

Selling to the psyche



Mark Zweig

Focusing on the 'why' is way more important than focusing on the 'how' or 'what,' Mark Zweig writes.

I was recently at a meeting of a firm where I am a board member. It's the kind of meeting where we gather all their managers from around the world and talk about the business, where it's going, leadership, and much more.

Now, anyone who knows me knows I really don't like meetings – I just have a hard time sitting in one place all day. On top of it, I'm not supposed to be looking at my BlackBerry (something I find impossible to do). I just have too much going on to not multitask and process stuff coming my way as I need to.

In any case, we had a really good breakout session where we talked about business development. Part of that session involved watching a TED conference video where the speaker talked about why Apple was so successful compared with other similar companies selling similar products.

We can all debate the reasons for that success (I think there are many) but the speaker got into the idea that Apple was really great at communicating the "why" of their products when their competitors keep addressing the "whats" and the "hows."

I think this is something I have known for a long time but never articulated it.

When we started ZweigWhite, we had a real simple mission. We are in business to help our A/E/P and environmental firm clients become more successful. It was (and still is) the focus of everything. What we did and how we did it may be interesting to us, but not as much to the client,

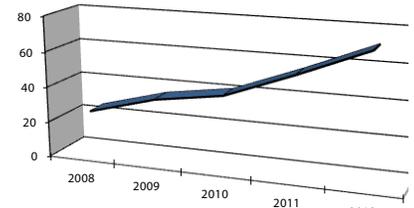
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Do you know why you are in business and why you do what you do? If not, you better articulate it. And then you should start sharing it every chance you get to see if it strikes a chord with your clients.

EDITORIAL

TRENDLINES

Computing power



With the ongoing adoption of new design, project management, and other software tools, the amount of local shared online disk storage firms provide per employee continues to increase at a steady pace – even with the arrival of cloud-based alternatives. The 2012 Information Technology Survey finds that the median percentage of local shared online disk storage per employee has reached a high of 71.4 gygabytes, climbing from 55.6gb in 2011. This number has been on a steady incline, rising from 41.0gb in 2010, 35.3gb in 2009, and 25.5gb in 2008.

– Margot Suydam, Survey Manager

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who was more interested on the why we were doing what we did. If we kept focused on the why, the client would respond emotionally and the bond with them would be much stronger (and perhaps even less rational).

A/E/P and environmental firms themselves are no different. This realization really struck a chord with me.

If you can just get the idea across of why you are passionate about what you do, then they will respond to you in a more visceral fashion – with their guts – and the details are suddenly less crucial. This is why being passionate about what you do is so critical in the first place.

If you have sellers/leaders/principals at any level in your firm who are NOT passionate about the “why” of what they do for their clients, you have a serious problem. You aren’t going to be very successful. You may get hired sometimes when you are cheaper, or meet some other requirement, but you won’t get the best projects where the client just knows on an emotional level that they want you.

You have to sell to the psyche. It’s hard – I think it’s especially hard for engineers and scientific people who get mired into the how and what details and don’t really have a lot of appreciation for the why. Yet, if you can bond with the client on the why you’ll see a whole new set of opportunities along with get better fees.

I know why I do what I do – I love design, I love building, and I love helping people with their businesses. It’s not hard to stay motivated or win a client’s trust because of that (though you will never get them all and that’s OK). Do you know why you are in business and why you do what you do? If not, you better articulate it. And then you should start sharing it every chance you get to see if it strikes a chord with your clients. ▲▲

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

A/E BUSINESS NEWS

GREEN TO THE CORE: Opening on May 23, 2012 at Phipps Conservatory and Botanical Gardens, the new 24,350-square-foot Center for Sustainable Landscapes will emerge as one of the greenest buildings on Earth. Seeking to achieve or exceed the world’s highest sustainable standards, including the Living Building Challenge, LEED Platinum and Sustainable Sites Initiative (SITES) certification for landscapes, it will also be the largest operational structure pursuing living building status in the U.S. when it opens.

Constructed with local talent and mostly U.S.-made materials, the CSL – home base for environmental education and research – aims to achieve net-zero energy consumption with solar photovoltaics, geothermal wells and a vertical axis wind turbine, as well as passive cooling, heating and lighting methods. It will also save resources by treating and reusing all water captured on site. Additionally, the CSL will interact with its environs as a vital part of daily operation, blurring the lines between the natural and built environments. And, as a global SITES pilot project, it will feature a restorative landscape with native plants and a demonstration green roof garden. Other site features include a lagoon, water distillation system, rain gardens, and constructed wetlands.

SMART CITY: A scientific ghost town in the heart of southeastern New Mexico oil and gas country will hum with the latest next-generation technology — but no people, the Associated Press reported.

A \$1 billion city without residents will be developed in Lea County near Hobbs, officials said, to help researchers test everything from intelligent traffic systems and next-generation wireless networks to automated washing machines and self-flushing toilets.

Hobbs Mayor Sam Cobb said the unique research facility that looks like an empty city will be a key for diversifying the economy of the nearby community, which after the oil bust of the 1980s saw bumper stickers asking the last person to leave to turn out the lights.

Pegasus Holdings and its New Mexico subsidiary, CITE Development, said Hobbs and Lea County beat out Las Cruces, for the Center for Innovation, Technology and Testing. The CITE project is being billed as a first-of-its kind smart city, or ghost town of sorts, that will be developed on about 15 square miles west of Hobbs, according to the report.

CALENDAR

PRINCIPALS ACADEMY COMING TO DALLAS:

The Principals Academy, a crash course in all aspects of managing a professional services firm, is coming to Dallas on June 21 and 22.

The program is presented by a team of speakers – including ZweigWhite founder and CEO Mark Zweig – with extensive experience working with and for A/E firms. They have a clear understanding of what it takes to survive, and even thrive, in any economy.

The two-day agenda covers six critical areas of business management from the unique perspectives of architecture, engineering and environmental consulting firms, and is presented in tutorial and case study workshop sessions.

- Business planning
- Financial management
- Project management
- Ownership transition planning
- Human resources management
- Marketing/business development

The Principals Academy program also includes a case study workshop session that will provide an opportunity to practice implementing these management strategies in a supervised test-case scenario.

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

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TOP PLAYER

Banking on the right people

Hot Firm leader says that the knowing the benefits of success trumps fear as a motivator.

Success is a machine that feeds on itself as long as a clear understanding of goals exists.

At **Global Engineering Solutions** (Rockville, MD), an engineering, program and construction management

“We’ve been able to achieve much of our success because we have the right people at all levels of the company, each helping to support one another to be successful.”

firm, success depends on strong strategy and having the right people in the right places at all levels of the company. They understand the benefits of success and that explains the No. 44 in **THE ZWEIG LETTER** 2011 Hot Firm List, says Essi Najafi, associate principal.

Najafi, who credits his parents for the motivation to be successful, envisions a more collaborative A/E/P and environmental consulting industry in the coming years and says GES is well-positioned to grow along.

In this interview, Najafi also talks about the importance of loyalty and about leading by example.

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

Essi Najafi: It means that we’re doing something right... The firm’s vision has been properly implemented in a way that we’ve been able to see tangible results and, with respect to our industry, are among a select group that are continuing to grow.

TZL: How did you get where you are today?



Essi Najafi,
Associate
Principal, Global
Engineering
Solutions.

EN: With teamwork... By having a clear understanding of what our goals are and creating a proper strategy to accomplish each of our goals, we’ve been able to consistently improve the company’s performance. We’ve been able to achieve much of our success because we have the right people at all levels of the company, each helping to support one another to be successful.

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

EN: From my first job, I learned that regardless of the position you’re in, it’s important to lead by example and always to do the right thing.

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?

EN: It’s not just about genetics, but also how I was raised. My parents set positive examples that helped create internal motivation to make me strive to be successful.

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

EN: Failure is always a motivator, but a better motivator is understanding the benefits of being successful for the entire firm (i.e. the positive impact on each staff member). Being able to create new jobs and continue to grow in this difficult economy helps motivate our firm’s leaders.

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

EN: In 10-20 years, we see our industry comprised of much stronger firms. The firms that remain after the U.S. makes its way out of this recession are firms that were able to adapt their strategies to become more efficient in their processes. Although we see the industry being more competitive, we also anticipate more collaboration among competitors to team together for common pursuits.

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

EN: My parents are the biggest influence on who I am today and the sacrifices they have made have shaped me the most.

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

EN: As it relates to our industry, I most admire loyalty as it’s a rare commodity.

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

EN: Competing on a national/international level in martial arts.

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

EN: If you could go back in time and do something differently to have a better outcome on your firm, what would it be?

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?

EN: Take notes and learn as much as you can, but most importantly be sure to understand everything you learn.

▶▲

OUTLOOK

Infrastructure solutions becoming local

Lack for funding from federal sources is pushing innovation, report finds.

By CHRISTINA ZWEIG
Contributing editor

Climbing out of the recession, reduced public budgets at the local, state and national level have curtailed infrastructure improvement and expansion. After many years of underfunding, the United States is beginning to develop alternative approaches as the importance of infrastructure is re-awakened.

A May 9 webinar by the Urban Land Institute, “Infrastructure 2012: Spotlight on Leadership,” in a collaborative assessment with Ernst & Young, highlighted examples of new economy infrastructure leadership in six U.S. regions.

Infrastructure is more than just a necessity for transportation, it is the crux of the economic system, allowing people to get to work, allowing for the transport of goods, and providing jobs to those who improve and maintain it.

“Despite global austerity and continued economic uncertainty, leadership is key as politicians, procurers and service providers are finding bold new ways to collaborate, innovate, and leverage new technologies in an effort to support infrastructure initiatives around the world,” said Malcolm Bairstow, Ernst & Young’s global infrastructure and construction leader.

CASH WANING... INNOVATION EMERGING. Signs of economic recovery are beginning to surface and this, coupled with a growing recognition of the importance of infrastructure, has started the conversation about where funding will come from, webinar participants said. The United States’ Highway Trust Fund – the mainstay for both road and transit projects – is running short of cash. Up to this point, Congress has found ways to top off the trust fund with general revenues,



“Progress often precipitates from failures – tough times have a way of helping reshape priorities. Local governments are stepping up to the plate, assuming more responsibilities and leveraging many sources of funding to build the infrastructure to bolster flagging economies and position for the future.”

maintaining federal spending levels, but growing controversy over these repeated bailouts translates into declining federal support for state and city infrastructure programs.

“Progress often precipitates from failures – tough times have a way of helping reshape priorities,” said Maureen McAvey, ULI senior resident fellow. “Local governments are stepping up to the plate, assuming more responsibilities and leveraging many sources of funding to build the infrastructure to bolster flagging economies and position for the future.”

Still, more clarity is needed and without a clear federal policy, these localized, ground-up approaches are limited in their effectiveness, McAvey in a release. “Lack of a clear federal direction for policy and funding can create uncertainty and inertia that undermines progress.”

Success will come from greater communication among governments and sectors.

“It takes getting away from all these silos so the departments are talking to each other,” McAvey said during the webinar.

“In both the U.S. and Europe, the era of massive infrastructure investments may be over,” Howard Roth, global real estate leader with Ernst & Young, said in the release. “Although local governments may have success in doing more with less, the overall state of the infrastructure in these nations will deteriorate unless the political will and funding to make the needed investments materializes.”

LOCAL SOLUTIONS. The Global Report from ULI and Ernst & Young found that infrastructure funding de-

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STRATEGY

Joint ventures can be a solution

Where the new market demand is short-term, it may be most cost effective to form a partnership.

By LIISA SULLIVAN
Correspondent

Is closely partnering with another firm (as in a joint venture) a good alternative to mergers or acquisitions? First, let's take a look at the differences.

Basically, a joint venture is when two or more companies make an agreement to do business in one specific area. They can share the insurance and liability costs and produce higher profits. It is usually a short-lived collaboration.

A merger is when two companies come together to form a single company. They combine their respective resources. Sometimes there are job losses. Those decisions are specified in the merger contract well in advance of the deal.

An acquisition is when one company is buying and taking over another. If it's friendly, often the seller can stipulate who keeps their job and so forth. If it's unfriendly, the company taking over gets to make all the final decisions. They cannot take away benefits already earned.

RESOURCE ACQUISITIONS. According to David Sillars, assistant professor at the School of Civil and Construction Engineering, Oregon State University, Corvallis, Ore., a joint venture is a viable alternative in some cases to merging – if the intent of the merger is to acquire production resources (such as production equipment or facilities, or labor forces), to acquire special technologies, to expand into a region by acquiring locally-knowledgeable professionals, or to leverage the local reputation of a merged firm.

“These resource acquisitions are often needed in reaction to a new market demand or expansion strategies,” Sillars says. “Where the market demand is due to a long-range shift in the client mar-



Joe Morgan,
President, KZF
Design LLC.

ket or geographic expansion, the merger may be more effective than a joint venture since efficiencies of administrative costs may be achieved by combining the two enterprises and removing redundancies. However, where the new market demand is short-term, say to respond to the needs of a particular client project, it may be most cost effective to form a project-related joint venture that exists only for the duration of the project.”

A merger to respond to a short-term project may be less effective than a joint venture, since the merger will generally need to be sustained for longer than the project itself. And, if the acquired resources or technologies are not marketable beyond the project, the cost of maintaining them may be unsustainable.

REMAIN COMPETITIVE. A project-based joint venture is an excellent means for remaining competitive, especially in markets that shift frequently.

“In the AEC industry, large projects require strength in labor production, staff expertise, equipment technology, knowledge of local codes and regulations, and knowledge of local consultants and subcontractors,” Sillars says. “It's often the case that a major project may be proposed in a region where large projects are infrequent. In this case, local consultants and contractors may have strong knowledge of local resources and regulations, but may lack the capacity to undertake the project. A local consultant or contractor may joint venture with a larger firm from outside of the area to gain the necessary capacity to undertake the project.”

Conversely, the larger firm gains local

knowledge or reputation through the joint venture. This is a win-win situation whereby each firm, through the joint venture, will be competitive in its project proposal, yet alone each would not be competitive.

ONE SUCCESS STORY. In 2000, **KZF Design LLC**, Orlando, was established in Florida as a separate legal entity by **KZF Design Inc.**, Cincinnati. A joint venture allows the firms to share resources and portfolios. Each firm pursues clients and projects in their respective geographic areas and market segments, but the joint venture allows them to join together to pursue specific projects where it provides project type strength or other strategic advantage.

“The legal connection enables the smaller LLC to offer the resources of the much larger Inc.,” says Joe Morgan, president KZF Design LLC. “For Inc., it provides the opportunity to expand its market reach into an area where geographic presence is important. The joint venture remains intact today, surviving an ownership separation between the two entities at the start of 2012.”

Morgan says that a joint venture enables two or more independent firms to pursue specific projects or market segments in anticipation that the joint venture provides a competitive advantage that the individual firms might not have otherwise had.

“It's a viable alternative to merging or selling when the core values or structure of the individual firms differ,” Morgan says.

JOINT VENTURES – NOT ALWAYS THE ANSWER. Sillars adds that a joint venture may not be an effective alternative to selling a company if the purpose of selling the company is to liquidate its assets to provide for distributing stockholder equity or for paying down debt. A joint venture, in this case, does not provide for such liquidation.

“Joint ventures are just one means of many that you need to be competitive in the current marketplace,” Morgan adds. ▀▄

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“Despite global austerity and continued economic uncertainty, leadership is key as politicians, procurers and service providers are finding bold new ways to collaborate, innovate, and leverage new technologies in an effort to support infrastructure initiatives around the world.”

clines are a worldwide issue, but solutions do exist. Recent actions in the U.S. include local and state governments funding their own infrastructure investments by an increased sales tax, gas tax, user fees, tolls, etc. More large-scale public works are utilizing public/private ventures and innovative local governments are combining new technology and pricing to manage existing infrastructure better and achieve other objectives, according to the report.

One successful technique has been to put infrastructure issues directly on ballots. According to Infrastructure 2012, people are voting to raise taxes for infrastructure investment. From 2008 through 2011, ballots allocating funds to transit capital or operations had a 73 percent success rate.

Many times infrastructure is linked to land use programs and conservation efforts to maximize benefits. The report cites Trust for Public Land data showing that voters are supporting open space and land conservation measures. In 2011, voters approved 14 of 24 measures, or 58 percent, yielding more than \$312 million in approved conservation funds. Open space initiatives generated more than \$2 billion in 2010. From 2001 to 2011, 73 percent of 1,387 total measures were passed, resulting in upward of \$87 billion total funds approved. ▲▲

LOCAL INVESTMENT EXAMPLES

The “Infrastructure 2012: Spotlight on Leadership” report highlighted six examples in different regions of the U.S.:

- North Carolina’s Research Triangle is trying to raise funds locally for a planned regional transit system spanning three counties. Jobs and population are predicted to increase in these areas. In a November 2011 ballot in Durham County, North Carolina, 60 percent of voters approved a sales tax increase to meet local transportation needs. Though this decision is a successful example, the tri-county jurisdiction of the transit system means that in order to move forward with the plan, the other two counties, Orange and Wake County, must also pass their own sales tax referendums.
- Oklahoma City’s third Metropolitan Area Projects initiative passed a third temporary sales tax increase to fund projects in late 2009. This initiative is generating \$777 million for a new 70-acre Central Park and other civic infrastructure, including bicycle and walking trails, recreation along the Oklahoma River and state fairground improvements.
- In Los Angeles, strong leadership from public officials and grassroots campaigning supported a \$40 billion ballot initiative passed by 67 percent of voters, Measure R, to fund critical transportation investments. The projects were specifically designed to appeal to a diverse demographic set.
- In northeastern Illinois, the Water 2050 plan is a broad regional effort to ensure future water supply. Hundreds of local water authorities manage water in this region where economic and population growth has created concerns about future water shortages. The plan has created cooperation among the various groups and lays out over 200 water conservation strategies.
- In San Francisco, a futuristic program called SFpark launched in April 2011. The program uses variable pricing to match supply/demand and uses sensors to transmit information about parking availability and pricing wirelessly to a data feed that can be accessed via smartphone, Internet or phone hotline. SFpark gives drivers choices: pay more and walk less, or pay less and walk extra, allowing the city’s parking resources to be better managed, as well as encouraging transit use and providing environmental benefits.
- Instead of competing, local leaders in Central Connecticut and Western Massachusetts have been working to promote and develop a unified approach to economic, cultural and civic development. A bus transit system, rail line, and federal planning grants are all positive developments in the “Knowledge Corridor.”
- The report also names New York City as the champion national infrastructure innovator, with investments in the World Trade Center transit hub, the Second Avenue subway, the Long Island Railroad tunnel under the East River into Grand Central Station, and planned replacement of the Goethals and Tappan Zee Bridges.

INDUSTRY NEWS

BACTERIA ‘HEALS’ CONCRETE

“Self-healing” concrete is being developed by researchers at Northumbria University which could see cracks in concrete buildings become a thing of the past.

Dr. Alan Richardson, a senior lecturer in construction in the School of the Built and Natural Environment, is using a ground-borne bacteria – bacilli megaterium – to create calcite, a crystalline form of natural calcium carbonate. This can then be used to block the concrete’s pores, keeping out water and other damaging substances to prolong the life of the concrete.

The bacteria is grown on a nutrient broth of yeast, minerals and urea and is then added to the concrete. With its food

source in the concrete, the bacteria breeds and spreads, acting as a filler to seal the cracks and prevent further deterioration.

It is hoped the research could lead to a cost-effective cure for “concrete cancer” and has enormous commercial potential.

While further research is needed, Richardson is hopeful that the repair mortar will also be effective on existing structures.

So-called “concrete cancer” may be caused by the swelling and breaking of concrete and is estimated to cost billions of pounds worth of damage to buildings.

Richardson said: “This project is hugely exciting. The potential is there to have a building that can look after itself.”

Weekly update!



Christine Brack

PM PERSPECTIVES

Not exactly the SNL version – but still something to look forward to.

When someone asks me what project management tool or software they should implement, I defer to the easiest, least expensive and most effective one out there – the weekly progress report. I use them and any industry professional out there would agree with the value behind simplicity.

According to ZweigWhite’s “2011 Project Management Survey of Architecture, Engineering, Planning & Environmental Consulting Firms,” 70 percent of firms send out periodic project updates, mostly on a monthly basis (57 percent). When I do an informal poll at firms I work with or at a seminar, I usually see about half the hands raise. Even those who hesitate and raise half a hand, indicating they don’t send them out as consistently as they should, agree that this tool is indispensable.

The format is very straightforward: a few lines commenting on progress to date, upcoming tasks for the week, and any issues the team needs to be aware of. Everyone on the team should be included in the distribution – the client, the client’s boss, the principal, internal team, subconsultants, and any other stakeholders that need this information. Don’t err on the side of writing too much or too little – just a few lines will do.

So if you’re one of those that need to get back into the habit of sending progress reports out or are a total newbie to the idea, here are some rather convincing reasons you should be sending these out monthly, if not weekly:

■ **Clients like them.** Clients love information and they love it even more when it concerns the investment they’ve place in your hands. When the client sees this update pop up in his inbox on Monday morning, he thinks, “Wow, Jane is working on my project and **ONLY** my project.” That makes the client feel special, tended to, and very reassured. When he’s informed about the status and reads that things are progressing, he can concentrate on all the other fires he’s putting out

elsewhere. In other words, it’s a great relief. If things aren’t progressing as nicely as they should be, this tool documents those issues. Although it shouldn’t take the place of a phone call for serious matters or replace a meeting for major decisions, this update preempts that bad news by raising flags well in advance.

- **Your team will like them.** If there is one thing employees say stands in the way of doing the best job for each other and for the client, it is lack of communication between the project manager and the team. Certainly deadlines change, alterations are made mid-design and other considerations are exchanged all the time through the life of a project – especially at the beginning. The pace is so swift that passing that information along is sometimes forgotten and the procedure by which those details are delivered can be inefficient. This is not to say that important stuff should be withheld until the Monday update goes out, but it does a great job of confirming and reminding – especially if teams are working remotely.
- **They are a great accountability tool.** There’s probably no better way to make a person really commit to a task than to put it in an email and send it out to several recipients. When you’re the project manager committing to the upcoming tasks for the week, you think twice about whether or not you’re going to be able to say the following Monday that you indeed finished them. No one wants to have to explain in an open email why things slipped. This also reminds the subconsultants what they are on the hook for. And if your client has certain information they need to provide, it commits them to the process and also gives them a little pressure to meet their obligations. Everybody knows what everyone is working on and it gives everyone a chance to speak up in case anything might get in the way of accomplishing what the update pledges to complete.
- **You get paid faster.** Clients like progress reports and that is a good enough reason to use them, but the fact that they get you paid faster is also pretty compelling. Think about this: when the client receives your invoice at the end of the month for hours spent on their project, they reflect on the four weekly updates they received from you. They easily remember that, week after week, you are doing nothing but working on their project. There is seldom any hesitation to sign off on that invoice – and promptly – because they know you’ve earned it.

This should be a mandatory practice for every project manager out there. It doesn’t take long to write a project update – especially if you are at the helm of your project. The benefits updates bring to everyone are just indisputable.

Of course, the scale of your project is going to dictate how often you send these updates – but even for large scale projects during idle time, they are useful. This should be a mandatory practice for every project manager out there. It doesn’t take long to write a project update – especially if you are at the helm of your project. The benefits updates bring to everyone are just indisputable. ▲▲

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Being different



Gerry Salontai

GUEST SPEAKER

Adapt to change while using good old-fashioned fundamentals.

The world has changed over the last few decades, with much of this translated into the way we lead and manage our business. Some things remain the same, however. Companies continue to compete based on relationships, qualifications and price. Quality and service remain important to the business. Developing deep relationships with clients continues to set companies apart. And using your business model – whether its customer intimacy, product (service) leadership or operations excellence – will help define how you will approach the marketplace.

So what's different? Some contend a lot has changed and that competition is so fierce we may never use the same approaches to grow the business, let alone maintain market share. Others say nothing has changed and continue to approach the marketplace as they did a decade or more ago. I believe it's a little of both – adapting to change while using good old-fashioned fundamentals. Maintaining the fundamentals of good quality and providing great service is always key in any successful company. But is providing a great quality work product and exceptional service good enough? I don't think so.

Companies are attempting to raise the bar in quality for the price paid and going the extra mile in giving good service in the face of fierce competition in many market sectors. Doing quality work and providing good service is the minimum needed to compete, but not necessarily enough to win. The best firms identify the value proposition that can be delivered to the client/owner to differentiate themselves from the rest – especially when that can be translated into a reduction in the client's project schedule or cost.

Differentiation based on technical superiority still works if that superiority can be translated into coming up with creative and innovative solutions that create value for the client/owner. I still believe superior technical capability allows a company to beat much of the competition. This means staying true to the definition of technical – the practical application of scientific and mechanical concepts. It doesn't mean using "gold plated" solutions. It simply means taking the pressure off of your client's plate by producing alternative solutions that can help them bring a project into service quicker or stretch their capital investment further. This should be the focus on every contract, whether in the public or private sector. This is really just good old-fashioned value engineering.

I stumbled on a great example of this recently when an engineering company put their top technical talent on a large highway project. The technical team

was able to analyze certain aspects of the project differently, reducing unwarranted conservatism, and developed some innovative construction techniques to save over 20 percent in the original construction costs using collaboration, their strong technical expertise and some creativity. Now that's creating value. It's no wonder the best companies have been proactively deepening their technical bench strength and instilling this philosophy at greater speeds over the past year.

A newer form of technical differentiation is in the sustainability arena – the ability to be good stewards of the owner's resources. Capital constraints placed on owners today are forcing many of them to extend the lifecycle of their assets using deferred maintenance strategies. They also need to find ways to reuse their assets when new capital improvements are the clear choice. An entire new market can be created by your company around developing strategies using the "re" words – rehabilitate, reconstruct, renewable, reuse, recycle, renovate, retrofit, reclaim and more. The ability to find hidden value for the owner in these areas is the key. It's the ability for a company to think "beyond the box" in order to extend the life of an asset or reuse portions of the asset in updated capital improvements. A number of companies purposely structure project teams and hold creativity sessions to stimulate beyond the box thinking. The highway project cited above used such an approach and strategies to gain those savings.

Another new form of differentiation results from a company's ability to help owners identify, secure and/or even provide the financing needed to fund capital improvements. Only the very large companies can do the latter of these. But that doesn't mean all others are excluded. Helping clients find sources and secure capital for improvements is a powerful differentiator. A number of small to midsize companies are developing this expertise internally, have hired individuals or have strategically teamed with others to develop this capability as a value added capability for clients/owners. It allows them also to "create projects" that may have never existed before. And there are many opportunities beyond conventional financing – such as using charitable foundations to fund infrastructure development. Yes, it can be done.

Set your company apart from the pack. Maintain those deep client relationships, deliver a great quality work product and provide superior service. Do this by building a strong technical team, using creativity and innovation with the goal of creating new and different value on every contract. Times have changed. The best will create value for their clients each and every day.



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WORKPLACE

Ways to boost morale and retention

Offer praise, rewards and growth opportunities. And don't forget to recognize.

By LIISA SULLIVAN
Correspondent

Whether good, bad or middling economy, keeping employee morale up is a key retention player. It's important for employees to feel valued and positive about their careers. And, especially now that the economy is beginning to show signs of recovery, ensuring those employees don't go elsewhere is a focus strategy.

How can you reward top performers? How can you stop them from seeking greener pastures? How can you keep them motivated and satisfied?

So, how can you reward top performers? How can you stop them from seeking greener pastures? How can you keep them motivated and satisfied? Monetary raises may not always be an option so HR people need to get creative.

Office Team, the world's leading staffing service specializing in the placement of highly skilled office and administrative support professionals recently conducted a survey of 614 workers in North America to find out what was most important to them. They discovered the following:

- Work life balance: 31 percent
- Opportunities to learn and grow: 25 percent
- A good working relationship with the boss: 11 percent
- Camaraderie with co-workers: 14 percent
- Ability to accomplish goals: 17 percent

- Don't know: 2 percent

PRAISE, REWARDS AND GROWTH OPPORTUNITIES. Office Team reported that praise, rewards and growth opportunities topped the list when it came to boosting employee morale.

PRAISE

- Regularly thank employees for a job well done; never stop doing this.
- Acknowledge outstanding team members at a staff meeting so the feedback is "public."
- Make someone on your team employee of the month.
- Take the time to give specific praise on projects, focusing on what the employee did especially well versus what could have been done better.
- Share a message sent by a client or other stakeholder lauding the work of an employee.
- Feature stand-out employees in the company newsletter.
- Prepare a handwritten thank you note acknowledging someone's outstanding work.
- Keep reminders of all contributions an employee has made so you can review them at a performance evaluation.
- Point out how well their work affects the company and its clients. Everyone wants to know they are making a difference.

REWARDS

- Encourage staff to be active in professional associations and pay their dues.
- Take your direct reports to lunch and discuss their career goals and department objectives.
- Encourage a staff member to attend a professional conference or seminar and reimburse them for travel and registration fees.
- Pay for professional certification exams.
- Organize activities to celebrate birthdays, anniversaries or holidays.

- Bring in tasty treats for the team to enjoy.
- Explore telecommuting options or other flex time.
- Celebrate project completion with a lunch or team outing.
- Provide on-site services such as car washes or dry cleaning – services that may help staff be more efficient.
- Offer gift cards for coffee or the movies to employees who go above and beyond on a project.

GROWTH OPPORTUNITIES

- Ask members of your team to take on a tough problem or new challenge beyond their normal responsibilities.
- Empower employees to make their own decisions and have more control over their work.
- Ask team members to give a presentation at a staff or company meeting.
- Encourage employees to learn new software, technologies and to expand their skills and knowledge.
- Ask for your team's input on departmental issues or a new project.
- Ask each team member about his or her career goals and create a plan to achieve them.
- Match high potential employees with experienced mentors.
- Encourage employees to submit ideas for improving processes or projects and reward the best ideas.
- Invest in leadership training for your company's next generation of managers.
- Have a policy of promoting from within and make sure staff members know there's a path to growth.

RECOGNIZE UNSUNG HEROES.

While these previous tips can apply to anyone within an organization, make sure not to forget those unsung heroes within a firm too – administrative pro-

See MORALE, page 10

ON THE MOVE

PENNONI PROMOTES: **Pennoni Associates**, an ENR Top 100 engineering, design, and consulting firm, announced the promotion of six new associate vice presidents. These promotions are effective immediately.

Philadelphia: **Erin Bushnell**, associate vice president. Bushnell serves as the director of HR and has been with the firm for more than 10 years. She is responsible for the initiation and management of human resources programs and policies that further the strategy of the firm.

James Markham, associate vice president. Markham serves as the Transportation Division manager in the Philadelphia office. His group provides professional transportation engineering services to public and private sector clients.

Melissa Rysak, associate vice president. Rysak serves as the director of corporate communications and has been with the firm for eight years. Beginning with the firm as the PR manager, she is responsible for the internal/external communications and marketing efforts of the firm.

King of Prussia: **Khaled Hassan**, associate vice president. Hassan serves as the office director for King of Prussia. He manages the day to day operations for the King of Prussia office, as well as working to cultivate new and existing clients. Hassan previously served as a senior engineer for the Civil/Site/Landscape Architecture Division.

Mechanicsburg: **Larry Bankert**, associate vice president. Bankert serves as Transportation Division manager in the Mechanicsburg office. His professional focus has been in the research, planning, study, design, and funding aspects of transportation infrastructure improvements. His responsibilities include managing clients and professional staff responsible for transportation engineering services in south central Pennsylvania.

Monroeville: **Thomas Blank**, associate vice president. Blank serves as office director for the Monroeville office. He is responsible for client service and business development efforts for the Pittsburgh area as well as the management, growth and success of the Monroeville office.

LJA PROMOTES: **LJA Engineering, Inc.**, (Houston, TX), a 250-person full-service consulting engineering firm, announced that **Mike Baker** has joined the company as director of rail services.

Baker has over 35 years of diverse railroad experience including three years of railroad research with the Texas Transportation Institute, 13 years of Class I railroad engineering operations, construction, and maintenance management, and over 19 years of railroad consulting and construction. He has significant experience in railroad engineering, track maintenance, track construction, railroad operations and planning, leadership, and fiscal management.

Baker will manage the firm's Rail Services Division with responsibility for operations, project management and business development.

LJA is an employee-owned, full-service consulting engineering firm serving the public and private sectors in Texas. With offices in Houston, Beaumont, Galveston, The Woodlands, Austin, and

San Antonio, the staff of LJA includes over 250 experienced civil, transportation and structural engineers, environmental specialists, hydrologists, GIS specialists, construction managers, land planners, designers, technicians and surveyors.

RNL HIRES HASON: **RNL**, an international architecture, interior design, landscape architecture, planning and urban design firm, announced the addition of **Ala Hason** as MENA (Middle East North Africa) regional director.

"Ala's experience, spanning the Middle East and Northern Africa to China and the four corners of the United States, is an enormous asset to the firm and to the firm's clients," Joshua Gould, chairman and CEO of RNL, said. "His familiarity with the region, including seven years in Kuwait, coupled with an extensive knowledge of the IBC (International Business Code), will further our goals of delivering world class-design to clients throughout the MENA region."

Hason joined RNL from the Denver office of **Fentress Architects**, where he served as director of International Development since 2009. Before that, Hason was the managing director and principal of Gensler's operations for Denver. Hason specializes in planning and urban design, hospitality, office, corporate headquarters and transportation structures, as well as, higher education and museum facilities.

"I am looking forward to using the knowledge and expertise at RNL to be part of the exciting growth and development in the MENA Region: true sustainable development, which respects the heritage and the cultural values of the area and implements lasting social, economic and physical growth and prosperity for generations to come," Hason said.

TT HIRES: **Thornton Tomasetti** (New York, NY), the international engineering firm, announces that **Nicholas Hyatt**, has joined as a vice president in its Chicago office. The Windy City native has significant forensic investigation and structural analysis experience. In addition to leading project teams, he will assist in supporting clients requiring Building Performance services across the Midwest.

A forensic specialist, Hyatt has more than 10 years of experience performing investigations of structural failures throughout the United States. He has analyzed, investigated, evaluated and repaired nearly every type of structure, from a garage at Millennium Park in Chicago, Ill. to the George Washington Bridge in New York, N.Y.

Hyatt spent eight years at Wiss, Janney, Elstner Associates, Inc.'s Northbrook, Ill. headquarters and three at the firm's Boston office. He also formed his own general contracting company, which, along with an MBA degree from the University of Chicago, has helped him to gain a broad view of the industry.

"I enjoy investigative work. It is not only challenging, but allows me to learn something new from every project. At Thornton Tomasetti, I will have the opportunity to work on a variety of projects with wide range of clients in both the Midwest and across the globe," he said.

MORALE, from page 1

professionals often get lost in the shuffle. Here are some additional tips to boost spirits in their departments:

- Nominate staff for internal achievement awards. For example, create an Administrative Excellence Award for outstanding support assistance.
- Implement a solution throughout the department that your assistant recommended and give him/her credit.

- Give administrative assistants subscriptions to an industry trade publication such as Office Pro.
- Ask more experienced administrative personnel to mentor newer, office support staff.
- If an administrative professional has attended a conference, ask him/her to share that they learned with others.
- Give support staff business cards. ▀▀

SMALL FIRM

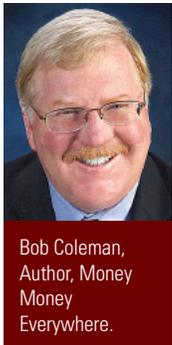
Ins and outs of small business loans

Some obvious things and some you would never guess. Plus, a case study.

By LIISA SULLIVAN
Correspondent

Applying for a small business loan can be stressful, but if you have your ducks in a row and know what rules of thumb lenders use, it may take some of the sting out of the process.

ONE EXPERT'S OPINION.



Bob Coleman,
Author, Money
Money
Everywhere.

Bob Coleman is the author of *Money Money Everywhere* and *Not a Drop for Main Street*. He is also the editor of the *Coleman Report*, a trade newsletter for small business bankers, and a nationally recognized expert on small business banking. He has appeared on Fox Business News and CNN and has been

quoted by most major financial media outlets, including the Wall Street Journal, New York Times and Bloomberg. Here, he shares some important tips for A/E businesses to keep in mind when considering applying for a small business loan.

"First, businesses need to have a clear understanding of their cash flow. If businesses do not have this, bankers get nervous," Coleman says. "They should actually prepare a separate addendum to financial statements that outlines cash flow. It should be very

"Many people don't know this, but in addition to doing firm web searches, bankers will also perform a Google street view to see what the workplace and surrounding area looks like. For instance, if your building is surrounded by abandoned cars, this could very well reflect negatively."

simple and no more than one page. It should show where cash comes from and where cash is spent – that's it."

Additionally, a firm needs to know what its GAFA (Google, Apple, Facebook, Amazon) profile looks like. What does this mean? It means that firms need to ensure that they are established as an expert in their niche on the web. If there is anything out there that is negative in nature, it should be addressed through social media, press releases and such, Coleman says.

Firms should also be active in online groups, especially LinkedIn, and post daily tips and items. This will help them to establish themselves as thought leaders in the industry. They will be perceived as being a serious niche player.

"Many people don't know this, but in addition to doing firm web searches, bankers will also perform a Google street view to see what the workplace and surrounding area looks like," Coleman says. "For instance, if your building is surrounded by abandoned cars, this could very well reflect negatively."

Coleman adds that it's also important for firms to choose the right lender.

"Tell your story. Join groups in the community where bankers belong – i.e., Rotary Club, etc. It's imperative for small businesses to develop relationships with local lenders. They are the ones that will be more apt to provide a loan; an application at a larger bank may not be as well received," Coleman says. "In a nutshell – go old school. Without a doubt, it will improve your

loan chances."

ONE FIRM'S STORY. As a small business owner, Anthony Catsimatides, founder **Open Atelier Architects** (Syracuse, NY), decided it was time to apply for a small business loan. After working out of his home and then rented space, he had the opportunity to purchase and renovate a building that would house Open Atelier and its growing staff.



Anthony
Catsimatides,
Founder,
Open Atelier
Architects.

The 6,000 square-foot building is located in downtown Syracuse and his desire to purchase the building was also tied to his passion for revitalizing this area.

With the financial partnership of the Small Business Administration, M&T Bank and the Greater Syracuse Business Development Corporation through the 504 loan program, Open Atelier acquired the building in 2009.

The building is two stories with a full basement. Each floor is 3,000 square feet and the purchase price of the building was \$120,000. Total construction costs came to \$190,000; soft costs such as the closing added another \$10,000.

A NYS Main Street Grant for construction improvements was awarded to them through the Syracuse Downtown Committee, an entity established by the city of Syracuse to provide businesses with support through financial and other types of assistance. That came to \$40,000.

The SBA loan was called a 504 split. The bank loaned 50 percent, the SBA loaned 40 percent, and the business put in 10 percent. The loan from the bank, Solvay Bank, was \$121,750; the loan from the SBA was \$126,000; the grant was \$40,000 and the business

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EVENT PREVIEW

AEC Technology Strategies Conference

Advances in technology, management challenges and thought-provoking discussions mark event.

CHRISTINA M. ZWEIG
Contributing editor

Technology is changing the way AEC firms do business. For over a decade, ZweigWhite’s annual AEC Technology Strategies Conference has provided IT professionals from architecture and engineering firms an opportunity to join their peers and share advances in technology, as well as solutions to the unique management challenges IT professionals are facing.

The 2012 AEC Technology Strategies Conference program will feature presentations on a range of topics, including how IT professionals can further marketing and business development efforts, the role of the IT leader in AEC firms today, what the qualifications should be for IT professionals in the industry, what IT professionals need to know about financial management systems in their firms, and how to evaluate and integrate the latest innovations in technology products and systems. Other topics include managing the relationship between IT and every-

one else in the firm, overcoming budget constraints, and overall topics on data management, storage, document sharing, and disaster recovery/security.

The conference will also include a panel discussion on the use of Virtualized Desktops and the pros/cons of competing technologies, including VMWare View, Xen Desktop, Parallels Hypervisor, and Windows RDP.

In a featured presentation, Dennis R. Sheldon, associate professor of the Practice in Design and Computation at MIT’s Department of Architecture and a founder and chief technology officer of Gehry Technologies, will present recent project work that demonstrates new methods of concurrent design in the context of professional practice and will describe new web technologies that move beyond source control to make flexible, global 3D collaboration possible for all. Sheldon’s presentation will theorize on the application of such open platforms for the transformation of construction automation, services sourcing, and building delivery processes. Bob Dubinsky, vice president, Corporate Resources, and Becky Bozadjian, director of marketing, VHB, will discuss how IT can support a marketing information system that improves the efficiency of proposals, collateral and communication.

In these challenging economic times it is important to leverage solutions that are easy to implement, easy to use and can provide major benefits, including an impressive return on investment. In another feature presentation, Alec Lorentiu, associate and director of IT-IS, Morrison Hershfield, will describe systems he implemented to help the firm improve collaboration internally and with clients, between partners and subcontractors, manage records in a compliant manner, and maintain a comprehensive internal knowledge portal, all while meeting the above objectives.

Michael Stiefel, consultant, Software Architecture and Development, will present on the theme “Architecting For Failure, Cloud Architecture is Different.” This talk will explain how to architect and build cloud computing applications to be resilient under outage conditions. It will also explain what aspects of traditional software architecture and design are the same, and which areas must evolve.

Conference attendees include CIOs, CTOs, VPs of technology, IT directors, and other technology leaders from AEC firms, as well as market analysts, consultants, writers, and other pundits who advise AEC firms on technology trends. Sponsors include software and service solution providers for design and construction firms. ▲▲

The AEC Technology Strategies Conference is scheduled for June 6-7, 2012 in Cambridge, Mass. For more information or to register, log on to www.zweigwhite.com/events/AECTechnologyStrategies.

In these challenging economic times it is important to leverage solutions that are easy to implement, easy to use and can provide major benefits, including an impressive return on investment.

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put in \$31,500, bringing the total project cost to \$319,250.

So, aside from sound financial statements, what did Catsimatides have to show to make this all come together?

“Not only did the feds want to see two years of revenue and expenses, they also wanted me to create a balance sheet, a two-year projection of revenue,

a list of clients and a list of projected clients who I thought I would have as clients in the future. They also wanted a life insurance policy for the duration of the loan – one that named them beneficiary; they wanted all my personal finances for the past two years and scrutinized my background for absolutely anything they could find,” he says.

Catsimatides adds that for every dime he spent for the remodel, he had to show the receipts for what he pur-

chased, and for every draw they gave him for the construction loan, he had to show a deposit slip in the bank, and the contractor’s cancelled check. If he did not, they wouldn’t release the final draw for construction.

“While the process was happening, it was somewhat frustrating, but now I’m past all of that and with the building being located in the Empire Zone, the tax reduction we currently receive has made it all worthwhile,” he says. ▲▲