

Buying another firm

Mark Zweig has been involved in hundreds of transactions, so here are five thoughts on the subject.

While I like numbers and options, I can also appreciate the benefits of knowledge and trust. Buying a firm that you have known for a long time can avoid many pitfalls.



Mark Zweig

EDITORIAL

There's a lot of interest right now in buying companies. Just talk with anyone who has been to the recent ACEC, EFCG, or the **THE ZWEIG LETTER** Hot Firm events. It's clear that A/E firms buying other A/E firms is a hot topic.

How to best do it is the question. I've been involved with literally hundreds of transactions over the years as well as many more attempted mergers, acquisitions and sales, so here are my thoughts:

- 1) The more possibilities you have, the better.** This applies whether you are buying or selling. All other factors being equal, there's strength in numbers because of choice. More choice can improve decision-making quality.
- 2) Dealing with people you know and know well is always better than dealing with those you don't.** I will now contradict myself. While I like numbers and options, I can also appreciate the benefits of knowledge and trust. Buying a firm that you have known for a long time can avoid many pitfalls.
- 3) Local is better.** It's easier to know what you're getting, easier to do the deal, and easier to manage post-transaction when you are all in the same city.

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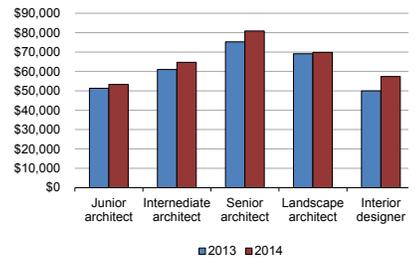
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TRENDLINES

Rising tide



Salaries at leading architecture firms have increased this year, according to the 2014 Salary Survey of Architecture, Interior Design, and Landscape Architecture Firms.

All design titles saw increases in base salary from 2013 to 2014: senior architects from \$75,267 to \$80,870, intermediate architects from \$61,000 to \$64,683, and junior architects from \$51,336 to \$53,275.

Meanwhile, landscape architects' median base salary increased from \$69,121 to \$69,839; and interior designers' increased from \$50,000 to \$57,400.

— Margot Suydam, Survey Manager

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A/E BUSINESS NEWS

HOUSING LIFTS INDUSTRY: McGraw Hill Construction released its 2014 Dodge Construction Outlook, a mainstay in construction industry forecasting and business planning. The report predicts that total U.S. construction starts for 2014 will rise 9 percent to \$555.3 billion, higher than the 5 percent increase to \$508 billion estimated for 2013.

"We see 2014 as another year of measured expansion for the construction industry," said Robert Murray, McGraw Hill Construction's vice president of Economic Affairs. "Against the backdrop of elevated uncertainty and federal spending cutbacks, the construction industry should still benefit from several positive factors going into 2014. Job growth, while sluggish, is still taking place. Interest rates remain very low by historical standards, and in the near term the Federal Reserve is likely to take the necessary steps to keep them low. The bank lending environment is showing improvement in terms of both lending standards and the volume of loans. And, the improving fiscal posture of states and localities will help to offset some of the negative impact from decreased federal funding."

Based on research of specific construction market sectors, McGraw Hill Construction's 2014 Dodge Construction Outlook details the forecast as follows.

- Single family housing will grow 26 percent in dollars, corresponding to a 24 percent increase in units to 785,000 (McGraw Hill

Construction basis).

- Multifamily housing will rise 11 percent in dollars and 9 percent in units.
- Commercial building will increase 17 percent, a slightly faster pace than the 15 percent gain estimated for 2013.
- Institutional building will edge up 2 percent, turning the corner after five years of decline.
- Public works construction will drop 5 percent, pulling back after a 3 percent gain in 2013 that was lifted by the start of several large highway and bridge projects.
- Electric utility construction will retreat 33 percent, continuing the 55 percent correction estimated for 2013 that followed the current dollar high reached in 2012.

WRIGHT IN FLORIDA: Architectural history was, once again, made on the campus of Florida Southern College on Friday, Nov. 1, with the grand opening of the Sharp Family Tourism and Education Center and its cultural centerpiece, a newly constructed building by legendary architect Frank Lloyd Wright (1867-1959). Known as a "Usonian" house, the home was designed by Wright in 1939, and it is the first time this particular Wright design has ever been built.

Florida Southern's campus contains the world's largest collection of Frank Lloyd Wright architecture and was designated a National Historic Landmark in 2012. Wright began his work with Florida Southern

in 1938, conceiving a master plan for "a college of tomorrow" that came to include 18 structures, 12 of which were built during Wright's life, between 1938 and 1958. The Usonian house will be the 13th Wright structure to join the collection. Florida Southern was named the #1 Most Beautiful Campus in America by The Princeton Review an unprecedented two years in a row (2011 and 2012) and is currently ranked #3.

The Usonian house will feature reproduction furniture designed by Wright specifically for use in his Usonian homes as well as a specially commissioned orientation film, "Florida Southern College: Frank Lloyd Wright's American Campus." The Ruthven Plaza, the GEICO Gift Shop – a faithfully restored Craftsman home – and the Usonian house comprise the Sharp Family Tourism and Education Center, which will be the first stop for the tens of thousands of guests who visit annually to tour the college's collection of Frank Lloyd Wright architecture.

Construction of the house demanded that virtually every aspect, including the unique "textile" blocks, be hand crafted by experienced artisans. The building uses approximately 2,000 interlocking blocks and is adorned with nearly 6,000 hand-inserted colored glass blocks. The home illustrates all of Wright's Usonian ideals: a distinctly American style embodying respect for the natural landscape, economy of size, and the use of locally obtained, native materials for construction.

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You are also going to find the integration probably goes smoother AND you can take advantage of consolidation savings more easily.

4) Get good advisors. Unfortunately, many principals of small, medium, and even larger-sized firms in this business are incredibly naïve. There's a very poor understanding of deal structure options, tax consequences, governance issues, and financing that could be available. You need to get the right people involved early enough in the process – as early as having them challenge the options for targets that you think you would be interested in.

5) The process of knowing whether or not you have a deal doesn't have to take forever. I see so many people waste so much time – both

buyers and sellers – because they are horrible communicators who cannot get to the essence of anything easily. Be direct. Don't fool around. Follow your gut. Say what your expectations are and define potential deal structure early. Unrealistic sellers need to be dropped quickly. Move on. And I cannot believe all of the unnecessary meetings and meetings too early in the process when a quick call, or even email in some cases, would suffice – and possibly save days of valuable time. Determining interest and realism does NOT always mandate a face-to-face meeting!

I'm out of space here. But if you want to talk more about buying – or selling – give me a call or shoot me an email. We're here to help! 🚀

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

THE ZWEIG LETTER

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

Mark Zweig | Publisher
mzweig@zweigwhite.com

João Ferreira | Managing Editor
jferreira@zweigwhite.com

Christina Zweig | Contributing Editor
christinaz@zweigwhite.com

Liisa Sullivan | Correspondent
LiisaS66@gmail.com

Tel: 800-466-6275
Fax: 508-653-6522
E-mail: info@zweigwhite.com
Online: www.thezweigletter.com
Twitter: twitter.com/zweigwhite
Blog: zweigwhite.blogspot.com

Published continuously since 1992 by ZweigWhite, Fayetteville, Arkansas, USA. ISSN 1068-1310.

Issued weekly (48 issues/yr.). \$475 for one-year membership, \$775 for two-year membership.

Article reprints: For high-quality reprints, including Eprints and NXPprints, please contact The YGS Group at 717-399-1900, ext. 139, or e-mail TheZweigLetter@TheYGSGroup.com.

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PRACTICE

Virtual A/E firm among the best

EHS Support is perhaps unique among design firms, and it proves a point. It's also a 2013 Hot Firm to boot.

By LIISA SULLIVAN
Correspondent

With 56 employees spread over six time zones, **EHS Support, LLC**, an environmental, health, and safety solutions specialist founded in 2005, is perhaps a unique example in the A/E/P and environmental consulting industry.

That's because the company is a 100 percent virtual. That's right, no offices, no commutes, no rent to pay or buildings to own.

Kenny Ogilvie, CEO of the No. 23 **THE ZWEIG LETTER** 2013 Hot Firm List winner, says that the business model came about because the founding owners wanted to create a company that provided outstanding service to its clients, but also valued its employees. Today, EHS Support operates in 20 states in the U.S. and two territories in Australia, proving that the virtual model can work for design firms.

EHS Support created a work environment where employees can put family first, eliminate unproductive downtime driving back and forth to work, thus reducing gas expenses, while providing flexibility for employees to balance home and work.

Ogilvie, like all other staff members, has a home office. He works on the road about 50 percent of the time in client offices. The same goes for three other shareholders. The rest of the staff works on the road about 10 percent of the time.

"Obviously, the model is based on trust, which is one of our fundamental values as an organization," he says. "Secondly, with happier and more productive employees, they provide better work products, faster response time, and the ability to focus on what is most important without distractions."

KEYS TO VIRTUAL SUCCESS. The virtual "work style" has great appeal for results-focused professionals who seek a highly productive work environment.

"We offer an excellent work culture and opportunities for career growth and success. Employees are motivated by per-

"Obviously, the model is based on trust, which is one of our fundamental values as an organization. Secondly, with happier and more productive employees, they provide better work products, faster response time, and the ability to focus on what is most important without distractions."



They may be a virtual company, but the employees at EHS Support find time to get together at least once a year.

sonal and company goals and are genuinely interested in seeing the company succeed," Ogilvie says. "And, as we are seeing across the board, technology continues to improve rapidly, supporting a mobile work environment."

There are many factors that contribute to EHS's successful virtual office. Ogilvie lists a few:

- "Our employees; we have some of the best employees in the industry. Each member of our team is an expert in their field, is motivated to succeed, and is committed to the company," he says. In the last employee survey, every employee said he/she would stay with company until retirement or for 10 years or more. "That shared commitment drives the happiness and success of our team."
- "We have a unique culture that we actually put into action," Ogilvie says. "Our culture guides how we make business decisions, what and how we implement processes, and the actions of every one of our employees."
- EHS Support is constantly evaluating and implementing technology and communications tools and processes to ensure connectivity and communication with employees and clients. "We recently implemented an integrated communications tool offered through Microsoft (Microsoft Lync via M365) that streamlines our communication tools (email, instant messaging, virtual white boarding video chat, and VoIP calling services) with our file management to allow better collaboration and organization," Ogilvie says. "Virtual meeting rooms and white boards make it possible for groups of employees to work together on projects while states or countries apart."

COLLABORATIVE AND VIRTUAL COMMUNICATION. On a daily basis, employees at EHS Support communicate via email and phone calls. Video conferencing is done almost daily and there are periodic in-person meetings – especially when there are several employees in a city or nearby cities. These employees often work to-

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gether on projects and may meet weekly or monthly during project travel in nearby cities, and through the annual employee meeting.

Over the past year, EHS Support has worked with an outside management consultant to expand on its virtual communications model. This model is based around the ability to measure success – success in productivity, client satisfaction, and impact on culture, cost savings, and elimination of administrative burden, from which many companies suffer.

“We use the virtual communications model to guide our employees on how to use the best tools and avenues for communication in different workplace situations,” Ogilvie says. “We rely on phone and video conferencing for one-on-one and small group conversations, video meetings for project, social, and company meetings, IM for quick questions and answers, and email for more detailed requests.”

The firm also uses a SharePoint site to house secure documents and project files as well as group pages to collaborate on documents, share resources, track project timelines, and house message boards.

There are also a number of recurring staff meetings for employees to interact and receive updates about company news, learn about business development efforts, attend knowledge-share webinars, discuss home/work life balance, and participate in virtual happy hours and holiday parties.

“Each year, we hold an in-person meeting in a different U.S. city,” Ogilvie says. “All employees are flown in for two days of teambuilding and company updates. We also communicate frequently about employee birthdays and anniversaries through an amazing company newsletter.”

ARE THERE ANY DRAWBACKS? Ogilvie says that there are logistical challenges with every model, but those that come with a growing virtual company are unique and deal mainly with frequency of communication and content: resourcing, communicating company updates, HR, accounting, BD and administrative management.

“The key to managing these challenges is to identify them quickly and take action immediately to put processes (non-administrative burden processes) in place to avoid having these challenges turn into issues that would negatively impact our staff or clients,” he says. “If issues linger, they become like a cancer and spread, eventually impacting a culture. We resolve this by reaching out regularly to solicit feedback from staff, verbally, as well as through confidential employee surveys, to identify any potential challenges and form employee committees to discuss best practices and submit suggestions to the management team.”

Due to these communication challenges associated with a virtual workplace, EHS works to stay a step ahead as it grows. For example, last year it instituted a virtual communication model and new Office 365 software to allow for smoother, more effective day-to-day communication via audio, video and instant messaging capabilities. In 2014, it plans to focus further on model integration (e.g., training and using all of the features, such as project and team individual work pages) and rolling out social media programs, including evalua-

tion of a company app to be used both internally by staff and externally by clients.

WHAT DO CLIENTS THINK? Clients think “it’s really cool.”

“They are aware of our model and have no issue with our structure,” Ogilvie says. “In fact, during most meetings we have the subject comes up. We are a very client-focused organization and our employees keep a sense of urgency paired with excellent communication skills to deliver service and work product above expectations. Most often clients are jealous because they can’t do it.

Ogilvie shares a few quotes taken from the company’s last client survey:

- *EHS Support has some of the most knowledgeable and responsive employees of any consulting firm that I work with.*

- *EHS consistently exceeds our expectations.*

- *Working with EHS Support is easy. As a client, you always know that the work will get done right and on time.*

IMPROVED RETENTION; FLEXIBLE RECRUITMENT.

Due to its model, EHS Support has been able to retain some of the best female professionals in the industry.

“Our current model is a 60/40 split – women to men,” Ogilvie says. “The model allows for each to have a family and family life while pursuing their professional career and being a valuable part of the company.”

Also, the company is able to recruit the best in the industry, no matter where they live, so it doesn’t have to worry about where they are located; and they don’t have to worry about moving.

“It takes a lot of work behind the scenes to make sure it works and without buy-in by the entire company it would not happen,” Ogilvie says. “We are very lucky to have employees who provide regular input and a great business management team to make sure it’s successful. Without being proactive it would most certainly fail.” ▲▲

SUCCESSFUL FIRM SURVEY: 2013-2014 Successful Firm Survey:

How do the most successful architecture, engineering, and environmental consulting firms do business? What are they doing that you’re not?

Find out with the 2013-2014 Successful Firm Survey of Architecture, Engineering, Planning & Environmental Consulting Firms. This new publication will tell you everything you need to know about how firms just like yours are growing and turning a profit.

The Successful Firm Survey is a compilation of all the major management topics covered in 10 of ZweigWhite’s survey reports conducted throughout 2013. In addition to compiling survey data from other reports, we also broke data down by the overall sample compared to the fastest-growing firms and the most-profitable firms.

Whether you’re a firm president, CEO, vice president, principal, or division or department director or manager, you’re going to want to see these survey results!

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/p-2176-successful-firm-survey-2013-2014.

SURVEY

Optimism higher at small firms

Many have weathered the recession as well or better than some of their larger counterparts.

By CHRISTINA ZWEIG
Contributing editor

Small firms are holding their own out there.

A recent ZweigWhite survey found that a firm's size plays an important role in many of the challenges they face – and though small firms may have bigger hurdles in some areas of their operations, they also offer a number of competitive advantages.

“Small firms, in fact, are wonderful to work with. They have a remarkable entrepreneurial spirit that is often lost at larger organizations. They have fewer layers to move through when making decisions and they literally have all hands on deck to make things happen and get things done.”

According to the U.S. Small Business Administration, the small business sector is growing rapidly. Small businesses have generated over 65 percent of the net new jobs since 1995. The number of small businesses in the U.S. has increased 49 percent since 1982, and many of these businesses are in the architecture, engineering, construction and other related industries. While corporate America has been downsizing, the formation rate for small business startups has risen, and the rate for small business failures has declined.

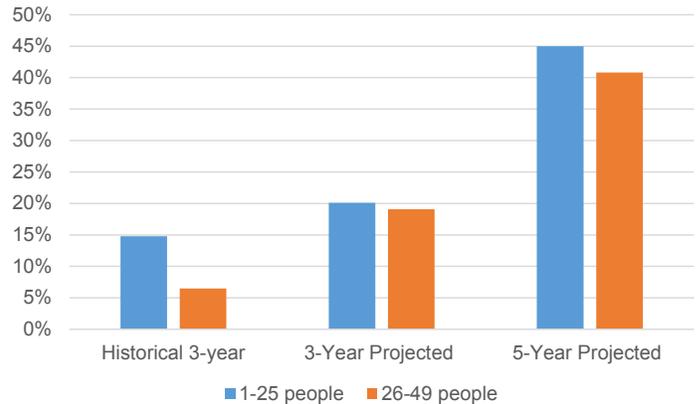
ZweigWhite's 2013-2014 Small Firm Survey of Architecture, Engineering,

Planning & Environmental Consulting Firms, which returns to publication after a hiatus, defines “small” as any firm with one- to 50 employees. In the survey, the majority of principals in small firms feel the business environment will be somewhat better or much better in the upcoming year. When asked if their investment in the firm was worth more than, less than, or the same as they paid for it, small firm owners overwhelmingly (83 and 84 percent) responded “more.”

BY THE NUMBERS, SMALL FIRMS DON'T LOOK TOO SHABBY. The survey reports that gross revenue has increased by a median of 14.8 percent over the past three years for firms with 26-49 employees, and 6.5 percent for firms with fewer than 25 employees. The three-year projected revenue growth for small firms was a median of near 20 percent, with 5-year growth predicted to a median of 45 percent

for firms with 1- to 24 people, and 40.8 percent for firms with 26-49 people.

GROSS REVENUE GROWTH



Source: 2013-2014 Small Firm Survey, ZweigWhite:
www.zweigwhite.com/p-2185-small-firm-survey-2013-2014

Larger firms traditionally have bigger budgets and more opportunities to develop training programs, participate and hold events, and work on large-scale projects. While many small firms can't offer the more attractive salaries and other perks that bigger firms can, many people are attracted to the atmosphere, opportunity, experience, and flexibility often available at a small firm. While they may have a more diverse workload or have to wear multiple hats, the survey found that the majority of project managers at small firms say they are comfortable with their workload and rarely report turning down work due to lack of manpower.

Christine Brack, principal, ZweigWhite, says in her introduction to the survey, “Small firms, in fact, are wonderful to work with. They have a remarkable entrepreneurial spirit that is often lost at larger organizations. They have fewer layers to move through when making decisions and they literally have all hands on deck to make things happen and get things done.”

Not all operating costs are higher at small firms, either. Interestingly, ZweigWhite's 2013-2014 Operating Expenses Survey found that the vacation, holiday and sick leave costs as a percentage of total labor were lowest at small firms with 1- to 24 people – only 9.7 percent. For larger firms (250-499 people) this figure reached almost 11 percent.

For small firms, small jobs can add up in a big way, and small firms may be better suited to take on certain types of projects that large firms are not. “Clients like small firms too. They like working directly with the owners and knowing their project will not be delegated to a newbie once a ‘bigger’ client comes along,” Brack said. ▀▲

What makes a great job?

Good businesses have good leaders and a business plan that includes the growth of all employees as individuals.

Many articles and stories about the Best Firms To Work For all say the same things. A successful firm isn't necessarily the one that makes the most money, although profitability is the main focus for most companies. There are more facets to a successful company than just its financial portfolio. Are employees happy with what they do? Is there a feeling of a positive and productive future? With the economic troubles of the past few years, it's been difficult for some companies to say yes to both of those questions. Even a company I recently worked for had some trouble acquiring work for everyone. We have had voluntary unpaid time off suggested by the management recently. A couple years ago we even had mandatory 32-hour weeks until further notice. At least it was reduced hours, instead of mandatory lay-offs as other companies experienced.

One other thing that seems to be a sign of a growing and successful company is the feeling that the company is open to share its vision and direction with all the employees.

Everyone knows their individual role. There is a clear direction to the future of the company and transparent leadership. There is open communication between staff and management, including areas that need improvement. "As managers, it is our duty to listen and act on those concerns," said an employee of a first place 2013 Best Firms To Work For winner. Communication is essential to the success of any relationship, even a business relationship. This open communication leads to trust within the company and between staff members. If communication is not trustworthy, the resulting atmosphere is "resentful and an atmosphere of constriction and control." – "Name the Elephant in the Room," by Liz Ryan. The author also quotes a recent LinkedIn post in the article: "We get stronger when we tell the truth at work." Have you ever feared the loss of your job if you spoke up and said something about a problem within your company? I agree with Liz that we need to "say the thing that needs to be said, without rancor or an agenda."

What about facing a difficult conflict from the manager's position? What makes a good manager? What do you do with an employee who just isn't performing to where they should be? A good manager would try to find out why the employee is underperforming and work to change that. Jennifer M. of BBC Capital wrote about firing an employee and the steps she took before letting



DAWN
ROSSMILLER

GUEST
SPEAKER

that employee go. If the manager sees real potential in the employee, here are some things to try to get that employee engaged:

- 1) Tap into the person's talents and build confidence with what they can do well.
- 2) Figure out what areas are problems for the employee and work with them to resolve them with positive feedback.
- 3) Let the employee try as hard as they can and remember that sometimes the employee's prior experience from other managers might have set them back a little.
- 4) Take the time to sit down with the employee and make sure that your direction and goals are clearly explained so that they have the tools to improve.
- 5) Make sure that you are checking in with the employee on a regular basis so that there are no surprises.

The biggest issue is lack of mentorship. In the field of engineering, mentorship is one of the most important things for a young, inexperienced engineer. In an article published recently by U.S. News & World Report, "Making the Most of Mentoring,"

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The baton is being passed down to the next generation. Is there a transition to leadership program spelled out for everyone to see in your company?

Deep engagement, context and clarity

Secret sauce promotes culture of deep engagement, leading to individual, firm and client satisfaction, and success.

Within my organization (**Gensler**, while I was there) and many of the organizations I consult with today, I have discovered a “secret sauce” to achieve firm success. I offer three concepts: 1) **Deep engagement**; 2) **Context**; and 3) **Clarity**. To begin, isn’t “deep engagement” the determinant for how enthusiastically and well a person pursues the task at hand; the thing that inspires them to dig more deeply into an issue, to do the research to assure that the solution they’re bringing forth is both based on the very latest research and knowledge, and is also very, very good; to put forth the extra effort to engage the team around them in true collaboration?

Further, isn’t “deep engagement” what makes a client feel cared for; a contractor feel like their issues are being heard; a building or planning official offer to help rather than obstruct? From a principal’s point of view, this is what gives a client a sense of trust in the design you’re proposing, giving them the confidence to say “yes” to your solution, even if they’re still struggling to visualize the reality of what you’ve designed. It’s what gives the lender or CFO confidence that you’re spending the client’s money wisely. Your deep engagement in the work you’re doing has inspired you to examine your solution from their point of view and to be able to describe how your solution addresses each of their issues and concerns. You don’t merely expect them to believe that since you’re a professional, they should blindly embrace what you’ve done; you care enough to have figured out how to present your design through their filters for what’s important – what’s going to add value to their organization, solve their problems and make them heroes.

So how do you build a culture in your organization that inspires deep engagement, what does it mean and how do I make it so? As a leader in your organization, you have a powerful influence on the behavior of your people. They will emulate what you do and, more particularly, how you do it. I have spent enough time with a broad array of firm leaders over the years to fill a book with examples of personal oblivion – leaders so unaware of their own actions and style that they are surprised when someone points out to them that the behavior they find objectionable in someone on their team is merely a reflection of something they model.

The style that can have the strongest positive effect on a team comes from a leader who consciously, in all matters, brings great clarity to every aspect of the work at hand. At a firm level, it’s constant, conversational references to the



Ed
Friedrichs

FROM THE
CHAIRMAN

firm’s vision. From “Why are we in business on a macro scale?” to, “How does what we’re doing right now, meeting by meeting, project by project, detail by detail, reinforce our vision and mission as firm?”

From a business standpoint, clarity means openness and regular conversation about how we’re performing, problems we’re facing and how we’re dealing with them, along with transparency into the finances of the firm. Architects and engineers have famously little knowledge about a firm’s business, the impact that growing accounts receivable have on a firm’s ability to invest in a new office, enter a new practice area, invest in technology or continuing education; not to mention entering a competition for an important project opportunity.

I am continually amazed by the business naïveté of young practitioners who boldly proclaim that their ambition is to hang out their own shingle, but have not taken the time to gain any business acumen. I’m equally stunned by firm principals who don’t share financial information with members of the firm for fear their decisions will be criticized, or that sharing financial data will embolden someone to leave the firm to start their own practice.

Over the years, I made a full financial presentation each year throughout the firm, office by office, allowing plenty of time for questions. I put everything in the context of, “This is what you would have to invest,

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As a leader in your organization, you have a powerful influence on the behavior of your people.

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do, plan for, and worry about if you started your own firm.” This, alone, probably kept more people from actually leaving to start their own practices than any other single thing I did. There were always comments about how grateful people were to not have to deal with this stuff themselves and to be supported by a team of true professionals in the firm.

On a project level, clarity entails bringing context into every conversation about the project as it progresses. *What* are we doing? (what is important to the client; the community); *When* do things need to be done? (what

time commitments and constraints do we have; how can we structure our work to respect them); and, *Why* are we doing this project? (what benefits do we expect to achieve for our client; what are our and our client’s aspirations for innovation)?

Consciously bringing *clarity* and *context* to all aspects of the work you do and how you do it is the secret sauce that delivers a culture of *deep engagement*, leading to individual, firm and client satisfaction, and success. ▀▄

EDWARD FRIEDRICHS, FAIA, FIIDA, is a consultant with ZweigWhite and the former CEO and president of **Gensler**. Contact him at efriedrichs@zweigwhite.com.

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the president of the Boston Society of Civil Engineers said, “My field always had a longstanding tradition of mentorship, and as far as I can tell, the past century is the first to put this tradition to the test. I am in no way trying to say that our culture has taken a wrong turn. I am just stating cultural shifts. Apprenticeship and mentoring is not nearly as predominant in present-day culture and similarly not the nature of the rungs in the corporate ladders.”

It is very important to have a mentorship program in a successful company, along with the understanding of what a good mentor is versus a poor mentor. The article goes on to state, “The core objective is to inspire and guide the Mentee to fulfill their potential. It is essential for wisdom and know-how from the Mentor to be accompanied by support, and appreciation of the Mentee... Mentorship should not be a one-way flow of information and value. Don’t simply dictate. Let go of your ego. Be humble and be willing to grow together.”

The idea of having a good mentorship program in place will then translate into a good leadership program. With baby-boomers coming to the age of retirement, there is a change of leadership happening in many companies. The baton is being passed down to the next generation. Is there a transition to leadership program spelled out for everyone to see in your company?

I would like to see all leaders go through a leadership training session. There are books out there and articles on effective leadership and how to become a leader. Are you encouraged to go through leadership training in your company? Engineering is a field of technical knowledge and the importance of collaboration among equals within the engineering community. Mentors need to be able to share this knowledge to the next generation of leaders with a “high level of competence as well as warmth that will evoke admiration,” Jana Kaserkevic of Inc.com wrote in an article titled “Leadership Challenge: How Lovable Are You?” She explains that a leader’s effectiveness is directly related to how they treat the people who report to them. She also states that in order to be a better leader there are five things that you can work on:

- 1) Be a straight shooter (Be honest)
- 2) Tell a personal story once in a while
- 3) Acknowledge employee fears and concerns (listen to people)

4) Smile – and mean it

5) Stand tall

If you are a manager and you go into a subordinate’s office with guns blazing and making threats or negative statements, then you will be confronted with a defensive and cold attitude. If you instead go into a conversation with kind words and a more inquisitive attitude, the response will most likely be a positive and more pleasing conversation. The number one reason why people hate their job is that “their boss sucks.” “Poor management can ruin even the most passionate and well-paid employees’ love for their job. Don’t let your awful management and leadership skills ruin the drive of your workforce. Do you micromanage and criticize? Are you a bad communicator? If you have unhappy employees, the first thing you should look at is your management habits. The next thing to do is actually talk to your employees to get to the bottom of the problem,” Ilya Pozin, CEO of Open Me and columnist for Inc., Forbes & LinkedIn wrote in “The Top 10 Reasons People Hate Their Jobs.”

We are all human and we all make mistakes. The difference in a good company versus a bad company is how management and leadership handle those mistakes. “While mistakes allow individuals to learn and grow, they can also be very costly to any company,” Amy Rees Anderson wrote in an article titled, “Good Employees Make Mistakes. Great Leaders Allow Them To.” The reader learns that good leaders let individuals make mistakes in order to learn from those mistakes and move forward in their career. Anderson gives some suggestions as to how to communicate, but also cautions that if you make a mistake, learn from it, own up to it, find a solution for it and, most importantly, never let it happen again.

Good businesses have good leaders and a business plan that includes the growth of all employees as individuals within the company. Include all employees in the decision-making process. If the leaders in the company can encourage staff to share new ideas and promote change that helps all employees feel they have a say in the way the company moves forward, then the company will inevitably be more successful. ▀▄

DAWN ROSSMILLER is a structural discipline lead at **Jacobs Engineering Group Inc**. She can be contacted at drossmiller75@gmail.com.

PRACTICE

Telecommuting continues to gain speed

Nevertheless, few arrangements are for full-time remote work in an industry that values face time.

By LIISA SULLIVAN
Correspondent

We are a mobile nation and our workforce is more and more reflective of those mobile abilities as telecommuting continues to rise.

TELECOMMUTING AIDS RETENTION... SOMETIMES... Tim Anderson, HR manager at **KJWW Engineering Consultants** (Rock Island, IL), a 450-person global engineering design consulting firm, says that telecommuting has increased. The company has five employees who are full-time telecommuters – they work either from home or at a rented office space near their home. Part-time telecommuting applies to almost all employees. Laptops, smartphones, iPads, etc., have made it possible for employees to work whenever and wherever they choose. However, unless they have a negotiated arrangement, they are expected to be in the office most of the time to collaborate with others.

“In most cases, these arrangements have allowed us to retain a valued employee who otherwise would have left our firm,” Anderson says.

The downside is that, in some cases, telecommuting arrangements have been made with employees who, after a short amount of time, realize that they miss working in an office atmosphere.

“We were able to resolve one of those cases by placing the employee in a cli-



Tim Anderson,
HR Manager,
KJWW
Engineering
Consultants.

ent’s office, but a few others were not so successful and the employees ended up leaving our firm,” Anderson says.

While many of KJWW’s leaders and supervisors would prefer that everyone comes to an office setting, telecommuting is become ever more prevalent.

“Technology makes it possible and employees want increasing flexibility in their work lives,” Anderson says.

“In most cases, these arrangements have allowed us to retain a valued employee who otherwise would have left our firm.”

TECHNOLOGY – STILL WORKING OUT SOME KINKS. At **Ayers Saint Gross** (Baltimore, MD), a 144-person professional design firm, Melissa Lynch, senior associate and HR manager, says that telecommuting has also increased. Primarily, the telecommuting group consists of about 10 employees whose families have relocated to distant states, workers who live in nearby states and wish to work at home one to two days per week, and working parents who prefer to work from home one to two days per week.

Lynch says that from the employee’s perspective, the greatest challenge is to break down barriers that exist psychologically among team members re-



Melissa Lynch,
Senior Associate
and HR Manager,
Ayers Saint
Gross.

garding availability of remote workers.

“Technology, including VoIP phone service, email and instant messaging, allow instant access, but team members often don’t realize how easy it is,” she says. “The most effective communication method varies within each project team and should be determined

from the beginning in order to be successful. During the coming year, we will begin implementation of webcam/video technology to communicate ‘in person,’ not only with remote workers, but with employees in other office locations, nationwide.”

From the employer perspective, ASG’s greatest challenge remains technology.

“While we continue to develop solutions to improve productivity for remote workers, technology issues remain. Work involving complex programs such as Revit and AutoCad is extremely difficult (slow), while working with simpler programs (e.g., Word, PowerPoint, etc.) can be done quite efficiently. We believe that increased efficiency of these programs in the future and increasing cost-effective bandwidth availability will improve the ease of these programs’ use.”

Another challenge is keeping remote employees engaged while maintaining a collaborative work environment.

“Reducing email communication and increasing phone calls and in-person visits are the key to overcoming remote workers’ feelings of separation, while

See TELECOMMUTING, page 10

●●●● GOOD TO KNOW

Close to half of firms (42 percent) allow firm members to regularly work out of their homes. Professional and technical employees (78 percent) are most likely to be allowed to work from home.

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

ON THE MOVE

LEO A DALY APPOINTS: Christopher Johnson has assumed the role of managing principal of the Omaha, Neb. headquarters office of 800-person international architecture and engineering firm **LEO A DALY**. Johnson will oversee the Omaha team in executing projects and pursuing new business opportunities in markets, including healthcare, aviation, higher education, federal, and hospitality.

Johnson will succeed Lloyd Meyer, who has been with LEO A DALY for 42 years and served in the Omaha managing principal role for the last 17 years. Meyer will stay with the firm in an advisory role through his retirement.

Johnson, who joined LEO A DALY in July, 2012 as business development director, previously worked for the firm as a project architect and project manager from 1990-2003. Before rejoining, he managed preconstruction services for The Weitz Company and Boyd Jones Construction Company. His 23 years of architecture and construction experience includes KETV Burlington Station Renovation, Carl T. Curtis National Park Service Midwest Headquarters, and College of St. Mary Madonna Residence Hall.

KLOTZ HIRES: Klotz Associates (Houston, TX), a 110-person transportation, traffic, ITS, water and sewer, aviation, drainage, land development and consulting engineering services firm, announced the recent hiring of **Donald Durgin** as the new Mobility Department manager within the firm's Transportation Practice. He comes to Klotz Associates with extensive experience in a variety of transportation-related fields, including municipal roadways, complex highways and interchanges, rail design, and bicycle and pedestrian facilities. He has worked on many high profile projects throughout Texas and Nevada.

Durgin started his professional career in Nevada after receiving a bachelor's degree and master's degree in engineering from the University of Nevada, Las Vegas. He relocated to Texas in 2006. He is a member of the North Houston Association as well as the American

Council of Engineering Companies, and serves on the Houston Transportation Committee. Durgin is a licensed professional engineer in the state of Texas.

Upon announcement of Durgin's hire, D. Wayne Klotz, president of Klotz Associates said, "We're pleased to have Donald lead our Mobility Department. His experience is a real asset to the firm and will contribute to our continued growth."

CARNEY HIRES: Carney Engineering Group (York, PA), a multidiscipline structural engineering firm serving the Mid-Atlantic region, announced the hire of **Kerri Robinson** and **Sean Mummert**, both of York County, to their growing team of professionals.

Robinson, a 25-year veteran of the administrative field, will serve as executive assistant to Josh Carney, president of Carney Engineering Group. In this role, Robinson will be responsible for administrative tasks related to projects, accounting functions, and managing the office. She previously worked at Anesthesia Associates of York as a senior administrative assistant where she provided administrative support for the company's CEO, human resources manager and director of finance. Robinson is a long-standing member of the International Association of Administrative Professionals and the Pennsylvania Notary Association.

Mummert, who holds a Bachelor of Science in civil engineering from Penn State Harrisburg, will serve as Carney Engineering Group's newest structural engineer. His responsibilities will include assisting in the design and preparation of construction documents for Carney's various clients. Prior to joining the Carney Engineering team, Mummert interned at C.S. Davidson, First Capital Engineering, and Whiting-Turner. He is a member of the American Society of Civil Engineers, the American Concrete Institute, and the American Institute of Steel Construction.

TELECOMMUTING, from page 9

still maintaining the collaborative team atmosphere necessary to our work," Lynch says.

Lynch anticipates that an increase in telecommuting will occur as new technology allows for increased collaboration and efficiency among distanced workers. For example, the implementation of desktop cameras and messaging software (Skype-like) will allow the concept of telecommuting to become more accepted in the workplace.

TELEWORK, AS NEEDED. Vivian Lewis, president of **GeoConcepts Engineering** (Ashburn, VA), a 59-person geotechnical firm, says that its telecommuting program has evolved over time. GeoConcepts was one of the first companies to take part in the Telework!VA program founded in 2001. When the two-year pilot program began, there were 56 companies interested and only 12 participated.

"We started our business in 1999, so the Telework!VA program was a terrific way for us to attract employees and receive reimbursement for computer-related equipment, reducing our capital expenses," Lewis says.

GeoConcepts currently has three employees who have set telework days that allow them to work from home one- to three days per week. The rest of GeoConcepts' employees telework as needed. Many work from home if their children are sick, or if the weather is bad, etc.



Vivian Lewis,
President,
GeoConcepts
Engineering.

"There is no doubt that in our business meeting your fellow employees and being in the office to interact is essential," Lewis says. "Teleworking employees have this disadvantage and can also be perceived as not being as productive or involved. Therefore, none of our employees telework more than three days per week and, in certain positions, teleworking is not conducive."

While GeoConcepts is a firm based in Virginia, it has many employees who live in Maryland, Washington, D.C., and West Virginia due to telecommuting.

"Some of our employees drive more than one and a half hours per day one way, so we try to accommodate these folks," she says. "We have even started an audio book library to help those commuters feel like they are driving less."

Lewis believes that teleworking is a great benefit that adds flexibility and enhances its employees' quality of life, while reducing stress.

"Our teleworking is about trying to meet and accommodate our employees' busy lives, so we are less prone to having a formal teleworking program and more about letting people work at home for a few hours for a day because of sick kid," she says. ▲▲

ECONOMY

Halting recovery continues

Industry has recovered well during the last year, but governmental shenanigans bring back air of uncertainty.

By LIISA SULLIVAN
Correspondent

While no one has a crystal ball to predict economic trends in the AEC industry, some indicators suggest what the next few months may look like.

Looking to the past is a good place to begin.

A TEPID RECOVERY. Brian Turmail, executive director of public affairs, Associated General Contractors of America, says the industry has been experiencing what could best be described as a “tepid recovery” driven primarily by growth in some private sector construction segments, especially in the energy sector. Declining public sector demand and relatively weak demand for a host of private sector projects, such as new office space and retail, acts as an opposing force to full recovery.

Pending a full analysis of the full impacts of the government shut down, and with a default avoided for now, Turmail anticipates “continued gradual growth in overall construction demand and erratic growth in construction employment.”

While Turmail expressed some concern about what employment numbers might show for September before those became available during the government shutdown, the numbers released later in October provide some hope.

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, accord-



Kermit Baker,
Chief Economist,
AIA.

ing to an analysis of new government data by the AGC. The data, however, does not address any potential impacts from the recent shutdown.

STEADIER DAYS AHEAD? Kermit Baker, chief economist with the American Institute of Architects,

says that the construction sector is typically the last to get hit, so the negative impact of the shutdown may not be felt immediately.

Moving forward, Baker says that we will likely continue to see the roller-coaster pattern we have been observing over the past few years. However, with one year of solid growth behind us, he believes that steadier growth is likely, especially in a few different sectors.

The strength in recent readings in the ABI, coupled with the extended period that architecture firms have been reporting generally favorable conditions, points to an impending healthy upturn in nonresidential activity, leading to more nonresidential construction spending picking up in the current quarter and accelerating through 2014.

Baker adds that the broader economy, however, continues to underperform or is barely positive compared to expectations.

“The GDP is averaging less than two percent growth on an annual basis through the first half of the year and is not expected to do significantly better for the year as a whole,” he says.

ONE FIRM’S INSIGHT. Christopher Stone, president, **CLARK NEXSEN** (Norfolk, VA), a 500-plus-person architecture and engineering firm, says that sector diversification really plays a role in how well firms have done... or will do.

“I’ve heard from many of my colleagues who only do private work that things are not too bad, especially for those who have been involved in multifamily housing,” he says. “With the recent loan crisis, many young families do not have the savings for a down-payment, so multifamily housing (apartments) has been a very strong sector to be in.”

That said, if your primary clients are in the public sector, it’s been much more difficult.

“Many municipalities are struggling. States have cut revenues to many institutions of higher education and therefore the number of projects has started to slow down,” Stone says. “There has been some funding for some minor and major roadway arterials, but the country’s infrastructure continues to deteriorate faster than it can be replaced. If you primary client was the Federal Government, especially DoD (Department of Defense), there wasn’t an FY13 program and the likelihood that there will be an FY14 program is not very promising.”

“For the last quarter of this year and the first quarter of next year, diversification is key.”

Stone says that the end-of-the-year awards that the industry saw in 2013 were half of what they were in 2012; and 2012 was anything but a banner year.

“The government seems to be trying to do more work with in-house staff in order to retain their workforce,” he says. “For the last quarter of this year and the first quarter of next year, diversification is key.”

Although CLARK NEXSEN had to reduce its staff last year due to less work in the federal sector, two recent merg-

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AWARDS

Gibson receives Jerry Allen Award

Award given someone who demonstrated personal courage in their actions that have impacted their firm.

The outstanding accomplishments and courageous actions of Grant Gibson, CEO/managing principal, **GATE, Inc.** (Houston, TX), made him this year's recipient of ZweigWhite's Jerry Allen Courage in Leadership Award.

Gibson was honored with the award at the black tie dinner and awards reception of **THE ZWEIG LETTER** Hot Firm Conference, held on Oct. 24-25, 2013 in Miami Beach, Fla.

GATE, an 86-person systems engineering firm, came in at No. 19 on **THE ZWEIG LETTER** 2013 Hot Firm List.

During tough times, Gibson has had the bravery to help his firm pursue new markets and overseas projects, kickoff a world class marketing program, and make acquisitions with tight resources. Gibson has made many sacrifices to better the firm as a whole – even electing to give himself a significant pay cut to make sure others in the company weren't at risk.

During periods when GATE was faced with severe financial difficulty, Gibson mortgaged his personal real estate and kicked in his own cash from savings to ensure that all employees would continue to be paid.

"People that come across him in life and work are affected by his humility, brilliance and kindness, but know of his achievements being courageous under fire and in bad times," a colleague said.

Gibson's care for GATE employees extends outside his professional duties. After Hurricane Katrina, he traveled in poor weather conditions to help fix an employee's roof, he paid for another employee's foundation repair, and even paid for medical treatments for an employee diagnosed with cancer.

"Grant has always been a long-term vision based person. He has refused takeover bids from other companies when he felt it would not be in the best interest of GATE's employees. He is always of the mindset that everyone around him should be happy and content and successful," said Karthik Annadorai, principal at GATE.

Under Gibson's leadership, GATE has gone from a fledgling company in 2000 to a highly profitable firm in 2013. ▲▲

RECOVERY, from page 12

ers and acquisitions helped it diversify its client base enough to weather the storm.

"For us, the next six months looks very strong and we've had some recent commissions in the science and technology sector, healthcare and higher education, along with some recent design-build awards from the end of the year DoD awards," Stone says.

However, Stone realizes that the government shutdown will

make the days ahead very unsettling for quite some time and impact the flow of work from the public sector into the A/E marketplace.

"The air of uncertainty and how the fed's fiscal policies going forward are also having an unnerving effect on investors and projects in both the public and private sectors. Bottom line, it's my opinion that if your firm is in any way connected to the public sector, that the recent government shutdown will hurt what was already a rocky recovery in the A/E marketplace," Stone says. ▲▲

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