

## I love this business!

An ode to the A/E profession, from Mark Zweig.

Designing construction projects and then seeing them built in life-size, 3D is incredibly gratifying. And doing something where you get to continue to learn new things is also great.



Mark Zweig

### EDITORIAL

Being in the construction and development business through Mark Zweig, Inc., and getting exposure to many other businesses and industries as a professor teaching entrepreneurship at the University of Arkansas, I have gained a whole new appreciation for the A/E and environmental consulting business. I love it!

Sometimes I think it's good to remind ourselves why we do what we do, and why it is such a great business to be in.

First off, the people who work in A/E firms are some of the most honest, ethical, and hardworking people you can find anywhere. The standard of ethical behavior in this business is higher than any other I'm aware of – helped, in part, by professions that have strict ethical codes of conduct.

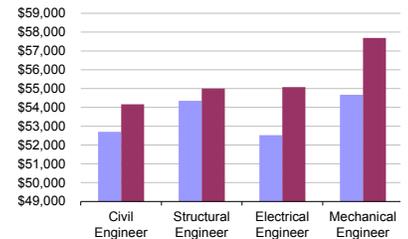
The people in this business are also intelligent and creative. What could be better than that? We all have to spend a lot of time with our co-workers so why not work with people we can learn from and who inspire us? There's nothing better!

Another great aspect of this industry is that the companies that make it up are by and large doing good stuff for society versus just selling junk food

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## TRENDLINES

### Higher base



Median base salaries for entry-level engineers in a number of key disciplines have increased this year, according to Zweig Group's 2015 Salary Survey of Northeast & South Atlantic Engineering Firms. In this U.S. region, mechanical engineers saw the largest increase, from \$54,672 last year to \$57,694 this year, followed by electrical engineers, whose base salary rose to \$55,000 from \$52,550 last year. The base salary for entry-level civil engineers increased from \$52,705 last year to \$54,167 this year, and structural engineers saw an increase from \$54,350 to \$55,000.

– Margot Suydam, Director, Research

**TO OUR READERS** In observation of the Christmas holiday, THE ZWEIG LETTER is not being published on Dec. 22. We return on Dec. 29. Happy holidays!

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## A/E BUSINESS NEWS

**ARCHITECTURE WITHOUT BORDERS** A new Tri-National Mutual Recognition Agreement made by the architectural regulatory authorities of the United States, Canada and Mexico makes it possible for architects to work across North American borders.

The agreement was made by the National Council of Architectural Registration Boards in conjunction with the Canadian Architectural Licensing Authorities and the Federacion de Colegios de Arquitectos de la Republica Mexicana (FCARM).

"The agreement, in the spirit of the North American Free Trade Agreement, makes cross-border recognition of an architect's credentials a reality," said NCARB CEO Michael Armstrong. "This opens the door to embracing more globally connected practices, while ensuring the protection of the public."

A qualified architect must satisfy the requirements of the agreement to be granted a credential to practice in a host country. Eligibility requirements include:

- Completion of an architecture degree from a program accredited by the National Architectural Accrediting Board (NAAB), the Canadian Architectural Certification Board (CACB/CCCA), Acreditadora Nacional de Programas de Arquitectura y Disciplinas del Espacio Habitable (ANPADEH), or a recognized equivalent.
- A minimum of 10 years of post-licensure experience in the architect's home jurisdiction.
- Proof of "good standing" in the home jurisdiction, as verified by the home regulatory authority.
- Knowledge of the codes, laws and applicable architecture practices in the host country.
- Submission of a dossier of work to satisfy specific competencies outlined in the agreement.
- Completion of an interview before a review panel in the host country, conducted in the language of the host country.

U.S. architects interested in learning more should review the eligibility requirements and program information posted on the NCARB website at [ncarb.org](http://ncarb.org).

**MICRODESK REVEALS TOP TRENDS FOR 2015** Microdesk, a provider of business and technology consulting services for the design and construction industry, shared its predictions for the top trends that will shape the architecture, engineering and construction industry in 2015. Microdesk surveyed its executive management team, customers, and technology partners to gain their insights and perspectives on the coming year. As a result, they have identified the following major trends as those that will directly impact the AEC industry in the coming year and beyond.

### **Building for social good will shift from thoughtful conversations and ideas to the development of industry standards as technological advances drive down costs.**

Building for social good brings a level social awareness to the work of the AEC industry through focusing on designing and building more efficiently in order to better serve the long term needs of the community. Many building owners and real estate developers are already looking at the technological benefits of building for social good and factoring this into the life

of a building as opposed to just in the initial construction cost. Building for social good will progress in the next five to 10 years because the technology and workflow, as well as the "feel good" benefits, will become harder to ignore.

### **Unmanned Aerial Vehicle (UAV) usage will grow exponentially, as the devices become more capable, smaller and less expensive.**

In the AEC industry, one of the more costly aspects of getting a project completed is capturing the existing conditions. As the use of UAVs and Reality Capture continues to develop and improve, the industry will be empowered to conduct mass data collection at a very low cost with a very high level of accuracy. This will enable firms to be more efficient in the design and planning process.

### **Virtual and augmented reality will become the hot ticket item for AEC community, as building owners and property managers request to experience a building's design before it is even built.**

Virtual and augmented reality allow the unique ability to experience an environment. While today's visualizations can provide a very compelling and realistic 360-degree of a project, they do not enable the ability to truly experience it. The ability to engage the senses and interact within a model will provide AEC professionals the ability to make better design decisions during the planning process – before construction even begins.

### MARK ZWEIG, from page 1

or tobacco, or overpriced garments or unneeded financial products. The work of firms in this business directly impacts the quality of life for all of us.

The work itself is fun and gratifying. Designing construction projects and then seeing them built in life-size, 3D is incredibly gratifying. And doing something where you get to continue to learn new things is also great. The advances in software and other technologies people get to use every day keep things fresh.

Being able to move around during the day is also great. Whether it's getting

in the car and driving to a job site, or getting on a plane and going to an exotic location, the opportunity for people working in this business to not be stuck behind a desk all day is real.

The point is, we all have a lot to be thankful for and feel really good about working in the A/E/P or environmental consulting business. So let's use some of these points as the underpinnings of our own daily affirmations to create a positive attitude for ourselves and our people as we move into 2015. ▀

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## PHILOSOPHY

# Growth versus lifestyle firms

Did you start your firm because you saw a red hot opportunity for financial success or because you want to live and work on your terms?

By LIISA SULLIVAN  
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Americans are a hard working group. They often forego vacation time, work overtime and are connected, even during the off hours. However, there are a few who prefer to sacrifice big dollars and long hours for more personal quality time – these are people who prefer the atmosphere of a lifestyle firm, as opposed to a growth firm. So, exactly what does the term “lifestyle firm” mean and is lifestyle a valid motivation for starting a firm?

“The promising growth company is one that delivers value-added products into its growth market or niche, and where its customers also understand, need, and value the solutions.”



Gene Murray,  
President, W&M  
Environmental  
Group.

VC Experts, a company that produces financing and valuation reports on privately-funded companies, defines “lifestyle firms” as follows: Firms that provide a reasonable living for their founders, rather than incurring the risks associated with high growth. These types of firms usually have modest revenue and annual growth rate projections. The founders resist an exit ... trade sale ... because it deprives them of their lifestyle.

**WHAT’S THE DIFFERENCE?** Lynn Youngs, executive director, The Anderson Center for Entrepreneurship and Innovation at the University of Tennessee, Knoxville, takes this definition a step further and defines the differences between a lifestyle firm and a growth firm. He says that a growth business focuses on a marketplace with potential for rapid and robust growth over the coming years.

“There may be technological innovations that spawn rapid development of new products, or there may be changing customer dynamics that create new market needs. The promising growth company is one that delivers value-added products into its growth market or niche, and where its customers also understand, need, and value the solutions,” he says.

The lifestyle business, on the other hand, is one

that may or may not see significant growth, but exists to fund the “lifestyle” of its owner(s). This company could be profitable, but does not necessarily have aspirations of rapid revenue growth. Many businesses that are sometimes referred to as “mom and pops” are in the lifestyle business category.

Youngs explains that growth companies are typically much more attractive to investors than their lifestyle counterparts. In this case, “outside investment” includes the entire range, such as angel seed, and venture capital investors, other private equity transactions, potential mergers and acquisitions activity, or initial public offerings. While it is true that lifestyle businesses represent the majority of firms from a quantity perspective, growth businesses embody an economic engine that generates not only growth within the companies themselves, but also spawns creation of other products and services as the overall industry grows.

Most growth companies try to target a marketplace that will allow them to achieve at least \$5 to \$10 million in annual revenues by year five. While some business plans are legendary in projecting \$100 million by the third year, those are rarely ever realized, and unrealistic projections are viewed dimly by potential investors.

“There’s always a ‘boss’ out there. You may think that you have total control, but the client tells you what to do, the government tells you what to do and on and on.”

Lifestyle companies, for the most part, will expand capital primarily through debt financing, if applicable to the business model. Without a growth model to offer the potential of far greater returns on investment (though admittedly at greater risk), equity financing for the lifestyle firm is usually much more difficult to attract. If equity investment is obtained, the primary source is typically friends or family.

**GROWING ALTERNATIVES.** Gene Murray, president, **W&M Environmental Group** (Plano, TX), a 42-person environmental consulting firm, says

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## CALENDAR

**THE PRINCIPALS ACADEMY 2.0** The Principals Academy 2.0 is an updated version of the Zweig Group's crash course in all aspects of managing a professional services firm.

The program is presented by a team of speakers – including Zweig Group founder and CEO Mark Zweig – with extensive experience working with and for A/E firms. They have a clear understanding of what it takes to survive, and even thrive, in any economy.

The Principals Academy 2.0 is updated with the latest approaches to leading a successful firm in this new economy, including an expanded focus on business development, strategic planning, and financial management. The Principals Academy 2.0 is like a two-day MBA for technical professionals and is the most impactful two days you can spend learning to build your career and your firm.

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

The Principals Academy 2.0 program includes an extended Q&A session with industry leader Mark Zweig and the panel of speakers. This provides the attendees an opportunity to discuss in-depth the issues facing them at their firms with advice offered from industry leading experts.

Upcoming events include March 12 in Houston and June and 14 in Seattle.

For more information or to register, call 800-466-6275 or log on to <https://zweiggroup.com/seminars/tpa/>.

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

That's why Zweig Group developed a one-day program that will help anyone who could possibly be involved in selling and who wants to be more successful and increase their value to their employers – design and technical professionals as well as marketing and business development professionals, principals, managers, architects, engineers, planners, scientists, surveyors, designers; anyone who wants to know more about selling. Becoming a Better Seller was specifically developed to help design and technical professionals become more comfortable dealing with clients and promoting the firm and your services.

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

Seminar dates scheduled for 2014 include Feb. 26 in Scottsdale, Ariz. and April 9 in San Francisco. Group discounts are available for teams of four or more attendees from the same firm.

Please call 800-466-6275 or log on to [https://zweiggroup.com/seminars/better\\_seller/](https://zweiggroup.com/seminars/better_seller/).

## IN BRIEF

**DODGE EDGES UP** The Dodge Momentum Index increased in November, climbing to 125 (2000=100) for the month, up 0.6 percent from October's reading of 124.3, according to Dodge Data & Analytics. 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. After retreating from July through September, the Momentum Index has now registered gains for two consecutive months, indicating that the nonresidential building market continues to trend upward even with the occasional setback. The Momentum Index is now 14 percent above the same month a year ago, and is at

its highest level since early 2009.

The November rise in the Momentum Index was the result of greater planning activity in the commercial sector, which rose 4 percent for the month. The increase for the overall Index was held back, however, by a 3.8 percent drop in planning activity for the institutional sector. There were three commercial building projects exceeding \$100 million that entered into planning during the month: the \$232 million Bridgestone America Office Tower in Nashville, a \$200 million mixed-use development in Eatonville, Fla., and the \$100 million Turning Stone Retail & Entertainment Venue in Verona, N.Y.

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that some people start a business with the idea that they will be in total charge of everything, but as Bob Dylan says, "You're gonna have to serve somebody."

"There's always a 'boss' out there," he says. "You may think that you have total control, but the client tells you what to do, the government tells you what to do and on and on."

Murray also finds that owners of lifestyle firms tend to take the concept a little too far.

"I've seen a competitor's owner show up at a job site in flip flops, shorts and a Hawaiian shirt claiming, "This is why you own a company, for the lifestyle..." We get a lot of their employee's résumés because they say they want to work for a more professional firm," Murray says.

That said, Murray does believe that there are valid reasons to start a firm that have do with more than just growth

building. They include:

- You might be out of work and no one is hiring experienced professionals
- You don't like the way your employer operates
- You want to pursue your "lifestyle"
- Personal reasons (elderly parents, children, etc.)
- Political reasons (you want to save the world)

While growth is likely the most popular reason to start a firm, author Bo Burlingham outlines ways that several companies have achieved all their goals in his book, "Small Giants." It's an interesting way to look at growing profitability through being the best at what you do. It's about maverick companies that have passed up the growth treadmill and focused on greatness instead.

What type of firm are you? ■

## BEST FIRM

# Combining values for better results

Best Firm To Work For drives higher performance through its culture.

By LIISA SULLIVAN  
Correspondent



Staff at Kluber Architects + Engineers working on a boardwalk project.

## KLUBER WORKS TO

Forge trusted relationships with its clients  
Produce inspiring outcomes  
Exceed expectations  
Practice civic responsibility  
Demonstrate leadership within the communities it serves  
Sustain built environments for the long term

**Kluber Architects + Engineers** (Batavia, IL), a 22-person multidiscipline firm, defines itself as a values-driven architectural and engineering firm. That motto may help explain Kluber's respectable no. 5 placing in Zweig Group's Best Firms To Work For ranking, multidiscipline category.

Michael Kluber founded the firm in 1987. Kluber spent a great deal of time in a design-only environment while working as a design professional in Atlanta. He was raised in a construction family with hands-on trade skills and he preferred to use his engineering and construction expertise in a more comprehensive design-build delivery method.

Today, Kluber works to:

- Forge trusted relationships with its clients
- Produce inspiring outcomes
- Exceed expectations
- Practice civic responsibility
- Demonstrate leadership within the communities it serves
- Sustain built-environments for the long term

**WHAT DOES THIS AWARD MEAN?** "This type of award reflects well on the integrity and loyalty of both the employer and employees to sustain this type of culture," says firm founder Kluber.

Everyone knows that choosing a company to work for can be a challenging decision. A company's cul-

ture can be as important to employee satisfaction as the job duties they perform.

"This award speaks for our company's outstanding culture and we will be able to use it as a recruiting tool," says Michelle Hartzell, vice president of support services. "We feel our company culture drives a higher performance from our employees and that results in financial success for the company and the individuals who work here."

**ACHIEVING BUY-IN.** Hartzell has been with the Kluber for 10 years. She says that most companies can say they offer competitive salaries, rich health insurance plans, retirement plans and profit sharing. She says that Kluber has all this and more.

"This type of award reflects well on the integrity and loyalty of both the employer and employees to sustain this type of culture."

"Receiving this award just confirms what we already knew about our workplace culture," she says. "As a company, we encourage our employees to balance their work lives with their personal lives; a team environment and a comfortable workplace allow for this. We get to enjoy things like spending a summer afternoon at a minor league baseball game with the entire company or having the time to attend a daughter's school recital. I believe it is things like this that bring a higher level of commitment to meeting the company's goals and working as a team."

**WHY ARE EMPLOYEES SO HAPPY?** Jeff Bruns, manager structural engineering, has been with Kluber since 2004. He says that he really enjoys the collaborative and team environment that results from working alongside highly talented individuals who bring something unique to the table for any given project.

"Problem solving with architects, mechanical engineers, plumbing engineers and electrical engineers each with an average of 20 years of experience is truly a rewarding process," he says. "As a structural engineer who is always looking for perfection, it is comforting to know that working alongside my co-

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# Diversity – How to gain the benefits

Being inclusive is the right business decision and will continue to pay dividends into the future.



STEPHEN  
LUCY

## BEST PRACTICES

Yet diversity gains made in the classroom preparing for the AEC industry seem to get quickly lost upon entering the workplace. Multiple studies, including “Stemming the Tide: Why Women Leave Engineering,” prepared by Dr. Nadya Fouad and Dr. Romila Singh under a National Science Foundation grant and “The Missing 32% Project,” prepared by a committee of the AIA San Francisco, all highlight the loss of women in the engineering and architectural profession. Similar studies have found like results within other diverse groups.

So after persevering through all the work to obtain the necessary education, why do women and minorities leave our profession? And with the shortages of staff now and projected shortages going forward, how can our professions afford to lose highly qualified personnel? In short, we cannot afford this loss. We must take steps to address the issues that cause these departures.

**WORK ON OUR IMAGE.** In the last national Gallup poll on honesty and ethical standards, the public ranked engineering as tied for third. Our public image is gleaming. Who would not want to be part of our group? Yet despite the public accolades, a surprisingly large number of graduates don’t even enter the workforce within their chosen field of study due to the perception that the professions are inflexible, and the workplace environment will not support diversity.

As an industry, we have to correct this perception. While we have already made progress in getting diverse groups into the classroom, we now need to engage with them during the college years and within the first few years of their careers to clearly show we want them to stay in the profession. This will take time, but delays will not get us where we

**W**hen I began my career, I remember diversity only being discussed once during a conversation about the lack of diversity in our industry. Of my 150 engineering classmates in college, there were eight women and even fewer non-white students. That non-diverse and all too common student composition at the time is fortunately far from the norm now.

If our industry is perceived as unsupportive, there is a probability that your organization is also not seen as totally inclusive.

want or need to be.

**ADJUST YOUR FIRM’S POLICIES AND CULTURE.** If our industry is perceived as unsupportive, there is a probability that your organization is also not seen as totally inclusive. Having grown up in the “good old days” system, many of us may sometimes be slow to pick up on policies or procedures that create the impression of exclusion. Identifying and addressing areas of change will require a review of your firm’s policies and its culture, including input from all staffing levels. To begin the process you should start adopting the following approaches:

- **Be open.** Before any change can occur, you have to be open to change. Engage in open and honest discussions to ascertain your staff’s needs and to convey to them the ability of the firm to address those needs. You may not be able to meet every need, but the mere fact of obtaining and responding to the information will allow for the lines of communication to stay open.
- **Be flexible.** All policies should not be taken as rigid and unchangeable. Some flexibility to address specific needs is usually warranted. The number one item will probably be requests for flexible work hours or working remotely. This can address the need of many for a better work/life balance, but you should also take into consideration the ability of the person to self-motivate. You should also reevaluate the agreed modifications periodically and adjust as needed for both sides as it has to be a win-win for all.

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# Change is good!

Five ways to increase your digital footprint in branding and recruiting the best and brightest in 2015.



Randy Wilburn

## SEARCH SAVVY

Based on the time I spent with Mark, I decided to take the plunge and get back into management consulting in a way that I haven't done in years; since my first "tour of duty" with Zweig White & Associates. Back then, I was one of those associates given plenty of rope to make things happen.

When I left the industry, the technology that we take for granted today was in its infancy – we had a couple of career websites but that was it! There was no Twitter, Facebook, LinkedIn, etc. If I remember correctly, Napster was the biggest game in town online and you were hip if you had an AOL account. In the Executive Search group at ZWA we got on the phone and made call after call after call. We sourced all the people we could find, recruited everyone who would speak to us and secretly hoped that the fax machine had enough paper in it for the résumé you were about to receive. Those were the days...

But they are long gone.

The A/E industry is all grown up now and more mature than ever. Just like every industry, profession, or discipline, HR and recruiting has had to come to grips with the changes in how we do things, workplace education and development, source candidates, call on clients, and recruit the best and brightest people.

Tools like LinkedIn and Twitter and even Facebook have changed the way we work. Information flow is more instantaneous and if you don't know how to parse and process this information you could get left behind. Having spent time outside the A/E industry and seeing information and data manipulated in new and profound ways has given me a unique perspective on things.

As we approach the end of 2014, I'm amazed at how much has changed in such a short period of time. Let me preface this by saying this year was unlike any other for me. I stepped down from a position I had been in for almost five years; after hearing a profound EntreLeadership Podcast (EntreLeadership.com) featuring a story about two men who had the opportunity to be mentored by Peter Drucker – arguably one of the greatest minds on Wall Street – and then reaching out to my own version of Peter Drucker in one Mark Zweig, for mentoring.

Today, it's no big deal for a company to develop and run cost-effective, simple software that allows them to operate more efficiently or provide a better bridge to a program that is the backbone of what they do or manage (Think Deltek or Salesforce or any other project management program). Inexpensive technology is everywhere.

Here are five ways for you to increase your digital footprint in branding and recruiting the best and brightest to join your firm in 2015.

### 1) Let social media be 'social' and not 'so-cold!'

Don't create a bunch of canned responses that make it look like you have a robot monitoring your social media accounts. There are great programs out there – HootSuite (Hootsuite.com), Buffer (Buffer.com), and Sprout Social (SproutSocial.com) to name a few. With proper planning and a thoughtful approach these social media dashboards can make things so much easier for you to have genuine conversations with clients and candidates, for that matter.

### 2) Make sure that your brand message is consistent across multiple social media platforms.

Your logo, tagline, vision, mission statement, or whatever you are known for should exist somewhere on *all* of your social media profiles. More and more AEC candidates are spending time online doing research and talking to peers through multiple social media channels before making job changes. It hurts rather than helps you to not have an active and organic presence online. Nowadays a website is just not enough.

### 3) Tell your story the only way you can. Use video and audio to brand yourself and your message properly. When trying to attract the best talent you always have to put your best foot forward. Consider creating a series of short videos or podcasts that capture the essence of who your firm is, what it

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STEPHEN LUCY, from page 6

■ **Be an example.** A frequent reason women and minorities depart the industry is that they didn't have a mentor among senior staff. This is obviously a circular problem that can only be broken if you establish yourself as an example. Be a mentor and pass on your knowledge and relationships. Take an even bigger step: Promote or hire women and minorities as principals or partners who deserve these leadership roles. Demonstrate your commitment to building an organization that is led by talented, competent men and women, representing the diversity in our society-at-large.

**GET THE BENEFIT.** Definite business benefits can stem from creating an inclusive organization. Study after study shows that diverse groups are more productive and more creative. Diversity drives greater communication as there are no preconceived ideas of the experiences or limitations of each diverse group. A few tangible benefits you will receive include:

- **Increased adaptability.** Just as diversity of markets is beneficial for a firm to weather changes in the economy, diversity of staff will allow your firm to be more adaptable to change.
- **Varied viewpoints.** A diverse staff that feels comfortable presenting varied viewpoints also provides a larger pool of ideas and experiences from which to draw. This can enhance

out of the box thinking and provide more creative service to your clients.

- **Reflective of clients.** You may not be diverse, but more than likely your clients are. The better your staff aligns with the composition of your client staff, the better you will be able to relate to your clients individually and as a firm. This can allow you to both better understand your client's needs and to attract new clients to your firm.

**BE INTOLERANT.** I realize that this one sounds entirely contrary to the topic, but you have to be intolerant to those who are not tolerant and accepting of others. You can be welcoming, supportive and flexible of diversity, but all the benefits of that open spirit will be lost if you condone lack of respect or poor behavior in others within your organization. Don't let others define or alter your culture.

**EMBRACE DIVERSITY!** Ours are wonderful professions that provide great service to our communities through planning, design and construction. Build on that same great service through the inclusion of your diverse community. It is the right business decision now and will continue to pay dividends into the future. ▀

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means to be a team member, and maybe even the benefits of working with your company. I learned an expression a long time ago: "It's a pitiful frog who doesn't praise his own pond!"

**4) Keep an electronic database or CRM on all prospective candidates who respond to any job postings or come in the office for an interview.** Many firms may want to have their HR department keep a separate simple CRM to refer back when ready to hire. There are several FREE ones out there, including Zoho Recruit (Zoho.com/Recruit) and Insightly (insightly.com). As recruiters, our database is our lifeline. You have to make sure that you have an adequate database in place to keep track of all of the amazing candidates you run across over time. Maybe someone you really like isn't a fit now. Sticking their business card in the bottom of your drawer may not work so well for you nowadays. You need to keep that person's information in an electronic format and if there is an opportunity to engage with them through social media you should consider that as well. You never know when

you might be ready to hire that person and if you remain engaged with them even on the simplest of social media levels that call to recruit them down the road is much warmer.

**5) Don't make social media and marketing your brand for recruitment purposes a chore.** Keep the message on point and have some fun with it. Keep relevant data about your firm, your growth, and the project mix nearby so that you can always make it available through social media to potential clients and candidates alike.

Everyone is under a microscope to perform. But clients and candidates can see thru a smokescreen. Whether your firm is working with a recruiter or not you may only have one shot at a great candidate. Make sure it's your best.

Happy Holidays! ▀

RANDY WILBURN is director of Executive Search with Zweig Group. Contact him at rwilburn@zweiggroup.com or find him on Twitter at @RandyWilburn and @ZGRecruiting.

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workers we achieve excellence on our projects."

And, there is no shortage of building experts (architects, mechanical/electrical/structural engineers) at Kluber.

"However, instead of each person focusing on their single discipline, we all work together from beginning to end, focused on the final product," says Don Ware, vice president and mechanical, plumbing and fire protection engineer. "A building that is well thought out, functional and meets/exceeds the expectations of the client is what it's all about."

Finally, Rob Hollis, vice president of sales and marketing, says he started working with Kluber after 25 years in enter-

prise software sales.

"Many things about the firm and the industry were attractive to me, but the company culture was the thing that stood out most for me," he says. "The firm's leadership has created an environment where each member of the firm is valued and treated as an asset, where they understand the importance of a well-balanced life and where they work very hard to put people in roles where they can succeed and be happy."

So, what has driven senior level management to create the culture that made receiving this award possible? Senior managers feel a great sense of pride knowing that their company is successful while safeguarding the wellbeing of its employees. ▀

## RECRUITING

# Letting a new hire go

It's a mistake to hold on to a new hire who's not working out for too long in hopes things will change, even it's a high-profile position.

By LIISA SULLIVAN  
Correspondent



Terri Swain,  
HR Consultant,  
LLC.

**Y**ou hired someone you thought was a perfect fit, but it turns out you were wrong. What makes it even worse is that you invested time and training because it's a position that requires some technical prowess. Now what? What's the proper protocol? Do you give a trial period of 30, 60 or 90 days? Do you ride it out and see if it will work out, or do you cut the cord before you get in too deep?

**KNOW THE LAW.** Terri Swain of the HR Consultant, LLC in Fort Worth, Texas, says you should first check with your state and make sure of your requirements for letting someone go. For example, Texas is a right-to-work state and it's fairly risk-free to let someone go. However, other states may have stricter rules in place.



Kimi Duplichan,  
Director of HR,  
WHR Architects,  
Inc.

"Additionally, a best practice is to have an introductory/probationary period (typically 90 days) where someone can be let go without following typical disciplinary processes – again keeping in mind your state's laws and processes," Swain says.

**LESSONS LEARNED.** Swain offers an example where someone should have been let go sooner rather than later and illustrates why.

"We worked with an organization who hired their third CEO in three years. It was a high visibility position in the nonprofit world. This third CEO was fully vetted and was placed by a well-respected search firm. He had great credentials and on paper looked like a really great hire. But he wasn't working out. He just wasn't jelling with the community and exhibited behaviors that weren't a cultural fit. However, the board of directors didn't want to have the embarrassment of yet another top leader who didn't work out, so they kept the hire knowing that there were issues. These issues only snowballed and not only did they end up letting him go, it was outside the time period where the search firm would have replaced the hire."

So note that if a search is handled by an external firm, your contract should include a clause to replace this person within a one-year period without

further fee if they don't work out.

Andrea Herran, principal, Focus HR in Barrington, Ill. usually suggests a second chance, but not more.

"I have had clients give too many chances, and it hurts them in the long run. It ends up damaging their reputation with clients and souring the other employees. I have seen this happen across industries and with all size companies," she says.

"I have had clients give too many chances, and it hurts them in the long run. It ends up damaging their reputation with clients and souring the other employees. I have seen this happen across industries and with all size companies."

**ARE YOU DOING THE RIGHT THING?** Swain says that sometimes companies also have to examine if the problem lies within.

"Are you doing what you need to do to make this person successful? Could they benefit from a mentor or coach to make it work or is it hopeless?" she says.

Herran says that even before a person starts working for you, you need to determine the training plan for the new hire. This should include weekly goals of what the person should be able to do by the end of each week. Depending on the position, the training may be only four weeks or it could be as much as 12 weeks. Each business would need to determine according to their needs and the position. Then when the employee starts, review the training plan and the weekly goals.

"At the end of each week, sit down with the person to discuss the training, what is working, what's not working and the progress on the weekly goals," she says. "After a week or so you may start to see a pat-

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## ON THE MOVE

**ARUP HIRES Arup** (London, UK), a multidisciplinary engineering and consulting firm, announced that **Carl Crow** has joined the firm in its Houston location as an associate principal mechanical engineer with a focus on healthcare and research facilities. Crow will be responsible for leading and growing the healthcare/health science design capabilities in the firm's Houston office.

Crow will be focused on growing the healthcare and research design, planning, and consulting services in Houston. He will liaise directly with architects, builders, project owners and visionaries in the healthcare and science fields to bring Arup's culture of integrated project development and creative, forward-thinking engineering solutions to existing and future developments.

"It's exciting to join a firm with international experience and a breadth of resources to draw upon as we embark on some of the region's healthcare, science and technology projects," Crow said.

"As a client-oriented consulting firm with a focus on knowledge sharing throughout its global reach, we are exposed to a large-variety of techniques and trends that can only benefit our regional market. Texas is on the verge of a tremendous shift in the research, healthcare and wellness market, and having Arup's proven experience to back it up will be a huge plus."

Crow has 35 years of experience in the engineering and construction industry specializing in the design and specification of mechanical, electrical and plumbing systems for large building projects including academic, aviation, data centers, clean rooms, healthcare, high-rise commercial, hospitality, and research. Areas of engineering expertise include heating ventilation and air conditioning, plumbing, fire protection, medical gas/vacuum systems, and building energy management and control. Experience includes design and commissioning of numerous building MEP systems.

**LJA PROMOTES LJA** (Houston, TX), a 425-person an employee-owned, full-service consulting engineering firm, announced that **Steven Perez** has been promoted to Project Manager in the firm's Houston Land Development Division.

Perez has over eight years of experience in the civil engineering

field in both land development and transportation projects. His experience includes the design and construction of drainage, paving, water distribution, sanitary collection, and detention facilities serving commercial, single-family and multi-family residential developments. He has also provided construction and quality control inspection services for various highway, bridge and land development projects. Perez has worked on several projects for various municipalities, including the City of Houston, Missouri City, Harris County and Montgomery County.

Perez has worked on the design and coordination of The Woodlands, as well as Woodforest, Hendricks Development and various other land projects.

LJA also announced that **Aaron Roberts** has joined the firm as a project manager in the firm's Houston Transportation Division.

Roberts has over 11 years of civil and environmental engineering experience. His background includes transportation and drainage studies, preliminary engineering reports, specifications, bid documents and drawings. His environmental experience includes environmental site assessments, environmental assessments, categorical exclusions, wetland delineations, and Section 404 Wetland Permitting.

As project manager, Roberts will be responsible for managing various aspects of the schematic design of transportation projects such as drainage, environmental services, utilities, public involvement, and traffic engineering as well as assisting in preparing contract documents.

Finally, LJA announced that **Heather Sides** has joined the firm as a senior project manager in the firm's Houston Surveying Division.

Sides has over 15 years of experience in surveying in the public and private sectors. Her expertise includes survey operations, construction staking and boundary surveys. She is also an expert in FEMA flood zone requirements.

As senior project manager, Sides will manage the survey component of LJA projects and will be responsible for the development of her team members.

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tern where the employee can't keep up or is not functioning well with clients or as part of the team. This is when the decision-making process should begin."

**EARLY INTERVENTION IS CRUCIAL.** Kimi Duplichan, director of HR, **WHR Architects, Inc.** (Houston, TX), a wholly owned subsidiary of **EYP** (New York, NY), says that when hiring they always look for good technical experience, but just as important is attitude and cultural fit – especially when hiring senior level staff. Unfortunately, even with this filter and multiple interviews, sometimes they make the wrong call.

"The actual cost of selecting the wrong candidate is debatable, but the harm it can cause to the company's morale and productivity is undeniable," Duplichan says. "Because of this, we should recognize and rectify the situation as soon as possible. I have seen several bad hires in this industry that were allowed to go on for a couple years before the situation was corrected. The result was loss of productivity and loss of some very talented next generation leaders. From an HR

perspective, the termination has to be handled properly, but swift action is the best action."

**PREVENTION IS BEST PROTECTION.** Swain says that to really address this question, the recruiting process needs to be analyzed. In the quest to fulfill a hiring manager's sense of urgency for filling a position, sometimes a thorough vetting of candidates is not done.

Swain says that your hiring managers should learn from this costly mistake and institute better screening mechanisms to evaluate candidates that include:

- Demonstrations of technical abilities
- More in-depth interviews
- Thorough reference checking

"If it's cultural fit that didn't work out, develop screening questions to determine fit," she says. "However, if you find yourself in a situation where you've learned a bad hiring decision was made, it's better to cut your losses sooner than later." ▀

## FEES

## Firm or flexible? Is playing favorites okay?

The design industry is based on relationships and a discount sometimes applies. But make sure several eyes review fee proposals.

By LIISA SULLIVAN  
Correspondent



Tim Nicoulin,  
CFO, Wantman  
Group, Inc.

No one likes the teacher's pet, but there are plenty of them. Doesn't sound very fair does it? It's not, but the bottom line is that it happens in school and in business, alike.

So, how do CFOs work to make sure that a principal is not charging fees to make a client happy when that is not being done for anyone else? Are there guidelines in place? Are there repercussions?

"It is costly to obtain a client so a reasonable fee concession may be more cost-effective than replacing a known client with a steady stream of work."

**SOMETIMES CONCESSIONS NEED TO BE MADE.** At **Wantman Group, Inc.** (West Palm Beach, FL), a 196-person multidisciplinary consulting firm that specializes in engineering, surveying and mapping, planning and environmental services, Tim Nicoulin, CFO, says that the A/E industry remains a service industry that is built on personal relationships to sustain and grow an individual firm. That likely will not change for some time to come. As a result, fee concessions will continue to exist.

"From my knowledge, most firms have developed some type of fee concession guidelines for not only 'family and friends,' but key clients who provide repeat business and quality references," he says. "It is costly to obtain a client so a reasonable fee concession may be more cost-effective than replacing a known client with a steady stream of work."

That said, for guidelines to be good and effective, they also need to be clearly defined and communicated.

"Compliance and exception reporting will generally fall within the domain of the CFO," Nicoulin says. "One of the better procedures I was part of required review and sign off of all proposals by a second

principal. This does not work in all situations, but for that particular single-office firm of five principals and 50 or so employees it was very effective. Again, compliance checking and exception reporting fell within the domain of the CFO, where the executed contract/proposal was received and set up."

Are there any repercussions when procedures are not followed to a tee? Nicoulin says that he has yet to see anything serious. He has had several heated discussions and a few threats were made but there weren't monetary repercussions, loss of shares or firing.

**A CASE-BY-CASE BASIS.** Roy Mitchell, CFO, **McDonough Bolyard Peck, Inc.** (Fairfax, VA), a 284-person multi-disciplined construction management firm experienced in assisting clients in managing the construction process from initial budget, through design and construction, to successful project closeout, says that they try to assess cases independently.

"Before fees are established for a project, the proposed fees undergo an independent review by no less than two people, usually the CFO and a principal not associated with the project," he says. "This seems to keep things under control."

"Before fees are established for a project, the proposed fees undergo an independent review by no less than two people, usually the CFO and a principal not associated with the project."

**SKIN IN THE GAME.** Bob Borson, principal at **Malone Maxwell Borson Architects** (Dallas, TX), also writes LifeofanArchitect.com. In one of his blogs, he introduces the concept of having "skin in the game" as a way to ensure that costs are fair and equitable.

He says the price-setting process can be a tricky

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## FIRMS ON THE MOVE

**NBBJ EXPANDS IN CHINA** NBBJ (Seattle, WA), a 750-person global design and architecture firm, has expanded its healthcare planning and design services into China. Principal Rudy Widjaja will lead planning and design teams from NBBJ's Shanghai office, where he will draw on his experience with healthcare clients in China, Taiwan, Korea and the United States, as well as the firm's global network of healthcare experts.

The launch of NBBJ's China healthcare practice comes at a time when the scope of the firm's healthcare practice in Asia is increasing, with work for Shanghai Children's Medical Center in China; the Koo Foundation Sun Yat-Sen Cancer Center in Taipei, Taiwan; and the Samsung Medical Center in Seoul, Korea, among other projects.

Joan Saba, partner at NBBJ and the leader of its global healthcare practice, said: "We've successfully extended our innovative healthcare facilities concepts across the U.S., Europe and the Middle East. While we have long been serving select healthcare clients in China, we are very excited to deepen our practice by building a strong China team for future clients."

"By formalizing our healthcare practice, we are now able to bring NBBJ's renowned healthcare design expertise to our Chinese clients more readily. We can adapt best and future practices to the specific technical and cultural needs in China as new private healthcare models emerge," Widjaja said.

For 70 years, NBBJ's vision and compassion have helped shape many of the world's most progressive academic medical centers, teaching hospitals, specialty hospitals, community hospitals, ambulatory care centers, medical office buildings and specialty facilities. The firm successfully blends healing environments with efficient, evidence-based design and research. This approach has earned NBBJ notable accolades.

In the late 1990s, NBBJ formed a team to meet clients' demand for services in a rapidly growing Asia market, which led to the opening of the Shanghai office in 2005. In China, NBBJ is currently designing corporate offices for Alipay in Hangzhou, Suning in Nanjing, Tencent in Shenzhen and WeChat in Guangzhou.

**POWER OPENS OFFICE** POWER Engineers, Inc. (Hailey, ID), a 2,300-person employee-owned global consulting engineering firm, opened a new office in Oak Brook, Ill., on Nov. 1, augmenting the firm's presence in the Upper Midwest region.

POWER has been performing work in the Chicago area for more than 15 years. The new office will allow POWER to expand and build on that foundation, and work more closely with its growing number of clients in and around Chicago.

POWER's presence in Chicago will enhance its Engineer of Choice relationship with Exelon ComEd and strengthen POWER's ties to local small business enterprises, which are at the core of POWER's Supplier Diversity Program, according to Randy Grass, Power Delivery division manager.

"POWER is committed to developing relationships with small businesses, and expanding its diverse supplier base in Chicago," Grass said. "The new office allows us to more easily identify small businesses to work with, strengthen relationships with existing suppliers, and better utilize those firms' services on our projects."

POWER's Small Business Subcontracting Plan provides maximum opportunity for small, small disadvantaged, HUBZone, veteran-owned, minority-owned, and women-owned businesses to qualify for a part of POWER's current and future subcontracting business.

The new office is located at 2021 Midwest Road, Suite 200, Oak Brook, Ill., and the telephone number is 630-705-5050.

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one. There are many different ways architects charge for their professional services: hourly, percentage of construction, some combination of the two, a la carte based on specific phase of service (i.e., schematic design, design development, construction documentation, bidding and negotiation, and construction administration), or cost-per-square-foot of construction. To make things really interesting, a mixture of several of these fee structures could feasibly be combined.

"In my office, we typically use either the hourly or percentage of construction methods. For us, this represents the most direct path for our clients in understanding our fees, but as straightforward as that seems, there are always complications and misunderstandings," Borson says. "I like to tell clients that everyone needs to have skin in the game; that both architect and client are accountable to one another and while we both have something to gain, we both also have something to lose."

Skin in the game means:

- I am going to treat you fairly with my fees and you're not

going to waste my time.

- I am going to make myself available to you and you're going to make yourself available to me.
- You will tell me your "real" budget and I will be accountable for designing a house that meets that budget.
- If I design a house that comes in over your budget, I will revise the drawings at my cost.
- If I tell you that you have changed the program and are at risk for exceeding your budget, and you ignore this advice, you should expect to pay me to revise the drawings.
- If you tell most architects that your budget is \$500,000, they will assume that this means your construction budget. Make sure that your budget includes monies for professional fees, landscaping and contingency.

Have a conversation in the beginning about what scope your stated budget will cover. When everybody has something at stake in the process, the dialog is markedly improved and clearer goals are identified as a byproduct of this process.

So, while you can try to remain firm, sometimes a little flex works best. ▀