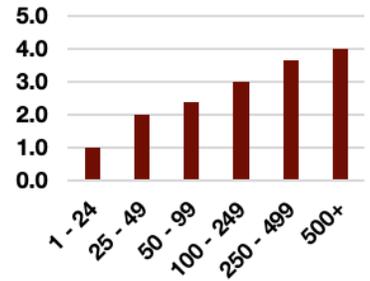


## TRENDLINES

### Referral compensation



In Zweig Group's *2019 Incentive Compensation Report of AEC Firms*, incentive compensation plans are analyzed by different firm demographics to add context to where a plan may or may not work. On a scale of one to five with five being very successful, firms were asked if referral compensation plans helped retain staff. When broken down by staff size in the chart above, we see that the larger a firm is, the more likely the referral compensation plan will ultimately be successful. There's no surprise that every firm participant with more than 250 people said they had a referral bonus plan. That percentage of firms with referral plans in place dropped significantly with each firm size category down to just 9 percent of firms with one to 24 employees on staff.

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## Cakes, rabbits, and cabbage

As owners enter the final years of their careers and ponder ownership transition, they have to make some concessions.



Will Swearingen

Having your cake and eating it too. It's a phrase we have all heard a thousand times. But I never took the time to understand what the phrase meant, much less how it came to be. In 16th century England, Thomas, Duke of Norfolk, is recorded saying, "A man cannot have his cake and eat his cake," and in 1546 the writer John Heywood wrote, "Wolde you bothe eate your cake and have your cake?"

While these are English examples, the concept is one that spans across cultures and throughout time. In Korea an analogous idiom is, "You can't catch two rabbits at the same time." In the Netherlands, "To save both the cabbage and the goat" has been used to describe the phenomenon of our inability to cope with two mutually exclusive happenings at once.

As a founder of an AEC firm, or a long-time partner, one may be accustomed to having all the benefits of strong profit distributions, control, influence, status, perks, and having the ability to do as one pleases. But in the event of an ownership transition, one is confronted with this conundrum: How should I be compensated as an outgoing owner while also creating a program that makes it feasible for an internal transition to occur? For one, developing a value indication by either a formula or a formal valuation gives us a baseline for the magnitude of the offerings. This gives us an idea of how much one may have to sacrifice in the way of a bonus or profit distribution in a given year to free up capital for the incoming owner to purchase their ownership.

For some this seems preposterous or inefficient. Why would I "give" someone my money just so they can be taxed on the additional income while they then turn around and give it back to me? Good question! But this justification, among others, may be the primary reason why some leaders take so long to make the decision to sell internally. The fact is, almost anything being sold and purchased in the United States (or the world for that matter), has some legally binding consequence, like taxation. The formal buying and selling of ownership in a privately held company is no different. Owners grapple with the idea that the industry and the buyers in their "market" do not have the kinds of funds needed to outright purchase their ownership. The majority of internal transitions require some kind of financing through the firm using cash flow from operations. Navigating this slippery slope is the crux for many aging owners.

The idea of working less than 60 hours a week or not having the ability to have cart blanche access to control is difficult for some owners in the AEC industry. They think that if they are going to

See WILL SWEARINGEN, page 2

## BUSINESS NEWS

**EMBREY PARTNERS RECEIVES MERIT AWARD FOR FORT WORTH MULTIFAMILY PROJECT** Embrey Partners continues to build on its national reputation for excellence with its latest recognition – the 2019 Multifamily Executive Magazine Merit Award for Garden-style Walk-up – for its Kelley at Samuels Avenue development in Fort Worth, Texas.

Embrey was one of only 28 winners from among more than 300 entries nationally across 14 categories. The magazine noted that this year's award winners "stood out from the rest of the pack for their outstanding design, remarkable architecture, creativity and inventiveness" and "continue to set the bar high for creating innovative and thoughtful communities."

Embrey's Kelley at Samuels Avenue project is unique among the entries for its onsite historical preservation of the Garvey House, a 100-year-old Queen Anne Victorian home that is also known as Queen of the Trinity. The Texas Historical Commission and Historic Fort Worth have recognized Embrey for "rescuing" the historic structure, which dates back to the late 1800s.

"We were extremely pleased when Embrey stepped in to save this beautiful home," said Jerre Tracy, executive director of Historic Fort Worth.

"We built Kelley at Samuels Avenue with the Garvey House as the centerpiece," said John Kirk, executive vice president of development for Embrey. "The house now serves as the leasing office for the community."

The Kelley at Samuels Avenue, developed by Embrey and designed by **Humphreys & Partners Architects**, successfully mixes the best of the old world with the future of multifamily living.

As noted in the MFE award recognition, the mix of townhomes and carriage homes amenities such as an outdoor biergarten, a bike shop and storage, an outdoor kitchen, and a valet dry cleaning service. There's also a business center, a library, an infinity-edge swimming pool, a game room, green space, a guest suite, a fitness center with a yoga and spin studio, a bicycle repair station, and two dog parks with a dog washing station.

The interiors of the units offer open floor plans with designer finishes and sophisticated color schemes. There's undercounter cabinet lighting, side-by-side refrigerators, undermount sinks, granite or quartz countertops, and full-size washers and dryers. Townhomes and carriage houses include attached garages and private fenced-in backyards – some with elevator access.

"This is an especially gratifying honor for Embrey to add to its collection of national awards," said Trey Embrey, CEO and President of Embrey. "We are nationally recognized for our dedication to design, detail and livability. We also work to be good stewards in the existing Communities where we build, and this historic preservation is a great example of that aspect of what we are about. Our goal is to always build places where people want to be."

Humphreys & Partners Architects is an award-winning firm specializing in multifamily, mixed-use and hospitality/resort design. Humphreys & Partners has extensive experience in high-rise, mid-rise, student, senior, affordable, tax credit, moderate and luxury communities.

San Antonio-based Embrey Partners, Ltd., is a diversified real estate investment company that owns, develops, builds and manages market-rate multifamily and commercial assets in targeted markets across the United States.

WILL SWEARINGEN, from page 1

be involved in the business at all, then they are going to be the one making all the decisions even if they are not the majority owner. If they are still involved in the business as they sell down, they still need to have 100 percent of the rights that they used to have when they were the majority owner.

As aging owners enter into the final years of their careers, they have to make some concessions. You are being given the opportunity to be compensated for your equity, while potentially working part time and slowly stepping away from the business. For founders, their businesses are like their children and it's a challenge to separate the emotional, financial, and operational obligations of leaving a business they helped build.

The answer, perhaps, lies somewhere in the preparation phase. We have to position the firm and ourselves so that the impacts and mechanics of the transition are not debilitating or surprising. It should be mapped out and some solid understating of the owner's roles and rights should be communicated. This means we may have to bake additional cakes, learn how to catch two rabbits at the same time, or grow enough cabbage to feed ourselves and all those goats. ▀

WILL SWEARINGEN is director of ownership transition advisory services at Zweig Group. He can be reached at [wswearingen@zweiggroup.com](mailto:wswearingen@zweiggroup.com).



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**THE ZWEIG** LETTER

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## Undeniable truths

“There is no question that after working as long as I have in the AEC industry with so many firms throughout the land, certain common undeniable truths present themselves.”



Mark  
Zweig

**T**here is no question that after working as long as I have in the AEC industry with so many firms throughout the land, certain common undeniable truths present themselves:

- 1) **Firm owners say that hiring is their number one problem, yet most have little or no recruiting budget.** This is something I do not understand. Businesses respond to most problems by spending money to fix them. But in this business, we act as if we cannot budget for and consistently spend money on recruiting. That is why it has been and remains a problem today for most companies. And we aren't just competing with each other for the limited talent pool in many fields. We have to contend with both the public sector and larger industries recruiting architects and engineers. We need to be realistic about what hiring costs are and commit to spending the necessary cash to be sure we are successful with our efforts. And, in nearly every company I have observed or worked with, it is a lot more than we are currently spending.
- 2) **Business development is a poorly managed (or completely unmanaged) function in 99 percent of firms.** My theory is that we have so many people out there selling who are not only not very good at it and don't put in anywhere near the effort

they should because we have no professional sales management. Sales management will require much greater numbers of calls, meetings, and work to refine sales techniques in business development people to advance the close. The only firms in our industry I have ever seen that have it are a few of the largest environmental consulting and materials and soils testing firms. When business development people report directly to those with no professional sales training or management themselves, it is no wonder the majority fail on the job.

- 3) **Pricing may be more critical than project management.** I have long said there is only so much profit you can get through optimizing project management, as there is a limit to what process improvements can deliver and how much costs can be reduced. But there is no limit to what a firm can charge if a client is willing to pay it. Efforts spent to raise fees probably pay greater dividends than spending more on project management

See MARK ZWEIG, page 4



## ON THE MOVE

**WARE MALCOMB ANNOUNCES NEW LAND SURVEYING MANAGER** Ware Malcomb, an award-winning international design firm, today announced Justin Scheitler has joined the firm as land surveying manager in the Denver Civil Engineering office. In this position, Scheitler leads and manages Ware Malcomb's Land Surveying Group for clients across Colorado.

Ware Malcomb has provided surveying services for clients in the past, and the strategic hire of Scheitler will provide a comprehensive and consistent approach and grow the firm's land surveying services.

Services provided by Ware Malcomb's Land Surveying Group include ALTA surveys, subdivision platting, design surveys, and topographic surveys, among others. The firm's land surveying projects range in size from a few acres to thousands of acres. The seamless integration between Ware Malcomb's land surveying services and the in-house civil

engineering and architecture teams provides cost-savings and efficiency benefits to clients.

"We are thrilled to have Justin join our Ware Malcomb team to lead the land surveying group," said Tom Jansen, principal of Ware Malcomb's Civil Engineering Group. "He has already hit the ground running to provide extraordinary value and input to our work, and we look forward to his continued contributions in the years ahead."

"We are excited to strengthen our land surveying services as part of an integrated approach that increases the accuracy, quality, and efficiency of every project," added Jansen. "Our team members utilize the latest in surveying technology to provide increased productivity and timely results for our clients."

Scheitler is a professional land surveyor, licensed in Colorado, with more than 14 years

of experience in the profession. His previous surveying experience includes commercial, residential, railroad, drainage, and bathymetric surveys and construction surveys. He holds an Associate of Applied Science in Land Surveying from the Denver Institute of Technology/Westwood College. He is a member of the National Society of Professional Surveyors.

Established in 1972, Ware Malcomb is an international design firm providing planning, architecture, interior design, branding, civil engineering, and building measurement services to commercial real estate and corporate clients. With office locations throughout the U.S., Canada, Mexico, and Panama, the firm specializes in the design of commercial office, corporate, industrial, science and technology, healthcare, retail, auto, public/educational facilities and renovation projects. Ware Malcomb is recognized as a Hot Firm and Best Firm to Work For by Zweig Group.

MARK ZWEIG, from page 3

systems, training, and day-to-day management. Of course, this may mean more marketing dollars have to be spent to find different clients from those the firm currently has. And contracting authority limits as well as review procedures have to be in place to ensure individual managers and BD people aren't giving the work away.

**4) Most firms wait too long to start ownership and leadership transition.** All you have to do is look at the data Zweig Group has collected for years to agree that this is a problem. The data shows that most people have to wait until they are 40 or older to become owners in their firms, and most owners wait until they are 65 or older to start selling their ownership interests. The result is there is not enough time to effect a transition. Add to that little or no effort of individual firm principals to identify and train their successors and it's no wonder most companies don't survive their first generation. Transition has to start sooner and owners need more time to adequately train their successors before they assume their roles.

**5) Accountability won't happen without widespread information sharing.** This may seem obvious but the attitude of the majority of AEC firm owners is that they don't need to share performance metrics beyond anyone they are measuring and themselves. As a result, peer pressure to perform is non-existent. Managers are told it is their job to enforce standards and insist on goal achievement, yet have no standards or goals that their teams or direct reports are aware of. On top of that, the solid majority of architects and engineers are non-confrontational when it comes to their communication styles, so they rarely deliver the message people need to hear unless the news is good. This is why we have always been big proponents of open-book management and widespread sharing of all performance metrics firmwide.

**6) A healthy culture can make ordinary people exceptional, but an unhealthy culture can quickly ruin great people.** There was a recent article I read on this subject of how corrupt stock brokers can quickly corrupt new employees, but those with high ethical standards would result in more of the same in new brokers. The findings didn't surprise me. They apply to

AEC firms as well. One bad apple can spoil the whole bunch. A lot of bad apples can spoil the whole bunch even faster. The culture is defined by what types of behaviors are rewarded and what behaviors are punished. It is top management's role to make sure that culture is healthy. If it is, average people will rise to become greater people. And that is essential to the business for so many different reasons.

**7) Boards of directors don't know what their roles are supposed to be.** AEC firms do a horrible job here. The reason is that all too often, the individual directors on the BOD are also the owners and managers and employees of the business. Which hat they are wearing at what time is often confused. The decisions of day-to-day management are frequently taken up at the BOD level, and BOD-level decisions are not made at all or are made in a much smaller group than the entire BOD as they should be. This lack of functionality as a BOD can be improved by adding outside directors who have experience on other BODs.

**8) Firms can (and should) work to build a brand for themselves.** Having a solid brand that is recognized by all clients in the market a firm seeks to serve carries so many benefits. Those include the ability to charge higher prices, a better hit rate in proposals selected, and more incoming leads in the first place. But they don't come quickly or for free – and they especially don't come to firms with owners who do not believe building a brand as an AEC firm is even possible. It is in fact possible and necessary to maximize success in all areas. HOK Sport, CH2M, EYP Mission Critical, T.Y. Lin International, Gensler, Miyamoto International, and many more firms established themselves as undisputed leaders in their markets over the last 20-30 years. They have (or had) tremendous brands that make (or made) their firms more valuable than those that didn't have the brands they had.

Do you have other undeniable truths about this business you'd like to add to this list? If so, drop me a line at [mzweig@zweiggroup.com](mailto:mzweig@zweiggroup.com). ▀

MARK ZWEIG is Zweig Group's chairman and founder. Contact him at [mzweig@zweiggroup.com](mailto:mzweig@zweiggroup.com).



# 2020 Seminar Calendar

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## FEBRUARY

- 26 Elevate Your Recruiting & Retention Strategy  
*Seattle, Washington*
- 27 Elevate Learning Series: The Basics of Business Development  
*Seattle, Washington*

## MARCH

- 12-13 The Principals Academy  
*Dallas, Texas*
- 26 Elevate Learning Series: The Basics of Business Development  
*Washington, DC*

## APRIL

- 2-3 CEO Roundtable Retreat  
*Atlanta, Georgia*
- 8-9 Elevating Doer-Sellers: Intensive 2 Day Workshop  
*San Francisco, California*
- 23 Elevate Your Recruiting & Retention Strategy  
*Toronto, Canada*
- 30 Elevate Learning Series: Communicating With Confidence  
*Phoenix, Arizona*

## MAY

- 19 Project Management for AEC Professionals  
*Tampa, Florida*
- 21 Elevate Learning Series: Communicating With Confidence  
*Detroit, Michigan*
- 27 Learn The Language of Business: Financial Management  
*Dallas, Texas*

## JUNE

- 11-12 The Principals Academy  
*Detroit, Michigan*
- 17-18 Leadership Skills for AEC Professionals  
*Seattle, Washington*
- 24 Elevate Your Recruiting & Retention Strategy  
*Denver, CO*
- 25 Elevate Learning Series: The Power of Positioning  
*Denver, CO*

## JULY

- 14 Learn The Language of Business: Financial Management  
*Chicago, Illinois*
- 23-24 The Principals Academy  
*Portland, Oregon*
- 30 The Power of Positioning  
*Washington, DC*

## AUGUST

- 5-6 Elevating Doer-Sellers: Intensive 2 Day Workshop  
*Chicago, Illinois*
- 12 Project Management for AEC Professionals  
*Dallas, Texas*
- 20 Elevate Your Recruiting & Retention Strategy  
*Orlando, Florida*
- 27 Elevate Learning Series: Building a Persuasive, Powerful, Pursuit Strategy  
*Vancouver, Canada*

## SEPTEMBER

- 24 Elevate Learning Series: Building a Persuasive, Powerful, Pursuit Strategy  
*Raleigh, North Carolina*
- 30-2 2020 ELEVATE AEC Conference & Awards Gala  
*Denver, Colorado*

## OCTOBER

- 14 Project Management for AEC Professionals  
*Minneapolis, Minnesota*
- 21 Elevate Learning Series: Creating a Championship Interview Team  
*Los Angeles, California*
- 22 Elevate Your Recruiting & Retention Strategy  
*Los Angeles, California*

## NOVEMBER

- 5-6 The Principals Academy  
*Phoenix, Arizona*
- 12-13 CEO Roundtable Retreat  
*Napa, California*
- 19 Elevate Learning Series: Creating a Championship Interview Team  
*Nashville, Tennessee*

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## PROFILE



# Leveraging experience: Chad Surprenant

CEO of ISG (Mankato, MN), a multi-disciplinary design and engineering firm that has growth in its DNA.

By LIISA ANDREASSEN  
Correspondent

**G**rowing up in the industry, Surprenant has had a ground-level understanding of engineering from the time he was six. He worked in the family business throughout high school and college. After college, he joined his parents' 10-person engineering practice. Over the next several years, he helped ISG leaders grow the company by adding people and services.

"Recently, we moved an acquired office from the suburbs into a fresh, redeveloped downtown spot which resulted in better morale from current staff, greater ability to hire elevated talent that may have been previously inaccessible, and providing our current and prospective clients a completely different and positive view of ISG," Surprenant says.

### A CONVERSATION WITH CHAD SURPRENANT.

**The Zweig Letter: What are the three to four key business performance indicators that you watch most carefully? Do you share that information with your staff?**

**Chad Surprenant:** We operate as a one-firm profit center to keep emphasis on markets, not just geographical areas or service groups. Each market has an active strategic plan where market-specific items are tracked; however, from a general business perspective, we use the following performance indicators given that cash is king:

#### ■ Current cash position and current break-even status.

Cash on hand, fixed-term notes, shareholder notes, line of credit activity, etc. We realize that these are not all truly "current cash position" items; however, we would rather steer clear of leaning on banks too much, so we try to stay cash positive and nimble. In line with current position, we also ensure there's an understanding of our true break-even expenditures to keep the firm moving forward. As with any AEC firm, there is seasonality to our work, although it's somewhat more balanced to market diversity. We focus on understanding which months may be cash burn months, but also which must be cash positive. This information is shared in an appropriate manner with market and office leaders, and with Shared Services leaders. . . Functioning as a 100 percent ESOP, myself and our firm president, Lynn Bruns, share

high-level snippets of performance and firm position during quarterly firm-wide ISG University sessions (broadcast live) and InsideISG Newsletter.

■ **Recent months' invoicing and utilization rate.** Knowing current cash position, prior months' invoicing, and a nominal 60-day average on receivables, we can predict near term future cash positions. Couple this forecast with an understanding of how busy we are (utilization rate and direct discussion), we can really look forward and understand future increases in work flow and general firm position. While we track utilization rate and use it in the above analysis, we do not base individual rewards on this figure. The core firm focus on making better decisions faster, and also focusing on results versus stale metrics, guide our firm. To be accountable, we must be directly in tune to the items above but do not hold the figures as a basis for all firm decisions. Such figures are always accessible to firm leaders, which include those responsible for department, service group, market, and office management. However, it's not a KPI that is pushed to the individual performance level, other than being cognizant of their impact.

■ **Marketing and market activity.** Analyzing and assessing how much activity is out there, focusing on proposals, capture plans, work won, competitive climate, etc., remains a core firm focus. Coupled with general market awareness and engagement (i.e., industry trends, changes, focal areas), we work to provide market leaders and others with the necessary tools to truly understand pipeline, potential, and, in turn, where to continue focus and energy. Again, while less of a clear lens, the above items predict potential cash even further out, in addition to identifying competitive advantage elements and relationship trends. At a high level, this information is highlighted in firm communications (e.g., ISG University, newsletter, weekly/monthly communications), but in a more robust manner through interactive dashboards and tools for firm and market leadership, including ISG's Shared Services team (talent engagement, marketing, finance and accounting, and IT).

**TZL: How much time do you spend working "in the business" rather than "on the business?"**

**CS:** As CEO, this fluctuates. I spend very little time truly designing specific projects; however, I am spending more time with our leaders, firm-wide, to develop and implement quicker/better design procedures from an empathetic/client perspective.

Recently, we've focused on adding

additional horsepower to our true business development arm, and while I am no rock star there, I've been realizing that my contacts from more than 25 years in the industry are getting better and better, and therefore can be leveraged.

As we constantly seek to empower and train the next generation of leaders, team-building, strategy, market-approach, and prodding on operations all are on my future focus list. By emphasizing these areas and focusing on mentorship of individuals accountable for movement in such categories, it will be imperative that I add value by setting the tone and providing insight into vision and emphasis areas.

**TZL: What role does your family play in your career? Are work and family separate, or is there overlap?**

**CS:** I was listening to a sports talk radio show yesterday, and a former professional athlete was talking about how the best/most important business decision you will make is with whom you will partner yourself. In my case, I think that is absolutely true. My wife is the stable, consistent, level-headed balance to my own personality (which has gotten less up and down) and what this job can bring in variability. There are things that I bring home, and she can help by listening and offering advice or support, but there is also a beauty in knowing that she also provides a safe-haven where I can check things at the door. Short answer, there are a lot of people who are impacted by decisions I make and influence, and it would be unfair to them for me to "call it a day" as soon as I get home.

**TZL: Artificial intelligence and machine learning are potential disruptors across all industries. Is your firm exploring how to incorporate these technologies into providing improved services for clients?**

**CS:** ISG has always been pretty quick to embrace new technologies throughout our existence; most recently with drone, dynamic and static virtual imagery, videography and interactive tours, portable scanning, etc. We also believe there will be a day when the delivery of our work product will be very different than it is currently. For a long time, the definition of technology in our industry was simply trying to develop a better way of creating the same old documents; 3D modeling was the first big step to a new deliverable. We are eager to get in front of

See LEVERAGING EXPERIENCE, page 8



**HEADQUARTERS:** Mankato, MN

**NUMBER OF EMPLOYEES:** 315

**YEAR FOUNDED:** 1973

**NUMBER OF OFFICE LOCATIONS:**

10 offices in eight communities within four states, serving clients nationwide.

**EXPERTISE:**

- Architecture
- Engineering
- Environmental
- Planning

**MARKET SECTORS:**

- Agriculture
- Commercial
- Energy
- Education
- Government and cultural
- Healthcare
- Housing
- Food and industrial
- Mining
- Public works
- Sports and recreation

**GUIDING CULTURE:**

Responsiveness, creativity, ingenuity, eagerness, and accountability

LEVERAGING EXPERIENCE, from page 7

the next technological shift, so much that we've selected some of the firm's most passionate "ingenuity" leaders to propose continual advancements and solutions in this area – ISGenius. While it's directly focused on my role, as well as other leaders', this added layer of insight helps keep the firm in front of future discussions and impact.

**TZL: How are you balancing investment in the next generation – which is at an all-time high – with rewards for tenured staff? This has always been a challenge, but seems heightened as investments in development have increased.**

**CS:** This truly is a challenge, and one that likely doesn't have a perfectly equitable solution. We see demands from younger staff as well as a practical necessity to get people into leadership roles more swiftly than ever before. Growth cures some of these issues with more senior staff encouraging less experienced staff to take on more. Hoarding information and knowledge is not rewarded nor accepted, but growth is a continual part of our DNA. Growth requires individuals to take on more, whether it is internal leadership, technical expertise, market knowledge, or winning work. From a formality perspective, we work to utilize firm platforms such as ISG University, firm message opportunities (e.g. newsletter, firm communications, office meetings), and a unique annual event, ISynerGy, as just a few of the ways we can ensure focus and alignment, and find opportunities to mentor and grow.

**TZL: What novel approaches are you bringing to recruitment, and how are your brand and differentiators performing in the talent wars?**

**CS:** For one, we invest in active, core areas that are desirable for working. Nearly every one of our offices is in a core, urban environment. Recently, we moved an acquired office from the suburbs into a fresh, redeveloped downtown spot which resulted in better morale from current staff, greater ability to hire elevated talent that may have been previously inaccessible, and providing our current and prospective clients a completely different and positive view of ISG.

We also utilize our ESOP as a differentiator to hire and retain people. Investing in yourself and things which you can influence is way more rewarding than simply seeing how the stock market may fare. We seek to share this message and impact frequently.

Couple the above items with dedicated talent engagement leaders within our Shared Services team, focused on talent engagement both inside and outside the firm with intimate links to marketing resources; our efforts are not fleeting.

**TZL: Does your firm work closely with any higher education institutions to gain access to the latest technology, experience, and innovation and/or recruiting to find qualified resources?**

**CS:** We're working more closely with a greater number of

higher education institutions than ever before. By far the greatest resource we have seen from those partnerships is talent; however, we are also testing a few advancements for how we do things. We've also worked hard to connect at the elementary/high school level with externships and learning tours/events – an Elevate the Industry effort of sorts to create a pipeline, interest, and engagement for all roles within the AEC industry.

**TZL: When you identify a part of your business that is not pulling its weight in terms of profitability or alignment with the firm's mission, what steps do you take, and what's the timeline, to address the issue while minimizing impacts to the rest of the company?**

**CS:** We believe in "better decisions, faster" and "if it's a good idea, don't waste time." Those are true for both implementing tactics to seize an opportunity, but also to correct our course. Like everyone, we have been in position to do tough things: close offices, scale back staff, manage cash differently, etc. Decisions need to be made and action taken for the good of the group, not just for a few individuals. Thus, we focus on knowing who we are, taking an objective view of the situation, identifying solutions, and acting swiftly. Problems don't typically get better on their own. They need solutions, resolution, and action. We don't shy away from this plan.

"Recently, we've focused on adding additional horsepower to our true business development arm, and while I am no rock star there, I've been realizing that my contacts from more than 25 years in the industry are getting better and better, and therefore can be leveraged."

**TZL: Is change management a topic regularly addressed by the leadership at your firm? If so, elaborate.**

**CS:** We don't necessarily think of it in terms of "change management," but at our core, we change frequently. For 25 years, we have grown nearly 20 percent per year compounded annually. In essence, every three years, we grow nearly 7 percent. That requires a willingness to invest cash or keep cash in the firm, recognize that positions will change, and develop new structures frequently. Yesterday can look like today, and today can look like tomorrow, but when you look at things over the course of two to five years, you recognize quickly that things are dynamic, not static. For example, our ownership has changed significantly from a closely-held family business to several shareholders, and now, a 100 percent ESOP. Similarly, we have gone from a board that was a formality, to a board that represented the shareholders, then a board that represented geographies, to now a soon-to-be board that will have more external members with a strategic, less operational focus. ▀



**WRITE FOR THE ZWEIG LETTER**

Have your advice for your peers in the AEC industry? Contact Sara Parkman at [sparkman@zweiggroup.com](mailto:sparkman@zweiggroup.com) for the chance to be featured in *The Zweig Letter*.



## My take on leadership

Exercise these 12 roles with care and you will be surprised by how many admire and understand why your firm has grown so successfully.



**Stephen  
Lucy**

Recently, I received an article about a project in my hometown of Longview, Texas, regarding efforts to restore the historic cabin used for meetings by Boy Scout Troop 201, of which I was a member. It is the oldest troop in the state of Texas currently celebrating its 102nd anniversary. We even had Texas Governor Abbott as a member. And now they have me as a volunteer assisting in the effort to restore this important symbol of my youth.

I entered Troop 201 at age 11 as a Tenderfoot and left at age 17 as an Eagle Scout and Senior Patrol Leader, the top youth leadership position. In addition to the normal Scouting activities, I also attended multiple leadership development courses as both a student and an instructor. It was through these experiences and the examples set by Mr. V.G. Rollins, our scoutmaster, that I had my first exposure to leadership and the traits of a good leader.

Fast forward and now I am CEO of JQ Engineering. In that capacity, I wear many different hats and assume many different roles

as the leader of the firm. However, the roles are not radically different than those engrained in me during my youth. Not surprisingly, just like the 12 principles of the Scout Law, I have identified 12 roles that reflect the responsibility and value of being an effective leader, and how we as leaders should treat others in positive and tangible ways.

- 1) **Teacher.** Be a teacher for all the life experiences you have had at work, ranging from technical to management to business development skills. Transferring your knowledge to others is the first step to building your firm's culture and your legacy.

See STEPHEN LUCY, page 10



# BUSINESS NEWS

## A STATUS CONSTRUCTION CELEBRATES 10TH ANNIVERSARY

**A Status Construction**, a full-service construction firm headquartered in Houston, is celebrating its 10th anniversary in the industry. A Status's CEO and President, Raquel Boujourne, founded the business in 2009 with her first contract for an apartment complex that was affected by Hurricane Ike. A Status Construction offers general contracting, design and build, construction management and project management services.

"We're excited to see how much we have grown and accomplished in such a short time. We are one of the few woman and minority owned construction companies and we hope to make our city proud," Boujourne said. "We find value in doing more than what is required to provide the best for our clients. We take pride in seeing Houston grow and are grateful for the growing partnerships we are creating."

A Status Construction continues to see significant growth and the firm has completed projects such as the Underground Satellite Project and the Bayou Oaks Water Intrusion Project, both for the University of Houston in efforts to rebuild Houston after Hurricane Harvey hit in 2017. The firm is also currently partnered with Flintco, LLC. to manage and construct a parking garage for the University of Houston, which includes 2,500 spaces.

"Two of our newest projects that are currently in progress are the KIPP North Gymnasium and Classroom, construction of a school gym and classroom for KIPP Texas Public Schools, and Bonds for a Better Bellaire, which involves the reconstruction of paving, drainage and sidewalk improvements for the City of Bellaire. We are glad to be expanding and working with the surrounding areas of Houston," Boujourne said.

A Status Construction has been able to retain some of the best talent in the industry. Our team of experienced construction-industry professionals thrives on doing things differently – on finding creative but cost-effective solutions to any project challenge.

Dedicated to improving the performance of activities on the critical path of its customers' projects. The company does this by building on its core strengths, innovative equipment, design engineering expertise, and project and site management, within an environment of safety excellence.

With more than 10 years of experience, A Status Construction operates as both construction manager and general contractor, employing and retaining skilled talent. A Status Construction is one of the few Minority and Women Owned Certified General Contractors from Texas.

STEPHEN LUCY, from page 9

- 2) **Student.** No matter how old you get, you should still strive to be a lifetime learner. A good student is also adept at listening as there is nothing more valuable than gathering input from differing viewpoints. This is the first step to personal and professional growth.
- 3) **Realist.** You must be realistic about your skills and those of your team. Knowing where you are strong and where you are weak allows you to bring in the talent that will provide a synergy important for client acquisition and retention.
- 4) **Visionary.** "What if" is probably the most powerful question you can ask as the answer allows you to shape the future. Helping to create and communicate the vision of where you want to go is a critical role of a good leader.
- 5) **First responder.** Culturally, we value the first responder and their ability to put others ahead of themselves. We honor those who run toward the problem, not away from it. Leaders are often faced with hurdles to overcome and effective leaders do not hide from threats but address them head on.
- 6) **Housekeeper.** Like it or not, it is also your job to clean up the messes. We are paid to do just that, not to blame those who created the mess. Finger pointing is a sign of a weak leader. Accepting responsibility is not.
- 7) **Servant.** There is value in being humble and you need to remember that you are here to help others reach their maximum potential. Therefore, we need to put our egos aside and allow our team members to excel, becoming relevant and integral to the projects and clients we have cultivated.
- 8) **Friend.** You cannot be an isolationist. Having a good network, building relationships outside the work environment, and being open to sharing challenges and concerns are part of being a leader. Your closest peers will tell you what problems you have and also help you get through them.
- 9) **Protector.** The minute you throw someone under the bus in front of others, you have lost the trust of everyone in the

firm. As a leader, take responsibility for the actions of your team. You have to stand up with them and for them so as not to leave them hanging.

- 10) **Cheerleader.** This is the fun part of the job. Focus on the positive and celebrate all the things you do well as a firm, in the community, within the industry, and as individuals.

"Just like the 12 principles of the Scout Law, I have identified 12 roles that reflect the responsibility and value of being an effective leader, and how we as leaders should treat others in positive and tangible ways."

- 11) **Innovator.** Maintaining the status quo is not how successful teams operate. You need to constantly innovate your process and evaluate new technologies and systems. And do not shy from capitalizing on the collaborative energy and mindset of those who are younger and less experienced than you. Never be fearful of change because it is usually the source of real progress.

- 12) **Example.** No one will do what you say if you do not do it yourself. Support your mission statement through your actions and interactions. Make the right decisions not just the easy decisions. Even doing the mundane tasks like logging your billable time demonstrates your respect for doing things right.

No doubt, each of these roles requires a thoughtful and consistent approach. While 12 may seem like a lot of hats to wear, the satisfaction of performing each of these well more than offsets the effort. Exercise these roles carefully, both inside your company and for the greater community to see, and you will be surprised at how many admire and understand why your firm has grown so successfully. ▀

STEPHEN LUCY is CEO of JQ with offices in Austin, Dallas, Fort Worth, Houston, Lubbock and San Antonio, Texas. Contact him at [slucy@jqeng.com](mailto:slucy@jqeng.com).



## Local and organic

A lot can go wrong while establishing an office in a new market, but if you find a niche and hire strategically, you can succeed.



**Jon  
Faucher**

**G**rowing your business organically in a new market is tough. Certain factors – geography, lack of local presence, risk of failure – can present challenges, but they can be overcome. Despite the associated risks, organic growth is often critical to the long-term success and growth of a firm.

Five years ago, Mead & Hunt was looking to expand our aviation services in the Pacific southwest region, including Arizona and southern California. The market is saturated with a lot of qualified consultants. Starting a larger operation there had its risks, but we ultimately decided the benefits outweighed them. We moved forward to strategically plan our organic growth in the market.

I've experienced both the challenges and the rewards of growing a market in a new region organically, and I can speak to a few key things that proved instrumental to the process.

### 1) Find a niche to get your foot in the door.

Breaking into a new market prior to winning any submittals there is tricky but not impossible. Submitting on a project providing a niche service can be a great way to gain a foothold in a market before you have a strong local presence.

For Mead & Hunt, our first Arizona win in this new endeavor came from a niche-service submittal. This small win gave us the momentum and confidence needed to submit on other engineering services projects in the region.

### 2) Local presence is a plus.

While having a local address is no guarantee that you'll be successful on every submittal, it does vastly increase your odds and shows that your firm is fully committed to growing in this area.

Luckily, in our case, one of our young professional engineers volunteered to relocate to the Phoenix area. This move was crucial to growing our market there. After finding a local office location, we were able to check the "local" box on submittals, which greatly helped us in this process. Clients work with people they know and trust, and a lot of that comes from living and working in the same areas.

See JON FAUCHER, page 12



## BUSINESS NEWS

**CSA KNOXVILLE ANNOUNCES REBRAND TO HAINES STRUCTURAL GROUP** Leading Knoxville-based structural engineering firm **Haines Structural Group**, formally CSA Knoxville, has announced a name change to celebrate 10 years of community partnership and to continue to serve clients and east Tennessee by delivering structural expertise, creativity, and passion to every project.

“We are the same firm with the same commitment to the region that we have always had,” said Bobby Haines, owner of Haines Structural Group. “We are rebranding to strengthen our commitment to this community and to clearly define who we are and who we have always been. Our purpose is to use our structural engineering skills, resources, and talents to enrich the lives of those we serve. We strive to honor our community by designing great structures that help shape our growing city. We love Knoxville, and we love

working with the architects and contractors who are helping make Knoxville and the east Tennessee region a better place to live.”

For the last decade, CSA Knoxville has become a staple in the region for structural engineering services. They have a diverse portfolio with experience in multiple project categories. They have always been flexible and have quickly adapted to the ever-changing project needs of the region.

CSA Knoxville has been part of the development of many major projects in the area including Asian Trek, Langur Landing, and Gibbon Trails at the Knoxville Zoo; Hyatt Place Hotel, The Tombras Group, Regas Square, and Balter Beerworks in Downtown Knoxville; and River Rush, Firechaser Express, Whistle Punk Chaser, Lightning Rod, and Wildwood Grove attractions at Dollywood.

“We offer premier quality and unmatched service to every client we work with, and we care about bringing their vision to life,” Haines said. “We love helping our clients achieve their goals and we are proud of the structures that we have helped create over the past ten years. We hope to continue doing our part to make Knoxville and the east Tennessee region a wonderful place to live and work for decades to come.”

Haines Structural Group is a full-service structural engineering firm that provides practical and creative solutions for architects, contractors and owners nationwide who value extraordinary service and premier quality. The Haines team prides itself on being a valued partner to the clients they work with to achieve their vision of creating projects that are as functional as they are beautiful. The foundation of Haines’ business is to build relationships and design structures that last a lifetime.

JON FAUCHER, from page 11

**3) Build your relationships.** Prior to submitting for any projects, it’s necessary to build those relationships with clients in the area. This way, by the time you submit, your firm won’t be some unknown entity that they need to take a risk on; instead you’ll be a much safer bet.

In the end the relationships we spent so much time building paid off. Eventually, one of the airports we’d interacted with sent out an RFQ. Thanks to our connection with them (in addition to our excellent qualifications, of course), we were selected. This success kicked off the professional growth of our firm in the area, along with all our team members committed to this new opportunity.

“Five years ago, Mead & Hunt was looking to expand our aviation services in the Pacific southwest region ... Starting a larger operation there had its risks, but we ultimately decided the benefits outweighed them. We moved forward to strategically plan our organic growth in the market.”

**4) Time it right.** Often strategic timing is crucial to the growth path your firm will take when investing in new areas. Look at the markets you’re moving into and watch for key changes that could affect business.

For instance, we decided to invest more in our Ontario, California market largely due to the timing. We had been closely tracking the Ontario International Airport’s potential transfer of ownership. We surmised that this transfer was going to happen and once it did, immediately offered our assistance to Ontario staff, building a team practically across the street from the airport. This move reinforced our commitment to Ontario and solidified our southern California success.

**5) Hire strategically.** When starting out in a new area, it can feel very risky to hire more people for a potentially unsteady workload. You may ask yourself: will the costs outweigh the benefits of these new hires? What happens if the workload is not what we imagined it would be? However, hiring more people in the new area is necessary if you want to continue to grow. The key is to do this hiring strategically.

To continue to grow our southern California market, we decided to hire somebody who’d be able to take us to the next level. This hire was not somebody we just found off the street; instead, we’d come to know this person and their work through multiple past relationships, which gave us the confidence to move forward. In addition, we felt confident that this hire and the ones to follow would have a healthy workload because of our previous work building a solid local client base.

**6) Differentiate your firm.** We all know there are plenty of qualified engineers, architects, and planners out there. Technical prowess, while important, is not enough. Find what sets your firm apart and lean into that.

What differentiates Mead & Hunt is the way we take care of our clients. Our team prides itself on always putting people first. Maintaining that human aspect in our client interactions has proved vital to our long-term success. This value is not always measurable, but it is most definitely recognized and appreciated by our clients.

**From that first niche project, our Pacific southwest market has grown astronomically. Though we faced challenges along the way, we were able to overcome them. Today, our thriving Phoenix and Ontario offices comprise multiple airport design teams and planning staff working at 21 airports, all accomplished through organic growth. With the right strategies, dedication, and hard work, your firm can do the same. ▀**

As Aviation Group Leader at Mead & Hunt, JON FAUCHER builds and maintains an exemplary team capable of providing top-quality aviation services to clients. His philosophy rests on building strong client and teaming relationships and mentoring emerging leaders to provide services that will serve clients for generations to come. Contact him at [jon.faucher@meadhunt.com](mailto:jon.faucher@meadhunt.com)