

Pointers on being the boss



Mark Zweig

Mark Zweig has overseen people since he was 14. Here's four tips he'd like to share.

My experience with having people work for me goes back to when I was about 14 years old and working at the local cycle shop. The owners drafted an 11-year-old neighbor kid – “Jimmy” – to assist me as I waded through a huge pile of old bikes and parts we bought from an old fellow in East St. Louis who had a bike shop in his alley garage. My task was to build saleable bicycles out of the parts. We made thousands of dollars in the months that followed from our initial \$35 investment in an enormous trailer load of stuff.

I have had people working for me in one business or another pretty much ever since and I can tell you that *it is* a continuous education what you get when you're the boss – as long as you are willing to learn.

Here are a few things I'd like to share:

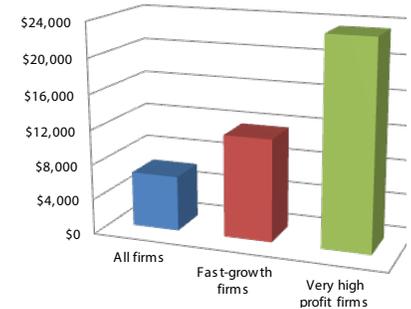
- 1) If your experiences as a leader are anything like mine, your people will try to suck you into the muck.** As tempting as it may be to immerse yourself in the details of a problem you shouldn't have to be immersed in, you cannot let that happen! If you get too far into the weeds you will find no one will want to do their job without consulting you first. That will slow down everything and demotivate your people.
- 2) Stay calm when your people do stupid stuff!** Half of what it takes to keep everything going in a positive direction is staying calm. It isn't always easy! Sometimes people inside the company will do things that are absolutely against the interests of the firm and even themselves. This may upset you. It certainly upsets me. But you have to ask yourself if this person is a bigger asset than problem. If so, then don't unload on them (fully). Count to 10. Think about how you'll correct and do it tactfully. Stay cool and calm.

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TRENDLINES

High incentive



Despite a challenging business environment, many A/E firms continue to invest in incentive compensation programs. It is no surprise then that the most successful firms spend significantly more per employee than firms in general. For example, the 2012-13 “Successful Firm Survey” finds that very high profit firms and fast-growth firms spend more than twice as much on incentive compensation per employee than the overall sample. According to the report, very high profit firms’ and fast-growth firms’ incentive compensation spending per employee is a median of \$23,450 and \$11,690, respectively. Meanwhile the overall sample show a median of \$6,304. – Margot Suydam, Survey Manager

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A/E BUSINESS NEWS

AECOM PARTNERS WITH HARVARD ON CHINA:

AECOM's academic partnership with the Harvard Graduate School of Design recently kicked off in Shanghai, China, with a signing ceremony and symposium. The partnership brings together leading faculty, students and practitioners to examine China's emerging urbanism issues that connect planning, infrastructure, engineering and sustainability.

The event was attended by the dean of Harvard's GSD, Mohsen Mostafavi, and Chinese dignitaries such as Zhao Yanjing, director of the Xiamen Planning Bureau; Wang Lin, director from the Shanghai Planning and Land Resource Administration Bureau; and Wu Jiang, vice chancellor of Tongji University. The symposium also saw AECOM's thought leaders engaging with the local academic community, planning authorities and clients – which generated innovative ideas for the future of China's urban development.

"Partnering with a leading consultant and global company such as AECOM is a meaningful project," Mostafavi said. "We hope this collaboration will help us find innovative solutions to increasingly complex urban issues facing the cities of today."

AECOM's Sean Chiao, chief executive, China, highlighted how the collaboration reflects the company's thought leadership in the industry. "By bringing together leading academia and local planning authorities, AECOM is glad to be both a beneficiary and leader of great design that hopefully will result in concrete blueprints for the cities of tomorrow."

The three-year program includes design studios on actual sites in Chinese cities, as well as seminars and midterm reviews led by AECOM leaders and government partners. It will culminate in a research publication that is applicable and relevant for China's developing cities.

AECOM Technology Corporation (Los Angeles, CA), is a 45,000-person provider of professional technical and management support services for government and commercial clients around the world.

CH2M HILL ENTERS PARTNERSHIP: The International City/County Management Association (ICMA) Center for Management Strategies announced a partnership with **CH2M HILL** (Englewood, CO), a 30,000-person global consulting, design, design/build, operations and program management firm, to support the Center's research and education initiatives in leading practices of collaborative service delivery. CH2M HILL will be a leading research partner, private-sector thought leader, and investor in the center's work to bring forward research, education, and technical assistance

to local governments on the emerging topic of collaborative service delivery.

CH2M HILL, a long-term ICMA strategic partner, is a recognized thought leader on the topic of public-private partnerships and has worked with many local governments to enhance service delivery to their communities.

Collaborative service delivery is a trend in local government management that offers varying options to enhance a local government's efficiency and effectiveness in delivering services to its customers. Public-private partnerships, public-public partnerships, and consolidation of services are all mechanisms by which local governments can enhance efficiencies and effectiveness in providing community services.

Research into these topics will be conducted through an expanded ICMA partnership with the Alliance for Innovation and through research and data contributed by CH2M HILL to the Center for Management Strategies.

VHB JOINS ISI: **VHB** (Watertown, MA), a 850-person planning, landscape architecture, engineering and environmental firm, become a charter member of the Institute for Sustainable Infrastructure (www.sustainableinfrastructure.org). ISI is a joint initiative of the American Public Works Association, the American Council of Engineering Companies, and the American Society of Civil Engineers to promote a standard in how new horizontal infrastructure is designed and built. By joining the institute, VHB is further enhancing its efforts to incorporate sustainability into the delivery of services to its clients and into day-to-day operations.

Charter membership in ISI is a natural course for VHB with its foundation of infrastructure work and commitment to sustainability. Through this membership, VHB continues to elevate its leadership on sustainability. The firm has appointed several staff members to serve on ISI technical committees and will help drive the update and uptake of the emerging Envision Rating System.

Diane Linderman, office manager for VHB's Richmond, Va., office, is living the legacy as ISI becomes part of the industry. As president of APWA, Linderman helped bring ISI to life and will continue to shape its maturing influence on VHB's business as the firm's primary ISI liaison.

"Improving our infrastructure is a top priority for our municipal clients and having a tool to help guide decisions by applying sustainable concepts is so important. I am excited about the opportunity for VHB to help drive the continued development of the Envision rating tool," Linderman said.

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Half of what it takes to keep everything going in a positive direction is staying calm. It isn't always easy!

3) Always be looking ahead. Your job as a leader is not just to respond to crises. It is to anticipate problems and make changes BEFORE the problem strikes. That's what good leaders do and it is your responsibility! Every time I have been caught off guard it was my fault. I was overly optimistic or delusional and ignored the warning signals.

4) Get tuned in to warning signs with your people. I'm talking about signs of burnout, fatigue, and readiness to check out. You can't let good people do that easily, in my opinion. Fight for them. Try to fix what bugs them if you can. Good people are always hard to find. Good people who know your business are even harder to find. It's best not to focus on your fears of rejection and instead to take a more constructive approach and try to address the problems the employee is having, if possible (and sometimes it isn't). ▲▲

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GROWTH

Geographical expansion through M&As

A look at how three companies have successfully done it.

By BRYAN SULLIVAN
Correspondent

“In a fast-paced world, we can now offer our global expertise and experience on a local level. Through our partners in each location and in turn, their networks, the reach of our thought-leadership and innovative direction is much more extensive.”

As firms discuss strategic planning there are three words that typically arise during these discussions: location, location, location. Additionally, determining the appropriate offering for the region is the formula to compete, grow and strengthen in that geographical locale. It’s all about being in the right place at the right time and having the right team in place to execute the firm’s offerings.

A proven way to achieve this expansion is through strategic merger and acquisition deals. This article looks at three such instances.

NORTH MEETS SOUTH. Bob Kellner, CEO at **Spiezle Architectural Group** (Trenton, NJ), an architectural, planning and design firm, shares his insights about its recent merge with a South Carolina firm.

“Our firm had been looking at opportunities beyond its traditional borders for a long time. Our annual strategic planning meetings look at markets, demographics and the economies in areas where our core project types are viable and indicate potential for growth,” he says. “The first study of the Southeast Spiezle Architectural Group assessed that South Carolina’s growth and economy was a strong match for our 60-year history of strong public work and K-12. We met John Gilmore of **McGaritty Gilmore Forrester Architects**

(MGFA), whose own 66-year history in the same core disciplines was interested in the strength and depth that would come from such a merger/acquisition. As we spent time together the mutual interest and strength that such an alliance delivered was obvious.”



Bob Kellner, CEO, Spiezle Architectural Group.

“From the relocation and expansion of large Fortune 500 companies to the area as well as international firms locating there for economic and other positive quality of life issues, this region matched all our criteria and metrics,” Kellner says.

The addition of a location in a key growth market in the Southeast now adds to Spiezle’s existing positions in the Northeast and gives it the ability to provide coverage for a larger percentage of the Eastern U.S.

“In a fast-paced world, we can now offer our global expertise and experience on a local level,” Kellner says. “Through our partners in each location and in turn, their networks, the reach of our thought-leadership and innovative direction is much more extensive. The ability to provide such experience locally is a distinctive and competitive advantage.”

Spiezle used to employ approximately 45 architects and MGFA employed approximately six. Now, the larger firm

has added several to its architectural staff.

Separately and independently, as part of its increased presence in the area, Spiezle was introduced to another architect whose experience and interests proved opportunistic. It turned out that Scott Johnston had worked with Kellner some 25 years ago when both were in Charlotte, N.C. designing large scale high-rise structures for the financial giants headquartered there. Johnston’s 10-person office matched well with Spiezle in higher education, corporate/commercial, senior living and sustainability. This led to the formation of a joint venture to pursue, design and produce projects of this type throughout the Carolinas and Georgia. The early success of this venture already shows promise and has further increased the full-time staff to more than 60.

Currently, Spiezle Architectural Group maintains offices in Trenton, N.J., Media, Pa., New York City, Columbia, M.D., Spartanburg, S.C. and Greenville, S.C.

While no new services have been added, existing services have been greatly increased, including large scale corporate/commercial, senior living, higher education, governmental, K-12 and master planning. Thus, the firm has greatly increased its expertise depth and market reach.

NORTHWEST PASSAGE. Darin Anderson, president at **Salas O’Brien**



Darin Anderson, President, Salas O'Brien.

(Oakland, CA), an energy planning firm, explains why the merger between Salas O’Brien and **KDW** (Seattle, WA), an architecture, interior design, space planning, mechanical and electrical engineering firm, was a perfect fit.

The two firms were in the power/energy, mission critical, building systems and infrastructure space and had worked together on projects and found that

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they had complementary skills, clients, geographic centers and most importantly, people and leaders who shared the same operating philosophies.

“Salas O’Brien had been looking to grow and expand its business in the Northwest, so it was apparent that there was an opportunity to strengthen our collective organizations. Both organizations had distributed owner-



David DeLizza,
Sr. VP, Pennoni
Associates Inc.

“These are markets that we wanted to penetrate. It also provided us with an expanded client base, which will provide opportunities for all of our engineering services.”

ship and became owners in the new organization,” Anderson says.

Salas O’Brien chose to expand in the Northwest region because some of its clients had operations there and there was market share to be conquered.

“Additionally, the long-term growth outlook for the region was excellent and is also a key trade center to Pacific Rim investment,” Anderson explains.

Salas O’Brien has 85 employees and KDW has 45. The combined organization now has 130 professionals and is growing.

METRO D.C. EXPANSION. David DeLizza, senior vice president for strategic growth for **Pennoni Associates Inc.**

(Philadelphia, PA), says that the company was seeking new leadership for its MEP practice.

The acquisition of **AGS, LLC** (Arlington, VA) an MEP design and engineering firm, not only provided the firm with a new chief engineer for this service, but also an office in the Washington, D.C. metro area, as well as new leadership, clients and contacts for its presence in New York City.

A location in the nation’s capital metro area had been discussed in its strategic planning efforts for some time.

“The acquisition of AGS, LLC will allow us to provide MEP services to the pharmaceutical sector as well as medical facilities,” DeLizza says. “These are markets that we wanted to penetrate. It also provided us with an expanded client base, which will provide opportunities for all of our engineering services.”

The acquisition of AGS brought seven new employees and additional MEP expertise to Pennoni. Currently, Pennoni has about 900 employees.

“We are looking to continue our growth both in the Washington, D.C. metro area as well as firm-wide,” DeLizza says.

CULTURES MUST MATCH. Even if the geographical location and proposed mergers seem to be a strong match, there are other important factors to consider. Firm culture must align and management must work diligently for the transition to occur smoothly.

Kellner says, “Many companies likely don’t think about the most important issue that determines the success or failure of mergers and acquisitions – the culture(s).

“Don’t be blinded by opportunity alone. Dreams of expansion and growth fuel the process and everyone assumes that the acquired company can and will just fall into line with the corporate entity,” Kellner warns. ▲▲

CALENDAR

FINANCIAL MANAGEMENT FOR LAYMEN: Understanding the numbers is not just something for CFOs and accounting staff.

Architecture and engineering professionals and managers who don’t have a solid foundation in basic finance and accounting handicap your business and their own careers.

In today’s competitive business environment every manager needs to accountable for the bottom line.

Whether it’s to justify a new hire or purchasing new equipment, creating or defending a project budget, presenting realistic revenue projections or expenses, understanding the firm-wide impact will improve the outcome of these decisions.

ZweigWhite has developed a new seminar specifically for non-finance managers that will help them get a handle on finance fundamentals that directly impact their own projects and the firm at large. Financial management for non-financial managers is a thorough one-day seminar for A/E/P and environmental consulting professionals.

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.

PRINCIPALS ACADEMY DATES ANNOUNCED: The Principals Academy, a crash course in all aspects of managing a professional services firm, has new dates scheduled into 2013.

Upcoming dates include Nov. 29-30 in San Diego, March 7-8 in Las Vegas, June 13-14 in Chicago, Sept. 19-20 in Boston, and Nov. 14-15 in San Francisco.

The program is presented by a team of speakers – including ZweigWhite founder and CEO Mark Zweig – with extensive experience working with and for A/E firms. They have a clear understanding of what it takes to survive, and even thrive, in any economy.

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

The Principals Academy program also includes a case study workshop session that will provide an opportunity to practice implementing these management strategies in a supervised test-case scenario.

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

SURVEY

Budgeting: Another key to success

What distinguishes fast-growth and very high profit firms from the rest of us?

By CHRISTINA ZWEIG
Contributing editor

Creating a good project budget – it sounds like a simple enough task but can be a hard action to carry through to fruition. The task is an important one though. ZweigWhite’s 2012-2013 “Successful Firms Survey of Architecture, Engineering, Planning & Environmental Consulting Firms” found some big differences between successful firm budgets and firms overall.

Here, experts weigh in on what makes a good project budget and what needs to be done to stick to it.

Steve Hart, the practice manager responsible for project leadership and delivery services for Cardinal Solutions Group, an IT solution provider, shares his expertise in the blog <http://pm-foundations.com>. He offers some valuable advice that can easily be applied to the A/E industry.

“As a person who had both project and cost center budgeting responsibilities for many years, I must admit this was an effort that I did not necessarily enjoy and usually procrastinated (much like those of us that procrastinate filing our taxes),” he said. “Ironically, now that I am on the other side of the fence as a consultant, I work very hard to establish the credibility and trust of my client that is required to be assigned responsibility for the project budget.”

Hart believes in a few “best practices” in forming a budget and he says these best practices are areas that should be considered during the project budgeting process. He doesn’t prescribe a step-by-step instruction on creating and maintaining a project budget.

“Best practices associated with the project budget are focused on efficiently leveraging the planning assets created to that point in the process and performing the appropriate level of analysis to develop a project budget that will be understood and approved by the client, and just as importantly can be managed throughout the project life cycle,” Hart said. His main considerations include efficiently creating the labor budget for your project, other cost considerations and balancing project budget versus funding.

TWO WORLDS. In the “Successful Firms Survey” respondents were asked what items their firm take into account or include when creating a project budget. The results revealed a disparity between fast-growth firms, very high profit firms and all other firms – suggesting that the key part of growth or financial success may lie in having an effective project budget strategy.

One hundred percent of fast-growth and very high profit firms included the cost of subconsultants in their project

budgets, but only 76 percent of the larger sample included this information in their budgets. All fast-growth and very high profit firms included an estimation of labor hours for each task, compared to 84 percent of the larger sample. An estimation of reimbursable expenses was yet another item common to successful firms but present in only 78 percent of the general sample.

Fast-growth firms seem to be the most concerned with direct salaries/billing rates. Allocation of time specifically for project management and team member’s direct salaries/billing rates was included in 43 percent of all firm budgets, 100 percent of fast-growth firms and 33 percent of very high-profit firm project budgets. Team members’ direct salaries/billing rates was again present in 100 percent of fast-growth firms, 73 percent of all firm budgets and 33 percent of very high-profit firms.

Fifty nine percent of all firms, 100 percent of fast-growth firms and 33 percent of very high profit firms included work breakdown structure (a breakdown of every task for the project). Calculation of direct labor costs was included in 57 percent, 75 percent, and 67 percent of all fast-growth and very high profit firm budgets, respectively.

THE BIG UNKNOWN. Once the budget is in place, how does one account for the unknowns? Adequate preparation is key, says Shawna Moore, marketing manager at Mavenlink in Irvine, Calif., a customizable project management suite provider in a blog post (www.mavenlink.com/community/blogs/1205-a-project-manager-s-top-ten-tips-for-keeping-a-project-on-time-and-on-budget).

“Make sure you know what they are and what to watch for before it’s too late to adjust. Document any obstacles along the way for next time. If you know a team member tends to turn in work at the last minute, make sure you check in to make sure he or she is still in the game,” Moore said.

Contingency allowance for unexpected costs/delays, and so on, was most common in fast-growth firm budgets (75 percent), but only 33 percent of very high profit firms and 49 percent of all firms have one.

Moore says, “No project is perfect. The best managers have contingency plans for each phase and milestone of a project. These are not ‘plans for failure’ but rather the ability to recognize that variables and conditions change. Be prepared.”

Do firms calculate in their desired end profit when creating a budget? Seventy five percent of fast-growth firms do, but interestingly the survey found that only 33 percent of very high profit firm budgets took this into consideration, even less than the 46 percent reported by the larger sample.

If there’s one thing all design firms can agree on it’s the percentage of the total project budget that should be allocated for project management. Firms in all categories reported a median of 10 percent. ▲▲

EVENTS

2012 Hot Firm List buzz abounds

How members of the prestigious ranking reacted to news of their placing and told the world about it.

At the time this issue of **THE ZWEIG LETTER** reaches you, the 2012 Hot Firm List is being announced in Apen, Col., during a black tie celebration at **THE ZWEIG LETTER** 2012 Hot Firm Conference. We don't want to spoil the news for the 100 members of the prestigious list who are eagerly waiting to find out how they placed in 2012.

We can, however, talk about buzz the awards have generated this year.

Since being notified earlier this summer of their presence on the list (with an explicit reminder that the ranked list would only be announced at the Hot Firm Conference), many firms quickly took out to news outlets and their websites to announce the news.

For example, **SEPI Engineering & Construction** (Raleigh, NC), a firm that provides civil engineering and planning services to private and public sector clients across the Southeast, divulged the news to the world as soon as it learned of its placing on the 2012 Hot Firm List.

"We are truly honored to have been included in **THE ZWEIG LETTER** 2012 Hot Firm List. This recognition exemplifies our role as a leader in our industry and proves our commitment to success and excellence."

"We are truly honored to have been included in **THE ZWEIG LETTER** 2012 Hot Firm List," said Sepi Asefina, president and founder, in a press release. "This recognition exemplifies our role as a leader in our industry and proves our commitment to success and excellence."

This marks the second year **SEPI Engineering & Construction** has been named to the Hot Firm List.

Westwood Professional Services, Inc. (Minneapolis, MN) issued a full press release about its

nomination to the 2012 Hot Firm List and the privilege of being among the 100 fastest-growing architecture, engineering, planning, and environmental firms in the nation.

On the other hand, **CobbFendley** (Houston, TX), a civil engineering and land surveying services firm, announced on the news section of its website that its management would attend and be honored at the Hot Firm Conference.

Westwood is a 230-person firm serves land and energy development clients from multiple U.S. offices. The company

more than doubled its gross revenues between 2009 and 2011 and expects a strong finish for 2012.

Having recently completed a strategic alignment process, Westwood is gearing up for growth in each of its three sectors: land, renewables, and corridor, which support the following markets: commercial and residential; wind and solar energy; and electric transmission and oil, gas, and pipeline development.



"We could not be as successful as we are without employing people who excel at what they do."

Paul Greenhagen, Westwood CEO/president, credits the company's people for driving its success.

"We could not be as successful as we are without employing people who excel at what they do. As a service-oriented business, we have to be passionate about delivering only the best solutions," he said in the release.

Greenhagen noted shared benefits between their clients and the company, "It's a win-win when we help our clients achieve and exceed their goals because they trust us with their next project. This in turn, provides new and challenging opportunities for our staff and grows our business."

M&S Engineering (Spring Branch, TX), a 60-person full service engineering firm, proudly displayed the 2012 Hot Firm logo on their blog (www.msengr.com/blog) announcing their inclusion on the list. **SPR Environmental LLC** (Shreveport, LA), a full service environmental consulting firm, also announced the nomination on its website, as did repeat winner **GATE LLC** (Houston, TX), a multidiscipline engineering firm. The firm has made the list since 2009.

All firms on the list are ranked according to their three-year growth rate in gross revenue from 2008 to 2011, and revenue in 2008 must have been at least \$1,000,000.

Next week **THE ZWEIG LETTER** will publish the full, ranked list of firms on **THE ZWEIG LETTER** 2012 Hot Firm List, as well as coverage from the event. ▀▀

Go find your 'sourcer'



Jeremy
Clarke

Do what recruiters do and arm yourself with someone who can identify those non-active candidates.

One of the best early decisions to be made in a growing recruiting or HR department is the decision to hire a candidate "sourcer." Readers may not be familiar with this terminology from a recruitment perspective, so I want to offer a definition of the term before getting into my recommendations to hire one.

A "sourcer" is a member of the recruiting organization who is entrusted with utilizing innovative research strategies intended to identify non-traditional candidates through various tools/resources. For the purposes of this article, a "non-traditional" candidate is anyone who has not identified themselves as actively seeking an opportunity. You may know them as "passive candidates." A sourcer is a critical member of the team dedicated to proactively finding relevant non-active candidates; someone who directs those candidates to a recruiter for further evaluation and development in the selection process. I hope that makes sense. To put it in very simple terms, the sourcer "feeds" the recruiter with non-traditional candidates. Usually, a sourcer is someone who has one- to two years of relevant experience in a recruiting environment. So, why do I strenuously recommend hiring a sourcer? Three reasons: It will fill your positions quicker; it will save you a lot of money; and, it will grow your recruiting team organically.

1) It will fill your positions quicker. The truth is your positions take longer than necessary to fill because your recruiters (or HR personnel) are tasked with doing so many things other than looking for candidates. I'll go so far to say that if you were to poll most corporate recruiters (non-agency) and asked them to estimate the percentage of time they actually have to look for candidates, as opposed to conducting other HR activities, that percentage would fall somewhere around the 10 percent mark. So, by that estimation, roughly 90 percent of a recruiter's time is invested in the peripheral administrative functions of posting jobs, coordinating interviews, coordinating offers, and on-boarding new-hires, while 10 percent is actually dedicated to sourcing the candidates they endeavor to hire. There are simply too many peripheral activities to allow for a concentrated effort in identifying talent. What's the result? The majority of the candidates introduced into your selection process are not those that YOU found, but rather those who have found you. Unfortunately, very few of them are actually relevant to you opening. In other words, your recruiting strategy is rendered as merely reactive... not proactive.

Your strategy has become limited and indentured to the sphere of candidates populating your careers page and your time-to-fill gets longer and longer (that is if you don't settle for marginal candidate). But hiring a sourcer changes all that by adding a dimension that focuses exclusively on identifying and feeding candidates directly to your recruiters. Your efforts become proactive immediately and broaden the available pool. Not only will this lessen your time-to-fill, but will likely produce a higher-caliber candidate pool for your organization.

2) It will save you a lot of money. Do you know what is the primary difference between a search firm and corporate recruiting team, in their respective recruiting practices? A search firm has committed a person (or persons) to the discipline of... what? Searching! Seriously, it's that simple. A search firm expands its candidate reach by employing the most innovative search methods through (you guessed it) a sourcer. These sourcers have become so in-tune with a particular discipline or profile that they know exactly where to look and which networks to tap for their referrals. How so? Because this is what they do! Research, network, identify and refer. I'm being very transparent with you here. If you were to engage my services to conduct a search on your firm's behalf, I would immediately dedicate a qualified sourcer to begin identifying the industry's key talent, and to "feed" that talent to a recruiter on my team whose responsibility would be to interview, evaluate, and present that candidate to you, the client. The introduction of a sourcing mechanism doesn't alleviate the value of outsourced search entirely. Nonetheless, it will mimic, to a significant extent, the methodologies employed in the outsourced search arena... and it could save you a ton of money by removing the need for you to outsource some of your searches. A sourcer earning a median salary of \$35-40K per year could be paid for in just two searches.

3) It will grow your recruiting team organically. There's nothing quite as beneficial as providing incremental growth opportunities in your recruiting organization. Doing so fosters retention and therefore ever-increasing expertise in filling your positions. A sourcer is a good entry-level recruiting position. Look for someone who has sound research/Internet skills. Someone who is intuitive and resourceful. Someone who has a knack for building relationships and networking. Show them that in one or two years they can become recruiters. Show them further still that they could be the next recruiting leader in a particular region... or eventually the firm. Whatever the track, a flat recruiting team will not foster the kind of tenure that impels development of the necessary expertise to fill your positions effectively.

If needs dictate, hire a sourcer. It will radically impact your recruiting success and efficiency. ▲▲

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How to avoid over-reporting



Kimberly Filion

GUEST SPEAKER

Financial reporting during a period of economic recovery can be a challenge. Here's how one small firm rallies their shareholders and project managers to help them understand exactly what they are looking at.

Project managers and shareholders are entitled to accurate financial reporting on a frequent basis. They must be held accountable for keeping track of their projects and ultimately for the bottom line. Without an understanding of financial data they would be in the dark. They may not have to know as many details as the accounting department or accounting professional, but they certainly have to understand the big picture in order to manage and lead their projects to successful completion.

The first step is to determine who should receive the reports. In ZweigWhite's 2011 "Financial Performance Survey," only 21 percent of firms reporting share financial information with all firm members. Firm members most likely to see their firm's financial information are presidents, CEOs, and managing partners (72 percent) and vice presidents and principals (58 percent). The background for this report states that sharing financial information not only shows employees what's working and what's not, it sends out a message that the firm trusts its people. Take a look at whom you report to and why. Shareholders may be entitled to all financial reports and the project managers may only see their specific projects and an overall view of how the firm is doing.

That leads to the next question – how much information to give them. This is always a dilemma. Project managers' eyes glaze over when given too much information, so keep it simple but hold them accountable. Scheduling, timesheets, reported percent complete, and close monitoring of schedules and travel expenses are the main ingredients for accurate project reporting.

Transferring this information into an easy to read and understandable financial report will ultimately lead to project managers gaining an overall understanding of the financial health of the firm. At **JMZ Architects and Planners**, we give the following reports to all employees: fees analysis, net service revenue chart and project-specific information. Our project managers receive a project

snapshot analysis, billing rate report, simple cash flow report and utilization rates.

- The fees analysis shows a list of all in-progress and pending projects, the total amount of the contracts less consultants, the amount billed to date and the amount remaining in the contract (excluding consultants). This information is used to determine the months of backlog.
- The net service revenue report is a chart showing the gross income to date, less consultants.
- The simple cash flow report gives the managers an idea of the firm's income and expenses and provides the basis for cash flow management. This works as a semi-annual report for our firm.

Shareholders and principals are frequently given all of the above plus detailed cash forecast reports, profit and loss statements, and the year-end professional accountant's statements.

Finally, the timing of reports is crucial. The accounting department is responsible for the monthly output of financial reports and reconciliation, but transferring this information into useful reports for project managers and principals on a timely basis can be challenging. Helpful hints: consider the number of recipients; stagger the presentation of project management reports versus overall accounting reports; and schedule the meetings after each reporting cycle (i.e. monthly, quarterly, etc.). Keeping a consistent meeting time after each cycle will eventually result in a more comprehensive understanding of the financial cycle.

ZweigWhite has developed a financial management seminar, to be held this fall. Financial Management for Non-Finance Professionals is a one-day seminar specifically for non-financial managers that will help get a handle on the financial factors that impact your own projects and the firm at large directly. Attendees will learn how to read and interpret an income statement and balance sheet, cash flow tips, collection processes, financial software programs, and the basics and benefits of open book management. See www.zweigwhite.com/seminars/fm for more information. ▀▄

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BEST FIRM 2012

Clients' needs: No. 1 priority at HHPR



The team at Harper Houf Peterson Righellis Inc.

Winning team and positive culture enable firm to deliver.

By BRYAN SULLIVAN
Correspondent

Excellence comes when you focus on the basics. And, to be a leader in your industry, you must focus on your clients' needs. And that's exactly what **Harper Houf Peterson Righellis Inc.** (Portland, OR) is doing. In order to execute this intense, client-based focus, a firm needs a staff that can collaborate and work well together. The founders and management team at HHPR have assembled such a team and it shows.

HHPR has been named among the top firms to work for in the United States and was most recently ranked number six in the multidiscipline category on the Best Firms To Work For list. HHPR has developed into a tightly-woven group of individuals who collaborate with a diverse group of public and private clients to deliver top-level civil and structural engineering, planning, landscape architecture, surveying and project management services.

BRIEF BACKGROUND ON HHPR. Charles Harper and Anthony Righellis founded the company in 1990. Today, HHPR has three senior principals: Harper, Dan Houf and Ron Peterson. The firm has 64 employees.

HHPR operates three offices in Portland and Bend, Ore. and Vancouver, Wash. When asked why he formed the firm, Harper, co-founder, principal and president said, "We wanted to get back to working with clients and providing quality engineering services, rather than getting bogged down with administration. Focusing on the clients' needs is our number one priority at HHPR."

WHAT MAKES HHPR A TOP FIRM? We talked with some of the employees at HHPR and here is what they had to say:

"First of all, I feel it is our people that make HHPR a top place to work," says Ben Austin, project manager, who has been with HHPR since June 14, 1999. "Our collaboration among the staff fosters innovation and a desire to go the extra mile for our clients. Professional perks include an openness to try new things and foster new opportunities.

HHPR engages in pro bono work benefiting our community, including work at local schools and non-profits such as the Ronald McDonald House."

Jane Goodstein, HR manager, says, "Our family-friendly atmosphere (which includes pets), fosters an environment of commitment to both the employee and the client and is reflected in the work we do. Our work/life balance and culture along with our projects and reputation help us to recruit. However, our generous health benefits, 401(k) plan contributions, along with many other benefits and our fun culture, have been valuable retention tools."

Not only is it a challenge to assemble a team like HHPR has, it is also extremely hard to keep it together. Creating a work environment that stimulates, yet does not overwork employees, is essential to a firm's mission.

"The work life balance that HHPR has provided allows me to give my best at home and at work," says Stephanie Slyman, planner.

Bruce Haunreiter, project manager
See HHPR, page 10

ON THE MOVE

URBAN PROMOTES: Ronald Swerdon has been promoted to the position of quality manager by **Urban Engineers, Inc.** (Philadelphia, PA), the planning, design, construction services and environmental consulting firm announced. He will be responsible for overseeing and directing all of the firm's activities relating to its ISO-certified Quality Management System.

Urban has been certified in ISO 9001:2008 for the planning, design, and construction management of engineering projects. Urban is one of only a select number of consulting engineering firms in the United States to have earned this distinction. The ISO 9001:2008 certification means that Urban's management system has been rigorously evaluated by an accredited, independent international certification organization.

During his nearly 10-year career with Urban, Swerdon, who was previously the quality control specialist, has performed project management oversight and construction management services for numerous clients before and during his work in the firm's ISO management function. He has experience establishing project controls, writing and reviewing quality manuals for large scale construction projects and mega projects, managing project costs, schedules, and scopes, and participating in risk assessments.

M&S HIRES: MacKay Sposito (Vancouver, WA), a 100-person consultant in energy, public works and land development, announced the addition of **Bob Thayne** as a project manager in their Design Group.

Thayne's professional experience includes over 11 years of civil engineering design, analysis, and project management in public infrastructure and in private residential, institutional, commercial, and industrial development.

"We are excited to welcome Bob to the MacKay Sposito Design team," said Damon Webster, vice president of design and a principal at the 38-year-old firm. "He adds valuable project management experience in stormwater and transportation projects that greatly enhances our civil engineering team."

Thayne is based out of the firm's corporate office.

PARSONS APPOINTS: Parsons (Pasadena, CA), a 11,500-person engineering, construction, technical, and professional services industries, announced that **Thomas "Tom" Barron** has been appointed to the position of director of strategic initiatives, effective Oct. 15. In this position, Barron will lead key initiatives in the

corporation's infrastructure markets.

Barron joined Parsons in 1976 and has since held a succession of management positions throughout the corporation. He has extensive experience in the planning, design, engineering, construction and management of large transportation programs globally. His most recent position was president of Parsons Transportation Group, Inc., a primary business unit of Parsons Corporation. As president, Barron was responsible for the business unit's worldwide operations and for leading PTG to record levels as measured by new sales, revenues, and profits. PTG is one of the largest providers of management, engineering, and planning services to government transportation agencies and private transportation providers across the globe.

"Tom's leadership and contributions to Parsons and the global transportation industry for more than 30 years have given him a breadth of experience and strategic insight that will be invaluable in this new role. I look forward to Tom's further contributions as he embarks on a new role in his successful career," said Chuck Harrington, Parsons chairman and CEO.

MERRICK HIRES TWO: Detlef Kurpanek has joined **Merrick & Company** (Aurora, CO), an engineering, architecture, design-build, surveying, and geospatial solutions firm, as a senior technical specialist with the Energy Group.

He offers 25 years of experience in diversified engineering, project engineering and project management in conventional and renewable energy projects. He has led projects exceeding \$230 million budgets, and offers a solid background in all phases of engineering from concept to completion; including startup, commissioning and operations.

John Kosanovich has joined Merrick as a project engineer. In this role he is responsible for technical aspects of project execution with Merrick's Energy Group. He will also act as a discipline Liaison for project tasks as well as generate proposals for specific energy related projects. Kosanovich has spent over ten years in the power generation market with a secondary focus in the petro-chemical and refining industries. During his career, he has held key positions in the capacity of director of operations, director of strategic business development, manager applications engineering, and senior project engineer.

With the additions of Kurpanek and Kosanovich, Merrick continues to expand its expertise in the delivery of complex, process-intensive bioprocessing and refining projects.

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(and company comedian), shares his favorite perks:

- "I can look out my window at the beautiful park and river every day and realize what an awesome workplace we have!
- "Our gym reimbursement program helps keep everyone active and healthy.
- "I can play my banjo every morning at the office, which arguably is the best motivation ever to come to work early.
- "We serve the best coffee of any engineering company in Portland, which makes everyone happier in the morning!

■ "My kids love the red pencils and engineering paper I bring home, making me the best dad ever!"

KEEPING A TEAM IN PLACE. So, once a firm's mission and clients' needs are matched, the team must be kept in place and going in the right direction. Retention can make or break any firm. The benefits, perks and culture tend to keep it altogether of HHPR's 64 employees, 21 have worked there for more than five years and 45 have worked there for more than 10.

Damenicka Allen, receptionist at HHPR, has been with the firm since 2002.

"Our company's workplace culture and general atmosphere is what inspires, challenges and empowers all staff members to give their best at work," she says. "There is a general appreciation for the individuality and wellbeing of each staff member, which promotes productivity and fosters a great working environment."

Taking care of a firm's most important asset, its employees, is a sure way to keep a winning team in place. At the heart of that effort is the firm's culture. Without respect for the personal affairs of others and a positive tone, making this happen may prove to be more difficult than anticipated. HHPR made it happen. ▲▲

PEOPLE

Key CFO qualities exposed

No rocket science here, CFOs expected to gather and communicate financial information with accuracy.

By LIISA SULLIVAN
Correspondent

Understanding cash flow and the ability to lead seem to top the list when it comes to choosing the right CFO hire.

EARNING TRUST. “The ability to lead the financial team (accounting, finance, invoicing, A/P, A/R, audit management, etc.) are table stake qualities,” says Jon Carlson, CEO at **Braun Intertec** (Minneapolis, MN), a 600-person environmental consulting firm.



Jon Carlson, CEO,
Braun Intertec.

Carlson says that in addition to solid leadership skills, the ability to work collaboratively and be a team player are highly valued. The CFO must be able to work across all levels of the organization. It is important for the CFO to have a good grasp of what is going on in operations to help the firm make well-informed financial decisions.

“If the CFO cannot earn the trust of operations, especially the business unit managers, he/she will never achieve the desired level of insight necessary to be successful,” Carlson says.

Braun Intertec has assembled a strategic management team (SMT) of which the CFO is an essential member. The SMT consists of Carlson and his direct reports (president, CFO, CIO, VP of HR, VP of BD and four operational VPs).

“Our CFO must be able to provide strategic insight in addition to her responsibilities of providing the team with the numbers,” Carlson says. “She must also

be able to readily understand our operations, almost to the level of a COO, and be someone who is viewed as a valued partner to operations.”

IT’S COUCH TIME. Several of Braun Intertec’s business unit managers refer to their informal visits with its CFO as time on “Carmen’s couch.”

“She does such a great job in helping them to understand financial issues relative to their operations that the business unit managers usually come away enlightened – it’s to the point of mental therapy!,” Carlson says.

Braun Intertec is large enough that it does not need its CFO to also act as CIO, which is often the case in smaller organizations and was indeed the case for this firm for many years. However, the firm invested heavily in technology. As a result, Carlson says that he needs his CFO to have a better than average understanding of information technology in general, and particularly of ERP systems.

“We also need our CFO to be an effective team member for acquisitions assessment and integration, not just due diligence,” Carlson says.

UNDERSTANDING CASH FLOW. Robert Gardner, senior vice president at **SCS Engineers** (Long Beach, CA), a 750-person firm, has been with the company for 32 years. During that time, there have been three CFOs. He has been involved with the hiring process and decision-making for two of them.

“The hiring committee typically includes the CEO, an HR person, and senior VPs,” Gardner says. “Once the CEO has worked with our headhunter/recruiting agency to secure some qualified candidates, the potential CFO hire is then brought in to meet with the committee.”

Gardner says that someone who is aggressive in managing cash flow for the

3 KEY CFO HIRE QUESTIONS

It’s important to put together some solid questions that will help you determine if you are making the best hire possible. Jon Carlson, CEO at **Braun Intertec**, recommends that you ask the following:

- 1) Explain how you have added value in your past CFO/financial leadership roles in the following areas: operations, strategic management, information technology, etc.
- 2) How will you win over and develop a trust-based relationship with operations, in general, and the operations leaders, in particular?
- 3) How will you establish a client-service orientation in the finance department toward operations that encourage collaboration between operations and finance, yet does not allow the inmates to run the asylum, nor creates an unhealthy bureaucracy that stymies operations ability to conduct business?

company is a perfect fit.

“It’s key to understand the importance of cash flow,” Gardner says. “Currently, our CFO emails around daily cash flow reports. This has been tremendously helpful. It provides a clear picture of where the money is going, and where the money is coming from and really keeps everything in check.”

Gardner adds that good communication skills are also the key to working with banks and insurance carriers, as well as being able to negotiate fair terms and conditions.

“Of course, good leadership and management skills also top the list,” Gardner says. “And finally, it’s important to our firm that the person has experience in the A/E industry. We had one CFO in the past who did not and that was not the optimum situation.”

When it comes to red flags, Gardner reports that if the person is too passive or does not wish to engage with others, it’s probably a good idea to move on to the next candidate. ■■■

TRANSACTIONS

PENNONI BUYS: Pennoni Associates (Philadelphia, PA), a 900-person engineering, design, and consulting firm, announced the acquisition of **Green Stone Engineering** (Wilmington, DE). Green Stone Engineering founder Bruce Jones will join Pennoni as the lead for the firm's water resources initiative, and his staff will merge with the Newark office's municipal division.

"The addition of Green Stone Engineering enhances our water resources capabilities and provides an expanded client base for all of our services," said David DeLizza, Pennoni vice president for strategic growth. "We are excited to bring this new level of service to our clients."

Green Stone was founded in 2004 and is a multidiscipline engineering firm providing civil and environmental engineering services including water resources engineering, water and wastewater engineering, civil site design, and construction services. Green Stone has provided design and construction management/review services for approximately more than 500 municipal/public and private greenway trail, drainage, stream stabilization, ecological restoration, water and wastewater projects.

The firm will bring Pennoni supplemental capabilities in hydraulic and hydrologic modeling, state and federal permitting, ecological restoration and mitigation design, wetlands delineation, water quality compliance, stormwater design, sustainable design, soil evaluation, hydrogeology/water supply, wastewater system design and construction inspection and testing.

"Through working together on joint opportunities we discovered that both of our firms together form a stronger and more capable team," Jones said. "Green Stone's background and capabilities will supplement Pennoni in terms of our core services in sustainable design, wastewater, and ecological services. We feel confident that by joining our highly complementary organizations, we will further advance Pennoni's overall full-service capabilities. We look forward to bringing these services to both existing and new clients."

HUITT-ZOLLARS BUYS: Huitt-Zollars (Dallas, TX), a full-service design firm, announced the acquisition of **Coon Engineering** (Oklahoma City, OK), a multi-generational, professional engineering firm that has provided survey, land development solutions, and civil engineering services across Central Oklahoma for more than 28 years.

Huitt-Zollars is enthusiastic about an expansion into Oklahoma and the opportunity to further engage in the state's economic growth. The firm looks forward to creating new relationships, enlarging their client base, and working on projects that will generate a positive influence in Oklahoma.

The partnership will establish and expand Huitt-Zollars' presence in Central Oklahoma, while CEI clients will directly benefit from the depth and breadth of the combined firms' professionals. The partnership was founded on closely aligned principles that emphasize meeting clients' needs with quality and integrity.

FIRMS ON THE MOVE

PERKINS+WILL OFFICE MOVES: Interdisciplinary design firm **Perkins+Will** (Chicago, IL), has moved its Boston office to a bright and dynamic new offices 11 floors above Post Office Square in the Financial District.

The move is the culmination of the firm's transformation over the past year, beginning with the arrival of Managing Director Robert Brown. In a few short months, Brown crafted a vision to expand services, diversify markets, and widen the firm's geographic reach, all while providing meaningful design and stellar service to clients.

To drive design innovation and excellence, Brown enlisted Brian

Healy, design director. Having garnered 47 national and regional design awards with his eponymous firm, Healy's design pedigree now augments and enhances Perkins+Will Boston's deep expertise in corporate, higher education, life science, and healthcare.

Brown also orchestrated the acquisition of **Signer Harris Architects**, a regional leader in life sciences known for its award-winning designs for Eli and Edythe L. Broad Institute, Genzyme, Biogen, and Millennium Pharmaceuticals. The combined strengths of Perkins+Will Boston's science practice and Signer Harris Architects' niche expertise position the firm to develop leading edge laboratories that help scientific partners solve problems critical to society.

In scouring the city for a new office to accommodate the firm's expanded ranks, Perkins+Will Boston imagined an environment that would energize the designers, encourage experimentation, and stimulate novel ideas. To facilitate collaboration and connection, the new offices are organized as an expansive studio of open work areas.

Borrowing a concept from their technology clients, scrum stations – on-demand collaboration areas – line interior walls. Equipped with counter-height worktables, stools and pin-up space, they support real-time problem solving, showcase projects in-design, and promote cross-disciplinary knowledge sharing.

"The move to 225 Franklin Street signals a new era for Perkins+Will Boston," Brown said. "The infusion of new talent combined with the capabilities of our veteran designers and an office that supports the collaborative process position the firm to design environments and buildings that delight users, deliver value to clients, enhance communities, and express our ongoing commitment to social and environmental sustainability."

MERRICK OPENS OFFICE: Merrick & Company (Aurora, CO), an engineering, architecture, design-build, surveying, and geospatial solutions firm, announced a new office in Washington, D.C. With the addition of this location, Merrick will continue providing engineering, design and project management services for both international and domestic projects as well as pursuing new business opportunities in the nearby regions.

The firm's focus on life sciences, nuclear services and technology, energy, national security facilities, civil infrastructure, and geospatial solutions will continue with projects both domestic and international.

"In our efforts to expand our geographic footprint on a global basis, I am happy to announce the addition of Richard Boehne as senior director of the Washington, D.C. office. We are delighted to have Richard join our team here at Merrick. Not only does he bring an excellent international perspective but will greatly benefit our business development activities, our current clients and potential clients," said Bob Berglund, senior vice president, international programs.

Boehne will work toward growing Merrick's international business as well as enhancing its Washington, D.C. presence. Boehne's work will span all of Merrick's markets with a strong focus on supporting life sciences, energy, infrastructure, national security and nuclear services and technology market sector teams. His geographic responsibility will focus on non-U.S. pursuits for Merrick's 14 offices.

Boehne contributes more than 20 years of key knowledge in the U.S. and international business environment. His background in U.S. government contracting, international business development and commercial sales will be leveraged to enhance Merrick's current portfolio of projects and clients. Boehne joins Merrick from the prior 12 years with Raytheon, where he held a range of senior positions in business development and program management.