

Maintaining those great long-term relationships



Mark Zweig

EDITORIAL

It feels good when you do it, Mark Zweig writes, sharing six thoughts on the topic.

I must admit that one of the ways I judge businesspeople is how well they are able to maintain long-term relationships.

I really believe that people who have this ability are happier and more successful than those who don't. And this is especially crucial for design professionals, who have to work closely with a wide variety of clients, subconsultants, contractors, regulators and others to get their work done.

So, what are the keys to maintaining long-term relationships? Here are my thoughts:

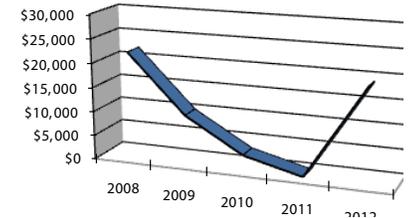
- 1) Desire to maintain long-term relationships.** You have to see this ability as something that is good and you have to have the basic desire to do it. If you think everyone is replaceable and don't value relationships, guess what: You won't have any.
- 2) Make the call.** Not everything can be done via email. Sometimes you have to pick up the phone to call an old friend, client or supplier to check up on them with no other purpose beyond the fact that you care. This means a lot to most people in any business or line of work.
- 3) Make the visit.** I just called one of my old clients the other day to set up a visit with him just to catch up. It has been too long (nearly 13 years) and we haven't seen each other in that many years. I thought it would be good to compare notes on what has happened to each of us and see who has lost the most hair.

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The art of building and maintaining long-term relationships will make you money for sure. But more importantly, perhaps, is knowing that you had a positive effect on someone else's life and acknowledging that they have done the same for you. It just feels good!

TRENDLINES

Bonus rising



If the 2012 Principals, Partners, & Owners Survey is any indication, firms are doing well enough financially to provide significant bonuses to their valued employees again.

The report finds that principals are among those for whom bonuses are on the rise after dipping significantly last year. Principals' median bonus dropped to \$0 in 2011, after decreasing from \$10,000 in 2009 to \$3,000 in 2010.

In 2012, principals' median bonus has increased significantly to \$19,000.

—Margot Suydam, Survey Manager

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A/E BUSINESS NEWS

NCARB LAUNCHES FINAL PHASE OF IDP:

The National Council of Architectural Registration Boards has launched the final phase of the Intern Development Program (IDP) 2.0, culminating a three-year, phased rollout of the most significant update to the program in more than 30 years. IDP 2.0 includes simplified experience settings, new experience categories and areas, and an enhanced online reporting system.

"NCARB is committed to offering interns a comprehensive and relevant internship program," said Michael Armstrong, CEO. "Grounded in the profession's feedback on what today's interns need to know to practice architecture, IDP 2.0 is designed to prepare interns for meeting the demands and realities of their chosen profession."

IDP 2.0 includes three experience settings: A: Practice of Architecture, O: Other Work Settings, and S: Supplemental Experience. All interns must earn a minimum of 1,860 hours of experience in setting A, which is an organization engaged in the lawful practice of architecture, under the direct supervision of an architect. The two other experience settings, O and S, allow interns to earn experience through related architectural experience, such as working with engineers, landscape architects, and foreign architects, or through volunteer service, design competitions, and self-directed study. The new experience settings also include updated supervision requirements that are reflective of current practice.

The overall IDP experience requirement remains 5,600 hours; of those, 3,740 hours are considered core minimum hours, and the additional 1,860 required hours are considered elective hours. The core minimum requirements include hours earned across four experience categories and 17 experience areas.

For more information about the IDP, visit www.ncarb.org/IDP2.

FAIR DISASTER REPORT RELEASED:

Members of the Indiana State Fair Commission listened to presentations from independent assessment firms **Witt Associates** and **Thornton Tomasetti** on April 12. Both firms shared their findings and recommendations from nearly eight months of investigation into the structural failure of the stage trusses that collapsed on Aug. 13, 2011, and the decision-making and emergency preparedness of state fair and public safety officials. Seven people were killed in the collapse, and a reported

40 more were injured.

Immediately following the meeting, the commission posted the full reports and executive summaries to the ISFC website at www.in.gov/sfc.

Commission Chairman Andre Lacy reflected on the reports at a news conference following the meeting. "Our focus now is to have in place a public safety protocol, meeting the highest standard, and to learn what we can from these independent investigative reports so we can do everything in our power to make the Indiana State Fairgrounds stronger and better as we move forward into the future," Lacy said. "We owe that to those lost and injured, and their families that must continue forward as well."

Lacy shared a number of changes the fair organization would begin pursuing immediately:

- Implement the recommendations from the Witt and Thornton Tomasetti reports, from code compliance and inspections to comprehensive public-safety plans in conjunction with community public-safety partners.
- Hiring a chief operations officer primarily responsible for the day-to-day implementation of the Witt and Thornton Tomasetti recommendations, and drive public-safety forward.
- Establish a risk-assessment practice and expectations that will be set and monitored by the commission.
- Use the OSHA report to further the protection of employees.

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4) Be a decent person. Don't be the person who can never admit you made a mistake, or the one who never says "sorry." Don't be the person who never helps when asked but is always asking for help. I could go on and on about this but a basic decency will go a long way to maintaining long-term relationships.

5) Be flexible. You don't always have to get your way on everything. Eat lunch where the other guy wants to eat. Meet when the other person wants to meet. Be willing to reconsider your traditional work methodology if necessary. Inflexibility and rigidity make you hard to live with (i.e., sustain a relationship with).

6) Don't be too self-centered. You don't have to hit a home run with every negotiation. Letting the other person win some, too, will make you a lot easier to have a long-term relationship with.

The art of building and maintaining long-term relationships will make you money for sure. But more importantly, perhaps, is knowing that you had a positive effect on someone else's life and acknowledging that they have done the same for you. It just feels good!

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

RESOURCES

A/E BOARD OF DIRECTORS COOKBOOK:

Most A/E/P and environmental consulting firms have boards of directors and can benefit from the new debate as to what makes a strong board. Even the smallest firms can derive a benefit from the right board of directors; A/E Board of Directors Cookbook will give firm leaders, board members, potential outside board advisors and executive management in A/E firms practical information about what their boards should be doing and how to create more effective, responsive and efficient boards. With ZweigWhite's A/E Board of Directors Cookbook, you will learn how a board of directors can benefit a firm, how to find the right talent to staff the board and what other firms have found works when putting together a board of directors.

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/zw-344.aspx.



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TOP PLAYER

Success centered on single pursuit

IDG has built a reputation based on innovative technologies and singular focus.

Spotting a lucrative niche is perhaps as difficult as coming up with the next big thing in social networking.

Integrated Design Group (Boston, MA), a 70-person architectural and engineering firm that spotted that niche, ran with it and now is a recognized

“I’m a closer. I think with the end in mind. Define the problem, come up with a solution and take it to the finish.”

leader in data center design. The firm is also No. 82 on **THE ZWEIG LETTER** 2011 Hot Firm List.

Stephen McNeice, founding principal at the firm, said that promoting a truly collaborative environment, the firm brings together award-winning design architects and recognized engineers who create data centers and other building types that are custom, innovative and sustainable.

In this interview, McNeice talks about passion for one’s career, the knowledge economy and his sources of inspiration.

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

Stephen McNeice: Being a hot firm in a competitive market means having a highly-skilled, customer-focused staff that utilizes advanced technologies to find creative ways to solve their clients’ issues.

Part of Integrated Design Group’s success is built upon repeat business, customers who have an option to work with other firms but consistently choose to work with us.

TZL: How did you get where you are today?



Stephen McNeice, Founding Principal, Integrated Design Group.

SM: Integrated Design Group is unique in that we are focused on data center design. You become successful at what you do by having the experience in a focused field with a variety of clients.

I have been involved with dozens of data centers, both new construction and renovation, for a wide variety of clients, including corporations and institutions. Our clients, such as Digital Realty, the Church of Latter-day Saints, MathWorks and the University of California at Santa Bar-

bara benefit from our rich data center experience.

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

SM: My first paid job was a busboy at Leverett House at Harvard University. I learned that no matter what your job is, passion counts. Clients want to work with someone who genuinely cares about what they do, whether it is clearing tables or designing a data center.

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?

SM: I’m a closer. I think with the end in mind. Define the problem, come up with a solution and take it to the finish.

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

SM: We are in a knowledge economy. Therefore, the number one requirement for success is to have an intelligent and motivated staff that has the

ability to adapt and foresee change. Integrated Design Group hires creative, hardworking team members who want to stay ahead of the curve.

While the spectrum of failure certainly keeps you on your toes, you have to stay calm at the core and trust in what you are doing.

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

SM: The focus in data center design today is on energy-efficient and modular data centers. This will only become greater and will influence and be influenced by what is happening in the AEC industry in general. Clients are pushing for more green with cutting-edge technologies and the designs today will morph over time.

I know everyone is talking about these issues but with a data center that utilizes 10 megawatts to 20 megawatts of power, the focus on efficiency is that much greater. I think innovations in this market will spread to others soon.

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

SM: Aside from my parents, I would say (engineer) Bernie Doherty. He hired me for my first co-op job and I worked for him off and on during the early years of my structural engineering career. Without his insight and leadership, I would not have had the confidence to be who I am today.

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

SM: Have respect for other people. Why? Because it’s a good way to go through life.

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

SM: Helping my wife bring into the world and develop three happy, well-

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SURVEY

Firm leaders' top concerns exposed

We've weathered the storm, now it's time to get back in ship-shape.

By CHRISTINA ZWEIG
Contributing editor

Although the A/E/P and environmental industry is emerging from the recession, for those standing at the helm the hard work is not over yet. In 2012, certain issues have become more troublesome than others. ZweigWhite's 2012 Principals, Partners & Owners Survey, asked principals to rate how challenging certain issues were for them on a scale of 1 to 6 (with 1 being not a challenge and 6 being the biggest challenge faced). The top issues concerning firm leaders were business development/marketing, firm performance/growth/profitability, and strategic planning, all with median scores of 4. Ownership/leadership transition also ranked high among the list of challenging issues.

THE PLAN. "Strategic planning remains our primary focus because it impacts all aspects of our company operations from business development, daily operations, growth and profitability, and management and ownership transitions," says Stephen Lucy, managing principal **JQ Dallas LLC** (Austin, TX), a 130-person structural and civil engineering and land surveying firm.



Stephen Lucy,
Managing
Principal,
JQ Dallas LLC.

Lucy feels planning is more necessary than ever. "The need for the development and maintenance of a focused path for the firm is always important, but it is vital for the survival of your firm during difficult economic times as there can be so little margin between success and failure," he says.

Creating a great strategic plan can be difficult in an unstable economic setting. "For us, the maintenance and updating

of the plan and the assessment of progress in the implementation of the plan are the most important. You must be flexible to rapidly, yet thoughtfully, adjust the plan as conditions change. You must also hold yourself accountable for moving the plan forward. The last thing you can afford to do is remain static," Lucy says.

WORK AND COMPETING FOR IT. Other challenges listed in the 2012 Principals, Partners & Owners Survey often revolved around growth and the ability to find work.

"Expanding services – setting up offices in other locations, including international – and finding growth," one anonymous firm leader said in the survey in response to a question about his/her top business issues for 2012.



Stanford Lake,
President, Hogan
Structure Group.

Stanford Lake, president of **Hogan Structure Group** (Prescott, AZ), a small engineering firm, says business practices in the industry are a big concern to him.

"One of my top concerns has been several A/E firms have been cutting their professional service fees in half to get projects in the downturn of this economy," he says. Lake believes this action isn't going to help improve the sector once the economy looks brighter.

"Good quality of work instead of undercutting your professional service fees should be more important," Lake says.

The survey found that other respondents had concerns similar to Lake's, such as, "Maximizing fees for services provided; managing risk; proactively seeking compensation for all services; training others."

"You must be flexible to rapidly, yet thoughtfully, adjust the plan as conditions change. You must also hold yourself accountable for moving the plan forward. The last thing you can afford to do is remain static."

PRINCIPALS, PARTNERS & OWNERS SURVEY:

ZweigWhite's 2012 Principals, Partners & Owners Survey of Architecture, Engineering, Planning & Environmental Consulting Firms is a comprehensive study of owners and top managers of U.S. architecture, consulting engineering, and environmental consulting firms. For the 2012 edition, principals from across the U.S. were questioned about their compensation, perks, privileges, ownership, work habits, professional backgrounds, personal life, and feelings about business practices, fellow principals, and industry issues. This is the only source of inside information on the issues about which principals are truly concerned.

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/zw-1138.aspx.

Other respondents were concerned about financial issues, such as lack of funding, particularly in infrastructure, and a general inability of small firms to get bank loans.

WHAT'S BEING DONE TO DEAL WITH THESE CHALLENGES? As the midpoint of the year nears, principals, partners and owners are taking steps to cope with their biggest challenges. According the survey, respondents reported undertaking business development initiatives such as, "better marketing," "internal sales training for PMs," and "realignment of C-suite and senior management business and operations functions."

Other measures included, hiring an M&A consultant to assist with a growth plan, strategic planning retreats, and "building a good team of external advisors." Also, this sobering and challenging advice: "Increasing communication with staff to convey 'path to the future' as opposed to looking back at the decline." ▀▄

STRATEGY

Working to make green the new black

Large-scale collaboration and education are essential to make it happen.

Editor's note: This is the first part of a two-part article marking Earth Day.

By LIISA SULLIVAN
Correspondent

Green is booming, according to the U.S. Green Building Council. Yet, at

“If you are really looking to identify elegant solutions you have to understand an array of things, like how air moves throughout the space, how does the site support the building, and so on. These are all things that have to be taken into consideration – collectively – not individually.”

the same time, achieving sustainability remains in the distant future. Green buildings continue to remain a small percentage of the market. So, what can be done to make green the new black? Large-scale collaboration and education seem to be at the core of future success.

COLLABORATION IS KEY. Elizabeth Heider, senior vice president of Green Markets for **Skanska** and chair of the National Board of Directors of the U.S. Green Building Council, says that, “Collaboration with companies is critical as leadership organizations pursue deeper levels of green or true sustainability.

“You need this dynamic of creativity to come up with solutions that are far greater than the sum of its parts,” Heider says. “For example, when I first started in the business as an architect, there were a series of interactions between architects and the subconsultants where you would essentially take a set of projects at a certain level of development and then give them to the mechanical, electrical and structural guys and have them figure it out.”



Elizabeth Heider, Senior VP of Green Markets, Skanska.

That may not be the most effective course of action, says Heider, who works to support the leadership in sustainable design and construction for Skanska, the Swedish-based international construction company with 50,000 employees globally.

“If you are really looking to identify elegant solutions you have to understand an array of things, like how air moves throughout the space, how does the site support the building, and so on. These are all things that have to be taken into consideration – collectively – not individually,” Heider says.

GREEN-BUILDING CATALYSTS. The Oregon Sustainability Center in Portland, Ore., a project that is still seeking funding, has at its core a mission to be a living building – beyond LEED-platinum metric – and has been developed by the Internal Living Future Institute. It’s currently pursuing certification under the living building challenge certification. It’s designed to be the greenest high-rise ever built – sourcing its materials locally, creating its own energy and collecting and treating its water on-site.

“This is a terrific complement to the LEED-rating system,” says Heider. “Certification is an incredibly stringent and aspiring challenge that very few buildings at this point in time are well positioned to achieve.”

The tenants of this center seek to achieve zero-net waste, zero-net energy and so on. Solutions and materials will be identified during each zero-net process and, in turn, the institute will work to educate the public and help push the green building market further into the mainstream.

Skanska co-located with the architects on this project and had members from the development team with them on a daily basis.

“This allowed us to have a real-time dialogue about how the building would be designed as it moved forward,” Heider says. “The intent of this project is to sort of put Portland on the map as the Silicon Valley of green building as an innovation center. The interaction with the building itself will inform and inspire the folks who choose to tenant the space, so the utilization of the building, to really catalyze the business.”

EDUCATE AND RAISE THE BAR. While many mature municipalities have made a commitment to high-performing green building, there is much work to be done.

“Leadership organizations in this arena are constantly working to bring attention to the topic and to create a roadmap for getting there,” Heider says. “We need to penetrate the existing building market more effectively. Many new buildings are being developed in areas where a green floor is not set or where a green floor is relatively low. LEED is constantly looking to raise the bar and to encourage higher levels of projects.”

IT JUST MAKES SENSE. People need to know that green building is not just a personal thing – it’s smart business.

“We need to make the case that green building makes sense business-wise,” Heider says. “It’s good business to consider not wasting energy and water and to take a look at reasonable up-front investments so you are building something that functions over time.”

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NEWS

Green can be the source of happiness

It's long been said that a happy worker is a more productive worker. But what goes into making workers happy? Several experts in the field of green building say the design of the building itself can contribute to boosting employees' moods, increasing productivity and aiding in employee retention.

"Green building is good business. Green building certifications attract tenants, employees, even students and help to keep them... People want to work in green buildings, and comfortable, happy workers are more productive workers," said Rick Fedrizzi, president, CEO and founding chairman of the U.S. Green Building Council, who provided the keynote address titled "People, Planet and Performance" at the recent Carrier Global Engineering Conference in Las Vegas.

The event followed the theme, "20/20 the Future in Focus: Rethink. Restore. Regenerate" and was sponsored by Carrier, a leader in high technology heating, air-conditioning and refrigeration solutions.

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For example, Skanska has an office located within the Empire State Building in New York City where tenants have the choice to build their space out. At Skanska, the whole floor is built out to LEED-platinum and they achieved the certification through making smart and healthy building selections.

"Compared to the previous space we occupied on Madison Avenue, we were able to reduce energy consumption based on lighting and plug loads by 57 percent and water usage was reduced by 40 percent; that's measurable," Heider says.

So what was the initial cost? The upfront costs were approximately \$250,000.00. But, the cost-savings over the life of 15-year lease are about \$700,000.00. Do the math.

Energy and water savings also helps to manage risk profile.

"Energy is an unreliable business expense," Heider says. "It's important to manage future risk by investing in a building that will perform in an environmental and energy-responsible way."

IT'S HEALTHY TOO... Finally, there's the human health factor to consider.

During Skanska's first two years in its

green space, it tracked sick leave and noted that, compared to its previous location, sick leave dropped 15 to 18 percent. Improved health yields higher workplace productivity.

Potentially, it's a terrific benefit to build a structure that supports human health (i.e., schools, commercial buildings, etc.). Again, it's all about good value for the investment and benefits in terms of human health may even trump energy costs.

"The USGBC is currently reviewing healthy workplaces and how they contribute to the future in process of convening more vigorous dialogue around human health and green building," Heider says.

A GREEN WORK SITE. Skanska reports that, in 2011, approximately 30 percent of its building projects were green registered or green certified. They have gone as high as 45 percent.

However, all of its project sites are certified for how they operate on the job site. They are environmentally sensitive and reduce operating impact on the site, etc.

"How we build equals a smaller carbon footprint," Heider says. "We hold ourselves to a higher standard, and we hope our clients will aspire to that to."



In addition to creating happy workers, green buildings result in lifecycle savings of 20 percent of the construction costs, according to Fedrizzi. Like Fedrizzi, the event's keynote speakers said there is a direct correlation between increased productivity and employees who love being in their work space.

"People feel good when they feel connected to nature," said Robert Fox Jr., partner at **Cook+Fox Architects** (New York, NY), and Terrapin Bright Green LLC, a leader in the green building movement and an advisor to NYC Mayor Michael Bloomberg's Office of Long-Term Planning and Sustainability. Fox discussed his work at the Bank of America building in New York during a luncheon address entitled "Biophilia: The Instinctive Bond between Humans and Nature." Providing plenty of access to daylight with floor to ceiling windows and using natural materials like stone, wood, leather and glass throughout the space are keys to "rethinking how we do buildings." 

TOP PLAYER, from page 3

adjusted children who have grown up and have started families and careers of their own.

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

SM: How did you get to where you are today? I'm always interested in and inspired by personal success stories.

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?

SM: Do what you like and like what you do. You spend almost one third of your life working; you better find something you enjoy! And to quote my father: "Put in that extra effort to differentiate you from your peers."



"Clients want to work with someone who genuinely cares about what they do, whether it is clearing tables or designing a data center."

Strategy, not ambiguity



Jeremy
Clarke

SEARCH SAVVY

Four key activities accompany a good recruiting plan, regardless of candidate profile.

Sigmund Freud once said, “Neurosis is the inability to tolerate ambiguity.” I don’t know if there’s a kernel of truth in that or not (I’m not a Freud fan), but if there is, then I’ll be the first to concede that I must be “neurotic.” There is simply no greater impediment toward the improvement of practices than ambiguity. That is to say that intentionality and design in business are directed toward, and should anticipate, certain outcomes. We have a word for that in our English vernacular. We call it strategy. After all, strategy is something we set forth in anticipation of certain preferred outcomes, isn’t it? I hope so. Ambiguity, on the other hand, anticipates nothing and presumes everything.

Now, strategy is not something relegated to our core operations only. It is no less important in recruiting and selection than in any other enterprise in your business. Because that’s true, ambiguity should never characterize your selection strategy... or you really have no strategy at all. Conversely, if I you give any credence to the importance of talent in today’s market, then you will endeavor to set forth an effort built upon something more meritorious than presumption. So, how does one go about building an intentional, dynamic and vital recruiting effort? Well, like any good strategy, you must begin by identifying distinctions across processes and then you must commit to bringing resources and practices that will bear upon those processes. Simple enough, right? In fact there are *four key activities* that accompany any good strategy in any worthwhile process: 1) budget, 2) plan, 3) execute, 4) measure.

Follow along closely as we bring this philosophy to bear within the recruiting and selection sphere. First, if I’m entrusted with hiring talent, I must ask the question: What are the distinguishing processes

that should comprise my recruiting methodology? I’ll offer some insight in that regard (free-of-charge) just to get the ball rolling. It goes without saying that recruiting processes must be built around the candidate lifecycle; that is, the method by which a candidate is progressed along the entire selection spectrum – from soup to nuts. In my experience, there are *three core processes* in every recruiting enterprise. They are: 1) identification (or, sourcing), 2) development (or, screening and interview), and 3) delivery (or, offer and on-boarding). Having identified our core processes, we are prepared to apply the four key activities mentioned above to each process. In other words, in my recruiting strategy, I intentionally budget for, then plan, then execute, and then measure the effectiveness of my *candidate identification* methods. Thereafter I must budget for, then plan, then execute, and then measure the effectiveness of my *candidate development* methods. Finally, of course, this same approach should be applied to our third core process – *delivery*. Here’s a linear expression of the practical application of this methodology:

PROCESS 1 – IDENTIFICATION

- a) How much spending do we want to allow in sourcing potential candidates for this job? (budget)
- b) What sources/communities do we want to exploit, within budget, when sourcing potential candidates? (plan)
- c) How do we recruit within those communities? (execute)
- d) What return are we seeing from those sources? Why or why not? (measure)

PROCESS 2 – DEVELOPMENT

- a) How much spending can we allocate to screening (assessments) and interview travel costs? (budget)
- b) What selection map can/should we deploy, within budget, once candidates are identified? (plan)
- c) What stakeholders and questions should be leveraged in the interview process? (execute)
- d) How do we measure our selection effectiveness? What is attrition, accuracy of new hires? Why? (measure)

PROCESS 3 – DELIVERY

- a) What should compensation be? Are we willing to relocate a candidate? (budget)
- b) What is our offer extension protocol? How are references conducted? (plan)

See JEREMY CLARKE, page 12

There are three core processes in every recruiting enterprise. They are: 1) identification (or, sourcing), 2) development (or, screening and interview), and 3) delivery (or, offer and on-boarding).

Changing your firm's mindset



Stephen Lucy

GUEST SPEAKER

Why dissenters can help you grow.

As firm leaders, your power over people, perceived or given, can be intimidating. Be careful of over-managing or micro-managing those below you because you may forget the value of observation, listening, and inclusivity that can contribute to the health and growth of your firm.

THE IMPORTANCE OF TWO-WAY CONVERSATIONS. Think you know it all? Do your staff meetings resemble a lecture or an open, frank discussion? Do you listen only to those who speak up or do you probe those who are silent on firm issues? If no one on your team responds to your overall communication is that because you fail to value feedback or because you are too intimidating in your leadership style?

In the absence of two-way conversations, you can follow a path filled with missteps and lost opportunities. If you create a “culture of lieutenants” whose only goal is to execute your vision of the firm’s goals, you might be heading into a tunnel without the ability to retreat.

The best organizations practice active listening and foster two-way communications. They put a premium on early detection of problems that can be swiftly resolved. They understand that dissension among the ranks is not a threat, but a signal to evaluate an issue more thoroughly and completely with “eyes wide open.”

GET OFF YOUR HIGH HORSE. Do you try to overcome your team, using the power of your position? Do you assume this style will motivate or influence your team to behave the way you want? Good leaders understand that they truly have to get off their high horse to relate to people. They have to become humble and willing to listen to dissenters.

I find it beneficial when someone questions me and doesn’t just comply with my decisions. Dissenters can offer the clarity of vision that enables us to see why or how we might be doing something wrong and adjust our practice accordingly. If you can’t articulate a clear explanation for your firm’s direction, your team begins to doubt that its leadership understands how to lead.

Uncertainty unravels confidence, and a lack of confidence in leadership often translates into losing good talent to your competition.

WHAT MOTIVATES YOUR TEAM MAY NOT BE

MONEY. Compensation is a driver but not the primary driver of team loyalty and professional commitment. Managing with a steady hand, openly communicating and listening, and developing and implementing business goals that are embraced by the team can be significant motivators. Supporting your team with additional training, productivity tools that help them do their jobs better and recognizing their expertise, are also highly motivational.

Teams can coalesce around a common goal. When you provide a culture of respect for each individual’s contributions and voice, you enable the team to articulate what is best for the firm. There is a dynamic of team participation and representation that you cannot replicate by yourself.

AVOID THE REVOLVING DOOR. At companies where leadership does not address internal issues, fails to communicate goals and stays aloof from staff, it is possible to create a revolving door. For most organizations, this environment signals long-term decline.

In his article, “The High Cost of Turnover,” HR consultant Daniel Nase explains: “While cost of turnover may include the intangible costs of low morale, which arguably may be difficult to measure, there are many tangible costs and activities that can be accounted for. Cost of turnover is usually categorized into four primary categories: separation processing costs, replacement hiring costs, training new hire costs and lost productivity or business costs.”

I would add legacy costs as a fifth and long-term loss.

So how do you measure the dynamics of your organization?

Leadership may begin by participating in external, third party “best places to work” competitions. The key to understanding your firm’s dynamics is not whether you win an award but whether you pay attention to the results. Your primary goal for participating is to gather data upon which you can base actionable items. It is incumbent upon you to follow-up and address the comments of your most valued asset: your staff.

CREATING A CULTURE OF ACCESSIBILITY AND INTERACTION. Ponder these questions:

- a) How often does your team meet face-to-face to discuss firm issues?

See STEPHEN LUCY, page 12

OFFICE

Mobile world changing workspace

Firms are increasingly taking advantage of telecommuting, saving on office space and reducing their environmental footprint.

By BRYAN SULLIVAN
Correspondent

Are you lucky enough to have a corner office? Or, perhaps a cubicle is where you call home. Whichever the case, the tide may be changing. It's not only workspace design that is being rethought, but how it's being used. Flex space (babies and dogs), teleworking (working from any location), and cyber-time for management (technologies) are now modern-day options. So, is the cubicle age over?

THINKING OUTSIDE THE CUBE.

Ever since Robert Propst (1921-2000) created the cubicle system, corporations, management and other staff have been trying to redesign and redefine workspace and how we spend our working hours in it. So it's no wonder that A/E/P and environmental consulting firms are adapting policies to this changing alternative.

ZweigWhite's 2012 Policies, Procedures & Benefits Survey found that a little less than 50 percent of all firms allow "telecommuting" – as a result, overtime pay was reduced to 31 percent of exempt employees.

TELEWORKING'S BENEFITS. Diane Whitehead, teleworking coordinator and full-time teleworker at **CH2M HILL** (Englewood, CO), a 30,000-person global consulting, design, design/build, operations and program management firm, explains that, "Teleworking is a mutually beneficial work arrangement designed to attract and retain employees, reduce costs and support the company's environmental man-



Diane Whitehead,
Teleworking
Coordinator,
CH2M HILL.

agement system (EMS) and target zero environmental stewardship greening initiatives."

CH2M HILL is happy to offer this voluntary alternative work arrangement to its employees. The firm has policies and procedures in place to activate telework arrangements and this option is open to all employees, but requires managers' approvals.

To become a teleworker (part-time or full-time), employees need to do the following: apply via a three-page form; gain first, second and third-level manager approvals; take a couple of online training classes; and have a home office ergonomics and safety review. This process generally takes one to two weeks to complete and then the employee is provided with the necessary communication tools to successfully work from their home offices.

CH2M HILL has had an official teleworking program in place since the 1990s. But, many people were teleworking before they formalized the program.

"We currently have 937 full-time teleworkers in North America (CH2M HILL's North American workforce is approximately 18,000). However, this number is actually much larger as employees have the option of teleworking when needed and may work from home a couple of days a month, when a child is sick or in bad weather," Whitehead says.

CH2M HILL believes that its telecommuting policy has saved money.

A conservative estimate of savings for 2011 is that its teleworkers helped them reduce its carbon footprint by taking up less space and resulting in saving a projected \$3.1 million in real

estate and furniture costs. Saving money, being environmentally friendly and attracting and retaining staff are all key benefits.

WORK-LIFE FLEXIBILITY – HIGHER PRODUCTIVITY? Project Time and Cost, Inc. (Atlanta, GA), an international team of cost engineers, program managers and forensic consultants, views telecommuting as a win-win for all parties.

Marisa Lynskey, human resources director for PTC, says that they have had a telecommuting policy since 1996 and 50 percent of the firm's 230 staff members take advantage. Clearly, a flexible approach on telecommuting can drive productivity higher.

Lynskey says, "We have a good deal of employees who have far commutes or are not near any of our offices. Instead of losing them due to several factors, we can provide this option, giving them the opportunity for work-life flexibility, higher productivity and, in the whole scheme of things, an overall job satisfaction that becomes a win-win for all parties involved."

Savings are evident to not only the company, but for the employee as well. The employee saves money on gas and car maintenance, while the company saves money on time, productivity costs, travel expenses, relocation and, ultimately, turnover.

THE NEXT DECADE. Both CH2M HILL and PTC see telecommuting and overall flexible work environments increasing over the next decade.

"Teleworking will continue to grow," Whitehead says. "It's a much-needed benefit that contributes to work-life balance, staff retention and carbon footprint reduction. Currently, we have our telework documents reviewed by an outside expert to help us ease the process for staff. Our current

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ON THE MOVE

exp CHOOSES NEW LEADER: The board of directors of **exp** (Brampton, ON), a global engineering firm, has announced that **Jeff Kishel** is appointed president and CEO.

With more than 30 years of consulting engineering experience, Kishel joined **exp** as COO in the fall of 2011. As part of a planned leadership succession strategy, Kishel replaces Vladimir (Vlad) Stritesky, who is retiring after 37 years at **exp**, including 16 years as president and CEO.

"Jeff's vast industry experience growing large-scale firms will serve **exp** well as we further enhance our market position around the globe," said Bob Sheh, **exp** chairman of the board. "His understanding of the operational and technical nuances of the industry offers a unique perspective that will guide the firm in its successful evolution."

"Building on the strong foundation of my predecessor, I'm excited by the prospect of leading this talented group of professionals to provide a high level of expertise and service to our clients," Kishel said. "Together we'll create sustainable growth and shareholder value, while operating safely and with sound business practices."

Stritesky will serve as a special advisor to Sheh, using his institutional knowledge to provide transitional counsel.

BUSBY LEADS OFFICE: Award-winning international architecture and design firm **Perkins+Will** (Chicago, IL) announced the appointment of **Peter Busby** to the role of managing director of its San Francisco office.

Since merging his Vancouver based firm with Perkins+Will in 2004, Busby has been a driving force across the company, compelling its industry-leading sustainable design initiatives. With this newly expanded role, Busby's globally recognized design work and approach, along with his focus on sustainable communities and regenerative design, will integrate with the San Francisco office's distinguished multidisciplinary practice. **Russ Drinker**, who previously led the office, is now regional director for East/South East Asia.

"Peter Busby's appointment reflects our firm's strategic commitment to the remarkable creative energy of the San Francisco Bay Area," said Phil Harrison, president and CEO of Perkins+Will.

"The region's grand-scale innovation is deserving of inspiring environments that reflect and even further invigorate it. Peter's visionary perspective added to our acclaimed San Francisco office leadership and talent will reinforce our ability to provide transformative sustainable design for the businesses, institutions, and organizations behind this enterprising climate."

Busby's extensive portfolio spans market sectors and disciplines. His expertise includes large-scale sustainable urban design and development projects such as Victoria, B.C.'s LEED Platinum Dockside Green mixed-use community, and precedent-setting regenerative facilities including the VanDusen Botanical Garden Visitor Centre and The Centre for Interactive Research on Sustainability at the University of British Columbia. Both buildings are targeting LEED Platinum/Living Building status and are on track to achieve new milestones in North American green building design. In addition, Busby is noted for advancing sustainable education and practices across the northwest region and industry.

"Working in San Francisco and strengthening my connection to this community is a wonderfully meaningful opportunity. Wellness, sustainability, and social responsibility are all qualities the Bay Area is known for – qualities that reflect Perkins+Will's values as well as my own," Busby said. "With our Vancouver perspective, the legacy of the San Francisco team, and the Bay Area's engaged awareness, there's a shared understanding of the expansive and even revolutionary role that sustainable design can play for people, communities, and organizations."

TRANSITION AT DEWBERRY: **Dewberry** (Fairfax, VA), a leading professional services firm, announces the election of **Barry Dewberry** to the position of chairman of the board. Sidney Dewberry, outgoing chairman, will transition into the role of chairman emeritus and founder.

Barry Dewberry has most recently served as vice chairman. **Sid Dewberry** will continue to serve on the Dewberry board of directors, providing strategic guidance to Dewberry's chairman and officers.

"I am humbled by the role I am about to take, knowing that I have the support of my father, family, and the officers of this company," Barry Dewberry said. "As chairman, I will focus on maintaining the trust and confidence of our clients and employees and perpetuating this company as a healthy, family-owned business well into the future."

FST CHOOSES PRESIDENT: **Peter Howe** was elected president of **Fay, Spofford & Thorndike** (Burlington, MA), a multidisciplinary engineering and planning firm, at the firm's annual stockholder's meeting held on March 14. He has been with the firm since 1992 and has directed a wide range of transportation and infrastructure projects at the firm. Howe recently held the title of executive president and was president of the firm's affiliate in New York State.

HGA HIRES: **HGA Architects and Engineers** (San Francisco, CA) has hired **Kenneth Bishop** as associate vice president and senior construction administrator for the Healthcare Practice Group in the San Francisco office.

He will direct technical design details and information processes between designers, consultants, contractors and owners to enhance workflow.

Bishop has more than 25 years of architectural experience. His background includes healthcare, corporate, civic, retail, and residential work. He currently is working on Lucile Packard Children's Hospital at Stanford expansion in Palo Alto, Calif.

"HGA has a diverse team of experts dedicated to achieving success for clients," Bishop said. "Hospitals are complex projects with technically driven programming and building systems. I am relentless about providing reliable information. My job is to facilitate and promote a clear understanding of the construction documents to help make the clients' investment successful."

Before joining HGA, Bishop was a senior architect and construction administrator with **Anshen + Allen** in San Francisco, where he focused on healthcare design since 2003.

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space planning efforts include a 'touchdown' model for mobile and teleworkers that is planned into most new office layouts. A touchdown office is defined as the use of shared offices where employees may work on a first-come, first served basis, or by pre-booking space.

While Lynskey is optimistically cautious about the trend, she says that it is also inevitable as technology becomes more advanced.

"Although companies are seeing a positive impact on savings, it begs the question: Are we losing touch with the human factor of a company and developing more communication issues? I haven't decided if this will ultimately be the best business decision to continue to trend in the years ahead," she says.

Time will tell. ▀▀

GROWTH

Expansion can be risky business

Geographic expansion can present issues with regulations and compliance. Market expansion can spell trouble with proper expertise.

By LIISA SULLIVAN
Correspondent

“It’s important to know the ins and outs of the community and to partner with people in the area who have the needed expertise.”

Entering into new geographic locations and market sectors can prove to be risky for A/E firms, so it’s important to understand what to consider before making that move.

Michael Welbel, president of M.G. Welbel & Associates, Inc. in Northbrook, Ill., a firm that provides professional liability insurance to design firms, says that entering new geographic locations can present a number of new issues that A/E firms need to consider.

GEOGRAPHIC EXPANSION. Typically, a firm will move into a new jurisdiction in order to attract new clients and/or better serve the needs of its existing client base. Once a firm gets past the upfront issue of, “Can we make more money by doing this?” leaders need to be aware of matters that impact professional practice as well as business management.

“In respect to professional practice, one must be certain that appropriate licensing is secured and be familiar with the relevant local practice act(s),” Welbel says. “This can include limitations on the scope of practice, design/build issues, education requirements, etc. If the firm is not hiring local talent, then familiarity with local codes, laws, and regulations must also be obtained.”



Michael Welbel,
President,
M.G. Welbel
& Associates.

Geography has significant design implications that firms need to be aware of (e.g., seismic codes, soil conditions, average rain-falls, flooding conditions, snow loads and more).

“A project designed in California will have very different design requirements than a project located in upstate New York,” Welbel adds.

There are also business management consider-

ations.

“If the firm is too small to fall under Federal ERISA laws, it needs to be sensitized to local hiring/firing requirements, employee benefit rules and such. Items as basic as workers’ compensation rules and requirements also differ. The firm needs to consult with its counsel and possibly local counsel to be certain it has the information it needs to comply with a different set of rules,” Welbel says.

Firms should also consult with its insurance providers. Some insurers are not licensed in all states and even those that are might not be willing to insure a new location. The insurance provider’s reluctance to cover a firm in a new location ranges from specific geographic issues, such a wind storm or earthquake. On the professional liability side, some insurers will not write coverage in certain jurisdictions due to what they perceive as an unfavorable claim or regulatory environment.

Stephen Evans, a consultant with ZweigWhite, adds that if a firm is considering geographic expansion it should start with an area where it already has existing relationships.

“It’s important to know the ins and

outs of the community and to partner with people in the area who have the needed expertise – not just in marketing – but in areas like science and technology. It’s a lot easier to move into a region when you are not starting from scratch,” he says.

Evans adds that if firms are going to make a move, they should be ready and willing to make a significant investment in money and time.

MARKET-SECTOR EXPANSION. Different project types have very different requirements.

“In our world, we see a good number of claims when firms delve into a new market sector if they do not retain experienced personnel,” Welbel says. “This sometimes occurs when work in certain sectors dries up and firms look to market sectors that are doing better.”

For example, in the Chicago area, private development work is more limited than public sector work. Transportation and education sectors are relatively active. However, both of these project types have very unique attributes that are easily missed if there is no, or limited, prior experience.

Some market sectors have unique design requirements, such as sight lines at movie theaters, the number of accessible units in multifamily residential developments, hospital corridor widths, etc.

“One of our clients who is familiar with commercial design was surprised to learn that doors on residential projects swing in as opposed to out,” Welbel says.

Evans agrees that firms need to approach market-sector expansion with a good understanding of that sector.

“If you have minimal experience in that area, it’s going to be difficult to sell the service. Hire an expert and get to know that sector before making a serious commitment,” Evans says. ■▲

TRANSACTIONS

ERDMAN COMPANY BOUGHT: Milwaukee, Wis.-based private investment firm Lubar & Co. announced the acquisition of **Erdman Company** (Madison, WI), a healthcare planning, development and design/build firm.

The acquisition was completed by Lubar & Co., in partnership with Brian Happ, ERDMAN president and CEO, and members of the management team. The company was sold in connection with the sale of its parent, Cogdell Spencer, based in Charlotte, N.C., to Ventas, a large, diversified real estate investment trust, headquartered in Chicago, Ill.

Founded in 1951 by Marshall Erdman, the ERDMAN brand has been synonymous with integrated healthcare facility design and construction. Since 1951, ERDMAN has completed more than 4,600 facilities, where more than 55,000 physicians have delivered healthcare to patients and communities.

"I look forward to working with Lubar & Co. as we aggressively pursue our vision for the future. We are a well-capitalized company that will continue to play an important role in our country's delivery of healthcare," Happ said. "The unique complexities of the rapidly shifting healthcare landscape require complete focus and specialized experience. We have a highly engaged, talented workforce ready to execute on our long-term strategies that will better serve our clients and the healthcare market."

"We are proud to be associated with the Erdman Company, a relationship dating back approximately 50 years when my father, Sheldon Lubar, was first elected to the Board of Directors of Marshall Erdman & Associates," said David Lubar. "We fully support and are pleased to be working with Brian Happ and his management team."

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- b) How often do you engage your firm in your business planning process? Monthly? Semi-annually? Annually? Not at all?
- c) Where can a team member go to discuss logistics and project schedules and receive solid advice on how to manage a potentially difficult client situation?
- d) How often does your team interact with another department within your firm?
- e) Does everyone know each other's name and understand each other's responsibilities?

In our team leaders' meetings, we take a global look at staffing requirements, identify professionals who can move within the firm to tackle the global schedules, review personnel benefits or monthly revenue figures and then communicate this information in an open environment back to the individual groups.

We do not rely upon email communications to manage the firm's reporting process. We ask our team leaders to carry the information directly to their teams.

We want our staff to be informed about the general financial state of the office. They see our proposals and the fees related to the projects we do. We want them to understand our scope and its limitations. We share our budgets and accounts receivables.

Our annual strategic planning process requires that each group assess its performance, revenue stream and client base. We undertake this process to become more

JEREMY CLARKE, from page 12

- c) Who is responsible to present the offer/benefits? How is relocation and on-boarding administered? (execute)
- d) What is our offer acceptance rate? Why? How do new hires feel about their recent transition? Why? (measure)

Close examination shows that these three processes and four key activities are constants in the recruiting methodology. I was always build my strategy around *identification, development, and delivery...* and, furthermore, I always consider *budget, plan, execution, measure*, in fine tuning those processes. But the activities within the processes – whether it's the assessments I choose to deploy, or whether I choose to provide relocation or not – can and should be adjusted to accommodate the level or complexity of the candidate profile I seek.

Firms may vary in terms of the diversities of talent they need, and the cultures within which those candidates are selected/integrated... but this core recruiting methodology/philosophy can be applied to all firms regardless of their diversities because it embraces universal components of selection and strategy development. Recruiting selection is no place to tolerate ambiguity. Too much depends on the successful and efficient acquisition of your firm's talent. ▲▲

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accountable to ourselves and to avoid short-term thinking that can often disrupt overall operations in a financial crunch. Of course, this transparency means our leadership is much more vulnerable because we can see what we are doing right and wrong.

We have to face our shortcomings.

IMPROVING DECISIONS AT THE TOP. Examining our leadership's plusses and minuses frees us to make better, informed decisions about our future. With greater input and openness to ideas from our staff, we can be more proactive with identifying solutions.

The bonus? New directions can invigorate others to think more entrepreneurially, such as developing a potential business venture that benefits the entire firm. If a company cultivates more entrepreneurial risk-taking, there is a self-sustaining force that develops within a culture and a new climate of control that improves communication, productivity, innovation and results.

Embracing a more enterprising spirit with transparency and open communications can impact how a firm grows and succeeds. The A/E community should look to this business model for improving the bottom-line. While most of us have no formal business school training, we understand the importance of leading through inclusivity, especially by listening to those who may disagree with our firm's direction or course. ▲▲

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