

There's always something you can do



Whirlwind tale of building sale illustrates the many setbacks along the way to the winner's circle, Mark Zweig writes.

Mark Zweig

I just sold (got under contract) a commercial building that I only acquired a few months ago. It's an interesting story I'd like to share with you...

The building was for sale for about five years before I bought it. It was the site of a former UHF television station, channel 40/29 – hence known locally as The “40/29” building – complete with television sets where news and weather people used to do their thing.

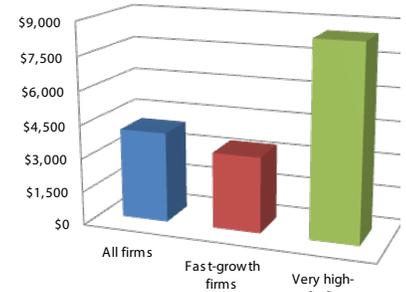
Being vacant for five years (with a good sized roof leak where a rooftop HVAC unit was mounted) the place looked awful. Suspended ceilings were falling in, the carpet looked like a science experiment gone awry, and the place was cold, dark and as dingy as could be. On top of it, the floor plan was horrible. Stairs went up and down and levels changed for what seemed to be no good reason. There were many little dark rooms where film editors and sound technicians once toiled away. The place was awful!

Months before successfully buying this place I had a deal for it fall apart in the 11th hour. I was going to buy it through my development company, redo it and lease it to ZweigWhite for our corporate headquarters. Although the sellers had verbally agreed to sell it to me, they decided to cease negotiations with and start negotiating with

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Costs can always be cut more, money can always be collected sooner, marketing can always be made more effective. Your product delivery can always be rethought. Don't give up on solving your problems and throw the towel in too easily. Keep working to make things better and stay with it.

TRENDLINES High bonus



Despite the effects of the recent economic downturn, many A/E firms continue to pay bonuses to their employees. It is no surprise then that the most successful firms spend significantly more per employee than firms in general. For example, the 2011-12 Successful Firm Survey finds that very high-profit firms spend more than twice as much on bonuses per employee than fast-growth firms and the overall sample. According to the report, very-high profit firms' bonus spending per employee is a median of \$8,585, while all firms and fast-growth firms show a median of \$3,602 and \$3,387, respectively.

– Margot Suydam, Survey Manager

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Quitters give-in and winners encounter many setbacks along the way to the winner's circle!

someone else. When that deal evaporated, of course they came back, hat-in-hand.

After letting them sit a while, we ended up offering less than we were willing to pay the first time (ZW already had new space – didn't need it). We got the deal done.

So what to do with it now? We developed some plans to convert it into condos but the financing is hard for condo buyers to get. So I decided maybe we would build them out as rentals. There's a very strong rental market in Fayetteville with the university growing as rapidly as it is. The numbers there would have worked out, but not worked out great. I needed a different strategy.

So, we decided to carve a lot off the back of the property that faced a different street (this property went block-to-block) for a new house. Then we gutted the building completely, took down the 80-foot antenna tower, sold it, and put the building sans lot back on the market. In less than 30 days from completing the gutting, we had three sets of buyers all clamoring to get it. This is after the thing sat there for more than five years!

The point of my story – there's always something you can do. Costs can always be cut more, money can always be collected sooner, marketing can always be made more effective. Your product delivery can always be rethought. Don't give up on solving your problems and throw the towel in too easily. Keep working to make things better and stay with it. Quitters give-in and winners encounter many setbacks along the way to the winner's circle! ▲▲

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

A/E BUSINESS NEWS

MEGATALL DECADE: Within this decade we will likely witness not only the world's first kilometer-tall building, but also the completion of a significant number of buildings over 600 meters (around 2,000 feet), according to a new study by the Council on Tall Buildings and Urban Habitat. Two years ago, prior to the completion of the Burj Khalifa, this building type did not exist. And yet, by 2020, we can expect at least eight such buildings to exist internationally. The term "supertall" (which refers to a building over 300 meters) is thus no longer adequate to describe these buildings: we are entering the era of the "megatall."

As we started the 21st century, just 11 short years ago, the Petronas Towers held the title of "The World's Tallest" at 452 meters (1,483 feet) in height. Taipei 101 took the title in 2004, at 508 meters (1,667 feet). Then, at the end of the decade, the Burj Khalifa set new standards at 828 meters (2,717 feet) – over half a mile high. Now, with work set to start on-site in January 2012 for Jeddah's 1,000-plus meter Kingdom Tower, we can expect that in a mere two decades (2000–2020) the height of the "World's Tallest Building" will have more than doubled. Not only increasing in height, the "Tallest 20 in 2020" also demonstrate a diversity in project location not previously seen in the world's tallest 20. The projects are scattered across 15 cities in seven countries. The Tallest 20 in 2020 study ultimately underlines a now well-known fact: the skyscraper is here to stay. Shortly after 9/11, many predicted the death of the tall building, but as the study shows, skyscrapers are increasing in number, height, and diversity. The ever-increasing and rapidly urbanizing global population will continue to drive cities higher.

STARTS DOWN: At a seasonally adjusted annual rate of \$417.6 billion, new construction starts in November dropped 11 percent from October's elevated pace, according to McGraw-Hill Construction, a division of The McGraw-Hill Companies. Nonresidential building retreated after being boosted in October by the start of a massive manufacturing plant, and nonbuilding construction showed electric utilities pulling back from the brisk pace of recent months. Meanwhile, residential building in November registered moderate growth. During the first eleven months of 2011, total construction on an unadjusted basis was reported at \$390.5 billion, down 2 percent from the same period a year ago.

CALENDAR

SOLVING THE CASH FLOW PROBLEM:

Growth – even profitable growth – WITHOUT good cash flow can ruin your business. It is a fundamentally unsustainable position unless you have a rich uncle who is willing to kick in the cash you need to meet payroll or other obligations any time you need it. For the rest of us, we have to maintain a decent cash flow. We don't want to run out of money or jeopardize our credit facilities. Cash to pay our bills is essential.

Smart cash flow management is key to the success – and survival – of your firm. Careful planning and adherence to best practices for cash management will keep your firm healthy. This seminar will provide the tools and other information you need and show you the specific steps to take right away to gain control of your firm's cash flow.

Why you should attend this seminar:

- Taking a decisive approach to cash management is critical to survival
- Economic realities are taking a toll on company cash flow and planning
- Many clients are squeezing their professional service providers. Find out how to counter that.

Upcoming dates include March 1 in San Francisco, March 7 in Fort Lauderdale, Fla., April 5 in Kansas City, Mo., and April 26 in Boston. For more information or to register, call 800-466-6275 or log on to www.zweigwhite.com/seminars/cash-flow/index.asp.

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TOP PLAYER

Positive attitude leads to success

Hot Firm leader also lists competitive drive as a key characteristic.

Cynthia Liu is living evidence that setbacks can be the launching pad for bigger and better things.

After the environmental firm she worked at went belly-up in 1997, Liu and four colleagues decided to start a new venture. Today **ERRG** (Martinez, CA), a 280-person engineering and remediation services firm, is No. 34 on **THE ZWEIG LETTER** 2011 Hot Firm List.

In this interview, Liu, the firm's president, talks about that adventure, as well as what drives her.

THE ZWEIG LETTER: What does it mean to be a Hot Firm?

Cynthia Liu: First of all, being recognized as a Hot Firm is a great honor, and we appreciate the recognition. It also means that within our industry, we are running a successful operation and that the efforts of the entire company are being recognized in a positive way.

TZL: How did you get where you are today?

CL: It was certainly not a planned path. After earning my master's degree in civil engineering, I started working for an environmental firm in northern California. In 1997 that firm went out of business and it forced me to evaluate how I could continue to work with my existing clients.

Along with four coworkers, we decided to pool our talents and continue to provide environmental engineering and construction services. From rather modest beginnings, we were able to slowly grow our business, add a couple of key clients, add skilled staff and build a solid reputation. Our company now has over 280 employees in eight offices, and our annual revenues are in excess of \$60 million.



Cynthia Liu,
President, ERRG.

TZL: Do you remember your first paid job? What did you learn then that still influences the way you work today?

CL: The first job I had after completing my undergraduate degree was as a staff engineer at a company that specialized in water and wastewater. Although I enjoyed the work, I wanted to take on a new challenge.

The desire to take on new challenges is something that still influences me today. Whether it is identifying new service areas for our company, operating more efficiently, or maintaining our growth, I enjoy the challenges.

TZL: What is it in your DNA that drives you to success? Is it audacity and risk-taking; a can-do attitude and a relentless pursuit of perfection; something else more abstract?

CL: I guess it would be a combination of a lot of things. I do think of myself as a risk taker, but I have learned that as you surround yourself with competent people, the risks are less. I think I am a competitive person, and I love to win work. I continue to be involved in some of our larger proposals and enjoy the challenges of creating a first class document. I don't consider myself a perfectionist, but I do strive for quality in all aspects of our business.

TZL: In today's difficult business climate, what does it take to succeed? Is the spectrum of failure a motivator?

CL: I feel that in any business climate, the best way to succeed is by employing good people. There are many aspects of an organization, and any one of them can contribute to success or failure. I also feel that a difficult business climate forces firms to be more strategic in their thinking. Lastly, I would say that the desire for success drives our company more than the fear of failure.

TZL: Do you see this industry in 10 or 20 years? What trends are influencing it? What about your company?

CL: There will still be an environmental industry in the next 10-20 years, but unless stricter regulations are imposed or new health risks are identified, it will not be as large an industry as it is today. There are several factors that contribute to our industry: regulations and enforcement, federal government spending and budgets, property values and transactions. As we have seen, any one of these external forces can have a significant impact on our industry. ERRG is focused on moderate growth, improving project execution, and becoming more strategic in our pursuits. We are determined to be a viable company now and in the future.

TZL: Do hold someone as a special mentor? How did this person influence who you are?

CL: I have had several people influence my professional career, and it is very difficult to single out one individual. Over the years, I have received guidance from numerous people in relation to a variety of topics, and those interactions have influenced who I am professionally. I have been taught patience and persistence, but more importantly, I have been taught to have a confident attitude in everything I do.

TZL: What's the one trait you most admire in people and why?

CL: I most admire people with a positive attitude. With a positive attitude it seems like anything can be accomplished. I once heard the quote, "The only difference between a good day and a bad day is YOUR attitude." I think that rings true.

TZL: Describe the most challenging thing you have ever done/the biggest challenge you have taken on outside of work.

CL: Without question, my biggest challenge is maintaining the proper balance between work and family. As my

See TOP PLAYER, page 12

SUCCESSION

Tips for filling the CEO shoes

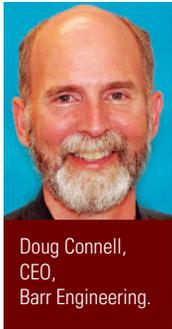
Process needs to start now, not tomorrow.

By LIISA SULLIVAN
Correspondent

Leaders, just like rest of us mortals, don't last forever. What happens if the CEO (or another key leader) falls ill or leaves for another job? Your company could be left in the lurch. That's why it's important to plan today for what could happen tomorrow and start working now on finding the next CEO.

IDENTIFY IMPORTANT SKILLS AND TRAITS.

At **Barr Engineering** (Minneapolis, MN), a 500-person environmental consulting firm, finding and nurturing future leaders starts with a process that identifies core competencies. A representative from the board; the CEO; management members; and a human resource representative gather to identify them. Among the top competencies identified:



Doug Connell,
CEO,
Barr Engineering.

- The ability to manage vision
- The ability to engage and get things done internally and externally
- Strategic agility
- Able to anticipate consequences and trends
- Optimistic and future oriented
- Strong leader – someone people will follow
- The ability to strongly support the stakeholders
- Broad-based support and perspective at all levels of the organization
- Decisive – someone who will stand the test of time

“We look to promote from within,” says Laura Elletson, human resource director at Barr Engineering. “We want someone with prior Barr leadership experience who has an understanding of the Barr culture, strategy and values,

along with industry knowledge.”

Leadership staff spends time identifying qualified, interested internal leaders who are willing to explore the alignment of their skills and abilities with the competencies that Barr has identified as the key to success in these roles.

“We invite these people to participate in our annual leadership training and assessments; support their ongoing development through enhanced coaching, mentoring and feedback; provide development assignments to broaden their understanding of leadership roles and responsibilities; and offer additional assessments to compare their interests and capabilities to those of other successful leaders across organizations,” Elletson says. “So, when the time for a leadership transition occurs, we will ask internal leaders and staff who they could imagine in the role and how they see their strengths relative to other possible candidates.”

COMPREHENSIVE PROCESS. The selection process then includes competency-based behavioral interviews of candidates with a representative group of key stakeholders. The integration process includes support by the past incumbent in the role, where possible, as well as a senior leader as coach.

Barr's current CEO, Doug Connell, works to develop leaders at Barr, including guiding potential leaders through an intensive development program.

“I get a lot of satisfaction from seeing others recognize and develop their leadership potential,” Connell says. “It's been great to see how program alumni have grown in their careers and helped to strengthen the company.”

Connell stepped into the role of CEO in 2000. He started his career at the company in 1984.

“Today, I am confident that if an emergency situation were to arise, that I have at least six people who could step in and there would be minimal disruption moving into the role,” Connell says.



Chuck Cole,
President,
HuntonBrady
Architects.

ASSOCIATES AND ASSESSMENTS.

Chuck Cole, president of **HuntonBrady Architects** (Orlando, FL), a 70-person architecture and interior design firm, understands firsthand that not only what it takes to step into a leadership role, but how to get there.

Cole became president in 2005 after the former president Fred Pryor's sudden death. He died unexpectedly over a weekend and the firm was without a president that Monday morning. The board and firm pulled together as a team for about one month before offering the position to Cole, who had already been identified as a potential key leader.

“We also hire from within for key roles such as president,” Cole says. “Understanding the company's culture is one of the most fundamental needs. Our president has been promoted from within for the entire history of 64 years. Candidates come from the shareholder level and are elected to leadership by the board of directors.”

Cole was chosen for multiple reasons, but it was his external communication and relationships that pushed him over the edge.

“While working internally is invaluable, the person has to be good externally as well,” Cole says.

At HuntonBrady, the leadership “pool” is started when an employee is nominated as an associate. These nominations are made by existing associates. The major criteria used in evaluating peers includes those tenets included in their mission statement:

- 1) Creatively collaborates with clients
- 2) Maintains high ethical standards
- 3) Contributes to the community

In addition the following are consid-

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OUTLOOK

Halting recovery in store for many

Firm leaders talk about their hopes and doubts for 2012.

By CHRISTINA ZWEIG
Staff writer

While 2011 didn't offer too much progress in an economic turnaround, it seems that many people in the A/E/P and environmental consulting industry are adjusting to challenges. For 2012, increased stability is expected, although no significant turnaround is expected.

"Competition among firms has been particularly intense, but the 'shake out' of recent years may begin to eliminate some firms from the competitive arena, moving the industry in the direction of a more traditional supply/demand equilibrium."

While the economy overall has shown halting signs of progress, volatility continues in the design world, as reflected in the wild swings of the Architecture Billings Index (ABI). Overall, fluctuating energy costs, uncertainty over the election outcome, a high number of stalled projects, and the end of many federal government programs and stimuli add to the uncertainty.

According to the Bureau of Labor Statistics, the unemployment rate is showing very small decreases, falling just 0.4 percent to 8.6 percent in November. For the previous six months, the unemployment rate covered a narrow range – from 9.0 to 9.2 percent. According to the Associated General Contractors of America, construction employment declined by 20,000 in October of 2011, and the construction industry unemployment rates hit 13.7 percent, a significant improvement over the reading of 17.3 percent from one year earlier.

Unfortunately, the decline in the industry's unemployment rate is most likely due to the same individuals seeking employment in other sectors.

Spending on health care construction experienced the largest private sector increase during October (3.5 percent), while spending on office construction declined by more than any other sector of private construction to a measly 0.8 percent. In contrast, publicly funded power construction activity grew by 2.5 percent during October while investments in conservation were down 8.3 percent, transportation was down 4.7 percent, and public safety declined 4.5 percent.

Although some markets are gaining a little strength, the nation has not seen a true housing recovery get underway. Home prices are still at an all-time low as foreclosures continue to drag the market down.

The ABI, which reports on the construction billing activity, has done

little to quell the fears of those in the A/E/P and environmental industry. Following the first positive score in four months, the ABI reversed direction in September to 46.9, dropping from the previous month's score of 51.4. For November, the ABI entered positive territory, reaching 52 (a score above 50 indicates an increase in billing activity). With ups-and-downs throughout most of 2011, what the ABI will do in 2012 is a difficult prediction.

On the bright side, members of the architecture, engineering, planning and environmental consulting industry have persevered through creativity. Technologies such as building information modeling are increasing efficiency. As a result, firms are collaborating more.

Partnering is a trend expected to continue into 2012. Increased merger and acquisition activity is also expected in 2012. While federal funding for many projects doesn't look likely in 2012, an ease in the availability of financing in the commercial market could get many projects finally underway.

CEO PERSPECTIVE

Degrees of recovery will vary regionally as well as between market sectors. Below, firm leaders from both large and small firms in varying locations across the United States offer their opinions and expectations for 2012.

Nicholas DeNichilo, president and CEO, **Hatch Mott MacDonald** (Millburn, NJ), a 2,100-person full service consulting engineering firm:



Nicholas DeNichilo,
President and
CEO, Hatch Mott
MacDonald.

We are hopeful of a gradual improvement in the public sector markets in 2012, fueled by latent demand and (hopefully) increasing tax revenues. Competition among firms has been particularly intense, but the "shake out" of recent years may begin to eliminate some firms from the competitive arena, moving the industry in the direction of a more traditional supply/demand equilibrium.

The private sector will invest significantly in facilities which are part of a successful business model. The elections in 2012 will likely have a significant impact on the private sector and on potential investment in private infrastructure. However, the impact of the election will not be felt until 2013, unless the outcome becomes predictable as 2012 progresses.

Despite the state of the economy, we will meet our budgeted financial objectives in 2011, with revenues and profit showing significant year-over-year growth.

Our positive growth in 2011 is due to our business model, which emphasizes diversification within our practice, including geography, market sectors and services, technical disciplines, and client mix. Significant contributors to our success in 2011 include our operations in Canada and in our oil and gas pipelines business in the U.S.

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With funding for infrastructure projects being tight, particularly in the public sector, we look for “trends” that improve efficiency and productivity in the project cycle. In that sense, we see further movement toward design/build project delivery, and the use of public/private partnerships. To complement these trends, we will focus on our program management, construction management, and asset management service offerings.

Josh Carney, president, **Carney Engineering Group** (York, PA), a 9-person structural engineering firm:



Josh Carney,
President, Carney
Engineering
Group.

My overall outlook on 2012 is better than 2011, but with some ups-and-downs due to political uncertainty in an election year. The water behind the dam is slowly seeping out, if we get some clarity of the path the country is heading down, I expect that will turn into a flood.

For now, the industrial market still is booming, and we expect that to continue. We also see urban and historic rehab continuing to be a solid market.

We expect the services on the construction side of projects to reduce slightly as the slowdown in design work over the last two years works its way through the construction phase of jobs. We expect to see slow recovery in design work continuing with most of the recovery starting late spring into summer.

BIM coordination and building modeling in general as a standalone service is a trend I expect to take off. More and more small- to mid-sized contractors are pursuing work with owners who have mandated BIM on their jobs, and the builders do not yet have in-house expertise to truly deliver on requirements and expectations.

This looks to be a good niche until they develop that capability.

Steve Baldrige, president, **Baldrige & Associates Structural Engineering** (Honolulu, HI), a 30-person structural engineering firm:



Steve Baldrige,
President,
Baldrige
& Associates
Structural
Engineering.

It is certainly not clear where things are heading next year. We are hopeful that 2012 will be similar to 2011, but we will have to be vigilant about being able to adapt to a stuttering recovery and our clients’ changing needs.

Unfortunately, a trend I predict is some failures in the rampant consolidation of the industry toward large publicly traded consulting businesses. Consulting engineering is a business of intangibles, such as client relationships, value in the end product of your service and creativity and collaboration with large construction teams. When decisions start to be made based on short-term dividend gains and maximization of profit, many of these intangibles along with future business, will ultimately suffer.

In 2012, we don’t expect any truly “hot” markets, but even small upturns in markets that have been dead, such as retail, will appear to be “hot.” On the negative side, we anticipate that federal construction spending will “cool” off.

At Baldrige & Associates Structural Engineering, we will be cautiously optimistic while remaining fiscally cautious.

Donald Benvie, president, **Tectonic Engineering & Surveying Consultants P.C.** (Mountainville, NY), a 400-person planning, engineering, construction, and program management firm:

For 2012, we expect our business to be

“Unfortunately, a trend I predict is some failures in the rampant consolidation of the industry toward large publicly traded consulting businesses. Consulting engineering is a business of intangibles, such as client relationships, value in the end product of your service and creativity and collaboration with large construction teams. When decisions start to be made based on short-term dividend gains and maximization of profit, many of these intangibles along with future business, will ultimately suffer.”



Donald Benvie,
President,
Tectonic
Engineering &
Surveying
Consultants P.C.

up approximately 10 percent. We anticipate the increase to come from the transportation segment based on new work we’ve recently booked, wireless telecommunications infrastructure work related to 4G rollout by the major carriers, federal agency work and continued expansion of exploration activity in the Marcellus Shale

region. The power and energy market sectors will continue to grow, along with environmental services and some segments of mass transit, including the ongoing work in NYC. If the federal government can pass the long expired transportation bill, there should be some benefit from that.

In general, we should see slow, steady growth overall if recent trends in the economy that we’ve seen continue into 2012. Unlike the third quarter downturn we saw when Congress had difficulty with increasing the debt ceiling and the Eurozone was in a state of crisis, there seems to be some stabilization occurring in the overall economy, and if it continues into 2012 we should see a modest gain in activity on the engineering and construction side of the economy.

In the industry, I think we will see more firms start to implement social networking tools such as company pages on Facebook and the use of Twitter in order to channel the public to the company’s website. I also think that consolidation through mergers and acquisitions activity will continue unabated.

When buying take care of cultural fit

ZweigWhite's AEC M&A Summit provides a few lessons in this regard.



Hobson
Hogan

F&A ADVISOR

I recently got back from attending ZweigWhite's AEC M&A Summit in Palm Beach, Fla. It was a great event with many speakers from various architecture, engineering and environmental firms across the country. It was a great opportunity for experts and seasoned veterans from across the industry to share lessons learned from their wealth of experience.

The need to focus on culture and fit very early in the process in order to ensure a successful merger and integration became a recurring theme during event among buyers and sellers alike.

Many would believe that this is really something that the buyer alone should focus on; however, many acquisitions these days include a contingent payment, often in the form of an earnout, so success after the deal is important for both buyer and seller.

An acquisition or merger with a poor cultural fit is far less likely to meet the expectations for both parties involved. Given the nature of some organizations to plow ahead through deals

regardless of the red flags, it is important to take a look at culture and fit very early in the M&A process.

Here are some tips from firms and experts that have been involved in over 100 deals over the past decade:

- Be self aware of your own culture, so you can understand how you will fit with another firm.
- Culture is not the opinion of one person, but is the shared values and vision of an entire organization, so be sure that your view of a firm's culture is reflective of those at every level of the organization.
- Have HR involved early in the process and understand the minefields.
- Communicate with your organization often during and after the transaction – silence breeds rumors that are often worse than reality.

From a seller's perspective, much can be learned from the lessons and frustrations of firms that have done several

transactions. Every seller's goal is to not only to make a profit, but also to have an "easy" transaction – easy to evaluate, easy to understand, easy to integrate and easy to get along with. Easy means less risk and less risk means a stronger valuation. There are many ways to be an "easy" transaction, but here are a few tips that will help you get prepared for a transaction:

- Get your administrative house in order – you need to have much of your documentation ready before you get into due diligence.
- Remove the owner's perquisites prior to a transaction.
- Prepare pro forma financial statements that remove any one-time events.
- If there are issues inside your firm, be upfront about them – do not try to hide anything; it always comes out in the end and will destroy trust.
- Have your firm's financial statements audited or at least reviewed by a competent accounting firm.
- Develop a business plan and financial forecasts for five years if you have not yet done that.
- Identify business and growth opportunities that would be available to your firm after a transaction.

From a seller's perspective, much can be learned from the lessons and frustrations of firms that have done several transactions. Every seller's goal is to not only to make a profit, but also to have an "easy" transaction – easy to evaluate, easy to understand, easy to integrate and easy to get along with. Easy means less risk and less risk means a stronger valuation.

Being easy does not mean that you should be a pushover. There is a big difference. In several presentations during the summit from buyers, they indicated that they pay lower prices when the seller does not have representation, so if you are a seller and you wish to maximize your value, there is nothing better than running a competitive process (the corollary to this rule for buyers is that being reactive and waiting for sellers to call you will result in you paying higher prices).

You can only sell your firm once, so you should negotiate what you want out of a transaction. However, being responsive to potential buyers will convey your firm's professionalism. Maintaining trust with buyer is paramount to ensure that both sides can negotiate in a manner where they can move forward positively post-transaction. ▲▲

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Reconsidering John Portman

The architect as an entrepreneur.



Fred
White

GUEST SPEAKER

John Portman is big in China. But perhaps the American architect, developer, and artist hasn't gotten his due in his homeland and from his peers.

That's what I was thinking recently during a sparsely attended screening at Boston's Museum of Fine Arts of "John Portman: A Life in Building," a new documentary directed by Ben Loeterman, who was there to answer precisely one question after the movie.

As an architect, Portman may have designed more square feet of completed building than any designer in history. If you've been to a convention in the last 30 years, you've slept in one of his hotels. Atlanta's Westin Peachtree Plaza. Detroit's Renaissance Plaza. San Francisco's Embarcadero Plaza.

Portman started his career in a traditional architectural practice in Atlanta in the 1950s, and it could have ended there. But while most architects aren't especially entrepreneurial, that was Portman's first instinct. He had several great business insights in his career and, significantly, was able to capitalize on them.

First, he developed, built, and operated the giant Merchandise Mart in Atlanta starting in 1961 to bring wholesale buyers and sellers of apparel, furnishings, and other goods together in kind of a perpetual trade show. That idea proved to be phenomenally successful. He could have ended there.

But because he needed somewhere for his visitors to stay, he designed and started building – on pure speculation – the first of his atrium hotels. Conrad Hilton looked at the hole in the ground and turned it down. Jay Pritzker correctly saw the project as one that would put his sleepy Hyatt House chain of airport hotels on the map, and the Hyatt Regency was born. Indeed, Portman helped the Pritzkers make a lot of money, but he'll probably never win the Pritzker prize.

He didn't end there. He rode the success of his first projects and the urban renewal wave to master plan and build a giant swath of downtown Atlanta. In the late 1980s, he almost lost it all in the real estate market meltdown. He is said to be the model for developer Charlie Croker in Tom Wolfe's novel, *A Man in Full*. But Portman survived, and next he was one of the first American architects to make the leap to Asia. He continues to work six days a week, even at 87.

It was good timing to start all this in the 1960s in the Sunbelt. That makes him either lucky, or something of a visionary, or both. Like nearly every American business genius, he seems to have a little P.T. Barnum in him. His buildings excite people, starting with the soaring atriums and vertigo-inducing glass elevator cabs that are among his trademarks. As architecture critic Paul Goldberger points out, they're designed to be experienced in time as you move through them almost cinematically. The original Hyatt Regency looks quaint now, but when it opened in 1967, it was Dixieland science fiction with a rooftop revolving restaurant. There is a little bit of Disney too about Portman's creations. Each one is an exuberant self-contained statement, like a World's Fair pavilion. They fit perfectly into the mid-century American aspiration to discard the tired and dingy past and invent a clean and exciting future.

Portman was able to marry his business instincts and opportunities to a workable and repeatable design template that the market embraced. In that way, he is almost like a product designer. He made something people wanted.

Portman was able to marry his business instincts and opportunities to a workable and repeatable design template that the market embraced. In that way, he is almost like a product designer. He made something people wanted. Would most architects, free of client demands and given free rein to pursue their muse, have come up with as pragmatic and financially successful an outcome?

It's not hard to detect that the film was made with the cooperation of the Portmans. It is a flattering, but also well-crafted and touching portrait of Portman's career, and it doesn't try to avoid all controversy. The presence of Paul Goldberger, of the *New York Times* and *New Yorker*, adds some gravitas and insight.

Portman the architect and artist clearly styles himself as a capital-C Creator. Frank Lloyd Wright is his hero. He named his 1960s modern house in Atlanta "Entelechy," a word coined by Aristotle and roughly translating to "that which makes actual what is otherwise merely potential." In other words, creation. The house looks like a place I'd want to live in. Portman's children liked to float little boats around the streams that run through the living space, where sitting areas occupy island pads. Then when he built his giant beach house on Sea Island, he named that Entelechy II. Everything here is bigger. His imagination runs wild with idea after idea. Portman is obviously good at turning up the volume on a building. He also has the distinction of being one of the most imitated designers. Yet, is it fair to blame him for a worldwide plague of bad atrium hotel knockoffs, aerial walkways, and sterile mixed-use developments?

It would be an understatement to say that as an urban planner, he's out of step with much current thinking. His

See FRED WHITE, page 12

BEYOND BENEFITS

Dade Moeller: The physics of success

A place where quality attracts quality.

By BRYAN SULLIVAN
Correspondent

Without a doubt, quality attracts quality. And, while some companies may primarily focus on profits, the top ones focus on quality in the team they develop and retain. That's what **Dade Moeller** (Richland, WA) 300-person environment, safety, health and quality assurance services firm, does. And, when building a business that is based on professional integrity, job commitment, ethics and values, success is sure to follow. And, retention of talent is inevitable.

The proof is in the employees.

Each month, the management at Dade Moeller asks, "What makes Dade Moeller a top place to work?" Answers are revealed in "In the Spotlight" feature of its employee newsletter – The Connection. Here are some of the responses from 2011:

Mark Fishburn, senior health physicist (employed eight-and-a-half years): "Dade Moeller has provided me the opportunity to work on unique and challenging health physics projects that I would not have had with any other company. I very much appreciate the strong support network of knowledgeable coworkers who are always ready to help out when needed."

Sallie Robinson, health physicist (eight years; two months): "I like being empowered to perform my job. If I need help, I have multiple resources available within our company to lead me in the right direction. I am always treated with respect and professionalism by my coworkers."

Dan Mantooth, senior health physicist, manager, Oak Ridge Division (five years; 10 months): "I think the most unique aspect of Dade Moeller is



Father and son, Dade and Matt Moeller.

the way the company mission – '...enhance the reputation of Dade Moeller...' – translates into a system of business ethics, employee relations, community involvement and product quality assurance that is truly rare in today's marketplace. You may find some companies that have one or two of these elements, but not all."

STAY STRONG ON FUNDAMENTALS.

The company is rooted in the principle of maintaining and enhancing the reputation of its founder, Dade Moeller. Since its foundation in 1994, firm leaders have strived to provide the highest level of technical expertise while embodying Moeller's professional integrity, job commitment, ethics, and values.

Four priorities have been essential to the company's growth. They are: reputation; service and relationships; staff development and retention; and reinvestment. Its corporate goal is to enhance the reputation of Dade Moeller, which is paramount to their business decision-making processes and conduct of operations. Their commitment to service and exceeding client expectations has allowed Dade Moeller to develop relationships with teammates and clients that have resulted in significant and meaningful follow-on work.

"Our best marketing tool is our performance on our last job. Recruiting, developing and maintaining a staff of exceptional professionals has defined who we are. Without question, quality attracts quality," says Matt Moeller,

CEO, son of the firm's founder. "Reinvestment of company profits in our internal infrastructure has been essential to our success. After taxes, two-thirds of our income is reinvested to improve our operations. The quality of a company's internal services should match the quality of those offered to clients."

THREE CORPORATE TENETS.

Three enduring tenets of Dade Moeller are: mutual respect; client service; and professional integrity.

"We strive to value our employees and teammates in both prosperous and challenging times; commit to achieving success for our clients even when it requires personal hardship, corporate sacrifice or diminished profitability; and uphold and defend the standards, principles, good science, and ethics of our profession even if such action eliminates some business opportunities, teammates or clients," Moeller says.

Dade Moeller's leaders work hard to ensure that these tenets are integral to the company's business decision-making processes and fundamental to its conduct of operations. ▀▀

BEEFY BENEFITS

From health and dental care options to first-day eligibility in its 401k plan, Dade Moeller offers a range of flexible benefits and programs that support its employees' total health and wellbeing. A generous benefits program allows employees to customize a range of options to best meet their personal, financial and professional needs including:

- Medical and dental
- 401(k)
- Employee stock ownership
- Comprehensive leave
- Paid holidays
- Flexible spending accounts
- Group life insurance
- Professional development assistance

Writing an effective job description

What content most accurately conveys the company profile?



Jeremy Clarke

SEARCH SAVVY

In my first article (**THE ZWEIG LETTER**, Nov. 28, issue 936) I suggested that developing a formal job description offers two important benefits:

- Just the process of developing the content forces your hiring team to establish consensus regarding the key characteristics, responsibilities and requirements of a job. Doing so, “calibrates” the hiring team before the selection process begins.
- A well written job description can be a very effective marketing tool toward attracting top talent.

So those are our key objectives... calibrating and attracting.

With that in mind, we tried to show that there are three key considerations when designing a job description: 1) The *format* used; 2) the *content* given; and 3) the *language* deployed. We suggested four key elements (in order) that ought to comprise format: 1) company profile; 2) position summary; 3) position responsibilities; and 4) position qualifications. The format needed to convey a vivid and accurate portrayal of the opportunity by creating elements that could *contextually support* the element preceding it.

Having carefully discussed the importance of a good format, I want to draw our attention now to the two remaining considerations of an effective job description; namely 1) content; 2) language

Content refers to the information provided within each format element. What content most accurately conveys the broader company profile? What kind of content best conveys the broader position summary? What specific content accurately reflects the position summary? And how much content is necessary when stipulating position qualifications? When considering the content to deploy we want to focus on delivering accurate information while also attracting any would-be candidates. Let’s now consider the content for each of the elements in our description:

1) Company profile. This element should not be more than a small paragraph of three- to-four sentences. It should explain the company’s industry/sector and its primary product or service offering within that sector. Additionally, this is an excellent opportunity to convey any company accolades

or awards; particularly those that portray your firm as an excellent employer (Best Place to Work awards, Diversity acknowledgments, etc.). This section should be designed with the primary intent of *attracting* candidates to your opportunity.

- 2) Position summary.** This element too should be a brief, narrative paragraph. The primary question answered in this element is: What does this person need to do in this role, and why would someone want to do it? Subsequently, the position summary should describe and sell the key strategic duties of the role (notice I said “strategic”) broadly. That is, the summary should describe how the incumbent’s efforts will support the larger company interests stated in the profile. This section should be designed with the intent to both *attract* and *calibrate* candidates to your opportunity.
- 3) Position responsibilities.** This element should be bulleted (NOT narrative), and should describe only the key responsibilities of the position carefully. There is no need to exhaust every responsibility in this section, as is a common practice. We know generically, for example, that most professionals will need to give some kind of report at certain intervals pertaining to their work, so there’s simply no need to stipulate that responsibility. Try to itemize primarily those responsibilities that are distinctive to the role. Other nuances can be addressed in an interview. I would suggest five, but certainly no more than seven bullets. This section should be designed with the intent to primarily *calibrate* candidates to your opportunity.
- 4) Position qualifications.** This element should also be bulleted and concise to one line. Further qualifications that are listed here should be those that are non-negotiable only. If a candidate **MUST** have a certification, then be sure to list it here. But if you even remotely think that you would consider a strong candidate in the absence of a certain certification, then it should not be listed here. The qualifications you expect should be resolute; otherwise, they are not truly qualifications. Also, steer clear of the generic qualifications such as, “Must be a good communicator.” Let’s just assume that characteristic will be discerned during the screening process. Besides, most people will not concede an inability to communicate well. Lastly, try to keep your qualification “narrow” for purposes of accuracy. For example, “7-15 years experience required” is not narrow. This section should be designed with the intent to calibrate candidates to your opportunity primarily.

Finally, let’s take just a brief moment to consider the language we deploy in our job description. Firstly, our writing should demonstrate some aptitude for grammar and spelling. It is surprising to see the number of posted public documents that do not lend credence to this issue.

Secondly, language should be conveyed in a way that is both easy to understand, concise, and devoid of company jargon or acronyms. Equally important, the language in the job description should be warm, not sterile – it should not read like a prescription disclaimer. It should sound exciting where appropriate, and it should be prescriptive where appropriate. It is a document intended to calibrate and attract, but try not to be superfluous, or sound extravagant. Language can be a powerful, or detrimental, agent in your next endeavor to hire top talent. ▀▄

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STRATEGY

2012 preview: Hang tight or grow?

M&As, seeking new markets and securing current work priorities.

By LIISA SULLIVAN
Correspondent

Forecasters at the National Association of Business Economics predict that the gross domestic product will grow 2.4 percent in 2012. And, while that's better than the 1.8 percent GDP growth predicted for 2011, it's still on the anemic side. So, what does this mean in terms of growth prospects for design firms? Is it better to hang tight or jump in and take some risk?

IF THE SHOE FITS... Michael Sendor, president of **Nussbaumer & Clarke, Inc.** (Buffalo, NY), a 75-person engineering and surveying firm, is setting his eyes on an acquisition and might make another move in 2012.

"This past year we acquired a small land surveying firm (five staff members) as part of the growth strategy outlined in our 2011 strategic plan," Sendor says. "And, while we are not focused on additional acquisitions at this point, if an opportunity arose, we would certainly look into it."

For instance, in the Buffalo area, there are several "Baby Boom generation firm owners" that are looking into retirement and seeking buyers, so those may be something for Sendor and his partner (CEO Michael Smith) to consider.

"The main influencing reasons for staying put or growing are the cost of the acquisition and how soon we will be able to get a return on our investment," Sendor says. "We're not doing this for the fun of it. We're here to run a business and to make a profit. If we can do that with an acquisition, we'll do it; if we can't, we won't."

If Sendor and Smith agree to grow, they would likely consider another land-surveying acquisition.

"We find that our engineering clients will travel a greater distance for our engineering services (say, less than 100 miles) than our survey clients will," he says. "Therefore, having one large main office works well for engineering. I like to compare it to dining out. If you're going to spend money on an expensive meal for an occasion like an anniversary, you don't mind driving some distance to a good restaurant. However, for a casual lunch, you likely want to go to the local restaurant in town. Well, the same is true for surveying services. Clients want the local guy, so the greater amount of small, local survey offices you have – the better."

ORGANIC GROWTH. Ramesh Gunda, president, CEO and CFO of **Gunda Corporation, LLC** (Houston, TX), a firm of 28 engineers, planners and managers, says that they are poised for growth in 2012.



Ramesh Gunda,
president, CEO
and CFO, Gunda
Corporation, LLC.

"We feel that that infrastructure market has bottomed out, and we see signs of improved funding for infrastructure," Gunda says. "We also believe that this is the best time to invest in the company and to attract top talent to ensure continued success as the infrastructure market starts to improve."

As a whole, the decision-makers at the firm have made a strategic decision to grow because they agree that this is the best time to prepare for opportunities that lay ahead.

"Specifically land and site development, these areas seem to be the trailblazers of the infrastructure market," Gunda says.

A NEED TO PURSUE NEW OPPORTUNITIES. Sam McCachern, senior VP, secretary and CFO at **Thomas and**

Hutton (Brunswick, GA), says growth will come from expansion.

"The size and scope of today's projects in our markets require that we keep seeking new opportunities," McCachern says. "Restoring compensation and benefits to pre-recession levels is one of the drivers. Providing career growth is another primary reason for growth. The volatility of the economic cycle demonstrates the need to pursue new opportunities."

So, what sectors are Thomas and Hutton focusing on? Transportation is one area that has the potential for growth.

"The government is putting money into infrastructure in an effort to stimulate the economy," McCachern says. "Like any business, it's a matter of funding and transportation is getting the money."

BALANCE BOTH. Lisa Blanton, CFO and director of human resources at **Alan Buick and Bers** (Palo Alto, CA), a 100-person architectural engineering, is advising the firm to grow and maintain.

"The focus on existing projects is to develop and monitor standard operating procedures regarding project delivery and client relationships. One of our core values is to 'build sustainable relationships,'" Blanton says. "On the accounting side, we are making sure that our contracts are fully executed; invoicing is quick and accurate; additional services are requested and approved; and timely cash receipts are received. We have enhanced the project accountant role to be a 'client service' role more than an 'accounting' role."

As far as growth goes, Blanton says that they plan to, "Enter into new market segments. We have researched what services are in most demand and have spent the last few years hiring staff and designing business plans to deliver these new services effectively to current and new clients." ■▲

IN BRIEF

ABI OVER 50: Continuing the positive momentum of a nearly three point bump in October, the Architecture Billings Index reached its first positive mark since August.

The American Institute of Architects reported the November ABI score was 52, following a score of 49.4 in October.

This score reflects an overall increase in demand for design services (any score above 50 indicates an increase in billings). The new projects inquiry index was 65.0, up dramatically from a reading of 57.3 the previous month.

“This is a heartening development for the design and construction industry that only a few years ago accounted for nearly ten percent of overall GDP but has fallen to slightly less than six percent,” said AIA Chief Economist, Kermit Baker. “Hopefully, this uptick in billings is a sign that a recovery phase is in the works. However, given the volatility that we’ve seen nationally and internationally recently, we’ll need to see several more months of positive readings before we’ll have much confidence that the U.S. construction recession is ending.”

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

“Hopefully, this uptick in billings is a sign that a recovery phase is in the works.”

Key November ABI highlights:

- Regional averages: South (54.4), Midwest (50.9), Northeast (49.1), West (45.6)
- Sector index breakdown: multi-family residential (55.8), commercial / industrial (53.9), institutional (48.9), mixed practice (41.6)
- Project inquiries index: 65.0.

The regional and sector categories are calculated as a three-month moving average, whereas the index and inquiries are monthly numbers.

TOP PLAYER, from page 3

daughters get older, the time commitments seem to increase, and as ERRG grows, the demands of the job continue to increase. Maintaining a successful company, while raising a cohesive family, is a constant challenge.

TZL: What question would you ask of another Hot Firm leader?

CL: Do you need a company to support any of your construction activities?

TZL: What lesson learned would you pass along to a recent college graduate embarking on a career in the A/E/P and environmental consulting fields?

CL: Provide your employer with more than they might expect. I am talking about completing a task sooner than planned, making sure that the quality is second to none, provide unsolicited input for improvements, be responsive in all aspects of work and, most importantly, generate a positive attitude. ■▲

CEO, from page 4

ered in deliberations:

- 4) Contributes to financial success of the firm
- 5) Demonstrates commitment to project profitability
- 6) Is well respected by clients, consultants and staff
- 7) Maintains excellent client references
- 8) Secures repeat work from clients
- 9) Demonstrates design sensitivity
- 10) Possesses strong leadership skills
- 11) Reinforces the high quality standards of the firm

The next step is to become an associate principal. These employees are now at the first ownership level and can purchase shares. Currently, 10 out of 70 employees are shareholders (or 10 percent of the company).

Once an employee has reached the associate principal level, he or she then sits in on board meetings. And, while they do not have the ability to vote, they do have a voice. They can comment, provide opinion, explore ideas and more.

“It’s the perfect training ground to find out who our upcoming leaders are,” Cole says. “If anything were to happen, we have several very viable candidates who would be ready to jump right in.”

In addition to sitting on board meetings, the associate principals are asked to take a series of “tests.” They include:

- Myers-Briggs personality test;
- Leadership test; and
- 360 degree reviews.

“It’s a combination of these assessments that provides a comprehensive overview of the candidates,” Cole says. “The 360-degree reviews were especially revealing. I located an online behavioral assessment and we distributed it to associate principals. After completion, they were reviewed by associates and staff. These resulted in highly accurate assessments of skills in strategy, communication, learning, flexibility, influence, relationships, delegation, teamwork, integrity and confidence.” ■▲

FRED WHITE, from page 8

developments too often turn inward or turn their backs on their surroundings, like the reviled Marriott Marquis in Times Square. The film doesn’t ignore these points, but gently defends them as a necessary stage in the urban renewal process. It’s hard to say if his project truly started the dramatic renaissance of Times Square, but it still sits there like the discarded first stage of a rocket, a place nobody really wants to be anymore.

Finally, Portman the entrepreneur took on far more risk than the typical architect and reaped massive financial rewards. He almost single-handedly made the potential actual on a large scale. He could have failed dramatically at several points. Then we probably wouldn’t be watching a film about him.

But the risk that he didn’t take was most significant of all. He didn’t take the risk of burying his talents in a hole in the ground and waiting for something to come to him, but instead became the prime mover in his own career and succeeded in putting a significant dent in the universe. ■▲

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