

So you want to build your staff

More is within control than you think.
Mark Zweig offers three ways to add to your ranks.

I've learned that the only thing that really matters about someone is how well they can do their job now and how much potential they have to do more later.



Mark
Zweig

EDITORIAL

As an observer and participant in the A/E/P and environmental industry for nearly 33 years, I have helped many companies with their business planning.

A common theme we hear from firm owners is that they want their firms to grow (you won't hear any arguments from me about whether that's good, either!). But, when it doesn't happen, they are quick to blame the economy, competitors who are "giving work away," or other factors seemingly beyond their control, instead of looking in the mirror through a lens of honest self-assessment.

There are often many problems with these companies that become quickly apparent to us. Some problems are more obvious than others. Some weren't readily noticeable to me at the time I encountered them but are now clear as I've advanced in years and gained more perspective.

It's one of those less obvious impediments to growth that I find myself reflecting on more frequently today – that being what it really takes to grow your staff.

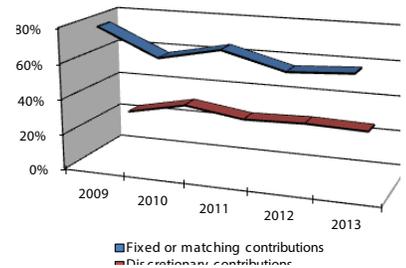
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TRENDLINES

Benefit hiccups



The 2013 "Policies, Procedures, & Benefits Survey" finds that, after reaching a low of 63 percent last year, the percentage of A/E firms that make fixed or matching contributions to 401(k) plans increased slightly this year to 65 percent.

Meanwhile, the percentage of firms that make discretionary contributions, which has also been on a decline in recent years, decreased again from 26 percent in 2012 to 25 percent in 2013.

– Margot Suydam, Survey Manager

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Here are my thoughts on three things any firm can do:

1) Hire more. Of course, if you want to grow you'll need to be hiring more people. Obviously, you want "good people" who will be major contributors to the firm AND stay with you over the long haul. But the problem usually revolves around not being able to find enough of these folks TO grow at the rate you'd like. So you either compromise your hiring criteria or don't fill the position. My advice is to hire people with little or no experience and grow them into the job. It's always easier to find people who have potential but haven't proved it yet. Hire enough of them – early – and invest in training, and eventually you'll not only have a tremendous staff; better yet, have a machine that literally creates talent.

2) Start looking early! You have to get used to the idea that really good candidates take time to find and cultivate. So, look before you have a need. Make planning for future hires a requirement in your business planning process. And devote resources to identifying candidates and to keeping them interested in your firm so when the need is real you can hire immediately.

3) Stop expecting 100 percent cultural fit. When I was a much younger manager (say 20- to 30 years ago), I used to think it was ideal if we could hire only those who had the same values, goals, and aspirations I had – or at least highly similar ones. Given the choice, I probably even would've preferred those who would vote like I would in an election. But today I've learned that the only thing that really matters about someone is how well they can do their job now and how much potential they have to do more later (along with honesty and integrity, of course).

More is within your control than most people think. Growing your staff is a good place to start exercising that control! ▲▲

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

A/E BUSINESS NEWS

ABI SHOOTS UP: As the prognosis for the design and construction industry continues to improve, the Architecture Billings Index is reflecting its strongest growth since November 2007.

The American Institute of Architects reported the January ABI score was 54.2, up sharply from a mark of 51.2 in December. This score reflects a strong increase in demand for design services (any score above 50 indicates an increase in billings).

The new projects inquiry index was 63.2, much higher than the reading of 57.9 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.

"We have been pointing in this direction for the last several months, but this is the strongest indication that there will be an upturn in construction activity in the coming months," said Kermit Baker, AIA chief economist.

"But as we continue to hear about overall improving economic conditions and that there are more inquiries for new design projects in the marketplace, a continued reservation by lending institutions to supply financing for construction projects is preventing a more widespread recovery in the industry."

Key January ABI highlights:

- Regional averages: Midwest (54.4), West (53.4), South (51.7), Northeast (50.3)
- Sector index breakdown: mixed practice (54.9), multi-family residential (54.5), commercial/industrial (52), institutional (50.2)
- Project inquiries index: 63.2

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

MILITARY LEED: The Department of Defense released the findings of an independent report on energy efficiency and sustainability standards used by the Pentagon for military construction.

The report strongly affirmed the value of LEED-certified high performing buildings to America's military and U.S. taxpayers.

"LEED has played a significant role in reducing energy and water bills in public sector buildings across the country, saving taxpayers money and contributing to the nation's security. This important

new independent study from the National Research Council concludes that the LEED green building certification program should continue to be used in Defense Department buildings to advance energy efficiency in construction and reduce operational costs," said Roger Platt, senior vice president of Global Policy and Law, U.S. Green Building Council.

"Using LEED at Pentagon installations is a win-win proposition for the country and for the military personnel these buildings serve. While the study looked only at energy efficiency, LEED is a proven tool for also saving water, reducing waste and improving indoor environmental quality, benefitting the health and well being of building occupants, and certainly our military personnel deserve no less," Platt said.

"By using LEED, the Department of Defense is able to cut costs responsibly without endangering our nation's military readiness. LEED is a critical tool for the Defense Department's past, current and future energy savings," he said.

THE ZWEIG LETTER

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EXPANSION

Read before opening the door

A new office opening primer from the firms that have been there, done that.

By LIISA SULLIVAN
Correspondent

When you open a new office, who do you send to run it? Is it someone from your ranks or do you hire someone with local market knowledge? Are there pros and cons to different decisions? We asked a few firms to tell us about their up close and personal new office opening experiences and here is what they had to say.

KNOWLEDGE IS NUMBER ONE. Caitlin Carpenter, director of communications, **Enermodal Engineering** (Kitchener, ON), Canada's largest consulting firm exclusively dedicated to creating green buildings and communities, says that when opening a new office, a few factors come into play.

"If we have someone internally who has the expertise and wants to move somewhere, they will get first dibs. If not, we will hire locally. Having a solid understanding of green buildings and technologies is number one; local knowledge and contacts can be developed more easily," she says.

ASK WHY, THEN MAKE A MOVE. **EYP** (Albany, NY), a 325-person expertise-based, integrated design firm that specializes in sustainable projects for higher education, government, corporate, and healthcare clients, first considers the strategic reason for why a new office is needed.

John Pocarobba, CEO, says that you should do these two things first:

- 1) Consider carefully the strategic reason of "why" you are opening an office and how it fits into the overall firm's orga-

nizational structure. Will it be a branch office working independently and expected to be a self-sufficient profit center? Or, is it a "center of resources" supporting and accessing all of the firm's organizational resources?

- 2) Ask "why" you need an office in that specific location. Is it to provide a local presence, which is required to secure local/state work? Does it provide access to desired client(s) that could not be served before the office existed? Is it opportunistic as a result of a merger/acquisition? Is it a transfer of a key current staff member? Or, are you seeking access to a new talent pool?

Once this has been sorted out, deciding on who runs it depends on your specific business approach. EYP's philosophy dictates that no one office is a profit center.

"We focus on creating a networked center of resources that work together shamelessly to bring the best talent to our clients," Pocarobba says. "In our unique distributed approach, there is no one person who 'runs the office,' but a series of functional leaders, locally, who plug back into the whole organization."

Currently, EYP is growing via mergers and acquisitions and this has resulted in new strategic locations in order to access markets, clients and allow geographical diversity/reach. EYP recently acquired **BJAC**, an architecture firm with locations in Raleigh and Charlotte, N.C. Another EYP growth announcement with additional offices will be made later this month.

COMBINE STRENGTHS. Leonardo Ponzio, chief administrative officer, **Maser Consulting P.A.** (Red Bank, NJ), a 325-person multi-disciplined, consulting engineering firm serving the northeast and mid-Atlantic regions, says the company has actively grown,

TIPS FOR OPENING A NEW OFFICE

John Pocarobba, CEO of EYP, suggests:

- Write down your reason for being there and how long your commitment will be? (i.e., under what circumstance do you stay or be on alert for exit signals?)
- Write down what you will use to define/measure if the office is "successful."
- Define your goals for size, services, etc.
- Cold start offices always require more resources (dollars and people) than you might initially expect. "Go into it with your eyes open. In our experience, a new cold start office needs to reach critical mass of 35- to 40 people to really be self-sufficient," Pocarobba says.



Leonardo Ponzio,
Chief
Administrative
Officer, Maser
Consulting P.A.

expanded, moved, and opened several new offices over the past few years.

"It has been our experience that when obtaining a new office through acquisition, or organic growth, that it is best to have a combination of elements involved," Ponzio says.

"We feel it is strategically best to hire someone locally, who is familiar with local/regional market, and may have an existing client base, and then pair them with someone from our firm who is familiar with the firm's culture, procedures, and brand."

Maser Consulting uses this approach because firm leaders feel that the pros far outweigh the cons. While a strategic hire may come with a high pricetag, he/she also eliminates the learning curve with regard to the local market. In addition, this shortens the time spent

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GOOD TO KNOW

Among **multi-office** firms that treated offices as profit centers, **more than half** (57 percent) allocated corporate overhead to these offices based on total staff or labor costs.

Source: 2012 "Financial Performance Survey," ZweigWhite, www.zweigwhite.com/p-1155-2012-financial-performance-survey-of-environmental-consulting-firms.php.

NEWS

MIT to collaborate on AIA Public Health Commitment

Joint Research Initiative centers on design as a catalyst for improving health of communities.

To address the urgent need for solutions to ongoing urban challenges, the American Institute of Architects and Massachusetts Institute of Technology's Center for Advanced Urbanism announced a new research collaboration focused on how design can improve the health of urban communities. The collaboration supports AIA efforts through the Clinton Global Initiative (CGI), Decade of Design. The announcement came at the start of the CGI Winter Meeting in February.

The MIT Center for Advanced Urbanism (CAU) figures prominently in the search for better models of urban growth. Its expertise will center on articulating methods and projects that integrate architecture, landscape, ecology, transportation engineering, politics and political philosophy, technology, and real estate on scales that range from complex regional systems to local communities and neighborhoods.

"The MIT Center for Advance Urbanism's commitment brings immediate focus, energy, and structure to our decade-long effort," said Robert Ivy, AIA CEO.

"With the intellectual resources and recognition that the center brings, we can tap the tremendous talent of our profession to address these public health challenges," he said.

"If you look at the issue of urbanism from the social point of view or the economic point of view, or if you look at it from a health point of view, it's clear we have to have new theoretical positions and assumptions about how to move forward," said Adele Naude Santos, Dean of the School of Architecture + Planning at MIT. "When it comes to urban health, there is no greater issue facing our profession. We look forward

to making our collaboration with the AIA a resounding success."

More than half of the world's inhabitants live in urban areas, and this is projected to grow to 70 percent by 2050. Massive urbanization can negatively affect human and environmental health in unique ways, and many of those effects can be addressed through the realm of design.

Some of the great health challenges over the next century, including the prevalence of obesity, asthma, cardiovascular disease, diabetes, and depression, among others, are both increasing at an alarming rate and frequently linked to physical design and urban environmental factors.

Through research, prototypes and demonstration projects, MIT and AIA will jointly investigate and document correlations between the built environment and health, and develop evidence-based guidelines and design solutions that support human and environmental health in and around cities. The project will incorporate broadly interdisciplinary perspectives (architecture, urban planning, finance, medicine, urban health, technology, building science, transportation, among others) through three phases:

- 1) Research and development of evidence-based guidelines, starting Spring 2013;
- 2) Working with a particular city, including municipal officials and community stakeholders, to design, test and prototype solutions that are specific to that city but applicable to others, in the U.S. and globally.
- 3) Putting demonstration projects in place.

This project will have collaboration as its major focus, with research results and learning shared online and in print at conferences and workshops, in person and virtually.

In addition to funding provided by the AIA and MIT, additional support will be sought from private and public sector sources. ▀▲

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.

MARKET

Playing game of odds wins work

How multiple award contracts, and the cutthroat competition that follows, are the perfect boot camp for the design industry.

By JOÃO FERREIRA
Managing editor

During the recession, most design firms were forced to step outside their comfort zones. That meant testing the waters in new markets and although firms could do the work, often they missed the nuances.

As with trying a new recipe for the first time, the results were often not pretty.

Kleinfelder (San Diego, CA), a 2,000-person global science, architecture and engineering consulting firm, failed twice when trying to win federal work. Third time, however, was the charm. During a recent professional development and technical training seminar in Denver, Douglas Gilkey, vice president of program management, and Joe Caruso, project manager, detailed how the firm was able to secure \$1 million in task orders under a federal multiple award contract amidst cutthroat competition.

Under multiple award contracts, known as MACs, the federal government makes awards to a number of vendors and the winning vendors compete among themselves for business, according to fedmarket.com. Task orders or requests for quotes are issued to one or more of the vendors to meet specific agency requirements. Approved vendor price lists are negotiated as part of proposal evaluation and contract award process, according to fedmarket.com.

It was in this world that Kleinfelder set



iStockphoto

to pursue work – a market with large revenue potential for the firm.

POKER GAME. Pursuing work under MACs is akin to poker strategy, including odds and deception.

First and above all, competitors need to know the competition and client needs.

“You really have to stay on top of what each of those contracts needs,” Gilkey said. Using poker analogy, he advised calculating and playing the odds of winning, rather than “bluffing” (a bet or raise made with a hand that is not thought to be the best hand).

“You play the odds, you put yourself in position. It’s just like poker,” Gilkey said. He said that players need to know how strong their game is *and* how strong the competition’s game is.

“You have to know from the client’s perspective what hand is going to win that task order,” he said.

THIRD TIME IS THE CHARM. Caruso provided three simple cases of (two) losing and (one) winning task orders Kleinfelder disputed, with lessons learned along the way.

- **Example 1:** Kleinfelder priced more scope than client need. Result: **Loss.**
- **Example 2:** Kleinfelder was close on cost, but missed on technical approach. Result: **Loss.**
- **Example 3:** Kleinfelder got to know

the client, got to understand bidding process, teamed with right partner, got competitive bids from all subs, made sure they had technical experts, and didn’t add extra costs. Result: **Win.**

“We’re learning the game as we go on,” Caruso said.

APPLYING IT TO OTHER MARKETS. This game can be played outside the spectrum of the federal government world.

Any design firm with enough marketing and technical savvy knows better that all elements need to be in place for a winning hand. Otherwise, it may not be worth playing.

Price (be critical, compete); coordination (win with team solution); client (know their issues and provide solution); project (know it before it comes up); award is low price or best value; continue to learn.

“You play the odds, you put yourself in position. It’s just like poker.”

Or, in other words, as Gilkey summarized:

“Always question that expected outcome.” And, “Try to be the consultant that drives the solution and always be proactive.”

Know what the client likes, and you’ll be positioned to win (engineers usually give clients what they think is best solution, but often that’s not what the client *wants*). “If we don’t know what their expectation is, we’re going to lose,” Gilkey said.

Keep engaged with the client, even if you at first lose. ▽▲

●●●● GOOD TO KNOW

Federal procurement spending through multiple-award contracts increased **4 percent** in 2011, despite an overall drop in contract spending. Multiple-award contract spending hit **\$132 billion** in 2011.

Source: Federal Times
www.federaltimes.com

Sticking to resolutions

The first of the year may be gone, but this advice is good any time.

First of the year – the typical time to regroup on business development plans: what are our revenue goals and how will we get there. Full-day retreats were organized along with a long list of resolutions, such as pursue more private work, network more, get our team recommitted to pitch in on business development, and build key strategic relationships. How many of those resolutions will come true? Not as many as we would like. You'll have better success in organizational strategic plans if you keep in mind human behavior.

Resolutions are fun to make. Not so much fun to actually keep. That's because we get a lot of satisfaction from the very act of making a resolution. It feels like we've made a step in the right direction: I'm going to yoga three times a week. I'm not going to work weekends. I'm going to lose 15 pounds. And it hasn't cost us anything. Our culture is so fixated on immediate gratification that it's tough to settle for the delayed gratification that comes from the hard work of sticking to a resolution. Setting achievable goals is the first priority. I facilitated a strategic session where the annual revenue goal was 40 percent over last year in the middle of the recession. If you back that annual goal down to a monthly basis, it's not achievable. People get discouraged and slip into old habits. Make your annual goals realistic and your monthly goals even more realistic.

■ **Success begets success.** We are more likely to stick to a diet if we lose the initial weight quickly. The trick is setting goals that are easy to accomplish in the first month. People are busy and while it might feel good to set lofty goals to meet with eight clients in the next month, it won't feel good to not accomplish it. Start slow, so you can build momentum. Put down tasks that are small and measureable and may have been on your calendar already. Your check-in after the first month should be a cause of celebration not a let-down.

■ **Don't aim for 100 percent.** Measure any progress you've made and can claim, not if you've hit your goal. It's motivating to count your success and demotivating to look at what you didn't do as a failure. I have been in too many meetings, a month after a strategic plan, at which staff looks down on the floor because they didn't do what they said they were going to do. As a manager, don't take a punitive approach. Acknowledge people are busy, change is hard, and let's do what we can. If your initial goals for the first couple of months are small enough, you'll have more to celebrate.

■ **Let people set their own goals.** Group planning sessions where you divide and conquer on your plans to outreach to clients and consultants are practical for organizing your approach, but not effective in administration. People need to



Leo
MacLeod

GUEST
SPEAKER

have ownership over what they are going to do. Group settings tend to drain individual ownership. I have found that letting people create their own path and timeline is more effective than mandating a prescriptive course. Once the direction is clear, give people room to determine how they are going to accomplish it.

■ **We all need help.** Large group planning sessions also mask challenges that individuals may have and don't want to admit in a group setting. Smaller group or one-on-one coaching can help bring out issues that you can help people work through. I've found that more individual attention with people to be the key in having them be active in business development. People are more accountable if they learn how to manage their time more effectively so they can accomplish their goals. Most of the time, people suffer from the resolution syndrome of setting unrealistic goals. Weekly or bi-monthly coaching sessions that are more individual retain the accountability but are more productive than large group check-ins. Combined with easy, achievable tasks, staff who are not altogether comfortable marketing, are much more likely to stick with a program if they learn what works for them personally.

■ **Schedule it.** The best way to make your plans work is to pick achievable goals and schedule the

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Resolutions are fun to make.
Not so much fun to actually
keep. That's because we get a
lot of satisfaction from the very
act of making a resolution.

Take time to self-evaluate

HR, recruiting and hiring teams also need to take a critical look at their operations, so make use of the form below.

EVALUATION FORM

HR/RECRUITING TEAM

Competency:

1. The speed/effectiveness of getting positions posted

1 = poor 2 3 4 5 = fantastic

(Consider length of time to market positions to candidates, and accuracy of descriptions)

2. The speed/effectiveness by which candidates are presented

1 2 3 4 5

(Consider how quickly and effectively candidates are presented after the search begins)

3. The quality of the candidates presented

1 2 3 4 5

(Consider how closely candidate résumés match the requirements of the job)

4. Overall management of a consistent selection process

1 2 3 4 5

(Consider HR effectiveness in coordinating/communicating interviews, meetings, next steps, etc.)

5. The speed/effectiveness by which offers are developed/extended

1 2 3 4 5

(How quickly does HR draft/extend offers when requested? How effective are HR negotiations?)

HIRING TEAM

Competency:

1. The level of collaboration with HR in developing/approving position descriptions

1 2 3 4 5

(How well do hiring teams collaborate with HR in building competent job profiles?)

2. The speed at which presented candidates are reviewed and feedback is given to HR

1 2 3 4 5

(Do hiring teams provide candidate feedback within 48- to 72 hours, maximum?)

3. Inappropriate hiring manager bias in résumé reviews/candidate interviews

1 2 3 4 5

(Do hiring teams bring unfair/unrealistic predispositions to the overall selection process?)

4. Overall cooperation/compliance with the stipulated selection process

1 2 3 4 5

(Do hiring teams act in a "rogue" manner? Do they adhere to defined process steps faithfully?)

5. The speed at which an offer decision is made for a particular candidate

1 2 3 4 5

(Do hiring teams maintain adequate momentum toward offer/closure of the selection process?) (Are offer parameters realistic and equitable?)



Jeremy
Clarke

SEARCH
SAVVY

Sometimes it helps to just STOP for a moment, don't you think? Just sit down and start grading the things we do?

Someone once said: "True genius resides in the unfiltered capacity for self-evaluation." I agree with that sentiment. Truth is: There's nothing quite like some good old fashion "self-evaluation" to really get teams calibrated on the things that must be improved in our various enterprises. Certainly, this is true in the recruiting and selection enterprise. I could probably make a pretty good case as to why this is *especially* true for recruiting and selection, but that's not the aim of this article. The aim of this article is to demonstrate how you might effectively and honestly evaluate the two unified but separate entities that are likely involved in your firm's talent selection activities: 1) The HR/recruiting team; 2) The hiring team.

Let's face it – the hiring process is highly detailed and complex. It can be fraught with all sorts of problems: logistical problems, technical problems, communication problems,

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In most cases the core issue is that companies simply have not set in place the tactics and practices necessary to effectively hire top talent. Instead, the selection process is patchwork of elements that everyone sort of hopes will just 'fall into place' when a candidate comes along.

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process breakdowns, etc. Perhaps your recruiters don't know how to find the best people. Or, if they find them, perhaps they don't know how to adequately screen them? Alternatively, perhaps your hiring managers are sluggish and distracted in the selection process. Perhaps they don't communicate well with your HR team. Whatever the problems, in most cases the core issue is that companies simply have not set in place the tactics and practices necessary to effectively hire top talent. Instead, the selection process is patchwork of elements that everyone sort of hopes will just "fall into place" when a candidate comes along. They're not thoughtful, efficient nor effective in many cases. And worse yet, nobody really feels too badly about it (hence the self-evaluation).

So take this little exercise if you really want to be confronted with where the problems are. Grade the "HR/recruiting team" and the "Hiring team" segments honestly (yes, be sure to grade your OWN team as well!). Rate the competencies under each team's segment from 1 to 5, with a 5 being fantastic and 1 being... well, not so fantastic. Add your scores to see how well your teams are doing and where the problem areas are. Are your problems evenly distributed across both teams... or does one team seem to be particularly problematic? Be sure to share your results across both teams. ▀▀

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time to do it. "By next Monday, I'll set up a meeting with Tom at XYZ Architects to debrief on our last project and see if there are opportunities we can team on in the future." Note that this action step is only to set up a meeting, because you can't control when it might happen. I've found that if my weekly to-do list is in front of me every day, I don't forget it. I also schedule myself for tasks in Outlook so I know that at Tuesday at 10 a.m., I'm going to check back with someone who said, "Talk to me in six months."

▀ **Regroup.** Strategic sessions typically generate four to five page summaries that people don't remember. Only pick two or three, make it fit on a page, but check back with the group every quarter on how it's going. Plans are great but they often

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building a new client base and relationships, thereby shortening the overall turnaround time for profit.

Ponzio says the most difficult assignment given to a firm with a new satellite office or acquisition is the integration of staff and systems.

"We take this very seriously and develop a plan of action and implement it before the office is opened. In doing this, we ensure all aspects of the opening occur in a timely manner and our brand stays consistent through all of our offices," he says. "Our corporate headquarters acts as a hub where staff is assigned tasks to make sure that the new office personnel is welcomed, informed, integrated, trained, and fully stocked

M&A SURVEY: Is your firm considering a merger, an acquisition, or a sale? Or have you recently completed a merger or acquisition transaction? If so, then you'll want to see the survey results in the 2013 "Merger & Acquisition Survey of Architecture, Engineering, Planning & Environmental Consulting Firms." The 23rd edition of this comprehensive report includes all the latest data on the state of merger and acquisition activity in the design and environmental consulting industry. Whether you want to get a projected value for your own firm or one you're looking to buy or you want to find out how the details of the deal you recently made compare to other similar deals, this report has the answers you need.

Use the Merger & Acquisition Survey to:

- ▀ Find out what today's buyers are looking for – who, where, and what
- ▀ See what kind of price you can expect for your firm
- ▀ Learn what's motivating other sellers like yourself, and what buyers are hoping to achieve through an acquisition.
- ▀ Find out how many firms are satisfied with the acquisitions they've made
- ▀ Learn how the price you paid or the amount you received compares with other similar deals

Even if M&A activity isn't currently in your firm's plans, it may be sooner than you think, so you'll still need a copy of this new resource.

For more information or to order your copy call 800-466-6275 or log on to www.zweigwhite.com/p-2146-Merger__Acquisition__Survey__2013.

need refinement. What's working? What are you learning? What are some suggestions for improving the plan? Don't feel obligated to stick with a plan that's not panning out. It's a great way to keep people engaged in the process rather than feeling good about making the resolution in the beginning of the year.

You'll have more success in making plans if you make your goals reasonable, celebrate every success, help people design their own path, block out the time to do it, and check back in periodically with the team. ▀▀

LEO MACLEOD is a new business coach and strategic consultant. He can be reached at leo@mainspringmarketing.com.

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with the tools and materials to properly function from the moment a new office opens."

MARKETING PLAYS A ROLE TOO. "Our in-house marketing group assists in all phases of new office and personnel promotion. This promotion includes all, or a combination of press releases; social media announcements; internal or external welcoming/opening receptions; personal letters to clients; email blast announcements; internal announcements including newsletters; local presence at tradeshow; and building relationships with local publications," Ponzio says.

Maser Consulting will continue its strategic plan of expanding its reach throughout its current regions as well as further north and south along the coast. ▀▀

TRAINING

Firms are investing in their future

Education is the one key element that will make a notable difference today, tomorrow and for years to come.

By BRYAN SULLIVAN
Correspondent

Investing in your future and offering training to your employees is a sure-fire way to stay competitive in the marketplace. The return on investment will be felt for years to come. As the great American statesman, Ben Franklin said, *“An investment in education always pays the highest returns.”*

So, invest in your employees and you will likely increase the overall performance of your firm. Training saves money, labor, creates a competitive edge, increases productivity, improves customer satisfaction and, most importantly, increases employee retention and satisfaction.

MAKE TRAINING ACCESSIBLE. David Thaeler, executive vice president/chief human resources at **Haskell** (Jacksonville, FL), a 1,200-person design-build firm, says the company is building on the momentum of recent years. Haskell continues to drive engagement and retention strategies in 2013 by leveraging training and development opportunities to “grow” its people.

“We are committed to delivering ‘best-in-class’ programming centered on four key areas of focus: foundation-building, business and technical skills, management development, and position-specific technical development, states,”



David Thaeler,
Executive VP/
Chief HR,
Haskell.

Thaeler says.

With the recent acquisition of two market leading companies – one focused on program management (Ohio) and the other on process engineering (WI) – Haskell continues to search for ways to make training and development accessible

to all its team members across a growing geographic area.

“Utilizing technology that includes a vast portfolio of online development programming via our Haskell Learning Management System (HLMS), creating virtual collaboration rooms in our office locations, and creating meaningful in-person delivery of content that reinforces our culture and values is our intent and we are very purposeful in this approach,” Thaeler says.

“It is imperative that we are the brightest and present the best value to win the work.”

TRAIN TO BE THE BEST AND BRIGHTEST. Sometimes it’s advisable not to change things when they’re working. That’s exactly what **HuntonBrady Architects** (Orlando, FL), a 68-person architecture and interior design firm, is doing – staying on the course that works for them.

HuntonBrady has made a concerted effort to ensure that professional training won’t change in 2013 from the approach used in previous years.



Karen Moorefield,
Associate Director,
Corporate Development,
HuntonBrady.

Karen Moorefield, associate director of corporate development at HuntonBrady, says the firm will continue its in-house training in project management, construction administration, building information modeling, and design.

“These areas have historically evolved with the profession,” Moorefield says. “The principals of the firm have a strong commitment, both financially and professionally, to ensure that each staff member is appropriately trained whether it is for Revit, Newforma or Deltek Vision (industry-related software). This is budgeted for every year and we take into account projected new hires and continuing education opportunities.”

Chuck Cole, HuntonBrady president, and his partners have committed to focus more training on financial management and client service as a direct response to the economic slowdown. This specific training is on many levels and includes architectural, interiors, marketing, accounting and operational staff.

“It is imperative that we are the brightest and present the best value to win the work,” Cole says.

FIND A FOCUS. One unique training approach that HuntonBrady has in place for its annual firm retreat is to determine the relevant topic to focus on for each year. In 2010, it was the year

See INVESTING, page 10

GOOD TO KNOW

69 percent of firms offer tuition/fee reimbursement. Also, **42 percent** of firms allow employees to attend classes during work hours.

Source: 2011/2012 “Successful Firm Survey,” ZweigWhite, www.zweigwhite.com/p-1114-successful-firm-survey-2011-2012.php.

ON THE MOVE

HUBBARD RETIRES FROM AEROMETRIC: **Clyde Hubbard**, account manager at **AeroMetric** (Anchorage, AK), a geospatial solutions company, retired after 41 years of work in all phases of photogrammetric mapping, remote sensing, and geographic information systems. Hubbard joined AeroMetric in 2003, providing support to key clients in all aspects of project design, planning, and scoping, and coordination of production activities in accordance with client schedules.

The Geospatial Services community has always been a source of enjoyment for Hubbard. He first joined the American Society of Photogrammetry and Remote Sensing in 1977, and is currently up for reelection as the director of the Rio Grande chapter. Hubbard also teaches Photogrammetry, an endeavor he began in 2009, at Southwestern Indian Polytechnic Institute. After his retirement from AeroMetric, Hubbard will continue to be involved in the geospatial community. Along with ASPRS and teaching, he plans to continue to be in touch with his colleagues at AeroMetric, assisting them whenever he is able.

Hubbard's love of photography will also extend into his retirement. He looks forward to traveling in his motorhome with his wife photographing national parks, as well combining his interest in astronomy with photography by photographing the stars.

SCHNABEL PROMOTES: **Schnabel Engineering, Inc.** (Glen Allen, VA), a 300-person geotechnical engineering firm, announced the promotion of **Anthony Grubbs** to associate. With more than nine years of experience, Grubbs serves as Schnabel's hydrology and hydraulics/geographic information systems team leader for the Greensboro, N.C., office. He and his team are vital contributors to projects that include alternatives analyses, inundation studies, emergency action plans, and operation and maintenance manuals.

GREELEY AND HANSEN HIRES: **Greeley and Hansen** (Chicago, IL), a civil and environmental engineering and consulting firm, has named **Michael Hope** as office director of the firm's Philadelphia location. Hope, who most recently served as a client service manager and senior project manager for **CDM Smith**, has broad experience in

planning, design, and project management for a wide range of water and wastewater treatment facilities.

As office director, Hope will help lead efforts to advance the firm's strategic initiatives and business performance goals in the Northeast. He will also be responsible for overall office operations, including coordinating resources, project staffing, and other human resources and financial management activities.

"Greeley and Hansen is committed to promoting a high-performance culture through leadership that is focused on client service," said John Robak, executive vice president and CEO. "Mike brings proven industry experience to our firm, as well as a genuine interest and enthusiasm for building collaborative relationships with our clients."

PENNONI HIRES: **Pennoni Associates** (Philadelphia, PA), a 900-person engineering, design, and consulting firm, announced that **Thomas Chicca** has been named office director of the firm's Columbia and Germantown locations, both in Maryland. He previously served as a director of international A/E services for **TetraTech**.

"Tom is a seasoned and respected engineer and manager, and is well known throughout Maryland and the District of Columbia and the A/E industry," said Ron Moore, regional vice president. "His leadership, strong business acumen, knowledge in financial management, and creative problem solving will be extremely beneficial to our firm and our Maryland and Washington D.C. clients."

Chicca has more than 37 years of experience in the design and management of development projects, including planning, engineering, utility design, hydrologic and hydraulic analyses, site planning, feasibility studies, sediment control and stormwater management.

As TetraTech's director of A/E services, he was central to procurement of and performance on a number of international development projects for clients, including the U.S. Agency for International Development (USAID) and the Millennium Challenge Corporation. He also served as home office technical manager on two projects in the Republic of Georgia and one project in Afghanistan.

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for BIM; the 2011 retreat focused on leadership; and 2012 centered on project management.

"Each year, retreat participants walk away with more knowledge, assigned tasks and known firm-wide goals," Moorefield says. "HuntonBrady has a Revit steering committee that meets every month, which results in sharing the Revit updates and training with staff. With the recent investment of an iPad for every principal and project manager, there are now monthly iPad meetings to educate and train users."

HuntonBrady continues to send staff members to attend national conferences to maintain cutting-edge design in the marketplace.

"We attend financial, technology and healthcare conferences, and participate as speakers and panel members. We support our registered licensed architects and interior designers with their continuing education requirements by having lunch and learn programs (many with CEUs) in house as well as providing annual financial support for professional organization education," Moorefield says.

CONTINUE TO EVOLVE. **Dade Moeller** (Richland, WA), a 250-person environment, safety, health and quality assur-

ance firm, has its own "Academy" – the Dade Moeller Training Academy – to give its staff and others a highly-specialized training program that has set the bar high in their sector of the industry.

The Dade Moeller Training Academy has long been recognized as one of the foremost providers of education and training on a complete range of radiological and occupational safety topics.

The Academy's faculty is comprised of recognized subject matter experts who are training professionals with expertise in radiation safety, occupational safety, industrial hygiene, risk communication, transportation, instrumentation, and emergency preparedness and response. When they are not teaching in the classroom, faculty members are working on high-level projects with government and commercial clients.

Matt Moeller, CEO of Dade Moeller, says that the Dade Moeller Training Academy is evolving continually to meet the needs and expectations of its students.

"To provide a broader selection of courses, we are teaming with other well-known, recognized training companies, and establishing liaisons with prestigious universities. Training and the consulting work it generates will always be critical components of our business operations," he says. ▀▲

LAW

Plan around tax and regulatory changes

Here's some of the more notable changes that AEC firms should expect.

By LIISA SULLIVAN
Correspondent

The tax and regulation picture is rapidly evolving in 2013. **THE ZWEIG LETTER** published an article on the topic on Jan. 7, but it's time to revisit it. Again, Paul Gergel, a partner at WithumSmith+Brown, PC provides detailed information on some changes that have taken place.

NOTABLE CHANGES. After weeks of intense negotiations in Washington, D.C., on Jan. 2, President Obama signed into law the American Taxpayer Relief Act of 2012 (ATRA).



Paul Gergel,
Partner,
WithumSmith
+Brown, PC.

"So, with the tax side of the fiscal cliff averted, and with businesses now having some degree of 'certainty' as to what their future tax rates will be, can business owners relax and now make better strategic long-term decisions?" Gergel says. "Not so fast. Although many felt that the uncertainty surrounding

the fiscal cliff was hampering the recovery, there are still significant unresolved fiscal issues that need to be addressed. The automatic spending cuts (currently scheduled to occur on March 1), impact of the debt ceiling limit negotiations, and ongoing large budget deficits at both the federal and local levels continue to threaten the pace of the economic recovery."

However, Gergel says that businesses can plan around the tax and regulatory changes that became effective on Jan. 1. The following are some of the more notable changes that AEC and environmental firms and their owners should be aware of:

■ **Income tax rates** – ATRA extended the Bush-era tax cuts permanently for all taxpayers, except individuals with a taxable income over \$400,000 (\$425,000 for heads of household, \$450,000 for married filing jointly). Those making over these thresholds will have their income subject to a new top tax rate of 39.6 percent. This was a noteworthy win for many small business owners who, based upon numerous campaign promises, expected the new rate to apply to incomes over \$200,000.

Individuals with incomes at the \$250,000 level did not come out of it completely unscathed, however. At this level, the phase-out of itemized deductions and personal exemptions is again back in play beginning in 2013 after a two-year reprieve. Furthermore, the employee portion of the Medicare tax withholding has been increased by 0.9 percent for wages that exceed the \$200,000 for single individuals and \$250,000 for taxpayers that are filing jointly. Finally, individuals in this range may also be subject to a new 3.8 percent Medicare tax on their net investment income to the extent that it exceeds the above threshold amounts. The reduced write-offs and increases in Medicare tax will result in a higher effective tax rate even for those not subject to the new top tax rate of 39.6 percent.

A new tax rate of 20 percent for long-term capital gains and qualified dividends will also

apply to individuals above the \$400,000/\$425,000/\$450,000 thresholds mentioned above. The former 15 percent rate will still apply to those taxpayers in the middle tax brackets.

"So, with the tax side of the fiscal cliff averted, and with businesses now having some degree of 'certainty' as to what their future tax rates will be, can business owners relax and now make better strategic long-term decisions?"

■ **Payroll tax cut** – The payroll tax holiday that has been in effect for the last two years was allowed to expire. As a result, employees and business owners subject to the self-employment tax will pay an additional 2 percent more of employment taxes on their income, up to the Social Security wage base. For business owners and individuals making in excess of the current wage base of \$113,700, this will mean an additional tax of \$2,274 each year. Some economists predict that this could decrease economic growth by at least a half of a percentage point this year.

■ **Business tax provisions** – There were mostly favorable tax changes in ATRA for AEC firms.

■ **Depreciation** – Bonus depreciation has been extended through 2013. Businesses can elect to write-off 50 percent of the cost of qualified property. Buying a vehicle in 2013? There is an additional \$8,000 depreciation write-off in addition to the depreciation allowed under

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GOOD TO KNOW

Bonus depreciation has been extended through 2013.

Businesses can elect to write-off 50 percent of the cost of qualified property.

Source: American Taxpayer Relief Act of 2012 (ATRA).

TRANSACTIONS

GOLDER BUYS: Golder Associates Ltd. (Toronto, CA), an 8,000-person consulting, design, and construction services firm, acquired **NovaTec Consultants Inc.** (Vancouver, BC). NovaTec is a specialist process engineering firm focused on industrial and municipal advanced water and wastewater treatment plant design, operations, process optimization, and technology and process performance verification. The two companies have worked together for nearly 30 years.

Founded in 1984, NovaTec is a 12-person consultancy noted for innovative technical approaches. The agreement presents expanded opportunities to deliver greater value to mining and oil and gas clients, and capitalizes on the reputation earned by the two companies in the government and infrastructure project streams. Integrating these two organizations creates a diverse technical portfolio.

“NovaTec’s reputation and experience really further our water and wastewater treatment service offering in Canada and provide all of us with broadened horizons – opportunities to become involved in new business streams and to explore new technical applications,” said Ateesh Roop, national leader of mergers and acquisitions for Golder in Canada. “There is a lot of enthusiasm, on both sides, around this deal.”

NovaTec offers a complete range of professional services, from feasibility studies through conceptual through detailed design, construction, commissioning of facilities, process optimization, and operator training. Many of these service areas are consistent with Golder’s core consulting and design capabilities, including contaminated groundwater treatment, environmental audits, water reuse, and wetland treatment.

Troy Vassos, president of NovaTec, noted the benefit to employees and clients.

“NovaTec enhances Golder’s existing water treatment process design capabilities,” he said.

“Integrating the two organizations’ services creates new opportunities for our people, and enables us to better assist clients as we work together to develop sustainable water reclamation and reuse solutions.”

COWI BUYS: COWI North America purchased the shares of **Jenny Engineering Corporation** (Springfield, NJ). JEC is a 30-person tunnel

engineering firm specializing in the planning, design, and construction management of tunnels and underground structures. JEC will continue to operate as Jenny Engineering Corporation.

JEC is globally experienced working on a variety of tunnel projects, such as transit, highway, water, utility, sewer and drainage, pedestrian, and mines.

The merger with COWI strengthens JEC’s position as a leader in tunnel engineering in North America. JEC’s Springfield headquarters becomes COWI’s North American center of excellence for tunnel engineering. JEC also joins COWI’s international tunneling practice, and will join with COWI’s Copenhagen-based tunnel engineering team to pursue and execute projects outside of North America.

“JEC’s capabilities complement our position as a provider of specialist engineering services in the infrastructure sector. Our full suite of services in bridge, tunnel, and marine engineering strengthen our ability to serve our clients on major infrastructure projects around the world” said Steve Hunt, president of COWI North America.

“The merger with COWI provides additional foundation to secure access to major infrastructure projects in North America and worldwide. Not only does it provide JEC the opportunity to work closely with other specialist engineers, it also provides increased access to challenging and exciting projects for our staff,” said Prakash Donde, president of JEC.

COWI North America consists of five COWI companies headquartered in North America: **Buckland & Taylor Ltd.**, **Ocean & Coastal Consultants, Inc.**, **Ben C. Gerwick, Inc.**, **COWI North America Energy Inc.**; and Jenny Engineering Corporation. COWI North America companies will continue to operate under their existing brands and management teams. COWI presently employs over 300 staff in 15 U.S. and Canadian offices.

COWI North America specialty companies form part of Lyngby, Denmark-based COWI’s International Specialist Leader practices for bridges, tunnels, and marine structures.

Globally, COWI employs over 1,000 bridge tunnel and marine specialist staff, and is busy engineering some of the world’s largest infrastructure projects.

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the luxury auto limitations. But perhaps even more significant to businesses is the increased immediate expensing of equipment under Section 179. The original expensing limit under this election was only \$139,000 for 2012. ATRA increased this retroactively to \$500,000 for 2012 and established this as the limit for 2013 also.

ATRA also extended, retroactively, the 15-year write-off for qualified leasehold improvements. Such property placed in service during 2012 and 2013 can be written off over a 15-year recovery period. After Jan. 1, 2014, this recovery period will revert back to 39 years.

- **Tax credits and incentives** – Many AEC firms are aware of the substantial tax savings that the research and development credit has to offer. The credit, which has expired at the end of 2011, has been renewed for 2012 and 2013. There have also been other changes to the R&D tax credit that potentially allow businesses to claim the credit on qualified research expenses of an acquired trade or business.

The work opportunity tax credit (WOTC) is a Federal tax credit

available to employers for hiring individuals from certain target groups. The maximum tax credit ranges from \$2,400 to \$9,600, and this credit has been extended for eligible employees who begin work for their employer before 2014.

ATRA has extended the 100 percent exclusion for capital gain on qualified small business stock (QSBS) acquired before Jan. 1, 2014. Taxpayers who purchase QSBS between Sept. 28, 2010, and Dec. 31, 2013, and hold their stock for at least five years, can recognize up to \$10 million in tax-free gain.

- **Estate tax** – Perhaps one of the biggest surprises in ATRA was the permanent increase in the estate tax exemption to \$5 million, indexed for inflation. Many business owners gifted some of the ownership to trusts during 2012, hoping to avoid the anticipated \$4 million reduction in the estate tax exemption. But Congress came through for the moderate wealthy business owner and permanently extended the \$5 million exemption.

For once, the procrastinators were right in waiting. ▀▀