

## A management self-examination

Mark Zweig exposes his, and your, weaknesses as well as resolutions to fix them.

I've built a career on the simple idea that whatever problems I'm having other people will be facing also, so see if any of the following managerial weaknesses sound familiar to you.



Mark Zweig

### EDITORIAL

Maybe it's introspection that comes from old age or a desire to do better born from necessity – but either way, the realization is really sinking in that as a manager I have certain weaknesses that I have to work on.

I've built a career on the simple idea that whatever problems I'm having other people will be facing also, so see if any of the following managerial weaknesses sound familiar to you.

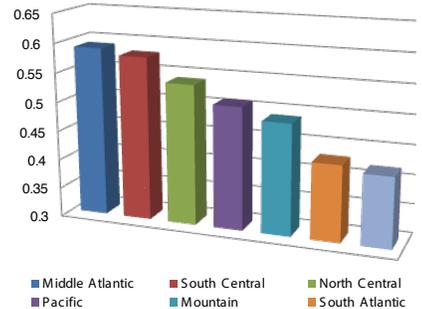
**1) Explaining expectations for performance.** I don't do a very good job at this. I just want people to "know" what I want/like. Perhaps I'm just too busy and don't have time, or maybe I'm lazy, but I definitely think my lack of ability here is one of the reasons for my loyalty to long-term employees. I am such a poor educator of expectations! Resolution – spend more time one-on-one. Be willing to tolerate being disliked for being honest.

**2) Confronting those who don't meet expectations.** It is the corollary to point number one above. I'm not real good at it. The thought process goes something like this: "So-and-so clearly isn't dumb. Why do they keep doing/not doing something that is clearly important to me?" Resolution – don't wait. The longer you go the harder it is and

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## TRENDLINES

### Fluctuating TIC



The 2013 "Valuation Survey" finds that A/E/P and environmental consulting firms located in various geographic regions of the country tend to yield a diverse range in the ratio of Total Invested Capital value to revenue.

According to the recently released study, firms reported the highest median TIC value/revenue ratios in the Middle Atlantic (0.59) and the South Central (0.58) regions.

Meanwhile, in other regions such as South Atlantic (0.43) and New England (0.42) median TIC value/revenue ratios are significantly lower.

– Margot Suydam, Survey Manager

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**“It drives me absolutely crazy when two people – both of whom you know are completely committed and are trying their best to do their jobs – don’t get along.”**

the less likely the confrontation will do any good.

**3) Enabling and covering up.**

Here’s another one of my weaknesses – I enable my managers. Anyone who has ever lived with someone who is addicted to something understands what this means. You make it easy for non-performers or those with dysfunctional attitudes or behaviors to keep doing it. I do it by being too understanding, too tolerant of excuses, and too willing to give extra resources to those who ask for/demand them. The “covering up” comes from justifying poor performance/behavior problems through rationalizing them. Resolution – be LESS tolerant. Reassign people (or more) to get them into roles they can fill. Explain resource constraints to all and maybe people won’t ask for something you cannot afford!

**4) Resolving conflict between employees.**

It drives me absolutely crazy when two people – both of whom you know are completely committed and are trying their best to do their jobs – don’t get along. So much time and mental energy is wasted on these silly conflicts. Resolution – keep working to get those who can’t get along to get along. Let each know how you feel about the other and be supportive of each of them. Keep yourself cool and calm at all times. If all else fails put them together in the same room and bang their skulls together until they get along!

**So many weaknesses as a manager and so little time to fix them. As I will be turning 55 next month, maybe – just maybe – I’ll live long enough to get this all figured out.**



MARK ZWEIG is the chairman and CEO of ZweigWhite. Contact him with questions or comments at [mzweig@zweigwhite.com](mailto:mzweig@zweigwhite.com).

**A/E BUSINESS NEWS**

**TOP LEED STATES:** The U.S. Green Building Council just released its annual list of the top 10 states for new LEED certifications in 2012, highlighting those regions that are transforming buildings and communities across the country.

The per-capita list is based on 2010 U.S. Census data and includes commercial and institutional buildings certified under LEED, through which approximately 2.2 billion square feet of space has been certified worldwide through 2012.

“Securing a spot on this list is a remarkable achievement for everyone involved in the green building movement in these states,” said Rick Fedrizzi, president, CEO and founding chair, USGBC.

“From architects and designers to local chapter advocates, their collective efforts have brought sustainable building design and use to the forefront of the national discussion on the environment, and I applaud their efforts to create a healthier present and future for the people of their states.”

Once again, the District of Columbia tops the ranking, with 36.97 square feet of LEED space certified per resident in 2012.

Meanwhile, Virginia moved into the position as the top state, with 3.71 square feet certified per resident in 2012, overtaking Colorado, with 2.10 square feet certified per person.

Other top states include Massachusetts, which moved up three positions from 2011, with 2.05 square feet per person; Illinois, with 1.94 square feet; and Maryland, with 1.90 square feet of LEED space certified per resident in 2012.

Reflecting the ongoing trend of LEED existing buildings outpacing their newly built counterparts, in 2012 the LEED for Existing Buildings: Operations & Maintenance rating system accounted for 53 percent of total square footage certified in these states, compared to 32 percent certified under LEED for New Construction.

**ABI STABLE:** Business conditions at architecture firms continue to improve.

The American Institute of Architects reported the December Architecture Billings Index score was 52, down from the mark of 53.2 in November, but still reflecting an increase in demand for design services (any score above 50 indicates an increase in billings).

The new projects inquiry index was 59.4, down slightly from the 59.6 mark of the previous month.

As a leading economic indicator of construction activity, the ABI reflects the approximate nine- to 12-month lag time between architecture billings and construction spending.

“While it’s not an across the board recovery, we are hearing a much more positive outlook in terms of demand for design services,” said Kermit Baker, AIA chief economist.

“Moving into 2013 we are expecting this trend to continue and conditions improve at a slow and steady rate. That said, we remain concerned that continued uncertainty over the outcomes of budget sequestration and the debt ceiling could impact further economic growth.”

Key December ABI highlights:

- Regional averages: Midwest, 55.7; Northeast, 53.1; South, 51.2; West, 49.6
- Sector index breakdown: commercial/industrial, 53.4; mixed practice, 53; institutional, 50.9; multi-family residential, 50.5
- Project inquiries index: 59.4

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



**38 West Trenton Blvd., Suite 101  
Fayetteville, AR 72701**

**Mark Zweig** | Publisher  
[mzweig@zweigwhite.com](mailto:mzweig@zweigwhite.com)

**João Ferreira** | Managing Editor  
[jferreira@zweigwhite.com](mailto:jferreira@zweigwhite.com)

**Christina Zweig** | Contributing Editor  
[christinaz@zweigwhite.com](mailto:christinaz@zweigwhite.com)

Tel: 800-466-6275  
Fax: 508-653-6522  
E-mail: [info@zweigwhite.com](mailto:info@zweigwhite.com)  
Online: [www.thezweigletter.com](http://www.thezweigletter.com)  
Twitter: [twitter.com/zweigwhite](https://twitter.com/zweigwhite)  
Blog: [zweigwhite.blogspot.com](http://zweigwhite.blogspot.com)

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## TOP PLAYER

# Proud to be in select group

2012 Hot Firm is relishing in the recognition as a leader in the industry.

Janet Cunningham has drawn inspiration from many mentors who instilled her with a strong work ethic and have helped her carve a place as woman in the design industry.

Cunningham is the president of **JBC Associates, Inc.** (King of Prussia, PA), an 85-person project management and oversight, construction management, construction inspection, and dispute resolution services firm, No. 20 on **THE ZWEIG LETTER** 2012 Hot Firm List.

In this interview, Cunningham talks about what has helped make JBC a Hot Firm, the challenges of the future and about what those entering the profession now should know.

**THE ZWEIG LETTER: How does it feel to be a Hot Firm?**

**Janet Cunningham:** Exciting. It's great to be recognized as a national leader in our industry.

**TZL: How valuable will the Hot Firm status be to your brand?**

**JC:** It is valuable as a marker of achievement in the AEC industry. It identifies our firm among a select group of industry leaders.

**TZL: List three ingredients that allowed you to thrive when others have failed in difficult times? In other words, what makes a Hot Firm in 2012?**

**JC:** 1) quality services – providing the highest quality of service to our clients; 2) relationships – nurturing strategic alliances with other firms; and, 3) diversification – diversifying services in a variety of different markets within the construction industry.

**TZL: In 10 years, do you think you will still be a Hot Firm?**

**JC:** Yes, we will always strive to keep growing and improving our services.

**TZL: What are the major threats to business success today?**

**JC:** Consistency of project funding and availability of AEC professionals.

**TZL: What are the major trends you must embrace to stay competitive?**

**JC:** Professional certifications, advancing technology, changes in project delivery.

**TZL: On a personal note, do you remember your first**



Janet  
Cunningham,  
President, JBC  
Associates, Inc.

**paid job? What did you learn then that still influences the way you work today?**

**JC:** Yes, I do. It was working at a jewelry kiosk in the mall. Early on I learned the importance of accountability, attention to detail, and respect for others.

**TZL: Do you hold someone (inside or outside the industry) as a special mentor? How did this person influence who you are?**

“Have a positive attitude, take on responsibility, take risk, find a mentor, be patient, respect others, and find balance between career and family.”

**JC:** I have had several mentors, including my parents and industry peers. My parents instilled in me the importance of doing my best, working toward my goals and not to take anything for granted. Also, to treat everyone with respect. Being a woman in a male-dominated field can certainly be a challenge. I was fortunate to have a couple male colleagues who took me under their wings and helped open doors for me.

**TZL: What's the one trait you most admire in people and why?**

**JC:** The one trait I admire most in people is integrity and honesty because it is counterproductive and drains your energy if you have to constantly look over your shoulder and second-guess people.

**TZL: Describe the most challenging thing you have ever done/the biggest challenge you have taken on outside of work.**

**JC:** My biggest challenge, and biggest accomplishment, has been raising my children, and finding the balance between work and family to do both successfully.

**TZL: What lesson learned would you pass along to a recent college graduate embarking on a career in the A/E/P and environmental consulting fields?**

**JC:** Have a positive attitude, take on responsibility, take risk, find a mentor, be patient, respect others, and find balance between career and family.

**TZL: What question would you ask of another Hot Firm leader?**

**JC:** Is the risk of owning a business worth the reward and sacrifices one makes to do so? ▽▲

## FEEDBACK

# Ownership key to mid-sized firms

Reader argues that owners should plan ahead, share wealth, and give opportunities to invest to assure longevity.

In his guest column, "Middle Squeeze," in **THE ZWEIG LETTER**, December 31, 2012, Gerry Salontai writes that firms that excel in strategy execution, have a client-centered focus, operate a healthy business and have the best talent will win this battle for the middle.

Frank Dudek, president of **Dudek** (Encinitas, CA), a mid-sized firm that helps clients plan, entitle, permit, design, construct and manage projects involving natural resources and infrastructure throughout California, wrote:

"In my observations and somewhat limited experience, the locally focused mid-sized and small firms often do extraordinarily well until the owner(s) decide to 'sell-out' or, put another way, 'cash-in' their chips."

Gerry,

As usual, you point out a lot of good points for mid-sized companies to "hold-on" against the rising tide of giant firms in our industry – client-centered is always good. One thing that puzzles me when I read the fairly common essays predicting the demise of mid-sized firms are the details as to why. In my observations and somewhat limited experience, the locally focused mid-sized and small firms often do extraordinarily well until the owner(s) decide to "sell-out" or, put another way, "cash-in" their chips – (often up to that point congratulating themselves on their family-like business and their care about their employees' future). This can be due to a significant downturn in the industry, key people leaving, tiring of



Frank Dudek,  
President, Dudek.

the rat race, but often catalyzed by the lack of or a hasty attempt at ownership/leadership transition. Maybe some were poorly managed at the end, due to internal change in philosophy or management, nepotism, the end of a single-focused industry boom, greed, arrogance, etc. They did thrive until then; what has now changed in the local marketplace? Are the mega firm conglomerates more stable for the long run (probably) and will there ultimately be just one AEC company? We'll see. Mega firms have evolved to serve the gigantic world marketplace with emerging world mega projects, but not necessarily the local and regional markets. Do local public works directors or city engineers/general managers care if a firm has just completed a bridge crossing an Amazon tributary or a tunnel in Kazakhstan? Maybe, but I think they more often want competent and responsible people on the ground locally.

I think mega firms do well locally because of recently acquired, once locally successful mid-sized and small firms, if they are able to keep those key people on board with an interest on local projects. Otherwise the local practice disappears.

Anyway, all you mention is true. However, to me, the key to longevity is a plan to effectively execute ownership and management transition, which requires original owners to share the wealth early and regularly with up-and-comers, given early opportunity to invest, a profit-driven company to pay the way, as flat and simple a management structure as possible, and a transfer of the successful company culture to the new owners and leaders. This, as you know, is much easier preached than done. Thanks. ▲▲

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## CALENDAR

### WOMEN IN DESIGN CONFERENCE:

ZweigWhite's first ever Women in Design and Environment Professions conference is scheduled for May 9 and 10 in Boston.

The conference tackles some of issues that relate to women in the male-dominated design and environmental professions.

Speakers include Diane Landers, vice president and chief marketing officer at **GAI Consultants, Inc.**, Gerri King, social psychologist and organizational consultant, president of Human Dynamics Associates, Inc., and Karen Purcell, owner and founder **PK Electrical**.

While women are soon projected to account for 51 percent of total labor force growth, according to the U.S. Department of Labor, Women's Bureau, they make up less than one-quarter of the architecture workforce, 9.7 percent of the civil engineering profession, and roughly 13 percent of other engineering professions.

The program is being organized by Claire Keerl, principal and director of corporate marketing and Christine Brack, principal and director of consulting, both with ZweigWhite.

The multi-day event will include roundtable discussions, focus groups, networking sessions, as well as keynote presentations by industry leaders.

Issues that will be covered include:

- Work/life balance
- Women as bosses
- Mentoring women in design, engineering, and environmental consulting
- Encouraging women to enter the profession
- Physical presence (how this impacts coworkers and clients)
- Career paths for women
- Women and the path to principal
- The age factor
- Alternative careers for women in design and environmental professions
- WBE status

For more information about this upcoming conference email Claire Keerl, ckeerl@zweigwhite.com or log on to [www.zweigwhite.com/conference/women-in-design-and-environmental-professions](http://www.zweigwhite.com/conference/women-in-design-and-environmental-professions).

## POLICY

# Employee wrongdoing. Now what?

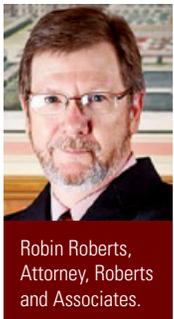
The first steps you need to take when you learn of a serious employee wrongdoing or allegation.

First of a two-part series.

By LIISA SULLIVAN  
Correspondent

A partner discovers that the firm's primary financial officer has been writing unauthorized checks from the firm's bank accounts and entering false payee information into the ledger. How do you proceed?

Or, you learn that an engineer falsely claimed on his licensing application that he was never convicted of a crime when, in fact, he had been arrested for DUI. What now?



Robin Roberts,  
Attorney, Roberts  
and Associates.

"An internal investigation of claims proves that you take your code of conduct seriously. Encouraging employees to report misconduct can help you detect problems early."

Robin Roberts, an attorney with Roberts and Associates, a practice that has a focus on employment law, provides a primer on how to handle alleged employee misconduct.

First, he says that companies should have a working knowledge of the process of handling allegations of employee misconduct so they won't have to learn the ropes while dealing with a stressful situation.

"Clear planning and maintenance of company policies will always help guide employers if misconduct is alleged, and in some cases, can even prevent misconduct. And, prevention is always the best policy," he says.

Some common misconduct allegations:

- Breach of employer confidentiality
- Theft or fraud
- Sexual harassment
- Violation of Internet policies
- Fraternization
- Drug abuse

**WHAT ARE REASONS TO INVESTIGATE?** Roberts says that according to the National Whistleblowers Center, 89.7 percent of employee misconduct that led to a lawsuit was reported internally first and then ignored.

"If a lawsuit does arise, you will be more prepared to handle it if you have investigated it first," he says. "An internal investigation of claims proves that you take your code of conduct seriously.

Encouraging employees to report misconduct can help you detect problems early. Investigating a claim can save you the expense and negative publicity of a lawsuit and it can help you to develop better employee training and policies through detection of patterns in misconduct claims."

## HOW DO I CONDUCT AN EMPLOYEE MISCONDUCT INVESTIGATION?

Roberts provides step-by-step details below:

- **Take action right away:** Do not ignore a claim or let it drag on. If you respond promptly, it sends the message that you take the allegation seriously and that you are concerned. Take immediate steps to protect the accuser if there is any violence or harassment reported. You can do this even before conducting an investigation.
- **Select the right person to investigate:** The person you select must

## GOOD TO KNOW

According to ZweigWhite's 2012 "Policies, Procedures & Benefits Survey," **49 percent** of design firms check potential hires' professional license/registration, but only 33 percent check for a criminal record.

be impartial and objective. He or she should not have a history with the employee being investigated. A human resource representative is often the best choice; or an attorney if necessary.

- **Develop a strategy for your investigation:** Decide who you need to interview and in what order. Learn what physical evidence (documents, records, tapes, etc.) you need to collect. Determine if any additional personnel are needed. For example, an independent auditor or forensic accountant should be engaged for fraud investigations. Set a timeline so it's done promptly.
- **Secure the investigation:** Make sure there is a locked or password-protected file for everything obtained in the investigation. The investigator should be the only person with access. Nothing should be updated in personnel files until after the investigation is finished.
- **Conduct the interviews:** Conduct interviews in private and with appropriate representatives if requested. First, interview the accuser, next the accused, and after that, any person with relevant information in order of importance. Tell the employee why they are being interviewed, but do not be overly specific. Ask employees to be discreet. Do not promise confidentiality, but maintain it as much as possible. When interviewing the accused, tell them each of the allegations and give a chance to refute them. Find out how employees got their information. Carefully check all hearsay to rule out that it is a rumor.

- **Make sure information is documented properly.** Take detailed notes about when the interviews are conducted, who is present, and what is said. Make sure that enough specific information is obtained to refute or substantiate claims. Write a detailed memo after each interview and ask the

See WRONGDOING, page 8

# Lose the small firm excuses

Don't think you have what it takes to compete with the big boys?  
Think again.

With many big firms shedding professionals during the recession, smaller firms have formed in the same markets. Many of these firms will sink or grow based in large part on the confidence that their principals exude in chasing new business. When competing against the larger, more established firms, you can't make excuses about your capacity or capabilities. If you do, you'll be left in the dust.

The following are some of the main excuses I've heard over the years and the reality checks they need:

**Excuse No. 1: We don't have the back of the house support or business resources.**

**Reality check:** You don't have all the bureaucracy that comes with being bigger either. You can participate because you can make quicker decisions. If you need to staff up by contracting out specialized work, such as additional accounting or IT support, there are many highly skilled outsourcing firms available to you.

**Excuse No. 2: We don't have the capital to make the investments in technology.**

**Reality check:** You could surprise yourself in that you may be more advanced than you think. Many of our larger clients tell us we are farther ahead than they are in many respects. The cost to larger firms to support technology is considerably more if they have to secure 1,000 licenses for the same software. In terms of cost per employee, smaller firms have the advantage.

Conversely, if you have the technology, why not use that as a way to demonstrate your technical savvy to your clients by offering to train their teams? By extending that offer, you can create a selling opportunity that will enhance your relationships with your clients.

**Excuse No. 3: Bigger firms have greater technical knowledge and expertise.**

**Reality check:** Just because your competitor is a large firm, doesn't mean they are better equipped to perform. Remember that, in terms of professional training, you probably have the same technical credentials. Although larger firms may become more specialized in specific aspects of the business, your firm has experience in managing and designing diverse projects. Use that to your advantage to underscore your core capabilities as a team. Your technical diversity could be a key differentiator as you compete for business.



STEPHEN LUCY

BEST PRACTICES

**Excuse No. 4: We can't hire the right people because we don't have the "drawing power" of the big name.**

**Reality check:** Graduates are seeking learning opportunities and inclusion. Everything that happens in a smaller firm is within their view and grasp. Just remember to create a welcoming environment and remind them that they are getting to work with and be mentored by the principals of the firm. In this respect, the smaller size has a distinct learning advantage.

**Excuse No. 5: We can't do that because we've never done that before.**

**Reality check:** Did your client ask you for your service? If so, then that client already believes you have the ability to perform the work. Be grateful that they recognize your technical skills and want you to increase your workload with them. As I see it, there has to be a first for every firm regardless of size. You must have faith in your ability to provide that service. Your client, by asking you, has already said they have faith in your ability. So why are you doubting them?

**Excuse No. 6: We need to think about that.**

**Reality check:** Most start-ups tend to be entrepreneurial, which by definition means they are risk takers. Why would you change that personality of your firm? The

See STEPHEN LUCY, page 8

The only limitations to your success stem from you. Get out of your comfort zone. Quit feeling like an underdog. Turn off any defeatist mentality and believe that you can grow and succeed.

# Know project total cost

For designers, it is an important piece of information to have in finding how a deliverable fits into the overall project.

Editor's note: This is the first in a series of short articles that highlight lessons learned, practical experiences we can all use, project time and cost saving opportunities, views of the project from the perspective of owners, users, designers, builders, regulatory agencies, vendors, neighbors, and other stakeholders.

**A**s designers, our role in a project is often defined in a narrow written description of the deliverable. This deliverable may be provided to the project owner through a direct contract with the owner, or through a subcontract with the architect or general contractor.

Ultimately, any project deliverables (whether they are planning fees, design work or inspections) are paid by the owner regardless of the contracting method.

I recall a professional meeting where the presentation included the description of a complicated construction problem. The bridge designers were not only responsible for the bridge design but also for a custom crane design required to place the structural members of the bridge in a limited working environment with a unique set of structural issues.

The bridge design was simple compared to the problems that arose in actually placing the structure. Ultimately, a custom crane was designed, fabricated, shipped to the site from overseas and successfully implemented.

The issue was that the design engineer had no idea of the total project cost and therefore the cost impacts this would have on the project.

The presentation detailed how expensive this custom crane would be – but in relation to what? If the design engineer does not know the total project cost, is it really that expensive?

Design engineers are cost conservative by nature, under pressure from owners (and in this case the general contractor) to keep costs down and are aware of any future use or salvage values – in this case it was only for scrap value. The presentation highlighted significant angst experienced by the design team revolving around project costs in solving this issue.

If the design engineer was aware of the total project cost:

- Other options may have been evaluated that may have increased costs but saved time
- The design engineer may have been entitled to additional fees and inspections



JEFF  
NUNNER

## QUICK TAKES

- The design engineer would have understood that the cost impact of this custom crane had much less impact than assumed
- Don't sweat the "not huge stuff"

Knowing the total project cost is only one way to gauge the impact of your deliverable. However, it is an important piece of information to have in finding how that deliverable fits into the overall project. ▲▲

JEFF NUNNER is a professional engineer and certified building contractor with 25 years experience specializing as owner representative nationwide. To learn more visit his website at [www.nunnerprojects.com](http://www.nunnerprojects.com) or send an email to [jnunner@comcast.net](mailto:jnunner@comcast.net).

Knowing the total project cost is only one way to gauge the impact of your deliverable. However, it is an important piece of information to have in finding how that deliverable fits into the overall project.

## STEPHEN LUCY, from page 6

most successful smaller firms tend not to chew over their decisions. You don't have to go through a bureaucratic decision-making process to make change happen. You have greater agility and speed to bring things to market. Use that to your advantage.

### Excuse No. 7: That's always been the size or type of project we get.

**Reality check:** Your excuse that history will always repeat itself is self-limiting for your firm. You are really admitting that you shouldn't reach for a bigger role. Maybe your attitude is: "Why try? The last 10 jobs went to the other firm so why should we chase it?" What if those jobs went to that firm because there weren't any competitive options available? It's not always about the largest firm having more resources. Often, it's about your relationships with your clients – how solid they are – that make the difference in your firm securing the next project.

The Art of War by Sun Wu explains how small, cohesive guerilla forces can prevail, and it resonates with me in business. Sun Wu argues that strength does not come from size. Strength comes from unity (quan) and focus (zhuan). He believes that a small, united and focused force is much more powerful than a divided large force.

Preparedness is all. If you aren't prepared to win, then you shouldn't try. We don't work as hard as we do each year to win participation trophies, do we?

### ESTABLISH YOUR KEY DIFFERENTIATORS AND

**PROMOTE THEM.** If you intend to grow and succeed, then establish your key differentiators as a firm and be aggressive in promoting them. Here are five ways to bolster your success:

**1) Play up your core capabilities.** Recognize your core strengths and play to them. Those core strengths help you to define your brand and your culture better. These should be technical and business strengths. It doesn't matter how good you are on a project technically, if you can't manage the project

properly. Being adept at the value-added to your clients delivers good success potential.

**2) Implement great business processes.** The calls I receive are split equally between business competency and technical competency. If you look at why firms are dropped, nine out of 10 times it is a relationship issue. This has nothing to do with size, but everything to do with employing the right people and implementing the right customer service.

**3) Exploit your expertise.** Our Facilities Assessment Group is one of our smallest groups, but it competes with national firms as the group has subject matter experts who draw considerable national visibility. We also have deep experience in our Water and Infrastructure Group because our group leaders are perceived as experts. This perception of expertise contributes to our strong brand visibility in competing for new business.

**4) Make technology the big leveler.** Embrace technology and utilize it to its fullest. It allows you to project a wider geographic presence and demonstrate your expertise. Besides, your clients expect you to bring technology to the table. Large firms often don't have the expertise that your team does and are not as nimble in embracing rapidly changing technology. Be innovative and let technology help drive your success.

### 5) Appreciate the dynamic nature of a diverse culture.

Diversity in your team – your people and your projects – creates an engaging culture. You'll also generate many more business opportunities. You'll send a strong signal to your clients when you create levels of leadership within the company that embrace your diverse culture and generational depth. Successful firms have a diversity of staff that matches the diversity of their clients.

**YOU CAN COMPETE!** The only limitations to your success stem from you. Get out of your comfort zone. Quit feeling like an underdog. Turn off any defeatist mentality and believe that you can grow and succeed. Better yet, recognize that you deserve to grow and succeed! That's the first step. Once you accept the role you have in your growth, all other excuses will fall by the wayside. ▲▲

STEPHEN LUCY is managing principal at **JQ** in Dallas, TX. Contact him at slucy@jqeng.com.

## WRONGDOING, from page 5

employee to review it, make changes if necessary, and sign it. Keep everything about the interview process organized and easy to access in case it is needed later.

**POST-INVESTIGATION DETAILS.** You will need to follow-up with the complaining and the accused employee after the investigation is complete, regardless of whether a claim is substantiated or refuted, Roberts says. If the claim of misconduct is substantiated, decide what the consequences will be. If you decide to give an employee another chance, make it clear that future misconduct will not be tolerated and enforce your policies strictly.

"Also, keep the investigation files separate from personnel files. Only documents about the result of the investigation (disciplinary documents, etc.) should be placed in the employee's personnel file. This practice helps prevent defama-

tion claims. If the misconduct could have resulted from unclear company policy, revise the rules pertaining to the infraction and provide all employees with an update," he says. ▲▲

*Part two of this article will address how employers need to protect themselves during the investigation process.*

"Investigating a claim can save you the expense and negative publicity of a lawsuit and it can help you to develop better employee training and policies through detection of patterns in misconduct claims."

## BEST FIRM

# ACAI – small; big perks

When you combine top perks and benefits, you understand why the company is a top place to work.

By BRYAN SULLIVAN  
Correspondent

Connecting people with people – a simple phrase that Sandra Smerkers, director of operations at **ACAI Associates, Inc.** (Fort Lauderdale, FL), says defines its approach to business.

It also may help explain the firm's status as the No. 1 "Best Firm to Work For" in 2012, architecture category.

"Simple – we put people first," she says. "Whether it's our employees or clients, ACAI takes pride in connecting with people. We work hard to understand the differences in people and how our interactions with one another are essential for providing good service. We are constantly asking ourselves, 'What do our employees want?'; 'What do our employees need?'; and 'How can we help?' We try to put ourselves in staff shoes and create programs and benefit options that maximize value while rewarding and recognizing effort. We want our employees to feel confident about themselves and confident in our company. We understand that it is through our staff success that we find our own, and we make it our top priority to create a work environment in which they can and want to succeed."

**DEFINING SUCCESS.** Adolfo Cotilla, Jr. founded ACAI in 1985. He has served as president since then. The firm offers architecture, building information modeling/virtual design construction services, engineering, landscape architecture, interior design, roofing and ADA consulting and construction management services. ACAI has satellite offices in Miami and Boca Raton and has 38 full-time employees.



**HAPPY STAFF:** ACAI Associates prides itself on putting employees and clients first.

Cotilla oversees the management of all assignments for which he is responsible and maintains direct contact with clients throughout project duration.

He believes that success is rarely an accident, especially in architecture. Success for Cotilla and his team is the result of meaningful collaboration and thoughtful dialogue between client and architect.

"The firm is guided by the belief that accomplishment in any enterprise requires focused zeal, clear goals, a collaborative process, and technical effectiveness," Cotilla says.

Cotilla founded ACAI on the notion that decisions made in the design phase permanently affect the life of a project, its surroundings and internal environment, as well as every building user. As a result, he has structured a design process that addresses function, attractiveness, sustainability, craftsmanship, schedule, and budget – from concept through construction. This process places programming and functionality at the forefront. The firm's team of architects, engineers, and construction experts believe it is critical that a good designer first understand how a building functions and how its systems inte-

grate optimally in order to achieve efficiency.

**BENEFITS AND COLLABORATION.** ACAI puts employees first through its generous benefits program and encourages the educational betterment of all employees. It offers full tuition for approved courses completed successfully and reimburses all out-of-pocket expenses tied to the class (e.g., hotel, registration). Additionally, ACAI pays 100 percent of the costs associated with professional memberships and dues for employees.

"We sponsor employee 'lunch-and-learn' sessions during the workday, averaging 10 programs per month, and employees are paid \$50 bonuses for each continuing education program that they arrange. Our benefits package is unique in that we are a small firm with big-firm perks," Smerkers says.

Benefits include:

- Flexible, floating four-day work week
- Flex hours
- Bonus and incentive programs that include trip giveaways, computers and plasma TVs and bonuses of up to 60

See ACAI, page 10

## ON THE MOVE

**NEW CEO: KMD Architects** (San Francisco, CA), formerly known as Kaplan McLaughlin Diaz, an architectural planning and design firm, announced that **Ryan Stevens** has been named CEO. Roy Latka will continue to hold the position of president. The decision redistributes leadership of the firm as it prepares to celebrate 50 years of practice this year.

“Ryan has made significant contributions to the architectural vision and the leadership of the firm since he returned 12 years ago,” Latka said. “His understanding of management and design are great pillars from which to lead the firm.”

Having served as KMD’s design director since 2000, Stevens’ appointment signifies KMD’s commitment to continued design excellence and creative exploration. The decision to name Stevens as CEO, an individual firmly rooted in the design practice, represents a departure from typical professional service firms’ who tap individuals with backgrounds in management.

“I am honored and excited to lead KMD,” Stevens said. “Our profession has great challenges ahead of it as we rethink the status quo of how to design and deliver exceptional buildings. We have a unique culture at KMD; one which questions presumptions and digs deeply into client goals. I look forward to kicking off the next 50 years.”

KMD has seen other leadership changes during the past 12 months, the most notable being the retirement of founder Herbert McLaughlin this past summer.

Jim Diaz, a founding principal of KMD, said, “This is an exciting time for our firm. Ryan represents a new generation of leadership for us. He has the right combination of design expertise, business acumen and marketing know-how to lead KMD into the next half century of our practice.”

**LEA WELCOMES: Littlejohn Engineering Associates** (Nashville, TN), a 110-person firm, announced the addition of a key new member to their leadership team. **Chuck Downham** has joined the firm in the Nashville office. Formerly, Downham served as a project director for Lend Lease overseeing a \$377 million military housing project at Forts Wainwright and Greely, Alaska. Downham brings an enormous set

of skills in project planning and delivery and operations management to the surveying, civil, site development engineering, transportation, landscape architecture, urban planning, municipal and utility engineering, environmental engineering, industrial engineering and industrial hygiene and health and safety services firm.

“Joining Littlejohn Engineering Associates is very exciting and will provide me an opportunity to work alongside a diverse set of professionals (planners, engineers, landscape architects, surveyors, environmental specialists, etc.) that will complement my own background and experiences,” Downham said. “LEA is a truly progressive, leading-edge firm, one that allows project managers the flexibility, creativity, and resources to meet the growing and changing needs of our clients.”

Downham began his career working in economic development, eventually serving as director of municipal development and planning director for the City of Tullahoma. Downham then went to work in West Tennessee by managing the community planning, entitlement, and permitting and inspection services for the Town of Collierville. Downham also served as growth management director for the City of Lakeland, Tenn. In addition to his public sector work, Downham has significant private sector experience working as senior project manager for **Looney Ricks Kiss Architects**. While with LRK, Downham managed and led multi-disciplinary teams on a wide array of public and private sector projects throughout the U.S.

Jim Littlejohn, President of LEA expressed his enthusiasm for Chuck’s distinguished career.

“With over 25 years of public and private sector experience, Chuck has an unmatched understanding of planning, design, strategic development, asset management, and project management for the most complex of projects. With his reputation for bringing effective solutions and innovative consensus-building to fruition, and his history of collaboration and leadership of cross-functional and multi-disciplinary teams, Chuck brings a unique value that immediately strengthens LEA’s ability to serve our clients, particularly in multi-discipline, master planning efforts for both private and public sector clients,” he said.

### ACAI, from page 9

percent of net profit

- Paid holidays
- A generous vacation, sick and personal leave policy
- Compassionate leave-of-absence guidelines
- A 100 percent ACAI-paid insurance program (health, dental, short-term disability, worker’s comp, etc.)
- The aforementioned continuing education program
- A very generous 401(k) program

ACAI also has an open office environment that encourages collaboration, a domestic partner program and a liberal policy and approach to the demands placed on staff members who are new moms.

Smerkers says, “When returning from maternity leave, a generous flex time approach is allowed for new parents. Mothers are also allowed to bring their infants to work and, if space is available, use of a private office is made accessible for nursing-related activities.”

Florencia Braga, CADD technician (two-and-a-half years with the firm) says, “The floating, four-day work weeks are the best! I can plan a week-end getaway since I get Friday off!”

Smerkers, who has been with the firm for 12 years, adds that when she is interviewing candidates she likes to list all of their perks as they have so many compared to other companies, especially during this down economy.

And, this great benefit package helps tremendously with employee retention. ACAI is happy to report that 100 percent of its employees, when

responding to an employee satisfaction survey conducted independently through Survey Monkey, “like working at ACAI.” And, 10 out of the firm’s 38 employees have been with ACAI for more than five years.

**A DIVERSE FAMILY.** As diverse as the state in which it practices, ACAI has a diverse group of employees.

“We consider ourselves a family,” Smerkers says. “We are a diverse workforce and have employees that speak English, Spanish, French, Creole, Thai and Pagalog.”

And, as an equal-opportunity employer, ACAI does not discriminate, ever, on any level. Its staff members are truly multi-generational from an 18-year-old to two employees over the age of 70. Moreover, ACAI prides itself on working with other minority companies. ■▲

## NUMBERS

# Staff utilization: Up or down?

Some firms are doing more with less (a sign of the times), while others are still holding on to valuable staff in hopes of higher utilization soon.

By LIISA SULLIVAN  
Correspondent

**B**usiness leaders often use staff utilization information to make important decisions.

“We have a larger number of smaller projects that have required the same number of staff to service the project. This is the sign of times.”

Utilization rates are not only used in billing, but can also help organizations gain a sense of how the business is operating and understand where improvements can be made. For example, looking at the numbers allows employers to see how current staff is being utilized and, in turn, determine more effectively whether hiring new staff members is necessary – or if reductions are needed or productivity maximized.

**UTILIZATION IS UP.** Karen Moorefield, director of corporate development at **HuntonBrady Architects** (Orlando, FL), sat down with Chuck Cole, president, to review the past years (2008-2012).

“It is actually very interesting when you look at this information on paper,” Moorefield says.

Since 2009, the architecture and interior design firm basically maintained the same number of staff (within the 65-68 range) and staff utilization has gone up in that period.

“And, our productivity has not decreased either,” she says. “In fact, it has increased because we read the market-



Karen Moorefield, Director of Corporate Development, HuntonBrady Architects.

place, listened to our clients and reacted accordingly. We have a larger number of smaller projects that have required the same number of staff to service the project. This is the sign of times.”

HuntonBrady leadership took the calculated solution to trade out a few higher level staff for entry- to mid-level staff to meet the workload demands.

“Our in-house leadership (principals, directors and project managers) has been very proactive in seeking out more work (espe-

cially from existing clients) and cultivating new opportunities for the firm,” Moorefield says. “We are very proud that we have been able to preserve our staff during these tough economic times. Our productivity has gone up because we focus on continued training with current software, utilizing the latest technology and having very strong performers at all levels.”

**UTILIZATION IS DOWN.** Joseph Hagerty, CEO at **Oates Associates** (Collinsville, IL), a 41-person full-service, multidisciplinary planning and design firm, says that utilization has gone down over the last few years. He attributes this to several factors.

“The recession has definitely hit us and we have lost some low- or mid-level employees who were previously highly utilized,” he says. “In addition, we have probably been too slow to cut some staff. We are holding onto highly-valued staff in the hopes that we can break loose some of the work we have under contract, but have not yet authorized. We are no longer cutting fat from the organization and every time we make deeper cuts, it is much harder on us.”

### ✓ GOOD TO KNOW

**Steve Wintner**, principal of Management Consulting Services, says that a reasonable **staff-wide utilization goal is 60- to 65 percent**. That number should rise to 75- to 85 percent for professional and technical staff.

According to ZweigWhite’s 2012 “**Financial Performance Survey**,” the **median utilization** rate firm-wide in 2012 was **57.3 percent**, a significant increase from 52.8 percent in 2011 but still well below the 60- to 65 percent recommended above.

In addition, Hagerty reports that Oates Associates is seeing a much higher level of marketing required per dollar of new revenue.

“With increased competition over a shrinking pool of work, we have to put much more effort into winning projects. We are spending more time finding new opportunities. And, increased work on project approaches means that our senior staff is charging much more time to non-billable marketing (at high hourly rates),” he says. “Also, many more projects are requiring an interview, instead of simply being selected based on submitted qualifications.”

Finally, Hagerty says that the firm’s state agency work now takes longer to get from award to contract authorization to proceed than it has in the past.

Roger Campbell, vice president of finance and accounting at **Luckett & Farley** (Louisville, KY), a 110-person multi-disciplined architectural, engineering, interior design, program management and construction firm, reports that utilization has decreased as well. “Our utilization rate has decreased over the last five years (with the exception of 2012). 2008 was 65 percent, compared to 58.1 percent for 2012,” Campbell says.

See UTILIZATION, page 12

## FIRMS ON THE MOVE

**MERRICK EXPANDS:** **Merrick & Company** (Aurora, CO), a \$100 million consulting, engineering, architecture, design-build, surveying, and geospatial solutions firm, announced the establishment of a new business unit, The Merrick Consultancy. The consultancy was established to further expand the firm's services within the energy market and will specifically serve the renewables, refining, and utilities markets with management, technical, and operations consulting services. The consultancy will serve clients throughout the U.S. and abroad.

"Our clients are looking for senior-level resources to assist them in enhancing their firms' operational and financial performance and addressing the many challenges and opportunities of today's marketplace. With our 55 years of experience in the energy market, including 15 years of renewables expertise, Merrick is well-positioned to do just that," said Ralph Christie, Jr., Merrick's chair of the board and chief executive officer.

A team of seasoned experts in renewables, refining, and utilities has been assembled to serve clients' needs and will be directed by Bart Carpenter, a senior manager of Merrick & Company's fuels and energy group. The team's experience ranges from business planning, grant strategies and writing, and front-end-loading to biorefinery integration, bio process development and commercialization, performance management, value chain optimization, and portfolio management. Members of the team have already been involved in projects with OPX Biotechnologies (biochemicals), EnerTech (renewable energy), and ConocoPhillips (refining).

**CONTAINER BUILDINGS:** **Boxman Studios** (Charlotte, NC), which offers design, development, and deployment services of customized shipping containers, modifying them for a range of markets and applications around the world, has launched a new division aimed at sustainable solutions for the built environment. The Boxman Studios Buildings Division will focus on the adaptive use of decommissioned shipping containers as architectural elements and even complete buildings.

The company hired veteran sales director Jim Curtis to manage its foray into the built environment sector.

"Here at Boxman Studios we are fascinated with what we can do with shipping containers. In the right hands, these big metal boxes are extremely pliable," Curtis said. "With our success in the Events and Trade Show industries since 2008, we're perfectly positioned to move into the built environment with a narrative of unique design,

modularity, flexibility, and value."

The launch of the new division comes on the heels of Boxman's recent move into a 65,000-square-foot facility in North Charlotte.

"Our new building means that all facets of an operation are under one roof. We can easily scale as needed," said Boxman Studios' CEO David Campbell. "Launching into container architecture for the Built Environment was a logical next step for our company."

"The Buildings Division will focus on the permanent and semi-permanent use of our creations. We envision modifying containers as structural and design elements in office buildings, retail stores, apartments, multi-family residential, public markets, pop-up restaurants, transit stations, even for emergency response purposes," Curtis added. "We're excited about the next phase in our company's growth."

## TRANSACTIONS

**PRAIRIE FORGE GROUP FORMED:** **Williams Design|Build** and **Williams Construction Management** (St. Charles, IL), announced it has acquired **Vasilion Architects** (Batavia, IL). The two firms will now serve as a single source for architecture, design-build, and construction management under the new name **Prairie Forge Group**, in St. Charles. Prairie Forge Group will be led by Thomas Tristano as president, David Stermetz as vice president and director of construction, and Steven Vasilion as director of architecture.

The new firm provides owners and clients throughout the Midwest region with innovative, timely and economical turnkey solutions. Areas of practice include municipal, parks and recreation, healthcare, commercial, multifamily, historic preservation, and religious and education sectors.

Prairie Forge Group's completed projects include the Lake Forest Municipal Services Facility in Lake Forest, Ill.; St. Charles Fire Station No. 1; the Schwiebert Riverfront Park in Rock Island, Ill.; and the Bob & Edna Meadows Regional Cancer Care Center at St. Joseph Provena Hospital in Elgin, Ill. The firm has also completed projects for many park districts, recreation departments and municipalities throughout the state of Illinois.

## UTILIZATION, from page 11

"We are holding onto highly-valued staff in the hopes that we can break loose some of the work we have under contract, but have not yet authorized. We are no longer cutting fat from the organization and every time we make deeper cuts, it is much harder on us."

In reviewing the data, Campbell says that it appears that the main contributing factors were: 1) an increase in marketing efforts (less direct time); and, 2) a change in the paid-time-off policy (the firm increased how much time off people can earn).

"Our total labor hasn't changed significantly, just the amount charged to direct. This was calculated on dollars charged, not hours," he says.

**OPTIMAL UTILIZATION.** The American Institute of Architects says that there is a common misnomer that utilization rates need to be maximized. The AIA says that is wrong – they need to be optimized. So, for the moment, disregard vacation, holiday and sick time; these are part of each employee's compensation. Think about marketing. There are also important levels of training and continuing education – and marketing. Plus, there are appropriate levels of administrative activities – and marketing. It is obvious how not enough of each of these activities – especially marketing – will hurt a firm in the long term. For example, many senior people within a firm may have utilization targets well below 50 percent because much or most of their time is spent on marketing. So, don't let those numbers scare you too much and keep it all in perspective. ▲▲