Leadership by example has been, and probably always will be, a cornerstone of good management. It’s hard to get people to do something you don’t do yourself.

Not that I don’t understand aging firm owners who don’t want to work as hard as they once did, or get some perks that perhaps help pay off the years of sacrifice they have made. But every time you take off early or give yourself that perk you always wanted, you could unknowingly be demotivating someone. I’ve seen some egregious examples of this over the years. One company had assigned principal parking spots right by the front door when everyone else had to walk blocks from the employee lot to the office in a place that had brutal winter weather. Not good for morale!

Where setting the right example really comes into play is business travel. If the boss flies first class and the grunts are expected to fly on Allegiant Air, that’s a problem. Some employees won’t comply. Ditto for high-end hotels when everyone else is expected to stay at a Days Inn, or meals at expensive restaurants when the plebs are supposed to eat at Applebee’s. Getting in late and taking two-and-half-hour lunches won’t work unless you want everyone else to do that. Neither will drinking at lunch if this is supposed to be prohibited. The behavior you model will be the behavior everyone else in the firm displays.

Setting the right example is not all about taking time off, or travel, or other perks, either. It is about doing the right thing. I cannot tell you how many times I have

See MARK ZWEIG, page 2

Good things come to those who make
ON THE MOVE

DPS GROUP PROMOTES EDDIE SKILLINGTON TO VP OF BUSINESS DEVELOPMENT, BOSTON PROJECT OPERATIONS DPS Group, a privately-owned, global engineering, procurement, construction management and validation firm serving high-tech process industries, announced that Eddie Skillington has been promoted to vice president of business development, Boston project operations. In his new role, he will be responsible for expanding the firm’s client base and leading the sales and marketing of DPS services in the Boston office, including architectural and engineering design; commissioning, qualification and validation; and construction management.

“Since joining DPS in 2015, Skillington has been an invaluable member of our senior project management team, providing top-notch project execution for his diverse clients in Boston during a time of steady growth for the company,” said Aidan O’Dwyer, president of U.S. project operations at DPS Group. “Eddie’s promotion supports an organizational structure that will allow for continued expansion of DPS’ service offerings. With his successful track record of managing complex projects, we are confident in his ability to develop and grow client relationships and help expand DPS’ business in the Boston life sciences market.”

Skillington brings more than 18 years of industry experience in a variety of roles in the life sciences, oil and gas, chemical, power, manufacturing, and electronics industries. Starting off his career in engineering before moving into project management, Skillington has become a strong client advocate, having served in roles for owner-side project management as well as A/E design team project management on a variety of project types at DPS. He most recently served as a senior project/program manager heading up multi-disciplinary teams for clients such as Sarepta Therapeutics, Pfizer, Sanofi, Avecia, Lonza, Evelo, and Emergent. Prior to that role, Skillington was a project manager under the DPS Managed Services Program, working onsite at client locations and providing extended project management and A/E services for clients’ tactical and strategic projects.

In 2016, Skillington was selected for, and successfully completed, the DPS High Potential development program, a two-year endeavor that offers candidates a mix of experience, training, education, and mentorship to support career growth and promotion within the firm.

Skillington uses his excellent interpersonal and communication skills to expertly manage project scope, budget, and schedule for corporate facilities and engineering and research and development projects. His technical expertise comprises instrumentation and control systems engineering, construction management, and CQV, and his engineering career has given him a depth of hands-on experience and understanding of all discipline trades from project ideation through qualification.

Skillington has broad experience with greenfield and brownfield projects, having worked on refurbishment and expansion projects as well as new facilities. Before joining DPS, Skillington held various engineering roles at Emerson Process Management, the Project Management Group, and Jacobs Engineering, all firms located in Ireland.

Skillington is a certified Project Management Professional, and holds a Master Certificate in Project Management from Villanova University and a Bachelor of Science, with Honors, in Applied Physics and Instrumentation from Cork Institute of Technology in Ireland. He is a member of the International Society for Pharmaceutical Engineering and the Project Management Institute.

Serving high-tech industries around the world, DPS Group delivers full-service engineering across a range of disciplines, including project management, procurement, design, construction management, health and safety management, commissioning, qualification, and validation, and facility start-up.

DPS Group is a global engineering, consulting and project management company, serving high-tech industries around the world.

MARK ZWEIG, from page 1

heard principals complain about their people not turning in their timesheets and expense reports yet accounting tells me the very same principals are the worst offenders. Unacceptable behavior!

And how are clients being treated? Do the principals have their calls screened and not reply to emails or texts that come in after 5 or on weekends? If so, what makes you think other employees are going to drop everything and jump when a client needs it. They won’t. The wrong example is being set.

Monkey see, monkey do. It is a fundamental principle of leadership. Stop making excuses for yours and your fellow principals’ behavior. And get serious about leading through example. You’ll be glad you did!
Valuable values

Branding and growing a diverse firm while staying true to your roots is possible, but you have to know why you’re in business.

If you track AEC news daily, like I do, you probably notice a constant theme of consolidation among firms. Maybe you’ve even been part of a team on the buy or sell side of a merger or acquisition. For those concerned with strategy and branding, all this merger or acquisition activity raises these questions: How does this affect our identity? Who are we now? If your firm’s strategy has a strong M&A component, you may even be wondering if branding a growing and diverse firm is even possible.

Branding and growing a diverse firm while staying true to your roots is possible, but you have to know why you’re in business.

Possible is an understatement. Although growth brings its challenges, it also brings you a unique opportunity to build something truly magical that keeps your firm true to its roots while staying flexible for the future.

BUILD GROWTH ON YOUR VALUES. Outside the AEC industry, advice is abundant for how to differentiate a company. Search the internet and you’ll see many articles offering six, seven, 10, and even 21 ways to brand a firm, including everything from price, making a better product, having better service, reaching buyers/clients more efficiently, and building trusted relationships. AEC firms – even those growing through M&A – can spend valuable time thinking about those things. They’re the basics of every business.

And that’s the problem – they’re the basics of every business. Your competitors are trying to do the same thing you are.

What if you took a different path? What if you built your company’s growth on values, and let your values influence your approach to M&A, not to mention pricing, who you serve, how you serve them, and the many other ways firms distinguish themselves?

What we’re talking about is the difference between a firm serving a specific function that happens to have values, and a firm with values that happens to serve a specific function. The firm built on
values will have more flexibility to serve a variety of markets in a variety of ways, and will also have a much easier time recruiting and retaining amazing people who are not only competent, but great fits for your firm.

BUILD YOUR BRAND ON YOUR VALUES. Maybe you can get behind the idea of building your firm’s growth on its values. But how, specifically, do you build your brand on values?

Let’s flip that question around for a moment (though we’ll come back to it). What other options do you actually have? If you’re trying to brand a growing and diverse firm, you can’t build your identity on your location, your services, your client base, or pretty much any other way companies typically distinguish themselves. You can’t even build your identity on your nationwide scope, variety of services, or diverse client base – odds are, one of the “big guys” has you beat on every one of those.

So, how exactly do you build a brand on values? Here are a few steps:

- You probably already have a values statement at your company. That’s a great place to start, though you may choose to revamp it during this process. For example, the company I work for, Salas O’Brien, had for many years a “Shared Vision Statement” that we reworked into our “Ownership Values” when we became a 100 percent ESOP company in 2016.

- Look at that existing statement and ask yourself if it’s what you want your company to be known for. Watch Simon Sinek’s classic TED Talk, “How Great Leaders Inspire Action” (44 million views and counting), and think about his statement: “People don’t buy what you do, they buy why you do it.” What is the “why you do it” for your company? Figure that out, or even get close, and you’re onto something.

- Talk with your marketing and communications staff, and explain that you want to make your company known primarily by your company’s values and what makes you tick. Watch your team’s jaws drop. Then watch as they get behind what you’re proposing – and listen as they bring you ideas for how to make the strategy come to life.

- Use one of the many tools available for creating a “content strategy” that backs up what you are trying to achieve. (Email me and I’ll send you some options.) This doesn’t mean you need a new website or logo, although you might for other reasons.

- Make sure your strategy permeates not just your outward-facing communication, but literally everything your firm does, from HR and accounting to recruiting and proposals. Every interaction people have with your firm needs to ooze values.

Follow that approach and you’ll have a firm that is built on a solid foundation. You’ll also have a firm that can fulfill its values in a variety of ways and in many different locations, not to mention at many different sizes.

“Although growth brings its challenges, it also brings you a unique opportunity to build something truly magical that keeps your firm true to its roots while staying flexible for the future.”

BUILD YOUR VALUES INTO YOUR TEAM. The final piece of this is to make sure your values permeate your team, not just your operations. A brand built on values is only as good as the team that lives them out. This means you’ll need to mention them often – way more often than you’d think. If you don’t feel like you repeat yourself excessively, you probably aren’t talking about your values enough.

This also means that in your recruiting and retention, your team needs to evaluate people not only on their competence, but also on their fit with your values. If you’re building your brand on values, you can’t afford an otherwise high-performing team member who isn’t on board with your strategy. Even if the person takes work and clients with them, the relief to the rest of your team and the consistency of your values will be well worth it.

Does growing in line with your values mean you’ll grow more slowly? It might, especially at first. But once your strategy is firmly in place, your attraction to clients, team members, and potential M&A targets will be magnetic. And if your experience is anything like Salas O’Brien’s, the results might just surprise you.

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BUILD YOUR BRAND. BUILD YOUR BRAIN.

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JOIN ZWEIG GROUP FOR THE ELEVATE AEC CONFERENCE

The Elevate AEC Conference is the AEC industry’s premiere experience to connect global leaders, solve industry issues, present next practices, and celebrate the most successful firms in the built environment.

Zweig Group’s annual conference is the largest gathering of award-winning AEC firms, making it the industry’s most comprehensive business conference for leaders and aspiring leaders of AEC firms in the US.

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This year, the Elevate AEC Conference marks another leap in the evolution of Zweig Group’s annual event with expanded educational offerings focused on firm management, senior marketers and HR professionals covering the latest strategies and emerging trends critical to grow your business.

M&A next

M&A Next is a full-day symposium (pre-Elevate AEC Conference event) designed to provide M&A education. The conference-within-a-conference will provide practical application through interactive roundtable discussions, expert panel conversations, and focused networking to connect leaders from across the country.

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

QUESTIONS?
For group rates, or if you have any questions, contact Melissa Swann at 479-305-3357, mswann@zweiggroup.com or visit zweiggroup.com.
A CONVERSATION WITH PARKER WITTMAN.

The Zweig Letter: You have a dual degree from Indiana University, one in physics and one in communications and culture. That’s not a combination you see every day. Tell us how your academic background has shaped your career.

Parker Wittman: It’s hard to overstate how grateful I am to my indecisive undergraduate self. As a technical consultant and business leader, my days are filled with chances to put my academic background to use: whether it’s designing data systems and models to describe the physical world or thinking critically about how to convey an idea to a wide audience. But it wasn’t all part of some master plan. I was just fulfilling the pangs of my ambition and interest before I knew what to do with that ambition and interest.

In fact, you could argue that what I did was accidentally cobble together a degree in data science (certainly before it was a field that I knew about!): computational science, data, modelling, statistics, and systems meets design, presentation, and comprehension.

And so, this headscratcher of a double major turned into something perfect for me and perfect for an eventual career as a scientist and consultant – two parts of a whole. Right brain/left brain. Science and people. Data and design. Modelling and explaining. It’s a combination that has predicted my career as much as shaped it. When solving business or people problems, I like to bring a sort of systems-based thinking to bear. When building technical solutions for my clients, I bring a people-centric...
approach to my problem-solving. This combination has been foundational to the whole of my career.

TZL: In your time at Aspect, you have become a firm owner. You joined the firm as GIS and data management specialist, but you have also added director of marketing to your list of duties. On top of all that, you are also the co-founder of Rooftop Brewing Company. You have an entrepreneurial spirit. Where does that come from and how have you nurtured that spirit over the years?

PW: Frankly, it comes from the same place that led me to my academic background – diverse interests colliding with a “hand raiser” mentality.

It’s that idea of making things – of creation – that is really at the heart of it. I suppose it’s the same thing that motivates engineers and artists alike: to have a thing not exist and then to make it exist, there is hardly any satisfaction like it. Whether it’s a map or a brewery or a piece of software, it’s taking all the pieces of what I know and sculpting them into things that make me proud. Isn’t that what is at the core of an “entrepreneurial spirit?”

On that “hand raiser” mentality – a willingness to take on challenges, to step to the front of the line and fix something, is so important. In fact, it’s advice I often give to junior professionals – step up and fix things and/or make new things and don’t always wait until someone asks! Good things happen to those who make.

“Outside of compensation, most professionals that change firms do so for a sense of increased opportunity. Retention requires having visible and tangible opportunity aplenty.”

TZL: You have obviously found career-growth opportunities within Aspect. How much of this is due to company culture, and how much is due to your own talents and ambitions?

PW: I’d like to think I bring some talent and ambition to the table, but there wouldn’t have been much to do with that if Aspect hadn’t had the culture that it does.

I’m lucky to have built a career at a firm that rewards and encourages individual ambition and creativity. It’s been to my benefit (and I hope my colleagues’ and clients’ as well!) that I’ve been given the space to build and create and learn. Our firm nurtures a restless culture of continuous improvement that has allowed me to step up into bigger and bigger challenges.

Like so many others, perhaps I suffer from a sort of “imposter syndrome” at times. Even though I’ve worked in “the industry” for 15 years, I still feel like an AEC outsider. I’m not an engineer, geologist, architect, or construction PM. Of course, this “otherness” can pose challenges. But I’d like to think it’s an outsider’s perspective that’s helped me chart a course as a firm leader. I don’t take much for granted and I’m always skeptical of the status quo.

I’m grateful to work for a firm that values and acts on unconventional, strategic thinking – even if it isn’t what inertia or industry norms would dictate.

TZL: As a younger data scientist with a solid tech base, is it common for older colleagues and consultants to come to you for advice on software and systems? If so, how do you communicate with them?

PW: Ha! I’d be lying if I didn’t say: “Yes. All the time.” Such is the era we live in, right?

The shortest version of describing my communication tactic is “empathetic listening.” I don’t really approach answering questions about software with my colleagues any differently than I do with my clients: understand the problem and the human motivations BEFORE you start talking about databases, buttons, and algorithms. “What are you afraid of or stuck on?” is a great way to initiate such conversations. Empathy is key. I often talk about “communicating from the overlap” – which is about meeting people where they are and explaining things using shared language. This sort of thing comes naturally to educators. Technology professionals, on the other hand, would do well to explain more and tell less. That is, we as a group can unfortunately veer into building or foisting solutions in search of problems, rather than the other way around. I try very hard to avoid the “solution first” mentality.

So, I try to be patient and creative and I really try to be pragmatic. Those three things together have served me well.

TZL: You are involved in a long-term project doing stormwater network modeling at the Port of Seattle. This is a marquee project that has been ongoing almost as long as you have been at Aspect. What are the lessons learned in terms of scheduling, working with stakeholders, figuring out regulatory compliance, etc.?

PW: There is so much to be learned from a project that spans such a long arc of time, of course. Calling it a “project” almost doesn’t do it justice – it’s really an “engagement,” an era of support. In many ways, it’s been the formative client engagement for me. Chiefly, it’s shown me the power and value in really understanding the nuanced complexities and pulse of a dynamic and mammoth agency – it is one of the busiest seaports and airports in the country – and using that understanding to inform solutions.

My involvement with the “project” began at a time when the Port was just getting its head around mapping stormwater infrastructure in accordance with its Phase 1 Municipal Stormwater Permit. The good news was/is that the Port had the vision to go well beyond the baseline mapping requirements of its permit, taking a forward-looking approach to data collection and management. At the same time, we helped them advance a software and data management approach that emphasized operational simplicity, business/people needs, and data visibility. We made a point to partner closely with the Port’s internal IT/GIS group, prioritizing their needs and preferences, too. This enabled us to get things up and running much faster.
than if we’d have taken a more complex or siloed approach. These early victories and partnerships have paved the way for the development of the full-blown stormwater utility asset management system it is today.

TZL: Your work in the Methow River Basin is fascinating. The systems you set up will be of use to a lot of people in the future. What motivates you when you undertake a project that will have a broad community impact?

PW: I’m sure I’m not alone in feeling lucky to work in a field that offers as many opportunities to make broad community impacts. This GIS and database project helps community members and planners forecast water use to make watershed and development decisions. In terms of motivations, I suppose it’s the same sort of thing that drives civil engineers – building things that last. Realistically, of course, data and software systems aren’t built for the same time-arcs as, say, levees and, frankly, the stakes are often lower. But I favor thinking about systems in terms of “sustainability.” Not “sustainability” in the ecological sense – but in the operations and maintenance-sense. How will something stay alive? How long will it be valuable? It’s essential to build solutions for the humans that use them, and so I’m constantly thinking about “who?” as much as “what?”

“In a fast-paced environment, it can be challenging to take the time and energy required to stop and really consider what those around you need, want, know, don’t know, are motivated by, worried about, or quietly stuck on. I believe that effective communication is built on empathy.”

In the case of the Methow Basin, that meant building a system that emphasized repeatability and analytical transparency. The goal of the system – influencing informed planning, development, and conservation in the basin – is motivating on its own. Of course, it helps that being a part of the team at Aspect means that I’m working alongside incredible subject matter experts in everything from water rights to stormwater engineering. I am motivated by our teams’ tight interconnectedness, which allows for that “big picture” thinking I care about so much.

TZL: As the AEC industry continues to deal with the labor shortage and the talent crunch, what do firm leaders need to do to keep their best talent while also attracting new hires?

PW: Professional growth opportunity is, I think, at the very top of the list. A great recruiting and retention program is built on giving staff a clear view of their (and the firm’s) pathway to success. It means investing heavily in professional development. It means providing growth opportunity at every possible turn. It means providing multiple pathways or models of successful career arcs, and not slipping into a one-size-fits-all mentality. Great professional services firms should be like mini universities – focused on building and graduating future firm leaders, year after year. Of course, those who are part of such a culture will want to stay. Outside of compensation, most professionals that change firms do so for a sense of increased opportunity. Retention requires having visible and tangible opportunity aplenty.

And, of course, the marketplace sees this too! A culture and track record of individual success (and a visible cadre of great mentors/leaders) is a potent draw to recruits and a key part of making strategic hires.

TZL: As a 30–something data scientist, what employee/owner benefits do you value most?

PW: Speaking personally, I really value a strong incentive compensation program that rewards individual contributions – that entrepreneurial spirit we talked about earlier. If you have the energy and ambition, it’s good to know that you stand to get out of an enterprise what you manage to put in. Ownership opportunity is a big part of this, too. It is engaging and motivating to have a long-term stake in a profitable, growing business.

That said, as a parent with two young boys, ages one and four, I should also say that flexibility and work/life-balance are critical. As much as I want to chase the opportunity that I described in the first part of this answer, none of it would be possible without genuine support for leading a balanced, rounded life. Whether through flexible scheduling, telecommuting, or parental leave – these benefits and cultural touchstones are essential to “growing up” in a firm and staying for the long-term.

TZL: In your various roles within Aspect, you come into contact with colleagues up and down the org chart. What’s the key to effective internal communication?

PW: At the risk of sounding like a broken record: empathy. In a fast-paced environment, it can be challenging to take the time and energy required to stop and really consider what those around you need, want, know, don’t know, are motivated by, worried about, or quietly stuck on. I believe that effective communication is built on empathy. It sounds easy but in practice, not enough of the world communicates empathetically.

Also: skip the email. Either walk down the hall or video chat with your colleagues. Face-to-face communication matters.

TZL: For scientists, engineers, and consultants that are new to the field, what’s the biggest thing they need to know when it comes to working with clients?

PW: Nothing keeps the phone ringing like a “can-do” mentality. Now, this isn’t an invitation to overcommit or overpromise. Instead, it’s a reminder that we’re in business to solve problems – and it often takes an optimistic mindset to unlock a certain level of creative problem solving. Clients stick with the best problem solvers. In my experience, the best problem solvers always operate with the gentle hum of “can-do” playing behind them.

It’s also worth reminding folks who are new to the field that internal “customers” (PMs and project teams) count as “clients” too.
Cutting through

You must constantly rethink your marketing strategy, using traditional and trending methods, if you want to be effective.

Stop me if you’ve heard this recently: “Marketing for AEC firms is changing.” Of course it is. Much like anything in our industry, innovation and technology are forcing our methods of marketing and business development to constantly evolve.

I’m fortunate enough to be in a leadership marketing role at an AEC firm that is forward-thinking and innovative. At Pennoni, we do what we say we’re going to do. We invest in new technology and trends, we’re committed to growth, and the efforts of my team are aligned with both the operational and strategic initiatives of the firm. In recent years, we developed a firm-wide marketing plan that aligns with the strategic goals of the firm. With the support of our senior leaders, this plan serves as the playbook for our marketing efforts, including website, social media, proposals, conferences, and tradeshows.

Today, we offer cutting edge services such as design visualization and energy management. However, we wouldn’t be where we are now without the success of our core service offerings as the backbone of our firm. The same goes with marketing. Just like our core, tried and true service offerings, we are faced with new and innovative ways of marketing our firms. For my team, we are constantly striving for a healthy balance of what is now seen as traditional marketing versus digital marketing.

“Regardless of your resources, there are avenues to explore to see change and be disruptive in an ever-evolving AEC landscape. You must constantly rethink your marketing strategy in your effort to cut through all the noise.”

See ROBERT MCGEE, page 10
The advancement of social media is one of the biggest drivers behind all of this. Whether we like it or not, social media has immersed itself into our daily lives, at home and at work. Firms simply cannot ignore social media if they want to succeed, and platforms like Facebook, Twitter, LinkedIn, and Instagram have the power to reach clients and prospective clients with information that can instantly impact their decision or perception of a firm. How do we balance this influx of information?

- Create a content calendar to organize the different platforms and what you want to post on each
- If you haven’t already, start a blog on your company website and publish posts regularly
- Break up your own content by sharing industry articles that are relevant to your firm

Because of the increased focus of digital marketing, our traditional relationship-based method of closing deals and winning projects is challenged, and marketing and business development efforts become even more critical. This is especially true in geographic territories or service offerings that are new to Pennoni. Through social platforms and our blog, we use brand awareness and thought leadership to bolster our reputation of being a leader in the AEC industry.

“Just like our core, tried and true service offerings, we are faced with new and innovative ways of marketing our firms. For my team, we are constantly striving for a healthy balance of what is now seen as traditional marketing versus digital marketing.”

Account-based marketing is another strategic approach we use to open doors and expand engagements with specific clients. A focus on fewer, specific targets – not marketing to the masses – helps to further align our marketing and sales/business development team and allows a more precise measurement of return on investment. This forward-thinking approach requires the buy-in from the leaders of the firm to encourage technical staff to provide the content and intel.

Regardless of your resources, there are avenues to explore to see change and be disruptive in an ever-evolving AEC landscape. You must constantly rethink your marketing strategy in your effort to cut through all the noise.
New market, new concerns

Considering a design project in the fledgling cannabis industry? Make sure your professional liability coverage won’t go up in smoke.

During a recent ground-breaking ceremony for a $13 million school expansion in a small Colorado town, several public officials spoke, as did the general contractor and the prime architect. The architect pointed out the substantial involvement of several design team subs – structural, mechanical, landscape architecture, and several other specialty designers. Interestingly, it was noted that of the $13 million in funding, nearly $9 million is being raised from taxes the state will collect from the cannabis industry.

Should members of the design team be concerned that the project and their work are essentially being paid for by an industry deemed illegal under federal law? Does that fact impact the insurability of their work? Perhaps, at least in connection with this project, these are questions fairly easily answered: the funds are not directly from the cannabis industry, but have been passed through the state, which seems to bring a level of credibility to the process.

However, if the setting and the facts are changed slightly, might there be more cause for concern? For example, would an architect sign on – and would a host of design subs sign on – to design the underground drug lab that was the scene of the television series in *Breaking Bad*? No, of course not. What about the “grey” areas in between these two examples – the real-life situations that many architects and engineers might readily accept as a new client and revenue stream, such as designing cultivation facilities or dispensaries approved by the state to grow and dispense state-licensed cannabis?

Aside from any moral considerations – and strictly from a business perspective – might this be considered a “good risk” in comparison to other areas of your practice? Furthermore, are there any unique insurance-related issues to consider before jumping into this line of work?

See ROB HUGHES, page 12
As in any project, the basic tenets of sound risk management still apply to any work involving the cannabis industry; evaluate the client and the project before you agree to accept it and bring the work into your firm. You already know some clients are a better risk than others and not all projects are viewed as presenting the same level of risks.

With regard to the latter, there is not yet a sufficient history of cannabis-related design and construction to give the professional liability insurance carriers a well-formed base of actual experience to guide their underwriting assessments. However, in the author’s experiences working with designers who have taken on projects for the cannabis industry, grow facilities tend to be on the higher-risk scale.

In some respects, these projects may not be considered as high risk as condos. Yet, they do present some unique HVAC-related challenges, such as heat, humidity, and control of noxious gases, etc. Thus, from an exposure perspective, they may be viewed as higher risk and insurance will cost relatively more on a rate or unit cost basis than lower-end risks.

Another key factor to keep in mind is that the owners will likely be viewed by the underwriting community as higher-risk owners, certainly far riskier than such clients as the federal government. The reasoning behind this is actually fairly straightforward: these owners either lack or have very short track records. In addition, they often deal only in cash (as many banks will not work with them). Further, they may not be all that well represented or experienced when dealing with design firms, contractors and construction.

“As in any project, the basic tenets of sound risk management still apply to any work involving the cannabis industry; evaluate the client and the project before you agree to accept it and bring the work into your firm.”

Their legal counsel (assuming they have counsel) may also have little experience in this arena. (Note that there is considerable debate within the legal community about whether it is ethical to represent clients known to be in violation of federal law. This also may be a question licensed architects and engineers might consider relative to their state licensing boards.)

So, when you think about it, you may have a client with little to no experience in design and construction, along with what is likely a demanding schedule to grow, process, or sell the product and high expectations of starting up quickly and generating revenues. All of this could amount to a situation ripe for potential claims against designers.

In thinking about claims and getting back to the insurance industry, there is no clear language in a typical AEC professional liability policy affirming coverage for work in the cannabis market. Of course, that factor, by itself, is not a prohibition against this line of work. For example, and similarly, there is typically no affirmative coverage grant for working on schools or even on residential. If you go back 25 years, however, service and project types were often specifically listed in professional liability policies – and if they were not listed, then that work wasn’t covered.

“You may have a client with little to no experience in design and construction, along with what is likely a demanding schedule to grow, process, or sell the product and high expectations of starting up quickly and generating revenues. All of this could amount to a situation ripe for potential claims against designers.”

Today, however, you should check your insurance policy to see if either a specific or general exclusion might apply to any cannabis industry-related work. While policies may not have specific exclusions for cannabis industry-related work, all policies contain a more general coverage limitation stating that claims arising out of illegal activities are excluded.

The question then becomes, is your design and involvement sufficient to fall within the exclusion? The answer depends on (1) the answer to a similar question: “Is your work considered within the federal prohibition; making it subject to criminal prosecution?” and (2) “Would your carrier take the position that it is and therefore not insurable?”

At this writing, I am not aware of any federal prosecution of a design firm in this context. Meanwhile, given the present state of the commercial insurance market, the majority of carriers providing AEC professional liability insurance appear to be looking for ways to support their insureds and cover this work under their policies. Nonetheless, the latter would certainly change if the federal government ever decided to pursue a criminal case against a designer – and won the case.

In the current environment, any design firms considering taking on projects for prospective clients in the cannabis industry should consult their insurance advisors to determine whether and how their professional liability insurance might respond to potential claims. As mentioned, they should also check their state licensing authorities for a perspective on how this work is viewed.

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Have some advice for your peers in the AEC industry? Contact Sara Parkman at sparkman@zweiggroup.com for the chance to be featured in The Zweig Letter.