

EDITORIAL

I can cut your costs if you won't

Six things Mark Zweig looks at when eliminating the fat.

Sooner or later one comes to the realization that the answer doesn't always lie in growing revenue. It may just not be possible with the time you have to fix the problem. Sometimes, you have to cut costs.

Back in my younger days, I used to be known for my ability to go into an A/E or environmental firm, quickly assess the situation, and then, without a shred of doubt, tell the owners what they needed to do to cut costs. I was pretty good at it. The firms I worked for usually did much better afterward and had me back year after year to help them with their annual budgeting and business planning.

Some firms wouldn't do what it took. I once quit the BOD of a company that would not cut out \$1.6 million



Mark Zweig

in unnecessary costs. Got tired of talking about it and decided I would start with the \$50K they were paying me at the time, getting them down to "only" \$1.55 million needed to go!

Gradually, as the '80s and early '90s ended and times got more and more prosperous for firms in our business, there seemed to be less interest in cutting costs.

But there's been a whole new level of renewed interest in cost cutting in the last few years in this business. I'm getting more calls again. Here are some of the things I look at when I go into a firm to help them find where they can cut costs:

1) Labor. It's always the biggest cost. Too many companies cut from the bottom during this last downturn. Principals and top management are probably where you need to look. It may help to have someone like me, who isn't afraid to confront your owners to point out where the real problems are. It can be hard to do from the inside.

2) Office space. Firms just have too much of it. It's time to cut back, compress, renegotiate your lease, get out of your old lease, and anything else to cut back on costs. Office space is cheap

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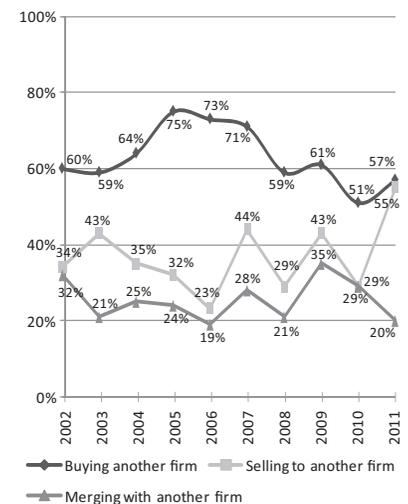
Relationships with people, fear of change, and an almost limitless ability some folks in this business have to delude themselves about things getting better, all get in the way of cutting costs. But if you do get outside help, don't hire someone who is related to your principals!

ZW ON SOCIAL MEDIA

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TRENDLINES

M&A in your future?



Is M&A on the rise? Are there more buyers or sellers out there now versus a few years ago? According to the just released 2011 *Merger & Acquisition Survey*, the number of firms considering an acquisition or a sale increased this year. The percentage of firms that report plans to buy another firm in 2011 rose to 57% from 51% in 2010. More significantly, the percentage of respondents who say they are considering selling their firm this year increased to 55% from 29% in 2010. The percentage of those considering a merger in 2011 dropped to 20% from 29% in 2010.— Margot Suydam, Survey Manager

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now pretty much everywhere in this country and there are deals to be had. And while you are looking at space, look at entire offices. Some that have been struggling for years may just need to go now.

3) Unnecessary overhead

items. This is stuff like sports tickets, condos, expensive business developers who are on contract, institutional ads that aren't helping, outside web hosting services, professional society expenses that don't help create business or do projects, and more.

4) Benefits. People are paying more of their insurance costs today. It's not a great situation but the reality is companies cannot do what they used to. Ditto for 401K matches. They have declined. Companies are starting to figure out that the way most plans are written, the company can renege on it if they can't afford it, even if there is a match. Again— a grim reality of life in this business today.

5) Outside service providers.

You have to look at the attorneys, accountants, recruiters, marketing consultants, web hosting companies, e-mail blasting companies, and more. All of these providers need to be shopped, talked to, and negotiated with. All of their prices tend to go up over time.

6) Other stuff. Unnecessary training expenses. Using outside recruiters before trying to fill the job on your own. Too many internal meetings— especially those requiring travel. Expensive company cars. Partners taking big lunches on the company credit card every day. Outside consultants who are supposed to be doing "business development" for the public and charging big bucks but getting no results all need to go.

Again— it may help to get some ruthless outside assistance here. Relationships with people, fear of change, and an almost limitless ability some folks in this business have to delude themselves about things getting better, all get in the way of cutting costs. But if you do get outside help, don't hire someone who is related to your principals!



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

A/E BUSINESS NEWS

SCHOOLS GOING GREEN: Many older schools are becoming greener by taking advantage of revitalization programs to repair and replace windows, roofs, boilers and lighting that may be outdated or worn out, according to a report in *Construction Digital* (www.constructiondigital.com).

Schools in Washington, California and Massachusetts are taking advantage of grants and other funding for these green renewal projects, which also provide a needed boost to the local construction market, according to the report.

On the West Coast, over \$100 million in green upgrades are planned for the Sacramento City Unified School District in California. Funding for the project is through the three-year green schools fellowship program of the U.S. Green Building Council.

Through the program, a full-time sustainability officer will be onsite to guide initiatives on energy efficiency, indoor air quality, maintenance, etc., according to the report.

In higher education, the \$27.5 million Student Services Building at the University of Texas in Dallas has earned LEED Platinum certification, the first one to do so in the University of Texas System. Designed by **Busby Perkins + Will**, the facility features a solar-powered hot water system, energy-efficient lighting, daylight harvesting, and local and regional building materials, according to the report.

ROAD DECONSTRUCTION: For many Americans, the nation's rutted roads are among the most visible, unhealed wounds of the Great Recession, according to a report in *Bloomberg Businessweek*.

According to the article, repairs have become an unaffordable luxury for cash-strapped cities and states. Gasoline tax receipts, which provide federal and state cash for roads, are down— a result of fewer miles being logged and a switch to more efficient cars.

Combined with severe winter weather putting more than the usual stress on roads, it all adds up to a pothole-infested nation.

States face deficits of \$125 billion in the next fiscal year, according to the Center on Budget and Policy Priorities. They have only about \$9.4 billion in federal stimulus funds remaining for roads, Ken Simonson, chief economist for the Associated General Contractors of America, told *Bloomberg Businessweek*.

CALENDAR

ACSA ANNUAL MEETING: The Association of Collegiate Schools of Architecture is holding its 99th annual meeting March 3 through 6 in Montréal. This year's theme is "Where do you stand?"

The New York Times architecture critic Nicolai Ouroussoff has described Toyo Ito's work as being the "next step on the evolutionary chain," calling out Ito's belief that to create a human architecture it "must somehow embrace seemingly contradictory values." Ouroussoff suggests that "instead of a self-contained utopia, (Ito) offers us multiple worlds, driving in and out of focus like a dream," embraces ambiguity, is interested in the realm of the "in between," and "forces us to look at the world through a wider lens." Ito, like many architects who came to prominence in the past decade, aims to expand possibilities and, in doing so, to make room for a wider range of human experience. This demand for a wider agenda for modern architecture, introduced to the discipline in the 1950s and followed by Postmodernism's demands for greater diversity, has left the discipline open— wide open— perhaps too open.

The purpose of this conference is to provide a venue to articulate, develop, and question where you stand with respect to your thinking and doing in architecture.

For more information or to register, log on to www.acsa-arch.org/conferences.



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TOP PLAYER

Kleinfelder is ready for what's next

Leader Bill Siegel blames his lack of satisfaction for his success, and that's a good thing.

News flash from Bill Siegel, the president and CEO of science, architecture and engineering leader **Kleinfelder**: You need to be attuned to the needs of your clients more than ever. Otherwise, Siegel warns, you will be left behind.

In this interview, the head of the San Diego-based, 2,000-person employee-owned consulting firm also talks about his grandfather Lee McEachern as an inspirational figure and about being ready for the future.

The Zweig Letter: How did you get where you are today?

Bill Siegel: If there is one constant in my career it is that I was always looking for new challenges, and for opportunities to learn and improve myself. I moved to new locations a number of times, and was always willing to take on new assignments, and made continuing education a priority. The experiences and skills I obtained along the way prepared me well for my current position.

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

BS: Outside of odd jobs as a child, my first paid job was as a busboy in a restaurant. I actually would ascribe my appreciation for work to my grandfather who, as a child in the depression, had to give up all his dreams of education and travel to help support his family's farm. He imparted upon me a belief that you can never work too hard, and that no job is unimportant.

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?

BS: I am not sure it is necessarily a



Bill Siegel,
President and
CEO, Kleinfelder.

positive character trait, but I am rarely satisfied. I honestly can't explain why, but I am always pushing to move forward in my career, better myself as a person, and drive the company to new heights. The lack of satisfaction is often very frustrating.

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

BS: No one wants to fail, but I find fear of failure a poor motivator that can lead to rash decisions. To succeed today, you have to be focused and aligned with your clients like never before and be willing to adapt to their needs and changing market conditions. I will also note that times have changed, and you have to accept that fact and move on, or risk being left behind.

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

BS: All you have to do is look back 10 or 20 years and see that the pace of change in our industry is phenomenal, so future predictions are hard. It may be wishful thinking, but I think the underlying economic and demographic trends suggest that eventually we will see a reversal in the growth of government and increased use of the private sector to deliver not just engineering but basic services. When that happens we'll be ready.

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

BS: Aside from my grandfather, I would note my college advisor, Dr. Jon Epps. He turned me on to engineering

as more than just some college courses, but as a profession, and was a great role model for achieving a high level of performance. He always told me that when you want to do something the least, it is probably when you need to do it the most.

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

BS: A positive attitude. It can be easy to get down, but when you step back you realize how lucky we are to be alive, to live in such a great country, and to be in such an interesting and honorable profession. I appreciate people who understand that and are always looking for the positive aspects of any situation.

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

BS: Anyone who is a parent knows how difficult it can be. Not that I haven't loved every minute of it, but kids don't come with an owner's manual and it can be hard to figure out what to do sometimes. Plus, it can be a challenge balancing work and personal life.

TZL: What question would you ask of another industry leader?

BS: How can we get the industry overall to respect us more, deliver higher profits, and keep from allowing our clients and markets to treat us like a commodity?

TZL: What lesson learned would you pass along to a recent college graduate embarking on a career in the A/E/P and environmental consulting fields?

BS: Always be on the learning curve. Take every opportunity to try out new things, learn new skills, and test yourself in different situations. Focus on improving yourself, and success will follow. ▀▀

"Always be on the learning curve. Take every opportunity to try out new things, learn new skills, and test yourself in different situations."

LEADERSHIP

Finding the money is just half of it

It's how to get your hands on it that becomes the bigger question.

By JOÃO FERREIRA
Managing Editor

The expression "Where's the money?" is probably one of the most overused clichés in the business world, and a popular buzzword in pop culture (Dan Hicks and the Hot Licks anyone?).

For the average A/E/P and environmental consulting firm leader out there, however, it's sometimes a question with a difficult answer. And even when the answer is already available, usually the follow-up question is "How do I get my hands on it?"

Yes, some firms dedicate entire marketing teams to finding the money, a luxury many smaller operations can't afford. So, what are the basics?

IDENTIFY A NEED FIRST. Marc Weissbach, COO with **Israel Berger & Associates, LLC** (New York, NY), a 65-person building envelope consulting firm, says identifying the money is, in reality, indentifying a need.

"We continue to develop our geographic as well as service offering presence based upon technical needs of the industry, not specifically in response to financial desires," he says. "Of course, usually the needs of the industry translate into higher value-added service, which in turn leads to better economic performance for our organization as well."

With that premise in mind, IBA formalized the Energy & Building Sciences division in 2010 to go beyond what the marketplace perceived as sufficient. Weissbach says the new division responds to "the ever growing gap between disciplines, particularly in the high performance, energy efficiency space." The division focuses on changes in government regulations, heightened awareness toward energy and environmental conservation, unintended consequences of improper application of details and techniques, technical advances in components and systems,

and practical achievement of goals and objectives.

TIMING ESSENTIAL. Arguably, firms working in the federal and public sectors may have an easier time identifying money, given all the reporting that occurs in that arena.

However, Kevin Phillips, CEO of **FPM Group Ltd.** (Ronkonkoma, NY), a 100-person full-service environmental and traditional engineering firm, says that while identifying the money may be relatively easy; what's not so easy is identifying "where the money WILL BE and when it will be there."

"That requires a calibrated crystal ball because it is one thing to have knowledge of a new program that the federal government wants to implement. That can be accomplished by frequent contact with the agencies and periodicals that specialize in different agencies, but it is quite another to time when solicitations will be on the streets and to estimate when those programs will be in full swing," Phillips says.

For example, if you identified that the military munitions remediations program (MMRP) was the next big program for environmental cleanup in 2002 you would have been correct, Phillips says. However, if you positioned your firm by hiring geophysical and EOD experts

you would also be out of business because the program is off to a slow start.

SOME BASIC RULES. Korey Walker, CEO of **Epic Engineering** (Heber City, UT), a 68-person engineering, surveying, planning, and design firm, says finding the money is not as simple as one would like, and is often an exercise in frustration. Nevertheless, there are three things he considers essential in obtaining some success:

1) Stay abreast of trends and information. "I have spent a lot of time reading, finding out where the flow of money, people, jobs, politics, and trends are," he says. "This adds to the knowledge base and lends to making better decisions when opportunities arise."

2) Beware of herd mentality. Don't rush in the direction everyone else is headed unless you have an inside track or unfair advantage.

3) Inherent direction and feel. "The most successful ventures I have been involved with included following a strong feeling of direction and effort," Walker says. "As I have pushed on these areas, fed by the previous two recommendations, we have usually ended up in an area with less competition and a higher level of advantage." ▲▲



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TRENDS

Ensuring performance of 'green' a concern

As legal challenges increase, both the USGBC and professionals are starting to take preemptive measures.

By JULIE KYLE
Editor

Just as the LEED rating system has become the leading method to determine the "greenness" of a building or neighborhood, the U.S. Green Building Council announces it will potentially de-certify buildings to assure LEED energy reporting guidelines are met.

This happens as legal claims over sustainability promises vs. performance are beginning to mount—and so are the "take care" warnings to A/E/P and environmental consulting firms.

Insurance broker and risk management firm Ames & Gough issued warning this month urging design professionals to consider carefully the contractual language regarding "standard of care," and "scope of services" in addressing projects that require LEED certification.

Contractual wording that stipulates attaining certain levels of LEED certification and guarantees of specific percentages of energy reduction "can be affected by owner and contractor decisions, or otherwise beyond a design professional's control," says Dan Knise, CEO of Ames & Gough.

One of the most critical provisions in any contract for professional design services relates to the standard of care under which the design professional will be required to render its services. In the absence of contract language to the contrary, a design professional will be held to a common law standard of care commensurate with that of other professionals providing the same services to a geographically similar community.

"However, on a green building project, an owner may seek to hire a design firm specifically because of its sustainable design expertise. Accordingly, it may attempt to hold the design professional to a higher standard of care

than that which prevails in the industry," says Manhattan-based construction and real estate attorney Stephen Del Percio. "The standard of care has shifted.

"In the spectrum of liability, legal challenges to green construction are making people more careful in what they're promising."

Since professional liability policies generally exclude coverage for claims arising out of the breach of a warranty or guarantee, owners and design professionals should review language in their construction agreements for provisions that could potentially be construed by an insurer as the equivalent of a warranty or guarantee, Del Percio says. For example, performance-based (i.e., "this design will achieve a LEED Gold rating" or "will reduce operating costs by 50%") language in a standard of care provision may also be problematic if the insurer believes that the design professional has provided the owner with the equivalent of a warranty or guarantee, Del Percio says.

'LEED GUARANTEE.' Energy Ace Inc., an Atlanta-based energy services and LEED consulting firm, is now offering what it calls the industry's first LEED certification guarantee, but that's raising some eyebrows.

"It's savvy, they're doing a good job marketing themselves, but the guarantee is only for a portion of the fees paid to them. And the guarantee assumes the owner is doing everything necessary so that they have an out if something happens that's beyond their control," says David Scott, a LEED AP litigator who also serves on Central Ohio USGBC Chapter's board of directors.

Scott doesn't believe issues surrounding problems that may arise from a performance standpoint are scaring professionals away from taking on work involving LEED certification, "but they're being more careful with their contract language.

"My observation is that the ones who aren't as strong in the green building arena tend to play up the risks a lot

"Legal challenges to green construction are making people more careful in what they're promising."

GREEN LEGAL ISSUES IN THE NEWS

■ A federal lawsuit filed in October 2010 (*The Zweig Letter*, Nov. 15 issue) against the U.S. Green Building Council (USGBC) and other defendants, focusing on allegedly fraudulent claims of the LEED rating system, has been amended. Filed February 7th, the amended complaint has been boiled down to a claim of false advertising, and is no longer a class-action suit. Taryn Holowka, director of communications for USGBC, says that USGBC recently just received the amended lawsuit and is evaluating it. The deadline for USGBC's legal response is April 7th.

■ The owners of a condo in the luxury condominium building Riverhouse in lower Manhattan—an environmentally friendly building that is a candidate for LEED Gold—have filed a lawsuit charging fraud, misrepresentation, and breach of contract because Riverhouse allegedly does not meet its much-touted sustainability-performance standards condominiums. A similar suit has been filed against a green developer in Toronto.

more than those who do it and do it well," he says.

GROUPS RELEASE FORM DOCS.

Over the past year, there have been two new form documents introduced by major organizations that specifically address green building risks. ConsensusDOCS, released by a coalition of 33 groups, and the Design Build Institute of America's Sustainable Project Goals Exhibit are intended to help fairly allocate risks to all parties.

"The significance is that the industry perceives risks coming from new sources, and they are responding accordingly," Del Percio says.

"I don't think any of the risks are so unmanageable that a well drafted contract can't contemplate. It's a new world, yes, but fundamental principals are still in play, absolutely. The risks shouldn't scare you off as a designer, provided you're going into it with your eyes open and your clients know what you're promising," Del Percio says. ■■

ON THE RECORD

Three ingredients of success

Client focus, employees and quality at base of firm's culture.

Every firm has a culture, and many times success depends on that culture.

For **Cumming** (San Diego, CA), a 198-person international project and cost consulting firm, success is defined by a few simple principles that are deeply ingrained in the company's culture.



Peter Heald, COO, Cumming.

Peter Heald, COO, says the following about Cumming's recipe: Cumming has a history of growth and long-term client relationships. We attribute our success to our unwavering commitment to our four core values: client focus, team members, integrity, and quality. Each area defines who we are as an organization and serves as the foundation upon which all of our services are provided. Since many firms talk about integrity, we have chosen to discuss client focus, team members, and quality.

Client focus. At Cumming, we exist to serve our clients. We understand that without our clients, we would not be in business. We therefore ensure that we understand our

clients' needs, their businesses, and their goals. Through this understanding we are better able to provide our services. This focus has enabled us to continuously maintain strong relationships— many for 10-plus years— with numerous clients who not only provide repeat business, but offer great referrals for new work.

Team members. Our success is based on the exceptional people who make up our company. It is our goal to find and keep great people. This is done by ensuring new team members understand our culture and expectations during the interview process. We then hold ourselves accountable to live up to our culture on a daily basis. We also continuously look for ways to engage our team members and improve the work environment. We have done this through surveys, committees, and most importantly through the implementation of ideas generated by our team members. Through careful selection, communication, and collaboration we create an environment for great people to thrive and grow.

Quality. We define ourselves by high-quality services and solutions. Every one of our team members knows that our reputation is based on going above and beyond what's expected. We must add value at every step of the project and ensure we help our clients make sound business decisions. We believe that quality comes from great people, proven processes, and sound advice, based on strong business principles. It is not enough to just be good. We must strive to be great. ▀▀

"We attribute our success to our unwavering commitment to our four core values: client focus, team members, integrity, and quality. Each area defines who we are as an organization and serves as the foundation upon which all of our services are provided."

FEEDBACK

Profit and growth

Reader makes a case for why both are important.

In his editorial "Driving success" (*The Zweig Letter*, Jan. 24, Issue 895), Mark Zweig offers several tips firms leaders can use to attain their goals. Frank Dudek, president, **Dudek** (Encinitas, CA), 255-person engineering and environmental services firm, wrote:

As usual, many great points for firm leaders, and future leaders to ponder, Mark. Have fought many of those battles over the years, and glad I know better how to handle with confidence. The argument of profits versus growth (we'd all like both) is always an interesting one. As another example to yours, I much prefer 20% profit on \$35 million over 5% on \$100 million. Why endure the headaches of triple the staff for less bottom line unless positioning to sell? Our goal is 12% growth and 15% profit annually. Lately we've overshot the profit and underwhelmed in growth. In a recession, as we're experiencing here in California, I'd offer that maintaining stable revenue with high profits is, in fact, increasing significant market share for the future, if competitors are downsizing, which they are. High profits has so many benefits during this situation: lack of debt, the confidence to invest in key people, happy shareholders, the luxury of picking and bargaining with strength with clients and, in our case, the ability to generously front fund our ESOP war chest with cash, assuring a seamless ownership transition internally, if we wish.

When demonstrating one is knowledgeable and competent *in their discipline*, I'm assuming you mean as an engineer, architect or environmental planner. My engineering knowledge has long faded away, although I can still speak the jargon on the periphery. No one seems to mind anymore as long as the firm is run successfully and fairly, which I've devoted my professional brain power to over the last 30 years. Of course, we're two-thirds environmental sciences now, our most successful discipline, which most strict engineers would never let happen. I know a little about everything we do, and quite a bit about the culture of a technical consulting firm, and how to avoid the common pitfalls— so I guess that's the discipline I am reasonably knowledgeable and competent in. ▀▀

CLARK'S CORNER

Social media for consultants

Does Twitter work as a marketing tool for us?

From a personal viewpoint, I often wondered in the past what I would say, and with such frequency, on this celebrity-glamorized and ego-centric platform called Twitter.

I'm not John Mayer and if I tweet that I'm going for a run down to Santa Monica Pier, I won't be mobbed within minutes by a host of female admirers.

It's not that my life is boring or uneventful. Perhaps I simply like my privacy and don't want the whole world following my every move. Or perhaps you are shy, and your life is boring, so who is going to follow you anyway?

Fear of not having any followers and fear of being followed sound like good excuses if you want to be an introvert or a firm without any clients.

How about we set aside the fears of social media and look at the positives?

From a business perspective, whether you are a contractor building homes, or an architect designing commercial buildings, Twitter works to help grow your business if used properly, like any other marketing mechanism.

Eric Howerton, COO at ZweigWhite, summarized to me his belief in Twitter and social media in general: "Social media as a whole is more about listening than speaking. The people you follow are your ears, allowing you to listen to what they want or need to know. Your followers are your mouth, allowing you to give the advice people want to hear. If you can treat this environment like a personal interview with clients, you will see success. Success in the form of understanding client needs, building relationships and credibility and offering advice that is truly wanted and needed."

Another convincing example came



Jeff Clark

from our CEO, Mark Zweig: "Not only have I gotten actual work from being on Twitter, I have also been much better informed about news and other happenings in our industry."

With Eric's and Mark's encouragement, today (Feb. 10) is my first day using Twitter to listen and learn more about the A/E/P and environmental consulting space and to understand what's happening in the markets where my clients are most active.

I'm going to first start following some of the top 50 design firms. Here's what some of them are saying:

CannonDesign: "How do we make kids care about architecture and history?" <http://ow.ly/3TTGN>. That's always a good question to ask.

KlingStubbins: "High performance starts with integrated design and energy modeling." <http://bit.ly/gQ0YbC>

DLRGroup: "DLR Group to design new conference center in Jefferson City, Mo; voters approve lodging sales tax to help fund project." <http://bit.ly/hqVyKI>

HNTB Corp: "In SacBee, HNTB's Barry McCaffrey and Rob Vining share the way forward to sustain Sacramento-San Joaquin Delta." <http://bit.ly/fpX55z>

It appears that on average less than 10% of the large design firms have their company set up to tweet. This is an amazing opportunity being lost! What it also means is there's an even greater opportunity for small and mid-sized firms to take advantage in this medium by filling the void with their own communications. Below are some of the tweets by others on mid-

sized firms we've had the pleasure of working with. This is what you really want: a credible third party retweeting your company's press releases and positive communications for you. There's nothing better:

RAImagazine: "**Finley Engineering** to design repairs for Florida bridges after deadly car accident." <http://ow.ly/3ROJH>

SMPSNational: "Thanks to **Perkins + Will** for hosting 'The Basics of Business Development' today in Atlanta!" <http://yfrog.com/hsfq7gpj>

In addition to following firms, make sure to follow the people within those firms. This way they will begin to follow you as well. This is the etiquette on Twitter. In general, if you spend an hour a day on Twitter adding a few contacts to follow, you will build a huge following for your tweets when you are ready to communicate.

HOW OFTEN SHOULD I TWEET AND WHAT SHOULD I SAY? Therein lies the rub.

If you are extremely knowledgeable and in touch with a lot of people in your space, you can retweet their tweets, which is good etiquette as noted, in addition to sending out tweets every day on your own.

Daily is recommended. You work, you live and you communicate with others every day, so why not tweet for free and see what good things come your way?

In my first day of tweeting, I am following 40. When this article is published, I plan to be following over 400. If you like, follow me @DealGeneration.

It's fun *and* it works! ▀▀

JEFF CLARK is managing director and principal of the M&A team for ZweigWhite. He can be reached at 919-931-9936 or jeffc@zweigwhite.com.

From a business perspective, whether you are a contractor building homes, or an architect designing commercial buildings, Twitter works to help grow your business if used properly, like any other marketing mechanism.

BEST PRACTICES

The importance of self-examination

Assessing your firm's leadership, customer relationships, and prospects for growth requires a candid view.

If you study the firms that make *The Zweig Letter* Hot Firm List year after year, you will notice that most of the successful firms are continuously evaluating themselves. Annual self-examinations are a positive, healthy and productive way to stay the course, especially given these economic times.

A good self-examination covers every aspect of your company. An honest self-examination puts everything about your firm under the "scope," including a personal exam, a peer exam and a corporate exam.

To conduct a thorough self-examination, you must agree with your partners to take a big picture, 30,000-foot view of what you and your firm should do to become a true leader. Fundamentally, you are agreeing to evaluate who you are and how your company operates. You are fearless when it comes to asking the tough questions, such as:

- What are your firm's flaws?
- Who or what process is hindering your growth?
- What responsibility do you have to lead your firm?
- Are you a competent leader?
- What is the ROI of your client relationships?
- Do you need to add or subtract specialty practices to grow?
- Do you have the best team in place to manage your growth?

FACILITATE WITH STRATEGIC PLANNING. One of the best ways to engage in these difficult conversations is through the strategic planning process. If you and your

peers are uncomfortable discussing the obstacles that are keeping you from achieving maximum growth and success, then reach out to a neutral party or facilitator. A strong facilitator will lead you through this self-examination and solicit participation from all key members of your firm.

The strategic planning process is a healthy exercise because it stirs people up and makes them think hard about the firm's future and their role in shaping it. It is through this candor and the insights gleaned from it that you seek and that often lead to new ways of doing business more effectively and profitably.

CREATE A BALANCED CULTURE. Creating a culture of respect, trust and teamwork is essential to the long-term viability of a firm. Your culture colors every aspect of your firm.

How you develop your culture depends upon the dynamics of the firm. If you strive for a team approach or a collective culture, then you must nurture and appreciate the team as a whole.

Of course, during the life of a successful firm, skill sets will change. You must evaluate what business you can chase realistically and whether or not you are getting the greatest return on the effort you make to chase those new clients.

PROTECT YOUR FINANCIAL FUTURE. Aside from culture, your financial processes must be examined. Do you have the business reporting tools to understand which clients are the most profitable; the least profitable? What is your cost of doing business; chasing new business? Are there better ways to leverage your budget? Growth often dictates streamlining processes and implementing new ones to enable you to quickly assess your company's financial health.

From a financial perspective, there's nothing worse than walking



Stephen Lucy

to the edge of a cliff and realizing that a serious, life-threatening fall is in front of you. A strategic plan can help prepare you for the business challenges your firm may face, along with ways to overcome any obstacle in your path.

THE VALUE OF RESEARCH. To understand the business climate, research should become an integral part of your firm's self-examination. Do you look ahead at studies that project growth within your markets, core competencies, or other defining characteristics? By focusing on research, trends, and issues that could pose significant challenges, you can prepare and adapt accordingly. You may also identify new business opportunities for your firm's growth and success. Some view this as "risk taking" by launching in a new direction, but I view it as looking ahead and preparing for change.

KNOW YOUR INDIVIDUAL ROLE. Know your strengths and weaknesses, individually and collectively. Every successful firm nurtures and manages the strengths of a firm and addresses the weaknesses.

A healthy self-examination means you are willing to be vulnerable and trust that your partners have your best interests at heart. Your view of your capabilities may not be the same as your partners' views. Be open to ways to improve who you are for the benefit of the firm.

The basis of being open to others is trust. When you let your guard down, you are willing to trust that your leadership team will hold that information in private. If I tell you I have a weakness, your job isn't to broadcast that to everyone. But a quality self-examination with your leadership team can help you and the firm understand who is in the best position to deal with something. There's a shared knowledge base, too. You learn to delegate to those whom you trust, and proper delegation enables both you and the firm to grow.

SAFEGUARD YOUR FUTURE. Some of the big questions that a self-examination requires are these:

See STEPHEN LUCY, page 12

COMMUNITY

Leader inspiring students to aim high

Civil engineering firm president's humble origins and successful journey serve as inspiration.

By JENNIFER KOVALICH
Correspondent

Once a month on Fridays, Sirish Samba, president and chief executive officer of **McCombs Frank Roos Associates (MFRA)** trades his office for an eighth grade classroom at Risen Christ School in South Minneapolis, Minnesota.



Sirish Samba,
President and
CEO, McCombs
Frank Roos
Associates.

For the past five months, Samba has worked with students to develop and draw an engineering model and plan for a retail shopping center that includes restaurants, parking lots and a movie theater. While the plans on paper mimic a project the 50-employee civil engineering, surveying, planning and energy firm located

in Plymouth, Minnesota, recently completed, they represent more than a blueprint for a well-designed retail center. Rooted in science and math, they also represent life lessons about what it takes to strive for success and chase your dreams.

"This is an opportunity for corporations to give back to society," Samba says. "What built America was ingenuity; not just government."

Samba is among a dozen chief executives who are volunteering at Risen Christ School, a 325-student, K-8 private, regional Catholic school, to share their expertise with students—90% of whom come from families who live at or below the federal poverty level. The program, called "Imagine the Possibilities," exposes students to professions they may never have heard of, opening up windows to their potential future.

"The purpose is to broaden the hori-

zons of our students," says Fran Rusciano Murnane, director of advancement and program manager for Risen Christ School. "They come from limited resources, which can be financial, where they live, books, or lack of them in the house. They are very bright kids. We wanted to give them a chance to sit around the table with people who have become successful and learn how everything is possible if you work hard at it."

A PRIME EXAMPLE. Samba, who hails from humble origins in India, is a prime example for students. He came to the U.S. in 1992, and earned his master's degree in Civil Engineering from South Dakota State University. With plans to advance himself in his industry, Samba worked 12-hour days, spending the last four working with the company's president and other departments so he could learn all aspects of his firm's civil engineering business. In 2000, the firm transferred its ownership to a group of investors. In 2008, when the economic downturn took its toll on civil engineering firms, Samba was named president of his firm to champion the turnaround. Once again he sought opportunities amidst the economic turmoil. One of his first tasks was to devise a way for employees to own and run their company. He successfully negotiated an exit strategy for the private equity group and restored 100% ownership back to the employees, something he says has revitalized the firm.

"Everybody is reenergized in spite of this tough economy. We are creating opportunities for ourselves and our clients. There are hurdles but we are getting around them with innovation and can-do spirit. We are beginning to hire new staff. It's an exciting journey that I have been on," Samba says.

That experience and the people who have helped him along his way have played a large role in why Samba is involved in "Imagine the Possibilities."

"All along I was blessed with some key mentors in my life. At key crossroads, there was always someone I could talk

to, someone who would take me in—some maybe not fully knowing—helping me with some great advice," he says.

Now, it's his turn to lend a guiding hand to others. Students at Risen Christ this month will tour the retail center that MFRA designed and for which the students created their own plans in class with Samba. Some of the key lessons he speaks with them about is not giving up, explaining what it means to exceed expectations, and being passionate about what they want to be and where they want to go in life.

He appears to have made a connection with his students, drawing many out of their shells, working around language barriers at times, and working with the students on their level of capabilities.

"Sirish looks at the positive side of things, finds something good in every drawing we do. He's honest and I think he gives honest advice to his clients about what their plan is for building something—like, is it too expensive or not practical?," says student Ram Ragoonanan, who aspires to be a chemical or civil engineer.

"Sirish is teaching us how much creativity goes into civil engineering and how it meets peoples' needs. I believe that Sirish never gave up on his dreams throughout his life," says student Alex Cumbe-Paucar.

The students at Risen Christ are not the only ones imparting lessons. Samba says the eighth-graders have taught him to "not be as matter of fact" and more compassionate to his employees.

The students' work with Samba and other executives in "Imagine the Possibilities" will be showcased at a spring gala, says Rusciano Murnane, with Risen Christ School.

In the time Samba has been teaching at Risen Christ, four of his students have expressed interest in becoming civil engineers.

"None of them knew of civil engineering," Samba says. "For students who didn't know anything about it, for them to be excited about it is an accomplishment." ▀▲

GUEST SPEAKER

Growing your talent

Partnering with schools is a sure way to ensure a constant flow of potential team members.

Those of us in the A/E/P and environmental consulting industry most of our careers never doubted that we would once again be looking for talent after the greatest recession since the Great Depression.

STEM positions: **S**cience, **T**echnology, **E**ngineering and **M**ath, will always be resilient despite economic ups and downs. Some states may provide programs for the encouragement of employer-sponsored programs for students majoring in **STEM** fields.

Given the prediction that we will be experiencing a shortage of talent when Baby Boomers retire (and eventually—they will), the only true sustainable solution is to “grow your own talent” to keep your pipeline full.

For most firms, the best and most economical way to ensure that you have the depth and breadth of talent to keep continuity of performance on your projects, is to ensure that you have a steady stream of students/co-ops and entry-level employees on your staff.

The recruitment process should not be erratic or “just-in-time.” It should be a formalized process that is the result of collaboration between human resources and operations.

Here are a dozen recommendations:

- 1) Form relationships with your local or regional universities and community colleges
- 2) Have a SPOC (single point of contact) for those relationships
- 3) Deploy your HR staff and alumni to visit targeted schools for speaking engagements
- 4) Be committed to attend career fairs at those schools that you identify as

consistent providers of the type of talent that your firm needs. This is true even when there are economic downturns. You want to keep your name and brand in front of the students in good times and in bad times.



Monica Dugan

- 5) Consider creating a marquee scholarship(s) to help with your firm with branding and community relations/recognition
- 6) Create a structured program to employ co-op or student interns on a regular basis
- 7) Place students in each of the core disciplines in your array of services
- 8) Be committed to a mentorship program
- 9) Adopt a formal knowledge management process
- 10) Provide performance-based scholarships to your student employees (*see more below*)
- 11) Provide employment opportunities to proven students/co-ops upon graduation
- 12) Provide career mobility to the pipeline talent to ensure that you can retain your investment

Student scholarships should not be automatic, or considered an entitlement. They should be based on merit. Some criteria to consider may include some or all of the following:

- Quality of the work performed
- Productivity/efficiency
- Initiative
- Innovation and creativity
- Communication/cognitive skills
- Teamwork
- Personal sacrifice

Some scholarships may have to be made to a designated university’s foundation for disbursement to the student(s), while other schools permit payment directly to the student

Once you hire the best, work hard to keep them! Having a culture that rewards and provides recognition for your talent is the best way to prevent employees from leaving.

employee, subject to applicable IRS regulations.

Having a program to objectively assess the students/co-ops will enable you to make the right decision when you have to make fine lines of distinction among candidates for limited openings for full-time staff.

Once you hire the best, work hard to keep them! Having a culture that rewards and provides recognition for your talent is the best way to prevent employees from leaving. This is especially important during the first three to five years of a career—when there is not as much “at risk” in the eyes of the individual—to make a change.

In a study conducted by Right Management, employees in the 24-to-35-year-old age bracket were among those most often approached by outside organizations. Employees seek meaningful opportunities to advance their careers.

Remember, the design industry is competing for the same talent that many of our clients are competing for! Try to emphasize the diversity of projects that consulting can offer, and the depth of the talent around them to help them learn and grow in a myriad of disciplines and environments.

Cooperative education programs are also an excellent way to improve your diversity initiatives. Diversity is just not about gender, ethnicity or culture. It is also about diversity of ideas and thought processes. Engage employees of all ages and backgrounds to understand and achieve your organization’s growth agenda.

Finally, understand that students are digital natives and can leverage technology in ways that will help the business if you empower them to do so in a responsible way. The new social media wave can be a significant portal to get your story told and attract more talent. ▀▄

MONICA DUGAN is vice president and director of Human Resources at **SSOE Group** (Toledo, OH). Contact her at MDugan@ssoe.

SOFTWARE

Cheapware that can save your firm money

Listen CFOs, if you get your firm to obtain these services, you will be saving a bundle.

By JULIE KYLE
Editor

The reality of business in today's economic climate is one of increasingly condensed project schedules and budgets. Operating during an economic recovery can be made all the more difficult when a company finds itself with low cash flow. In A/E/P and environmental consulting businesses, where large payments are often tied to job progress, cash management is essential for growth, even a profitable company. One way to improve your firm's cash flow is by finding creative ways to save money on operating expenses. Freeware and 'cheapware' applications can help companies save money, and are becoming more popular among design firms.

For example, many firms are using Google *Sketchup Pro* for quick in-house mock-ups.

Lowney Architecture (Oakland, CA), a 14-person full service architecture firm, uses *Sketchup Pro* for projects of all types and scales, from restaurants to entire shopping centers; single family homes to mixed-use residential towers; site planning to urban planning.

The young firm's body of work already includes a number of high profile commercial projects, such as the award-winning Whole Foods Market in Oakland. When Safeway Inc. engaged the firm's design services to tackle some of their own more difficult urban redevelopment projects, using *SketchUp* movies to communicate design became a mainstay of Lowney's design process, says Tim Lowney, design partner.

Google's briefcase of free or low-cost offerings are working in areas other than design.

KS Associates (Elyria, OH) a 40-person civil engineering and surveying firm, uses the free *Google Analytics*

service to generate detailed statistics about the visitors to their web site.

"Every time we issue a direct mail piece, as part of a campaign, letters, e-mail communications, we go back and look at those stats to determine number of visitors that may have been generated," says Kathy Bast, director of marketing for KS Associates.



Kathy Bast,
Director of
Marketing,
KS Associates.

Google Analytics can be used to track visitors from all referrers, including search engines, display advertising, pay-per-click networks, e-mail marketing and digital collateral such as links within PDF documents. It is the most widely used web site statistics service, according to *Aslib Proceedings*, a publica-

tion used to track trends in information services.

The firm also utilizes Constant Contact, an e-mail marketing platform that helps users with no technical skills create professional e-mail campaigns.

"Once our e-mails are issued, we can review results in Constant Contact's reporting function, to track how many bounce back, why, and how many were actually received or opened. And if the communication contains links, it tells us which ones were clicked through," Bast says.

The Constant Contact service is advertised as low as \$15 per month, but Bast says KS Associates pays approximately \$30 per month "for some of the more robust services."

These two services may be cheap, but they work when used in tandem to track web and e-mail traffic and marketing effectiveness, Bast says.

"Every time we issue a direct mail piece, as part of a campaign, letters, e-mail communications, we go back and look at those stats to determine the number of visitors that may have been generated. Our web statistics reveal that people are hitting the survey group pages to learn more about those

specific services," Bast says.

Google's *Apps for Business* include options for file storage, e-mail security and collaboration applications such as *Google Video for Business*, which offers private, secure video sharing, all for \$50 per year. Users can get customized e-mail addresses, mobile e-mail, a calendar feature, and instant messaging access that is compatible with Microsoft *Outlook's* email and calendar features, and can be synced with BlackBerry's Enterprises Server. Google's *Doc Storage* offers 1GB per user for online file storage, and *Google Sites* offers 500 MB of shared file storage per user.

The Linde Group, a 53,000-person industrial gases and engineering company, selected the *Google Search Appliance* to boost its enterprise search capability.

"It has become critical for our knowledge management strategy, as most of the company's knowledge is in people's head," says Danny Perri, business process consultant.

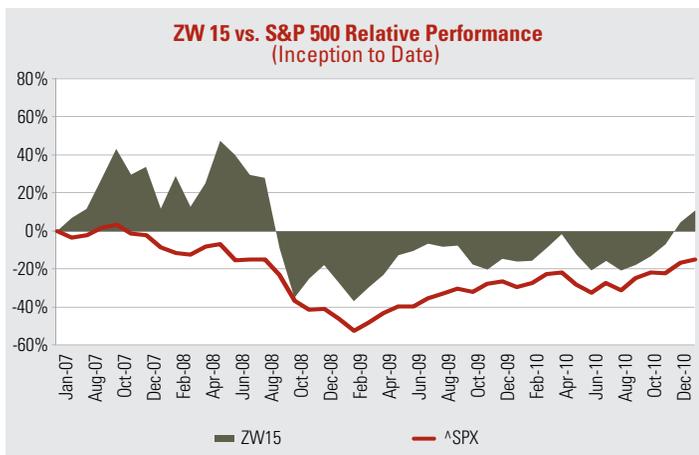
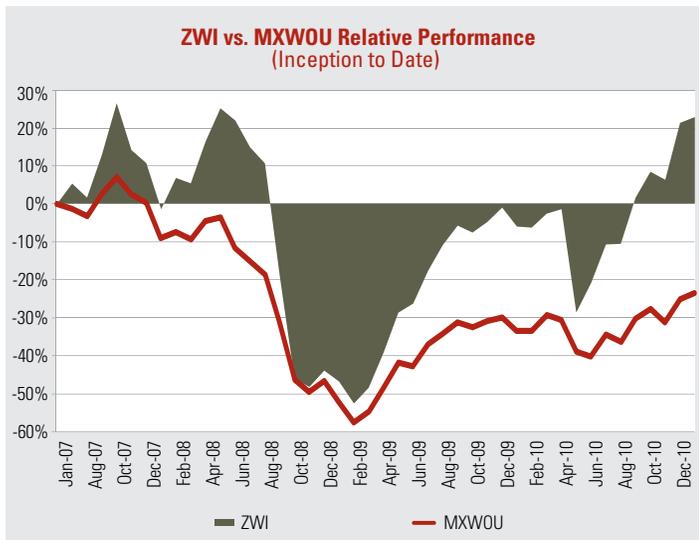
They also use Google's *OneBox for Enterprise* feature to deliver locator results at the top of relevant search queries.

MORE DESIGN CHEAPWARE. *ZW3D 2010* is the successor of *VX CAD/CAM*, and gives users mechanical design and engineering capabilities on their desktop at a fraction of the cost of other comparable systems.

Alibre Inc. offers *Alibre Design*, a low-cost 3D parametric solid modeling application that provides 3D mechanical design. This software is said to be "quite good for simple mechanical designs; however, it is very weak in surfacing, we cannot use it to create stylish models," according to one user in an online forum.

SolidWorks is a 3D mechanical CAD program that runs on Microsoft *Windows* and is being developed by Dassault Systèmes SolidWorks Corp., a subsidiary of Dassault Systèmes, S. A. According to the French company, *SolidWorks* is currently used by over 1.3 million engineers and designers at more than 130,000 companies worldwide. ■▲

INDEXES



STEPHEN LUCY, from page 8

- Do we possess what we need to safeguard ourselves?
- If not, what or who are we missing?

The most successful Hot Firms seem to manage, maintain and forecast how their growth will continue no matter what lies ahead. They embrace change because they have planned for it. They take a disciplined approach but have created unique cultures that thrive in good and bad times. They are focused and understand the responsibilities of leading their teams to success.

They evaluate themselves candidly and frequently and, above all, strive to be the best at what they do every day. ▲▲

STEPHEN LUCY is a managing principal at **Jaster-Quintanilla Dallas LLP** (Dallas, TX). Contact him at slucy@jqeng.com.

TRAILING TWELVE MONTH INDEX VALUES				
	ZW15	ZWI	S&P 500	MSCI World Index (ex-USA)
Feb-10	848.96	939.29	1,104.49	1,517.40
Mar-10	914.92	974.38	1,169.43	1,608.79
Apr-10	985.18	985.73	1,186.69	1,580.34
May-10	880.23	724.30	1,089.41	1,397.83
Jun-10	799.77	798.88	1,030.71	1,375.32
Jul-10	848.15	896.51	1,101.60	1,501.21
Aug-10	799.33	898.06	1,049.33	1,453.05
Sep-10	828.28	1,014.95	1,141.20	1,588.12
Oct-10	872.07	1,080.48	1,183.26	1,643.52
Nov-10	933.66	1,060.30	1,180.55	1,570.53
Dec-10	1,045.76	1,204.28	1,257.64	1,695.58
Jan-11	1,106.48	1,219.08	1,286.12	1,730.91

ZW15 & ZWI Index = 1000 as of June 30, 2007

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	29.27	94.7%	30.91	21.70	3,468.3	0.6x	9.1x	11.0x	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	30.28	99.7%	30.36	22.06	2,012.2	0.3x	5.8x	6.9x	5.2%	-7.6%	4.9%
Fluor Corporation	NYSE:FLR	69.19	95.0%	72.81	41.20	12,370.6	0.5x	10.8x	13.5x	4.5%	11.7%	6.5%
Hill International, Inc.	NYSE:HIL	6.50	93.5%	6.95	3.59	248.6	0.8x	9.5x	13.6x	7.4%	9.9%	3.7%
Jacobs Engineering Group Inc.	NYSE:JEC	51.37	92.2%	55.73	34.39	6,492.3	0.6x	10.3x	12.3x	5.5%	8.5%	5.9%
KBR, Inc.	NYSE:KBR	32.10	95.2%	33.74	17.30	4,845.9	0.4x	5.7x	6.3x	5.3%	14.0%	5.7%
Michael Baker Corporation	AMEX:BKR	30.36	73.5%	41.33	30.02	280.0	0.4x	4.7x	5.8x	7.9%	11.6%	6.3%
Shaw Group Inc.	NYSE:SHAW	37.77	93.3%	40.49	29.56	3,212.8	0.4x	7.6x	9.2x	5.0%	6.5%	3.0%
Stantec Inc.	TSX:STN	28.52	96.5%	29.57	22.76	1,305.2	1.3x	8.9x	11.5x	14.6%	16.0%	6.9%
Tetra Tech Inc.	NasdaqGS:TTEK	23.15	85.2%	27.16	18.00	1,434.4	0.9x	8.5x	10.8x	10.6%	0.0%	0.0%
TRC Companies Inc.	NYSE:TRR	3.59	88.9%	4.04	2.20	97.3	0.5x	132.7x	NM	0.8%	-31.6%	-0.7%
URS Corporation	NYSE:URS	44.45	83.5%	53.25	35.09	3,678.1	0.4x	6.0x	7.4x	6.8%	6.6%	4.2%
Versar Inc.	AMEX:VSR	3.42	72.2%	4.74	1.98	31.8	0.3x	NM	NM	-0.6%	-7.1%	-3.0%
Willdan Group, Inc.	NasdaqGM:WLDN	4.37	97.1%	4.50	2.02	31.7	0.4x	11.8x	22.1x	3.1%	-2.8%	1.6%
						Mean	0.5x	16.8x	10.4x	6.1%	3.9%	3.9%
						Median	0.4x	8.7x	10.8x	5.5%	8.5%	4.6%

All data by Capital IQ