely based on what you tell them. They will often tend to be biased toward you, and be completely family-centric versus company-centric borne from their role as a family care provider. Not always the best advisors.

2) Parent. Parents tend to fall into one of two categories. Either they support you no matter what you say or do, even if it's stupid, because they love you; or, they don't support your decision making at all and treat you as if you were still a child without a lick of sense, even at age 50. There's a third group that's out there, too, of parents who worked the same job for 30- to 50 years and don't understand

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TRENDLINES

Higher margin



Fast-growth and very high profit firms report EBITDA margins on gross and net service revenue significantly higher than the overall firm sample, according to ZweigWhite's 2014-15 Successful Firm Survey. The recently released report finds that fast-growth firms reported a median EBITDA margin on gross revenue of 15.5, and 18.5 on net service revenue. Meanwhile, very high profit firms reported a median EBITDA margin on gross revenue of 24.1, and 26.4 on net service revenue. The overall firm sample reported EBITDA margins of 9.9 and 11.8, respectively.

– Margot Suydam, Director, Research

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A/E BUSINESS NEWS

DODGE RECOVERS The Dodge Momentum Index made a small gain in August, increasing to 118.8 (2000=100) for the month, up 0.2 percent from the July reading. The improvement in August is on the heels of a 5.7 percent decline in July, according to McGraw Hill Construction.

The Momentum Index is a monthly measure of the first (or initial) report for nonresidential building projects in planning, which have been shown to lead construction spending for nonresidential buildings by a full year. The Momentum Index is now 13.9 percent higher than one year ago, and continues to point to recovery in the sector.

The August rise in the Momentum Index was supported by a 5 percent increase in institutional building plans, while a 3 percent drop in commercial plans restrained further growth. Despite the drop in commercial building plans in August, five notable commercial projects valued at \$100 million or more entered planning in the month. These include the \$200 million DaniaLive Marketplace in Dania Beach, Fla., a \$184 million office complex in New York City, the \$175 million North First Office complex in San Jose, Calif., the \$110 million Champions Petfood warehouse in Auburn, K.Y., and a \$100 million mixed use development in College Station, Texas.

ASLA CREATES GREEN GUIDE A new online guide launched by the American Society of Landscape Architects explains the many benefits of “green infrastructure” – designed systems that harness nature to create proven benefits for communities.

Green infrastructure includes green streets, park systems, urban forests, wildlife habitat and corridors, green roofs and green walls. These infrastructure systems help communities manage stormwater and reduce flooding, mitigate the urban heat island effect, and improve air and water quality, which underpin human and environmental health.

The idea that nature is also infrastructure isn’t new, but it’s now more widely understood to be true, according to Nancy Somerville, executive vice president and CEO of ASLA. Researchers are amassing a body of evidence to prove that green infrastructure actually works: these systems are often more cost-effective than outmoded models of grey infrastructure – a term used for the concrete tunnels created to move water – and also provide far more benefits for both people and the environment.

The guide, part of ASLA’s series of sustainable design resource guides and toolkits, includes hundreds of research studies by leading scientists, news articles, and case studies on innovative uses of green infrastructure. Resources are organized into seven sections that go from large scale (the region, the city) to the small scale (constructed wetlands, green streets, and green roofs and walls).

The guide includes sections on forests and nature preserves; wildlife habitat and corridors; cities; constructed wetlands; green streets; and green roofs and walls. The guide also includes descriptions of the many types of green infrastructure, their quantifiable benefits, and the role of landscape architects in creating these systems.

The guide is available at www.asla.org/greeninfrastructure.aspx.

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Most psychiatrists don’t do psychotherapy any longer. They just prescribe drugs.

self-employment or entrepreneurial ventures and think you should have stayed at whatever job you had out of college. In any case, unless your parents owned and grew a business similar to yours, it’s probably hard to get good business input from them.

3) Business partner(s). Good business partners can be good sounding boards. They also may have unique insight for you based on their experience and role in the firm. The problem is that if you are higher level in the ownership or management pecking order, they may not be honest with you. You have to have some confident partners whose input you respect. But not everyone does. Many of us inherited our partners and didn’t pick them.

4) Someone who works for you. See above. You are still their boss. No one likes to tell the emperor that he or she has no clothes on.

5) Business or personal “coach.” There are many of these self-proclaimed coaches out there. The biggest problem with many of them is they

haven’t demonstrated that they are successful business owners. Therefore, most business owners really don’t listen to what they say. And why should they?

6) Management consultant. See above. Again, lots of consultants out there but how many really understand the AEC business and how many run successful businesses themselves? If not, how can these people be your confidantes and trusted advisors? Not to say that catharsis can’t be good for you but it would be nice to get some meaningful input and insight that really helps you deal with a myriad of problems that go along with running your business.

7) Psychiatrist/psychotherapist. Most psychiatrists don’t do psychotherapy any longer. They just prescribe drugs. And most psychotherapists just let you blather on about yourself as long as you pay. They may have insights on dealing with people that could help you but probably won’t have any real business input.

8) Your mentor. Hopefully, you have one. Someone who has been successful and who really understands you and where you’ve come from and want to go. If you don’t, I suggest you try to find one! ▲▲

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EXPANSION

Finding the right branch leaders

Firms opening new offices often staff them with people groomed from within or others with demonstrated experience. It's a careful process.

By LIISA SULLIVAN
Correspondent

Whether you have one branch office or several, it's important to pick the right person to keep things running smoothly. So, what should you look for in key personnel?

SHARED SUCCESS. The **Timmons Group** (Richmond, VA), a 300-person multi-disciplined engineering and technology firm, has 12 branch offices and is growing. The company constantly explores opportunities to expand.

Tim Klabunde, director of marketing, says that given the importance of relationships in the industry, it's not surprising that most of the Timmons' branch office leaders are individuals they developed relationships with long before they joined the firm, or employees who have risen through the ranks.

"We look for individuals who work to achieve an unparalleled understanding of our clients' businesses and vision," he says. "We believe that these types of individuals have a focus on unrivaled customer service, and that results in shared success."

"We look for individuals who work to achieve an unparalleled understanding of our clients' businesses and vision. We believe that these types of individuals have a focus on unrivaled customer service, and that results in shared success."

SEAMLESS INTEGRATION. Peter Moore, president, **Chen Moore and Associates** (Fort Lauderdale, FL), a 49-person civil engineering, environmental engineering, planning, landscape architecture, GIS and construction observation service firm, also plans to open additional offices in the future. Currently it runs six.

Moore says that they have taken several different approaches to staffing new offices, including using



Tim Klabunde,
Director of
Marketing, The
Timmons Group.



Peter Moore,
President,
Chen Moore and
Associates.

GOOD TO KNOW

The vast majority of principals (88 percent) are owners in their firm.

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

LESSONS LEARNED

Klabunde of the Timmons Group shares some lessons learned over the years when it comes to picking someone and running a branch office:

- The right person leading the charge is the most important factor in the success of a new branch office.
- Two key people are needed for a geographic expansion: someone that can bring new work in the door and a principal designer.
- An expansion needs to be viewed in a positive light from the new office, as well as from existing offices.
- A geographic expansion should provide multiple people with opportunity for growth throughout the company.
- The right combination of people is the key ingredient to a successful geographic expansion.
- Responsibility and autonomy must be given to the new office. The individuals in a new office need to feel as if it is their actions that will result in the success or failure of the office.

personnel out of their main office or hiring talented people with formed relationships in the designated area.

"The real criteria lies in the ability to integrate with the community where the branch office is located and, of course, to minimize the amount of investment required to make the branch office profitable," Moore says. "We also look for individual characteristics such as financial responsibility, ability to communicate effectively with staff and firm leadership, marketing and management abilities, etc."

Moore adds that with today's interactive technology, it's easy to keep employees in different offices connected directly into their typical project workflow.

"From a project standpoint, the distance issue has a minimal effect on day-to-day operations," he says. "We manage to maintain our corporate culture and morale, particularly in our smaller offices, through weekly internal e-newsletters and I give narrated monthly companywide updates to all staff members to make sure that everyone is part of the overall mission. We've also made numerous IT upgrades to assist in this people-driven process."

See BRANCH, page 4

RESOURCES

SUCCESSFUL FIRM SURVEY Even during the recent economic downturn, there are firms in the A/E industry that still report continued growth and increasing profits.

How do the most successful architecture, engineering, and environmental consulting firms do business? What are they doing that you're not? Find out with the 2014-2015 Successful Firm Survey of Architecture, Engineering, Planning & Environmental Consulting Firms.

This new publication covers every area of management for leaders of design and environmental firms. Whether you want answers to questions on financial performance, marketing, information technology, project management, compensation, billing practices, or other issues, you'll find it all in this one report.

Statistics are shown for the fastest-growing firms and highest-profit firms separately from the overall sample so you can benchmark your firm against the most successful firms in the design and environmental consulting industry.

The 2014-2015 Successful Firm Survey will help you:

- Find out how the most successful firms operate in every area of firm management – from project management to ownership to compensation
- Make sure your firm is aiming for higher than industry averages when setting goals for growth in 2014 and beyond
- Find out how much the fastest-growing and most-profitable firms are spending on marketing, information technology, compensation, and more
- Get the secrets on how the most-profitable firms handle billing, personnel policies & procedures, branch offices, and other areas of management
- Make sure your firm is setting high standards and not settling to be just "average!"

The Successful Firm Survey is a compilation of all the major management topics covered in 10 of ZweigWhite's survey reports conducted throughout 2014.

In addition to compiling survey data from other reports, we also broke data down by the overall sample compared to the fastest-growing firms and the most profitable firms. Whether you're a firm president, CEO, vice president, principal, or division or department director or manager, you're going to want to see these survey results!

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/p-2210-successful-firm-survey-2014-2015.

MARKETING SURVEY Times are tight and your firm may not have a lot of money to spend on marketing. How can you get more out of your marketing dollars?

See what's working – and what's not – for your competitors and other firms just like yours with ZweigWhite's 2014 Marketing Survey of Architecture, Engineering, Planning & Environmental Consulting Firms. You could find out what's working by trial and error, but why not save time, money, and headaches by getting the most comprehensive report on marketing for design and environmental firms?

The 2014 Marketing Survey of Architecture, Engineering, Planning & Environmental Consulting Firms will help you:

- See which marketing activities can provide the biggest bang for your buck
- Set a realistic budgets for 2014-2015, including staffing levels, compensation, and investments in marketing systems and infrastructure
- Determine reasonable goals for your own proposal activity, hit rates, and more

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/p-2205-marketing-survey-2014.

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SOFT SKILLS RULES. Another firm that also has six branch offices is **QUAD KNOPE, INC.** (Visalia, CA). With 107 employees, this diverse group of civil engineers, traffic engineers, planners, biologists, land surveyors, construction specialists and landscape architects does not currently have immediate plans for more branches, but it is considering some potential opportunities that meet specific criteria within the next three years.

Michael Knopf, president, says that finding that perfect person is difficult.

"We tend to have better success when we hire branch managers from within the firm due to their familiarity with the company culture, systems, and personnel," he says. "We believe strongly in strength-based teaming within our company."

Knopf says that there are four distinct roles within the firm. They include:

- Technical
- Client relationship management

- Project (outcomes) management

- People management

"The branch manager falls in the people management category," he says. "A branch manager must have the ability to accomplish defined objectives through others. This skill involves an ability to motivate, develop, challenge and guide (or correct) people in a way that inspires consistent high performance, high achievement and high morale."

Additionally, Knopf says that it is important for the branch manager to have soft skills, as opposed to hard skills. Soft skills include things like the ability to recognize the specific and often differing strengths, needs and motivations of all team members, holding people accountable, providing consistent training and feedback, and identifying and developing the unique strengths of others.

What about hard skills? Knopf says that while hard skills are certainly important, soft skills are most important because they are what defines the role of a branch manager. Hard skills can be learned or provided by other team members, in collaboration with the branch manager. ▀▀

TZL time machine

10 years ago

HEADLINES Editorial: Make business planning worthwhile | Finding a home for the planning retreat | Staying focused on the plan all year long | Market research resources for strategic planning | Preaching the plan: How firms spread the word once the strategy is set | Firms look to facilitators to lead strategic planning.

The Sept. 20, 2004, issue of **THE ZWEIG LETTER** (#579) was all about strategic business planning. One article tackles an elemental question surrounding business planning: its consistency. It often seems that after the weekend or weeklong planning exercise, many firms forget about they set forth to the minute the fun is over.

How to stay focused on your strategic plan year long? After all, the plan on paper is just the start. The article offers several strategies.

- **Spreading tasks out.** While having enthusiasm about the strategic plan is great, it's possible to have too much enthusiasm, which results in the strategic planning team wanting to get everything done at once. Then, once back in the office and faced with the realities of everyday tasks, those short-term goals may fall by the wayside. By making the timeline for achieving planning goals more realistic and spread out, it may increase the chances of those goals being met.
- **Baby steps.** Another tactic used by firms to make sure staff members stay focused on the strategic plan is to not overwhelm them with too many goals. By focusing on just a few manageable goals, instead of trying to change everything at once, employees may feel more confident about being able to tackle the tasks at hand.
- **Top-level support.** Regardless of what method a firm has to make sure its employees stay focused on the strategic business plan, it must have the full support of the president, CEO, or other top executives.

In his editorial, Mark Zweig wrote about making business planning worthwhile, since most as just completed as a feel-good exercises, or procedural tests, rather than meaningful guides to the firm's future.

"Business plans exist for many reasons. We use them for goal-setting, to set budgets, and to keep lenders and investors happy. But we have other reasons for doing business plans—hopefully higher-order ones—such as to inspire our people. If a business plan is supposed to be a road map for the future, something that helps paint the picture, something that creates a vision of what's possible, and something that gets capable people to join the firm, stay with the firm, and work hard to make the dream a reality, then the majority of business plans I've seen would have to get a grade of 'D' or worse," Zweig wrote.

20 years ago

HEADLINES Editorial: Consultant or 'insultant'? | Q & A: Terrence McDermott

In its Sept. 19, 1994 issue (#77), **THE ZWEIG LETTER** ran an interview with then-new American Institute of Architects CEO Terrence McDermott. The interview covered several topics, including AIA organizational structure, future changes and more controversial topics such as the perceived lack of business skills by architects.

On that last topic, McDermott said the following: "It's architects who are criticizing themselves. The architectural education system doesn't give them the type ad strength of business background to largely be an independent businessman. The way to solve that is to work with colleges of architecture to change the curriculum over time. To add more courses in business. And that's why we're working on requiring continuing education to be a member. Some of that will be technical education, but a lot will be business related. We need to teach architects how to listen more successfully to a client's needs, and how to run a business more successfully."

In his editorial, Mark Zweig wrote about hiring an "insultant," rather than a "consultant" following the advice dished out by Ichak Adizes in his book "Corporate Lifecycles."

TRENDLINES

86 Average collection period (in days) at fast-growth firms.

31 Percentage of fast-growth firms that allow telecommuting.

20 Percentage of high-profit firms that allow telecommuting.

59 Percentage of fast-growth firms that reserve the right to view employees emails.

Source: 2004 Successful Firm Survey, ZweigWhite.

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

Issue 579, September 20, 2004

Make business planning worthwhile
In order for your business plan to be a road map for the future, it needs to have specific, concrete, measurable goals and action items.

Special Issue: Strategic Planning

Business Hotels
The following are the top five business hotels in the United States, according to a recent survey:

1. The Peninsula (Chicago, IL)
2. Sheraton International Hotel and Tower (New York, NY)
3. JW Marriott Los Angeles, CA
4. Four Seasons Hotel San Francisco, CA
5. Four Seasons Hotel Las Vegas, NV

Source: Travel + Leisure

Firm Index

BLOOMSBURG SHARP ARCHITECTS & PLANNERS, Inc. (New York, NY)	DEWBERRY (Denver, CO)	MERRICK & CO. (New York, NY)
DAVID M. HILL, INC. (Buffalo, NY)	EMERSON (St. Louis, MO)	NATIONAL SYSTEMS OF STAINLESS STEEL PRODUCTS (Buffalo, NY)
HILL & ASSOCIATES, INC. (Dallas, TX)	EVANS & HALICORP (New York, NY)	PROTE ENGINEERS, INC. (Cincinnati, OH)
MAZURAS, LEE & ASSOCIATES, INC. (Chicago, IL)	FLUOR (Houston, TX)	PULHAM COLLEGE (New York, NY)
ROCKWELL GROUP, Inc. (New York, NY)	GENERAL ELECTRIC (New York, NY)	SCOTT ASSOCIATES (New York, NY)
TECHNICAL ENGINEERING CONSULTANTS, INC. (New York, NY)	GENERAL MILLS (New York, NY)	WORTHINGTON ASSOCIATES, INC. (New York, NY)
PROSAP, INC. (New York, NY)	GENERAL MILLS (New York, NY)	WORTHINGTON ASSOCIATES, INC. (New York, NY)
ROCKWELL GROUP, Inc. (New York, NY)	GENERAL MILLS (New York, NY)	WORTHINGTON ASSOCIATES, INC. (New York, NY)

Next week:
Mark Zweig discusses some "must-read" numbers that every AEC firm should be tracking.

Does advertising work?

Know how to create an ad, know your audience, and how to reach them before risking.

Think about the last purchase you made, big or small. A car. Laundry detergent. Can you trace your decision-making process to really understand what influenced your purchase between a Lexus or Audi, Tide or Cheer? If it's a consumer product, it's usually word of mouth (My neighbor likes his car), or an engaging package design, or more likely these days: it was the cheapest.

So are all the billions spent on advertising each year simply wasted? Yes and no. As ad man John Wannamaker famously quipped, "Half the money I spend on advertising is wasted; the trouble is I don't know which half." And that was said sometime in the early 1900s. Have we learned anything?

Advertising does have its place. You just need to know the place. The first question is why are you advertising? What exactly do you hope to achieve? People read call for bids and RFP announcements. Is it because they're funny or cool or cleverly designed? No, people read those because they may get a job out of it. There's an intrinsic, immediate value to taking time to reading those ads. This is not a small point: Ask why would anyone care to read my ad? What's in it for them? People are motivated by getting something of value, not simply learning you exist. If you want to put your logo out there, with a generic message about quality, service and value, good luck. And why should I care? Do you have a unique service that can help people avoid construction problems? Are you offering a free seminar, webinar or white paper that can make me money through energy audits? Sharpen your approach and switch the roles. Put yourself in the reader's shoes and ask, "So What?" There are instances when advertising is simply good client or employee relations: project completion acknowledgements, sponsorships of causes; award recognitions. These have their place, as well.

Before you even consider content, you need to think about whom you are trying to reach. If you want to reach owners – whether they're facility managers, hospital administrators, campus planners, public officials or developers – look critically at which ones are the most important to reach. The more specific and targeted you are in your marketing, the more effective you'll be. Understanding your audience will determine both your choice of media and your message. Hospital administrators don't read the same publications or view the same websites as developers, for instance. The deadliest mistake is trying to reach too many different audiences by hoping it will



Leo
MacLeod

**GUEST
SPEAKER**

reach enough people. Avoid Wannamaker of wasting money by knowing whom you want to reach and how to reach them.

If you are looking at increasing your awareness, turn first to publicity and getting news about your firm – a subject for another column. The advantage of publicity is that it has more credibility than talking about yourself. The disadvantage is that you can't control either what's said or how often it's said. Any good marketing program incorporates both public relations and advertising, whether it's a print ad, banner ad, direct mail, e-blast or a sales presentation. What you can't achieve through public relations is consistency. And it's been calculated that people need see your name at least 12 times before it registers. Marketers call this "frequency," or how many times you are reaching your audience.

See LEO MACLEOD, page 8

The more specific and targeted you are in your marketing, the more effective you'll be. Understanding your audience will determine both your choice of media and your message.

Evolving seismic design standards

Map of expanded earthquake hazard areas may present new opportunities; risks for design firms.

As a resident of the East Coast, my awareness of earthquake threats is generally limited. It was somewhat elevated by the Napa Valley quake in August. However, if I was an architect or an engineer working on buildings, bridges, roadways, etc. *not* in a “high risk” geographic area, would my view be any different? Should it be?

Recent events may well warrant affirmative responses to these questions, regardless of where your firm may be based or your projects located. Such affirmative answers may present new business opportunities for many firms, but could also pose some new or evolving risks that can be minimized with informed risk management practices.

In July, the U.S. Geological Survey (or USGS) announced updated U.S. National Seismic Hazard Maps reflecting current scientific opinion of where future earthquakes will occur – including frequency and severity. The updated maps greatly expand several regions viewed as earthquake prone and are used by architects and engineers in determining earthquake-resistant design parameters.

The maps are also used in evaluating the need to revise local building codes. Affected geographic areas include the New England states, which the USGS advises is more earthquake prone than what was set out in the 2008 maps. On the other hand, Florida, western Pennsylvania, and southeastern Texas are among areas now believed less prone to earthquakes.

In a related report, the USGS advises that 42 states have a reasonable chance of experiencing damaging ground movement from an earthquake within the next 50 years. That timeframe is well within the expected lifecycle of today’s building and infrastructure. These findings have the potential to impact design firms – both on future work and work already completed.

For a building designed and built under the 2008 maps (or earlier versions), do design firms have reason for concern now that the 2014 maps have been issued? There may be cause for concern, as well as some legitimate new business opportunities. Should an earthquake hit in an area (now viewed as having increased risk) where you completed work and that building fail, you could be subject to malpractice claims.

The claim would likely allege that when you originally designed the building you should have known of the true



Rob
Hughes

**GUEST
SPEAKER**

risks present, although that argument might be hard to prove, given the earlier versions of the maps.

An alternative argument could allege that you knew or had reason to know as of July 2014 that your design is inadequate (in light of current knowledge) and that you had an affirmative obligation to bring this potential deficient design to the owner’s attention. Such an obligation is not clear, but could be based on contract language in your original agreement and/or your underlying obligation to protect the public.

That very scenario may play out in northeastern Pennsylvania in the aftermath of the August 2011 Virginia-based earthquake. That quake apparently caused a portion of a local landfill to fail, closing local roads for an extended period, drawing

See ROB HUGHES, page 8

The updated maps greatly expand several regions viewed as earthquake prone and are used by architects and engineers in determining earthquake-resistant design parameters.

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a review by that state's Department of Environmental Protection and the obvious need to repair the affected area (about 12 acres). In a recent report submitted to the state DEP, site owners point to alleged design errors as allowing for the failure, one that would not have occurred had proper care been given to the impact of potential earthquake activities in the area.

You could also view the release by USGS as a reason to reconnect with past clients or propose to potential clients services for earthquake-resistant design review of in-place structures. But be careful – if you “retouch” past work, you could reset the applicable statute of repose, opening up the past design (as well as your current review) to allegations they were performed negligently in the event of a future earthquake and resultant damage.

For work in progress and future work, the question is: What effect does the release of the updated map have on your design? Worded another way, does the release of the maps alter the applicable standard of care? The answer is “yes.” That's true even absent any change yet in local building codes as the maps may represent the current state of scientific knowledge, which a reasonably prudent architect or engineer would consider in its design. Keep in mind that a building code is legally viewed as the minimum standard to which you must design; it does not support the principle that meeting the code inherently means you have met the standard of care (which could impose more onerous obligations on you as a professional).

PRACTICE POINTS. How best to manage risk associated with this evolving area of scientific study? As you likely heard before, it starts with clear contractual language with

LEO MACLEOD, from page 6

It takes repetition to get people to first notice and finally act. Think of your own situation. Even those things you have identified you need or want have to fight to take precedence over all the other demands on your time, all the other distractions. “Oh yeah, I need to get that.” And those are the things that you have identified you really want: a new driver, lower medical insurance, a phone, the pizza place down the street. In short, if you are going to advertise, commit to six months at a minimum. You are fighting inertia and the distractions of the thousands of messages we receive every day.

When you're designing an ad, spend the extra dollars for professional creative execution. If you're running your ad enough times, your costs to create and produce the ad will be your lowest cost. Don't skimp by using a low resolution photograph your project manager took, for instance. Copywriters and graphic designers are in healthy supply at deflated costs these days. Look globally beyond one ad to how you can create a campaign that may include a printed piece, PowerPoint or web page. You can amortize the costs throughout your campaign by having a consistent message and design. Oftentimes, publications offer free design assistance. In any case, stay focused on one message and

How best to manage risk associated with this evolving area of scientific study? As you likely heard before, it starts with clear contractual language with particular focus on the standard of care and applicable laws.

particular focus on the standard of care and applicable laws. In particular, note the following:

- Be sure that the standard of care refers not only to “reasonable” level of skill and care but to “the same geographic region” and “at the time the services are rendered.”
- Agreeing to comply with all applicable laws, codes, regulations, etc. presents concerns beyond this article, but be sure that whatever language you do agree to limits your obligation to those laws, codes, and regulations in effect at the time the services are provided.
- Do not agree to language that imposes an open-ended obligation to redesign or otherwise act in response to any changes to applicable laws regardless of when those changes are effectuated. Use language that limits your obligations to those “in effect at the time of execution of this Agreement...”
- On the relationship side, discuss with your clients, past and present, the potential impact of the newly released maps on in-place or in-progress projects. And document their response.

Indeed, while the 2014 USGS seismic hazard maps may result in opportunities for design firms, they also call for a heightened focus on risk management. ▲▲

ROB HUGHES is a senior vice president and partner at Ames & Gough. Contact him at rhughes@amesgough.com.

The advantage of publicity is that it has more credibility than talking about yourself. The disadvantage is that you can't control either what's said or how often it's said. Any good marketing program incorporates both public relations and advertising, whether it's a print ad, banner ad, direct mail, e-blast or a sales presentation.

avoid the temptation to say too many things. Saying too much is another great way to waste money.

For the AEC industry, there's not a direct connection between advertising and sales. But if you understand why you are doing an ad, know who you want to reach, know how to reach them, give them a reason to pay attention, and have the discipline to run it more than once, you'll be more effective with your marketing dollars. ▲▲

LEO MACLEOD is a leadership and communication coach. He can be reached at leo@leomacleod.com.

AWARDS

Get inspired to be a Best Firm

We asked five Best Firm winners why they think their company is a best place to work. The reasons are inspiring.

By LIISA SULLIVAN
Correspondent



Bill Straub, president and principal consultant, **ALL4** (Kimberton, PA), a 42-person environmental services firm, 2nd, Environmental Services category.

As consultants, we are clearly only as good as our people and take great care to invest in their development and to provide them with a comfortable working environment and the best resources to enable them to shape their own future. Our mix of environmental professionals strikes an effective balance of technical, ecological, and environmental policy savvy that is unique for an environmental consulting firm of our size. Additionally, ALL4 is built on a culture of accomplishment, respect, accountability and teamwork. While our work environment may be characterized as casual, our work ethic is formal as we strive to make one another better, professionally and personally.

Kathleen English, managing principal, **English + Associates Architects, Inc.** (Houston, TX), a 15-person full-service architectural and interior design firm, 3rd, Architecture category.



I believe many, if not most, of the people here are seeking a career in architecture focused on improving our communities and environment over the highest salary attainable. Because so many are committed to the same goals, we are very supportive of each other at work and out of work, especially in times of stress.

Amanda Piotrowski, Skunkworks project manager, **Davis Bews Design Group, Inc.** (Oldsmar, FL), a 26-person architecture firm, 1st, Architecture category.

Our outstanding performance on this list is definitely attributable to the unique culture we have built for our employees. All employees are expected to think and perform as owners of the company. We function as self-managing individuals and teams, and are trusted to perform our jobs to the best of our abilities, under very little direct supervision or scrutiny. Employees of all levels are involved in and apprised of decisions at all levels.

We are a very open book organization, and so, at any minute, every employee can speak to our profitability, and his or her influence on realization of our goals. And, like owners, employees are financially rewarded when goals are reached, so we all have a vested interest. This ownership mentality gives us the personal freedom to be ourselves in the office. We are comfortable, in every sense of the word. It's great that we can share laughs across cubicle walls and dances and serenades in the common areas.

Our outstanding performance on this list is definitely attributable to the unique culture we have built for our employees. All employees are expected to think and perform as owners of the company.

We are encouraged to speak our minds, to make processes and practices better, to right what is wrong. There is no stigma associated with questioning or speaking out – although we rarely find ourselves with much reason to complain. Our pains, struggles, and challenges are just as welcome as our joys. There is no shame, no contempt, and no expectation of reciprocity.

We invest a lot of our time into our company during our busy seasons. Many of us work well beyond the 40-hour workweek. Some of us have comfortable furniture to take power-naps during all-nighters. We cancel vacation days. We miss happy hour with our 8-to-5 friends. We order too much take-out because we work too late to cook for our families. But none of these sacrifices are required, and indeed “sacrifice” is a misnomer. We are happy to put in the hours, because we are personally committed to the success of our company. And, as we work like good owners, so we are rewarded like good owners. We take luxurious trips (this year, we'll be visiting the U.S. Virgin Islands) with all expenses funded by our company, and we get to choose our destination.

We are afforded ample time off, including a week in December – paid, of course. After the first year, employees are enrolled in a three-tier annual bonus structure. These perks

See BEST FIRM, page 10

ON THE MOVE

KS ASSOCIATES APPOINTS KS Associates, Inc. (Elyria, OH), a civil engineering and land surveying firm, announces the appointment of **Joshua Carpenter** to the firm's Survey Group. The KS Associates Survey Group provides responsive, quality surveying and 3D laser scanning services to public and private clients primarily throughout Ohio and other regions when needed.

Carpenter is a project surveyor and has performed surveying work for site development, transportation, public utility, rail, and coastal engineering projects. He is adept in many facets of surveying including boundary surveys, ALTA/ACSM surveys, topographic surveys, as-builts, construction surveys, CAD base map production, elevation model creation – all using various survey equipment including Global Positioning Systems and high-definition laser scanning technology.

Carpenter's project experience includes work for some of Cleveland's large, complex infrastructure projects. Most recently, he provided surveying and mapping services for the Greater Cleveland Regional Transit Authority Complete Rail Line Survey, Northeast Ohio Regional Sewer District projects, Ohio Department of Transportation projects, and Eaton Corporation's new 600,000-square-foot Eaton Center facility in Beachwood, Ohio.

RRJ HIRES Raths, Raths & Johnson, Inc. (Willowbrook, IL), a national engineering, architecture, and forensics consulting firm, announced that **Kate Brannelly** has joined the company as the director of business development. In this role, she is responsible for the development and implementation of RRJ's firm-wide client development, communications, and promotion initiatives.

In its third generation of leadership, RRJ's senior management team has established a new vision and strategy for growth and

diversification in order to meet demand for expert services across the AEC industry. This new position was created as part of this initiative, to provide leadership in the areas of strategic planning, marketing, and business development to support the growth for this 48-year-old consulting practice.

Brannelly has over 25 years of marketing and business development experience with global and regional multidiscipline design and consulting engineering firms. She brings a proven track record in working with technical experts to enhance and leverage their success in all aspects of thought leadership marketing and client development.

Prior to joining RRJ, she was the director of marketing and business development for **CTLGroup**, where she was responsible for strategic planning, business development, and promotion of the firm's client-focused practice groups.

LJA PROMOTES LJA (Houston, TX), a 425-person full-service consulting engineering firm serving the public and private sectors in Texas, announced that **Shayna Helvey** has joined the firm as a project manager in the firm's Houston Land Division.

Helvey has over 14 years of experience in civil engineering, including foundation design for natural gas facilities, residential and commercial site design, wastewater treatment and sanitary sewer rehab design projects, roadway improvements design, and infrastructure modification.

Since joining LJA, Helvey has worked on several sections of the Aliana, Legacy at Stafford and Laurel Park North projects.

In her new role as a project manager, Helvey will supervise technical staff for the design and construction of major land development projects.

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are contingent upon reaching our goals, but we shoot high and rarely miss, because we are as invested in DBDG as it is in us.

Another byproduct of the ownership mentality is our ability to do work we want to do, and not work that just has to be done. We are all expected to identify our "unique abilities" – performance areas not only in which we excel, but also which give us energy – and gradually mold our jobs within the company to encompass those abilities.

We have the freedom to redistribute portions of our jobs to people who are better suited and more enthusiastic to do those assignments, so we can focus on items which give us energy. It is a rarity to find a company that will adjust to accommodate its employees.

W. Brant Aden, CEO, Foresite Group, Inc. (Norcross, GA), a 76-person civil engineering firm, 5th, Civil Engineering category, and 4th, Multidiscipline category.

Simple. Our associates made known they enjoy what they do and how they do it. Our people separate us from any other firm out there. We spend countless hours every year on recruiting, training, and sustaining every single per-



son within the firm. We recruit exceptional people who want to begin their career and grow old with us. In many regards, the owners of the firm consider our people as our clients as much as our external revenue producing clients. To that end, we treat our people with respect and offer them as much growth, responsibility, flexibility, creative boundaries, and opportunities to be amazing at what they do on a daily basis. It is these people who attract new external clients and opportunities that turn into very long and rewarding relationships for them and the firm.

Henry Gallart, president, SidePlate Systems, Inc. (Mission Viejo, CA), a structural engineering firm, 4th, Structural Engineering category.

We have made great efforts over the past three years to truly put our employees first in so many ways and are currently in the process of becoming a People First Certified company. Our ongoing commitment to live our core values (Integrity, Passion for the Customer, Teamwork, Empowered Purpose Partners and Commitment to Excellence and Innovation) certainly sets our firm apart from others. ▀▀

ZW15

A month for good performance

Most firms on the ZW15 index are seeing their stock reach pre-recession levels.

By RYAN RENARD
Consultant

August proved to be a phenomenal month for the companies on the ZW15 Index! Fourteen of the 17 companies listed saw positive increases in stock price over the last month and the others saw only single-digit percentage losses in value.

Willdan Group (Anaheim, CA) topped the month with a 39 percent increase in month-over-month stock value for August. **TRC Companies** (Windsor, CT) followed at 15 percent, then **AECOM** (Los Angeles, CA) at 11 percent.

Willdan is officially beyond pre-recession levels with an August peak of \$11.71 per share. The firm was awarded a \$22.3 million contract from Con Edison for energy services to small businesses in Southeast New York.

TRC hit an August peak of \$5.86, its highest stock price since it had a dramatic fall and peak in mid-July, coming into August at only \$4.98 per share. This climb in price came after the company reported an increase in net service revenue of 9 percent over the previous year. AECOM hit an all-time high on Aug. 26 at \$38.13 per share, after analysts reported that the acquisition of **URS** should be attractive and cited good management of debt. Despite a drop in total revenue, the company was able to rein in expenses and outperform the industry with stable earnings per share, according to Andrew Meola of The Street, Inc.

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of the 17 firms listed on the ZW15 Index saw positive increases in stock price during August.

Expect **CB&I**, **Fluor**, **Jacobs Engineering Group**, and **Stantec** to see some really good growth in September. These companies are contract winning machines. CB&I (The Hague, Netherlands) won contracts for a \$49 million storage facility in Beaumont, Texas, a propylene production facility in Poland, and a petrochemicals complex in the central Chinese province of Ningxia. Fluor (Irving, TX) and **KBR** (Houston, TX) ranked among the 75 best companies in the country to work for by their employees, according to a list compiled by 24/7 Wall St. Fluor completed the contract for the 170-megawatt Centinela Solar Energy Facility in Southern California and the new Ferguson Replacement Project, a gas-fired power plant in Horseshoe Bay, Texas. KBR and Jacobs (Pasadena, CA) both won nearly a dozen contracts each. Hopefully this will be enough for KBR to turn around a several month decline.

Stantec (Edmonton, AB) has signed a letter of intent to acquire **ADD, Inc.** (Boston, MA) and **Penfield & Smith** (Santa Barbara, CA). ADD will strengthen its building architecture capabilities in two major American cities, Miami and Boston; while Penfield & Smith, a 90-person civil engineering and land planning firm, will increase its presence in California with additional offices in Camarillo, Santa Maria, and Lancaster. Stantec also announced a two-to-one stock split, which expresses the confidence in their ongoing strategy and ever increasing foothold in the American architecture and engineering market.

Some firms saw a small decrease in value in August but they all seem ready to seize the day. ▲▲

See index table on page 12.

TRANSACTIONS

HOK ACQUIRES HOK (New York, NY), a global design, architecture, engineering and planning firm, announced it has agreed to acquire the award-winning design firm **360 Architecture** (Kansas City, MO) reestablishing HOK as a global force in the sports and entertainment facility design and giving the firm a significant new presence in Kansas City.

360 Architecture is one of the world's leading designers of stadiums, ballparks, arenas, recreation and wellness centers, and mixed-use entertainment districts. The more than 180-person firm, which also specializes in the design of corporate and commercial office buildings, government and civic facilities, and restaurants, was founded in Kansas City in 2004 through a merger of CDFM2 Architecture Inc. and Heinlein Schrock Stearns. The firm also has offices in San Francisco and Columbus, Ohio.

"As a global design leader, it's important for HOK to offer clients design excellence in sports architecture," said Patrick MacLeamy,

HOK chairman and CEO. "360 Architecture has created several of the world's most innovative professional and collegiate sports facilities and their design-focused culture and values align with ours. Together, we will design the next generation of sports and entertainment facilities while serving all types of clients as one of Kansas City's largest design firms."

After starting **HOK Sport** in 1983, HOK became a pioneer in redefining sports facilities and the fan experience. HOK spun off its sports practice in 2008. Expected to be finalized by the end of October, the acquisition of 360 Architecture will provide immediate benefits to both firms' clients worldwide as HOK reenters the sports and entertainment market.

360 Architecture senior principals Brad Schrock, Tom Waggoner, George Heinlein, William Johnson, Tracy Stearns and Chris Trainer will join HOK.

More transactions on page 12.

ZW15 INDEX

Ticker	Name	Market	Share Pricing							Valuation				
			Market Cap	Close July 31, 2014	Close Aug 29, 2014	Beginning of Month Change	% Month Change	Change from 50 -day MA	% Change from 50 -day MA	EPS	EV/ Revenue	EV/ EBITDA	Price/ Sales	Price/ Book Value
ACM	AECOM Technology Corp	NYSE	3.74B	33.95	37.84	3.89	11%	2.00	5.62%	2.48	0.55	10.74	0.48	1.66
CBI	Chicago Bridge and Iron Co.	NYSE	6.8B	59.32	63.42	4.10	7%	(0.28)	-0.45%	4.69	0.72	8.38	0.56	2.65
EEL	Ecology and Environment	Nasdaq	42.68M	10.37	9.95	(0.42)	-4%	(0.19)	-1.86%	(1.10)	0.29	(14.14)	0.34	1.09
EME	EMCOR Group Inc	NYSE	2.9B	40.93	43.20	2.27	6%	0.75	1.75%	1.99	0.44	8.28	0.45	1.89
ENG	ENGlobal	Nasdaq	75.75M	2.79	2.82	0.03	1%	(0.23)	-7.81%	(0.12)	0.61	11.90	0.64	3.09
EXPO	Exponent Inc.	Nasdaq	964.12M	71.08	73.06	1.98	3%	0.50	0.68%	2.86	2.85	12.91	3.36	3.89
FLR	Fluor Corp	NYSE	11.62B	72.87	73.89	1.02	1%	(0.81)	-1.08%	3.96	0.42	7.35	0.49	3.19
FWLT	Foster Wheeler AG	Nasdaq	3.24B	32.96	32.64	(0.32)	-1%	(0.59)	-1.79%	1.02	0.89	12.11	1.01	3.87
HIL	Hill International Inc	NYSE	220.45M	4.81	4.40	(0.41)	-9%	(0.54)	-11.00%	0.05	0.62	9.14	0.41	1.30
JEC	Jacobs Engineering Group Inc	NYSE	7.13B	50.81	53.91	3.10	6%	0.75	1.41%	3.01	0.57	10.23	0.57	1.59
KBR	KBR Inc.	NYSE	3.19B	20.66	22.02	1.36	7%	0.00	0.01%	0.50	0.34	289.11	0.48	1.36
STN	Stantec Inc	NYSE	3.19B	63.43	68.07	4.64	7%	3.77	5.87%	2.96	1.89	13.90	1.78	3.59
TRR	TRC Companies	NYSE	173.56M	5.03	5.76	0.73	15%	0.50	9.45%	1.06	0.44	6.09	0.47	1.43
TTEK	Tetra Tech Inc.	Nasdaq	1.63B	24.28	25.50	1.22	5%	(0.62)	-2.39%	0.09	0.86	8.36	0.85	1.54
URS	URS Corp	NYSE	4.18B	57.27	60.58	3.31	6%	1.80	3.08%	2.73	0.55	8.43	0.40	1.06
VSR	Versar Inc.	NYSE MKT	32.5M	3.18	3.33	0.15	5%	0.08	2.41%	0.01	0.25	22.81	0.29	0.84
WLDN	Willdan Group Inc	Nasdaq	85.51M	7.72	10.75	3.03	39%	2.03	21.75%	0.47	0.74	13.36	0.87	3.37
DJIA	DOW Jones Industrial Avg.	NYSE		16563.30	17098.45	535.15	3%							
*information at close of day Sept. 2, 2014									Average	0.77x	25.82x			
									Median		0.57x	10.23x		

TRANSACTIONS

WRS ACQUIRES WRS Environmental Services (Yaphank, NY), an environmental, utility, industrial, marine and landscaping services firm, announced the acquisition of **Berninger Environmental Inc.** of Bohemia, N.Y. Berninger has been a well-known and respected professional environmental investigation and design firm in the tri-state area for more than two decades. The services provided by Berninger will complement the work of WRS and provide complete solutions for clients.

Berninger Environmental brings a team of experts with years of experience in environmental investigations, designed solutions, remedial actions and monitors and closures of hazardous sites. They have been part of the Brownfield Cleanup Program in New York State, providing technical expertise to obtain soil and groundwater samples for testing at multiple depths, as well as air samples. In addition, Berninger designs remediation plans following their investigations and provides complete monitoring during and reporting after the remediation is completed.

Each year WRS responds to more than 1,500 environmental emergencies and incidents, disposes of hazardous and non-hazardous waste, provides vacuum services, that include vacuum excavating, and handles asbestos, lead and mold abatement and remediation.

WRS President Mike Rodgers said, "The addition of Berninger and the professional services they provide will allow us to offer clients a broader menu of turn-key environmental services. Previously we would have to wait for a third party to conduct its investigation and prepare a remedial action plan before WRS could conduct the cleanup. Now, with our recently expanded marine response and landscaping restoration divisions under the WRS Environmental family

of companies, we can do it all, including complete site monitoring and regulatory reporting after the cleanup. As a result, we can save clients time and money by doing it all under one umbrella."

Berninger employees will now be stationed in the headquarters of WRS Environmental. WRS has offices throughout the tri-state area and works for virtually every utility in the region.

SGI SPAWNS NEW COMPANY The Source Group, Inc. (Signal Hill, CA), an environmental management, remediation engineering & construction and water resources management firm, announced the launch date of **Oil Field Restoration Services**, an independently managed and operated company with a primary focus of serving the remediation, construction and site restoration needs of the oil and gas industry.

According to Neil Irish, SGI partner and principal geologist who leads SGI's growing Long Beach area office, the impetus is to leverage SGI's proven expertise to exclusively focus on the increasingly complex remediation challenges faced by oil and gas producers.

"Petroleum exploration companies face challenging regulatory, operational and political obstacles because of increased environmental scrutiny," said Irish, OFRS' president. "Over the last decade, we've developed a unique urban oil field site restoration program that helps oil production companies overcome these obstacles."

OFRS clients will benefit from the staff's long history of oil field environmental restoration and construction projects in the L.A. Harbor area and throughout California.