THE ZWEIG LETTER

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HR | FINANCE
SUPPLEMENTS
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Better project management

Five tips from Mark Zweig to boost your PM efficiency immediately.

How can you provide the service needed without a full understanding of the client's real goals? Yet, I remain convinced that 90 percent of the time (or more) this essential piece of information is unknown to the A/E/P team.

Mark Zweig

EDITORIAL

Have you ever worked on a problem so long and so hard only to eventually discover you had been working on the wrong problem? The situation with architects and engineers and project management is kind of like that.

We keep working on it but I'm not sure we're working on the right problems. For example: Is manpower scheduling really where the ground for PM improvement lies? I'm not so sure.

I think there are some more fundamental questions that need to be raised and answered. Here are a few of them that come top of mind:

1) **What is the client really trying to accomplish?** This is the single most fundamental question to be addressed. Without the PM – and every member of the project team – knowing the answer to this question, they are bound to go off course. How can you provide the service needed without a full understanding of the client's real goals? Yet, I remain convinced that 90 percent of the time (or more) this essential piece of information is unknown to the A/E/P team. Bizarre!

2) **How will the client ultimately determine success or failure?**

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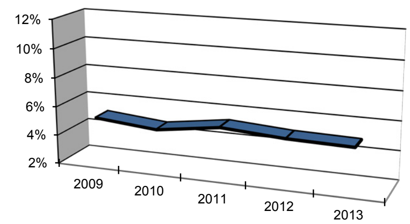
TRENDLINES

Steady incentive



Incentive compensation spending as a percentage of total payroll at A/E/P and environmental consulting firms has remained steady, hovering close to 5 percent in recent years.

According to ZweigWhite's 2013 Incentive Compensation Survey, incentive compensation spending as a percentage of total payroll decreased slightly this year to 4.9 percent from 5 percent in 2012, after a drop from a five-year high of 5.3 percent in 2011.

In 2010, this number decreased to 4.7 percent from 5.1 percent in 2009.
– *Margot Suydam, Survey Manager*

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There must be metrics or other qualitative data used to track success or failure. You should know what these are and show evidence of success along the way and post-project as well. It will help you do the right thing and reaffirm your value to the client, while at the same time build a case for future work with other clients.

3) **What do the deliverables need to be?** Is this the same thing you always do or have you really thought about what is needed? A/Es do a horrible job here. Most of the time we just plow down the same path, doing what we have always done for the client or on projects of that specific type. It's wrong. You could be doing too much or not doing enough. You could be creating useless documents that aren't needed or not giving information that really IS needed to build.

4) **How much will it cost you to give the client not just what they want but, instead, what they really need?** You better understand this before quoting a price or you could be leaving all of your profit on the table. Profit from your projects is a reasonable expectation for the work you do and the risk you take. This has really been driven home to me by a guy I hired as VP of construction for my design/development/construction firm, Mark Zweig, Inc. He is very strong in cost estimating exactly what I need versus just using various inaccurate rules of thumb. Go in with your eyes wide open. Don't quote fees based on what you have always done but, instead, build your costs from the bottom up.

5) **How will you make sure you impress the client with your knowledge, insight, service, and efficiency?** You ought to be thinking about this – and acting – on every project. We aren't in a one-shot project-for-a-client business. We need repeat business. Doing things that reaffirm that the client made a good choice is critical to your long term success. Their happiness with you will be based on their assessment of your knowledge, insight, service, efficiency, and more. Take specific actions to bolster their esteem for you in these and other areas they tell you are critical.

Going through these questions and their answers – right now on EVERY project you're working on – will help your PM effectiveness immediately.

Do it!

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

A/E BUSINESS NEWS

CONSTRUCTION EMPLOYMENT UP IN FIRST HALF: Construction employment increased in 191 out of 339 metropolitan areas between June 2012 and June 2013, declined in 97 and was flat in 51, according to a new analysis of federal employment data released by the Associated General Contractors of America. Association officials welcomed the construction employment gains but cautioned that demand remained spotty amid continued efforts to cut federal investments in vital infrastructure projects, including for clean water systems.

"Although construction activity remains extremely spotty, with strong residential activity offsetting lackluster private nonresidential investment and shrinking public construction spending, workers are being hired in more and more metro areas," said Ken Simonson, the association's chief economist. "There is widespread good news for now but the industry remains far below previous employment peaks in most markets."

The number of metro areas with construction employment increases rose for the fifth consecutive month in June after bottoming out at 146 gainers in January, Simonson noted. The June total of 191 metro areas adding construction jobs was the largest number since March 2012.

Two metro areas tied for the largest number of new jobs added in the past 12 months: Boston-Cambridge-Quincy, Mass. (9,900 jobs, 19 percent) and Houston-Sugar Land-Baytown, Texas (9,900 jobs, 6 percent). They were followed closely by Phoenix-Mesa-Glendale, Ariz. (9,600 jobs, 11 percent) and Los Angeles-Long-Beach-Glendale (9,200 jobs, 8 percent). The largest percentage gains since June 2012 occurred in Pascagoula, Miss. (33 percent, 1,500 jobs), followed by Eau Claire, Wis. (31 percent, 1,000 jobs).

The largest job losses were in Riverside-San Bernardino-Ontario, Calif. (-5,500 jobs, -9 percent), followed by Northern Virginia (-2,900 jobs, -4 percent). The steepest percentage declines in construction employment occurred in Rockford, Ill. (-13 percent, -600 jobs) and Pocatello, Idaho (-13 percent, -200 jobs). They were followed by Gary, Ind. (-12 percent, -2,500 jobs) and Yuma, Ariz. (-12 percent, -300 jobs).

Association officials said that despite growing signs of a construction recovery, the industry still faces challenges, including continued efforts to cut federal investments in infrastructure projects. They noted that a Congressional subcommittee voted last week to cut funding for water and wastewater infrastructure by 75 percent for next year, from $2.36 billion in 2013 to $600 million in 2014.

"Construction employment is heading in the right direction for now, but demand remains weak and the industry's recovery is still very fragile," said Stephen E. Sandherr, the association's chief executive officer. "Beyond the obvious threats to the broader economy, cutting investments in vital infrastructure projects puts some of these new construction jobs at risk."

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LEGAL

Unreasonable indemnification clauses

In the design industry, they are often excessive, asking firms to cover the losses of others.

Editor's note: First of a two-part article.

By LIISA SULLIVAN
Correspondent

You've all seen them – indemnification clauses. They are used in contracts to shift risk from one party to another. Commonly, the service provider (in this case, an architect, engineer or construction manager) is asked to assume the liability of the client/project owner for claims and expenses arising from the service provider's work undertaken for the client. In concept, this seems reasonable in that the party performing the services should bear the risk related to their negligent performance of the work. However, in practice, some owners seek to shift additional risk that is beyond the control of the design professional or that extends beyond basic negligence-based liability.

"If the indemnification clause includes a host of parties that extend beyond the client, the client's officers, and the client's employees, we normally consider this to be unreasonable."

In this first, of a two-part article, we focused on what A/E leaders consider to be unreasonable indemnification clauses. In part two, we discuss how to address them.

Review 3 areas first. Dan Holland, principal consultant, **All4 Inc.** (Kimberton, PA), a 35-person environmental consulting firm, says that there are three primary components to indemnification that the company reviews carefully. These include: 1) the range of parties that it is asked indemnify; 2) the willingness of the client to share in the indemnification; and 3) the final amount for which the firm is asked to provide indemnification.

"If the indemnification clause includes a host of parties that extend beyond the client, the client's officers, and the client's employees, we normally consider this to be unreasonable," Holland says. "Another unreasonable indemnification request involves a request to provide full indemnification for a client even in circumstances where the client may be at fault. Finally, we often encounter situations where there is no limit associated with the indemnification – that is also an area where we propose to limit the liability."

Be wary of these 5. At **Ayers Saint Gross** (Baltimore, MD), a 144-person professional design firm, Glenn Birx, COO, says that indemnification clauses are the most difficult clauses to negotiate in an Owner-Architect Agreement, especially when a client's attorney doesn't understand construction law, or professional liability insurance, and is intractable – which is often the case.

Glenn Birx, COO, Ayers Saint Gross.

"Further, enforceability, restrictions and interpretations of law vary widely from state to state," Birx says. "Some states prohibit many forms of indemnities, while others allow broad, mutually agreed upon language."

Birx says that the most significant problem is the existence of the clause itself.

"If an indemnification clause has been included, the client (or his attorney) is attempting to transfer all, or some of his risk, to the architect and typically it will require that the architect take on more liability exposure than the local law allows," he says.

Birx shares what he considers to be five types of unreasonable language often found in client-drafted agreements:

1) **Uninsurable language.** Professional liability insurance for design professionals covers against damages resulting from negligent professional acts, errors or omissions. Negligence must be established by a violation of the standard of care, and that those acts resulted in actual injury or damage. The most common problem seen in such language is not using the adjective "negligent" prior to "acts or omissions," which would leave the architect at risk for non-negligent acts or omissions, for which it is impossible to obtain insurance (because it is a greater risk than common law allows). Most clients would prefer to have their architect's actions be covered by an insurance policy, and often agree to add the word "negligent" when this is explained. It is helpful to have your insurance carrier explain this directly to the client.

2) **Onerous, overreaching language.** We often see the words "intentional acts, errors or omissions" proposed in an indemnification clause. In actuality, the attorney probably meant "willful or malicious." Similarly, we often see the "allegations of claims" or "at any time, from any cause whatsoever," or "any or all" claims. All of this language will only broaden the architect's liability, and may render the clause uninsurable. With these clauses, it may also be helpful to have your carrier explain this directly to the client.

3) **Language that places the architect at risk for the client's negligence.** Often, language requests indemnity for claims caused "in whole or in part" by the architect, except for the "sole" negligence of the client. The intention of this language is that the architect shall pay for all of any loss caused by both the architect and the client, even if the client is 99 percent at fault and the architect is only one percent negligent. Even inept attorneys can convince a judge or jury that the architect is one percent at fault for almost anything.

4) **Language that requires defense of the client.** Defense language may require that the architect pay for the client's defense attorney out of pocket,

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even if the architect has been proven to be non-negligent, because professional liability insurance is not responsible for paying such expenses. And, in a recent case in California, *Crawford v. Weather Shield*, the courts ruled that the defense language found in the contract required that the duty to defend was broader than the duty to indemnify, and held that the design professional should pay for the client's defense costs for acts NOT committed by the design professional! Client defense clauses should be avoided at all costs. You can often win this argument with the question, "Are you sure you want my attorney to defend you and not yours?"

5) **Indemnification of inappropriate parties.** It is not unusual to see language to indemnify the client's "partners, principals, officers, directors and employees." However, you should not agree to indemnify a client's "agents, contractors, attorneys, contract employees, lenders, volunteers" or the like as part of the definition of the client entity.

THE BOTTOM LINE. Architects should refuse to accept unlimited liability, Birx says. The goal in any good contract is to assign the risk to the party most able to control it, or who has the most to gain from it. This is almost never the architect. Firms should be guided by the principle that if the firm can't be insured, then it won't assume the risk.

Jean Carr, Principal, Shea Carr Jewell.

Jean Carr, principal at **Shea Carr Jewell** (Olympia, WA), an engineering and planning services firm, says she prefer to remove indemnity clauses all together – whenever possible.

She says that unreasonable language contains excessive duty to defend language; language that creates liability not based on fault; or language that eliminates the benefit of the other party's contribution to the cause of the damage, such as "claims caused by the Design Professional's negligence, regardless of the negligence of the party being indemnified."

"All of the above are issues for us because we are uncomfortable with broad duty to defend language that could hold us responsible for defending against a broad range of claims that may or may not be directly related to the scope of our services," Carr says. "We also are uncomfortable with contract language that could make us responsible for issues that arise out of negligence on the part of other design professionals."

> "It is our hope that if our own contract language is revised to be reasonable, we will have firmer ground to stand on when negotiating with groups that want us to sign contracts with unreasonable indemnification clauses."

Carr adds that unreasonable indemnification language has become an increasing issue for the company over the last few years. As a result, the firm has reviewed the indemnification language in its own contract documents and determined that it was beyond what it would typically be comfortable signing. The company is working to revise this.

"It is our hope that if our own contract language is revised to be reasonable, we will have firmer ground to stand on when negotiating with groups that want us to sign contracts with unreasonable indemnification clauses," she says.

Tom Barham, Senior VP and General Counsel, SCS Engineers.

Tom Barham, senior vice president and general counsel, **SCS Engineers** (Reston, VA), an 800-person environmental engineering consulting and contracting firm, explains that SCS considers a clause that asks it to be responsible for more liability than that caused by the fault or negligence of its company (including its subcontractors) to be unreasonable.

"We stand behind our work, but we are not an insurance company covering the losses of others," Barham says.

PROFILE

Purcell on STEM and mentorship

Engineer and author offers some tips to overcome the challenges.

By LIISA SULLIVAN
Correspondent

Karen Purcell, founder of **PK Electrical** (Reno, NV), a 20-person electrical engineering, design and consulting firm, and now a published author, argues that while young people today have more opportunities to become exposed to STEM (science, technology, engineering and math) subjects than 20 years ago, more still needs to be done… especially for women.

"The majority of successful women time and time again credit their participation in some sort of mentorship for dramatically helping them reach their career goals."

"Out-of-school programs are gaining popularity, and in order for that to continue, those of us in STEM fields have to support both local and national efforts to foster girls by functioning as a mentor," says Purcell, the author of the newly released book, "Unlocking Your Brilliance: Smart Strategies for Women to Thrive in Science, Technology, Engineering and Math."

"The value of mentorship is irreplaceable," Purcell says. "Teaming with a mentor is a career strategy that can bring huge benefits, especially to women in unbalanced work environments like engineering. The majority of successful women time and time again credit their participation in some sort of mentorship for dramatically helping them reach their career goals."

While women are gaining numbers in traditionally male-dominated fields, they are still significantly outnumbered in STEM occupations.

Overcoming challenges. "One common hurdle that women in STEM face is earning the respect of male colleagues," Purcell says. "Gender bias still remains in the STEM fields: some of it is explicit, most of it implicit. And sometimes other females demonstrate the same bias that male colleagues do. Women cannot allow every raised eyebrow or belittling comment to whittle away at their confidence or send them into a fit of anger or despair. Although they may remember the demeaning comments for years to come, women have to learn to shake them off and remain confident in their abilities."

Purcell says females with advanced positions in a male-dominated industry must focus on building relationships with coworkers and developing support for their ideas. Women will encounter male employees – whether in positions above or below them – who are not comfortable working with women. Whatever their reason, one cannot afford to become consumed in trying to convince them their bias is unwarranted. Women should simply do their job to the best of their abilities and allow their actions to argue their point.

Purcell provides some useful strategies for women who wish to earn respect as they earn more responsibility in their careers:

1) **Be heard.** Oftentimes, soft-spoken women are swallowed up in a meeting room filled with boisterous men. Some women may have internalized the view from an earlier era that it is out of place for them to be opinionated in a room filled with men. Such women may have to break out of their comfort zones to be effective as team members or leaders.

2) **Be accurate.** Sometimes women want to protect their images and confidence by spitting out the answers to questions right when they are posed, even if the information they have is not complete. Both men and women can be guilty of giving inaccurate information for the perceived benefit of appearing credible. It's perfectly fine, however, to sacrifice the appearance of confident expertise in order to supply an answer that is accurate and complete. In the long run, giving accurate answers will do more to boost professional credibility than giving quick answers. No pride is lost in telling someone you will do the proper research and get back to them with an accurate answer shortly. "I stress the importance of being accurate because within most STEM disciplines, like the A/E industry, there are ethical and safety boundaries that can easily be crossed by giving out false information," Purcell says.

3) **Be reasonable.** People – male and female – make mistakes. If someone assumes a woman holds a job title other than the one she does, it probably was an honest mistake. Have you ever asked someone in a store for help only to find out that person didn't work there? Why did you ask them for help? Because of the way they were dressed? Because they "looked the part?" Mistakes happen. When it happens to females in a STEM workplace, women should simply inform the person that they are not who they believe us to be and ask if they can help by directing them to the right person. The majority of the time their assumptions are not spiteful; there is no reason for a simple misunderstanding to damage self-confidence or to evoke a negative response.

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Karen Purcell, Founder, PK Electrical.

PURCELL PENS BOOK

Karen Purcell has worked in the industry for 24 years. She is the author of "Unlocking Your Brilliance: Smart Strategies for Women to Thrive in Science, Technology, Engineering and Math." The book is based on personal experiences along with stories shared by other women within STEM industries.

"After deliberating for many years about what I have to offer by sharing my story as a female electrical engineer, I was finally convinced, by men, to put my story in writing. They encouraged me to tell my story," Purcell says. "I thought about it and decided that I really wanted to inspire and encourage young women to enter or remain in the STEM fields."

PMs – Linchpin to your firm's success

Every dollar put into training PMs and facilitating their job duties will come back to you tenfold.

June Jewell

GUEST SPEAKER

In looking at the hierarchy in an A/E firm, it is hard to deny that the project manager role is the key to success. Most PMs are involved in almost every aspect of firm management – from marketing and sales, to human resources, recruiting and hiring, to accounting, billing and collections. They are doing all of this outside of their basic functions of running projects and working with clients. Why have we overloaded our PMs with so much responsibility, and how can they be successful without specific skills and training in each of these areas?

The PM is the linchpin that holds together all aspects of the firm. With access to almost all employees, subconsultants and clients, they touch almost every person the firm does business with. Yet many firms do not provide adequate training to PMs that would benefit their performance directly, and improve their ability to hire the right staff, and bring in projects profitably.

Most architects, engineers or environmental consultants went to school for technical training. Then the first five- to 10 years of their work experience is spent in project delivery, with little exposure to the business or financial management aspects of the projects they work on. For many PMs, their first introduction to the business side of a project is in billing. They may get told not to write off time, and eventually become responsible for approving some staff timesheets, but often the reasons for the policies they are told to follow are never explained.

In compiling the list of responsibilities the typical PM gets assigned, it becomes very apparent that we are setting up our PMs for failure. The list is quite long, and while your PMs may not have to deal with all of these areas, there is still likely to be a long list that they get involved in:

- Responding to RFPs and creating proposals
- Estimating project fees
- Business development
- Project budgeting and financial management
- Project quality control
- Management of the project timeline
- Billing
- Collections
- Managing subcontractors
- Reviewing and approving time and expenses
- Using resources effectively and managing staff schedules to maintain high utilization
- Solving client problems
- Nurturing client relationships
- Recruiting and interviewing new hires
- Mentoring and training staff
- Managing staff performance, and dealing with performance and behavior issues
- Managing contractual requirements and deliverables (including legal requirements and compliance)

Ensuring that your PMs are successful at all of these areas is a daunting task. A great way to start is to do an assessment of what PMs actually do on a daily basis, and compile your own list. That way, you can start to develop a strategy around how to provide the training and skill sets they need to not only manage profitable projects, but also hire the right people, keep clients happy, and ensure that the firm is bringing in new projects. Most firms only invest in traditional project management training without consideration of the marketing, business management, and the soft people skills most PMs need to be successful.

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Ensuring that your PMs are successful at all of these areas is a daunting task. A great way to start is to do an assessment of what PMs actually do on a daily basis, and compile your own list.

Simple synergies

Be intentional in your practices to both recruit and measure talent against enterprise/department objectives.

Jeremy Clarke

SEARCH SAVVY

I'd like to address the relationship between recruiting and performance evaluations. It may seem somewhat off the beaten path to discuss performance evaluations in a recruiting article but, as we all know, you cannot separate the discipline of acquiring talent from the discipline of evaluating and developing the talent you are acquiring. And I think that brings up a critical point: human resources should never be divorced from its constituent parts. There should always be an enterprise-wide HR strategy in play, and that strategy should be carefully diffused across all contributing disciplines within the HR environment (i.e. recruiting, training and development). It goes without saying that where robust synergies exist in these subordinate spheres, there will be greater likelihood of cooperation toward achieving HR division objectives.

Recruiting specializes in candidates; HR specializes in employee development. In light of that, it puzzles me that some firms endeavor to introduce a structured performance appraisal process in the absence of any formal position profiles for the employees they intend to evaluate. If, for example, I want to implement a process by which to measure Bob's performance doing "X" then Bob should probably have some foreknowledge that his performance will be evaluated based upon "X" and, consequently, I should have some objective documentation for Bob that clearly defines what success at "X" is. Now, I'm not referring to the defining standard expectations of "arriving to work on time" or "working nicely with others." Those are given and universally understood expectations. I'm referring to defining expectations that have been determined to be critical to the viability of the position when it was budgeted. I'm talking about communicating clear performance objectives. What is a performance objective? A performance objective is simply a discipline-specific, performance-based, documented expectation by which to evaluate an employee's effectiveness. It's not a nebulous expectation. It's a crystal clear one.

As an example, I may stipulate that a business development manager should be able to show a 5 percent increase in the firm's annual revenue in a particular sector – say, "water resources." I should have that expectation documented. Furthermore, my BD manager should have a clear understanding that this expectation is tied directly to his/her compensation progression. Seems simple enough, right?

But here's where most firms stumble: They fail on the front-end to intentionally pursue synergy between recruiting and employee development. You see, the time to begin developing performance objectives isn't after my BD manager comes aboard. I don't wait until he or she has been with us for three months to start carving out some critical needs. The time to begin setting performance objectives is when I begin the campaign to RECRUIT him/her into the organization. My recruiting effort must be tailored toward identifying those individuals who have already demonstrated their ability to meet or exceed similar performance objectives in a previous and relevant environment.

There is an inextricable link between job descriptions and performance evaluations; between candidate development and employee development (or at least there should be). The best firms decide what their vacant position needs to be able to DO, and then begin the process of finding people who've DONE it and can demonstrate that they've done it successfully. Further, once those individuals are aboard, these firms develop an incremental performance evaluation system by which to measure their new hire against those expectations, and to help mentor the employee toward achieving them.

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The best firms decide what their vacant position needs to be able to DO, and then begin the process of finding people who've DONE it and can demonstrate that they've done it successfully.

JEREMY CLARKE, from page 7

My suggestion: 1) Develop consensus around key measurable and attainable performance objectives of any position before you begin to recruit for it – not "must haves" but "must Dos"; 2) Develop job descriptions that communicate those performance objectives clearly and be sure to calibrate your recruiting team to target those characteristics in prospective candidates; 3) Introduce a 90-day performance evaluation with new hires that clearly sets performance objectives, and then set a course to evaluate the employee against those objectives over the course of the year. The 90-day evaluation is critical. If you're not doing 90-day performance appraisals directed toward clear, measurable, annual objectives, then I'm not sure why you hired the person to begin with. Conversely, if you're building position descriptions that set clear performance objectives, and if you're not identifying and screening candidates preeminently with those objectives in mind, then I'm not sure why you've wasted the time to develop the objectives to begin with.

Be intentional in your practices to both recruit and measure talent against enterprise/department objectives. Look for ways to develop synergies between talent acquisition and talent development and you'll realize greater individual performance and decreased employee attrition.

JEREMY CLARKE is the director of executive search consulting with ZweigWhite. Contact him at jclarke@zweigwhite.com.

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When working with men, earning their respect takes hard work and, more importantly, patience. Just as all new employees have to prove to their coworkers that they belong and are capable, women in STEM fields have to prove they've earned their professional place among men. And, even as women advance in their jobs, they will likely continue to find pushback from male coworkers, clients or visitors. Whether that pushback is intended or not is unimportant. What is important is to maintain one's self-confidence.

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One of the other challenges that most firms face is changing technology and making sure that their team has the tools they need to get work done as effectively as possible. Technology is a double-edged sword; it can be a huge competitive advantage and it can also slow your people down if they don't know how to use it. Every firm should be looking at the systems they use, and how to increase user adoption and proficiency in order to recognize that competitive advantage.

In addition to evaluating their list of responsibilities, it is also valuable to ask PMs some questions to gauge their level of knowledge, degree of frustration, and areas where bottlenecks impede effective project performance. The following are a few of the questions that can help you focus and prioritize your efforts:

- What tools and systems are you using to create estimates and manage project budgets?
- How do you manage your team's schedules and understand the workload that each person has?
- Do you track your staff utilization and communicate with your team about their targets?
- What are your challenges around managing project scopes and budgets?
- Do you feel comfortable and know the legal requirements when interviewing new candidates when involved in hiring?
- Do you know what our systems can do and where to get information?
- Do you have access to all the information you need to manage your projects?
- What aspects of your job would benefit from further training?

Every dollar you pour into training your PMs and facilitating their job duties will come back to you tenfold in improved project performance and profitability. Don't let the consistent busyness that plagues all of us hinder your investment in your PMs. And don't assume that everyone is using the same systems or has the same challenges. It is critical to interview all of your managers at least once a year to get different perspectives and understand their individual strengths and weaknesses. Understand their challenges starting today and develop a plan for regular, consistent, and comprehensive training and mentoring to turn your managers into your biggest competitive advantage.

JUNE JEWELL is the president and CEO of Acuity Business Solutions, an award-winning Deltek Premier Partner, focused on helping A/E firms and government contractors find opportunities, win business, deliver projects, and increase their profitability. Jewell will be a featured speaker at THE ZWEIG LETTER Hot Firm Conference Oct. 24 and 25 in Miami Beach, Fla. Read more tips for A/E firms at her blog at www.AcuityBusiness.com/blog.

ORGANIZATION

The leadership/HR connection

How does HR ensure that hires fit the firm leader's vision? Involve them.

By LIISA SULLIVAN
Correspondent

How does firm leadership ensure HR is hiring the right people to keep the firm on the cutting edge?

Gary Pollard, interim director of HR for **Tighe & Bond** (Westfield, MA), a 240-person civil and environmental engineering firm, says that HR "owns" the sourcing and recruitment activities for all openings within the firm. However, candidate evaluation and ultimate hiring decisions are based on input from a diverse group.

"Hiring the right people is a constant discussion," Pollard says. "We must identify the capability of any candidate to respond to the needs that exist today, but also identify candidates who have long-term potential and the desire to grow and diversify to support a broader business objective."

Pollard says that in today's market, the ability to be on the "cutting edge" requires firms to be technically sound, flexible and adaptable to meet the needs of their clients while pushing the business into new market segments with appropriate diligence and speed.

Level of leadership involvement. Tighe & Bond exposes candidates to leadership throughout the interview process. All "finalists" are interviewed by the firm's president.

"This is a part of our process, which we find is very well-received by candidates," Pollard says. "By the time the president is involved, the technical assessments have been completed and the focus is typically on culture and fit."

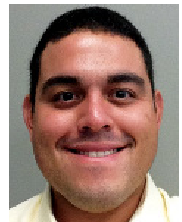
Gary Pollard, Interim Director of HR, Tighe & Bond.

At **GATE, LLC** (Houston, TX), an 80-person systems engineering firm, Megan Soltura, HR manager, and Michael Valenzuela, corporate recruiter, say that leadership has significant personal involvement in hiring decisions.

"We must identify the capability of any candidate to respond to the needs that exist today, but also identify candidates who have long-term potential and the desire to grow and diversify to support a broader business objective."

Megan Soltura, HR Manager, GATE, LLC.

"Within our firm, the engineering staff has a vital presence in management and leadership positions," Valenzuela says. "In our industry, it's all in who you know. Our senior and leadership staff has many contacts in the industry, and this comes in handy while sourcing personnel to fit a specific job description. As is the culture at GATE, we ensure that the leadership team is completely involved in hiring decisions."



Michael Valenzuela, Corporate Recruiter, GATE, LLC.

Sean Knowles, vice president of business development at **McLean Engineering** (Moultrie, GA), an 18-person power engineering firm, says that one of the benefits of being a small firm is that everybody gets involved in each hiring decision.

"Because we are a family-owned company, we focus first and foremost on long-term fit. We want to hire people who we can invest in, and we want them to be around a long time. We try to communicate our mission and our vision to encourage this alignment," Knowles says. "Once we have found someone whom we think is a long-term fit, we find it easier to invest in them, whether through training, mentoring, or otherwise, to be sure they have excellent technical skills."

McLean has also found that if it hires the right people, they sometimes lead the firm to the cutting edge.

"We actually had a senior member of our team who took a vacation and paid his own way to attend a course he felt strongly would improve his technical skills and understanding. When our firm leadership learned about this, we insisted on returning his vacation time and paying for the course, but it sent quite a message about the technical leadership standard he wanted to set around our firm," Knowles says.

Oiling the machine. Pollard says

See LEADERSHIP, page 10

GOOD TO KNOW

Fewer than half of HR directors (38 percent) are owners in their firms.
HR directors who are owners hold a median of 1.5 percent of their firm's stock.

Source: 2013 Policies, Procedures & Benefits Survey, ZweigWhite: www.zweigwhite.com/p-2150-policies-procedures-benefits-survey-2013.

ON THE MOVE

PENONI HIRES: Pennoni Associates (Philadelphia, PA), a 900-person multidiscipline engineering services firm, announced that **John Hetrick** has joined the firm as construction services division manager in the firm's Uniontown, Pa., office.

"John is an experienced and talented manager who we are excited to have on our team," said Andrew Pennoni, regional vice president for construction services. "His expertise and focus on clients' needs will enhance our construction services in western Pennsylvania."

Hetrick has more than 40 years of experience. His specialties include construction management and construction inspection.

He is knowledgeable in construction standards and has a comprehensive understanding of infrastructure construction for clients that include the Urban Redevelopment Authority of Pittsburgh, the Allegheny County Airport Authority, the Pennsylvania Department of Transportation, and the Pennsylvania Turnpike Commission. In addition to being a registered professional engineer in Pennsylvania, he is also a registered professional land surveyor. He is a member and past national president of the American Society of Highway Engineers.

RBF HIRES: RBF Consulting (Irvine, CA), a company of **Michael Baker Corporation** (Moon Township, PA), recently announced the appointment of RBF Senior Vice President **Ron Craig** to lead the water/wastewater market for the California region.

In his new position, Craig is responsible for building a solid Western presence in planning, civil engineering and construction management in the water/wastewater marketplace, further establishing the firm's Southern California presence to facilitate expansion throughout the states of California, Arizona and Nevada.

The firm is currently ranked in the top 10 water and wastewater firms in California by Engineering News Record. Craig's mission is to grow the firm's current water/wastewater services throughout the region and identify opportunities to further collaborate and foster growth within the Baker water and wastewater practice area and markets.

"Water is a critical component to the future of California, Arizona and Nevada," said Craig in a recent interview. "RBF/Baker experts have the creative and innovative solutions that clients throughout the West need to help insure a safe, reliable, and sustainable water supply."

Craig's career highlights in water/wastewater in Southern California include the Mojave Water Agency Regional Recharge and Recovery Project, and the Santa Margarita River-Pauba Basin Recharge and Recovery Project.

He has also provided senior water agency management, supporting strategic planning and project implementation for a variety of public agencies and private sector clients.

His team of experts tackles diverse assignments offering environmental, planning, design, and construction management solutions for projects such as desalination, water reuse and related watershed management improvements as well as master planning and development projects.

Craig has over 30 years of experience in water/wastewater. He is a member of the Association of California Water Agencies (ACWA), the American Public Works Association, the American Water Works Association, and the Association of Environmental Professionals.

RBF Consulting (www.rbf.com), a Company of Michael Baker Corporation (www.mbakercorp.com) provides engineering, design, planning and construction services for complex and challenging projects worldwide.

With more than 3,000 employees in over 100 offices across the U.S., the company is focused on creating value by delivering innovative and sustainable solutions for infrastructure and the environment.

LEADERSHIP, from page 9

that they are "oiling" the machine as they move forward.

"We are in the process of moving toward more structured interviews, the establishment of interview teams and the use of behavior-oriented interview questions," Pollard says. "Approximately 20 percent of our hires are the result of employee referrals. Another great source of candidates for us comes from the strong relationships that many of our staff maintain with professors from New England area colleges and universities, enabling us to access high potential new graduates."

At GATE, there are multiple facets to what truly make up "GATE Recruiting," and the tested methods the company employs have allowed for high success rates in finding the specialized personnel for its project groups.

"Although we are growing at a rapid rate, we are still a closely knit company. This enables us to respond quickly to the needs of our clients and also allows us to transfer learning and skills rapidly through our project groups. It lets us invest in our employees to a greater level than many other businesses do. That mentality is what creates the recruiting culture at GATE," Soltura says.

Valenzuela heads up recruiting operations with management to identify key needs and the allotted timeframe during which needs must be addressed.

"We also have an employee-referral program in place that allows for GATE employees to take pride and ownership in maintaining company culture," Valenzuela says. "The fact that every employee meets and interacts with favorable prospective candidates gives us the leverage of our staff understanding the personalities of these candidates, as well as allows for the prospect to interface with our current staff, thereby making this process work both ways. This ensures that the right candidate that fits the GATE culture is hired, and that the culture is maintained and transferred."

GATE also has had a lot of success using its own employees to scope out the right person for the job.

"Our internal publication, 'Hot Jobs,' is distributed so that employees are made aware of open positions. This falls in line with its Referral Bonus Program that was developed to award recruitment efforts of those who successfully refer or assist an applicant that results in hire. So, as a result, we often receive quality referrals from our employees," Soltura says.

PROFILE

CFO focuses on team and technology

Kristi Ward has helped grow her firm by modernizing operations and following open book management principles.

By LIISA SULLIVAN
Correspondent

If there's one thing **FRCH Design Worldwide** (Cincinnati, OH), prides itself on it's their commitment to collaboration. It's the cornerstone of the company and the driving force behind its design. And, Kristi Ward, VP of finance, focuses on this when it comes to leading her team as well. And, with 185 employees and a New York branch, collaboration is key.

Ward is a graduate of the University of Kentucky and she has an MBA and CPA. In addition, she is a member of the American Institute of Architects Large Firm CFO Roundtable (the group shares best practices and lobbies for large firms throughout the country). She was also a finalist for the 2012 Business Courier's CFO of the Year.

Ward's financial career began straight out of college in 1991 when she worked as a tax accountant for one year. In 1992, she decided to take a little respite and traveled to Europe for a few months in the summer of 1992. Refreshed and ready to take on the accounting world, she returned to the states and worked for a non-profit for the rest of 1992 to 1995. From there, she moved to a small professional employer organization; it was a start-up.

"I developed the financial reporting function for this firm and then went on to work for the now defunct Health Alliance from 1996 to 1998. It was a co-worker from the Health Alliance who told me about an opening at FRCH. They needed an accounting manager and thought I would be perfect for the position. I applied and got it. The rest is history," Ward says.

So, after 15 years at FRCH, Ward currently manages the firm's treasury and financial reporting. Throughout her tenure, she helped grow the organization by modernizing operations and following open book management principles. She plays an active role in leveraging resources and international expansion.

Ward finds that her most significant responsibility is that of treasury management, in addition to assisting with strategic initiatives relative to validating new market strategies with economics and finance.

Kristi Ward, VP of Finance, FRCH Design Worldwide.

A CONVERSATION WITH KRISTI WARD

THE ZWEIG LETTER: What are some major accomplishments you are most proud of since you have been CFO?

"I believe that interpersonal skills are important for anyone in a leadership role."

Kristi Ward: I am most proud of my team and how we have streamlined the processes in the group to manage a $30,000,000 firm with slightly less team members than we had when we were a $12,000,000 firm. My experience and technical knowledge have helped me to automate basic processes, which allowed more time for me to develop my team. The training allows my team to provide more value-added knowledge and assistance to the firm, which is important because the firm looks to us as a strategic resource and to assist in understanding the financial performance of their projects/efforts.

TZL: What are your key strengths?

KW: Technical knowledge and people skills. I have developed a great team and reporting/processes to manage the technical information to provide to the leadership team to make good financial decisions.

TZL: What do you feel the key strengths are for an effective CFO?

KW: I believe that interpersonal skills are important for anyone in a leadership role. As CFO, these skills are called upon more. You are a more effective leader when you can relate to your team and to contemporaries.

TZL: What do you find to be the most challenging aspect of your job?

KW: Working internationally/globally. It's challenging to determine how to structure your business, win work, contract and receive payment while being compliant with all tax laws within the U.S. and the country we are working in. It goes as far as knowing who and how often an employee travels to the country to ensure compliance with all laws regarding structure and tax.

TZL: How would you describe your work style?

KW: I work hard; I play hard. I work with a goal in mind each week and stay around to meet those goals.

TZL: What is your greatest motivator?

See KRISTI WARD, page 12

FIRMS ON THE MOVE

O'DONNELL & NACCARATO EXPANDS: The Philadelphia, Pennsylvania-headquartered structural engineering firm **O'Donnell & Naccarato** opened a Northern New Jersey office in Mountainside, Union County, to serve clients and projects in the Metropolitan New York region. Twenty-five-year industry veteran Paul Panzarino was hired as principal to lead the new office and its initial team.

O'Donnell & Naccarato will provide comprehensive structural engineering services from its New Jersey outpost, including structural design for new buildings, renovations, historic preservation work, and façade and parking garage assessment and restoration.

"Our firm has completed many significant projects in New York, Northern New Jersey, and Connecticut, but recognized a physical presence in the region would directly benefit our clients," said Nick Cinalli, O'Donnell & Naccarato president.

Panzarino has over 25 years of professional experience in structural engineering, 10 as a senior vice president of an interdisciplinary New York-area engineering firm in addition to prior tenure at the Port Authority of New York and New Jersey. He has overseen project development from initial programming through construction close-out for complex and large-scale healthcare, pharmaceutical, higher education, commercial, and government buildings. He brings experience in structural design for new buildings and renovations.

"O'Donnell & Naccarato offers the resources and capabilities of a large and well-established firm," Panzarino said. "The New Jersey branch office is staffed with engineers and support personnel so that we are immediately prepared to provide our clients with a full range of structural engineering services."

NEW NAME: Florence & Hutcheson, Inc. (Paducah, KY), a large regional engineering services firm acquired in 2010 by **Infrastructure Corporation of America** (Nashville, TN), will now be known as **ICA Engineering, Inc.**

The name change is the final step in the acquisition of F&H in a strategy by ICA to create a more innovative delivery of engineering, operations, and maintenance services for all transportation infrastructure assets.

"Over the past three years, F&H and ICA have merged services, ideas, and cultures to create an integrated company able to provide complete infrastructure services," said Butch Eley, CEO of ICA. "Together we form a stronger, more dynamic enterprise that is able to deliver enhanced efficiencies and cost savings to our clients, maximize the value and extend the lifespan of infrastructure assets."

ICA maintains public transportation infrastructure, including roadways, bridges, toll ways, rest areas and welcome centers. The addition of F&H's award-winning engineering services has allowed ICA to take a holistic approach to creating and sustaining infrastructure assets that are vital to the U.S. economy. The broadened expertise allows the company to begin with initial project design, work through the construction phase, and ultimately to develop an operations and maintenance plan that will maximize the life cycle of the infrastructure asset and save taxpayers' money.

ICA Engineering specializes in the complete spectrum of civil engineering and environmental services for the infrastructure of the built environment with an integrated sensitivity to the natural environment. ICA Engineering has offices in Kentucky, Georgia, North Carolina, South Carolina, Alabama, Arkansas, Tennessee, Mississippi, and Florida.

Founded in 1965 in Paducah, Kentucky by Bob Florence and Dave Hutcheson, the original F&H team rapidly began serving the Kentucky Transportation Cabinet and municipalities throughout Kentucky. The F&H footprint first expanded beyond Kentucky in the 1970s when work was contracted with Departments of Transportation first in Tennessee, North Carolina and then expanded throughout the Southeast.

Over the years, F&H developed a solid reputation with federal, state, county and municipal agencies, as well as industrial, commercial and private developers and property owners. The firm is known for combining technical resources and a wide scope of services to implement the most complex and extensive projects with the flexibility to ensure responsive, one-to-one client service and proactive, visionary solutions.

ICA and ICA Engineering employ about 750 people in offices across the Southeast and Midwest.

ARUP RELOCATES OFFICE: Arup (New York, NY), a 1,000-person multidisciplinary engineering and consulting firm with a reputation for delivering innovative and sustainable designs, announced today it has relocated its Houston operations to a larger space to accommodate steady growth. In addition, Steve Done, principal, has relocated from Arup's Los Angeles office to strengthen the firm's presence in the Texas building and consulting markets.

Arup's Houston office focuses on energy-related projects, including the engineering and design of oil, natural gas and liquefied natural gas infrastructure, and increasingly on strategies for energy efficiency, resource management, and renewables. Projects like Energia Costa Azul focus on highly specialized designs for US and international focused oil and natural gas facilities. Its transportation group delivers railway engineering services to light rail and heavy haul operators and financiers in Houston and South America.

KRISTI WARD, from page 11

KW: Developing a solution to a challenge/opportunity and educating and training my team and others to provide consistent support as part of the solution.

TZL: What is your business philosophy?

KW: Entrepreneurial with a practical or fundamental foundation.

TZL: What are your top priorities for 2013/2014?

KW: Market strategy and managing cash to support these initiatives.

TZL: What is your favorite part of the job?

KW: Problem-solving by developing a process, and then using technology or training to execute it.

TZL: What do you enjoy doing in your spare time?

KW: I enjoy spending time with my family and traveling for leisure.