THE ZWEIG LETTER

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MARKETING SUPPLEMENT
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NOVEMBER 18, 2013, Issue 1032

Big changes for 2014

In this pivotal year are you choosing the safe route or are your willing to become an entrepreneurial venture?

Where are you taking your firm in 2014? Are you planning on hunkering down or are you going to be blazing new trails?

Mark Zweig

EDITORIAL

Anyone who owns a business has a decision to make. Will you be an entrepreneurial business? Or will you be a small business? The choice is clear. Entrepreneurial businesses are trying to grow and build value for their owners, who are willing to defer their extractions from their enterprise and invest in it. Small businesses are all about maximizing what the owners can extract from the business today. Investments take away from their ability to consume personally and are, therefore, in conflict with their goals to maximize short-term income.

ZweigWhite is an entrepreneurial venture, not a small business. We wouldn't be on the Inc. 500|5000 List of fastest growing privately held firms if we were not able to invest – and change – our business to make it grow. We were sick in 2009 and over the last three years became a lot healthier. But 2014 is going to be a period of change for us. We'll be changing our organization's structure, capital structure, financial reporting, our people's roles, hiring new people, and more – creating new products and services that better meet the needs of our clients and customers. It won't be for everyone. There will undoubtedly be pushback from some clients and some employees as well.

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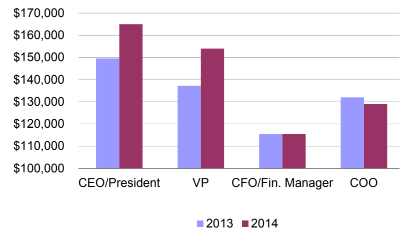
ALSO INSIDE

EDITOR'S NOTE

THE ZWEIG LETTER will not be published Nov. 25 in observation of Thanksgiving. Happy holiday!

TRENDLINES

Uneven spread



Some firm leaders at leading architecture firms are seeing significant increases in base salaries from 2013 to 2014, while other C-level title salaries are basically remaining the same, according to ZweigWhite's 2014 Salary Survey of Architecture, Interior Design, and Landscape Architecture Firms. The median base salary for CEO/President/Managing director increased from $149,552 to $165,000; for vice president from $137,275 to $154,000. Meanwhile, CFO/Financial manager median base salary rose slightly from $115,440 to $115,550 and chief operating officer (COO) base salary declined from $132,000 to $129,000.
– *Margot Suydam, Survey Manager*

FIRM INDEX

WHAT'S WORKING
Ready, set, action!
> Image mosaic.

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A/E BUSINESS NEWS

DODGE SLIPS: The Dodge Momentum Index slipped 0.9 percent in October compared to the previous month, according to McGraw Hill Construction.

October's decline brought the Momentum Index to 115.3 (2000=100), down from September's 116.4, although still well above the reading of 90.8 registered at the end of last year. The latest month's retreat may be just a brief departure from the broader trend, in this case the steady improvement shown by the Momentum Index from December 2012 through this September. At the same time, it may well be a sign of renewed caution on the part of developers, given the uncertainty about the political and economic environment stemming from the October government shutdown and the debt ceiling deliberations.

The October Momentum Index once again revealed divergent paths for its main parts – new plans for commercial buildings, the more cyclically sensitive of the two components, dropped 2.1 percent, while institutional building plans held steady. On the commercial side, a large decline in plans for new offices and stores outweighed strong gains for new hotel development.

New lodging projects entering the pipeline in October included the $50 million Dream boutique hotel in Dallas and a 250-room extended stay hotel in Florham Park, N.J. The stability in institutional plans, meanwhile, was aided by a strong upturn for new healthcare projects, including $118 million for Hurricane Sandy repairs to the Bellevue Medical Center in New York and the $91 million Landmark Farm Colony Senior Housing Community in Staten Island, N.Y.

The Momentum Index is a monthly measure of the first (or initial) report for nonresidential building projects in planning, which have been shown to lead construction spending for nonresidential buildings by a full year.

CONSTRUCTION EMPLOYMENT UP: The October issue of TriNet SMBeat, a monthly analysis of small business employment and human capital economic indicators, showed that month-over-month net job growth continued across the United States. Construction had the most significant jump with 3.35 percent in net job growth in October coming mainly from Texas, California and Florida. Technology continued to see a month-over-month increase with 1.3 percent in net job growth across all major tech hubs except Denver.

Key findings – sourced from TriNet's more than 8,000 customers and over 220,000 worksite employees in the U.S.:

- Construction hiring has grown steadily throughout 2013, with an average of 1.61 percent growth per month. October brought a new high in 2013, with 3.35 percent net job growth, surpassing the previous high of 3.09 percent recorded earlier this year in March.
- Texas, California, and Florida lead the country in new small business construction jobs. Texas has seen continuous positive job creation in the construction sector since October 2012, averaging 3.6 percent net job growth per month. In October, Texas had 5.53 percent net job growth, much of it driven by activity in the energy and real estate sectors. California followed Texas, with a 3.23 percent net job creation in construction. Florida's net job growth in this area increased by 52 percent in October, moving from 0.86 to 1.3 percent.

MARK ZWEIG, from page 1

But change – real change – involves discomfort. You cannot maintain the status quo with a "good enough mentality" while at the same time say (and really mean) you want to do better.

We see these same conflicts in the client organizations we serve. On one hand, a sizeable faction is patting themselves on the back, congratulating each other and their employees for surviving a horrible recession. To them, any change now involves risk, and risk should be avoided. Then there's another faction that sees the business climate differently. They see a sea of competitors, all doing things essentially the same way, and loads of opportunity for themselves to do things differently. Most A/E/P and environmental firms fall into the former category.

Where are you taking your firm in 2014? Are you planning on hunkering down, minimizing change and new investments because that's the "low risk" position to take in a turbulent environment? Or are you going to be blazing new trails this year by doing things differently than you have before as well as doing new things you have never done before? The fork in the road is real. What you do today will affect your future. And the future will be here before you know it. I know. I'm 55 and used to be the "young guy!"

I see no action and the status quo as the high-risk position to take. I prefer the low-risk approach of changing out those who can't or won't do the jobs we need done, promoting those who are driven and who get results because not doing so may cause them to leave, spending marketing on things that sell, doing experimental marketing efforts on new offerings that we think the market may want or need, developing new products and services, throwing out the bad, trying to create more that's good, investing in people, technology and R&D. These are the things that keep a company fresh and create new opportunities.

Entrepreneurial venture or small business? 2014 is a pivotal year. The choice is yours. And we're all waiting to see what you'll do versus what you say you do.

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THE ZWEIG LETTER

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EFFICIENCY

Making the most of firm productivity

The techniques that firm leaders and others use to keep distractions at bay.

By LIISA SULLIVAN
Correspondent

How do firm leaders ensure that their teams are the most productive they can be? Cultivating a leadership environment, organization, prioritization and delegation all seem to play key roles.

Charles Becht IV, President, Becht Engineering Co., Inc.

Charles Becht IV, president of **Becht Engineering Co., Inc.** (Liberty Corner, NJ), a 190-person engineering consulting and project/turnaround management services firm, says that cultivating a leadership environment with aligned staff who can work independently toward company goals tops the list.

"If you are tied up micromanaging, you will not have time for truly productive activities."

"If you are tied up micromanaging, you will not have time for truly productive activities," Becht says.

GROUP BY VALUE. "Consider all of your activities and group those that provide high-, moderate- and low value to the company," Becht says. "Often, high-value activities are not being done because time is being consumed by routine, moderate- and low-value activities. To be high value, an activity should require your personal attention to achieve that value (i.e., it is not an activity you can delegate)."

Becht suggests that firms should build their organizations so they can delegate any activity that is not of high value. This may take adding staff, training, mentoring and oversight.

Being productive does not mean accomplishing a lot of work; being productive is accomplishing high-value tasks that can significantly impact moving the company toward its goals.

Trisha Johnson, Director of Interior Design and Procurement, Luckett & Farley.

MASTER 3. Trisha Johnson, director of interior design and procurement at **Luckett & Farley** (Louisville, KY), a 76-person multidisciplinary architectural, engineering, interior design firm, says that there are three elements that firm leaders should master to be productive. They are: organization, prioritization and delegation.

Johnson says that they should also fall in the order above. She has found delegation to be the most difficult.

"As a young leader, I always have some guilt associated with delegating to a team member," she says.

Johnson offers three tips to aid leaders. They include:

1) Make a "to do" list every Monday morning that encompasses the whole week ahead; this is the best way to frame your game-plan for the week.

2) Focus on tasks that could be combined for efficiency and pair those together. Be efficient in everything you do. "I believe this is the secret most productive people don't necessarily acknowledge," Johnson says.

3) The number one job of a productive leader is to find outstanding team members who can contribute to the productivity of the team, and then get out of their way. Keep a close eye for course corrections, but let them run with things as much as possible.

TIE GOALS TO TASKS. Dana Birkes, chief marketing officer, **Clifford Power Systems, Inc.** (Tulsa, OK), a 150-person power generation systems firm, says that it's important to set two- to three primary goals, at most, per quarter. This will move your company in the right direction.

She says that these goals should be used as a mirror to measure daily whirlwind tasks. If not directly applicable, put those tasks on the back burner.

Birkes also finds the following useful:

A/E LEADERSHIP BLOG
Becht Engineering produces a leadership blog that discusses leadership roles, career development and more. You can find it here: http://becht.com/blog/leadership.

- Before leaving every day, document your list of priorities for the following day/review your calendar.
- Delegate (and mean it)!
- Commit to a schedule of regular activities and let others know what that schedule is. For instance, if you return calls from 2 to 4 p.m., do not check emails during that time and turn your phone message service on. Do not read and return emails constantly during the day; it's distracting. Set specific times aside for all activities (staff meetings, reading reports, etc.).
- For staff meetings, always have an agenda. Set aside any issues not on the agenda for a future agenda.
- Read industry literature.
- Have an open-door policy, but again, set aside a regular schedule for it.
- Know what you must know in order to make informed decisions and trust those you delegate to know how the watch works (the details).

PEARLS OF WISDOM. Barbara Shuck, firm-wide marketing communications manager at **Wilson & Company** (Albuquerque, NM), a 425-plus-person multi-disciplinary engineering, architecture, surveying, mapping, environmental, and planning firm, also shares her thoughts:

- Communicate early and often.
- Identify potential issues early.
- Break big tasks into smaller ones, and use breaks in the day to accomplish little tasks.

See PRODUCTIVITY, page 4

RESOURCES

SALARY SURVEY: The 2014 Salary Survey of Architecture, Interior Design & Landscape Architecture Firms is the most up-to-date and comprehensive compensation survey for architecture firms across the country. Based on data from a broad sampling of architecture firms in the U.S. reporting salaries for all positions, this report is the gold standard for firm leaders looking to benchmark their own and their staff's compensation against their peers.

You'll get salary comparison tables for each position, broken down into demographic subgroups such as firm type, firm staff size and region of office so you can make reliable comparisons between your firm and others just like it. Regions include: New England, Middle Atlantic, South Atlantic, North Central, South Central, Mountain, and Pacific. Descriptions and average years of experience are included for all titles in the survey.

It's all here, laid out in an easy-to-read format for firms just like yours.

The 2014 Salary Survey of Architecture, Interior Design & Landscape Architecture Firms will help you:

- Compare your staff's salaries to those in firms just like your own
- Find out what the normal salary range is for every type and level of position in architecture firms
- See how salaries change as firms grow in size and help you prepare for your own firm's future
- Evaluate salaries on a regional basis
- If you have offices in more than one state, see where employees are earning the most – and the least

Human resources professionals, recruiters, and hiring managers: Are you charged with hanging onto your most valuable employees – or perhaps attracting more talent – but at a reasonable price?

If so, use the data in this new survey to help control salary levels within your firm, to make a case why one of your valued employees must receive an immediate raise, or to decide how much you should reasonably offer a new hire. Between helping you resolve contentious salary disputes and keeping compensation costs down, this book will pay for itself many times over.

Architects: Find out how your salary compares to similar positions in a wide variety of firm sizes, types, and locations. Get information that will help during your annual review, or when applying for a new job.

The Salary Survey of Architecture, Interior Design & Landscape Architecture Firms gathered responses from more than 100 representative firms from all regions of the country to document base salaries of employees at those firms.

Not surprisingly, a raise in base salary is frequently ranked as the second-most important financial incentive for employees, after cash bonuses.

Don't underestimate the importance of staying on top of the very latest developments in salary trends, and don't rely on outdated or non-industry-specific sources. Make your salary decisions with confidence using the up-to-date information in this new report.

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/p-2181-salary-survey-of-architecture-interior-design-landscape-architecture-firms-2014.

PRODUCTIVITY, from page 3

- Schedule 30-minute blocks of a time a few times a week to accomplish short-term tasks that pile up. Keep these appointments with yourself, or these short-term tasks won't get done and will stay on an already-long "to do" list.
- Schedule thinking time – keep that appointment sacred, too.
- Let people know when you're busy on a project and would prefer not to be interrupted. Negotiate another time to talk.
- Set intermediate deadlines with staff that routinely miss deadlines. Offer to take parts of projects piecemeal so you can remain productive while waiting for additional information.
- Have a plan B. Realize that staff may not deliver when promised.
- Wherever you are, be all there. Don't let distractions make you lose focus. Listen actively. You may not get all the information you need if your mind wanders and you are likely to have to go back and get the details repeated.
- Take notes to help you remember details.

PROFESSION

Certifications help maintain edge

Firms are keeping track of new ideas and working methods as they retool for the future.

By LIISA SULLIVAN
Correspondent

As the industry emerges fully from the long recession, there's never been a better time to exhibit new skills, abilities and capabilities.

Perhaps that explains the rush for certification in an industry where the letter combinations after a person's name are seen as a competitive advantage in front of potential clients. At the personal level, certifications enhance professional advancement or help to secure a new job.

CAD certification alone has continued to gain momentum with a 10 percent rise in candidates, reflecting the 20 percent increase in the number of Autodesk Authorized Training Centers to meet demand. There are now 231 Autodesk Authorized Training Centers (ATCs) across North America and 615 authorized training instructors; 18 percent more than three years ago.

Rick Feineis, owner of CAD Training Online (www.CADtrainingonline), attributes these increases to employers and employees who recognize the benefits of validating skills. There are now 14,181 architects, designers, engineers and CAD professionals certified across North America – a 60 percent increase since 2010.

"Employers are seeing that training and certification help enhance motivation and professionalism," says Feineis, who is also chair of Autodesk's North American ATC Leadership Council. "Encouraging lifelong learning means that employees keep up-to-date with new ideas and working methods – and on a practical level, can use the latest software versions."

Rick Feineis, Owner, CAD Training Online.

VALUE ADDED. Feineis adds that in today's competitive workplace, certifications provide that "value-added" piece that may put employees at the front of the line.

> "Employers are seeing that training and certification help enhance motivation and professionalism."

"At CAD Training Online, we find that there are three groups of people who typically want to get certified. They are: people who are trying to keep their jobs; people who want to get promoted within their jobs; and people who are unemployed and competing in the marketplace to differentiate themselves as much as possible."

RETOOLING FOR THE FUTURE. Feineis provides an interesting analogy when it comes to explaining the increasing desire to get certified.

"Think of the 1930s. Delivery drivers had wagons and horses and busy routes. Then the depression happened. People were out of work and there was time to focus on retooling for the future. So, engines started to be introduced and horses and wagons were phased out, so when the lean times were over, businesses were ready to jump into action – better and stronger than before. They had more efficient tools and were ready for the recovery," he says. "We are experiencing a somewhat similar time now. We are coming out of a recession where many people were laid off and firms are retooling with more intelligent tools. Certifications and software are a part of this recovery activity."

And, certifications are not only knowledge-based, but skill-based as well. Students typically get about 32- to 40 hours of hands-on training in the classroom and then an additional 100- to 400 hours of practical hands-on experience in the field.

"It's these types of rigorous certifications that really give employees and employers that edge," Feineis says.

STAYING ON TOP OF CHANGING TECHNOLOGY. Norman Buckberry, senior manager, post-secondary programs at Autodesk Inc., adds, "The world of designers, in any sector, has been transformed by digitization. The software and working methods are evolving rapidly – for example, digital prototyping in manufacturing design is fast eliminating the need for physical prototypes and building information modeling is radically changing the way buildings are designed and tested. Certification enables employers and employees to demonstrate that they are totally abreast of these current developments."

Juliana Milanov, BIM project engineer at **KTD Consulting Engineers** (Orlando, FL), a 20-plus person firm, recognizes the importance of improving yourself on a constant basis.

"I love learning new things, reading self-improvement books and am always looking for new ways to improve myself," she says. "When I had the opportunity to get REVIT-certified, I jumped at the chance. I am also lucky enough to have an employer who believes in the importance of education and training."

Milanov, who has been with the

See CERTIFICATIONS, page 8

GOOD TO KNOW

The majority of firms (73 percent) pay for professional registration exam applications or fees. More than a third of firms (35 percent) pay for preparatory classes.

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

Enhanced contract scrutiny pays dividends

Review of contract requirements placed on others is good practice. Here are four ways to do it.

Dan Knise

GUEST SPEAKER

Over the last decade or so, most well-run design and construction management firms have adopted an active approach to managing contract-related risk. These successful firms have policies and procedures in place to ensure that projects and potential clients are properly screened and that contract language is reviewed and modified as needed. In the course of these contract reviews, the focus will often be on the “big three” of contract issues: Standard of Care, Indemnification, and Warranties/Guarantees. Additionally, these design firms, or their insurance broker/advisor, will review the specific insurance requirements being placed on them by contract to ensure that these requirements are met by their current insurance program.

While this proactive approach is laudable and pays dividends, we are finding that the “best practice” firms take this process one step further and add an extra component to their pre-contract execution ritual. These firms go beyond a review of the risk and insurance requirements placed on them to look at the insurance and contract requirements placed on other parties (e.g., contractors, project owner, consultants hired directly by owner) and how these requirements can be used to further reduce the architect, engineer, or construction manager’s risk and potentially shift risk-related costs to others.

What are some of the ways they do this? Let’s look at four key ones:

1) **Ensure that contractors (and project owners) carry adequate insurance.** A key risk for any design professional is being the “last deep pocket” left standing when there is a third-party bodily injury or property damage claim. More often than you can imagine, we’ve been involved with claims where the contractor’s meager limits (e.g., $500,000 of general liability insurance) are exhausted and the jury is looking for someone to pay the injured victim. Guess what, that’s the architect or engineer. For smaller projects, look for the owner to require contractors to carry at least $1 million of general liability insurance. Once the project gets much above $2 million in value that limit should jump up to at least $2 million and for projects of $5 million or more, this limit of insurance coverage (often met with a combination of general liability and umbrella/excess liability limits) should be $5 million or more. Importantly, the insurance requirement should apply not only to the general contractor, but also to any subcontractors. If the project involves a private owner or authority, etc. make sure the owner has adequate insurance as well.

   On a related, but different note, be sure the project under construction is appropriately insured for damage or loss under a builder’s risk or property insurance policy. Property insurance is a very cost-effective way to insure against the risks of fire or catastrophic loss. Importantly, make sure there is a waiver of subrogation (see point 3 below) to avoid situations in which the property/builder’s risk insurer pays a claim and then comes back against the engineer or architect to recoup its claim payment.

2) **Seek “Additional Insured”status on contractor insurance policies**. It is simple for the owner to require contractors to name not only themselves, but also the architect and any engineers or other consultants. The standard AIA A201 documents (General Conditions for the Contract of Construction) specifically includes in Article 11.1.4 a requirement that the contractor name “...the Architect and the Architect’s Consultants as additional insureds...” In furtherance of this concept, architects and engineers should be indemnified parties in the owner-contractor indemnification clause.

See DAN KNISE, page 8

We can’t over-emphasize the value of a proactive approach to contractual risk management. Don’t be afraid to ask for changes that can help reduce your firm’s risk and ensure fair allocation of risk-related costs.

zweigwhite

Surprising changes in our PM survey

What are other firms doing?
What are you doing?

Christine Brack

PM PERSPECTIVES

Each new edition of our Project Management Survey delivers surprises. The 2013 version presents a bounty.

Every year I take my list of favorite statistics and see what, if anything, has changed over time. There were some significant adjustments between 2008 and 2010, when the economic fright caused firms to put good practices and training on indefinite hold. Things began to improve in late 2011 – and so did the results in that year's survey. The findings for 2013 also do not disappoint as far as surprises go – but then again, our industry is always changing; always finding or doing something more innovative, better.

Here are some of the more interesting pieces of data from our survey. Some bullet points make the list of annual highlights often; others are new.

- **Workload planning.** No doubt it's important to know who is working on what, who is maxed-out in their workload, and who has capacity for more in the coming weeks. Forty nine percent of firms hold a weekly resource planning meeting to resolve these and other utilization issues. This is down from 54 percent in 2012, which was up from 20 percent in 2011. Fourteen percent of firms hold these meetings bi-weekly; 15 percent hold them just on a monthly basis. Even when meetings are held, there's no guarantee that everything is sorted out. Sometimes the meetings just confirm that the organization is understaffed or overwhelmed. Sometimes, even if team members are doled out, they are often swapped out or stolen within days of that meeting.
- **Project staffing.** The above leads us to the concerns managers face when attempting to plan out how to get all the work done. Our 2013 Principals, Partners, and Owners Survey indicates an increase in senior managers and principals committing more hours on a project than they had in the past – a causing a larger financial impact on the internal budget. The PM survey does highlight that project teams voice this same concern: projects are top heavy, there is reticence to hire in order to avoid future layoffs, and the current staff is too young and inexperienced to be left entirely on their own.
- **Performing rework.** Of the many statistics in project management, data around rework has been the most erratic. In 2010, only 36 percent of firms tracked rework and the corresponding financial impact it had on the firm. By 2011, the number jumped to 45 percent. I had a glimmer of hope. Last year, the rate fell dramatically – only 24 percent of firms calculated what it cost their firm and why. This year, the number climbed slightly to a weak 28 percent. For the firms that track rework, the primary reasons: unclear and incorrect scope (50 percent), no approval for out of scope work (45 percent), team member inexperience (45 percent), schedule slippage (40 percent), and inadequate QA/QC (40 percent). Firms look for many areas within the business to cut costs to improve the bottom line but still seem to shy away from investing to improve what they claim to do best: projects.
- **Factors impacting project performance.** No matter how well a project is planned, there will always be those internal and external factors throwing the efforts off track. We can manage a client to a certain extent, but most external factors are out of our control. Internal factors, however, are completely within our control. When asked what some of these are, project managers cited: communication breakdowns (64 percent), inadequate fee for work required (43 percent), unrealistic deadlines and schedules (35 percent), inexperienced staff (34 percent), and lack of internal accountability (28 percent). We know it's there, we know it happens, but we let it affect our projects anyway.

Good, bad, or otherwise, these appear to be the trends in project management. There are, of course, many interesting facts and figures throughout the entire survey so I highly recommend you pick up a copy. My recommendations always lie on the side of investing in what you do to get your work done and getting to the bottom of why it can actually cost you money to do a project, rather than make money doing it.

CHRISTINE BRACK, PMP, is a principal with ZweigWhite specializing in business planning and project management best practices. Contact her at cbrack@zweigwhite.com.

The findings for 2013 also do not disappoint as far as surprises go – but then again, our industry is always changing.

ON THE RECORD

Skip emails for direct contact

One reader responds to Mark Zweig's editorial with his own suggestions.

In the Oct. 7, 2013, issue of **THE ZWEIG LETTER**, Mark Zweig wrote about how principals and managers do meaningless stuff half the time, offering three tips to increase productivity.

Christopher Schiltz, senior principal at **Koch Hazard Architects** (Sioux Falls, SD), a 25-person architecture, planning and interior design firm, wrote:

"Why write internal emails unless a PM is out of town? Get up, walk out of your office, speak face-to-face."

Mark,

Very good editorial in Oct. 7 issue of **THE ZWEIG LETTER**. I don't know about you, but in the "old days" I would get a letter by fax or RFI on paper and write the response right on the very document it was sent on, sign, date and send it back.

And make a copy of it for the file.

It takes two or 3 times as long to compose an email (often with way too many words than necessary, which in and of itself, without review and re-review, can get one into trouble).

And why write internal emails unless a PM is out of town? Get up, walk out of your office, speak face-to-face. People say things in emails, even if between the lines, that they would never say on the telephone, nor face-to-face for sure.

Besides the exercise wouldn't hurt.

Thanks for your editorials,

Mark Zweig responds:

No kidding! But if you actually speak to someone versus email it you cannot cover your butt as well!

Thanks for writing, Chris.

Mark

CERTIFICATIONS, from page 5

Juliana Milanov, BIM Project Engineer, KTD Consulting Engineers.

firm for almost two years, says it's even worth paying one's way if an employer doesn't refund for training and certification costs.

"Certifications prove to current or potential employers that you are serious about what you do," she says. "In addition, many firms will want to test you on certain software. If you have the certification, you will save that step."

Finally, Milanov says that certifications simply help people to stay on top of technology because there are so many changes happening so rapidly. "Plus… you can add certification logos to your business cards!" she says.

DAN KNISE, from page 6

3) **Ask for a Mutual Waiver of Subrogation.** Design firms are often asked to provide their clients with a waiver of subrogation and confirmation that their insurance companies will honor this waiver. This is generally an appropriate step to avoid unneeded additional litigation and help control the costs of insurance.

   Importantly though, these waivers of subrogation should be mutual – meaning the owner and contractor's insurers should also agree to waive subrogation against the architect or engineer for any claims paid. This is especially important with regard to property or builder's risk insurance. We've actually had a claim where the builder's risk insurer paid a property damage claim due to water infiltration during construction and then turned around and sued the engineer for not "designing and maintaining effective rain/water infiltration protection." Due to the lack of a waiver from the owner, the engineering firm paid a $100,000 deductible and their professional liability insurer paid the rest of the claim settlement (eventually resulting in higher professional liability insurance premiums).

4) **Seek a Limitation of Liability Clause.** While only limiting the design professional's potential liability vis-à-vis the owner, such a clause, if properly drafted to ensure compliance with applicable state laws, can be very valuable. A simple way to bring the idea of a limitation of liability to the bargaining table is to include such a clause in your standard agreement. At least then, it is a topic for discussion. Often, such clauses limit the architect or engineer's liability to either the amount of their fees or the amount of their available insurance, or some other reasonable dollar amount. While most public sector owners won't or can't even discuss such clauses, it is surprising how many private owners will consider such a clause if properly presented early in the contract negotiation process.

In closing, we can't over-emphasize the value of a proactive approach to contractual risk management. Don't be afraid to ask for changes that can help reduce your firm's risk and ensure fair allocation of risk-related costs. Seek advice and counsel not only from your lawyer, but also from your insurance broker/advisor.

DAN KNISE is the president & CEO at specialty insurance broker Ames & Gough. Contact him at dknise@amesgough.com.

RIGHT NOW

Holiday campaigns still strong

No firm out there lets this opportunity to connect with clients pass by.

By LIISA SULLIVAN
Correspondent

When the holidays begin to roll around, many firms like to do something to show their client appreciation. Some ideas are personalized and classic, while others are festive and creative ventures.

Make it personal. **MacKay Sposito** (Vancouver, WA), a 100-person civil engineering consulting firm, strives to know its clients well enough to understand what will be a thoughtful and personalized gift.

Lisa Schauer, VP of BD, MacKay Sposito.

"Like many firms, we send holiday cards and we hand-write personalized messages. While it requires significantly more coordination, we want our clients to know we spent a little extra time to write a personal note," says Lisa Schauer, vice president, business development. "We also try to find opportunities to celebrate with our clients. We try to host an evening dinner or a morning breakfast and promise to not talk about the project or the work, but to focus only on connecting."

Maribel Castillo, Associate VP, Director of Corporate Communications, TY Lin International.

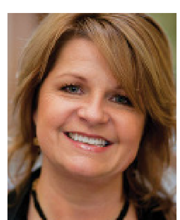
Heather Collins, marketing manager, **Pond & Company** (Atlanta, GA), a 240-person architecture and engineering consulting firm, says that traditionally the company sends cards or small gifts to give thanks to its clients, consultants, and friends during the holiday season.

"As the year comes to an end, it's important for us to take time to express our gratitude to everyone who supports Pond," she says.

Go green. For the past several years **TY Lin International** (San Francisco, CA), a 2,500-person global, multi-disciplinary engineering services firm, has gone green and sends out e-cards to its clients.

"Along with the e-card, we make a donation in honor of our clients and partners to a charitable organization, such as FEEDING AMERICA," says Maribel Castillo, associate vice president, director of corporate communications.

Get creative. Kari Andren, associate/director of marketing/branding group manager, **Sanderson Stewart** (Billings, MT), a 65-person collaborative community development services firm, says that holiday campaigns are a large marketing effort and they have found them to be invaluable.



Kari Andren, Associate/ Director of marketing/ Branding Group Manager, Sanderson Stewart.

"From a marketing perspective, we need to get in front of our clients on a regular basis to keep our brand at the top of their minds and our holiday campaigns and open houses are a great way to do that," she says. "Our holiday open house has turned into a great networking event for our clients. In fact, they have been so popular that we have people ask to be put on the invite list."

Holiday campaigns also let business partners see the fun and festive side of a firm. To avoid the dreaded "corporate" open house with ugly sweaters and Christmas Muzak, Sanderson Stewart creates a themed campaign each year that is based on the year's events.

See HOLIDAY, page 12

WHAT'S WORKING

READY, SET, ACTION!

Employees at **Margulies Perruzzi Architects** (Boston, MA) brought a full-range of creative talents to an internal video competition that was unlike anything ever done in the industry before.

In order to promote their 25th anniversary, MPA got the entire company involved and created eight diverse company teams (no principals) to compete in an internal video competition with a highly motivating prize – a three-day, two-night trip to Bermuda with a guest. Each team was given top notch video equipment and some loose guidelines: create a two- to 3 minute video about the firm's people, practices or history. Four clients from varied industries were picked to be judges, and the winner was determined using a five-point scale with one point earned from each of the judges, and one point given to the winner of the popular/public vote.

What works:

- **Humor.** The finished videos, which are hilarious and informative shorts on a variety of company topics, were put up on the company's website for anyone to view (www.mp-architects.com/vote/).
- **Everyone helped market.** The competitive public vote became a big source of exposure for MPA, as teams went to lengths to promote their videos to every conceivable source, often using their own networks.
- **Team diversity and cooperation.** The process of creating and promoting the videos brought people from all areas of MPA together and was a great way to build the MPA team. The videos received outstanding feedback and were a highly successful promotional tool.

Results

TEAM 8: A LEGO BRICK FILM - THE DARK SIDE OF SPARKLE

One person commented, "Wow! Can I work here? What a great team. I LOVE this idea and the videos were all so amazing, entertaining, fun and I learned a few things that I did not know. Great job to all and I look forward to the continued success of Margulies Perruzzi Architects."

"We were pleasantly surprised when other folks picked up on this awesome idea. The Boston Business Journal took notice and even commented on the use of one of their newspapers in one of the videos. An industry blogger wrote an in-depth blog post critiquing the entire competition and each individual video," says Barbara Hicks, senior associate and director of marketing and media at Margulies Perruzzi Architects.

When MPA tallied how many total votes were accounted for across all eight videos, the company was amazed: 3,022 people had voted!

IMAGE MOSAIC

Douglas Wood Associates (Coral Gables, FL), a 16-person structural engineering firm, shared their 21-year milestone with the public through an email and social media campaign focused on a composite of images.

The marketing idea was simple and straightforward, but DWA sought input from a variety of sources to further develop it.

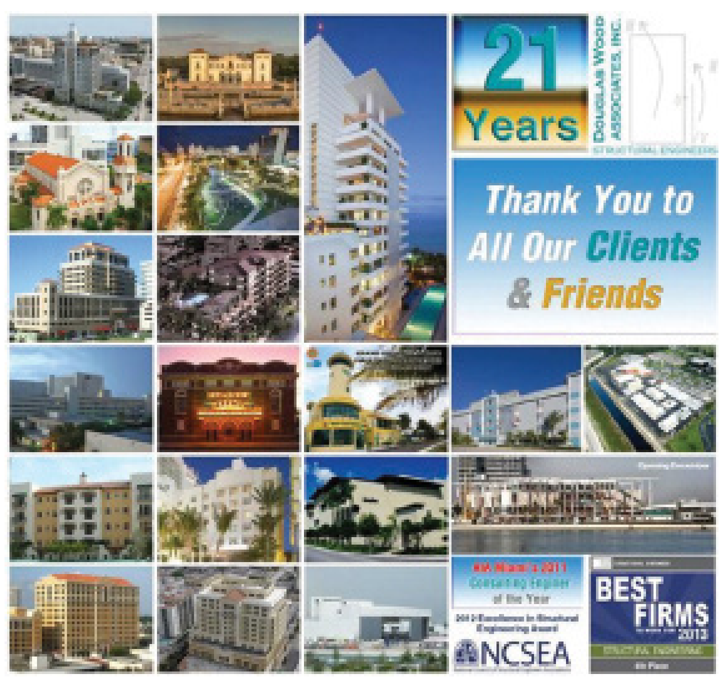
"The method evolved as the concept was fleshed out. We started with a relatively simple layout with our logo, two or three recent project photos and a message of thanks to our friends and clients," says Kenneth Boyer, director of business development.

Internally, the firm shared the idea with some associates to get their thoughts. Boyer says they responded enthusiastically and suggested that the campaign "show more of our structural engineering awards, tweak the text, and most importantly, more photos!"

The firm eventually developed a mosaic of images interspersed with public messages and logos of various achievements. The effect is eye-catching and the overall image was used on a variety of platforms, including email, Twitter, LinkedIn, and Facebook.

What works:

- **Photo selection is important!** Over the last 21 years, DWA has successfully completed over 1,500 projects in South Florida. The team worked diligently to identify the photos that would showcase



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Strategic buy-in

The communications plan is a collaborative effort, so make sure you get a seat at the table.

We all know that having a communications strategic plan that aligns with the firm's business objectives is a good thing, but, many times, your internal clients and stakeholders don't share that same viewpoint.

Franceen Shaughnessy

GUEST SPEAKER

It's that time of year again – strategic planning for 2014. It's the time when communication pros look back on the hits and misses in previous years and start strategizing for the key initiatives in the coming year.

Having a flexible, yet detailed communications strategic plan will help generate long-term results for your architecture, engineering, or environmental consulting firm.

Keep in mind that your internal clients and stakeholders are engineers and architects. What does this audience like? Data. A communications strategic plan allows you to track initiatives throughout the year to generate the data that can help you build your case with senior leadership for PR.

This column won't be about writing the plan. I already covered that topic in the May, 2013 issue of **THE ZWEIG MARKETING LETTER**. In my observations, in-house communications professionals understand what is needed to properly execute the plan. However, a challenge arises in getting buy-in from the firm as to the need for a PR plan and then making it part of the company's business planning culture.

Here's where to start.

1) **Get a seat at the table.** An effective communications strategic plan feeds into the company's themes within its overall yearly strategic plan. You need to find these themes so that they become a part of your communications plan. To do this, you need to have a seat at the table – whether that is with the CEO or the board. You need to be plugged into these higher-level discussions so that your communications plan is in line with the firm's goals and objectives for the coming year.

   Getting the ear of the top decision-makers within the firm doesn't happen overnight. It could take years of consistently chipping away. Again, it comes down to tracking all of your communications efforts. Most likely, your internal clients and stakeholders are engineers and architects, which means they want to see data and hard results. Get rid of the theory by backing it up with hard numbers.

2) **Connect with key internal clients and stakeholders.** Take the time to sit down with your practice area leaders and other key internal clients to get them thinking about big initiatives for the coming year. This should be viewed as the initial brainstorming session where you want to learn as much as possible about the group's plan for the next year. You don't want any surprises.

   Find out what initiatives fall into the company's overall themes. Learn about any challenges, any milestones (internal and external), any key programs, any events (internal and external), and any other big initiatives that might need some communications support. All you should be doing during this conversation is asking questions, listening, and taking notes.

See SAHUGHNESSY, page 12

the depth and diversity of their portfolio. The final release includes some great successes, such as Miami Beach's revolutionary Soundscape Park, Soho Beach House (award-winning high-rise), International Studies Preparatory Academy (magnet school in Coral Gables) and the about-to-open Pérez Art Museum Miami.

- **Simultaneous distribution for big impact.** "We released the final, featuring 21 images matching our 21 years, simultaneously across all of our social media platforms and to our email list," Boyer says.
- **Analytics.** The results speak for themselves.

Results
The firm reported they received great response from the direct emailing and social media posting.

"Twitter's analytics let the firm know that that the campaign performed with nine times better reach than our typical posting," Boyer says. "On Facebook, the posting performed seven times better than DWA's typical post, and reported an overall 25.7 percent increase in reach over the previous week's content. LinkedIn reported 3,000 impressions, up 60 percent from typical posts."

SHAUGHNESSY, from page 11

Through consistent and constant tracking followed by communication (i.e. educating clients through the results) buy-in can be achieved.

3) **Collaborate with firm leaders to narrow the list down.** The point of the brainstorming session with key internal clients and stakeholders is to find out EVERY big initiative in the coming year. That list is going to be long. You don't have enough resources to tackle every item on it, which is where strategy comes into play. You need to narrow down the list to the fit with the firm's overall themes.

   This task can't be successfully completed in a silo. You need to collaborate with the firm's decision-makers – the ones who are ultimately setting the company's agenda for the next year. You need to have their support and backing, which brings us back to getting a seat at the table.

We all know that having a communications strategic plan that aligns with the firm's business objectives is a good thing, but, many times, your internal clients and stakeholders don't share that same viewpoint. Instead, you need to show them why you should be included in the discussions (i.e. getting a seat at the table) and why it's a collaborative process with internal clients and stakeholders as well as firm leaders. This buy-in could take years to achieve, but don't lose hope. Through consistent and constant tracking followed by communication (i.e. educating clients through the results) buy-in can be achieved.

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AWARD WINNERS

SSE RECEIVES AWARD: Sam Schwartz Engineering (New York, NY), a transportation solutions firm, has received the ITE Pedestrian and Bicycle Council Best Project Award with America Walks for the joint publication Steps to a Walkable Community: A Guide for Citizens, Planners, and Engineers.

On Aug. 7, Sam Schwartz, president and CEO of SSE, accepted the award at the ITE Annual Meeting in Boston with Wendy Landman, a member of the board of directors of America Walks. The award is granted annually to the project that best implements innovative design solutions or study techniques relevant to the field of non-motorized transportation.

"The oldest form of transportation is getting new life – Steps to A Walkable Community will help engineers, planners, and citizens support this grand movement," Schwartz said.

Steps to a Walkable Community was developed throughout 2012, when SSE partnered with America Walks to create the guide and strengthen the growing pedestrian movement. SSE urban planner Laura MacNeil principally authored the guide based on joint research, which is currently available online with free downloads at walksteps.org.

"America Walks is proud to receive the ITE Pedestrian and Bicycle Council Project of the Year Award for our collaborative work on the Steps to A Walkable Community guide," said Scott Bricker, executive director of America Walks. "The partnership between Sam Schwartz Engineering and America Walks created a strong mix of skills necessary to distribute this effective tool, including technical innovation and grassroots partnerships.

HOLIDAY, from page 9

"The campaigns always include a custom-designed card with a matching invite to the holiday open house," Andren says. "We also send a theme-appropriate gift to our top clients."

So, when the first week of December rolls around, Sanderson Stewart gets busy.

Holiday open houses are planned at each branch office and electronic invitations are sent out beforehand as a reminder.

"We always try to make our campaigns distinctive and hit on something relevant, whether it's related to something within Sanderson Stewart or the region," Andren says. "For example, this year, one of our high-profile trail projects won multiple awards, so we had a 'Happy Trails to the Holidays' theme. The invites were trail maps and the gift packages included logoed backpacks and canteens and a holiday trail mix. The open house had a campfire and S'mores cupcakes."

The year Sanderson Stewart opened its North Dakota office, it had a North Pole theme and the gift was a basket filled with "Made in North Dakota" items. And, in 2009, the theme worked to deflect the depths of the economic downturn, and instead focused on "The Good Stuff," reminding partners that the company remembered and appreciated them.

Andren says that the feedback Sanderson Stewart receives from its partners about its holiday campaigns is very positive – many of them tell the company that they look forward to it all year long. Clients and partners like the different themes and have told Sanderson Stewart that they stand out from the dozens of other corporate open house invites and gifts they receive.

"We enjoy the open houses too," Andren says. "Aside from the fact that we have fun and unique parties, it's a great opportunity for our staff to meet our clients face-to-face. This year's theme is reflective of the region's relative successes and is titled, 'Season of Sweetness'."

Cards, invitations, e-vites and gifts will be sent out right after Thanksgiving. The details of the open house are still firming up, but Andren says, "I have visions of sugar plums dancing in my head!"