THE ZWEIG LETTER

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HR | FINANCE
SUPPLEMENTS
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November 4, 2013, Issue 1030

Keeping it positive

Despite what studies may say, Mark Zweig would rather be an optimist. Here's five ways to spread the good vibes.

There's just too much negative information out there and it is poisoning our attitudes and those of our employees.

Mark Zweig

EDITORIAL

I once read somewhere that pessimists live longer than more optimistic people. Have you ever heard the expression, "So-and-So is just too mean to die"? One theory on why this happens is that life turns out how they expect it to and they aren't disappointed. If that's the case, I'd rather live a shorter life.

There's just too much negative information out there and it is poisoning our attitudes and those of our employees. If all you did was read newspapers or watch the news you'd be convinced we are perpetually on the brink of disaster. Economic problems, weather-related anomalies, senseless shootings, kidnappings, murders, and more dominate the headlines.

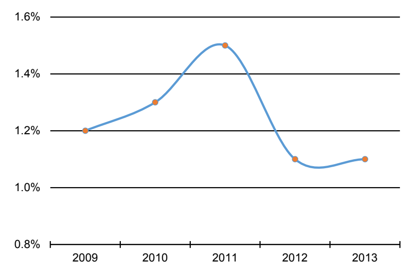
This is why we do our annual **THE ZWEIG LETTER** Hot Firm Conference and Awards Celebration. We want to highlight your success – celebrate your achievements – and put a positive spotlight on you as individuals and firms. Without this award and this event another three years of high performance might simply go by largely unnoticed. And that's a terrible waste!

As leaders of businesses, we are the ones who have to keep the environment

See MARK ZWEIG, page 2

TRENDLINES

Steady contribution



A/E/P and environmental consulting firm spending on 401(k) plans as a percentage of net service revenue (NSR) remained steady this year, according to ZweigWhite's 2013-14 Operating Expenses Survey. After dropping to a five-year low in 2012, the median firm contribution to 401(k) plans as a percentage of NSR stayed at 1.1 percent this year. In 2011, this number climbed to a five year high 1.5 percent, rising from 1.3 percent in 2010 and 1.2 percent in 2009.
– *Margot Suydam, Survey Manager*

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A/E BUSINESS NEWS

ABI CONTINUES TO SURGE: Showing a steady increase in the demand for design services, the Architecture Billings Index continues to accelerate, as it reached its second highest level of the year.

The American Institute of Architects reported the September ABI score was 54.3, up from a mark of 53.8 in August. This score reflects an increase in design services (any score above 50 indicates an increase in billings). The new projects inquiry index was 58.6, down from the reading of 63 the previous month.

"The prolonged economic downturn that has affected the design and construction industry has actually resulted in the increased productivity levels, as reported by architecture firms," said Kermit Baker, AIA chief economist. "In addition to new approaches to business challenges, a very competitive marketplace, the utilization of new technologies, and a renewed focus on efficiency have architecture firms realizing all-time highs in workplace productivity, and these new efficiencies can greatly benefit clients from a project timeline and budget standpoint."

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

Key September ABI highlights:

- Regional averages: West (60.6), South (54.1), Midwest (51), Northeast (50.7)
- Sector index breakdown: commercial / industrial (57.9), multi-family residential (55.6), mixed practice (55.4), institutional (50.4)
- Project inquiries index: 58.6

EMPLOYMENT UP: Construction employment rose by 20,000 in September and the industry's unemployment rate fell to a six-year low of 8.5 percent, while construction spending increased for the fifth consecutive month in August, according to an analysis of new government data by the Associated General Contractors of America. Association officials cautioned that the data does not address any potential impacts from the recent federal government shutdown.

"Both of these reports show the industry was doing relatively well before the federal government shutdown forced many firms to hit the pause button," said Ken Simonson, the association's chief economist. "But the shutdown likely disrupted a wide variety of projects and may have caused private investors and developers to delay decisions about new projects or plant expansions. As a result, future spending and hiring gains may be weaker."

Construction employment totaled 5,826,000 in September, a gain of 20,000 from the August tally, which was revised up by 8,000 from the Labor Department's initial estimate. The September figure is 3.4 percent higher than in September 2012, while aggregate weekly hours of all construction employees rose 4.2 percent over the year, indicating that companies are adding to existing workers' hours in addition to hiring new employees. Employment climbed for the month and year in both residential and nonresidential construction.

The industry's unemployment rate dropped sharply over the past year, from 11.9 percent in September 2012 to 8.5 percent in September 2013 – the lowest September rate since 2007. The steep decline in the number of unemployed former construction workers suggests companies may have trouble finding experienced workers if the volume of projects continues to expand, as it did in August.

"Today's spending report showed increases in August in residential, private nonresidential and public construction," Simonson said. "But on a year-over-year basis, public construction has continued its long decline, private nonresidential spending is mixed, and only home- and apartment construction is booming."

Total construction spending, as reported by the Census Bureau, climbed 0.6 percent in August from an upwardly revised July figure and 7.1 percent from August 2012. Private residential spending led the way with a 1.2 percent increase for the month and a 19 percent jump year-over-year. Private nonresidential spending eked out a 0.1 percent gain in August and a 4.3 percent rise over 12 months. Public spending rose 0.4 percent for the month but shrank 1.8 percent from a year earlier.

MARK ZWEIG, from page 1

inside our firms positive. I need constant reminders of this myself. It is so easy to fall into a mode of criticism and complaint. After all, everything could be done better. But you cannot let yourself turn into an uber critic.

Here are some places to be positive:

1) **Giving credit for a job well done.** Whatever it is – saying nice things to people about something they did either publicly, privately, or even through emails can go a long way toward creating a positive atmosphere. It will make you feel good also.

2) **Announcing every project sale and who was involved.** This, too, makes people feel good and reinforces the fact that the firm is getting new projects.

3) **Sharing positive feedback from clients with others inside the firm.** Again, this helps people feel good about what they are doing and gives them some pride.

4) **Going around the firm "catching" people doing something good.** Everyone does something well. Compliment them on it while they are doing it.

5) **Being positive around everyone outside the firm.** When someone asks, "How's business?," think twice before saying how hard it is, how much better it could be, or anything else negative. Be positive. Talk about what's good and what is getting better.

What goes around comes around. Put out positive energy and good things will happen. We're leaders. People look to us to set the tone. Use that power wisely and to everyone's benefit by keeping it positive.

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LEADERSHIP

Be an effective delegator

Empowering others is part of leadership and you can't do it all anyway.

By LIISA SULLIVAN
Correspondent

"If you don't know what to do with many of the papers piled on your desk, stick a dozen colleagues' initials on them and pass them along. When in doubt, route."

- Malcolm Stevenson Forbes

The art of delegating can be tricky. You want to make sure the job gets done right. So, what is your best bet? How do you go about ensuring the job goes smoothly without significant effort on your part?

Tim Schauer, president and CEO, **Mackay Sposito** (Vancouver, WA), a 115-person civil engineering firm, says that no matter how you look at it from the perspective of a firm leader, delegation is an essential part of the job – whether you are a small or large firm. Delegating is leading.

"In fact, the inability to delegate is actually a constrictor," he says.

Schauer explains that once staff understands your need to delegate, they will begin to anticipate your needs. They also need to comprehend your goals, values and direction.

"People need to understand the bigger picture for the tasks they are working on; this motivates them. I like staff to put themselves in my shoes and ask, 'What would Tim want me to do/say?',"

Tim Schauer, President and CEO, Mackay Sposito.

he says. "I don't expect them to react in the same exact manner, but I want them to think before acting. This makes me more confident in delegation."

Schauer says that the act of delegation is very much like navigating a vehicle.

"I like to be the one who is looking out the front windshield, but I cannot also look at all the gauges on the dashboard; I need to rely on others to do that," he says. "If we all arrive safely and don't lose anyone along the way, we're ahead of the game."

Laura Toole, General Manager, Sam Schwartz Engineering.

WITH PROPER DELEGATION – EVERYONE WINS. Laura Toole, general manager, **Sam Schwartz Engineering** (New York, NY), a 130-person interdisciplinary transportation engineering and planning firm, says that delegation is not abdication.

"It took me some time to learn this truth," she says. "In fact, it took until I was exhausted and pressured and, out of desperation, gave a staff member a writing assignment, so that I had time to call clients during the day. Now, while the draft memo I received was not what it needed to be, with some coaching, it became more than acceptable."

It was a win-win. Toole's colleague learned something about writing and Toole learned one of the most important lessons of her professional life as a manager: "Don't do anything but what only you have to do, or only what you alone are able to do. Delegate all else to the appropriate person(s), whether for expediency, education or both. Stay in touch; don't abdicate, but do not do the work – manage the work."

Much like Schauer at Mackay Sposito, Toole says that delegation is leading. The ability to balance – whether to hold or to delegate – says a lot about a manager's ability to lead people, an office, a region or a company.

"Delegating a task to a colleague is an

See DELEGATION, page 8

BE SMART

A simple delegation rule is the SMART acronym. The first known use of the term occurs in the November 1981 issue of Management Review, by George T. Doran. It's a quick checklist for proper delegation:

S: Specific – People need to know what is expected of them once tasks are delegated. Define checkpoints and provide feedback; praise as necessary.

M: Measurable – People need to know how you will measure delegated task success.

A: Achievable – Ensure that resources are provided to get the delegated tasks done.

R: Realistic – Delegate to people who you know can do the job. Your success depends on their success. Focus on people's strengths. Don't delegate tasks that will expose their weakness or set them up for failure.

T: Time – Communicate the allotted time for tasks your plan to delegate. Give more time than you would need to complete the task.

"Delegating a task to a colleague is an opportunity for that person's professional development, an opportunity to assess their current competence and therefore an opportunity to provide further support to that colleague."

GOOD TO KNOW

Principals have a median of five people reporting directly to them. Principals indirectly manage a median of 13 employees.

Source: 2013 Principals, Partners & Owners Survey, ZweigWhite: www.zweigwhite.com/p-2153-principals-partners-owners-survey-2013.

HISTORY

TZL time machine

20 YEARS AGO

Upfront in the mind of most architecture and engineering school graduates is the idea of someday starting a practice – whether alone or with a partner. It's the expected and desired trajectory.

So, in its Nov. 1, 1993 issue, **THE ZWEIG LETTER** tackled the topic, offering advice and pointing to the pitfalls for those thinking about "hanging out their shingle":

- Anyone starting a firm has to be willing to work harder than ever
- Administrative trivia will consume more of your time than it does now
- You'll think twice about hiring secretaries and assistants when you're footing the bill
- If you start without any clients, you've got an uphill battle
- Specialize or else
- In order to grow, you either have to borrow or sacrifice your own short-term financial rewards

In his editorial, Mark Zweig makes the case against chaos – a state many firms and individuals seem to live in.

In my travels, I have seen disorganized firms of all types. In fact more firms are disorganized *than are organized. While admittedly, environmental consultants are probably the worst— followed by architects— there are also plenty of consulting engineers that seem to live in a constant state of chaos. Why is that?*

Zweig offers the following reasons:

1) Some people like chaos.

2) Some people think chaos leads to creativity.

3) Some people are simply "anti-establishment."

4) Some people don't know *how* to control chaos.

He then suggest that readers review the following areas when looking for chaos: Project initiation procedures, project management reporting, organization structure, administrative procedures, marketing processes, and the office environment as a whole.

A/E and environmental consulting firms should continuously be on the lookout for ways to control chaos, not encourage it. Chaos does not improve creativity, morale, or productivity. Do all that you can within your control so you are ready for those unanticipated events that you can't.

10 YEARS AGO

In 2003, **THE ZWEIG LETTER** celebrated industry's fastest growing companies – the Hot Firms – as much as it does today. In the Oct. 27 issue, this publication celebrated finalist **LEO A DALY**, a well-known name in the industry for many years. In 2003, the Omaha, Ne.-based company ranked 77 on the list. **THE ZWEIG LETTER** paid tribute to the fact that LEO A DALY, while 90 years in business in 2003, still managed to grow faster than many.

In the same issue, **THE ZWEIG LETTER** ran a series of articles focusing on industry trends. It also discussed how firms were boosting marketing despite the recession and how the Society for Marketing Professional services saw a 20 percent increase in membership over the two previous years.

"(The rise in SMPS membership and marketing spending) show that owners are investing in marketing like never before. They know that they need to because they are realizing that invariably the firms that spend the most on marketing are more successful," Craig Park, SMPS president, said in the article.

In his editorial, Mark Zweig, wrote about motivation, offering a list of motivates:

- Feeling like you are pretty much doing what you want with your day and your life.
- Feeling like you are being successful but haven't "made it" yet.
- Feeling like that success is recognized by others.
- Feeling like you are using all your brain has to offer.
- Feeling like you are somewhat in control of your life.
- Feeling you are accomplishing something worthwhile.
- Feeling like nothing is turning you off or demotivating you.
- The right business plan.
- The right kind of commitment to growth.
- The right kinds of continued investment in the firm.
- A self-concept that is much broader than how successful you are in business.
- Staying involved working with clients.
- Staying involved with the people in your firm.
- Staying involved with your profession.
- Exercise so your brain doesn't die.
- The right kinds of other interests.
- The right kinds of outside reading.
- The right amount of staying up with current events.

STRATEGY

Find your way to predictable success

Firms go through seven stages during their lifecycle. To live long, you better know where you want to be.

By JOÃO FERREIRA
Managing editor

Every firm has, will or is undergoing this: change.

Les MacKeon has spent most of his professional life studying the lifecycle of companies. Every business, A/E firms included, goes through one of the seven phases MacKeon identified during a 2013 Inc. 500|5000 Conference session.

MacKeon, author and CEO of Predictable Success (www.predictablesuccess.com), a business growth strategy company, drove the point home that as a business owner you really want to stay the longest in "predictable success" – a stable growth stage. The two other growth stages in a company's lifecycle are "fun" (some may prefer to stay here) and "early struggle."

The other stages – "four nasty stages" – are better dealt with swiftly.

"The answer is not necessarily up here at the peak," he said, pointing to a hastily sketched graphic.

Early struggle. Every start-up goes through a rough initial phase: the struggle to find a profitable, sustainable market. This is the "only real focus" during the start-up phase, MacKeon says. It's a race against time; to replace one source of cash (initial funding) with another (revenue from sales).

MacKeon warned that many people who launch an enterprise often think they have found a sustainable market, when in reality what they found is a sustainable customer. For that reason, 80 percent of businesses fail during this initial phase due to the lack of "relentless focus."

"If you are a startup there's only one thing you have to do: Stop being one!," MacKeon said.

A warning: plenty of initial funding numbs the relentless pursuit attitude, leading to loss of focus and… failure.

Fun. "It's fun primarily because it's no longer early struggle," MacKeon said. "It's also fun because we found our profitable, sustainable market."

At this stage, the business starts to grow really fast; everybody just pulls together.

"They can't help but sell, sell, sell," MacKeon said. "The answer to everything is, 'Sell more'."

"If you are a startup there's only one thing you have to do: Stop being one!"

The key person involved at this stage is the visionary – every successful business has a visionary right at the start. "Visionaries are resilient – passionate, driven," MacKeon said. They never give up (and here MacKeon gave the example of the toy clown punching bag that is impossible to knock down. It just bounces right up). Such are visionaries. They never give up.

"Visionaries are starters, they start stuff," MacKeon said.

But visionaries can't do it all alone. They need someone to do the work, don't they? So, they align themselves with the people who "just get it done" – or operators.

"They have a symbiotic relationship with the visionary," MacKeon said, adding that operators are "ruthless finishers."

Together, the visionary and the operator build the business through fun – they improvise, they act fast, they turn on a dime. During the fun stage business may be doing so well that visionaries absent themselves a bit. Eventually the organization grows to a point where it falls into…

Whitewater. The late fun stage becomes complex, MacKeon said. Complexity tips to point where visionary/operator can no longer improvise their way to success. Complexity slowly tips over, allowing the once fun place to "drop the ball." Mistakes happen; things fall through the cracks; quality suffers.

"We begin to realize our business is shaken," MacKeon said. Problems pile up.

A little light pops up and tells the visionary that what is needed is "some systems and processes." (Operators hate systems and processes.)

Eventually, to survive, the enterprise needs to bring in a processor to "create consistence where there is chaos," MacKeon said.

Predictable success. The visionary/operator/processor triangle is unstable. The processor thinks systems and processes – but not the visionary.

If you stay too long on the treadmill 'you lost the ability to self-diagnose.' 'We like the status quo; customers are a big pain in the neck.'

"The visionary's style starts to become slightly problematic," MacKeon said.

Plus, the operator feels stressed by processor's presence. They were once the "big dog" – but no more. Operators are very good at being firefighters, but they don't like being firefighters. Visionaries are the arsonists at this stage – pitting operators against processors.

"These three don't gel nine times out of 10," MacKeon said.

But, for the enterprise to survive and thrive, the three personalities need to get along. It usually takes two to 4

See PREDICTABLE SUCCESS, page 8

Looking for leaders

Learn the unique abilities of people, understanding how they can contribute and how to balance their weaknesses with other people's strengths.

Leo MacLeod

GUEST SPEAKER

How do you identify how much someone can be coached to be a leader versus what's part of their DNA? I'm always looking for early indicators of leadership, and part of the answer came at a crosswalk in my neighborhood.

I was driving in a residential area when a young girl pulled her bike up to a crosswalk, her front tire in clear sight and her gaze steady and alert. She looked to be about 11 and was riding without a parent in sight. Traffic stopped on both sides. She waited and then slowly and confidently rode to the other side. Close behind was her younger sister, letting the elder lead the way.

As a parent of older kids, I've been keen to see how early we develop our adult behaviors. How we manage and assert ourselves in the world is formed in those early years. I could see that 11-year-old as a future manager, unafraid of asserting herself, aware of the risks in life, taking precautions and modeling responsibility for others. Crossing that street, she was being a leader. But what about the sister who is the follower? Will she learn from the elder and be a leader, too, or be more comfortable letting someone else take the risk and responsibility?

When I coach emerging leaders, who range from 25 to 55, I try to imagine them as kids. What is their natural path that has been wired in them through nature or imprinted through experiences like crossing the road, trying out for the soccer team or working on a group science project? How do you spot leaders, and can you develop them beyond their natural tendencies? Here's what I learned:

- **Time is the teacher.** Look at a person's record of how he or she behaves and executes over time. Are they reliable and trustworthy? Are they sometimes brilliant but just as often reckless? Think about what behavior you want people to model. Confidence is contagious but integrity is more enduring. Who didn't want Atticus Finch of "To Kill a Mockingbird" as their father?
- **Judge them by their choices.** There are things I can coach: selling, time management, being more assertive, presenting ideas clearly and taking more initiative. But when people repeatedly make poor decisions, there are often deeper issues that are not coachable. Leaders need to have a basic understanding of what's right and wrong and what's appropriate. Young leaders sometimes need to learn those hard lessons, but it's a red flag for me when I see people make decisions that simply defy common sense. Somewhere along the way, they learned that to fit in or get their needs met, they turned off a part of their brain that factored in what others might think. I have a rule of three: when I see three bad decisions I have to tell senior management to look more seriously about the long-term potential of these leaders.
- **Stretch people.** The younger sister following her older sister may find that following is more natural than leading, but it may only because she hasn't had the opportunity to lead. I'm working with a young designer who understands that in order to be a leader, she is going to have to be more than the best designer. She is going to have to be more consistent in setting expectations with her staff; she will have to be tougher in confrontational situations; she's going to have be more accurate in recording her time and more timely in turning in data to the CFO. I've seen people grow beyond their natural tendencies when management put them in that role. Their ultimate success depends on how much they want the responsibility.

See LEO MACLEOD, page 8

Much is ingrained in us from an early age. Look to the character of your future leaders. Understand their limitations. Coach them to grow in new ways. Recognize that leadership often takes different shapes.

Build your talent pipeline

Utilizing the strategy of planning, identifying, maintaining, and pursuing is an effective way to build professional relationships and attract standout talent.

Mallory Harris

SEARCH SAVVY

We have all come across great talent we thought would make a great addition to our firms. Unfortunately, your firm was not in a position to hire at that time.

Despite these roadblocks to hiring new staff, in practice these individuals should be recruited immediately. What do we do about this? How do we find a way to remain in contact when openings become available?

We should be recruiting at all times in order to develop a talent pipeline before the need arises. With most positions taking 90- to 100 days to fill, companies may not be doing enough to offset recruiting delays when new positions open. You can avoid these recruiting pitfalls by continuously developing individuals by consistently monitoring the market for talented people who could bring merit and value to your firm.

Here are four simple principles to help you get one step ahead in the war for talent:

1) **Plan –** First, sit down and prioritize your firm's hiring needs. This helps ensure that all parties involved are on the same page when, over the next few months, it is time to identify the type of talent best suited for your firm. Take time to determine the skills and experiences that will be critical to the firm's success over the next six months, 12 months, etc. Ask yourself specific questions: "What are the projects we hope to compete for down the road?" or, "Do we have viable succession plan in place?" or, "How would we recover if we suddenly lost Jim?" These types of needs-based questions will help you identify your firm's short- and long-term hiring needs.

2) **Identify –** Once the plan has been established, identifying where these future employees can be found is key. Industry events, professional organizations, and word-of-mouth are great places to start identifying talent. Social media outlets such as LinkedIn, Twitter, and Facebook are also excellent resources to find talent. When you meet these talented individuals, grab a business card or the attendee list from a conference. Just start building a network and simple means of recording/documenting the people you want to reach out to when the time comes. Which leads me to my next point…

3) **Maintain –** Good people should be tracked and maintained in some kind of contact management system (CMS). The CMS doesn't have to be sophisticated – it could be as simple as spreadsheet. The main goal is to maintain a short list of contacts that you can easily reference down the road. Be sure to document their title, location, and specialty. Also, be sure to record any exchanges/conversations you've had with the individual. The goal here is to create a simple systems that allows you to manage the relationship you're trying to build. Simple stuff!!

4) **Pursue –** Now that you have a solid CMS in place, it's time to pursue the talent actively. Begin by scheduling brief, incremental follow-ups with the individual. I suggest no more than once per month. Contacting too often could become a nuisance. Again, the goal is to build a relationship so that you can attract the individual to the opportunities within your firm. Keep the follow-up casual and respectful. Tell why you are calling. Remind them of how you met originally. Ask how things are going. Just have a conversation – but be sure to speak about the things that are taking shape in your firm. You should be planting seeds with this individual by presenting him/her or with concepts in play at your firm that may be attractive to them. As you pursue talent, it is important to keep in mind that empathy is critical here… so be sensitive to the fact that this person is gainfully employed. There's nothing wrong with a little friendly networking… and it will go a long way to delivering top talent to your firm when it's time to start hiring.

Utilizing the strategy of planning, identifying, maintaining, and pursuing is an effective way to build professional relationships and attract standout talent while continuously recruiting to strengthen your firm's talent pipeline for the future.

MALLORY HARRIS is a project manager, Executive Search, with ZweigWhite. Contact her at mharris@zweigwhite.com.

We should be recruiting at all times in order to develop a talent pipeline before the need arises.

LEO MACLEOD, from page 6

- **Find the fit.** The confident sales guy in the rental car agency who tackles customer service like a linebacker naturally rises to the top in our eyes as a leader. But what about the quiet, mild-manner engineer who doesn't say much but when he does, clients listen? Leadership doesn't always look like the captain of the football team. The fact is that organizations need a variety of leaders to balance out the team. We need salespeople, but we also need strong technical people. We need people who can take charge and command a room and we need people who make sure the IRS doesn't audit the company. Learn the unique abilities of people, understanding how they can contribute and how to balance their weaknesses with other people's strengths.

Much is ingrained in us from an early age. Look to the character of your future leaders. Understand their limitations. Coach them to grow in new ways. Recognize that leadership often takes different shapes.

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Originally published in the Daily Journal of Commerce.

PREDICTABLE SUCCESS, from page 5

years for that to happen. At that point, the firm has attained predictable success.

MacKeon said that a company can only scale when it reaches this stage. In other words, you can't scale a business without the price of creating processes.

Treadmill. Systems and processes are great, but when there's too many in place, the enterprise becomes too systematized – placing form in place of function. At this stage the company creates "overcooked systems and processes," MacKeon said. The result is the next stage.

The big rut. If you stay too long on the treadmill "you lost the ability to self-diagnose," MacKeon said. "We like the status quo; customers are a big pain in the neck."

At this point the processor is pushing around a couple of operators. The visionary leaves. Business will decline and "die or be sold."

That is the last, and final, stage. MacKeon said the secret is finding ways to avoid getting there. Thus, his prescription: Predictable Success.

DELEGATION, from page 3

opportunity for that person's professional development, an opportunity to assess their current competence and therefore an opportunity to provide further support to that colleague. And it frees one's own time to lead the troops," Toole says.

Delegation is a critical tool in one's managerial arsenal.

While Toole admits that there are still days when she feels tired or pressured, now it's for different reasons, such as keeping up with the energetic talents of the working generation following her as they share ideas and work and learn from each other.

"If we really practice delegation, they can hand me a task as well," she says.

Finally, while it's important to be available for help, resist the urge to DO the task. The goal is to help delegatees proceed from dependence to independence by expanding their comfort zones and potential. Don't carry their burden.

Don't get 'delegate happy'. There are certain tasks that Schauer is not comfortable delegating. They include financial and HR policies, as well as risk management.

"While I'm happy to delegate HR implementation, HR policy is something I want to be involved in," he says. "Firm leaders need to be in close touch with the big picture and empower their staff to ensure that the day-to-day stuff goes smoothly – there is little place for micromanagement. Empower staff to make mistakes. A little trust goes a long way."

CALENDAR

PRINCIPALS ACADEMY: Don't miss the last 2013 edition of The Principals Academy, a crash course in all aspects of managing a professional services firm, Nov. 14 and 15 in San Francisco.

The program is presented by a team of speakers – including ZweigWhite founder and CEO Mark Zweig – with extensive experience working with and for A/E firms. The two-day agenda covers six critical areas of business management from the unique perspectives of architecture, engineering and environmental consulting firms, and is presented in tutorial and case study workshop sessions. The Principals Academy program also includes a case study workshop session that will provide an opportunity to practice implementing these management strategies in a supervised test-case scenario.

For more information or to register, call 800-466-6275 or log on to www.zweigwhite.com/seminars/tpa.

RESOURCES

MANAGEMENT COMPENSATION SURVEY: How much is enough to keep your firm's top managers from running to the competition? How much is too much and could end up hurting your firm's bottom line?

It's a tough job to find a balance between the two. Knowing salary standards and bonuses for top managers in the A/E/P & environmental consulting industry can help you determine what your key managers should be earning during hiring and salary review processes. ZweigWhite's 2013-2014 Management Compensation Survey covers salaries, bonuses, overtime pay, and total compensation for all top managers, including project managers and information technology, human resources, financial and marketing directors.

Whether you're looking to find out if you're paying top managers their worth or you want to make sure you're earning your fair share, this book will answer all your questions about managers' salaries, bonuses, overtime pay, and total compensation. Don't take another step toward salary reviews or business planning without first getting your copy of the latest edition of this important report!

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/p-2173-management-compensation-survey-2013-2014.

MULTI-OFFICE

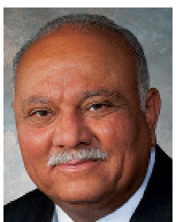
Managing staff at multiple locations

Challenges are plenty, but some firms make it a point to keep communication lines open.

By LIISA SULLIVAN
Correspondent

How do firms keep staff on the same page when there are multiple office locations involved? Organization and communication appear to be the key to harmony.

Deliver a unified message. Samir "Sam" Hanna, president, **Surveying And Mapping, Inc.** (Austin, TX), a surveying, aerial mapping and engineering firm, says that SAM uses several approaches to harmonize multi-office activities. They include:

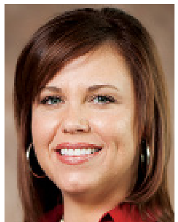


Samir "Sam" Hanna, President, Surveying And Mapping, Inc.

- A market segment committee that meets weekly to coordinate the company's position in the marketplace
- A weekly staffing committee meeting to balance workload across offices
- A computer system that is designed to support staff working on the same project from any location
- An accounting system that is configured to encourage collaboration between offices

"But most importantly, we have the leadership of the firm that consistently promotes across the enterprise the message that we are one company," Hanna says.

Tatiana Herrington, director of HR at **Garver** (North Little Rock, AR), a 365-person multi-disciplined engineering, planning, and environmental services firm, says it is a challenge to ensure that all staff feels connected to the main office and that every employee in the smaller offices feels just as much a part of the Garver culture as those people in the main office.



Tatiana Herrington, Director of HR, Garver.

"To meet this challenge, we have points of contact in each office for different teams and we implement company-wide initiatives so everyone strives to meet the same goals," she says. "The opening line of our company's vision statement reads: 'We will be a unified regional engineering company…' and that's not something we take lightly."

Trusted connections. Hammontree and Associates, Limited (North Canton, OH), an 80-person consulting firm that offers civil engineering services, keeps in close contact with employees through newsletters, messages from Charles Hammontree, president and CEO, planning meetings, biweekly staff meetings, and debriefings via phone calls from Hammontree regarding projects procured and projects awarded.

Access to the central server, websites, new hire announcements and the annual ESOP Report also promotes firm-wide interest.

Hammontree says that when managing people in multiple offices, it's most important to establish strong, trustworthy and capable office managers.

"Maintaining corporate policies regarding administrative and project management issues, issuing reminders and conducting planning and training meetings at the project manager level and higher helps," he says.

Polina Kouzmina, HR manager, **Buckland & Taylor|COWI** (Vancouver, BC), a 175-person bridge engineering design firm with six offices, agrees that communication is key.

Polina Kouzmina, HR Manager, Buckland & Taylor|COWI.

"All of our offices are centrally managed by our HR and communications/marketing team. It takes care of all the offices across Canada and the U.S.," she says. "Any time a project/ initiative/ change is launched we work together to ensure that the rollout is consistent across different locations."

Buckland & Taylor also employs multiple mediums, such as e-bulletins, print media, Intranet, and staff meetings to ensure that every segment of its demographic is exposed.

Integrated communications. Herrington at Garver says that they have 17 offices around Arkansas and since the company covers such a large area on the map, it's vital that its people stay connected.

As a result, Garver uses a VoIP system for its phones, email, text, messaging, video- and screen-sharing, and conferencing. Because VoIP connects the phone system over the Internet, everything is integrated and makes it that much easier to stay connected.

A variety of different technology systems allows employees to collaborate on projects, and also to maintain constant communication with clients and coworkers.

"Our intranet home page pops up whenever our employees open up their browsers, which means everyone sees it," she says. "On that home page, employees can instantly connect to everything they might need, from our health insurance plans and job openings to our listing of new projects and our software database. We also use our company website, blog and social media pages to keep our employees and separate offices tightly knit."

See MULTIPLE, page 10

ON THE MOVE

CTLGROUP ANNOUNCES NEW LEADER: CTLGroup (Chicago, IL), an expert consulting engineering and materials science firm, announced **W. Brent Nixon** as the company's new President and CEO.

Nixon will take over the responsibilities currently held by Timothy Tonyan, who has served as Interim president and CEO since June. Tonyan will serve as senior VP of CTLGroup. In his new role, Tonyan will report directly to Nixon and will focus his attention on business development, project management of multidisciplinary teams, promoting CTLGroup's expertise within the industry, and managing of major client accounts.

"Brent has the right mix of technical expertise, business acumen, and leadership," said Gregory Scott, chairman of the board of CTLGroup. "His charismatic personal style and passion for success will bring a positive energy to CTLGroup."

Scott is president/CEO of Portland Cement Association, of which CTLGroup is a wholly owned subsidiary. In the past 11 years as a Corporate Officer and Vice President of Science and Engineering at Environmental Chemical Corporation (ECC), Nixon was instrumental in the evolution of ECC from a small remediation company into a global design-build, disaster response and remediation firm of 600 employees with annual revenue of $700 million.

WAGGONER HIRES: Waggoner Engineering (Jackson, MS), a full-service engineering firm, announced the addition of two new long-time industry leaders, continuing to position the firm for future success. **David Willis** joins Waggoner as project manager, bringing with him 25 years of experience in public utilities. **Tim Brewer** joins as a survey manager with 25 years' experience in surveying and forestry.

Prior to joining Waggoner, Willis served as deputy director of public works for the City of Jackson, responsible for the day-to-day operations of the utilities, engineering and infrastructure management divisions. He also directed the design and installation of various projects, including a $25 million upgrade to the city's water transmission system.

Brewer has a wealth of experience in surveying, digital mapping and data collection, including boundary surveys, topographic surveys, GIS data collection, right-of-way acquisition surveys, construction staking, and aerial surveying and mapping.

"Our mission is to exceed the expectations of our clients, and that begins with a team of experienced, passionate and talented individuals, from a wide range of disciplines," said Joe Waggoner, founder of Waggoner Engineering. "These two leaders are examples of the exceptional individuals that strengthen the culture and commitment of our firm."

LANGAN HIRES: Langan (Elmwood Park, NJ), a 700-person environmental, surveying and landscape architecture firm, announced that **Vassilis Papayannoulis**, one of the region's most respected and accomplished transportation and traffic engineers, has joined the firm as the Transportation Planning Group manager based out of the New York office. Papayannoulis, formerly the regional manager for Transportation Planning at the **IBI Group**, has 28 years of traffic operations and transportation planning experience throughout the New York, New Jersey and Connecticut Metropolitan Region.

"We are extremely fortunate to add someone with the credentials of Vassilis Papayannoulis to our firm," said George Leventis, managing principal/executive VP and president of Langan International. "He brings an impressive variety of experience to Langan, and will no doubt help grow our transportation and traffic practice in New York and internationally, which certainly includes improving game/event operations at major destinations such as stadia/arenas in the U.S. and around the world."

Papayannoulis will be heading the New York office's traffic engineering and transportation planning team. His expertise includes transportation modeling, traffic operations, GIS & transportation data management systems, safety planning and transportation system performance analysis. Papayannoulis also has extensive experience in game-day traffic operations for sports arenas, and he has led analyses supporting highway improvements and circulation patterns for major stadia in the region.

LEA HIRES: Littlejohn Engineering Associates (Nashville, TN), a 123-person firm, announced the addition of John Tuter as senior project manager in the Phoenix office. Tuter will be responsible for leading the office's public sector practice. He has over 25 years of civil engineering experience with an emphasis in the planning and design of multi-faceted, multi-functional projects ranging from major transportation projects to residential and commercial development. His experience includes over 10 years in the Phoenix metropolitan area providing project management and design services for city, county, and state agencies.

LEA established a presence in the Phoenix area over two years ago through a merger with the Arizona-based civil engineering firm of Evans, Kuhn, and Associates to better serve its existing client base in the southwest.

Tuter's recent projects include planning, design concept reports and engineering of major arterial roadways and associated infrastructure including water, sewer and dry utility relocations.

LEA offers surveying, civil/site engineering, transportation, municipal and utility engineering, environmental engineering, industrial engineering and industrial hygiene, health and safety services, landscape architecture, and urban planning services.

MULTIPLE, from page 9

GEOGRAPHY, NOT PEOPLE, POSES CHALLENGES. Of course, there will always be challenges.

Kouzmina at Buckland & Taylor explains that these challenges are typically due to the actual geographical locations. For instance, the legal framework and local needs differ greatly between Canada and the U.S. and local legislature even varies between provinces and states.

"It is nearly impossible to paint every location with the same brush, so efforts are always underway to ensure equitability, not necessarily equality, and competitiveness in the local market," Kouzmina says. "The markets where our offices are located are extremely different as we are located from the West Coast to the East Coast. And, with that comes variations in local people culture, environment, work hours, expectations, and more. However, we actually see that as an advantage, rather than a disadvantage, and encourage diversity and inter-office staff interaction."

At Buckland & Taylor, it's quite possible that, at any given time, a project team may consist of people from Seattle, New York, Halifax and North Vancouver.

"They all work together – either virtually or in-person," Kouzmina says. "We have a strong emphasis on teamwork and this reflects in all aspects of our business, from makeup of project teams to service delivery."

MULTI-OFFICE

Keeping track of financial performance

The old debate continues on whether to keep tabs on office or practice area.

By LIISA SULLIVAN
Correspondent

Tracking finances can be tricky when you have multiple offices to consider. Is it best to track performance by office? Service group? Opinions seem to vary.

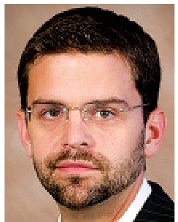
TRACK BY GROUP. James Grotjohn, an accountant with **Garver** (North Little Rock, AR), a 365-person multi-disciplined engineering, planning, and environmental services firm, says the company tracks mainly service group performance.

"Location-specific overhead costs such as rent and utilities are minimal and usually vary little between different locations," he says. "Tracking the markup earned on labor, the percentage of time on the job, and expenses incurred by the service groups provides much better insight into which areas of the company are performing well."

Garver finds that Deltek Vision is the most effective software program for reporting.

"Knowing how you want to track performance is vital to making use of any accounting software. We have used Vision for years and developed the software and the internal expertise needed to provide the information we need," Grotjohn says.

While Garver also tracks financial performance by locations, but recognizes the limited usefulness of this reporting to provide actionable information – data that can be used to make specific business decisions. For example, many costs, such as rent and utilities, are relatively stable between locations and can't be controlled by the staff in the office.


James Grotjohn, CPA, Garver.

"Other costs are relatively fixed," he says. "While allocated to each location, overhead costs such as accounting, marketing, and executive leadership will not change materially by closing a poor performing office."

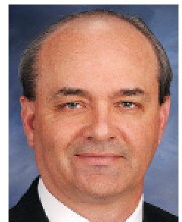
> "Knowing how you want to track performance is vital to making use of any accounting software."

In order to make an accurate assessment and track each service group, Grotjohn says that Garver gets answers, separately, to each of the following questions:

- Is the group covering their own expenses?
- Is the group carrying the locational expenses?
- Is the group covering a fair share of fixed overhead expenses?

By getting these questions answered, Grotjohn can then separate an analysis of each group's performance and the effect of making staffing and location changes to total company profitability.

TRACK BY BRANCH. Charles Hammontree, president and CEO of **Hammontree and Associates, Limited** (North Canton, OH), an 80-person consulting firm that offers civil engineering services, says the company tracks billing, daily cash flow and expenses from each department within each branch.


Charles Hammontree, President and CEO, Hammontree and Associates.

Hammontree uses Quickbooks Enterprises and tracks project manager performance which, Hammontree says, "leads more to service performance."

TRACK OVERALL COMPANY PERFORMANCE. At **Buckland & Taylor | COWI** (Vancouver, BC), a 175-person bridge engineering design firm with six offices, software splits each office into an "organization," so that revenue and expenses related to each office can be coded appropriately, says Peter Diett, CFO. That information can then be used to generate P&Ls and other reports for each office to monitor performance.

Buckland also uses Deltek Vision for financial performance and tracking, but prefers to track overall company performance, as opposed to specific groups or offices.

"Typically, all of our offices are working together on a project using distributed engineering, so tracking as one unit fosters teamwork and a 'we are all in this together' attitude," Diett says. "The last thing we want is for one office to feel different from another."

TRACKING CHALLENGES? At Buckland and Taylor, getting invoices from each office to a central accounting location in Vancouver and allocation of

See KEEPING TRACK, page 12

GOOD TO KNOW

Less than half of participating firms with multiple offices (40 percent) reported they treated offices as profit centers.

Source: 2013 Financial Performance Survey, ZweigWhite: www.zweigwhite.com/p-2171-2013-financial-performance-survey-of-environmental-consulting-firms.

TRANSACTIONS

BASKERVILL MERGER COMPLETE: Baskervill (Richmond, VA), a full-service architectural, engineering, interior design firm, announced the merger with **BAM Architects** (Richmond, VA), closed on June 28, 2013. In late May, Baskervill and Burt Pinnock, principal of BAM Architects, announced Pinnock and his team were joining Baskervill, a move that brings together two of the most respected design firms in Richmond.

The combined capabilities add depth and enhanced design talent to the firm. Pinnock is now leading his team as one of nine principals in the firm, overseeing cultural, civic, and community-oriented design.

"Personally, I am eager to continue building a world-class design presence in the community, within our target geographic markets, and within the industry," Pinnock said. "Ultimately, our clients and employees will benefit from the collaboration of the best designers in the industry."

In addition to Pinnock, the new team members include project managers, architects, designers, and administrative personnel as follows:

Mary Lorino and Bill Church join the firm as a project managers. Kevin Jones, Ben Winn and Tim Hamnett join the firm as a project designers. Marta Powers joins the firm as project coordinator.

"We are delighted to welcome Burt and his team to Baskervill," said Bob Clark, president. "Their knowledge, talent, and design experience wonderfully complement our existing capabilities. The combined team will allow us to expand the depth and breadth of the professional design services we can offer our clients."

FIRM MERGES WITH HDR: Architecture, planning and design firm **Rice Daubney** (Sydney, AU), announced that it will be merging its operations with global architecture firm **HDR** (Omaha, NE), forming **HDR | Rice Daubney**.

In a statement released by Rice Daubney, this combination of practices is part of the firm's "long-term strategy to grow its business, expand its offering to clients and provide greater opportunities for employees".

While aligning interests with international companies is not new for various businesses in other Australian sectors, this merger marks the first time a major local architecture business has sought to progress its long-term development strategy by joining a large global firm.

HDR Architecture provides architecture, engineering, consulting, construction and related services through its operating companies. It has completed projects in 60 countries, and was ranked first in Modern Healthcare's 2013 "Annual Construction & Design Survey of Healthcare Architects."

"This merger is occurring at the right time for our long-term development planning," says John Daubney, managing director of Rice Daubney. "It gives our clients access to a deeper pool of specialized global knowledge. Importantly, it also gives our people more opportunities to develop their expertise locally and overseas as well as their long-term careers as part of a larger global community."

As HDR | Rice Daubney, the firm will seek to leverage its position in Australia and enhanced international benchmarking capability "to compete even more effectively for larger and more sophisticated tenders in existing and new markets".

It is also expected that additional opportunities will arise for HDR | Rice Daubney to export Australian expertise through its global network, in the commercial and retail sectors, for example.

"We are in a knowledge-sharing world and becoming part of a world-leading architectural practice reinforces the high value placed on this country's design professionals," Daubney said.

FIRMS ON THE MOVE

ARUP EXPANDS: Arup (New York, NY), a 1,000-person multidisciplinary engineering and consulting firm, an arm of the London-based company of the same name, announced that its Washington, D.C. office has relocated due to continued and ongoing growth. Arup has tripled its office capacity to accommodate new staff and increased client outreach. Remaining at 1120 Connecticut Avenue, the firm has moved to the 11th floor and will continue to serve the government, institutional and commercial markets in the Mid-Atlantic region.

"Arup's relationship with the D.C. market has flourished in the past three years as we have been involved with some of the city's most exciting and inspiring projects," said Greg Giammalvo, D.C. office leader and principal at Arup. "Due to the expansion of our D.C. presence, we're looking forward to deepening our relationship with the agencies and clients that continue to develop this regional landscape."

Established in 2010, Arup's Washington D.C. office has grown to a team of 25 engineering professionals with multidisciplinary engineering and design skills catered toward transportation facilities, commercial buildings, public spaces and prominent government buildings.

In addition, Arup was instrumental in executing Sustainable D.C. an ambitious sustainability strategy that is intended to guide the transformation of the District of Columbia into the healthiest, greenest, and most livable city in the United States within one generation.

KEEPING TRACK, from page 11

costs from the head office to the smaller offices can present challenges.

"However, because our accounting system is centralized, the finance department has access to data from all offices in real time, so it typically resolves quickly," Diett says.

Hammontree adds that since his namesake company keeps each branch's accounting separate, there are no current tracking challenges.