

Collect YOUR money



Mark Zweig

Some strategies are not pleasant, but it's your money, Mark Zweig writes.

It has always amazed me how lackadaisical A/E firms are about collecting money owed to them by their clients. It's like we have some sort of low self-esteem or something.

"We'd like to get paid Mr. Developer client – 110 days is a long time to wait – but if you want to give us another project to work on now I guess we can wait. By the way, how do you like your new Mercedes-Benz AMG S63?"

It's ridiculous! Lawyers and accountants collect their bills in half the time it takes firms in this industry to collect theirs. Why? Because they expect to get paid – and aren't embarrassed to ask! Even if you do have the cash in your business to waste by financing your clients' businesses, you cannot let old receivables sit out there. The likelihood of collecting them – in full – decreases over time.

Here are my suggestions on what you should be doing to get paid faster:

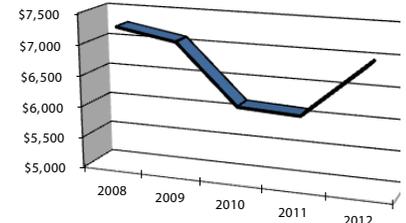
- 1) Bill faster.** Get retainers or advance payments. At least make an attempt! And always bill with deliverables. Don't wait to bill once a month.
- 2) Send the bills out via email.** Why wait for snail mail? Email always gets there – and always gets there faster with the push of "send." Also paves the way for an electronic follow-up by your accounting people (not PM) in seven days or less. "Did you receive our bill? When can we expect to get paid?"
- 3) Use accounting staff as front line bill collectors, not PMs.** It kills me when firms argue with me on this point. Accounting people will make the calls – it's their job! PMs won't. They don't want the unpleasantness of asking for money – heaven forbid! Seriously, you will get your money faster using your accounting people as the bad guys. However, if there is a quality or deliverable issue, obviously you will have to involve the PM.

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TRENDLINES

Edging up



The amount environmental consulting firms pay for rent and utilities per employee increased for the first time in recent years, according to the 2012 "Financial Performance Survey of Engineering Consulting Firms." This year, the median rent and utility cost per employee rose to \$6,954 from \$6,104 in 2011. On the decline from a high of \$7,266 in 2008, rent and utility cost per employee saw the biggest drop in 2010, when it declined to \$6,152 from \$7,096 in 2009.

– Margot Suydam, Survey Manager

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A/E BUSINESS NEWS

GREEN APPLE ANNOUNCED: Green Apple, an initiative of the Center for Green Schools at the U.S. Green Building Council was announced at the Clinton Global Initiative Annual Meeting held in New York in September.

Green Apple is a global movement to put all children in schools where they have clean and healthy air to breathe, where energy and resources are conserved and where they can be inspired to dream of a brighter future.

More than one quarter of all Americans walk through the doors of a school every day, yet instead of walking into places of opportunity, millions enter buildings where the air they breathe is filled with toxins and mold, where classrooms are poorly lit and overcrowded and where resources are limited and outdated.

Many children are learning in buildings that are compromising their health and ability to succeed. Green Apple will work to help give individuals, companies and organizations the opportunity to transform all schools into healthy, safe, cost-efficient and productive learning places.

"No one benefits more from high-performing buildings than our children. The recognition of Green Apple as a CGI commitment underscores the importance of providing the next generation with the opportunity to learn in the best educational environment possible," said Rick Fedrizzi, president, CEO and founding chair of USGBC. "Our hope is that the upcoming Green Apple Day of Service will allow us to expand this recognition and create broader awareness among parents, teachers, students and communities all over the world."

Green Apple is made possible by partners including: Houghton Mifflin Harcourt, United Technologies Corporation, Interface, Excel Dryer, Armstrong and SolarCity.

As part of the CGI commitment, Green Apple is working with these partners to develop and deploy resources including toolkits, trainings and case studies to help schools implement positive change.

For example, HMH, a global education leader that delivers interactive, result-driven education solutions to 60 million students in 120 countries, will draw on its sales force to connect schools with resources (including benchmarking and needs assessment tools, teacher training resources and ongoing support) to facilitate their transformation into safer, healthier and better places to learn.

To learn more about Green Apple and to register for a Green Apple Day of Service project, visit mygreenapple.org.

DLR GROUP NO. 1: ARCHITECT magazine, the official publication of the American Institute

of Architects, has recognized **DLR Group** (Omaha, NE), an architecture, engineering, planning and interior design firm, as the No. 1 firm in the United States.

ARCHITECT published the annual ARCHITECT 50 ranking of U.S. firms in its September issue.

The ARCHITECT 50 list is compiled by weighting three key components of practice: design excellence and pro bono, sustainability, and business.

DLR Group has ranked in the top 10 of U.S. firms each year since the ARCHITECT 50 debuted in 2009.

"ARCHITECT's scoring is a direct reflection of our promise to elevate the human experience through design," said Jon Pettit, DLR Group managing principal. "This recognition validates the efforts and investment of our employee-owners to transform DLR Group into a recognized design firm."

According to ARCHITECT, the aim of its Top 50 list is to reward accomplishments according to the broadest possible criteria: "The list is designed to celebrate practice of all kinds – practices that are as adept with building technology as they are in business, that can win design awards and also give back to their communities. The overall winner? A big hand for DLR Group, which drew raves for its Joplin Interim High School in tornado-ravaged Missouri."

In addition to being the leading K-12 education design firm in the U.S., DLR Group partners with an envied list of clients including The Boeing Company, Google, Hyatt, Mall of America, NRG Energy, Kaiser Permanente, and with college and university campuses and public agencies across the nation.

"Client success stories like Joplin illustrate the effectiveness of DLR Group's integrated design approach," said Griff Davenport, DLR Group managing principal.

"This honor is really the outcome of the faith that clients have placed in DLR Group during the past 50 years. On behalf of our employee-owners, I want to thank every client across the country that has entrusted us to deliver their dreams and visions."

DLR Group practices in the corporate (hospitality, retail/mixed-use, workplace), justice and civic, higher education, K-12 education, and sports markets.

The firm has offices in Chicago, Colorado Springs, Denver, Des Moines, Honolulu, Kansas City, Las Vegas, Lincoln, Los Angeles, Minnesota, Omaha, Orlando, Pasadena, Phoenix, Portland, Riverside, Sacramento, Seattle, Tucson and Shanghai.

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4) Show previously billed but unpaid invoices in the total due and payable for each bill following.

I used to go as far as stamping a huge "Past Due" on anything over 60 days old. Clients hated it. We had a 25-to-29-day average collection period, nevertheless. It works.

5) The longer a bill goes unpaid, the more aggressive you should get.

I have seen companies go as far as calling daily – or even more than once a day – on ARs that are 90 days old or older. Make yourself such a pest that the client pays you to get you off their back. This works.

6) Track and report collection periods by PM or PIC (or both).

There's nothing like a little accountability and sharing of exactly who is getting the job done and who isn't. I suggest this information go out to all employees – not just other PMs or PICs.

7) Pay bonuses based on cash in.

All bonus programs – certainly most – should be paid based on cash basis income – not accrual – if you want to collect your money.

This is pretty basic stuff. You all are capable of doing all of these things. Reduce your risk and put some cash – your cash – in the bank NOW. ▀▀

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THE ZWEIG LETTER

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Published continuously since 1992 by ZweigWhite, Fayetteville, Arkansas, USA. ISSN 1068-1310.

Issued weekly (48 issues/yr.). \$475 for one-year membership, \$775 for two-year membership.

Article reprints: For high-quality reprints, including Eprints and NXPprints, please contact The YGS Group at 717-399-1900, ext. 139, or e-mail TheZweigLetter@TheYGSGroup.com.

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ON THE RECORD

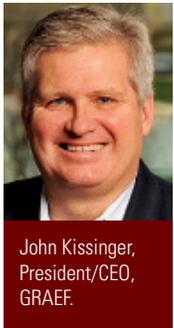
My new replacement is leaving Now what?

Four takes on the alternatives, from all quadrants of the industry.

By LIISA SULLIVAN
Correspondent

It's a leadership nightmare. The person you were grooming to be your replacement just got an offer to lead a competitor. What do you do? We posed this question to A/E firm leaders and consultants to find out how they would handle the situation; here's what they had to say:

John Kissinger, president/CEO, **GRAEF** (Milwaukee, WI), an engineering consulting firm:



John Kissinger,
President/CEO,
GRAEF.

First, you should groom two or even three possible successors. However, if it did happen, I would initiate a conversation with my protégé, most likely over dinner. I would discuss the new job offer and try to determine their reason for wanting to take it. Is it

“You should groom two or even three possible successors. However, if it did happen, I would initiate a conversation with my protégé, most likely over dinner.”

the challenge of leading? The title? The money? Something else?

Depending on the reason, I would work to determine what I could do to make staying at GRAEF more desirable. Perhaps it's just a clear time line and path to succession. Maybe it's a new title, or some new responsibilities. If these offers were appealing, I would commit to follow through. If, for example, I

promised succession within five years, I would be prepared to make it happen.

In the end, I would also be willing to make a credible counter. Being able to discern what is the most important to him or her is key, which is why it should be a priority to maintain a deep relationship with anyone who might someday become your successor.

Of course, there may be situations that arise where a counter offer is not realistic. If my protégé felt strongly that another job was the right fit, I would wish him or her well and encourage their new endeavor. At GRAEF, we build relationships; I would never burn a bridge.

Jessica Martin-Lane, partner, **Martin-McGill** (Asheville, NC), a professional services organization:

“In my experience, if a good employee wants something more from their job, he or she is having those conversations with you before the situation gets to this point.”

In typical consulting fashion, I think the appropriate response to this question is, “It depends.” I do not like to encourage employees to stay with a company if they already have gone far enough down the path as to interview and secure another job without talking to you about any issues in advance. In my experience, if a good employee wants something more from their job, he or she is having those conversations with you before the situation gets to this point. Furthermore, if you have done your job in preparing him/her for your role, then he/she knows what to expect.

Employees who really want to stay with an organization are generally having these discussions with their manager in advance of this point and you

have time to do something about it. If they have gone this far, there are usually multiple factors in play (e.g., unhappy in their current job; unhappy about compensation; unhappy about their title; unaware he/she is being groomed, etc.). In almost all of these cases, the employee has many emotions tied-up into leaving already, that even if you can convince him/her to stay, it's generally a matter of time until he/she leaves.

In my opinion, the only time that I would say an employee is worth fighting for is when it's a strategic move and their leaving is truly detrimental to your company's health. In this case, it would be in your best interest to develop both short- and long-term strategies. Give him/her incentive to roll up their sleeves, stay engaged, and actively contribute until it's time for your departure.

Ruth Robinson, director of HR, **Kennedy/Jenks Consultants** (San Francisco, CA), an engineering, environmental science, and architectural services firm:

“If you are truly sure that this person knew of the plans and still entertained an offer from a competitor, and there is no employment agreement or non-compete in place, sever the relationship as fast as you reasonably can.”

First, ask yourself, “Did I communicate my plans regarding targeting this employee to be groomed as my replacement?” Often, while “we think” this is obvious, it is not. If you have not been crystal clear about your plans, ask the employee if he/she might be open to

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considering staying under the following conditions... and then BE CLEAR. What position are you discussing? What is the real change date – not “sometime in the future?” What additional compensation and perks could this employee expect? When? Are you willing to accelerate any part of this change?

Then, if you are in a state where non-competition agreements are enforceable and you had the employee sign one upon original employment, you may need to review.

Now, if you are truly sure that this person knew of the plans and still entertained an offer from a competitor, and there is no employment agreement or non-compete in place, sever the relationship as fast as you reasonably can. Trust has been broken, and if you succeed in convincing the employee to stay (probably for additional, unearned compensation), you most likely will be left feeling as if you’ve just been “played.”

For example, let’s say you counter offer and the employee accepts and stays put... for now. You’ve just signaled that you are open to negotiating employment agreements in the future. The next offer from a different competitor will carry an even higher price tag – if not from this employee, then from others.

Ed Jerdonek, president and CEO, **Luckett & Farley** (Louisville, KY), architecture, engineering and interior design firm:

If the star you’re grooming for a leadership position isn’t routinely receiving offers from your biggest competitors, then you’re just not doing it right! I recently had a discussion with just one such star. I jokingly described our “Employer of Choice Continuum” as simultaneously the best and the worst thing about our 160-year-old A/E firm. The best because our commitment to providing the best environment, culture and reward structure helps us attract and retain the industry’s top talent. And, the worst because the enormous investment we make each year in training and professional development has been responsible for grooming the best prepared and most competent young professionals.



Ed Jerdonek,
President and
CEO, Luckett &
Farley.

Our competitors aren’t willing or able to match the commitment and investment required to duplicate our “Employer of Choice Continuum,” but they constantly try to hire away our best and brightest. So, I guess you can say that we’re responsible for creating our own

“If the star you’re grooming for a leadership position isn’t routinely receiving offers from your biggest competitors, then you’re just not doing it right!”

“monsters.” In almost all cases, the barriers to exit Luckett & Farley are just too high. I genuinely believe that the vast majority of our employee-owners trust that their career and professional future and opportunities for their families are just better here than anywhere else.

In the end, I don’t always learn about offers that our competitors make to our top performing stars, but when I do, I receive it as the highest form of praise; what we’re doing at Luckett & Farley is working exactly as planned. ▀▲

HIGH PROFIT FIRM SURVEY: Even during the recent economic downturn, there are firms in the A/E industry that still report increasing profits. How do the high-profit architecture, engineering, and environmental consulting firms do business? What are they doing that you’re not?

Find out with the “2011-2012 High Profit Firm Survey of Architecture, Engineering, Planning & Environmental Consulting Firms.” This publication covers every area of management for leaders of design and environmental firms.

Whether you want answers to questions on financial performance, marketing, information technology, project management, compensation, billing practices, or other issues, you’ll find it all in this one report.

For more information or to buy a copy call 800-466-6275 or log on to www.zweigwhite.com/zw-1137.aspx.

RESOURCES

ENVIRONMENTAL CONSULTING SALARY SURVEY: The 2012 “Financial Performance Survey of Environmental Consulting Firms” contains more than 30 different major financial performance statistics so you can find out exactly where your firm stands among your peers.

These statistics are just the beginning of this comprehensive report – go beyond the revenue and profit data to chargeability, revenue factor, overhead rates, average collection period, backlog, staff turnover, and more to see which areas your firm could improve. Data on operating expenses, personnel costs, finance and accounting staff, growth and profit projections, and more are also included.

In addition to financial performance and spending statistics, the survey also shows data on top financial managers and finance and accounting staff percentages. Does your firm have the staff resources it needs to stay on top of all financial and administration issues? Find out! This survey will show you the typical breakdown of F&A staff for a firm of your size. The survey also shows you historical revenue and profit data and growth predictions for the next three, five, and 10 years. If you’re a president, CEO, principal, or financial manager, you won’t want to miss out on this data when it comes to developing your firm’s strategic business plan.

For more information or to buy a copy, call 800-466-6275 or log on to www.zweigwhite.com/zw-1155-2012.aspx.

PERFECT INTERIORS: Lots of books, magazines, TV shows and websites feature great design and tips, but a new book, *How to Design Your Perfect Interior ... (And Maintain Your Sanity And Budget)*, written by Gail Doby, shows readers how to think like a designer by taking the mystery out of the design process and giving them the tools they need to make a well-informed decision about do-it-yourself design projects or working with an interior designer.

Published by the American Society of Interior Designers and Design Success University, the book provides the information, options, direction and decision tools to make a wise and educated decision about how to achieve the perfect interior. The book is full of insider tips and insights from experienced interior designers that can help save time and money when choosing a DIY project or hiring a design professional.

The book is available on Amazon.

MARKETING

New image sometimes called for

Firms embark on rebranding efforts for many reasons, whether it is to freshen-up or change perceptions.

By CHRISTINA ZWEIG
Contributing editor

How do you know it's time to rebrand? And just how hard is rebranding?

Many A/E/P and environmental firms see rebranding as simply redesigning the company logo, color/type schemes and other marketing pieces. Rebranding should, however, be a much more in-depth process. The logo, by the way, doesn't necessarily need to change at all for a rebrand to occur.

DUE DATE. **Dewberry** (Fairfax, VA), a 1,800-person professional services firm comprised of architects, engineers and consultants, kicked off a massive rebranding effort about three years ago, "In our case it was time because it had been such a long time," says Molly Wagner, director of communications.



Molly Wagner,
Director of
Communications,
Dewberry.

Wagner said a many things simply felt outdated in terms of the content, the look, the feel and a general lack of marketing pieces – or ones that needed to be overhauled.

Massive changes in technology and marketing methods have left many firms in the dust. An outdated website was the main driver for Dewberry's decision to fully rebrand.

"The website has been up for five to seven years – a long time by website standards. We knew we had to start there," Wagner says. "The website was very static, the way the website was organized wasn't encouraging content up-

dates. It was just an online brochure, and the 'look' of it had gotten really old. Some pages of content would scroll forever. Nothing promoted people internally to want to update the information."

The firm started the process by assessing their current position. "We hired an outside consultant for data gathering in terms of perception. We wanted to improve our message... but didn't want to change logo," Wagner says.

Dewberry's logo was highly recognizable to their clients. "Through our research realized it was nothing that we had to recover from before we moved ahead," Wagner says.



Phillip Davis,
President,
Tungsten
Branding.

LEGACY ISSUES.

But not all firms are so lucky. Phillip Davis, president, Tungsten Branding in Brevard, N.C., a firm that specializes in naming, branding and brand development, wrote in a Feb. 9 post on his blog (Tungstenbranding.com), "There comes a time in the lifecycle of many established businesses when the owner wonders if the original company name might be doing more harm than good."

With the recession causing many design firms to expand into new markets or geographic locations, many times names, logos and the general marketing focus needs to change to appeal to these new audiences.

"Of all the reasons to rebrand, this is the most urgent," he says. "Worse than having a name that leads nowhere is the name that leads in the wrong direction! Think of it this way, instead of starting off in neutral with a coined name, this type of name has customers going into reverse. You actually have to arrest them, correct the misperception, and then re-explain what it is that you

really do!"

Davis also mentions geographically limited names as a sign that it's time to rebrand. With the increasingly global nature of the A/E/P and environmental industry, a regionally specific name probably won't help get projects across the country or overseas.

MARKETING OVERHAUL. Dewberry chose to overhaul all their marketing from the ground up, starting with a new content management system. As a part of the process, Dewberry hired a web content specialist full-time, something Wagner says is "extremely important in terms of managing online presence... (A web content specialist) makes it sound like you have a common voice," something that is of the utmost importance in firm branding and marketing.

With a new website in place that encouraged more frequent and accessible updates, Dewberry also decided to start blogging and overhauled all their brochures, creating a brochure system that has different resources for their many different markets and audiences.

The decision to rebrand may come from complex situations, such as ownership changes, firm growth or an attempt to reverse bad morale, or something as simple as the need to rectify a color scheme and typeface that may seem "too '80s." Regardless, the undertaking, when well researched and executed correctly, can give any firm a second-life.

Clear branding is a path to firm growth and success. In a June 6 post, Davis wrote, "By clearly establishing your brand message, identity and personality, you will attract congruent customers and dedicated staff members that mirror your company's goals and objectives. You will begin to resonate with those who share your passion and conviction. With clarity comes confidence, and the ability to say 'yes' to those opportunities that empower your brand, and 'no' to things that compromise your ability to deliver effectively." ▀▀

"Worse than having a name that leads nowhere is the name that leads in the wrong direction!"

Embrace creative intelligence



Marilynn Mendell

Getting to know the creatives in the marketing department and their process.

GUEST SPEAKER

Many people don't realize that there are different kinds of intelligence. Most people associate IQ tests as the true measure of intelligence when there are a variety of types. Schools were set up to support industry and IQ tests got developed to recognize potential stars to fit into the corporate culture.

But there's another kind of intelligence out there that is particularly relevant to A/E firms: Creative intelligence.

America was actually built by creative thinkers and independent entrepreneurs who were more right- than left-brain and they tended to be the self-starters, entrepreneurs and inventors. Right brain people, the weird creative types, often fail miserably when given standardized tests. Creative geniuses (occasionally introverts) generally fly under the radar and can be hard to spot. Recently two authors wrote important books about the creative process. Jonah Lehrer wrote, *Imagine, How Creativity Works*, and Alan Rowe wrote, *Creative Intelligence, Discovering the Innovative Potential in Ourselves and Others*. Working with people who seem a bit scattered in their thinking, or who seem to be daydreaming more often than normal, or who connect unusual dots and make associations that "normal" people miss, can be challenging to understand but these two books can help. They might also show why allowing day dreaming can be profitable.

It is essential to cultivate an atmosphere where creative people can flourish. They tend to prefer quiet, incandescent lights and visual stimulation. By the way, everyone is creative. It's just that most people begin to turn off their knack for innovation around 10. The book, *Drawing on the Right Side of the Brain* explains a bit more about the mental process.

Dyslexia can be part of a creative's profile. However, many people have no idea they see things differently because of it. For people working with creatives the challenges can be as wide and varied as trying to keep them interested while they perform mundane tasks, to double-checking spelling and simple arithmetic.

Creative people get idea blocks the same way as writers get stopped. When this happens, they find several ways to kick-start the imagination process. Any kind of free association can bring forth an avalanche of inspiration. Sometimes designers make up stories while walking through grocery stores. A walk past the catsup might begin a mental conversation like: "Once there was a spicy red prince who lived," then when they pass the pickles they think, "in a deep dark sour woods who was married to Princess Gherkin." Letting stories evolve while meandering through a store allows the brain to free associate which, in turn, can lead to totally new directions and ideas. Sitting down with a journal and just starting to write anything that comes to mind for an hour will do the same thing. Usually.

Another trick for some might be turning off the radio and phone while driving and letting interesting thoughts come forward. Others insist that just before falling asleep they pose a problem to their brain – directly. The solution usually percolates up into the conscious waking mind by morning. If ingenious thoughts don't arise with the sun, then they go for a long walk in a wooded area to generate amazing ideas.

When quiet, rest, and random story telling don't work, people reach out for other methods to jump start idea bursts. There's a book called *Creative Sparks*, by Jim Krause, that can help. Some teams prefer Roger von Oech's *Creative Whack Pack* or IDEO's *Method Cards*.

Brainstorming, if it's done right, can be beneficial as well. Just follow a few simple rules. Change the place. Stay away from normal surroundings where bad memories reside. Go to a restaurant or a museum cafe. Bring in accountants, architects, and IT people. Keep the group makeup to 80 percent people who have worked well together successfully for years and 20 percent new folks. Mix teams often always maintaining the 80/20 ratio.

When the incredible award-winning brilliant idea finally appears and the team works at warp speed to get the concept galvanized before it slips away into the abyss, an outsider needs to be brought in

America was actually built by creative thinkers and independent entrepreneurs who were more right- than left-brain and they tended to be the self-starters, entrepreneurs and inventors.

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Marketing and BD NOT interchangeable



Franceen
Shaughnessy

GUEST SPEAKER

Firm leaders should be aware of this as they grow their operations.

Let's say you are an architect working on a building renovation. Your firm develops the design concept and hires the necessary subconsultants (say a structural engineer) to help you deliver the project. Seems obvious, but to the building owner, it may not be that apparent.

The owner may not share your industry knowledge. He's thinking that maybe the architect can just complete the waterproofing details normally done by a structural engineer. After all, it all falls under the same building industry umbrella so what's the problem?

While they fall under the same building industry umbrella, architects and structural engineers have very different skill sets. Each follows a different education and career path that allows them to develop the expertise their profession demands. And, while they are both working within their own specialties, they also need to collaborate with one another to achieve a successful end product. They are not interchangeable but they are partners within a project. This same concept holds true for marketing communications and business development (BD) professionals.

THE DIFFERENT ROLES. Marketing communications involves establishing the firm's overall message, benefits and capabilities, and ensuring this information is expressed consistently and accurately through all communications (which is why public relations would fall under marketing). The marketing communications department should also be responsible for designing marketing materials and websites.

BD should have a stronger focus on developing partnerships and strategic relationships with other firms in order to increase the client base as well as expanding into new markets.

Like the architect and structural engineer, marketing communications and BD need to work together in order to achieve worthwhile and lasting results. So how does marketing communications and BD collaborate and coexist? To put it simply, an effective marketing communications group would eliminate the need for cold calls for the BD group. By the time you begin BD, your potential client should already know the following: your firm's name, your firm's services, and your firm's key projects.

As soon as the BD group says your firm's name, the potential client should recognize it because he would already have seen it in different marketing communications venues like collateral, articles, interviews and conferences. Now the BD group isn't making a cold call or a cold introduction at a networking event. Instead, a connection has already been made due to the marketing communications group's efforts that the BD group can leverage and grow into a successful relationship.

This also applies to a seller/doer culture where your BD people are your technical staff. By the time the technical staff has an initial conversation with a potential client, that potential client should already be familiar with the firm.

By recognizing and understanding that marketing communications and BD are two different specialties and need to be separate groups within a firm, you as the firm leader are establishing clear definitions that are easily understandable by the technical staff (i.e. the end users of the two groups). With clear definitions, it's easier for the technical staff to grasp the benefits of marketing communications and BD. In turn, technical staff will be more proactive in collaborating with both marketing communications and BD groups.

WHO'S ON FIRST. It's not enough that you recognize and understand that marketing communications and BD are two different professions that need to coexist. It's a good first step but to really build a solid foundation to launch thriving marketing communications and BD programs within your firm, you also have to match the right employees with the right group and provide the right title.

These might seem like small details but they are important in laying the groundwork for marketing communications and BD within your firm. Being clear and concise with the skills and titles will help teach your technical staff the benefits of marketing communications and BD. In turn, technical staff will be more likely to include both groups in projects, which can only benefit the firm in the long term.

To better illustrate this point let's look at ABC Consulting, a fictitious firm. The firm has a long-term goal of having thriving marketing communications and BD groups that collaborate proactively among themselves and with technical staff. Right now the firm only has two "marketing" people that spend 100 percent of their time on proposals. The CEO of ABC Consulting takes the

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SURVEY

Architecture firm revenue down by 40 percent

While the economy has recovered, revenue and employment levels still lag at A/E firms.

Since the beginning of the recession in early 2008, architecture firms have collectively seen their revenue drop by 40 percent and have had to cut personnel by nearly a third. Despite a national recovery from the recession in 2009, construction activity continued to spiral downward, according to the recently released 2012 “AIA Firm Survey.”

Total construction spending levels, which exceeded \$1 trillion in 2008, fell to under \$800 billion in 2011. As a result, gross revenue at architecture firms declined from more than \$44 billion in 2008 to \$26 billion by 2011, a 40 percent decline over this three-year period.

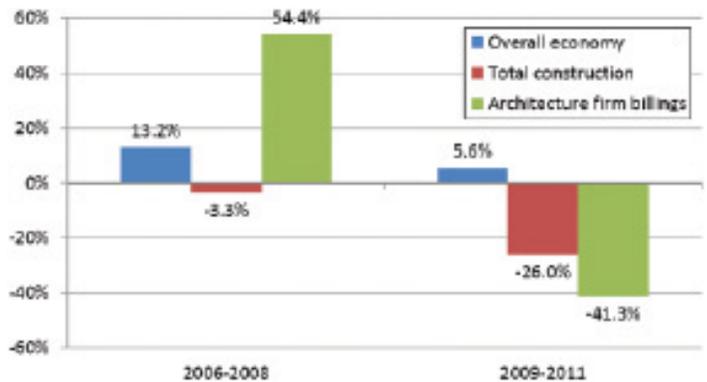
Such a significant reduction in firm revenue produced a comparable reduction in employment. Construction payrolls peaked in early 2007 and steadily declined through mid-2011 due to the housing downturn. Since then, there has been very little recovery. Positions at architecture firms have generally followed the path of the broader construction industry. Due to the heavy reliance of architecture firms on nonresidential construction activity, payroll positions continued to grow through mid-2008. But at that point they dropped sharply through early 2011 and have not recovered much since. Between 2007 and 2011, more than 28 percent of positions at architecture firms disappeared, more than erasing the 18 percent increase in architecture positions seen during the 2003–2007 upturn.

The general downsizing of firms has also produced a change in staff compositions. In the 2009 AIA “Business of Architecture” report, 60 percent of payroll positions were architecture positions (including interns and students), 21 percent were other design professionals (with engineers and interior designers accounting for the largest shares), and the remaining 19 percent were technical and support staff. By the beginning of 2012, these proportions had changed significantly. The largest losses were in technical and nontechnical staff, positions that generally were not directly billable on projects. Architecture staff positions increased their share somewhat over this period, while the share of oth-

er design professionals remained essentially unchanged. Other key finds from the 2012 AIA Firm Survey:

- S Corporations is the most common legal structure at firms
- The number of LEED APs on staff nearly doubled in the last three years
- The share of firm billings from renovations, rehabilitations, additions, and other construction projects increased substantially in the last three years
- More than two-thirds of international billings in the last three years were from projects in Asia, the Middle East, or Latin America

DECLINE IN REVENUE AT ARCHITECTURE FIRMS OVER LAST THREE YEARS



Source: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Census Bureau; and the American Institute of Architects.

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The survey is available in the AIA bookstore, www.aia.org.

MARILYNN MENDELL, from page 6

for an objective review. It’s important at this stage to have solution people at the table. Clients and principals can provide invaluable critiques when suggestions are given with the best intentions and where there is an atmosphere of safety and trust. They may look at the presentation and say, “I don’t get it.” Or they may say, “That’s too complicated for our audience.” Because the designers are often too close (and attached) to a project, creative people really need

constructive critiques as a way to get unbiased input and that first visceral reaction. Great teams appreciate the input and go back to the drawing table armed with a wonderful puzzle to solve. At this juncture the process is fairly easy. Creatives thrive on getting the message just right. And that leads to an article about time management... ▲▲

MARILYNN DEANE MENDELL is the president of WinSpin CIC, Inc., which offers branding, change management and public relations. She is also adjunct professor at Georgetown University. Her full reading list available at www.winspincic.com or Twitter @winspincic.

BEST FIRM 2012

PCS Structural Solutions – Beyond perks

Firm is client- and family-focused – strives for a work-life balance and helps people achieve their full potential.

By BRYAN SULLIVAN
Correspondent

PCS Structural Solutions (Tacoma, WA), a 37-person, single-discipline structural engineering firm, the No. 2 Best Structural Engineering Firm To Work For, fits in the “other” category. Here are some reasons why they topped the list.

MORE THAN JUST PERKS. Many firms claim that it’s the benefits and perks that make a great workplace. PCS feels a bit differently.

“While we pride ourselves on providing very competitive benefits, as well as perks such as flex hours, unique office environments, professional staff development, service awards that range from a nice evening on the town to paid trips/vacations, we firmly believe that this is not what makes us a top place to work,” says Craig Stauffer, president. “Rather, there’s an environment at PCS that attracts top talent. We work on interesting, challenging projects that impact our community. Our staff has the ability to leave their mark on what they do, and the challenges they’re presented with allow them to excel and to meet personal, as well as firm-wide, goals.”

PCS focuses on being people oriented, helping everyone achieve their full potential. This is a culture that cannot be developed overnight, but is very important to its success and, ultimately, makes them a top place to work.

Stauffer has been with PCS since 1993.

“I jumped at the opportunity for a few reasons, but all centered on the point that it ‘felt right,’ Stauffer says. “Their portfolio was intriguing and the atmo-



PCS STRUCTURAL SOLUTIONS: The team behind the No. 2 Best Structural Engineering Firm To Work For.

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sphere was what I was looking for.”

He became one of the third generation of owners in 2001, and president in 2007.

UNITED THEY STAND. “We embrace challenge and are consistently involved with projects that push the boundaries on delivery and construction methods,” Stauffer adds.

Eight percent of PCS’s professional staff is licensed structural engineers and their mission is simple: To be the best structural engineering firm.

“Our company was incorporated in 1969 by Ray Chalker. PCS has now entered its third generation of ownership,

and a fourth generation is growing,” Stauffer says. “We have a history of ‘organic growth,’ and hiring and developing long-term employees whose entire careers are with PCS.”

While PCS has two offices – one in Tacoma and one in Seattle – they emphasize that they are one Northwest-based firm that just happens to have two offices. Their approach to design and passion for their work is unified.

STAFF GIVES INSIDE SCOOP. Alex Lege, project engineer with PCS for five years, believes that what makes PCS a Best Firm To Work For does not fit into a “perks” category.

See BEST FIRM, page 10

ON THE MOVE

CHAZEN HIRES: The Chazen Companies (Poughkeepsie, NY), a 40-person provider of engineering, land surveying, environmental, planning, and landscape architecture services, announces **William Keaton** as the new senior director of municipal engineering. Keaton is a licensed professional engineer with over 20 years of professional experience.

Prior to joining Chazen, Keaton served in managerial roles for consulting firms in West Virginia and Tennessee, where he led a variety of community and government infrastructure projects. Keaton's particular area of expertise lies in process water and wastewater engineering, and he has extensive experience with all aspects grant programs and applications to help communities find funding for their public benefit projects.

Prior to starting his professional engineering career, Keaton served in the military and is a veteran of both Desert Storm and Desert Shield.

JVIATION HIRES: Jviation, Inc. (Denver, CO), an aviation-focused planning, engineering and construction management firm, has hired **David Nafie** as planning manager based in the headquarters office. As planning manager, Nafie will be responsible for management and oversight of Jviation's airport planning initiatives nationwide.

Nafie brings a thorough knowledge of the aviation industry through his 18 years of airport planning and management work experience on both small and large-scale planning studies throughout the United States. His depth of experience includes airport master plans, environmental assessments, sustainability master plans, Airports Geographic Information System (AGIS) and electronic Airport Layout Plan (eALP) projects, airport layout plans, land use plans, terminal planning studies, market analyses, intermodal studies, airspace evaluations and a full range of airport-focused specialty studies.

Nafie's broad project experience includes work at Denver International Airport, Fairbanks International Airport, Portland International Airport, Boise Airport, Rocky Mountain Metropolitan Airport, and numerous other general aviation and commercial service airports.

JBA HIRES SEVERAL: JBA Consulting Engineers (Las Vegas, NV), a global engineering services firm, announced the significant

expansion of its international capabilities with multiple executive-level internal promotions focused on firm operations and key areas of expertise. Namely, **Brad Geinzer, Derek Sands** and **Allyn Vaughn** have been promoted to Americas COO, Asia-Pacific COO and Global chief technical officer/president, respectively, to both benefit clients and drive the continuing advancement of its advisor network around the world.

"Brad, Derek and Allyn represent the best of the best in the industry and their new roles will further seat JBA as an industry-leading international engineering consultancy," said Dwayne Miller, CEO of JBA Consulting Engineers. "They each bring a wealth of experience and expertise to their new positions, which will allow the company to rapidly meet short-term service and growth objectives while concurrently accelerating planning and progress relating to longer term initiatives."

As Americas COO, Geinzer is now focused on operational efficiencies, project workflow and integration with international offices and projects. Geinzer has held several roles since joining JBA in 1996. With more than 20 years of experience in mechanical engineering, project management and company operations he has well-established relationships to readily help enhance JBA operations and client deliverables in the coming decades.

As Asia-Pacific COO, Sands is focused on operational efficiencies, project workflow and integration with domestic offices. Sands joined JBA during an expansion in Asia in 2007 and has since played a critical role in the firm's continued growth and success. Leveraging his more than 20 years of industry expertise in construction management, project management and company operations, Sands will continue to grow JBA's established Asia operations while also overseeing expansion into new Asia-Pacific markets.

As CTO/president, Vaughn continues to focus on global growth strategies while also leveraging his more than 30 years of experience in fire protection engineering, management and company operations to develop and deploy JBA's new Advisor Advancement Program. This emerging expertise program will help the continued advancement and growth of the advisor network worldwide.

BEST FIRM, from page 9

"Our approach to our work, as well as our benefits and perks, creates an environment that results in great employee retention. Desired perks can change year to year and we listen to our staff to provide the best package possible."

"To be honest, if PCS just had a good system of perks, I probably wouldn't work here," he says. "The costs of perks change as do the desired perks from year to year. So PCS might only be a good firm to work for when our bottom line was good or if I was in a good

mood. The greatest benefit of working at PCS is the knowledgeable, approachable, friendly staff working here. This comes from the company leadership taking their jobs very seriously – that fairly serving those who work for them is the utmost responsibility of leadership."

Jim Collins, executive vice president and HR principal, has worked for PCS for 34 years.

He says, "Competitive perks/benefits make a difference in the recruiting process. By providing a good healthcare program, flex time, ability to use comp time to expand the amount of vacation to achieve work-life balance and a mentoring program with an emphasis on professional growth and development, we're able to show that we will assist each employee in reaching their potential."

BALANCE BENEFITS WITH OPPORTUNITIES. Just like most businesses have to listen to their customers, a smart and successful firm has to listen to its employees. Once you know what your employees want, success is just around the corner. This creates strong and lasting teams.

"Our approach to our work, as well as our benefits and perks, creates an environment that results in great employee retention. Desired perks can change year to year and we listen to our staff to provide the best package possible," Stauffer says. "Our average tenure is 14 years – a testament that we do a good job finding a balance between benefits and opportunities."

PCS is a collaborative, client-focused firm that also remains focused on family, strives for a work-life balance and helps people achieve their full potential – plain and simple. ▲▲

LIQUIDITY

Conserve and inject cash now

Many options are available, but urgency and discipline are always required.

By LIISA SULLIVAN
Correspondent

So, what's a firm to do when it finds itself short on cash? In general, the last four years have been tough on business and the construction industry, in

"It's not the bank's fault that you can't turn a profit. It's not 'the market's' fault. It's not your bookkeeper's, salespeople's, CPA's or even your attorney's fault. It's your fault."

particular, seems to have been hit pretty hard. Businesses have found their credit lines threatened, or even eliminated, by banks – leaving their company's viability in question. Since a credit line can be a necessity for financing payroll and everyday expenses, trying to run a business without credit can be disastrous. So, what can be done?

GET AND CONSERVE CASH. Robert Brewer, partner, architecture and engineering practice leader, at Grassi & Co., an accounting and consulting firm, has some tips for ways to get and conserve cash. He advises:

- Put pressure on partners to go out and collect money due (Grassi & Co. charges interest to its partners for receivables over 90 days old at a rate of 10 percent).
- Reduce partner's draw/salary if cash flow is not sufficient to cover.
- Request a capital call for funds for a temporary time period (money comes in as a loan from the partners and will be paid as cash flow gets better).
- Look for possible investors (if available), some states allow non-licensed ownership.
- Project out cash inflows and outflows

into the future months so it is not a surprise to everyone. You may need time to get money in from partners.

ASK QUESTIONS; FIND SOLUTIONS.

So, what's next? Once you have infused a bit of cash, it's a good idea to work on restoring a credit line so the bank will start lending to you again.

Randall Turner, founder, Turner Financial Consultants, advises that you must

first answer the following: Why is cash short? Are sales down? Why are expenses not trending down in parallel to sales activity?

Next, he advises that you cut waste, duplication and overhead immediately. Cut staff, cut offices, cut cars, and cut off family expenses. Business is about risk control and profit maximization, not about sleeping in and keeping the in-law's family employed.



Robert Brewer,
Partner,
Grassi & Co.

"Are sales steady?"

Turner asks. "If yes, then why haven't your expenses held steady and at a reasonable amount to produce enough gross profit to more than cover your G&A expenses and still leave some for net income? Are you taking jobs out of desperation to only find your desperation increasing faster? Are you bidding projects under cost just 'to keep the guys working' – not working? Do you know what your break-even is and how to cover it? It's not the bank's fault that you can't turn a profit. It's not 'the market's' fault. It's not your bookkeeper's, salespeople's, CPA's or even your attorney's fault. It's your fault. You can't pass the buck forever. Give yourself a good pep talk, listen to motivational speakers, and do what Donald Trump would: kill expenses fast, get out there and sell, sell, sell!"

Are your sales actually increasing? Are your costs increasing faster than your sales? Are your receivables delayed by more than 60 days? Frequently, companies with rapidly increasing sales forget that with great growth comes great responsibility to control expenses and to keep receivables timely. Otherwise, all the success on the top line will never make it to the bottom line and the party will be short-lived.

"An abundance of cash covers a multitude of sins," Turner says.

RESTRUCTURE FOR PROFIT. Turner advises that the best thing to do is to restructure your business for profit. The quickest and best way to succeed is to find someone experienced with turn-around situations – someone who is trustworthy in the bank's eyes and who believes in fostering cooperation among your employees, customers, creditors, and bankers. Then, have him or her do the following:

- Put together a program to restructure your costs and maximize operations
- Evaluate and improve your accounting system
- Restructure your bookkeeping department (people, processes, and software)
- Reduce taxes
- Fire employees, if necessary (that may very well include family members)
- Close offices
- Streamline operations
- Cut insurance costs
- Build sales up
- Liquidate assets
- Create a track record of working with your bankers to restore your line of credit

"Once you show a healthy profit again, give the bank full control to execute a plan. (Partial control will only end in disaster for both your consultant and

See CASH, page 12

FIRMS ON THE MOVE

TT OPENS IN BEIJING: International engineering firm **Thornton Tomasetti** (New York, NY), announced the opening of a new office in Beijing.

The firm, which now has 26 offices, will use the Beijing office to serve better current and potential clients in northern China. The Beijing office is part of Thornton Tomasetti's Pacific Rim region, led by Vice Chairman Dennis Poon, and Senior Principal Yi Zhu.

Vice Presidents Paul Fu, and Steve Zuo, manage the new office, located in the Sunjoy Mansion building in the city's Chaoyang District.

The new Beijing office is the second Thornton Tomasetti location in China, the first being Shanghai, which opened in 2002. Thornton Tomasetti has been involved in a number of high-profile design projects in Beijing, among them the Beijing Z14 Twin Towers and Guardian Art Center.

The firm has also worked on TaiKang CBD Z12, a mixed-use tower, and Huadu, a museum, hotel and office project.

"The opening of an office in Beijing allows Thornton Tomasetti the opportunity to further strengthen its relationships with current clients in the region, as well as expand our business frontier to northern China," Poon said.

"Having a presence in Beijing will allow us to mingle with international architects and developers in the city, and provide more professional growth opportunities for Thornton Tomasetti's China staff."

ESA OPENS FLAGSHIP OFFICE: Environmental Science Associates (San Francisco, CA), a 350-person environmental consulting firm, has moved its corporate headquarters and flagship San Francisco office from 225 Bush St. to 550 Kearny St.

More than 120 staffers, including planners, scientists, engineers, hydrologists, and corporate services will occupy 32,000 square feet on the 8th and 9th floors.

Founded and headquartered in the Bay Area since 1969, ESA has grown into a broad-based environmental science and planning firm with a nationwide presence.

Critical to the firm's success is the depth of technical resources in local offices along with support from firmwide national practices including water, community development, biological resources and land management, airports, energy, renewable resources, and cultural resource management. ESA is a West Coast-based environmental science and planning firm committed to the principles of sustainability.

It specializes in resource and land use planning, engineering, technical studies and investigations, environmental impact assessment and documentation, and environmental compliance.

The firm has offices in San Francisco, Oakland, Santa Cruz, Petaluma, Woodland Hills, Palm Springs, San Diego, Los Angeles and Sacramento, California; Seattle; Portland, Ore.; and Orlando and Tampa, Fla.

FRANCEEN SHAUGHNESSY, from page 7 following steps to build the foundation to support successful marketing communications and BD programs.

The CEO hires a director of marketing communications and a director of business development. Remember – two separate professions, two separate groups, so each needs its own director. They will, however, work collaboratively.

The two "marketing" people who do proposals are moved into the business development group and now report directly to the director of business development. Their titles are changed from marketing specialists to proposal specialists to reflect their new daily job responsibilities.

The director of marketing communications then brings on employees who specialize in marketing communications.

Their titles should reflect their daily responsibilities (i.e. marketing specialist, corporate communications specialist) and they should report to the director of marketing communications.

For any future hires, both directors think strategically and ensure that the position fits within the overall definition of marketing communications and BD. By doing so, the directors will establish a solid foundation to grow both groups and, in turn, become a valuable resource for technical staff. ▽▲

FRANCEEN SHAUGHNESSY is a freelance marketing communications specialist for professional services firms. She has more than seven years of experience in public relations, journalism, and marketing communications. Connect with her on LinkedIn at www.linkedin.com/in/franceenshaughnessy or email her at fshaughnessy@gmail.com.

CASH, from page 11 your business)," Turner says.

He also suggests that you:

- Communicate frequently and honestly with your banker and creditors.
- Rebuild trust one day and one financial interaction at a time.
- Find easy add-on sales to quickly jump-start your revenue.

"Most importantly, work quickly with a sense of urgency, but with great attention to detail and profit. Plodding and indecision will not cut it at this point.

Clarity and importance of mission will," Turner says.

DON'T DO THIS. Turner says, "Don't fall for the 'get rich quick' or 'easy way out' schemes to fix your business's problems. Repairing a floundering business is rarely an overnight project. It took time to get into this mess and it will take time to get out of it."

Professional turnaround specialists are not cheap, but neither is going out of business.

"Also, for your sake and that of your employees, don't ask your family/friends

for money. If you take their money it will come with stated or implied expectations and expectations that can ruin otherwise good relationships," Turner says. "It is far better to work out your problems and learn how to make hard financial and business decisions in your life than to be stuck with a disgruntled friend or relative for the rest of your life."

Brewer says that firms should make sure to avoid the temptation to not pay payroll taxes or other things that may cause you to have major penalties or interest. ▽▲