

Get up every day and hit the ground running



Mark Zweig

Don't starve to death, Mark Zweig writes. Here's seven tips to keep going.

I was talking with a friend of mine the other day who owns a subcontracting company my development company works with regularly. We both agreed that the older we get the better able we are to deal with the daily stresses we each face.

He told me a little story his father always told him. He said every day the fastest gazelle wakes up and thinks, "All I have to do today is outrun the fastest lion and I won't end up as his dinner." Meanwhile, the lion wakes up and thinks, "All I have to do today is outrun the slowest gazelle and I won't starve to death." Either way, you have to wake up and hit the ground running!

I think that says a lot about what it is like to run a business today, in difficult times. You have to wake up and start running every day. There's no time to rest – especially not on your laurels. You have to move constantly – and move fast – if you are going to survive to another day.

Here's some of the advice I give to CEOs repeatedly these days.

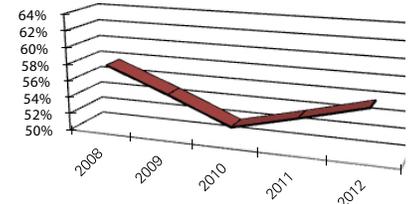
- 1) Get out of your chair/office and go see some clients!** It means a lot when the boss shows interest in them and their projects. Show that interest, solve problems, and sell.
- 2) Get your principals off their butts and out selling some new work.** If they can't/won't do it, find some new principals. Work is essential to the firm. Without it, the firm tanks and your personal reputation suffers.

See MARK ZWEIG, page 2

You have to wake up and start running every day. There's no time to rest – especially not on your laurels. You have to move constantly – and move fast – if you are going to survive to another day.

TRENDLINES

Chargeability ride



The 2012 "Financial Performance Survey of Environmental Consulting Firms" finds that chargeability – which indicates the percentage of total labor costs that are chargeable against billable projects – increased again this year to 55.6 percent from 53.6 percent in 2011.

Last year, the median chargeability rate at environmental consulting firms increased from a low of 51.7 percent in 2010. Chargeability had seen a steady decline in previous years.

The median chargeability rate dropped from 57.7 percent in 2008 to 54.8 percent in 2009, and then to 51.7 percent in 2010.

– Margot Suydam, Survey Manager

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How to nurture your rainmakers

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MARK ZWEIG, from page 1

I don't know about you, but I sure don't feel like being slaughtered nor am I going to starve to death. I'm going to keep getting up and hitting the ground running until I can't do it anymore!

3) Collect the money. Get aggressive now – not later. Don't tolerate other people using your money. They need it? So what? You need it more!

4) Hire talent. You should always be recruiting and thinking about whom, specifically, you'll be bringing on next. Don't hold back when it comes to identifying talent. It is crucial!

5) Be on the lookout for what's new. What's new in technology that you could or should be using for your clients and projects? You need to know and you should be experimenting. What new services should you offer? What new places should you pursue? What new clients should you court? You should know the answers to all of these questions.

6) Learn. Learn new stuff. Be a reader. Be a joiner. Be an experimenter. You need to be in a learning mode continuously or face the inevitable obsolescence that results from not learning and growing!

7) Run – literally. One way to make sure you have the oomph you need to keep going is to make sure you take care of your body, particularly your heart. Doing regular cardio exercise will help get you up early every day and help give you the stamina you need to hit the ground running and stay running all day.

I don't know about you, but I sure don't feel like being slaughtered nor am I going to starve to death. I'm going to keep getting up and hitting the ground running until I can't do it anymore! Have a great week, All! ▲▲

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

A/E BUSINESS NEWS

CONSTRUCTION GROWS, SLOWLY: Turner Construction Company announced that the Third Quarter 2012 Turner Building Cost Index – which measures costs in the non-residential building construction market in the United States – has increased to a value of 832.

This reflects a 0.73 percent increase from the second quarter 2012 and 2.21 percent yearly increase from the third quarter 2011.

Karl F. Almstead, the Turner vice president responsible for the Turner Building Cost Index, said, "A modest increase in construction costs over the last few months is driven by labor and material cost increases."

He continued, "Market optimism also contributes to the moderate increase in costs. However, any significant change in the market will require a change in the overall economy."

Approximately 90 percent of Turner's business is performed under contract arrangements where Turner provides extensive preconstruction planning services before the contract price is fixed and before construction starts.

By providing preconstruction services and utilizing enhanced procurement strategies, Turner manages the market risks associated with cost-related issues effectively.

The Cost Index is determined by several factors considered on a nationwide basis, including labor rates and productivity, material prices and the competitive condition of the marketplace.

Meanwhile, Gilbane Building Company announced the publication of the Fall 2012 edition of Construction Economics – Market Conditions in Construction.

Based on an array of economic data, construction starts, and material cost trends, this free report indicates an increase in construction spending over last year but cautions of an expected downturn again in early 2013.

The Architectural Billings Index, which predicts activity nine- to 12 months out, indicates increasing spending nearly through the end of the year before another slowdown.

"Jobs continue to be the difficulty in this construction recovery. They are at a near standstill, while spending continues a slow climb," said Ed Zarenski, the report's author and a 40-year veteran of the construction industry. "A nugget of good news, though, is that climb may mean productivity is increasing. Spending is

up only 2.5 percent since the beginning of the year, but up 6 percent from a year ago. Supported by positive growth trends, contractors may be able to recover a bit of lost margins."

According to the report, the construction industry has seen a small but continued growth in contractor's margins that started a very slow return to positive in 2011.

Material price increases and labor cost growth will still contribute to escalation. Contractors' building costs "charged" in 2012 are above labor and material cost increases, signaling a continued movement towards recovery of more normalized margins.

The Zweig Letter

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LEADERSHIP

How to nurture your rainmakers

Discover and nurture those with potential for leadership, but don't be overbearing or force anyone into a leadership role.

By LIISA SULLIVAN
Correspondent

“Create a development plan that allows the rainmaker to leverage strengths and to work on their mission critical areas of development. Immerse them in learning opportunities that are behavioral and cognitive-based, and bolstered by support activities such as coaching and/or mentoring.”

Most good leaders do it – are you? Are you nurturing those who are clearly showing leadership potential? If not, what are you waiting for? Two HR pros offer their expertise on how to put these people on the path to become future leaders.

GET TO KNOW THE RAINMAKERS – ON ALL LEVELS... Teresa Moravek, president, PerformancePointe, Inc., a business advisory and leadership development firm, says that it is first important to develop an intimate understanding of who these rainmakers are at their core.

“Get to know their personality profile and type,” she says. “Take the guesswork out of this equation by administering assessment tools that will give the rainmaker and you an insight to their work-style behaviors and what allows him/her to perform at an optimum level. There are many different assessment tool resources available. Ask an HR consultant or talk with your peers to find out which ones work best. These data points will also be an objective way to validate their core compe-



Teresa Moravek,
president,
Performance-
Pointe, Inc.

tencies and potential areas of development; these can set the stage for measuring and developing their performance as leaders.”

Moravek says that it is also important to get know them on a personal level. Find out about their families, motivations and key interests. This will help them to see that you care about them, not just about how they contribute to the bottom line.

CREATE A DEVELOPMENT PLAN. First, it's important to establish if these people are interested in being tapped for a leadership role. Many or-

ganizations make the mistake of promoting high performers into management and leadership roles, unintentionally setting the rainmaker for failure. Just because someone is a top performer doesn't mean they are destined to manage and lead others. Functional competency strength does not always translate into leadership competency strength!

The best way to establish this is by communicating with the person. Ask them about their goals. Make sure that they want to move onwards and upwards. Do not assume anything. And, when this has been established, move onto the next phase.

“Once you are both in agreement on areas of strengths and improvement, create a development plan that allows the rainmaker to leverage strengths and to work on their mission critical areas of development,” Moravek says. “Immerse them in learning opportunities that are behavioral and cognitive-based, and bolstered by support activities such as coaching and/or mentoring.”

Find out how their strengths play into

the overall organizational competencies. How do they correlate to future potential positions that will be needed as the organization grows and changes? Talk to the potential leader about their preferred path and decide jointly how that individual can fit into a number of different optional plays within the organization.

Moravek adds that it is also important to help potential leaders keep their “eyes on the prize” by aligning their growth with the strategic objectives of the organization continually.

“When they see their development in the greater contextual framework of supporting culture as well as the business value chain and strategy, it creates a higher level of commitment,” she says.

ROOM TO BREATHE. Darren Smith, founder and CEO of Cima Strategic Services, who helps successful executives in design, construction and healthcare to elevate their leadership capabilities, says that it is important to let your rainmaker breathe.



Darren Smith,
Founder and CEO,
Cima Strategic
Services.

“Give them access to some business development ‘fresh air’ to avoid solely breathing your organization's exhaust on how to do things,” he says. “It's better to invest in outside business development experiences and have them leave, than do nothing and have them stay.”

Smith's thought leadership is about helping organizations move up from confidence in themselves to confidence in collaboration. When this happens, these leaders will be able to nurture great rainmakers – and everyone benefits.

TOP CHALLENGES AND SOLUTIONS. Moravek says that nurturing rainmakers also includes many challenges. These are her top three:

See RAINMAKERS, page 4

FEEDBACK

Editorial rings a bell

Reader recognizes Mark Zweig’s editorial advice from previous life.

In his editorial, “What’s your network,” in **THE ZWEIG LETTER**, Sep. 24, 2012, Mark Zweig writes that reaching out to your network regularly will increase opportunities over time. Terence Farrell, a senior staff member with strategic planning, Lockheed Martin Aeronautics, wrote:

Mark,

“When I read (your editorial) I had a great belly laugh. You see, back in 1986 I witnessed a brash young human resources manager ‘step out of his box’ and start a ‘guerrilla marketing campaign’.”

When I read that I had a great belly laugh. You see, back in 1986 I witnessed a brash young human resources manager “step out of his box” and start a “guerrilla marketing campaign” for a leading A/E/P firm in response to a sudden drop in annual sales and professional fees, brought about by an unexpected cancellation of a longstanding A/E services contract at DFW airport. I had never seen anybody do anything like that before, and I remember thinking at the time, “This guy’s got a lot of balls.” You go on to say that the process works and that you had done it yourself. Well, I am an expert witness and can vouch for what you are saying in your editorial.

Best regards,

Terence Farrell, strategic planning, senior staff, Lockheed Martin Aeronautics

I just finished reading your editorial, “What’s your network?” and felt compelled to finally write to you. I say finally because I’ve been meaning to communicate with you for a while but I felt the timing wasn’t right. I changed my mind after reading, “What’s your network?” and I’ll explain why.

Toward the end of the referenced article, you suggest to the readers to “stop whining about the decline in your profession, state of the economy, or your lousy marketing department and take personal action...”

war between professional and personal life. Create a culture that allows them to keep work/life balance in check to prevent burn out.

Smith finds that self-esteem is often a challenge.

“Rainmakers have to act like they want to be treated,” he says. “If they think they are top-shelf, then regardless of their world they need to write, speak and network in the right places, at minimum. Ultimately, they need to pick a direction of thought leadership and own it.”

Leaders and mentors can help rainmakers succeed and lead. ■▲

RAINMAKERS, from page 3

1) Retention: Rainmakers are coveted and therefore often pursued diligently by other organizations. “Best places to work” studies consistently show that employees who are appreciated and recognized for their contributions consistently usually develop a deeper identity with and loyalty for their team and organization.

2) Stimulation: Rainmakers typically have voracious appetites for taking on new challenges and learning. Providing continual opportunities for these fire hose drinkers requires more thoughtful planning and intentional execution.

3) Work/life balance: Rainmakers usually struggle with balancing the tug of

CALENDAR

HOT FIRM CONFERENCE: THE ZWEIG LETTER Hot Firm Conference is the most exciting annual event for A/E firms because it’s all about how to achieve success in this industry.

Firms on THE ZWEIG LETTER Hot Firm List receive a special award during a black tie celebration dinner at THE ZWEIG LETTER Hot Firm Conference. CEOs, owners, presidents, principals and other leaders from the top design and environmental firms, along with entrepreneurs, authors, and business experts come to this conference every year to share industry news, compare strategies for success, learn from their peers, and leave with renewed inspiration for another successful year.

This year’s event will be Oct. 24 and 25 at the St. Regis Resort in Aspen, Col.

For more information visit www.zweigwhite.com/events/hotfirm/index.asp.

To register call 800-466-6275 or log on to www.zweigwhite.com/events/hotfirm/registration-12.asp.

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Dates have been scheduled for Oct. 18, 2012 in Chicago and Nov. 15, 2012 Orlando, Fla.

Group discounts available for teams of three or more attendees from the same firm. Email events@zweigwhite.com for details. Register online and more info including complete agenda and presenter bio here: www.zweigwhite.com/seminars/fm/ or call 800-466-6275.

SURVEY

Environmental consulting fares better

Survey found that environmental consulting firms fared better during recession, but face specific challenges.

By CHRISTINA ZWEIG
Contributing editor

Environmental consulting is among the few disciplines in the design profession that has continued to prosper since the 2008 recession, a new ZweigWhite survey has found.

ENVIRONMENTAL CONSULTING DEFINED

The 2012 “Financial Performance Survey of Environmental Consulting Firms” defines environmental consulting firms as professional service organizations that derive at least 30 percent of their annual gross revenue from environmental consulting projects.

Environmental consulting firms provide services that include testing, assessments, studies, and engineering related to environmental quality, pollution control, waste management and remediation of environmental contamination. These firms may also provide turnkey and/or design/build environmental cleanup services or other engineering or design services in related or unrelated technical areas, such as civil engineering, planning, geotechnical engineering, architectural engineering, architecture, and so on.

The 2012 “Financial Performance Survey of Environmental Consulting Firms” found that, despite the recession, 39 percent of environmental consulting firms exceeded their revenue goal and 27 percent exceed their operating profit goal. Almost two-thirds of firms (61 percent) report that their revenue goal is higher this year by a median of 10 percent. Gross revenue has grown by a median of 12.8 percent over the past three years, and net service revenue has grown a median of 14.6 percent.

Also, the median overhead rate has been dropping at environmental firms since 2009, going from 207.2 percent to 186.1 percent (as reported in the 2012 version of the survey).

Nevertheless, some big challenges unique to the industry still loom. The survey found that firm leaders still feel that the national economy is a top trend affecting the industry.

The top practice challenge for firm leaders is fee competition, which ranked an average of 2 on a scale of 1 to 5.

Despite the fairly positive numbers reported in the survey, Glenn Caprio, CFO at **Dade Moeller** (Richland, WA), a 250-person environment, safety, health and quality assurance services firm says he doesn’t think there has been a large difference between the way environmental firms and those in the rest of the A/E/P industry have been impacted by the recession.



Glenn Caprio,
CFO, Dade
Moeller.

“I do not think there is much difference because the recession has been a challenge to all industries,” he says. “If firms have weathered the last four years they should pat themselves on the back because many did not.”

INCREASING REGULATORY DEMANDS... A BLESSING AND A CURSE. Government regulations designed to protect the environment can be both a booster and a major hindrance to those working in the environmental industry.



Frank Dudek,
President, Dudek.

“I don’t know about the rest of the country, but in California environmental regulations and programs take precedence over any other form of work type (and many belief systems for that matter), including infrastructure needs, development, jobs, traditional energy, etc... you name it,” says Frank Dudek, president of **Dudek** (Encinitas, CA), a firm that helps clients plan, entitle, permit, design, construct and manage projects involving natural resources and infrastructure throughout California. “Further, they spare no entity from compliance, including: cities, vital utilities, police and fire protection, state and federal landowners, fellow regulatory agencies, military, non-profits and institutions, and of course, private businesses and landowners.”

Ultimately, Dudek feels these regulations have resulted in more work for him.

“Firms providing environmental/regulatory compliance services like ours have had no letup in work opportunities during this recession, although the volume from homebuilding, land development and basic infrastructure has shifted to market segments such as renewable energy, water development and conservation, and increased compliance by the public sector in providing its basic services,” he says.

Still, stiffening environmental regulations present a challenge both for firms and their clients. Dudek feels a big challenge in California is “understanding the complexities of overlapping and sometimes contradicting regulations and providing a team of specialists that work as a team well together to understand the big picture endgame and the right steps to get there.

“To be successful, we must have a very diverse, experienced and highly educated team of technical and environmental professionals to win and do this complex work,” he says.

Caprio feels that the increasing regulatory demands present a challenge unique to the industry and agrees with the survey’s findings about the prevalence of fee competition.

“Over the last four years it has been increasingly difficult for clients (especially non-government) to allocate funds for environmental projects, and those projects that are funded are often awarded to very low bidders who may not be appropri-

See ENVIRONMENTAL, page 8

Halt! Friend or foe?



Bernie Siben

THE FAST LANE

Marketers are often seen as a burden at design firms, but they really should be teammates to technical staff.

A /E/P and environmental industry marketers are aware of the adversarial relationship that often exists between marketing and technical staff.

We look at technical folks and think, “They are appreciated and recognized, they are last to be laid off in hard times and first to be hired as things improve, and they are compensated as professionals.”

Then we look at ourselves and think, “We are taken for granted, first to be laid off in hard times and last to be hired as things improve, and we are compensated as administrative staff, like accounting staff or the front desk receptionist.”

Why should this be so? After all:

- Both have education and training specific to their jobs
- Both have state registration or national certification, as applicable
- Both have experience relevant to their jobs
- Both have national organizations with codes of ethics
- Both are committed to long-term careers and upward movement in their firms/industries

So what’s the major difference?

Technical folks bill their time to clients, so the revenues they produce are documented. Marketing folks bill their time to overhead and are often seen as employees who eat into corporate profits.

This is an unfortunate fact in the life of design firms. Technical folks work on projects, maximize their hours billed and are looked upon as heroes. Marketing folks who bring in those projects in the first place bill to overhead and are looked on as something akin to leeches.

Every employer I worked for in 30-plus years in this industry told me that the technical person’s client was the owner and my client was the technical person. Many firms go out of their way to make sure that marketing folks never meet the owners. But it’s hard for two groups to believe they’re on the same team when they don’t work for the same client.

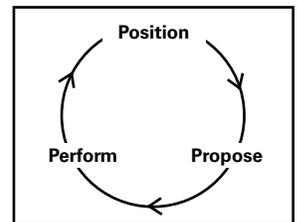
Ultimately our firms set the two groups up to be adversaries. When I ask someone to update their résumé (I’m the “résumé police”) they hide when they see me coming down the hall. Technical folks want me to respond to RFPs and win new work, but they think any activity that doesn’t have billable hours is of “no real value” and don’t want to participate in the effort.

And so marketers don’t understand how technical folks only see the project on their desks and don’t realize that they won’t have any work tomorrow if they don’t work with marketers to sell their next job.

A/E/P and environmental firms frequently talk about individuals who “win” work as OPPOSED to those who “do” work and they occasionally mention the small group of folks at the firm’s higher levels who do both. But there is a great cycle at work here – we all need to recognize that it is happening, that all its parts have value and that no part can exist for long without the others.

And the cycle is:

- Principals, officers, project managers and other firm leaders position the firm to win work. They do this through personal interaction with clients and by strengthening their relationships, credibility and trust levels.



- Marketing staff develop information to be used as hand-outs in the positioning stage. Then they work with firm leaders to develop statements of qualifications and proposals that respond to the client’s needs, both expressed and unexpressed, and to make sure that every marketing submittal shows the value that the firm brings to the table.

- Technical folks then perform and do superior work on the client’s project. Doing great work is an important part of the positioning effort; it helps the firm secure the opportunity to propose on the client’s next project. In the private sector, great work on a project can secure the next project – with no competition.

So we’re really on the same team – we’re just having

So we’re really on the same team – we’re just having difficulty seeing each other as equals; as people who bring different but equally important value to the cycle that keeps our firm alive.

See BERNIE SIBEN, page 8

The value of trust



Ed
Friedrichs

FROM THE CHAIRMAN

It takes many years to understand the ingredients that make a trusted advisor relationship. Here's a shortcut.

The Holy Grail for most professional practitioners (architects, engineers; even lawyers, accountants and doctors), is to become their clients' "Trusted Advisor." Management consultants have written books about it; Nordstrom's sales staff will tell you that this is their mission. Throughout my career, I've sought this unique and treasured relationship with my clients. It's what kept me in business, led to referrals and reduced bickering over fees. Most importantly for architects, engineers and planners, it gives clients the comfort and confidence to say "yes" to design and technical recommendations that they're unable to fully understand.

A "yes" means you aren't being continually asked to study something further. You're able to use your fees more effectively in your clients' interests because you're not continually trying to put their unease to rest.

They respond in the affirmative because they trust you. They are confident that you see things the way they do, even if they don't have your ability to visualize. They accept your recommendations because they trust that you understand their priorities and fears, and that you have accounted for them in what you're proposing.

Years ago, I had a client who had trouble visualizing our design proposal from our drawings and renderings – so we built a detailed model. He was still unable to connect what he saw with what it would look like in real life anymore than he could imagine how his granddaughter's doll house would look at full scale.

I listened carefully, finally asking if he watched much television. Yes he did. I moved the model to the adjacent room and had our designer use a video camera to conduct a virtual tour around and through the building. Bingo! The client was able to look at an image of the model on a television screen and immediately transpose how it would appear in real life. He suddenly loved something he'd been questioning for weeks. From there forward, design meetings went much better. Before long, he would simply say, "I'm confident that you know what I want. Go ahead."

For me, this was an early example of what became my lifelong quest: to be considered my clients' trusted advisor. It's taken me many years to understand the ingredients that contribute to nurturing the trusted

advisor relationship. Here's my list:

- **Listen carefully to your client.** They are rarely able to articulate what's on their minds. They certainly aren't trained in your professional jargon. So, the burden is on you to accommodate their communication patterns and, as in the example above, their unique way of seeing things.
- **Tell the truth.** This may seem obvious, but it has some implications. It also means: don't hide the truth, don't "sugarcoat" the truth and don't shade the truth. Clients with whom I have had a trusted advisor relationship were ones with whom I'd also built an ability to speak freely and fully about any situation; to give them the full facts and my best read about the implications of those facts. This takes time. You can't just blurt out the raw, unadulterated "truth" in blunt terms. Here, as well, you have to respect your client's communication style. An important corollary is that you have taught your clients to trust, through experience, that the conversation you are having will not go beyond the two of you.
- **Select your colleagues carefully.** This goes beyond choosing the people you work with in your own firm and includes outside consultants and others with whom you associate. Do so with great care for their integrity. I learned that they model your behavior and, put another way, the behavior you tolerate. I found that I not only had to be extremely careful with what I said (no cynical or cavalier comments when the client's not around, tossed out for amusement or to "show off" a bit of insider gossip), but I had to continually remind everyone around me how important such vigilance is. Don't get me wrong; I'm not a saint and would be unable to describe this issue had I not learned some painful lessons through the consequences of a weak moment.
- **Go the extra mile.** Not only in completing anything you undertake with thoroughness and accuracy, but asking the questions on behalf of the client that the client has not thought of. Encourage this same attitude among the entire range of colleagues with whom you work. I was frequently pleased to hear from a client how someone on a team with which I was involved had pursued an issue that no one had brought up, but added a high level of value to the project. This surprises and delights clients, letting them know that each and every person with whom you've surrounded yourself "owns" the client's program as if it were there own. To use the Gallup term mentioned in their excellent book, *First Break All The Rules*, they are "deeply engaged" in the work they are doing.

These are the ingredients of a relationship of trust that makes it comfortable for a client to feel completely confident in the integrity of what they are being shown, making you the source they will reach out to as their "Trusted Advisor." ■■■

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

NEWS

AIA releases energy modeling guide

Offers step-by-step map to forecasting.

In order to help architects more accurately predict the energy consumption in their design projects, the American Institute of Architects has put together *An Architect's Guide to Integrating Energy Modeling in the Design Process*. The guide is an exhaustive, step-by-step map to predicting (and thus reducing) the energy usage of buildings.

Written and assembled by a committee of architects, sustainability experts, and government building science officials, as well as AIA staff, the guide surveys a wide swath of the building design and construction industry to present baseline best practices for evaluating the energy performance of buildings empirically. Beyond defining and making a case for energy modeling, this primer walks readers through different types of energy modeling and the individual tools and software available for it. As a relatively new technical specialty, the guide also discusses how to bring energy modeling to other building team members, like engineers, and most important of all – to clients. From initial exploratory design concepts to code compliance and ongoing energy maintenance,

this manual covers the entire spectrum of design and building.

“Energy modeling is fast becoming a more useful means to better inform major design decisions early and often throughout the building design process. It can provide a roadmap to help practitioners lead their clients toward energy efficiency goals, green code compliance and building certification programs,” said Jeff Potter, AIA President, in a release. “It is imperative for the entire design and construction industry to be cognizant of the energy use implication buildings have, in terms of limited resources, climate change, and rising utility costs. This guide provides the energy modeling fundamentals that can serve the client’s high expectations and ultimately reduce energy costs and greenhouse gas emissions.”

Cities including Washington, D.C., San Francisco and Philadelphia have passed legislation requiring nonresidential building owners to measure and report their buildings’ annual energy use. By employing energy modeling during the design phase, it will become much easier for building owners to meet energy efficiency targets. ▲▲

ENVIRONMENTAL, from page 5

ately qualified to perform the work,” Caprio says. “Generally, in the end, the client gets what they paid for, which does not benefit them, the environment, or those firms actually qualified to do the work.”

NOT SPREADING THEIR WINGS. Despite the lack of environmentally friendly manufacturing processes in many developing nations and the argument that many countries’ environmental issues and laws could lead to a broader international market for American companies in the future, many environmental firms are not doing a significant amount of work overseas. Only an average of 2 percent of projects are performed for international clients, the survey found. Nevertheless, 25 percent of environmental firms do at least 1

percent of their projects outside the U.S.

The necessity of understanding the unique environment and regulations of a particular area may help explain why many environmental consulting firms are not as interested in globalization as much as other firms in the design industry.

When asked if he thought we would see more environmental consulting firms going global, Dudek said, “Probably, but we won’t be. California has endless opportunities and is a world we understand and thrive in.”

Caprio says, “I think if we stay on the current economic path there would actually be consolidation, rather than globalization. While firms may want to go global, if they are challenged and/or cannot compete domestically, making the leap to global operations would seem unlikely.” ▲▲

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difficulty seeing each other as equals; as people who bring different but equally important value to the cycle that keeps our firm alive.

When technical folks ask what my job is, I explain in four sentences:

- CADD is not WHAT you do; it’s HOW you do your job.
- Your job is to consult and design for our clients.
- Selling work is not WHAT I do; it’s HOW I do my job.
- My job is to keep you employed and your family housed, clothed and fed.

When I explain it this way, much of the adversarial aspect of our relationship evaporates.

Then, because of the firm’s constant drive for billable hours, I look for ways to make the marketing staff billable, and there are many ways marketers can contribute to projects (see my article in Issue 945, Feb. 6, 2012, page 7).

Finally, since “billable hours” is a metric every A/E/P and environmental consulting firm employee understands, it goes most of the rest of the way toward making us all team members and turning “foes” into “friends.” ▲▲

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RETENTION

Engaged employees stay longer

Retention is a huge challenge for any firm, so learn what you can do to keep them happy – with your firm.

By BRYAN SULLIVAN
Correspondent

Turnover is an issue even the most celebrated of A/E firms face. How and why it happens can be difficult to pinpoint, and even harder to address.

According to Sharon Kaivani, talent management practice lead at Design on Talents, LLC in Atlanta, turnover is inversely related to the degree of engagement employees have with their organization.

ENGAGE AND RETAIN – ONE PROSHARES ALL.



Sharon Kaivani,
Talent
Management
Practice Lead,
Design on
Talents, LLC.

“Employee engagement is the feeling of commitment and affiliation that one has to his/her company or organization,” Kaivani says. “What makes the turnover question difficult is this: as the level of engagement that employees feel increases, turnover decreases. However, engagement is personal to each individual.”

So, what’s a firm to do with diverse employee needs and personalities?

Kaivani illustrates that most employees will be engaged in some way by the following themes:

- The relationship that employees have with their managers
- Feedback and development opportunities
- Personal alignment and fit with the organization

TIPS ON HOW TO REDUCE TURNOVER. Kaivani, who has more than 20 years of experience as an organizational effectiveness leader, shares tips on how to reduce turnover. They include:

- **Educate managers.** Tell managers about the importance of their role in engagement and provide them with guidance for holding conversations about retention and how to respond to what they hear.
- **Be clear about what success looks like.** Develop a competency model – a set of ideal behaviors that, if demonstrated, will propel the organization toward achieving its business strategy.
- **Use realistic job previews.** Provide prospective hires with a peek into what a job is like – both positive aspects as well as challenges.
- **Make the link between roles and business direction clear.** Because roles can be so specialized, it can be difficult for employees to see exactly how they are making a difference. Talking to employees about how their work contributes to the success of the business conveys importance and appreciation.
- **Ask customers about how and why they use your products or services; share that information with employees.** Enabling employees to understand the broader benefits that their jobs provide to customers can help workers feel a broader sense of purpose and understand the importance of their contributions.

HR MANAGERS SPEAK OUT.



Debbie Swanson,
Corporate
Secretary/
Principal,
M.E. GROUP.

So how do successful firms keep turnover from becoming an issue? We reached out to a few HR managers to find out what they do and how they approach dealing with this issue. Here is what they had to say:

“Try to provide the best benefits, salaries and work environment

to keep your employees happy,” says Debbie Swanson, corporate secretary/principal, **M.E. GROUP** (Omaha, NE), a 69-person design and engineering services firm.

Swanson sees people working too many hours and salaries as top problems that cause high turnover rates at any firm. She says that the below can help:

- Provide excellent insurance
- Offer flexible work hours
- Offer casual dress code
- Host company outings
- Provide training/educational advancement



Kirsten Sibilja,
CMO, Dattner
Architects.

“Most often, staff leave because they are looking for a new challenge and don’t see that they will get it if they stay,” says Kirsten Sibilja, chief marketing officer at **Dattner Architects** (New York, NY), a 70-person firm. “They see changing jobs or even careers as the best way to get a pay increase. In some cases, there is nothing a firm can, nor should do. A certain amount of turnover is healthy. We have lost a few great people this year because they went to work for our clients (a developer, a corporate client, and a public agency). We miss them greatly – and are proud to be working for them now.”

Paul Bennett, director of human resources at **Tighe & Bond Inc.** (Westfield, MA), a 200-person multi-disciplined engineering and environmental services firm, says that the phrase “preventing turnover” reflects a kind of defensive posture.

“What companies should be doing is anything they can to promote higher levels of employee engagement (focus on that),” he says. “It’s more im-

See ENGAGED, page 10

ON THE MOVE

BUCKLAND & TAYLOR PROMOTES: **Buckland & Taylor Ltd.** (North Vancouver, BC), a **COWI** company and a bridge design, evaluation, rehabilitation and construction engineering firm, announced a new organizational plan to achieve future growth and development:

- **Don Bergman**, appointed senior project director/vice president major projects
- **Darryl Matson**, appointed senior project director/vice president operations
- **Peter Dielt**, promoted to CFO/vice president finance and administration
- **Jeannine Martin**, promoted to vice president, business development and marketing
- **Hisham Ibrahim**, promoted to vice president/technical director
- **Nedim Alca**, promoted to vice president/project director
- **Rodger Welch**, appointed vice president BC operations
- **Scott Roux**, appointed vice president, US operations
- **Dale Serink**, appointed vice president, Alberta operations

“Our top priorities remain to refine and grow our technical and project management skills, build on our excellent engineering quality, strengthen our distributed engineering capability, enhance employee satisfaction through increased opportunities and attention to professional development, and maintain our pipeline of challenging projects,” said **Steve Hunt**, also just promoted president of **COWI North America, Inc.** and president/managing director of Buckland & Taylor Ltd.

COWI North America, a subsidiary of Denmark-based **COWI NA Holdings, Inc.**, consists of three existing engineering companies headquartered in North America: **Buckland & Taylor Ltd.**; **Ocean and Coastal Consultants, Inc.**; and **Ben C. Gerwick, Inc.** COWI North America companies will continue to operate under their existing brands and management teams reporting to Steve Hunt. COWI North America will report to Anton Petersen head of COWI BTM.

A fourth COWI company, **COWI NA Energy Inc.**, is part of COWI North America Inc. and will continue to report directly to COWI

Denmark.

BAXTER & WOODMAN APPOINTS: **Baxter & Woodman, Inc.** (Crystal Lake, IL), a planning, design, construction and technology services firm, announced the appointment of **Matthew Washkowiak** as the firm’s Transportation Group leader. Washkowiak joined Baxter & Woodman in 2000 as a senior transportation project manager.

“As Transportation Group Leader, Matt is responsible for the overall management of transportation planning and design services for the firm,” said Louis Haussmann, Baxter & Woodman vice president and COO. “Matt plays a key role in maintaining superior client service and adhering to high quality technical standards in transportation planning and design, which is a growing segment of Baxter & Woodman’s civil engineering services. He has been instrumental in securing design projects with the Illinois State Toll Highway Authority, Illinois Department of Transportation, and numerous county and municipal clients. This is a well-deserved promotion and we are excited to continue to grow under Matt’s leadership.”

PENNONI PROMOTES: **Pennoni Associates**, an engineering, design, and consulting firm (Philadelphia, PA), announced promotions among its transportation technology leadership. These changes are the result of the successful growth of Intelligent Infrastructure Systems (IIS), which is the firm’s newest transportation initiative.

Regional Vice President for Transportation **David Lowdermilk** has been named principal of IIS, a division of Pennoni. IIS offers applications of the most reliable monitoring, modeling and decision tools and technologies, together with the engineering support and experience. Lowdermilk will maintain his role as regional vice president for transportation, retaining leadership of the strategic direction of the group.

John Zarsky has been promoted to the newly created position of deputy regional vice president and principal for the transportation technology, taking over day-to-day management of transportation operations company-wide.

James Markham, formerly the division manager for the Philadelphia transportation division, has been promoted to regional technology principal for Eastern Pennsylvania.

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portant to understand why employees stay, rather than why they leave. Good employee communication is far more important than compensation. Also, remember that some turnover is unavoidable.”

Bennett shares his 25 years of expertise in the HR arena and provides some solutions to turnover problems:

- 1) Get to know people:** Know the traits of your most successful and engaged employees and seek candidates with those attributes
- 2) Be clear.** When talking to applicants, provide realistic information on the job,

the firm and its culture (answering the question: What will it be like if I take this job with your firm?)

- 3) Be flexible.** To the extent you can, develop and promote a flexible work environment that becomes the cultural norm; the way work gets done at your company
- 4) Listen to people.** Listen carefully to what employees are saying, affirm the value of their input and, when appropriate, take action on their ideas and concerns
- 5) Showcase success.** Recognize and celebrate noteworthy contributions whenever you can, individually and publically
- 6) Be transparent.** Communicate company strategies, goals and financial status clearly and regularly (be open and transparent)

Finally, it’s up to the leadership of a

firm to stay in touch with the employees’ needs and listen closely to what is going on within each department.

Susan Slade, human resources manager for **Spicer Group, Inc.** (Saginaw, MI), a 115-person engineering, surveying and planning firm, says that the culture of a company must change to meet the demands of the workforce.

“If that doesn’t happen, people are going to leave for what they feel will be a better fit for their personal goals,” she says. “Top management needs to stay in tune. People complain about top management not ‘buying in’ or not paying attention. Supervisors need to get to know their individual employees. Knowing what makes a person perform best can solve a lot of issues and it also gives the employee the feeling that his/her supervisor cares enough about them to pay attention.” ▲▲

PERFORMANCE

How does your firm compare?

Many metrics can be benchmarked, from finance to employee satisfaction. Learn how others are doing it.

By LIISA SULLIVAN
Correspondent

So, how do you know that your firm is making the grade? What do you compare your firm's performance against? What are the benchmarks? Do you use survey data? Do you look at firms outside of the A/E industry? Do you review past performance? Or perhaps you use a combination of all of these performance indicators.

VARIETY IS THE KEY. Randy McCourt, president of **DKS Associates** (Portland, OR), a 110-person employee-owned transportation planning and engineering firm, says management looks at company's position in the ENR Top 500 list, Glassdoor's "Best Places to Work" and the net promoter score as benchmarks. Leaders also look at overall company metrics and numerous financial criteria for internal measurement.



Randy McCourt,
President,
DKS Associates.

"Everything we do reinforces the firm's stability, security, and sustainable operation," McCourt says.

Chris Goble, CEO and president at **SGA Design Group** (Boulder, CO), a 105-person architectural design firm, says management compares the firm's performance against other architectural firms of similar size. Specifically, leaders try to gauge the firm's excellence in architectural services, business performance and culture.

"With respect to architecture, perfor-



Chris Goble, CEO
and President,
SGA Design
Group.

mance is based on the metrics determined by our clients. These metrics include cost, timelines, quality and approvals. If we are exceeding our clients' expectations, we are succeeding as a company," Goble says. "With respect to business, we measure our performance against our peer groups in terms of profit, utilization, realization, debt to equity ratio, net multipliers, overhead rates, and more. Our goal is to be in the upper quartile or top 25 percent of architectural firms in the U.S. across those metrics."

SGA uses a variety of sources to evaluate and compare its performance, including DesignIntelligence and the American Institute of Architects' Economics and Research Group industry financial performance surveys. Performance statistics gathered from surveys typically enable firm leaders to measure, in real terms, their position among competitors and peers in the industry.

With respect to SGA's culture, firm leadership measures performance in terms of employee satisfaction and associated longevity of employment.

"Most notably this metric is applicable for awards such as the ZweigWhite Best Firms To Work For, a national recognition which SGA has earned over multiple years, consistently placing in the top five," Goble says. "In addition, we conduct internal surveys, provide leadership training through our HR group and are a recipient of the 'IDP Outstanding Firm Award (2011-2014)' granted by AIA and NCARB. These and all performance metrics utilized by SGA are the results of strategic planning efforts targeting excellence in all aspects of our firm."

INPUT FROM A PRO. Keith Barfield, who provides small businesses and individuals with assistance in all tax, ac-

WHAT IS THE NET PROMOTER SCORE?

The net promoter score refers to a customer loyalty survey that is used to help firms evaluate how satisfied and loyal its customers are. The score is a popular standard for measuring customer loyalty from their feedback and it helps firms to focus efforts and resources on how their employees treat customers. The net promoter score results are achieved when you survey your customers. For example, questions may include: "How likely is it that you would recommend our company to a friend or colleague?" The question is based on a 0 (lowest score) to 10 (highest score) rating scale. Customer responses are grouped into one of three categories: Detractors (0-6), Passives (7-8), and Promoters (9-10). To obtain the net promoter score, you subtract the percentage of detractors from the percentage of promoters. A net promoter score above 50 percent is considered very good and above 75 percent is considered excellent.

counting and business affairs, advises that aside from daily hours and chargeable money per hour, firms may benchmark based on:

- Revenue per employee
- Net income per employee
- Revenue per partner
- Net income per partner
- Industry surveys – the ones you pay to participate in – tend to be the best because the analyzing is more thorough

A company can improve by learning from others' experiences. Benchmarking is important because it:

- Provides a structured approach to data gathering and analysis
- Assists management in developing optimal strategic and management decisions
- Quantifies measure of performance
- Quantifies the gap between your firm and best practices
- Encourages innovation and creative thinking. ▲▲

TRANSACTIONS

STV BUYS: STV (Douglassville, PA), an architectural, engineering, planning, environmental and construction management services firm, has acquired **ARCHITECTURE/vbn** (Oakland, CA), an award-winning architectural design firm. VBN will be integrated into STV's West Coast operations.

"VBN's talented employees share our commitment to excellence," said Dominick Servedio, STV executive chairman. "We have known this firm for many years and have always been impressed with their portfolio of work. I am excited to welcome VBN into STV's family."

Founded in 1958, VBN serves education, transportation, government and commercial clients, and has extensive experience in the design of transit facilities. They bring an established and highly-regarded presence in Northern California to STV. The firm is also a registered green business.

"STV and VBN have been working together to seamlessly integrate our corporate cultures," said Milo Riverso, CEO and president of STV. "This is a great match. VBN's excellent skill-set strengthens STV's services, so we can better serve our existing clients in the Western region."

VBN's work encompasses large- and small-scale projects, consisting of intermodal terminals, bus facilities, light rail, rail stations and transit centers. VBN's notable projects in these areas include the Millbrae Station for the Bay Area Rapid Transit (BART) System, the Transit Mall Station for Long Beach Transit; the Richmond Intermodal Station for the Contra Costa Transportation Advisory Committee; and multiple stations for the California High Speed Rail project, including three stations from Fresno to Bakersfield.

VBN also has a very strong educational portfolio. They provide full architecture, planning, and interior design services for educational clients such as community colleges and public and private universities.

Eli Naor, who was one of the principals at VBN, is joining STV at a vice president and will head the California Facilities group.

Rob Barthelman, also a principal with VBN, will join STV as a vice president. He will lead STV's West Coast education market, continuing the innovative excellence his team has brought to the education market in Northern California.

PENNONI BUYS: Pennoni Associates (Philadelphia, PA), an engineering, design, and consulting firm, announced the acquisition of the assets of **AGS, LLC** (Arlington, VA) an MEP design and engineering firm. In December 2010, Pennoni acquired **Patton Harris Rust and Associates**, giving the firm five locations throughout Virginia. While Pennoni has offered MEP services to its clients in the Northeast for more than four decades, this latest acquisition will add this service offering locally to the firm's clients in the southern region.

"The acquisition of AGS will continue our growth in Virginia and expand our services in the area," said Senior Vice President David DeLizza. "The AGS philosophy of providing clients with an engineering team that is accessible, responsive, experienced, and mindful of budget and schedule is perfectly in line with the goals of Pennoni Associates."

AGS was founded in 2010 and specializes in the engineering of mechanical/plumbing, electrical and fire protection systems. The firm was established to provide engineering expertise in engineering, systems infrastructure and energy related projects. The AGS team has worked together for more than 10 years and offers a seasoned group of professional engineers and designers with a thorough and comprehensive understanding of MEP and FP systems.

AGS Principal Richard Schafer, will continue to head the operations in Arlington as the office director. Co-founder Bryan Atkinson, will continue and expand Pennoni's MEP operations in the New York

region. Larry Gould, who served as managing principal at AGS, will join Pennoni as the chief engineer for MEP services.

"Joining the Pennoni family seemed like a logical choice as the company culture we have developed lined up perfectly with Pennoni's client-centric culture," Gould said. "With our expertise in MEP and knowledge of Virginia, we look forward to bringing a full catalogue of services to both new and existing clients."

FIRMS ON THE MOVE

EA MOVES: EA Engineering, Science, and Technology, Inc.

(Hunt Valley, MD), a provider of interdisciplinary environmental services, announced today that it has moved to 75,400 square feet of new office and laboratory space in Hunt Valley. EA's campus headquarters centralizes the company's Baltimore County offices to accommodate continued growth and support clients across the nation.

EA is the first tenant of Merritt Properties' Schilling Green II, a high-performance office building planned for LEED Platinum certification. EA occupies two floors, and is the sole tenant in an adjacent single story building, which houses EA's nationally accredited, state-of-the-art ecotoxicology and biological testing laboratories.

"This modern, sustainable business setting strongly reflects our company's values and practices," said Ian MacFarlane, EA's president and CEO. "More than 200 EA employees, formerly operating from several separate office locations, are now brought together in an efficient, well-designed, and highly collaborative work environment."

HGA EXPANDS: HGA Architects and Engineers (Minneapolis, MN), has relocated to expanded its offices in San Francisco to accommodate its growing practice serving healthcare, higher education and cultural clients. HGA's San Francisco office has grown by nearly 25 percent in the past two years, adding shared expertise to the 120-person California practice, which includes the Sacramento and Los Angeles offices.

"HGA continues to experience tremendous growth in northern California," said Fredrick Sherman, vice president and director of HGA's San Francisco office. "Our professional staff includes expertise in planning, design, project management, integrated project delivery and Lean design principles. The expanded office enables us to align our expertise to efficiently meet new opportunities for our clients."

The new office is located in an eight-story, brick-and-masonry commercial building at 170 Maiden Lane at Union Square. The 7,400-square-foot, full-floor office on the fifth floor features an open studio environment with flexible work stations, two conference rooms, high ceilings and operable windows that offer abundant daylight and natural ventilation. Finishes and detailing feature a design-forward image, with LEED certification anticipated.

The San Francisco office was established in 2000 to pursue cultural and higher education work, and in 2007 the firm acquired **Thistlethwaite Architectural Group** to strengthen its healthcare portfolio in northern California.

HGA's recent northern California projects include Lucile Packard Children's Hospital Addition at Stanford under construction in Palo Alto, Calif.; a new Medical Office Building for Kaiser Permanente in San Ramon, Calif.; the Student Services Center at Monterey Peninsula College; and the Performing Arts Center at Napa Valley College.