THE ZWEIG LETTER

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# It is so much more than price!

Mark Zweig

EDITORIAL

## Underselling starts a sometimes irreversible trend. Don't do it, Mark Zweig warns.

When you think about what design professionals do – bringing order to chaos; facilitation of making dreams become reality – it's some pretty amazing stuff. When you do a good job you really help your clients do something they simply could not do without you. That's remarkable!

That's why you should get paid decently.

But we all know it doesn't always work that way. Clients beat you up. They act as if all civil engineers, or architects, or landscape architects, are the same. They try to beat on you for lower fees. And there's almost always someone in your field who will work ridiculously cheap.

We've all heard those dreaded words, when a client tells you, "So-and-so is willing to work for us for half your fee," or some other such nonsense. And while it may be tempting to cave in – especially when you really need the work – it is rarely ever the right thing to do – especially if you consider the long term at all.

You are establishing a pricing expectation that will be hard, if not impossible, to ever shake off with this client. Then you could be trapped forever – either working for them too cheap or disappointing them by not doing so. Either way, you lose!

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Don't do it! Don't succumb to temptation to work too cheap! Just say "no" to low fees and only work for people who will pay you decently. If you can't find those clients, stay home and work on your business.

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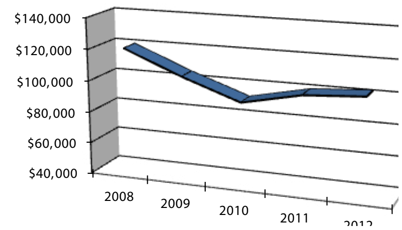


The 2012 Marketing Survey finds that marketing directors' total compensation increased again this year after declining significantly in previous years. While marketing directors' total compensation spiked to a high of $120,000 in 2008, this number dropped to $105,000 in 2009, and then to $92,000 in 2010. Marketing directors' total compensation climbed to $100,000 in 2011, and this year increased again to $102,500.
– *Margot Suydam, Survey Manager*

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And the situation gets worse when they start referring you to their friends who also need your services.

Don't do it! Don't succumb to temptation to work too cheap! Just say "no" to low fees and only work for people who will pay you decently. If you can't find those clients, stay home and work on your business. What will make you more successful? Do it. What systems need to be implemented? Implement them. Work on your process and work on your marketing. That will make yours a better business and make it easier to justify a higher fee and more likely that the client will use you for the right reasons – because you are GOOD, not because you are CHEAP!

Hold your head high and say "no" if they won't pay you decently. And if no one will pay you properly, you may want to consider another profession. You must not have that magic that some people seem to have where they get paid and get paid well for what they do.

It takes some confidence; confidence in your abilities and especially confidence in your ability to survive if you do say "no."

I'm glad I learned to say "no" to mediocre fees at an early age. That gave me time to work on my business AND to properly serve the good clients who didn't try to nickel and dime me over little stuff. It also gave me self-confidence and assurance to everyone who worked in the company because they knew we were winners – not patsies or pawns.

Sure, 80 percent of the market just wants cheap. They don't care if it's good. Why would anyone want to work for clients like that? Focus on the 20 percent who realize the absurdity of treating all design firms like they are all alike. That's just plain crazy!

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

## A/E BUSINESS NEWS

**A GREEN DEBATE:** A battle is brewing in the green certification industry.

Not long after more than 27 associations representing a wide range of interests in the building and construction industry announced the formation of the American High-Performance Buildings Coalition (AHPBC) on July 18, the U.S. Green Building Council came out to assert its status.

"If this coalition is sincere in its interest to advance high-performance buildings over the status quo, we welcome them to the table and sincerely look forward to engaging together to make green buildings more valuable to Americans," Roger Platt, senior VP of Global Policy and Law at USGBC said in a statement put out the same day.

The statement noted that LEED is private, voluntary, transparent and democratic. The manufacturer-led AHPBC includes such organizations as the much-chastised American Chemistry Council.

AHPBC member organizations see a new green standard as a necessity. Their website, curiously, is www.betterbuildingstandards.com.

"The formation of this coalition is yet another positive step on the road to making green construction not an exception but rather standard operating procedure for the construction, design and building maintenance communities in this country. As building product manufacturers, we understand our responsibility to work with the design community to achieve truly energy efficient high performing, 21st century buildings," said Jared Blum, president of PIMA, the Polyisocyanurate Insulation Manufacturers Association.

The AHPBC says it will provide critical experience and expertise to the development of green building standards, and will support performance-based building codes, standards and rating systems developed in conformance with the American National Standards Institute (ANSI), the established voice of the U.S. standards and conformity assessment system.

The coalition announcement comes as the U.S. General Services Administration is in the process of reviewing the use of green building standards by the federal government and the USGBC revises its LEED.

The AHPBC says it supports certification systems based on sound data, scientific methodology and developed using a consensus process. The coalition says it will advocate that position with GSA, other federal agencies and in other venues where green building certifications are under consideration.

Meanwhile, more than 1,200 businesses and organizations representing a wide array of industries across all 50 states sent a letter asking the GSA on July 25 to continue to use the LEED green building rating system to advance innovation in construction and save taxpayer dollars.

Signatories of the letter are architects, engineers, builders, contractors, designers, planners and product manufacturers. These include Skanska, Tishman Speyer, and Kohler Co., in addition to other high-profile business leaders.

They lauded GSA's decision to mirror the private sector in the use of LEED certification to reduce operating costs, save money and eliminate waste. They also agreed that deviating from LEED would add cost to projects.

The executives urged GSA to continue to use the LEED building rating system and to focus on the "usability, market acceptance and effectiveness of rating tools rather than distractions focused on a single issue."

A full list of members of the AHPBC, as well a host of additional information, is available online at www.betterbuildingstandards.com.

THE ZWEIG LETTER

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TOP PLAYER

# Growth is exciting for them

## Client dedication and constant improvement define Hot Firm.

Joseph Posewick argues that business is as fickle as the weather. It's always changing.

Posewick, the chairman of **EN Engineering** (Woodridge, IL), a 428-person engineering and consulting services firm, also believes that fickleness can be tamed with a combination of hard work and dedication to clients. The firm is No. 46 in **THE ZWEIG LETTER** 2011 Hot Firm List.

In this interview, Posewick talks about persistence, never being satisfied and how hard it was to earn his engineering degree. He also makes a proposal to other members of the Hot Firm List.

Joseph Posewick, Chairman, EN Engineering.

"Anything worth doing is worth doing well. I always ask potential new hires about what type of jobs they had in high school and college. I am more impressed with those who had low-paying jobs with lots of customer contact, than those who through their good fortune had better paying jobs."

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

**Joseph Posewick:** Being a Hot Firm, first of all, means you are doing business in the right industry. The energy business is experiencing extraordinary growth in certain sectors, from which we have benefitted. It also means you are most likely meeting your customers' needs and have more motivated employees. Firms either grow or shrink – the status quo is not an option. EN Engineering's management team finds growth to be exciting.

**TZL: How did you get where you are today?**

**JP:** EN Engineering got to where it is today through a very talented management team and staff, by realizing our customer is King, and by knowing we must be better tomorrow than we are today.

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

**JP:** I worked part-time for a large grocery chain from the age of 16 to 23 when I received an engineering degree from the University of Illinois at Chicago. I commuted to college while living at home. I maintained my part-time job even while I had full-time summer engineering internships. This part-time job was one of the key building blocks of my life. Not only did I meet my wife of 45 years there, but I learned the value of customer service, that hard work is both fun and rewarding, and that there is no such thing as a menial task. Anything worth doing is worth doing well. I always ask potential new hires about what type of jobs they had in high school and college. I am more impressed with those who had low-paying jobs with lots of customer contact, than those who through their good fortune had better paying jobs.

**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?**

**JP:** Persistence and never being satisfied, and a belief that everyone is motivated differently; these are all part of my core. I set very lofty goals for myself and others, with the understanding that failure is acceptable, but not putting forth maximum effort is unacceptable.

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

**JP:** I think the business climate has always been, and will continue to be, difficult. Like the weather, the business climate is constantly changing, and companies must be flexible and able to anticipate and react to the changing climate. The fear of failure can be a demotivator for companies, but successful companies have a culture where everyone knows the rewards of success far exceed the cost of failure.

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

**JP:** I believe the engineering industry will continue to grow at a pace faster than the economy as a whole. But for this to be the case, the industry must expand its efforts to educate the users of our services that engineering is a profession and not a commodity. The trend of ever-expanding government regulations must be reversed. The engineering profession must not support excessive and unnecessary regu-

See TOP PLAYER, page 8

CASE STUDY

# Building internal communications

## Harley Ellis Devereaux embraces Knowledge Architecture's Synthesis Social Intranet.

By CHRISTINA ZWEIG, contributing editor, and NICOLE FRANZEN, studio marketing manager, Harley Ellis Devereaux

Many design firms share a similar challenge, "How do we leverage our expertise across market or discipline specialties, and share timely project information across multiple office locations?"

Survey results from ZweigWhite's 2012 "Information Technology Survey" found that multiple office management/collaboration was a top IT concern for most firms in the industry, with multiple respondents specifically stating that regional office connectivity, data access and project collaboration among different offices was a big challenge.

For **Harley Ellis Devereaux** (Southfield, MI), a full-service architecture, engineering and planning firm with five offices focused on serving five studio areas of expertise, the obvious solution was to "socially connect" their multiple locations with a comprehensive and capable digital resource.

"Software options pour in to our firm on a weekly – sometimes on a daily basis. Sifting through the various social intranet options to find the one that would have the greatest, long-lasting value to our employees could have taken a lot of time," says Dennis King, principal and COO at HED. "Thanks, however, to Christopher Parsons, founder and CEO of Knowledge Architecture, Harley Ellis Devereaux connected with KA Synthesis, a rich and approachable social intranet resource designed to share knowledge, leverage expertise and improve collaborative efforts among our staff wherever they are and whatever their areas of specialization."

**Common challenge.** At A/E/P and environmental firms, intranets can be used for posting anything from the company policy manual to project numbers, details, codes and links. According to the "Information Technology Survey," nearly all firms (79 percent) have an intranet, with 38 percent using Microsoft's SharePoint.

Dennis King, Principal and COO, Harley Ellis Devereaux.

Information systems are often broken into separate databases for clients, projects and for images/photos. According to the recently released 2012 "Marketing Survey" by ZweigWhite, more than two-thirds of firms (69 percent) maintain a customer relationship management (CRM) database of clients and contacts, 67 percent maintain a database file on all projects and staff, and only 45 percent of firms maintain an image/photo database. Of the firms that maintain a CRM database, the most popular platform is Deltek Vision, used by 53 percent of all firms.

**Solution.** HED runs a variety of enterprise information systems, including Deltek Vision, Axomic OpenAsset, and Newforma Project Center. Knowledge Architecture's Synthesis integrates information from all three of these platforms into a simple, intuitive single interface that makes finding information easy for anyone in the company… wherever they may be.

> "Sifting through the various social intranet options to find the one that would have the greatest, long-lasting value to our employees could have taken a lot of time."

HED launched their new Synthesis social intranet in mid-July with the technical assistance and guidance of Susan Strom from Knowledge Architecture. Thus far the feedback from staff has been enthusiastic and positive and the platform is being utilized as a valuable tool by its people.

Interestingly, the benefits of HED's new social intranet happened as early as its day-one launch.

"I was exploring Synthesis and discovered an early posting from our San Francisco office sharing their recent selection for a fitness facility project in the Bay Area," says Nicole Franzen, studio marketing manager at HED. "Ironically, our team here in Detroit was just about to go into a strategy meeting that morning to propose on a fitness facility addition for a client located here in Michigan. Discovering this project success on our new intranet allowed us to immediately connect with our team in California, call on their expertise, portfolio and approach that helped them win so we could develop a similar winning strategy here as well."

Chris Parsons of Knowledge Architecture said organization is important when it comes to intranets.

"Harley Ellis Devereaux launched their new Synthesis Intranet by organizing it based upon their four core mission statement elements: their people, their clients, their work, and their success," he says. "Knowledge Architecture is really excited to see how well their staff has taken to Synthesis and we look forward to our continued, mutual success."

MARKET

# Smaller projects sustain firms

## Firms are finding work in additions and renovations – and niche markets.

By LIISA SULLIVAN
Correspondent

Despite the economic mire that we continue to wade through, many companies continue to forge ahead and are managing to sustain – quite healthily – on less.

**CORPORATE RETAIL IS STRONG.** Amy Phillips, manager of marketing, **Cuhaci & Peterson Architects** (Orlando, FL) reports that they have even been lucky enough to have grown quite a bit in the past 18 months from around 95 staff to more than 115 currently.

Amy Phillips, Manager of Marketing, Cuhaci & Peterson Architects.

"Although we have seen an increase in larger-scale projects in the last year – such as power centers and warehouse projects – what has really kept us sustained and growing in this economy is corporate retail."

"We've also been lucky in that our corporate focus in the last few years shifted, so we are involved in more corporate retail work as opposed to private development," she says. "Although we have seen an increase in larger-scale projects in the last year – such as power centers and warehouse projects – what has really kept us sustained and growing in this economy is corporate retail."

Retail clients with roll-out program work, whether that work is new, tenant

Dike Bacon, Principal, Hnedak Bobo Group.

build-outs or renovations, have been Cuhaci's primary income generator. Project types range from convenience to grocery, restaurants and dry-goods retailers.

Specifically for renovations, several retailers are moving into existing retail spaces; demising the space and making the new client fit effectively in the space. Cuhaci has also seen quite a few retailers update existing stores with new design, new layouts, new branding and overall improvements.

"Some of our work is with airport concession – both food service and dry goods – and in those cases, it is considered a new project interior build-out, but it's a tight schedule in a functioning environment taking over a space that existed as a previous client," Phillips says.

Phillips gives a broad average of projects and indicates that smaller projects typically run from about $25- to $30,000.

**ENTERTAINMENT AND HOSPITALITY.** At **Hnedak Bobo Group** (Memphis, TN), a 90-person architecture, interiors, project and development management firm, the majority of projects sustaining the firm continue to be entertainment- and hospitality-focused.

Dike Bacon, principal, director of planning and business development, explains that within that broad market sector, HBG has strategically pursued the Indian gaming industry for many years and its investment of time and resources in this particular sector continues to yield very positive returns for the company.

"Some of our current Indian gaming projects include the completion of planning and design of a $246 million casino and hotel addition to the Poarch Creek Indian's Wind Creek Resort in Wetumpka, Ala., the planning and design of a new 500-room hotel tower addition to the WinStar Casino Resort in Thackerville, Okla., for the Chickasaw Nation, the completion and opening of a new 250-room hotel, multi-purpose event center, and Hard Rock Café addition to the Four Winds Casino Resort in New Buffalo, Mich., owned by the Pokagon Band of Potawatomi Indians, the completion and opening of a $40 million casino for the Pokagon Band in Hartford, Mich., the planning and design of a proposed $245 million casino in downtown Lansing, Mich., for the Sault St. Marie Tribe of Chippewa Indians, the completion and opening of a new 400-room $40 million hotel addition to the Coushatta Casino Resort in Kinder, La., and the completion of planning and design of new $130 million casino in downtown Buffalo, N.Y., for the Seneca Nation of Indians," Bacon says.

He adds that while the projects, in general, have become a bit smaller and there aren't as many greenfield or ground-up new build developments, this space is still quite healthy for the firm.

"The Indian gaming industry has certainly gotten more competitive for design firms, but the barriers to entry remain relatively high," he says.

So, overall the news is optimistic and the importance of carving a niche remains important to a firm's project sustainability.

# Time is money

June Jewell

GUEST SPEAKER

## Time management strategies to increase project profitability.

If you don't believe that "time is money," just figure out the cost of three wasted hours a week for each of your staff. A recent study by Salary.com reports that the average employee wastes between one to five hours a week on non-work related activities. This fact provides incentive for establishing solid time management policies to monitor and improve employee utilization. If you were a jeweler you would do anything to protect your precious inventory, yet most A/E firms don't put practices in place to ensure that employee time is captured, approved or monitored in a way that keeps projects on track.

**THE RELATIONSHIP BETWEEN UTILIZATION AND OVERHEAD.** Developing realistic and achievable budgets is key to ensuring that projects will make a profit. This requires determining the hours it will take for your staff to achieve the project scope and the cost associated with that time. Billing rates are based on a net multiplier calculated to cover labor cost, fringe benefits, an overhead multiplier and profit. If the overhead rate used for the budget is too low, you will not make the profit margin desired – or potentially lose money.

The main reason that overhead rates increase in a professional services firm is that billable hours are too low, and indirect labor is higher than budgeted. This has a direct effect on project profit margins.

**TIMESHEETS FEED YOUR BUSINESS.** Timesheets feed almost every critical area of your business, including:

- Payroll
- Billings
- Project reporting
- Financial statements
- Overhead rate calculations
- Employee performance reviews and utilization reporting

If you were a jeweler you would do anything to protect your precious inventory, yet most A/E firms don't put practices in place to ensure that employee time is captured, approved or monitored in a way that keeps projects on track.

If your timesheets are not accurate, your billing and reporting will not be accurate either. Here are several best practices you can put in place to increase timesheet accuracy and improve your employees' adherence to timesheet polices:

- **Daily time entry** – While this seems counter-intuitive to getting employees to follow timesheet policies, it is actually easier to monitor and will have the biggest impact on timesheet accuracy of anything you can implement. Most employees wait until the end of the week or pay period to enter their timesheets – can you remember what you did yesterday in 15 minute increments? In most cases they are guessing.
- **Minimize the number of choices for time entry** – When employees are given lists of choices when entering their timesheets, they end up guessing. Limiting them to just active phases and tasks on each project, inactivating old projects, and flagging projects that they are assigned to can reduce the number of incorrect entries drastically and speed up your approval and billing processes.
- **Implement timesheet and project line item approval processes** – Having project managers review timesheets for accuracy is critical to ensuring that employees are filling out timesheets correctly. Managers should be looking at time for each employee, as well as by project line items. When employees know that their time is being scrutinized they are more careful about how they spend their time and how they record it on their timesheet.
- **Send alerts when employees charge to activities they are not assigned to** – Automation can really help with the process of monitoring employee timesheet accuracy. Set your system to give alerts when budget milestones are reached, or employees have charged to phases or tasks that they are not assigned to.
- **Create process for extra services** – Another area that A/E firms lose money on projects is their lack of management of out-of-scope work or extra services. The key to controlling extra services is having a well-documented process for determining and recording extra services on timesheets. Your timesheet process should include instructions for determining if work is out-of-scope, getting approval for fee increases, and recording this time to special phases/tasks for billing purposes.
- **Document and enforce effective timesheet policies** – Having well documented and rigid enforcement of timesheet policies is critical to ensuring timesheet compliance and accuracy.

See below for some tips on enforcing timesheet policies effectively.

**TIMESHEET POLICY COMPLIANCE AND ENFORCEMENT.** Timesheet compliance is one of the biggest challenges of an A/E firm. Very often this is

See JUNE JEWELL, page 8





zweigwhite

# Nurturing the savvy recruiter

Jeremy Clarke

SEARCH SAVVY

## Very little is being done to evaluate and train those who hire. Here's what to do.

There is no shortage of resources that can be leveraged to serve the interests of your recruiting needs. Social media, blogs, professional networking sites, aggregate job boards, state of the art applicant tracking systems are all readily available, are easy to use, and bring value to finding strong candidates. Still, it is the "savvy" recruiter who builds credibility; it is the ability to collaborate competently with their hiring constituency and their candidates that makes a great recruiter. Far more than just finding candidates, the most crucial skill sets are the intangible ones; the "nuanced" abilities in a seasoned, well-trained recruiter who knows how to establish credibility quickly, who knows how to manage the process well, and who knows how to determine a candidate's relevance for the job effectively. You can garnish your recruiting team with all the latest tools, but if your recruiters don't have the "nuances" down – the soft skills – you'll end up with a lot of résumés and very few hires.

I'm raising this issue because, having spent the vast majority of my career in your shoes (in a corporate recruiting capacity), I have come to know that there is very little being done to evaluate a recruiter's performance in these areas and to train them for improvement. The unintended result is: we lose good candidates and diminish the image of the organization simultaneously. At the end of the day, every recruiter has two primary interfaces: their hiring community and their new hires. If you really want to know how well your recruiters are performing and where they need training, you're going to have to get inside the heads of these two groups and start training aggressively based on your findings.

Here's what I suggest:

**Survey your hiring community.** It's important to poll your "end-users" in order to ascertain two critical values: 1) What was the quality of the candidates?; and 2) How well was the selection process managed? The intent is to determine how well the recruiter understood the requirements of the job and how effectively they executed the process map that ultimately delivered the candidate. Were candidates relevant and competitive? Was the process consistent? Was it consultative? Was communication maintained well? I recommend that recruiter evaluations covering at least these two points be distributed to hiring managers within 30 days of the new hire's start date.

If hiring managers begin reporting unfavorable results in candidate quality and process management, I recommend training your recruiters on conducting comprehensive "intake sessions." An intake session is simply an initial meeting between the recruiter and the hiring manager to calibrate the preferred candidate profile and the anticipated selection process before the search actually begins. I suggest that an SLA (service level agreement) be developed and agreed upon, based upon the information exchanged in the intake session. This tends to calibrate both parties while keeping everyone accountable to their commitments. So, train your recruiters to hold intake sessions. Teach them how to establish and communicate realistic expectations with their hiring manager. Teach them how to be more consultative in developing/managing the best possible selection process. Teach them how to set/communicate candid and realistic timelines regarding the needed time to fill a position. You don't need another article to tell you these things. They're just sensible – they make good business sense because they're collaborative. It has been my experience that low candidate quality or poor process management is not so much a lack of diligence on the recruiter's part, but rather a lack of effective communication between the recruiter and his or her hiring constituency.

**Survey your new hires.** This one's easy. Just develop a short questionnaire intended to gain the new hire's perception of his or her experience of the overall selection process. And like the hiring manager survey, I recommend that these evaluations be submitted to new hires within 30 days of their start date. What was their impression of the recruiter? Was he or she friendly? Was he or she communicative throughout the process? Gauge the new hire's impression of the recruiter's competence. Were screening questions from the recruiter insightful? Were they relevant? Were they discriminatory?

In short, you want to gauge the recruiter's ability

See JEREMY CLARKE, page 8

> You can garnish your recruiting team with all the latest tools, but if your recruiters don't have the 'nuances' down – the soft skills – you'll end up with a lot of résumés and very few hires.

## TOP PLAYER, from page 3

lations even though these regulations may mean short-term gains for the industry. Excessive government regulations have a debilitating effect on the economy, which hurts everyone in the long term. EN Engineering will continue to grow at a fast pace organically and through strategic acquisitions.

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

**JP:** I consider myself extremely fortunate to have had a number of very significant mentors in my life. Each one played a very different role. But each taught by example and not by what they said. One exhibited unquestioned integrity, one technical expertise, one had excellent communication skills and the ability to empathize with others, and yet another had a unique ability to work his way through the maze of corporate life.

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

**JP:** I admire integrity and by integrity I mean it is not something you say you have, but rather it is something that others say you have.

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

**JP:** Earning my engineering degree was the most challenging thing I have ever done. I was not a good high school student, so I had to work very hard to earn my degree.

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

**JP:** "Are you interested in being acquired by EN Engineering?" Hot Firms are the types of companies that we can learn from and that can help us reach a new level of excellence.

**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?**

**JP:** Don't limit yourself to one path to success, be flexible enough to recognize and act on opportunities as they come along. Your engineering degree has given you unlimited opportunities in very diverse fields.

> "I think the business climate has always been, and will continue to be, difficult. Like the weather, the business climate is constantly changing, and companies must be flexible and able to anticipate and react to the changing climate. The fear of failure can be a de-motivator for companies, but successful companies have a culture where everyone knows the rewards of success far exceed the cost of failure."

## JEREMY CLARKE, from page 7

to engage candidates in a selection process professionally AND to assess their qualifications competently – all as a credible ambassador of the firm. Professionalism, competence, communication and follow-up are at least four categories I would encourage you to collect scores on from this evaluation. After getting results back, take careful note of the responses. Does the recruiter need to be better trained in interview and assessment techniques? Does he or she need to be familiarized with certain interviewing legalities? Were they perceived as being able to build the relationship well? Are they viewed as credible, knowledgeable and competent?

Lastly, I suggest that you collect and compile aggregate scores for both surveys (though separately), for your entire HR/recruiting team and table them at a quarterly team "calibration meeting." Bringing team members together like this helps everyone see the big-picture performance of the entire team, while it also allows an exchange of ideas that will help develop the kind of "savvy" that makes for a GREAT recruiting force.

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## JUNE JEWELL, from page 6

because it is left to an accounting department that is already overburdened and managing too many other processes. With a documented timesheet policy and improved automation to enforce these policies, most firms can improve their compliance, which will improve accuracy, increase utilization and speed up the month-end billing process:

- Designate a person to check timesheets daily
- Automate a floor check process
- Configure the timesheet to come up in the morning automatically
- Submit and approve timesheets weekly
- Train employees on detailed timesheet policies
- Send alerts one day before and on the day timesheets are due and if previous day's timesheet isn't done
- Implement an incentive for submitting timesheets on time
- Use alerts to notify supervisors and others about employees not submitting timesheets
- Turn off direct deposit when timesheets are not submitted on time
- Discuss with employees how late timesheets affect invoicing, cash flow and payroll

By gaining control of your most valuable asset – your employees' time – you will certainly see many benefits, including reduced project overruns, increased utilization and better cash flow.

JUNE JEWELL is CEO of Acuity Business Solutions, which helps A/E firms and government contractors find opportunities, win business, deliver projects, and manage their organization. Reach her at JJewell@AcuityBusiness.com.

LEGISLATION

# Healthcare reform and your firm

## A list of what you should know as you prepare for the transition.

By LIISA SULLIVAN
Correspondent

Healthcare reform survived the Supreme Court, meaning that new rules and options for businesses and their employees will soon kick into gear. As a result, many are scrambling to understand how the law might reshape their operations.

**WAIT AND SEE.** David Harper, president at **Harper Engineering, Inc.** (Cleveland, OH), a 13-person telecommunications design firm, spends approximately $5,000 per month for healthcare insurance. He is hoping that this decision will affect his company in a positive manner, but he is still in a wait and see mode.

Harper has been in business for nine years and each year he sees significant healthcare insurance increases. Currently, he pays for 100 percent of healthcare costs and all deductibles.

"Depending on where this thing goes, it may be cheaper for me to pay the fines and drop some of the healthcare and simply pay my employees a bit more to cover their own healthcare costs, or if an open marketplace reduces the cost, I will continue paying. That's what I am really hoping for," Harper says. He adds that at his current insurance rates, he can probably hang on for one more year and then hopes to see a positive change where small businesses will get group rates that will allow him to continue providing this benefit.

"I'm really looking forward to seeing how this all works out," he says.

**WHAT TO EXPECT.** Patrick Casinelli, principal and vice president of employee benefits at Cavignac and Associates, an independent commercial insurance broker, in San Diego, Calif., provides an outline of what firms should expect and how they can begin preparing now. Here's what to expect.

### IMPORTANT REQUIREMENTS BEFORE 2014

- **Summary of benefits and coverage** – For any open enrollment periods beginning on or after Sep. 23, 2012, group health plans must provide employees with a new notification called a Summary of Benefits and Coverage. The SBC is similar to a Summary Plan Description but is intended to be a more concise document focusing on available coverages, cost-sharing provisions, benefit limitations, and similar issues. The SBC, however, is not a substitute for a Summary Plan Description. The group health plan must provide an SBC on an annual basis, typically during each open enrollment period. Failure to provide an SBC may result in a penalty of up to $1,000 per enrollee/participant.

Patrick Casinelli, Principal and VP, Cavignac and Associates.

- **W-2 reporting requirements** – Employers must report the value of employees' health coverage on annual W-2 forms. This requirement is effective for the 2012 tax year, so W-2 forms issued in January 2013 should include this information. Employers that issue fewer than 250 W-2 forms are currently exempt.

- **Changes to healthcare spending accounts** – Effective on Jan. 1, 2013, the definition of "qualified medical expense" is narrowed, which will affect reimbursements and withdrawals under all types of healthcare accounts. Over-the-counter medications will no longer be a "qualified medical expense." Additionally, the amount employees could contribute to healthcare flexible spending accounts will be capped at $2,500.

- **Nondiscrimination requirements for fully insured plans** – Group health plans that are fully insured will be subjected to annual testing to determine whether their benefits are disproportionately favorable to highly-compensated employees. The effective date of these requirements has been delayed, and further guidance is expected before they become effective.

### IMPORTANT REQUIREMENTS BEGINNING IN 2014

- **Penalty for no coverage offered** – Employers with more than 50 employees that do not offer any group health coverage and have at least one full-time employee who receives a premium tax credit (toward coverage through an exchange) will be assessed a monthly penalty. The penalty is calculated as $166.67 per month (1/12 of $2,000 annual penalty) multiplied by the number of full-time employees in that month, excluding the first 30 employees.

- **Other possible penalty** – Employers with more than 50 employees that offer group health coverage, but still have at least one full-time employee receiving a premium tax credit (toward coverage through an exchange) will pay $3,000 for each employee receiving a premium credit, subject to certain overall limits. These provisions apply even to grandfathered health plans.

- **Maximum waiting period** – A group health plan may not impose a waiting period on new participants and their dependents in excess of 90 days. This requirement also applies to grandfathered health plans.

- **Wellness program incentives** – The maximum incentive, which may be offered in connection with an employer-sponsored wellness program, is raised from 20 percent to 30 percent of the applicable premium.

"Preparing to implement these new requirements over the next 18 months will be challenging and time-consuming," Casinelli says. "It's important to begin preparing and coordinating with your advisor (attorney/CPA/insurance broker) as soon as possible. Firms should be aware of how each provision will affect it and its employees."

# ON THE MOVE

**LEA HIRES: Littlejohn Engineering Associates** (Nashville, TN), announced the addition of a key new member to their leadership team. **Kent Evetts**, joined the firm as a senior Environmental project manager in the Nashville office.

Formerly, Evetts led **Barge Waggoner Sumner** and **Cannon**'s Environmental and Energy Group as its vice president, where he provided operational, contract and project management expertise to utility, industrial and federal clients.

"The change from BWSC to Littlejohn Engineering Associates excites me because of the diverse set of environmental services I can now offer my customers," Evetts said. "LEA is a true environmental firm. My experiences strengthen our already significant ability to offer traditional compliance services but also air permitting, hazardous waste engineering, remediation and industrial hygiene/environmental health and safety services. Most important to me is that the culture of LEA. It fits with the needs of my clients. I am now more confident that I can provide personal client service while having the breadth of technical experience and staff to address project needs."

Evetts has over 27 years of environmental experience providing project management and technical oversight. His experience and projects have ranged worldwide. Evetts' experience with large scale multi-media, multi-discipline projects for industry and federal programs also complements the range of services that LEA currently offers. Significant recent projects he has led have included a confidential Nuclear Site Screening study in the Southeast, nationwide compliance services for the U.S. Corp of Engineers and Army Guard facilities and Project Manager for Tennessee Valley Authority (TVA) engineering services at multiple facilities.

Evetts also provided the air permitting for Nashville, Metro Water Services, the new bio-solids facility and environmental support and document review for demolition of the Central Wastewater Treatment Plant.

**TT HIRES: Thornton Tomasetti** (New York, NY), the international engineering firm, announced that **John Boyer** has joined the firm's New York office as vice president. Boyer, who has more than 25 years of MEP design and forensics experience, will support Thornton Tomasetti's Building Performance and Property Loss Consulting practices in the East Coast region as well as nationally.

Boyer has considerable experience with HVAC, plumbing and fire suppression/protection systems. Prior to joining Thornton Tomasetti, Boyer was a vice president and director of design at **The Boyer Partnership, Inc.** (Altoona, PA), which specialized in architectural engineering, MEP/FP systems design and forensic investigations involving commercial, industrial, educational and institutional buildings.

"We were looking to shore up our fire protection and plumbing capabilities in the East U.S. region. We accomplished that and so much more by bringing John onto our team. He is equally capable in HVAC, and his lengthy career in design will make him a valuable asset for all our practices," said Joe Vyhanek, senior vice president and MEP group leader, Kansas City, Thornton Tomasetti.

**BERGMANN ASSOCIATES PROMOTES: Bergmann Associates** (Rochester, NY), a 350-person engineering and architectural design firm, has named **David Thurnherr** to vice president and business leader for the transportation systems group.

As VP of Transportation, Thurnherr will oversee all facets of Bergmann's transportation practice including bridges, highway, rail, construction inspection and traffic engineering services. Prior to this appointment, Thurnherr led Bergmann's bridge structures group for 10 years. Thurnherr has over 28 years of experience in structural engineering and multidiscipline project management with Bergmann Associates.

His experience includes the management of large multidiscipline transportation projects such as the O'Rorke Bridge, Ford Street Bridge and Veteran's Memorial Bridge projects located in Rochester, N.Y. as well as multiple lift bridges along the Erie Canal.

He has also been involved in various management positions with the Walkway Over the Hudson Pedestrian Bridge conversion, Grand Island Bridge improvements, as well as numerous bridge projects in Michigan, Ohio, Pennsylvania and Florida.

**GEI HIRES SEVEN: GEI Consultants, Inc.** (Woburn, MA), a geotechnical, environmental, water resources, and ecological science and engineering firms, announced that it has added seven new employees to its project management staff. **Laura Conradi**, senior project manager; **Michael Dargahi**, senior professional; **Edward Neuhauser**, senior consultant; **Shaun Roark**, ecotoxicologist; **Paul Thomas**, energy efficiency programs; **Jonathan Goetz**, civil engineer; and **Dan Bartel**, branch manager, Bakersfield, Calif. office.

Conradi, located in GEI's Mt. Laurel, N.J. office, is a senior project manager with more than 27 years of experience in the environmental consulting field. She possesses a broad range of knowledge in environmental engineering, with an emphasis on site characterization and remedial construction.

Dargahi, located in GEI's Glendale, Calif. office, is a senior professional with more than 21 years of experience in engineering management. His area of expertise is mechanical and civil hydraulics engineering, specializing in pump station design, pump applications engineering, and the engineering and design of hydraulic conveyance, storage and distribution systems.

Neuhauser, located in GEI's Ithaca, N.Y. office, is a senior consultant with more than 35 years of experience in environmental research and development, renewable energy, and management of legacy contamination projects in the gas and electric utility sector. His research has focused on land applications of hazardous wastes, wind and biomass renewable energy, control of zebra mussels at power plants, and the leaching of chemical compounds from treated utility transmission and distribution poles.

Roark, located in GEI's Denver office, is an ecotoxicologist with more than 20 years of diverse experience in ecotoxicology, ecological risk assessment, aquatic ecology, and ecological genetics. His experience includes risk assessments and ecological assessments and encompasses a diversity of environments, including lakes, rivers, estuaries, and floodplain soils.

Thomas, located in GEI's Glendale, Calif. office, directs energy efficiency programs within GEI's national Water-Energy Advisory Services practice.

Goetz, located in Sacramento, Calif., is a civil engineer with more than 12 years of experience supervising projects with staff sizes ranging from two- to 15 professional team members.

Bartel, branch manager, Bakersfield, Calif. office, has 19 years of experience in groundwater banking and development, water rights, aging infrastructure improvement, and development of multi-agency water management programs.

INTELLIGENCE

# Performance dashboards not a fad

## A rundown of the essential elements from one expert.

By LIISA SULLIVAN
Correspondent

Lately, there's lots of buzz surrounding performance dashboards. Why? They show people – at-a-glance – how to do their jobs better. Most people would prefer a tidy, all-in-one package to review, right? There aren't many who will tell you they prefer to assemble Excel spreadsheets, reports, graphs and PowerPoint decks manually rather than analyzing the data, deriving insight from it and making better business decisions, faster. Performance dashboards are visual and interactive displays of the most critical information you need, laid out strategically within the confines of a screen.

Basically, performance dashboards allow companies to morph their goals and expectations into actual strategies, actions and tasks that are different for each person within the company.

**WHY USE THEM?** Performance dashboards are extremely useful for keeping productivity, understanding and motivation high. They can often be the difference between success and failure.

The difference between using performance dashboards and not using them is focus. For example, a non-focused project would be a directive to get to work on a certain project that must be completed within two weeks. Employees know what the project is but they do not have any designated tasks. As a result, goals are not getting accomplished, tasks are not being completed and the project is not going to be finished on time or in an organized manner. The alternative is focus. By taking this same group of employees and breaking the project down into sections, the project will come together more smoothly.

This is exactly how performance dashboards work within a company and they provide several benefits that increase a company's productivity, efficiency and even profits. Performance dashboards also allow leaders to monitor the progress of specific tasks and find the root of problems within the organization. With this combination of measuring, managing and monitoring your company, growth and success are much more achievable. Performance dashboards may be a great tool for companies whose leaders feel they are losing focus and will help them reestablish focus and set important goals and tasks that will lead to success.

Wayne Eckerson, Performance Management Expert; Author.

Wayne Eckerson has been a thought leader in the data warehousing, business intelligence, and performance management fields since 1995. He has conducted numerous in-depth research studies and is the author of the best-selling book, Performance Dashboards: Measuring, Monitoring, and Managing Your Business.

**THE ZWEIG LETTER** sat down with him for a quick Q&A session.

**THE ZWEIG LETTER: What are the top elements for an essential performance dashboard?**

**Wayne Eckerson:** It must be layered (monitoring, analysis, reports) so users can access any data in three clicks; tailored to individuals and roles; contain metrics that aligned with strategic objectives; must be intuitive to use; and visualizations must tell the story of the data and not get in the way of the data.

See DASHBOARDS, page 12

### TIPS FOR DASHBOARD SUCCESS

- **Make them useful, not just pretty.** Think of a good dashboard implementation as a good website project. You've got a few seconds to capture somebody's attention and get your message across in the most powerful, efficient and memorable manner possible.
- **Use good data visualization.** There are many types of software and technologies out there. Make sure you understand this first, before you jump in.
- **Design a plan.** Keep in mind that the first one you build may not be very good. Budget for a bunch of different versions in your project plan and build the review process into your timelines. Break your projects down into manageable phases where each phase is relatively self-contained (individual functional areas for example, like sales, marketing, finance, etc.). Deliver each phase rapidly in order to demonstrate value constantly and consistently and create opportunities to adjust your design philosophies and best practices with each successive rollout.
- **Include key stakeholders.** The best organization-wide implementations are often run by a few key project participants who have insight into the entire initiative, from end-to-end. This level of continuity is important, not just for consistency but to help project future complications with data alignment and consolidations and factor them into overall plans. Different stakeholders from various functional areas might be required from phase to phase, but there should always be one or more key participants who have insight and experience with all of the phases.
- **Allow them to evolve.** Good dashboards are usually never finished because good ones link strategy with execution. Organizational strategies change all the time, along with their respective key performance indicators, so they need to change regularly to stay relevant and concise. They are works in progress.

"Everyone can benefit. Performance dashboards give small firms a real boost, since a well-designed dashboard can help rein in chaos and get everyone on the same page."

# TRANSACTIONS

**CGA BUYS: Calvin, Giordano & Associates Inc.** (Fort Lauderdale, FL), announced that an affiliate company, Calvin, Giordano Coastal Group, LLC., had acquired certain assets and key employees of **East Bay Group, LLC** (Palm Beach, FL), a consulting firm providing engineering, environmental and operations management services.

"The acquisition will enhance and expand our ever-growing umbrella of clients and services," said CGA President Dennis Giordano. "This is a key step in moving CGA closer to becoming a true turn-key solution firm."

Giordano said in addition to adding new expertise in services and geographic coverage not currently provided by CGA, East Bay also adds special expertise in coastal engineering, water resources management, renewable energy and resort development.

"The combined synergy will provide our current clients with all of the above together with a wider spectrum of environmental services," Giordano said. "CGA, in return, will now be able to offer East Bay's international list of clients, including the Caribbean Islands, Central America and Africa, a more diverse set of services available through our firm."

Giordano said East Bay's personnel will be integrated into CGA's office in West Palm Beach. David Decker, East Bay's principal, will head the combined West Palm Beach office.

CGA is a multi-disciplinary consulting firm that offers a comprehensive approach to engineering, land planning, government regulatory compliance, public sector contract services, data technologies, emergency management and development issues. CGA employs 220 associates and has Florida offices located in Jacksonville, Clearwater, West Palm Beach and Homestead and a Georgia office in Atlanta.

**WELCOME VSBA: Venturi, Scott Brown and Associates, Inc.** (Philadelphia, PA), has become **VSBA, LLC** and is now under the leadership of President and Principal Daniel McCoubrey. McCoubrey, together with fellow Principal Nancy Rogo Trainer, will build on architectural and planning principles instituted by founders Robert Venturi and Denise Scott Brown.

"As we've evolved as a firm, our approach to design has remained deeply rooted in understanding and responding to context at many levels," McCoubrey said.

"Our office is full of talented people who bring the social, environmental, and practical aspects of a project together in creative and beautiful ways," Trainer said.

After over 50 years as one of the world's most renowned architects, Bob Venturi has retired from practice, while Denise Scott Brown continues to publish and present her work.

As part of the rebranding, VSBA has created a new website, www.vsba.com. The site now features better graphics, more current projects, handy project-sorting navigation, an improved site-wide search, and more ways to contact the firm.

**SNC-LAVALIN BUYS: SNC-Lavalin** (Montréal, QB), an engineering and construction firm, announced that **SNC-Lavalin Fayez Engineering** (SLFE), an engineering consultancy joint venture between SNC-Lavalin and its local partners, recently acquired the industrial division of **Zuhair Fayez Partnership**, a well-respected Saudi Arabian engineering consulting firm. SLFE was formed partly in response to Saudi Aramco's General Engineering Services Plus initiative, which aims to develop engineering capabilities in the Kingdom.

Under the GES+ initiative, SLFE will be invited to bid on front-end engineering and select detailed engineering services contracts to support the implementation of Saudi Aramco's capital program. Projects will include both on- and offshore oil and gas production and processing facilities, infrastructure projects, as well as refining and petrochemical facilities.

SLFE has started work on engineering services mandates for the GES+ initiative, all of which were competitively bid in-Kingdom by four Saudi Aramco-qualified GES+ contractors. The work is being executed out of SLFE's head offices located in Al-Khobar, Saudi Arabia.

# RESOURCES

**SALARY SURVEY:** Salaries at leading U.S. architecture firms nationwide have fallen prey to the economic slowdown. And yet, the recent economic pain has not been felt equally!

Which positions have been most affected? Do you, or others in your firm, have good cause to feel shortchanged – or to feel fortunate?

The 2012 "Salary Survey of Architecture, Interior Design & Landscape Architecture Firms" is the most up-to-date and comprehensive compensation survey for architecture firms across the country. You'll get salary comparison tables for each position, broken down into demographic subgroups such as firm type, firm staff size and region of office so you can make reliable comparisons between your firm and others just like it.

Regions include: New England, Middle Atlantic, South Atlantic, North Central, South Central, Mountain, and Pacific. Descriptions and average years of experience are included for all titles in the survey.

For more information or to buy a copy, call 800-466-6275, or log on to www.zweigwhite.com/zw-1112.aspx.

## DASHBOARDS, from page 11

**TZL: What metrics need to be measured?**

**WE:** That's the million dollar question and why performance dashboards can be difficult to build. Operational dashboards are pretty easy, since most metrics already exist; it's just a matter of prioritizing and finding ones aligned with objectives. Tactical and strategic dashboards are harder, since you may need to invent new metrics to help you achieve your goals.

**TZL: Are there any specific things that an AEC firm would need to take into consideration, or do performance dashboards pretty much work the same way for all types of firms?**

**WE:** It's pretty much the same for all firms. I suspect AEC firms have a lot of metrics on projects and customer satisfaction and rework, and employee productivity.

**TZL: Who most benefits from using these? (For example, small firms, large firms, etc.)**

**WE:** Everyone can benefit. Performance dashboards give small firms a real boost, since a well-designed dashboard can help rein in chaos and get everyone on the same page. Of course, if you choose the wrong metrics or people don't understand them, then all hell breaks loose.

**TZL: What is the main reason for using a performance dashboard?**

**WE:** To improve performance and align activities so everyone is pulling together toward the same goals instead of pulling in different directions.