

EDITORIAL

The purpose-driven organization

When you know what you are about, it's easier to motivate and choose whether to take on a project or not, Mark Zweig writes.

Many folks in our business want to act like they have a "purpose-driven organization."

What is that, you may ask? To me it is very simply a company that exists for some reason (some GOOD reason) other than to just make a profit.

Kit Miyamoto of **Miyamoto International** in Sacramento (an earthquake/seismic engineering firm) gets this idea the best of anyone I've



Mark Zweig

seen yet in our business. Ask him what their purpose is and he will tell you (without hesitation): "We exist to save lives."

Now that is what I call a strong purpose. It helps make working 80 hours a week and living off granola

bars and bottled water 2,000 miles from home in Haiti worthwhile. Or having to sit through a boring meeting or dealing with an unethical contractor worthwhile. That's what it is all about. If you have a strong purpose, all of the frustrations and demotivators that you and your employees face are easily set aside.

We once had an opportunity to help a public utility develop a new business plan for their very large captive engineering firm subsidiary. Their top management got me on the phone for an "interview" and we got to ask some questions about what they were all about. I was told in no uncertain terms that their "mission" was to "make a 10% profit." I don't think they liked it when I told them (somewhat sarcastically) that I was certain that was a strong motivator for their rank and file employees, who each got up every day and raced to the office so they could help

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It seems to me that if you really have a purpose-driven organization you have to take a stand every so often and NOT do a project or pass on working for a client who does not support that purpose. It is crucial to say "no." It makes it all real instead of just a bunch of empty words.

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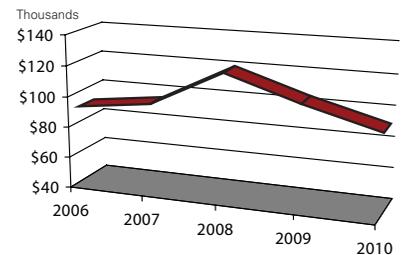
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TRENDLINES

No money in marketing



Marketing director total compensation (medians)

Marketing directors' total compensation has dropped significantly in the past two years, according to the 2010 *Marketing Survey*. This decline in total compensation, which consists of base salary, bonus, and overtime pay, could be an indication that A/E/P and environmental consulting firms have cutback on bonus payouts in recent years. In 2008, marketing directors' total compensation spiked to an eight-year high of \$102,000. In 2009, this number dropped to \$105,000, and then in 2010, declined to \$92,000. This is \$4,000 less than marketing director total compensation of \$96,000 in 2007.— *Margot Suydam, Survey Manager.*

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make that “10% profit!” We didn’t get the job!

It seems to me that if you really have a purpose-driven organization you have to take a stand every so often and NOT do a project or pass on working for a client who does not support that purpose. It is crucial to say “no.” It makes it all real instead of just a bunch of empty words.

At ZweigWhite, we are all about firm (and individual) success. If it becomes apparent during the project development process that we cannot help the firm (or the individuals who own and/or run it) be successful, we will not do the project. If we did, then all we would be doing is prostituting ourselves. That surely cannot be good for our self-images, nor our motivation levels.

Design and environmental firms will typically encounter many more situations than we ever will with our own business where they can’t be successful or support their organization’s higher calling. It is critical that you make the call on whether that project or client relationship supports your organization’s purpose. If not, say “no.” Be willing to suffer in the short-term until you have enough good clients and projects to work on. That willingness to say “no” will make being a purpose-driven organization real, and not just more empty clichés that would provide good fodder for an episode of “The Office.” ▲▲

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

FEEDBACK

REACTION TO A MARK ZWEIG EDITORIAL

“This is hitting the nail right on the head. Mark is right, everyone does their best to work smart, what separates the exceptional from the average is first having the potential to be great and second the drive to work hard to fully develop that potential for peak performance. This has always been true and most apparent in athletics and also in every other life endeavor. The drive to excel is always the separator. Very salient points!” — Jeff Crosier, principal, Miyamoto International.

A/E BUSINESS NEWS

THE ARCHITECT TYPE: Robert Gaarder, a leadership coach and consultant on organization development, conducted a Myers-Briggs personality test of over 100 architects and guess what he found out? That architects really have a distinct personality (we knew that) and that their personality is not always an easy one (no news there either).

The full report on the subject can be found in *Architect* (www.architectmagazine.com), the official publication of the American Institute of Architects. According to the article, Gaarder administered the Myers-Briggs test to about 125 architects. When he reached 100, he sat down to review their tests in the aggregate—and was surprised by what he saw.

Among the general U.S. population, the most frequent types are, according to estimates by the Myers & Briggs Foundation, ISFJ (introversion, sensing, empathic feeling, judging), at 13.8%, ESFJ (extraversion, sensing, empathic feeling, judging), at 12.3%, and ISTJ (introversion, sensing, thinking, judging), at 11%. But among Gaarder’s group of 100 architects, just one was an ISFJ, and not a single one scored as an ESFJ. By contrast, the most frequent type among the architects was ENTJ—extraversion, intuition, thinking, and judging. ENTJs accounted for a whopping 31% of the architects that Gaarder tested, despite the very low frequency of the type (estimated at 1.8%) within the general population, according to the article.

What does it mean? According to Gaarder, the good news is that architects are visionaries, have good leadership characteristics and think on a grand scale. The bad news: they don’t pay attention to details and are fiercely independent, lacking empathy and tolerance for teamwork, according to the article.

EXPENSIVE REBUILD: Rebuilding from the early January floods and mudslides in Brazil that killed over 600 people will cost at least \$1.2 billion, according to estimates by the three hardest-hit areas in Rio de Janeiro state, according to a report by *Bloomberg*.

Petropolis, Teresopolis and Nova Friburgo, cities in the mountainous area about 40 miles north of Rio, will need to rebuild roads, bridges, homes and businesses after the heaviest rain in 44 years sent earth and rocks rolling down hillside communities, and flash floods swept away entire neighborhoods, according to the report.

ZWEIGWHITE IN-HOUSE TRAINING:

ZweigWhite is a leading provider of customized in-house training and development programs for A/E/P and environmental consulting firms. In today’s competitive marketplace, a well-trained workforce will help your firm stay on top when faced with challenges or opportunities. Leaders of today’s most successful firms have discovered that targeted in-house programs can provide their staff and the firm with the best and most cost-effective professional development training.

In-house training sessions are facilitated by ZweigWhite principals who have industry-specific experience and technical know-how. These consultants have worked with countless architecture, engineering, and environmental consulting firms, helping them overcome business challenges and achieve success.

We work directly with you to evaluate and benchmark your needs. Then we transition that information into an action-plan in order to custom-tailor training programs that address and exceed the specific needs of your firm. The end result is a higher retention rate for your firm, increased productivity, and a dynamic work environment that enables individuals to succeed while contributing to their firm’s success.

To discuss your specific needs, please contact Christine Brack at 508.318.5033 or by e-mail at cbrack@zweigwhite.com.



The voice of reason for architecture, engineering, and environmental consulting firms.

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TOP PLAYER

Focusing on what really matters

Hot Firm leader says that keeping it real and being disciplined is essential.

Keith Kuzio, CEO of **Larson Design Group** (Williamsport, PA), a 215-person architectural, engineering, and surveying firm, attributes success to keeping priorities straight. Focusing on clients and delivering innovative and quality solutions are among those priorities. Recognizing staff is another.

In this interview, Kuzio talks about Larson Design Group's (number 46 *The Zweig Letter* 2010 Hot Firm List) evolution as a successful professional services firm.

The Zweig Letter: What does it mean to be a Hot Firm?

Keith Kuzio: Being a Hot Firm was never a targeted goal of ours; however it does demonstrate that we've been successful at applying our core values and delivering on the strategic vision that has been established for the firm. I'd also say that it means we're being consistently accountable in delivering innovative, quality solutions, planning strategically for growth and success, and achieving strong growth and profitability as a firm.

TZL: How did you get where you are today?

KK: Personally, by being fortunate to have parents that instilled in me a deep faith, solid values and a good work ethic, by working to get the most out of my college experience at Lehigh University, and by being blessed to be surrounded by a very talented group of fellow employees. Also, I've always tried to observe and emulate the behaviors of successful people in the industry and community.

As a firm (we got where we are today) by being disciplined. Everything we do originates from strong strategic planning and is achieved through the focused efforts of individuals and teams within the firm.

TZL: Do you remember your first paid job? What did you learn then

that still influences the way your work today?



Keith Kuzio,
CEO, Larson
Design Group.

KK: I was a newspaper carrier and was responsible for sales, delivery, and collections. The job was six days a week, in the year-round weather conditions of central Pennsylvania. I learned that by showing up every day, working hard to deliver the papers on time, and doing my best to satisfy customers,

I had no trouble growing the route, collecting the money that was owed to me, and getting nice tips from my customers. I learned a lot about myself and my customers through that experience that has helped me in sales, project delivery, and collections even to this day.

TZL: What is it in your DNA that drives you to success? Is it audacity and risk-taking; a can-do attitude and a relentless pursuit of perfection; something else more abstract?

KK: I find great satisfaction in servant leadership and the rewards that come from helping the people around me attain success that they might not have imagined possible. That energizes me every day.

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

KK: A consistent focus on the customer is paramount as is the need to innovate in order to be differentiated from other firms. You also need to be fair and consistent with staff and recognize employees appropriately for their contributions to the success of the firm. Failure can be a motivator to succeed when it's seen as an opportunity to learn and change.

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

KK: Competition is going to continue to increase, and mid-size firms are like-

ly to be hollowed out of the industry through acquisitions or through break-up into smaller firms because they can't sustain internal ownership transitions. New project delivery systems are likely to continue to evolve as private owners seek to improve accountability and cut waste out of traditional project delivery approaches. On the public sector side, the lack of support for infrastructure funding is likely to lead to more public-private partnerships to complete necessary projects.

Within our firm, we're planting the seeds for a third-generation leadership transition that will occur about a decade from now so that the upcoming leadership is empowered, tested and ready to take the reins. We're also investing heavily in innovation that will lead to new business units and sources of revenue that are not directly tied to core services.

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

KK: My father taught me that the hardest, but best thing to do in life is to unconditionally forgive people who do wrong to you. By doing so, you free up energy to focus on things that really matter in life. It's amazing how much people can be distracted and consumed by persons or situations that have offended them. My father taught me that letting go of that burden allows talents and resources to be fully applied to opportunities that will lead to success. I try to apply this wisdom every day.

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

KK: I admire people who know how to "keep it real," meaning people who consistently act the same way in any group and as they would when no one was watching them.

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

KK: What failure has provided the greatest learning for you in your career? ▲▲

MORE ONLINE: To read the full interview with Keith Kuzio log on to *The Zweig Letter* at www.thezweigletter.com.

ON THE RECORD

Who would you have dinner with?

From dinner with President Obama to lunch with Mark Zweig, leaders know who they would like to chat up.

So, as a new year is still in the cradle, we wanted to know: If you could have lunch with anyone this January, who would it be? Mark Zweig, President Obama, a fellow CEO? What advice would you seek for 2011? What secret would you like to find from them about running a business successfully?

Here's what some firm leaders had to say.



I would enjoy having lunch with Mark Zuckerberg, Facebook founder. I would like to hear his ideas on entrepreneurship and the creativity he needed to accomplish the creation of Facebook. From the complications and difficulties Mark was faced with, what would he do different if could start all over? His life is just starting; what goals and objectives does he have for himself moving forward? What does it feel like being in the driver's seat of the social networking in the world right now?

Carla Erickson, director of human resources at **Withers & Ravenel** (Cary, NC), a 100-person full-service civil and environmental consulting engineering firm.



If he would listen, Obama. Have a lot to say to him. Next would be Mark Zweig, since he could address our profession and we would value his observations. Tell me when the lunch is, I'll buy.

Larry Van Horn, senior vice president and CFO at **GLMVArchitecture** (Wichita, KS), a 135-person firm.

Dinner with (Ben) Bernanke... he seems to have a realistic, although not necessarily positive, outlook on the private capital markets.



Ralph Hawkins, chairman and CEO, **HKS** (Dallas, TX), an 850-person architecture firm.



Actually, I think I would have to select former UCLA basketball coach John Wooden. He was known as a tenacious basketball player in his time and he was able to successfully transfer that drive into motivating young men to do their best on the basketball court. As a basketball coach he was perhaps the best that we may ever see. His ability to gather so many diverse and talented individual personalities and get them to work together as a team should be the true definition of a successful coach. I never met him and have only heard the words of his former players who speak of him in such glowing terms. It must have been an extreme honor and a privilege to call him coach. At his funeral last year many players said the most important lessons he taught them were life lessons and he made them better people. What an amazing legacy. In this challenging economy there have been times I wished that I could have said something a little more motivational or inspirational to our staff and help them see that we will, collectively, find a way thru this troubling time and become stronger on the other side.

Rick Savely, principal with **TAYLOR** (Newport Beach, CA), a 55-person architecture, planning and interior design firm.

STRATEGY

Saying 'no' sometimes necessary

When clients are not worth it, it's better to just walk the other way.

JOÃO FERREIRA
Managing Editor

Now, for the unthinkable. ABC Company approaches you seeking help with a large mixed-use project. They heard about you from an acquaintance who is your client. It wasn't a referral, just your good reputation making the rounds.

Problem is when you start looking into this potential client and pulling some reports on them, you find out that they are known for not paying bills on time and worse, have been reported to the Better Business Bureau for questionable practices.

Would you still do business with this company? Your firm has struggled during the recession and this project would provide a much-needed cash injection.

Advice from your peers: Don't do it.



J. Dan Lavergne,
Vice President of
Finance and CFO,
C. H.
Fenstermaker &
Associates, Inc.

"Saying no to clients that do not fit the firm has been one of my pet missions for years," says J. Dan Lavergne, vice president of finance and chief financial officer of **C. H. Fenstermaker & Associates, Inc.** (Lafayette, LA), a 90-person engineering, surveying and mapping, environmental consulting, and advanced technologies firm. "What always seems to happen is that in our eagerness to obtain clients, we blindly overlook faults/red flags that ultimately come back to haunt us."

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COMMON PROBLEMS. So, what might those red flags be? Lavergne, who worked several years as the director of a Small Business Development Center that provided business counseling for hundreds of small business owners, offers the following:

■ **The most common problem is a client who has a reputation of**

not paying bills. There is always the feeling "it will be different this time" because you have a personal relationship with the client. Later, when the collection letters start, the personal relationship disappears.

■ **A client with a reputation for unethical behavior.** Before the project is over, something will happen and this issue will blow up.

■ **Clients that abuse employees.** When this starts, fire that client.

■ **Some clients make impossible timeline demands.** Accepting impossible timelines does not work.

Leo MacLeod, a marketing and new business consultant who works with A/E/P and environmental consulting firms, wrote in a recent article that, "In this economy, it's tough to be picky, but it pays in the long run to make intelligent project decisions. If it doesn't feel right and you can bite the bullet, pass."

Why? "Bad jobs rip through profits, burn people out, and create negative reputations," MacLeod writes.

"We feel it is mission critical to never align yourself with a bad client," says Rick Savely, principal with **TAYLOR** (Newport Beach, CA), a 55-person architecture, planning, and interior design firm. "If they have a reputation as being difficult or a 'bad' client chances are you won't be able to change them, and if you invest a lot of extra time and effort to 'turn them around' that is time you could have— and perhaps should have— spent pursuing clients who are better aligned with your way of thinking.

"We strongly feel that we target new clients who will appreciate what we offer and will embrace us as part of the collaborative team and not just some vendor performing tasks," he says.

THEY'RE OUT THERE. Richard Gustaf, president and CEO of **TSP, Inc.** (Sioux Falls, SD), a 190-person architecture, engineering, interior design, and construction services firm, has

seen his share of "no" clients.

"Predominately the 'no' clients have been those in the development business. They want full service for reduced rates, they don't want to pay for construction administration (but hold us accountable for problems on the project during and after construction), and we have to carry them financially for nine to 12 months before payment," he says. "Our book of business had several (more than I am willing to admit) of these type of clients. We approached them with new agreement terms of 1) reasonable fees (not outrageous), 2) to be paid for (construction administration) services when we were asked to resolve issues, and 3) to be paid on a monthly basis for services rendered. Not a one took us up, so we said no thanks to their next project."

Gustaf says that while saying no creates anxiety, it also allows more time to work on projects with full-paying clients. Collections days are down, cash flow is up, and the savings account is stronger— while completely staying out of the firm's line of credit.

"We are happy with our decision," he says.

'NO' STRATEGY. Dave McCormack, president of **Dade Moeller & Associates** (Richland, WA), a 250-person environmental, safety, health, and quality consulting firm, says saying 'no' should be a policy, whether or not you're itching to get work.

"We try to stay aligned with our business strategy and plans, regardless of the economic conditions," he says. "We've developed our plans based on careful consideration of our strengths, weaknesses, and business objectives, taking into account economic ebb and flow. Getting cross-ways with our strategy presents a risk to our long-term success. That being said, we continuously review and update our business strategy and plans, taking into account the evolving market and our growing understanding of it." ■▲

"What always seems to happen is that in our eagerness to obtain clients, we blindly overlook faults/red flags that ultimately come back to haunt us."

PASSINGS

ANDRIOLA DIES IN ACCIDENT: **SB Architects** (San Francisco, CA) announced the tragic passing of Joe Andriola, principal and senior vice president of the firm. In a press statement, the firm described Andriola as a talented designer, a compassionate leader, and an inspiration to all who had the good fortune to work by his side. He was working with one of his many special clients in China when an automobile accident took his life on Jan. 17, according to the statement.

Andriola was 44.

A quiet but charismatic leader, Andriola guided the 70-person firm's Miami office through tumultuous economic conditions and tremendous successes with a steady hand and a compassionate heart, according to the statement.

"So much of what SB has become is because of Joe. He is deeply connected to our past, our culture, our personality, our work ethic... and our future," says Scott Lee, president and principal of SB Architects. "The memory of Joe's commitment touches every one of us, and it will guide us as we begin the difficult process of moving forward."

Born in 1966 in Gainesville, Florida, Andriola studied architecture at the University of Florida as an undergraduate, and received his master's degree in architecture from New York's Columbia University.

Upon graduation, he worked for the office of Robert A.M. Stern in New York, becoming one of the firm's most noted designers. He joined SB Architects as a senior designer in 1997, quickly transitioning to vice president, then to principal, just a few years later.

FAMED ENGINEER PASSES: Cyril Harris, an acoustical engineer who created the sound in many of the most prominent U.S. concert halls, theaters and auditoriums, died Jan. 4 in his Manhattan home, *United Press International* (www.upi.com) reported.

Harris was 93.

Harris was known as a traditionalist who, in an era of steel, glass and concrete, preferred wood and plaster to bring the full, resonant sound of the great 19th-century concert halls to their modern counterparts, including the Metropolitan Opera and Avery Fisher Hall in New York.

His approach proved highly successful, starting in 1966 with the Metropolitan, where he designed the acoustics with Danish engineer Vilhelm Jordan.

Harris eventually would design the acoustics for more than 100 halls across the nation, according to the article.

His renovation of the Avery Fisher Hall at Lincoln Center in the mid-1970s, which had been beset with acoustical problems since its 1962 opening, cemented his reputation as the pre-eminent acoustical engineer in the U.S.

WEBINAR ALERT: Part 4 of the Marketing Management Webinar Series goes live Feb. 11 from 1 to 2 p.m. EST with a session titled "Getting your Firm in Print, on the News, and on the Web."

For more information or to register, call 800-466-6275 or log on to www.zweigwhite.com/zw-1068.aspx.

CALENDAR

PRINCIPALS ACADEMY COMING TO SAN FRANCISCO: Scheduled for March 24 and 25 in San Francisco, The Principals Academy is a crash course in all aspects of managing a professional service firm. The program is presented by a team of speakers— including ZweigWhite founder and CEO Mark Zweig— with extensive experience working with and for design firms. They have a clear understanding of what it takes to survive, and even thrive, in any economy.

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

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

The Principals Academy program also includes a case study workshop session that will provide an opportunity to practice implementing these management strategies in a supervised test case scenario. Participants will be divided into small groups to examine and solve real "A/E world" management issues and will present their analysis and final recommendations to all the attendees.

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

TECH STRATEGIES CONFERENCE

DATE SET: The 2011 AEC Technology Strategies Conference will be held June 8-10 at the Hilton La Jolla Torrey Pines in La Jolla, California.

As the 12th annual information technology conference for forward-thinking business and IT leaders in architecture, engineering, and construction, AEC Technology Strategies offers an unparalleled opportunity to explore current and new strategies for managing technology and using IT to drive firm growth and productivity.

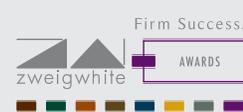
The three day, information-packed conference will provide you with a mass of new knowledge and many new contacts.

More details will be published at www.aectechstrategies.com/welcome.html in the coming weeks including sessions, theme, and hotel information.



THE ZWEIG MARKETING LETTER
MARKETING EXCELLENCE AWARDS

Firm Success.



ENTRIES FOR THE ZWEIG MARKETING LETTER 2011 MARKETING EXCELLENCE AWARDS ARE BEING ACCEPTED NOW!

The 2011 Marketing Excellence Awards will recognize the most ambitious and outstanding in-house marketing initiatives by A/E/P and environmental firms based in the U.S. and Canada.

Firms can apply in any or all of the following nine categories:

- Website • Advertising • Direct Mail Campaign • Target Marketing • Special Event Marketing Campaign • Media Relations Campaign • New Media • External Newsletter • Custom Magazine •

Don't wait! The deadline for entries is March 18, 2011

For more information, submission requirements, and an entry form, please go to www.zweigwhite.com/go/mea2011

It's been a long few years. Reward your firm and marketing team with the recognition it deserves — SUBMIT TODAY!

Questions | contact Sarah Nasznic at: snasznic@zweigwhite.com or 508-318-5508

REGULATION

Firms push for repeal of reporting requirement

Form 1099, scheduled to go into effect in 2012, would require filing tax paperwork for virtually all transactions.

By AMY SHERRILL
Editor

A group of democratic senators is trying to repeal an upcoming paperwork provision that would put an undue burden on businesses— including A/E/P and environmental consulting firms.

Democratic Sens. Ben Nelson (Nebraska), Amy Klobuchar (Minnesota) and Maria Cantwell (Washington) sent the letter to House Speaker John Boehner (R-Ohio) on Jan. 20 pushing for a vote on repealing a provision of the national health care overhaul regarding tax-reporting requirements, according to an article in the *Washington Post*.

This action came on the heels of members of the House introducing a bill in January to repeal the widely unpopular provision of the federal health care law that requires businesses to submit a 1099 form for any purchases over \$600.

The proposed new regulations relating to 1099 issuance to all vendors imposes a significant burden on most A/E/P and environmental consulting companies, according to small firm executives.

“Instead of preparing a couple of dozen 1099s to individual practitioners and landlords, we will now have to prepare hundreds,” says Candace Macomber Tobin, chief financial officer with **Cambridge Systematics, Inc.** (Cambridge, MA), a transportation consulting engineering firm.

ONGOING BURDEN. The burden doesn’t simply stop with the up-front work needed to ensure that the vendor records contain the proper tax ID numbers. Tobin anticipates significant effort after the 1099s are issued responding to inquiries by vendors because the issued 1099s don’t reconcile to their records of receipts.

As an additional burden, firms need

to reconcile the 1099s they receive because the IRS is supposed to use them to identify under-reported income and firms will want to ensure that there are no material misstatements, she says.

“We are cautiously optimistic that this portion of the bill will be repealed, but we are diligently working to ensure our vendor records are accurate, just in case,” says Tobin.

RULE CAUSES WORRIES. Whatever your politics, leading members of both parties have expressed concern about the rule, scheduled to take effect in 2012, requiring businesses to issue the 1099 tax forms to any individual or corporation from which they purchase more than \$600 in goods or services in a year, according to the *Wall Street Journal*. Larry Van Horn, senior vice president and CFO with **GLMVArchitecture** (Wichita, KS), says the legislation was extremely poor both as to intent and method and not well thought out at all.

“We have an executive branch of our federal government that has a poor understanding and opinion of business (as well as economics) and think they correct all the ills by law. We have the laws, we just need to enforce them,” says Van Horn. “President Obama and very few of his advisors have ever worked in business. They have no concept of their actions’ effects on business.”

The health care reform act could easily be remedied if President Obama, senators, representatives, and federal employees had to live with the same health care coverage they are trying to foist on the U.S. public, Van Horn says. If they had the same coverage, it would not take them long to simplify it and equalize it, he says.

“If we have to send 1099s, we can do it relatively easily (I think) by simply downloading what we pay vendors from our accounting/financial database,” Van Horn says. “I don’t necessarily see it as anything but an aggravating experience.”

Late last year, efforts by Sens. Mike Johanns (R-Nebraska) and Max Baucus (D-Montana) to repeal the provision came up short, and a Democratic-led effort to include 1099 repeal in the

“Instead of preparing a couple of dozen 1099s to individual practitioners and landlords, we will now have to prepare hundreds.”

tax-cut package was one of several proposed add-ons nixed by Republicans during the lame-duck session, according to the *Post* article. ▲▲

MANAGEMENT FROM A TO ZWEIG:

Management From A to Zweig, Revised Edition is a journey through the halls of A/E/P and environmental consulting firm management from the founder of ZweigWhite, Mark Zweig.

For more than two decades, Mark has been the voice of reason in the A/E/P and environmental industry. His weekly editorials in *The Zweig Letter* have inspired, informed, and sometimes infuriated AEC firm leaders across the country.

And we have every editorial Mark has written for *The Zweig Letter*— more than 750 articles in all— in one massive volume of his collected works on such topics as leadership, ownership transition, marketing, business development, recruitment and retention, and more.

In his collegial and straightforward style, Zweig gets right to the heart of the matter in each of his articles. He tells it like it is, shoots from the hip, and doesn’t hold back his opinion on anything, which is exactly what makes his advice so valuable. Not only does he have the experience and the wisdom to know when something isn’t working right, but he’s also got the guts to face the firm leaders who aren’t addressing these issues. His insight can help lead you to a better future at your firm.

This compendium of Zweig’s writings is sure to be a resource you’ll use over and over again. Thousands of firm leaders just like you have embraced Zweig’s gospel of growth and have experienced the resulting success of a well-managed firm.

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GUEST SPEAKER

Ask your clients

Use a systematic approach to obtain and respond to client feedback.

When ZweigWhite recently requested our company to provide input on how to find out what clients want, one of my colleagues quipped “we ask them.” After a quick internal discussion, the question was raised “do we want to share with other firms how we get client feedback?” Yeah, like we have some competitive secret that nobody else has thought of before.

I’ll cut through the mystery and tell you that our client feedback system is not much different from what many other firms do. On a quarterly basis, we ask project managers for candidate projects to solicit feedback on. A third party, independent firm, administers a process requesting input from client contacts, collects data, and returns results to us. The output is widely available for viewing by senior managers to gauge what our clients are thinking and how well we are doing. Fast forward 90 days, repeat the process.

Sure, there are variations on this. Alter the frequency, change the method by which you identify projects and clients, or automate the process to a greater or lesser extent. You get the idea.

I’m a firm believer in taking a systematic approach to obtaining client feedback, and have been doing it for more than 15 years in various formats. Here are three common approaches.

■ **Third party firm.** Much like what I described above, you can pay someone else to administer the process. They will work with you to design a survey, help you define output format, and offer suggestions on data analysis. The positive attributes of this approach are that it is independent (so theoretically you get more candid feedback), you



Wally Hise

have built-in analytics on the output data (trend analysis), and it’s consistent (no human variability introduced).

Perhaps most importantly, since it takes the monkey off your corporate back, it gets done! On the negative side of the ledger, it can be expensive, it’s impersonal, and there is no interaction or dialog with the client.

■ **Questionnaires.** While historically more of a paper exercise, this method has moved into a web-based environment, like many other aspects of our life. A questionnaire can be as simple as a postcard asking a few questions, or as complex as an electronic form including drop down menu response choices. However you design your system, it can be easily tailored or modified when necessary.

A big advantage of using this approach is the flexibility with respect to timing—you can send a survey to anyone when the time is right (e.g., at a critical project milestone). Two big drawbacks I have experienced with the questionnaire are tracking surveys requested and responses received, and the related issue that a form or e-mail may be easily ignored or put off by your clients.

■ **Personal interviews.** By far, my favorite approach is to schedule some time with a client to find out what’s on their mind. I have most often done this in the context of a formal project review, an executive engagement, or a quality audit. Call it whatever you want, it’s just another way to get their feedback. I designed a process and deployed teams to canvass feedback from key clients in a region, and had great results. Unfortunately, I don’t have the space here to share details on how to do that.

The upside to using a personal interview is the interaction and dialog associated with it; you have an opportunity to clarify responses, read body language, and dig for more information. Further, the personal aspect can’t be overlooked;

WE WANT TO HEAR FROM YOU!

We want to know what you think about us. Please take a minute to share your thoughts about *The Zweig Letter* in this brief, confidential survey. Your input is important to ensure that we continue to deliver a quality product.

To participate, simply log on to www.surveymonkey.com/s/HTR8HCH.

It only takes five minutes!

in essence this approach says, “I care enough to sit down with you (even if by phone), and listen.” On the downside, it is labor intensive, and can be expensive if travel is involved. As a result, you will have less output from interviews as compared to sending out forms, so it may be harder to see trends across clients and over time. And, there can be variability in the output since your clients’ words and reactions will be open to interpretation.

Now for the punch line: It doesn’t really matter how you get client feedback. What matters most is what you do with it.

Collecting and reviewing feedback is only the tip of the iceberg. Acting on what you hear, and systematically making improvements in your project delivery, customer service, and/or administrative processes, as necessary, is the cornerstone to a successful program. In fact, in the early 90s, when one of my previous firms launched this initiative, we called it our Client Feedback and Service Improvement System (credit to David Maister for the name and content). Why? Because we listened and we responded. We made changes in approaches, staffing, and process as required. And as a result, we gained market share. Isn’t that what it’s all about? ▲▲

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

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DEVELOPMENT

HR evolution demands constant learning

Professionals scramble to keep up with changes.

By SUSANNAH PATTON
Correspondent

The human resources profession has been in a constant state of evolution over the past few years as companies have weathered staffing changes, reorganization, and modifications in employment law, health care benefits and technology.

Training has become an essential tool in the industry as professionals race to keep up with the changing roles of the position.

“With the recession and an onslaught of mergers, acquisitions, staff reductions, and overall change in the way our industry now operates, the number one skill HR (and all professionals) need is change management,” says Wendy Matyjevich, human resources director for **X-nth** (Maitland, FL), 360-person consulting engineering firm now part of **Trow Global** (Brampton, ON).

“The ability to develop and execute a plan regarding a change within your business is imperative,” she says.

FLEXIBILITY AT A PREMIUM. The ability to communicate effectively as a business professional, and not just an HR person with other departments, is also necessary, Matyjevich says.

The role now seems to require knowing the inner workings of the entire company.

“HR professionals need more business training in how the rest of the company operates— from branding and AR to IT activities and business development needs,” she says. “Something as simple as getting timesheets completed on time in order to bill a client quickly is often seen as a negative from employees.

“HR needs to understand business operations in order to explain it to employees who are having a hard time with change and business rules.”

Lynn DeWolfe, vice president of corporate services for **McDonough Bol-**



Wendy Matyjevich, Human Resources Director, X-nth.

yard Peck (MBP) (Fairfax, VA), a 269-person construction consulting firm, says one key to staying informed about various changes in the human resources industry is to stay current with the Society for Human Resource Management (SHRM).

“There is a wealth of information published by SHRM, whether it’s from the national organization or within the local chapters,” she says.

DeWolfe also recommends attending as many employment law seminars, special interest group meetings, and webinars as possible.

“It is important now, more than ever, to stay abreast of all of the Obama administration changes, especially as they relate to health care reform,” she says.

OSCILLATING RULES. Abby Waxenberg, vice president of Singer Nelson Charlmers, a Teaneck, N.J.-based insurance broker, said keeping up with the health care changes alone can be a full-time job.

“It’s difficult because things change and then they unchange,” Waxenberg says of complicated health benefits.

For example, she says, a piece of the health care reform called the class act, which would make long-term care insurance available to all employees, was supposed to go into place on Jan. 1.

Employees would be automatically enrolled unless they opted out and the benefit would be payroll deducted.

But Waxenberg says the provision has yet to go into effect.

Nondiscrimination provisions, which prohibit discrimination for highly compensated employees, have also been delayed until more guidance, or regulatory measures, are established.

“The shame of it is a lot of people for probably based their plan changes for Jan. 1 on discrimination testing,” Waxenberg says.

She recommends human resource professionals enlist the help of a benefits professional to navigate through all of the changes and “unchanges” being released as part of the health care reform.

“The best way for people to keep up to date is to have a really good benefits consultant,” she says.

Waxenberg says there is also a ton of information available from employee benefits organizations, such as the International Foundation of Employee Benefit Plans, which posts updates on a daily basis.

GET HELP. DeWolfe suggests getting a mentor in order to navigate the often complicated world of the HR profession.

“It is impossible to know everything there is to know about HR because there is so much to know,” she says. “Form a solid networking group or find someone who has ‘been there and done that’ so you can get an outside perspective.”

“We all get caught up in the day-to-day within our jobs that it becomes easy to lose sight of the fact that although we may do something one way, someone else may know a different or better way.”

DeWolfe also relies on books and publications to stay current with various HR trends and practices, specifically international relations.

“International relations is such a complex environment, so if your company is planning to expand into other countries, HR professionals would do well to at least have a general understanding of the culture, local and state laws, customs, etc. before entering a new market,” she says.

Keeping industry certifications current, such as Professional in Human Resources (PHR), Senior Professional in Human Resources (SPHR), and Global Professional in Human Resources (GPHR), is also important, according to DeWolfe.

“A law degree would be helpful as well,” she says. ▀▲

COMMUNITY

Engineering day sows seeds of future

Simpson Gumpertz & Heger participates in initiative with local school to inspire youth.

JENNIFER KOVALICH
Correspondent

When he was a grade school student, Kevin LaMalva wishes he could have spent time at an engineering firm to get a behind the scenes look at what engineers really do.

Though he never got that chance, LaMalva, a member of the fire safety staff at **Simpson Gumpertz & Heger** (Waltham, MA), a 407-person national engineering firm, recently gave that coveted experience to some local 9th grade Physics students from Hudson High School, in Hudson, Massachusetts.

His three-part fire safety presentation included understanding what a fire is, how it can be stopped and a case study involving an investigation of a tragic fire in a Chicago high rise building.

"During discussion of the case study, I was surprised that some students offered effective solutions before I could recite them myself at the conclusion of the presentation," LaMalva says.

Engineering Day is a program that SGH has been involved with for the past five years. Its goal is to encourage students to explore the fields of Science, Technology, Engineering and Mathematics, expose them to the firm's culture and the application of 21st Century workplace skills.

The program is part of the Leadership Initiative for Teaching and Technology (LIFT2) through the Metro Regional Board of Education.

It includes an externship at the company for the students' teacher, who is selected through an application process, and paid a stipend for his or her work at the firm.

The teacher is required to give a presentation to SGH on the experience how he or she will implement those lessons in the classroom.

Students are inspiring for SGH staff, says the firm's CEO Glenn Bell.

"They represent a bright future for en-

gineering in the United States if we can inspire them to pursue careers in engineering," Bell says.



Glenn Bell, CEO,
Simpson
Gumpertz
& Heger.

A BETTER WORLD.

The most important thing he and his staff teach students during Engineering Day is that, "Engineers work every day to make the world a better place. It is a tremendously rewarding profession. And, we're not all the nerdy, pocket-protector types of the engineer

stereotype. It can be cool to be an engineer," Bell says.

Harnessing students' interest at an impressionable age is key, says Stella Mereves-Carolan, corporate senior human resources specialist—recruiting, at SGH.

"We're concerned there are not as many students going into engineering," she said.

Engineering Day allows for hands-on experience through the building of a structure and then breaking it apart to see how things are made, how they are tested and how they function, Mereves-Carolan says.

Some of the projects, such as building a "human bridge," are interactive and teach students how a bridge carries different weight and how it moves.

Students built columns to see which one was the tallest and could hold the nominal load of five pounds or which column could hold the largest load.

While the students are busy absorbing the lessons, staff at SGH are excited to be part of the teaching process.

"What's exciting is seeing the reaction in the students when they are actively interested in what I'm showing them," says Jennifer Grubb, structural engineer. "The challenge is finding the right way to present the information

so that it does grab their interest—it needs to be punchy to grab their attention; it needs to be simple enough that they can get the concept quickly; and it needs to be complex enough that it is thought provoking. In short, the hard part is to do what school teachers do every day," she added.

At its most recent Engineering Day in December, 84 students participated in the activities at SGH.

For Peter Babaian, a senior project manager at SGH, the most exciting and challenging part of the day was fielding their questions.

"I often find that they ask lots of questions to clarify the information and prefer to have examples that they can relate to in their everyday lives," Babaian says. "For instance, on the topic of aesthetics, many of them have never used or heard of the word. But comparing the aesthetics of a building to how they got dressed in the morning and the 'look' they were going for, brought the concept home to them."

Ten engineers and the entire HR team at SGH participated in the Engineering Day session. The firm also holds an annual open house for college level students who are local to SGH, says Mereves-Carolan.

SEEING THE REWARDS. Planting those seeds of knowledge, in the Science, Technology, Engineering and Mathematics fields has already taken root for some of their past Engineering Day students. And SGH has been reaping the rewards of their employees' work. Two years ago students who attended the Engineering Day built bridges at school and sent the firm photos of their work. Last year, a group did PowerPoint presentations on what they learned and sent copies to SGH.

"It was a huge compliment to us that they went back and wanted to try and do something on their own," Mereves-Carolan said. ▲▲

"Engineers work every day to make the world a better place. It is a tremendously rewarding profession. And, we're not all the nerdy, pocket-protector types of the engineer stereotype. It can be cool to be an engineer."

NEWS

Hooray for the ABI

Index of activity shows increase in all sectors, but recovery not entirely certain.

By AMY SHERRILL
Editor

Climbing steadily and building on a recent trend, the Architecture Billings Index (ABI) jumped more than two points in December.

The American Institute of Architects (AIA) reported the December ABI score was 54.2, up from a reading of 52.0 the previous month.

ABI



As a leading economic indicator of construction activity, the ABI reflects the approximate nine- to 12-month lag time between architecture billings and construction spending, according to the AIA.

This score reflects an increase in demand for design services (any score above 50 indicates an increase in billings).

Also, the new projects inquiry index was 62.6, up slightly from a mark of 61.4 in November.

"This is more promising news that the design and construction industry is continuing to move toward a recovery," said AIA Chief Economist Kermit Baker, in a news release. "However, historically December is the most unpredictable month from a business standpoint, and therefore the most difficult month from which to interpret a trend.

"This is more promising news that the design and construction industry is continuing to move toward a recovery. However, historically December is the most unpredictable month from a business standpoint, and therefore the most difficult month from which to interpret a trend. The coming quarter will give us a much better sense of the strength of the apparent upturn in design activity."

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REGIONAL AVERAGES AND SECTORS. The Northeast leads the way in regional averages during December with 55.3. The South came in just behind them with 54.8.

The Midwest was 52.9, followed by the West at 48.4, according to the release. The Northeast and the South rose from 51.1 and 50.5, respectively, in November. The Midwest increased as well. The West dipped slightly from 48.7 in November.

The multi-family residential sector came in as the highest index (60.1) followed by commercial/industrial (52.7), institutional (50.6), and mixed practice (47.8). All four sectors increased from the November index.

The still volatile multi-family sector increased sharply from 54.3 in November. The commercial/industrial sector also saw a marked increase from the 49.8 number in November. The institutional sector was 49.3 in November, while the mixed practice sector was 45.8.

The diffusion indexes contained in the full report are derived from a monthly "Work-on-the-Boards" survey that is sent to a panel of AIA member-owned firms.

Participants are asked whether their billings increased, decreased, or stayed the same in the month that just ended as compared to the prior month, and the results are then compiled into the ABI, according to the release. ▲▲

HIGH PERFORMERS

BASKERVILL A GIANT: Baskervill (Richmond, Virginia), a full-service architectural, engineering and interior design firm, has been named one of the top architecture/engineering firms in the country by *Building Design + Construction* magazine in its annual "Giants 300" issue.

Among the seven categorical listings, Baskervill was ranked No. 49 in the Top Architecture/Engineering Firms category, which is up two spots from last year. The firm was also ranked in the following categories:

- Top Office Design Firms – No. 87
- Top Industrial Design Firms – No. 65
- Top Hotel Design Firms – No. 40
- Top Reconstruction Firms – No. 107
- Top Commercial Design Firms – No. 101
- Top LEED AP Firms – No. 229

"Our inclusion in numerous categories is a testament to the hard work and dedication our employees put forth for our clients," said Bob Clark, president of Baskervill.

Recent projects completed by Baskervill include Cornerstone Bank, the Hyatt Dulles EMC, Richmond Marriott, Virginia Beach Field House, The Fed Experience at the Federal Reserve Bank of Richmond, Wachovia/A.G. Edwards Consolidation, FBI Training and Emergency Response Facility, Canon Virginia, and VCU Brandcenter.

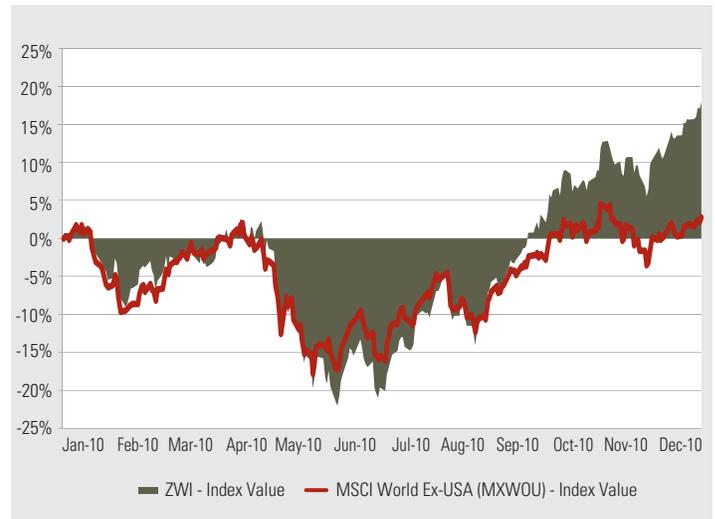
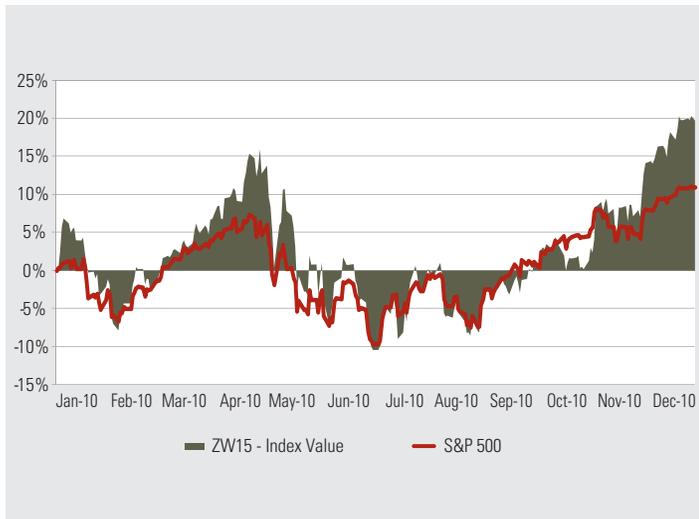
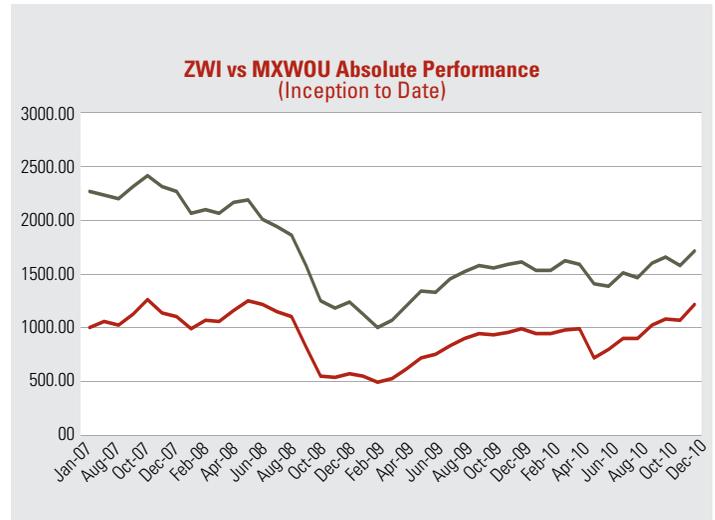
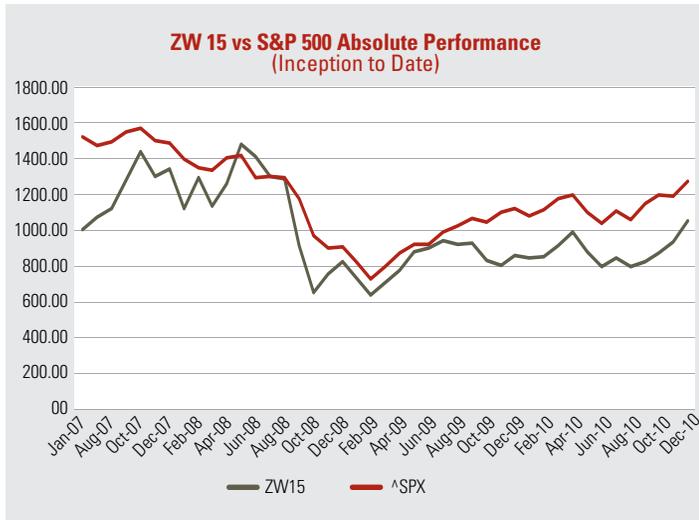
Additionally, Baskervill has been selected as one of *Interior Design* magazine's top design giants in its 2010 survey. This is the second year in a row the firm has held the No. 11 spot on the survey.

SINGLE DISTINCTION: Andregg Geomatics (Auburn, CA) continues to hold its own despite industry challenges. Andregg ranked 23rd on the *Sacramento Business Journal's* Top 2010 List of Engineering Companies in the Sacramento Region.

The 58-person firm continues to be the only single-discipline land surveying and mapping firm on the List.

"This distinguished milestone will encourage our firm to stay focused on meeting client expectations," the firm said in a statement. "We will continue to build our future by investing in our staff, supporting our clients, and always remembering to take their position... precisely."

INDEXES



PUBLIC MARKET DATA												
Company Name	Ticker	Share Pricing					Market Multiples			Performance Metrics		
		Closing Price	% of 52 Wk High	52 Wk High	52 Wk Low	Market Cap	TEV / Revenue	TEV / EBITDA	TEV / EBIT	EBITDA Margin	Return on Equity	Return on Assets
AECOM Technology Corporation	NYSE:ACM	27.97	90.5%	30.91	21.70	3,315.5	0.6x	8.7x	10.5x	6.1%	12.4%	4.6%
Ecology & Environment, Inc.	NasdaqGM:EEI	15.00	89.6%	16.75	11.35	63.4	0.4x	4.3x	5.0x	8.9%	10.5%	8.6%
EMCOR Group Inc.	NYSE:EME	28.98	96.9%	29.92	22.06	1,925.8	0.3x	5.5x	6.5x	5.2%	-7.6%	4.9%
Fluor Corporation	NYSE:FLR	66.26	98.4%	67.31	41.20	11,846.8	0.5x	10.3x	12.8x	4.5%	11.7%	6.5%
Hill International, Inc.	NYSE:HIL	6.47	95.3%	6.79	3.59	247.5	0.7x	9.4x	13.5x	7.4%	9.9%	3.7%
Jacobs Engineering Group Inc.	NYSE:JEC	45.85	90.5%	50.68	34.39	5,784.0	0.5x	9.0x	10.7x	5.5%	9.0%	6.3%
KBR, Inc.	NYSE:KBR	30.47	97.0%	31.42	17.30	4,599.8	0.3x	5.3x	5.9x	5.3%	14.0%	5.7%
Michael Baker Corporation	AMEX:BKR	31.10	74.5%	41.75	30.02	286.8	0.4x	4.9x	6.0x	7.9%	11.6%	6.3%
Shaw Group Inc.	NYSE:SHAW	34.23	84.5%	40.49	27.85	2,910.1	0.3x	5.7x	6.8x	5.0%	6.5%	3.0%
Stantec Inc.	TSX:STN	27.88	91.2%	30.57	22.91	1,274.4	1.3x	8.7x	11.2x	14.6%	16.0%	6.9%
Tetra Tech Inc.	NasdaqGS:TTEK	25.06	88.9%	28.18	18.00	1,547.7	1.0x	9.2x	11.7x	10.8%	11.0%	6.3%
TRC Companies Inc.	NYSE:TRR	3.50	86.6%	4.04	2.20	94.9	0.5x	130.0x	NM	0.4%	-30.1%	-1.0%
URS Corporation	NYSE:URS	41.61	78.1%	53.25	35.09	3,443.1	0.4x	5.6x	7.0x	6.8%	6.6%	4.2%
Versar Inc.	AMEX:VSR	3.47	73.2%	4.74	1.98	32.2	0.3x	NM	NM	-0.6%	-7.1%	-3.0%
Willdan Group, Inc.	NasdaqGM:WLDN	4.00	88.9%	4.50	2.02	29.0	0.3x	10.6x	19.8x	3.1%	-2.8%	1.6%
						Mean	0.5x	16.2x	9.8x	6.1%	4.8%	4.3%
						Median	0.4x	8.7x	10.5x	5.5%	9.9%	4.9%

All data by Capital IQ