

Turn your PM turnover into a positive!



Mark Zweig

When someone leaves, inform your clients and improve your service, Mark Zweig writes.

We got a \$739 water bill the other day at our house. This is hot on the heels of an \$800-plus bill last month.

I knew SOMETHING had to be wrong. This is a brand new house – only been living in it for four months – and the problem had to lie in our irrigation system.

Yes – it is hot as Hell here in Arkansas. The worst summer I’ve ever seen. It’s not a question of whether or not we’ll hit 100 – it’s just a matter of how early in the day it will occur. And rain – it feels like it may never rain again.

That said, these bills are completely insane. We still own our old house in town. It has a 12-zone irrigation system versus our new home’s six-zone system. And it’s running like mad there, too, trying to keep our grass and plants alive, with an approximate \$200 bill each month.

So that brings us to the point of my story. I texted and called the project manager at the landscape company that installed the system to get him out there to see what’s wrong. No response until two days after, when I get a simple one line text that says, “Call me.”

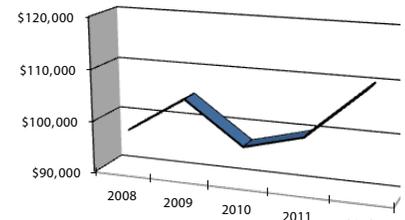
So I call the guy and a woman answers with the company’s name. She connects me to another woman who doesn’t tell me her name but just identifies herself as “one of the owners of the company.”

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When you lose someone – someone who deals with clients – you better get on with communicating to all of that person’s clients that they are gone but ‘so-and-so here is ready, willing, and able to help you.’

TRENDLINES

BD payback



After declining from high of \$105,000 in 2009 to \$97,000 in 2010, business development managers’ total compensation has been on the rise in the last two years, according to the 2012 “Marketing Survey.”

In 2011, business development managers’ total compensation increased to \$100,000. This year, marketing directors’ total compensation climbed to \$110,000, an increase of \$10,000.

– Margot Suydam, Survey Manager

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Get an email out. Get on the phone. Make some visits. Be proactive.

She then tells me my PM (who just did two other system/planting jobs for us in the last couple weeks) is no longer with their firm.

I thought, "How odd." Here we are – a good customer (we only recently started using these people again after a seven-year hiatus) with tons of repeat and upcoming work and they make no effort to contact me to tell me that the person who services our needs is no longer with their firm until I call them with a problem. That's bad business. How did this company grow to more than 100 employees?

The point of my story is this: When you lose someone – someone who deals with clients – you better get on with communicating to all of that person's clients that they are gone but "so-and-so here is ready, willing, and able to help you." YOU do it – first – and don't wait for the former employee to tell everyone first so they can take the clients with them. That's just bad business.

Get an email out. Get on the phone. Make some visits. Be proactive. You take the lead. Turn it into a marketing opportunity to find out what you could do better and what they have coming up.

In this particular case, I doubt we'll keep working with this firm that lost its PM. We have two immediate projects that we're doling out to the other firm we've been using for the past seven years, and a big new subdivision project we'll be discussing with them as well. The only reason we even gave these other providers the last two jobs is because our "regular" provider was too busy to meet our needs promptly. The new (old) guys had a shot at long-term relationship with us but blew it due to their inability to handle a critical PM turnover.



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

A/E BUSINESS NEWS

GREEN FEAT: The U.S. Green Building Council announced that the total footprint of commercial projects certified under its LEED green building program surpassed two billion square feet.

An additional seven billion square feet is currently in the pipeline across the globe as registered projects.

LEED is certifying two million square feet of commercial building space each day in more than 130 countries. Nearly 50,000 commercial projects are currently participating in LEED, comprising nine billion square feet of construction space.

Additionally, nearly 23,000 homes across the U.S. have earned certification through the LEED for Homes program, with nearly 86,000 additional units in the pipeline. That's more than 159,000 registered and certified projects in LEED.

Since the beginning of July, over 300 projects have earned LEED certification in more than 20 countries worldwide.

Notable projects include a LEED Platinum commercial interior for Google in Mumbai; the Vestas Technology Center in Lem, Denmark; Ernst and Young Plaza in Los Angeles, which earned LEED Platinum for the operations and maintenance of an existing building; and Warrensburg Elementary, a LEED Gold school in Warrensburg, Mo.

LANDSCAPE ARCHITECTURE WOES:

Business activity softened for the landscape architecture profession during the second three months of 2012. However, the level of billable hours grew slightly, according to the American Society of Landscape Architecture "Business Quarterly" survey.

Quarter to quarter, Q2 2012 saw 73.4 percent of firms reporting stable or improved billable hours, and 71.2 percent reported stable or improved inquiries for new work.

Comparing to a year ago, though, the results aren't as favorable. Year to year, 74.3 percent indicated lower Q2 2012 levels in new business inquiries; a slight decrease from Q2 2011 (75.7 percent). They also reported a decline in billable hours (69.3 percent), compared to the 73.8 percent reported in the second quarter of last year.

Employment plans, too, reflect a very weak job market for landscape architects, with 22.3 percent of firm contacts indicating plans to hire compared to 28.2 percent in the previous quarter.

CALENDAR

MARKETING IN TODAY'S WORLD:

Marketing in our industry is changing! It is not business as usual for A/E/P and environmental firms. The tough economy and the increasing power of the Internet and electronic communications are changing everything marketing-wise. Spend the day with the industry's leading management expert, Mark Zweig, for an in-depth discussion of how marketing needs to adapt to deliver results now. Find out what your firm needs to be doing to stand out from the crowd, and how everyone in your firm can be actively involved in the process.

Attendees will learn:

- The role management needs to play in marketing
- How to develop a good business plan that works in today's market
- How everyone in the firm can be selling
- Ways to help technical people overcome marketing-phobia
- Positioning strategies for specific market sectors that will make the phone ring
- Tactics you should employ to find new leads for projects in a bad market

Upcoming events are scheduled for Sep. 20 in Sacramento, Calif., and Nov. 15 in Orlando, Fla. For more information or to register, call 800-466-6275 or log on to www.zweigwhite.com/seminars/mktsem/index.asp.



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TOP PLAYER

They are where the action is

Hot firm's mission is to meet societal needs by being cutting-edge.

Sometimes it all seems like a dream to Eve Hinman – that she would lead her own successful structural engineering firm.

But fulfilling the dream isn't all cake. Before the recession, **Hinman Consulting Engineers, Inc.** (San Francisco, CA), obtained work simply by putting out requests for proposals. Today Hinman, the 23-person firm's president, says they have to pick up the phone – a task she dreads. Nevertheless, perhaps because Hinman likes to be where the action is, the firm is doing well; so well that Hinman Consulting placed at 115 in **THE ZWEIG LETTER** 2011 Hot Firm List.

In this interview, Hinman talks about the need for an overhaul in the engineering industry and how learning how to communicate complex ideas simply is essential to success in the profession.

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

Eve Hinman: To me, a Hot Firm has the ability of a firm to intuit and incorporate nascent trends into its business to meet the deepest needs of society.

TZL: How did you get where you are today?

EH: I got to where I am today by following my passion. If I think back to the beginning, I never could have imagined where I am today, nor could I have imagined the path I ultimately took. Even that I started my business in the Bay Area 15 years ago seems so improbable. The New York City kid in me looks with wonder at my lifestyle and beautiful office and it all seems like a dream.

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

EH: I learned to identify what the business needed most from me at any given



Eve Hinman,
President,
Hinman
Consulting
Engineers, Inc.

“Our industry needs an overhaul.”

moment, and do it, whether someone asked you to or not. As a business person today, I have more flexibility in deciding if I will do something personally, or whether I hire someone else to do it. Back then I did not have this luxury; my motivation was to keep my job.

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?

EH: I am attached to the idea of being where all the action is in terms of current events. I want to work directly with the most powerful politicians and CEOs, work on the most iconic building projects, or work on the most strategic assets in the world.

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

EH: We were spoiled as a firm for many years. Our business development consisted of successfully processing requests for work. Most engineers (myself included) would rather chew their foot off than call a prospect. It is has been a difficult journey for us to realize that the most important thing we can do today is pick up the phone to get some new work in the door.

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

EH: Our industry needs an overhaul. Engineering is not just designing to meet code. It is a thoughtful process, not number crunching. I believe that the future will require us to design and construct buildings to integrate all dis-

ciplines seamlessly and sustainably. Also buildings and infrastructure will need to be able to respond gracefully to a broad range of loading conditions, some known and some unknown, to adapt to climate change.

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

EH: We have a bicycle activist in our neighborhood. It is because of her that we have bike paths and crosswalks in our neighborhood. Seeing her stand up for what she believes in and push pass all the political inertia and negativity is very inspiring to me. The idea that I can change the larger society is something that always seemed impossible until I saw her do it.

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

EH: I most admire extroverts. Socializing with others has always been the most exhausting thing that I am expected to do as a professional and in my personal life. To be invigorated by it is something I have to work at.

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

EH: Probably getting married and having children. I honestly did not think that these things would ever happen for me.

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

EH: How do you keep your team focused on the shared goals and not on each other?

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?

EH: Superior technical knowledge is not sufficient to be successful. What is rare and badly needed is the ability to communicate complex ideas simply.

▲▲

SURVEY

Marketing and management still at odds

Firms still grapple with formulating, developing, implementing and maintaining marketing plans.

By CHRISTINA ZWEIG
Contributing editor

A/E/P and environmental firms still feel a disconnect between marketing department and other areas of key operations.

Firms still battered by the recession are having a hard time “spending money to make money,” causing funding for marketing, planning and execution to fall short of necessity at many design firms.

One of the most commonly cited marketing challenges in the recently released ZweigWhite 2012 “Marketing Survey,” was one of the most fundamental components: developing a marketing plan/firm-wide marketing standards. Second to marketing plan development was finding the time to market at all!

A review of responses given during a recent Marketing in Today’s World seminar held by ZweigWhite, found that a big complaint among attendees is the apparent disconnect between the marketing department and upper management. Those in the marketing department often feel that others in the firm don’t “understand the need for marketing.” Supporting these claims, the survey found that 20 percent of firms didn’t have any kind of formal marketing plan. For those that did have a marketing plan, only 43 percent reported a “firm-wide marketing budget” was a component, and even less, 38 percent, had revenue/sales goals. In general, less than half of all firms (46 percent) prepare a marketing budget at all.

MANY BELIEVE. Not all members of upper management have difficulty understanding the value of marketing.

“Given these economic times in which firms have to be nimble and responsive to changes in the marketplace, the majority of A/E/P firms, by their own admission, are not focused on planning. Without planning, how can any firm be surprised by lack of success?” says Stephen Lucy, managing principal, **JQ** (Austin, TX).

Dawn Johnson, marketing director at **Missman, Inc.** (Rock Island, IL), a 35-person multi-disciplined professional services firm providing civil and structural engineering, surveying and environmental consulting services, says the 66-year-old firm has always been successful through reputation and word of mouth, and until recently, marketing was not seen as a necessity. A year and a half ago, the firm underwent a change in management.

“Our new CEO and the new board of directors are more



Stephen Lucy,
Managing
Principal, JQ.

aware of the need for marketing and business development. That being said, we have not yet reached the point where everyone grasps the idea of the joint marketing effort,” Johnson says.

Johnson’s sentiments were buffered by an anonymous survey respondent who said the biggest challenges was, “Getting everyone on staff to understand that it is everyone’s job to market.”

Other anonymous responses to the survey included challenges such as, “Investing time into marketing/business development,” and grappling with “where the best use of our time and money would be.”

“Many continue to view marketing as the responsibility of the few, instead of a firm-wide obligation. I gave a small presentation to the board after I attended (ZweigWhite’s Marketing in Today’s World Seminar), and it was received well,” Johnson says. “We are slowly, but surely, heading in the right direction. Things continually improve and I am excited and hopeful that the improvement will continue.”

MAKING AND REVISING THE PLAN. With marketing options expanding constantly, devising a plan may be more difficult than ever. Firms that have seen great success through marketing often point to regular plan updates and careful tracking of results.

“In our firm’s view, every component of our marketing plan is essential. To be effective, our marketing plan supports our five-year strategic business plan, which we review on an annual basis and which is a critical contributor to our success,” Lucy says.

According to the marketing survey, only 40 percent of firms update their marketing plan annually, something Lucy feels is vital.

“We review and update the marketing plan on a regular schedule during the course of the year to reflect changes and updates to our business plan,” he says. “Without this planning and ongoing refinement, it is very easy for firms to drift or shift from their goals, causing confusion within the firm because both the leadership and the staff lack a clear path to follow.”

In addition to goal setting as a part of the plan, success has to be measured and tracked. According to the survey, only 62 percent of firms keep track of the dollar volume of work sold and 64 percent keep track of new clients versus client they have worked with previously.

“Our past and future successes hinge on our focus and pursuit of our goals and the efforts needed to obtain them,” Lucy says. ▀▄

MARKETS

New law signifies health facility shifts

Smaller facilities, focus on ambulatory and preventive care, all led by technology, probable outcomes.

By LIISA SULLIVAN
Correspondent

Healthcare reform is attempting to do two things – make healthcare more affordable and more accessible. But, what does this mean to A/E firms that have a large interest in healthcare facility design and construction?



Martin Valins,
Principal,
Stantec.

“The era of the large multi-complex hospital may be drawing to a close and, instead, we will see a greater geographical fragmentation of healthcare – while at the same time a greater interface for rural and remote areas via online consultations.”

Martin Valins, principal with the Philadelphia office of **Stantec** (Alberta, BC), a 12,000-person professional design and consulting services in planning, engineering, architecture, surveying, and project management firm, says that flexibility is key as the industry is changing.

“As trusted advisors to our clients we are politically neutral, but continue to protect their best interests,” Valins says.

Valins believes that making healthcare more affordable will put greater focus on reducing facility construction and operational costs, a shift from inpatient to outpatient, and increase the role of technology.

“As designers, this means that we have to look for innovative ways to deliver projects to our clients that are at more effective, timely, flexible and adaptable,” Valins says. “We need to hone our skills in outpatient design and operations.”

TECHNOLOGY AT THE FOREFRONT.

Technology will continue to advance, so firms must look beyond the state-of-the-art and consider how technological advances will increasingly affect clients operations.

For example, the fusion of technology and surgical procedures has already obviated the need for an overnight stay, thus reducing bed need. And, making healthcare more accessible may, over time, lead to greater emphasis on primary care, to a reduction of emergency services as they relate to the uninsured, and place more focus on greater coordination of care.

“The era of the large multi-complex hospital may be drawing to a close and, instead, we will see a greater geographical fragmentation of healthcare – while at the same time a greater interface for rural and remote areas via online consultations,” Valins says. “Clients planning emergency departments in 2012 may need to think forward to what an ER will look like in a future landscape where there will be significantly less uninsured (or no uninsured) as well as a more accessible infrastructure of primary care.”

Some of Stantec’s clients have asked what happens if this healthcare reform is repealed. Valins is confident that no matter the direction, some kind of change is inevitable.

“There has never been a settled time in healthcare. As a London architect, John Weeks, once said, ‘Long life, loose fit.’ If it roughly fits needs today it will roughly fit needs tomorrow,” Valins says. “It’s important to avoid a net fit and to instead design an environment where things like the mechanics

can be extended and the physical added onto. The ability to flex and change over time are key.”

BEHEMOTHS LIKELY GONE. Kathy Clark, the senior director of operational healthcare planning for **BSA LifeStructures** (Chicago, IL), a 248-person planning, architecture, engineering and interiors firm, agrees that large inpatient structures may be going by the wayside.



Kathy Clark,
Sr. Director of
Operational
Healthcare
Planning, BSA
LifeStructures.

“I’m confident that it will be a long time before we design another inpatient replacement hospital,” Clark says. “Healthcare reform is going to make ambulatory care much more important and accessible to patients.”

With that in mind, Clark predicts a few other things:

- 1) Healthcare organizations will need more ambulatory care facilities
- 2) Emergency departments are going to continue to be at capacity and need expansion to address their changing function in the healthcare process
- 3) Inpatient hospitals that have not addressed some necessary upgrades, like having all private patient rooms, will need to do so in the near future
- 4) Hospital remodeling will likely continue

IMPROVED PATIENT EXPERIENCE. “The importance of patient satisfaction results will increase in 2013, when hospitals’ reimbursement will partly be based on scores hospitals receive on the Hospital Consumer Assessment of Health Care Providers and Systems, or HCAHPS survey,” Clark says.

She explains that there are a number of planning and design solutions that can improve components of the patient’s experience, from using noise-reducing materials to creating rooms that limit areas for dirt and dust collection so pa-

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Investment decision-making



Wally Hise

MARKETING METRICS

Make investment decisions in an iterative manner, and reserve the right to change course.

I've had to make numerous business investment decisions in 2012. But unlike the past decade or so, recent expenditures have been scrutinized with greater interest and intensity based on the current economy and business conditions. Now investment decisions need to be made in an iterative, collaborative environment.

The basic pattern of decision-making is simple. The first step is identifying a potential investment opportunity, including the timing, strategic importance, and initial resources required. With a preliminary decision to move forward, we spend money in the form of hours, travel and other costs. Then a milestone is reached – and with it the need for an assessment on progress and probability of success. And the cycle continues in an iterative manner, assessing and reassessing our position. “Off ramps” are identified, approvals are obtained and the bills add up.

In most cases this process is followed with input from others. Below are a few recent decisions we've been faced with to demonstrate the value of assessing and weighing options.

Attending a conference. While this may sound like a trivial investment, there are several major conferences we attend each year. Our conference dollars are consumed by teams of staff attending such events (including labor and travel costs), sponsorships, hospitality suites, exhibit space, booth shipping, collateral printing, and giveaways. That can add up to a substantial amount of money.

One conference last year provided us with great corporate visibility and was considered a huge success by all who attended. During our debrief we planned to repeat it this year. However, when exhibit space opened up a month ago, we assessed the budget, polled staff again, and decided to pull back on the sponsorship that everyone felt resulted in such positive exposure last time. In place of that, we opted for several focused engagements with high priority clients in a more intimate setting. The

rationale was to reduce costs and get quality time with fewer clients.

Pursuing a contract. This is one of my favorite subjects, since I'm in business development. We have many opportunities to spend money pursuing new contracts, and each one needs to be evaluated on the basis of our ability to win and execute the work profitably. With a corporate push to become a more global firm, we pursued a pair of international contracts with a Federal government client beginning more than a year ago. We have staff in-country with solid relationships and reputation. We have corporate work history and a growing presence in this region.

When the client finalized their acquisition planning and decided to split the requirements, awarding several contracts for A/E services and one contract for construction oversight, we needed to reevaluate our position and investment appetite. With input from our pursuit team and independent consultant, and a new staff member who recently joined from a competitor, we determined that we did not have a good chance of winning as a prime. So we took a low risk, low investment position as a sub to another A/E firm on both contracts. It was disappointing to a few people who are emotionally invested in this client and region, but allowed us to focus our resources on higher probability targets.

Entering a new market. This is another area of interest to me since I have been working for the past two years to position our firm for new contracts in the emergency management arena. We have formed strategic alliances, sponsored and attended conferences and wrote many proposals, with very little return to date. Our most recent strategy was to acquire a small firm with great name recognition of their leadership staff and a growing backlog of work.

But other corporate priorities have eclipsed the plan for this acquisition. At the present time, “it fits our strategy” is not a good enough reason to buy a small firm and start the uphill climb into this highly competitive market.

You probably observed one common element in these examples: We made a corporate decision to change course, reduce our investment, and/or pursue other avenues with a higher potential for return. That's not surprising given the realities of today's market and the financial pressures facing all of our firms. Don't be afraid to make the hard decision – whether that means pulling the plug, taking a back seat, or pressing forward with all of the resources required for success.



WALLY HISE is vice president of federal marketing for **HDR Engineering, Inc.** (Omaha, NE). Contact him at wally.hise@hdrinc.com.

Now investment decisions need to be made in an iterative, collaborative environment.

A dying business model?



Ed
Friedrichs

The design-bid-build model is going to suffer an agonizing demise. What's going to replace it?

A recent Wall Street Journal article titled, "The Law Firm Business Model Is Dying" prompted me to ask the same of architecture and engineering. Law firms find themselves competing with large corporations' in-house counsel for business that was formerly simply handed to them. On a smaller scale, the do-it-yourself route via the Internet has displaced work from smaller practitioners for wills, trusts, powers of attorney, contracts and divorces. Proposed changes in regulations are threatening to allow non bar-certified personnel to do work previously restricted to lawyers.

Our long history of design-bid-build is slowly but, I believe, inexorably being displaced through BIM and IPD by any number of hybrid models that solve one of our clients' chief complaints: How can I achieve single point accountability? How can I avoid the scrapping that goes on between architects, engineers, contractors and subcontractors? With money as tight as it is, can I add financing to the program to achieve a true turnkey, design-build-finance proposition?

Additional challenges to the practitioner come from an increasingly complex regulatory climate. We certainly feel the pain of conflicting requirements as authorities unthinkingly pass new regulations without reconciling conflicts with rules already on the books. We're simply held accountable for complying with all codes and regulations.

And it goes beyond the things we build. A colleague called the other day with a question: "Our practice is expanding to multiple states. When you were leading Gensler, did you have problems doing business

across state lines?" Yes, indeed. We had to set up separate companies in each state, complying with a Byzantine array of regulations governing everything from the allowable form of a company providing professional services, which varies between the states, to requirements that the owners of the entity had to be licensed and resident of that particular state. Work delivered in each state has to be signed by a professional registered in that state (and yes, I was registered in many states, occasionally signed drawings for work we did in other states and would occasionally receive the random phone call from the plan-checker with an arcane question about something on the drawings – "Just checking to see if you were the person actually responsible for these drawings." Sure kept me on my toes).

These issues and others tell me that the answer to my question is, "Yes." I think our traditional design-bid-build model, with services provided by completely independent companies, separated by regulatory and insurance firewalls, is going to suffer a slow and agonizing death. What will rise in its place? Here are a few thoughts:

■ **Design/build organizations.** Completely integrated to provide a turnkey design and construction services in order to streamline the delivery of a completed project from concept to fully commissioned completion – in other words, one-stop shopping. We're already seeing this in several sub-trades such as mechanical, electrical and plumbing. Several general contractors are also adding integrated design services to their offerings – sometimes in-house; other times as a subcontractor. I believe these will be most successful when focused on a small number of facility or infrastructure types, where full service and delivery installation benefits from thorough integration and careful coordination, such as data centers or utility plants.

See ED FRIEDRICHS, page 8

We can no longer live in an ivory tower, assured that everyone around us will do his or her thing, leaving us to design. We must embrace a process of acting in an integrated fashion, having knowledge of, honoring and embracing the professionalism that each party involved in the process of building things brings to the client's experience, and learning to behave as a single enterprise.

ED FRIEDRICHS, from page 7

DBOM/PPP. Design-build-operate-maintain delivered through public-private-partnerships is becoming an increasingly popular construct to deliver projects into the public sector because the process in the private sector is so much more cost-effective. Usually formed for a specific opportunity, the consortiums assembled to deliver these programs may also include bond financing wherever a dependable user fee can be tapped, such as tolls on a roadway or bridge, or passenger facility charges at an airport. I believe this model will be stretched to many other design and construction models as the public sector continues to tighten its purse strings. Teams that are successful will stay aligned to pursue further projects together and clients will start to look for teams with a proven track record.

Multi-state and multi-national

service organizations. As more clients become globalized, asking their service providers to work with them in multiple locations, more and more practitioners of all sizes are delivering their services across state and national borders. The increased regulatory complexity of doing so may relegate smaller firms to a “consultant” status (as opposed to the architect or engineer-of-record). It requires a large body of multi-state and international business to leverage the costs of compliance. Speaking from personal experience, I can tell you that the myriad differing license, tax, and employment law complexities state-by-state and country-by-country are not for the faint of heart.

So, where does that leave the traditional design practitioner? We can no longer live in an ivory tower, assured that everyone around us will do his or her thing, leaving us to design. We must embrace a process

of acting in an integrated fashion, having knowledge of, honoring and embracing the professionalism that each party involved in the process of building things brings to the client’s experience, and learning to behave as a single enterprise.

Does that relegate architects and engineers to subcontractor status under a construction company? Only if we abdicate our traditional role: leading the process. While we’ve done a pretty fair job of this in the past, I’m fearful for our professions in the future. But I also see exciting opportunities for those who truly step up and lead. ▲▲

EDWARD FRIEDRICHS, FAIA, FIIDA, is a consultant with ZweigWhite and the former CEO and president of **Gensler**. Contact him at efriedrichs@zweigwhite.com

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tient rooms are easier to clean.

“These planning and design solutions allow the built environment to act as an enabler for patient experience and hopefully translate to higher scores on the HCAHPS survey. With limited capital available, addressing the above improvements may be the best use of funds over the next several years,” Clark says.

MORE AMBULATORY CARE. From a design standpoint, Clark believes that the greatest impact will be on ambulatory care.

“There are not enough primary care doctors to care for the amount of uninsured people who will become insured under healthcare reform so: Where will all these people go when they realize that they can’t see a primary care physician for weeks because they are full, but they have an ailment that needs attention now? The answer is emergency departments. Emergency departments need to plan an operational model, beyond a simple fast-track scheme, that allows them to prioritize and rapidly treat the lower-acuity patients,” Clark says.

Hank Adams, healthcare director, **HDR Architecture, Inc.** (Dallas, Texas), a 1,622-person firm, says that we are



Hank Adams, Healthcare Director, HDR Architecture, Inc.

moving from a healthcare enterprise that is organized around acute-episodic care to one that emphasizes the benefits of prevention and wellness.

“As technology is used to create new robust tools and delivery models, more care will be pushed into ambulatory, community and

home settings,” Adams says. “These models have different space implications: collocation of clinics, clinical research, education programs, diagnostics and ancillaries change the nature of required spaces as integrated practices come online.

“The expansion of medical homes will also require different collaboration and teaming spaces to accommodate the myriad disciplines infused into such models. As these shifts occur, non-face-to-face encounters will become more prevalent and alternative venues of care will also emerge. As virtual platforms become more widespread, the design of the physician clinic will change as the need for office visits diminish. Patients will also seek care in sites embedded in drug stores, convenience marts, shopping malls, retailers, and the workplace,” he says.

Adams adds that trends like globalization, cultural diversification and the aging of the baby boomers will also influence patient expectations and delivery models.

“We expect the integration of outpatient healthcare, lifestyle retail (e.g., exercise centers, health food stores, etc.) and community-focused services to become the norm,” Adams says. “As this occurs, the acuity and complexity of cases in outpatient venues will continue to rise, following the trend witnessed in inpatient facilities over the last decade as cases migrated to comprehensive ambulatory centers, and then physician clinics.”

Adams believes that this year will remain relatively flat with regard to facilities spending as more healthcare systems prioritize investments in government-mandated IT systems/infrastructure systems.

HDR does, however, anticipate a continued focus on facility and strategic master-planning activities.

“Clients are seeking to put facility master plans in place in anticipation of available funding in the future,” Adams says. “Several states have passed legislation that allows P3 procurement opportunities for healthcare and other state-funded projects. We need to be ready for this new procurement method here in the U.S.” ▲▲

RECOGNITION

Get creative to reward high performers

Firms are offering to pay for vacation expenses and offering rewarding work as some ways to retain employees.

By LIISA SULLIVAN
Correspondent

While rewards are important in corporate America, they do not always have to be money-driven. And, during lean financial times, firms often need to get creative when it comes to retaining and rewarding high performers.

According to Roselle Leadership Strategies, rewards can be anything from receiving a restaurant gift card for finishing a project, to getting a 100-inch plasma TV for being the best salesperson in the nation that year. And, to make a reward system successful three things must be true (expectancy theory).

First, employees must feel that if they put in the requisite effort, they will be able to achieve the desired performance level. Second, they need to trust that if they achieve the desired performance level, they will receive the reward from the company. Third, the valence of the reward must be such that it motivates the employee to put in the effort in the first place.

SLUGGISH ECONOMY YIELDS MORE BASIC REWARDS. Ruth Robinson, director of human resources at **Kennedy/Jenks Consultants** (San Francisco, CA), a full-service, multi-disciplined engineering and environmental sciences consulting firm, says the company is beginning to see a slow turnaround to-

ward greater profitability. However, the firm is not quite ready to pass out monetary rewards.

“While some segments of the economy may be a bit ahead of our segment, we are more concerned about retaining high performers than rewarding them,” Robinson says. “Simultaneously, we recognize that in order to be an employer of choice, we need to commit energy and effort, and hard dollars, into a strong reward program. That certainly is on the horizon.”

Unfortunately, due to the down economy, Kennedy/Jenks has had to make some difficult decisions and recently closed three of its smaller offices. “We lost good people,” Robinson says. “On the other hand, despite these closings, we have experienced excellent retention across the board.”

Robinson attributes this to creating an environment that is supportive, team-oriented and personally and professionally rewarding.

Jean Carr, principal at **SHEA CARR JEWELL/SCJ Alliance** (Olympia, WA), a 35-person engineering and planning services firm, says the company is committed to rewarding high performers for their contributions to its success.

WHO ARE THE HIGH PERFORMERS?

When asked what defines a high performer, Carr says that there are a number of characteristics. High performers can be defined as employees who have and maintain great client connections and contribute to winning project work. Equally important are performance characteristics that include great project management skills, the



Jean Carr,
Principal,
SHEA CARR
JEWELL/SCJ
Alliance.

willingness to go the extra mile to provide great service to clients, and the ability to identify what needs to be done next on a project and then taking action without being told.

“We have high performers in all areas of the company, from our great administrative staff to our project managers and division

leaders,” Carr says. “Each of our high performers makes an important contribution to the company.”

But, like many companies nowadays, SHEA CARR JEWELL has experienced a decline in the number of projects available to pursue as clients have responded to the economic conditions.

“In turn, this has limited our ability to provide bonuses, raises, and other compensation to high performers,” Carr says. “However, we have judiciously selected key performers to receive raises or other recognition.”

The “other recognitions” that Carr refers to include increases in paid vacation time and contributions toward vacation travel expenses for well-deserved time off. Carr explains that employment levels have remained steady over the past year and they have not had the need to lay anyone off, nor has any staff left voluntarily.

“While recognition for high performers plays a role, we believe that our lack of turnover is also attributable to creating a great work environment for all our employees and finding opportunities for everyone to participate in fun and challenging projects,” Carr says.

The bottom line is that no matter how you look at it, business leaders need to invest the requisite time and resources needed to reward and, in turn, retain high performers. ▀▀

“We recognize that in order to be an employer of choice, we need to commit energy and effort, and hard dollars, into a strong reward program. That certainly is on the horizon.”

ON THE MOVE

RBF HIRES: Captain **James Wink** has joined **RBF Consulting** (Irvine, CA), a 500-person planning, design and construction firm that is a subsidiary of **Michael Baker Corporation** (Moon Township, PA), as assistant office manager and vice president in San Diego, Calif. Wink brings RBF over 25 years of experience and leadership worldwide in public works, engineering, construction and business management as a Navy Civil Engineer Corps Officer.

“Captain James Wink joins us in San Diego as a key leader in our company and a valuable resource for our clients locally, nationally and internationally,” stated Rick Rubin, executive vice president and San Diego regional manager for RBF.

Wink served, most recently, as the executive officer of Naval Facilities Engineering Command, Southwest, where he managed daily operations for a 3,500-person organization with a \$3 billion annual business volume. In this role, he provided engineering, construction, utilities management and facilities support to 20 military installations across six states in the southwestern United States.

Wink’s role at RBF/Baker will include office management and leadership, client service, client relations, development of business, staff mentorship and participation in RBF’s Senior Leaders Forum.

SSE HIRES: **Kris Bauman**, formerly president of Bauman Company, LLC of Newtown, Pa., and senior vice president of development at the Gale Real Estate Services Company of Roseland, N.J., has joined **Sam Schwartz Engineering, PLLC** (New York, NY) as its executive vice president and COO.

Bauman has over 30 years of broad-based experience in the fields of construction and real estate. He has completed the development of various leading retail, office, and industrial projects throughout the greater New York and New Jersey market area. Bauman has developed over 4.5 million square feet of warehouse and Class A corporate office space, \$200 million of property purchases and sales, and has positioned best-in-class development projects nationwide. Most recently, Bauman led the development team on behalf of The Rockefeller Group Development Corporation for the Green at Florham Park, which is now home to the New York Jets and to the North American headquarters of German chemical giant BASF.

SSE specializes in developing context-sensitive transportation solutions for simple to complex projects regionally, nationally and abroad. Identifying transportation and traffic impacts, SSE provides creative, multimodal plans that are grounded in technically rigorous analysis and industry-accepted design standards.

TT PROMOTES: **Thornton Tomasetti** (New York, NY), announced the promotion of **Thomas Poulos** to senior principal and **Edward Peck**, **Robert Stadler**, and **Adam Abbes Yala**, to vice presidents in the Chicago office of the international engineering firm.

Poulos, who leads the firm’s aviation market sector, has been with Thornton Tomasetti since 1997. He has more than 20 years of experience leading complex projects for all types of structures, including design/build.

Peck, the leader of Thornton Tomasetti’s Midwest U.S. Building Skin practice, has been with the firm since 2008. He has more than 15 years of experience in architecture, building skin technologies and building systems.

Stadler joined Thornton Tomasetti in 1998 and has broad exposure to projects of all sizes, from tenant build-outs to high-rise buildings and long-span structures. His work spans several market sectors, including residential, commercial, healthcare, aviation, cultural, educational and sports facilities.

Yala joined Thornton Tomasetti in 1999. He has provided structural design and analysis services from schematic design through construction administration for many major projects, including office,

residential, hospitality, aviation and sports facilities as well as special structures.

GZA HIRES: **GZA GeoEnvironmental, Inc.** (Norwood, MA) an environmental and geotechnical consulting firm, announce that **John Paquin** has been promoted to associate principal at GZA GeoEnvironmental’s main office.

Paquin joined GZA in 1993 as a hydrogeologist and project manager in GZA’s Portland, M.E. office and in late 2010 transferred to the Norwood office, where he is a member of the assessment group.

Paquin, whose areas of specialization are hydrogeological site investigation and remediation, held the title of senior project manager prior to his recent promotion. For over 25 years, he has managed a variety of projects involving site investigation and remediation of sites contaminated by radionuclides and chemical products.

ATKINS HIRES: **Atkins** (Orlando, FL), an engineering and design firm, announced the hiring of **Jonathan McDonald**, who has joined the company as vice president and senior practice manager for the company’s transit and rail practice. He is based in Atkins’ San Francisco office.

McDonald is an industry leader with 20 years of experience, specializing in building partnerships with key stakeholders, driving business development, expanding client bases, and growing companies. He has successfully implemented several industry firsts, including IP-based emergency phones, distributed central control, and reliability management.

According to Barry Schulz, president of Atkins’ transportation practice, “Jon is a seasoned professional who has developed a successful career in building winning strategic plans while assembling high-performance technical teams for international transportation, manufacturing, and telecommunications organizations.” Schulz noted that McDonald’s outstanding reputation, exceptional project and business performance, international experience, and history of innovation will be a substantial asset to Atkins.

McDonald has successfully led systems development for some of the world’s largest and most advanced rail projects, including the California High-Speed Rail project, Hong Kong’s \$10 billion mixed freight/passenger West Rail Line, multiple BART extensions with state-of-the-art ATO (automated train operation), and Seattle’s Central Link light rail system with mixed bus/rail tunnel operations.

ULTEIG HIRES: Seven individuals joined various teams at **Ulteig** (Fargo, ND). Three will work in civil services, two joined land services, while the others joined marketing and human resources.

Brian Heaton will work as a planner intern for transportation in the Fargo office.

Brian Hiles joined the municipal group as a lead engineer. He will telecommute out of the Detroit Lakes office.

Nate Wingerter will work as a graduate engineer in transportation in the Bismarck office.

Mike Chase joined land services as a survey technician II in the Williston office. Chase recently worked as survey crew chief for Borton-Lawson, an architecture and engineering firm based in Pennsylvania.

Tyler Stricherz also joined land services, as a survey technician who will work in the Bismarck office.

Justin Fraase joined marketing as a brand marketing specialist in the Fargo office. He recently worked as marketing director for Fair Hills Resort and Wildflower Golf Course in Detroit Lakes.

Nancy Heim joined human resources as a recruiter in the Fargo office. She spent the previous 30 years working for DMS Health Technology as a recruiter.

LIQUIDITY

Keep cash reserves close to the vest

Firms are spending cautiously and have safety nets in place, such as lines of credit.

By LIISA SULLIVAN
Correspondent

Cash reserves are a somewhat complicated subject. How much is too much? How much is too little? Some companies prefer to keep minimal cash reserves and reinvest in the company during times of growth. Others prefer to keep more cash on hand during down economic periods. It all depends on the specific company's situation. What many firms seem to agree on is that cautious spending is the key in rocky economic times.

STRATEGIC SPENDING. Matt Snider, CFO at **SHWGROUP** (Dallas, TX), a 242-person architectural, engineering, and planning firm, reports that the company has recently seen a strong surge in cash reserves.



Matt Snider,
CFO,
SHWGROUP.

"First, we have improved our ability to work with clients to receive collections faster since the downturn," Snider says. "Our percentage of accounts receivable that is greater than 60 days old is at a historic low for us. Secondly, we have been making a more concerted effort to re-

tain cash and improve our balance sheet. The availability of tax credits allows us to retain cash without a significant tax impact. We also have been making better decisions about expenses and our use of financing for assets."

But, while cash is steady, Snider adds that the firm is still spending cautiously. Expenditures currently focus on upgrading technology infrastructure (moving to cloud technol-

ogy), hiring targeted employees in a very strategic manner, and rewarding existing employees for their efforts.

CASE-BY-CASE BASIS. When it comes to how much cash is enough, Albert Cuisinot, CFO at **Degenkolb Engineers** (San Francisco, CA), a 180-person seismic and structural engineering firm, says that the question of healthy or adequate cash reserves is a firm-by-firm decision.



Albert Cuisinot,
CFO, Degenkolb
Engineers.

"Each firm needs to examine their strategic plan, current market environment."

"Factors such as consistency and trend of revenues are factors as are cash demands for stock repurchases or committed growth," Cuisinot says. "Each firm needs to examine their strategic plan, current market environment, as well as anticipated needs in the near future to answer this question."

Other factors to consider and questions to ask include:

- Borrowing capacity: Do you have access to lines of credit or term loans?
- What is your firm's appetite for risk aversion and borrowing?
- Do you anticipate any events that could impact cash materially?

Degenkolb is currently engaged in a process of gathering information on cash reserves from banks, CPAs, stock valuation firms and industry forums to determine if it can develop a model to determine arrange of cash to hold based on the significant factors mentioned above.

"Our cash reserves are currently slightly lower than our historical norms," Cuisinot says. "The main factors affect-

ing our cash are due to operational issues and we expect to return to normal levels by the end of our fiscal year. We will then be cautiously ready to spend for items that will support our long-term health and growth."

Wendy Raffaelli, vice president and controller at **RMH Group** (Lakewood, CO), a mechanical, electrical, and industrial process engineering consulting firm, says that RMH typically holds healthy cash reserves. Its target is to have at least one full month on hand to cover all operating expenses.

About 10 years ago, RMH set up a separate fund to repurchase shares of stock from its shareholders, now and in the future. This fund serves to provide both an emergency reserve in case it needs it for operations and also provides some assurance, although not a guarantee, to shareholders that when they retire, the company will have cash to repurchase their shares and the shareholder won't have to worry about selling their shares to other shareholders and such.

Raffaelli says that while RMH's reserve is down about half at present, she is not worried.

"It's still at a very healthy level," she says. "We have seen a little downtick due to a significant number of shareholders retiring, but that number is now leveling out. The downtick has also been due to things like clients paying invoices later than usual, and that is to be expected in times of slow economic growth."

She explains that things such as slow payments on invoices are exactly the reason why it is important to have that cash reserve. They have had no need to borrow as of yet, but it's a safety net that they are happy to have. Like other firms, RMH is spending cautiously and focused on IT and key personnel acquisitions. ■▲

TRANSACTIONS

CUNINGHAM GROUP BUYS: Cuningham Group Architecture, Inc. (Minneapolis, MN), a 240-person architecture, interior design, urban design and planning services firm, has announced that **Hutton Architecture Studio** (Denver, CO), a firm specializing in sustainably designed environments for learning and worship, will be joining their organization. The combination of these two firms is a natural fit, as both Cuningham Group and Hutton Architecture Studio focus on complementary project types and are leading firms committed to sustainability. The addition of Hutton Architecture Studio provides a fifth location for Cuningham Group's offices nationally.

"In joining forces with Hutton Architecture Studio, Cuningham Group will grow its presence in the realms of educational facilities and houses of worship particularly in the Rocky Mountain West," said Timothy Dufault, president and CEO of Cuningham Group. "Hutton Architecture Studio brings tremendous expertise in sustainable design as well – synergizing perfectly with Cuningham Group's core values."

The merging of these two firms is the direct result of Tim Dufault's and Paul Hutton's work on the American Institute of Architects Committee on Architecture for Education over the past four years, in addition to a collaboration on the design of "Classrooms for the Year 2025" for a local Denver-area school district, designed for when today's first graders graduate. Cuningham Group and Hutton Architecture Studio also worked together as the design charrette lead and sustainable design lead respectively on a new elementary school in Cheyenne, Wyoming.

"We are thrilled to be joining such a successful and highly regarded firm," said Paul Hutton. "This exciting new relationship will foster innovative ideas, lead to groundbreaking projects, and most importantly continue our collaborative leadership in progressive design for our clients."

Recognized as an innovator in daylighting and sustainable design, Hutton's projects focus on the use of recycled and environmentally friendly materials while creating low-maintenance environments perfectly suited for a client's needs. This includes the firm's recent role implementing the State of Colorado Governor's Energy Office High Performance Building Program as well as moderating the AIA +2030 Professional Series in Denver. The Denver office will continue to provide leadership in all phases of architectural design including site selection, master planning, programming, interior design, and sustainable design to a wide variety of clients throughout Denver and the Rocky Mountain West.

Cuningham Group is a champion of sustainable design and instills this consciousness throughout the entire organization. Cuningham Group developed criteria to evaluate the overall success of projects based upon a "Triple Bottom Line" sustainability business model of "People, Profit, and Planet." This approach best serves clients who seek high-quality architectural design that inspires people while making optimum use of resources and for those who seek a design process that respects, articulates, and fulfills their values and goals.

"Our collaborative venture with Hutton Architecture Studio will allow us to continue our leadership in sustainability," Dufault said. "We are also excited by the opportunity to build on Hutton's educational design experience to continue our initiative in designing engaging learning environments."

IBI BUYS TAYLOR YOUNG: IBI Group Inc. (Toronto, ON) a planning, design, implementation, analysis of operations and other consulting services firm, announced that business arrangements have been settled for the acquisition of the practice of **Taylor Young Limited Architects and Master Planners** (Manchester, UK) within the IBI Group of Firms.

Taylor Young is a 100-person full service architectural practice including professional skills in urban planning and design and

landscape architecture. The firm has a strong reputation in the design of facilities in healthcare, education, housing, as well as urban planning/design and landscape design for a broad range of clients. The firm is highly experienced in sustainability of design integrated with such facilities.

Taylor Young was incorporated as a company in 1989. The three majority shareholders of Taylor Young Holdings Ltd., the parent of Taylor Young Limited, are Stephen Gleave, Rod King and David Gardner. Paul Rushton and Alan Simpson are the two minority shareholders.

The firm has a very firmly established and strong second line of leadership operating as studio leaders and practice leaders of various groups within the overall practice.

Philip Beinhaker, chairman director and CEO of IBI Group noted that: "The ownership of Taylor Young have built a highly professional practice in architecture and related disciplines based in Manchester with additional offices in Liverpool and London. The firm is also managed in a financially effective and profitable manner. This acquisition will further enhance IBI's professional strength in the UK market, as well as contribute to the growing strength of the global practice of the firm in health and education. Professional experience in urban planning and urban design, as well as landscape architecture and the architecture of housing in the UK will broaden the current areas of practice of the IBI capabilities in the UK. Taylor Young Limited has a very broad range of clients in the public sector with over 70 percent of the business gained on a repeat basis with long established client relationships."

The new trading name will be IBI Taylor Young. With this acquisition the total of the IBI staff increases to approximately 3,050.

BOWMAN FORMS ALLIANCE: Bowman Consulting (Chantilly, VA), announced the formation of a strategic alliance with **JMH Weiss** (San Jose, CA), resulting in the opening of an office in San Jose – Bowman's 18th office. Founded in 1956, JMH Weiss is a leading land development consultant in San Jose and throughout the Bay Area.

Bowman offers engineering, planning, landscape architecture, surveying, water/wastewater, environmental, pipeline design, geothermal energy, mining and exploration, and transportation consulting services. JMH is a full service civil engineering firm.

"This continues our course of planned and deliberate national expansion, and our San Jose office will be a terrific platform from which to serve California as well as the entire West Coast," said Gary Bowman, president of Bowman Consulting. "We see this as a natural market for our infrastructure and renewable energy consulting services, and we look forward to being contributing members of the local community."

The move is part of Bowman's plan to position itself as a leading national design firm. Execution of this plan has resulted in an annual growth rate of over 20 percent and has propelled Bowman to its status as a top 250 design firm, as ranked by Engineering News-Record.

"Both organizations share like cultures and values, making this a natural fit," said Kevin Weiss, CEO of JMH Weiss. "By joining forces, we now possess a broad array of services and a depth of resources that, along with our long-time presence in the community, enable us to provide an unmatched level of service to our clients."

DJ Edwards has joined Bowman to serve as branch manager of its San Jose office. Edwards, a long-time member of the JMH Weiss team, has over 15 years of consulting, design and management experience throughout the Bay Area. Weiss and Eva Cabico, who most recently served as JMH Weiss' COO, will continue their senior leadership roles, providing continuity and further enhancing Bowman's ties to the area.