

## Lessons learned at Hot Firm 2012



Mark Zweig

EDITORIAL

Mark Zweig makes eight CEO observations and shares them here.

I just returned from Aspen, Col., where we held the 13th annual **THE ZWEIG LETTER** Hot Firm Conference and Awards Celebration.

I hadn't been to Aspen since 1986, when my then-wife and I (no kids yet) took an extended summer vacation in Colorado with our new, red 1986 Toyota 4-Runner (back then they were bare bones vehicles with a 4 cylinder, manual transmission, manually locking hubs, vinyl flooring, and crank windows) and our new Starcraft pop-up camping trailer. It was a fun trip, tho the primitive accommodations lost their charm once we pulled into Aspen and found that a \$350/night hotel suite could be rented for \$100/night. We parked the camper and enjoyed having heat, hot water, and a real bed.

Back then, Aspen was a playground for the rich and famous. In the 25 years since, it seems Aspen has become even more Aspen-like. Real estate is crazy expensive and restaurants equally so. I had my entire family with me (we always try to go to Hot Firm together every year). If I didn't already have a second mortgage, I would take out one after this trip.

Even though I was suffering greatly from high altitude sickness (it affects some folks more than others when you are at altitudes above 8,000 feet), we had a great conference. I always learn from the people there and this year was no exception.

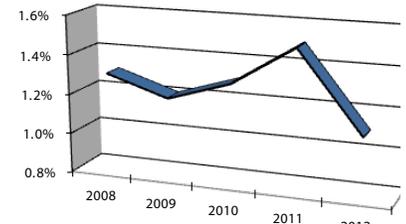
We limited our winners to only 100 firms – something I intend to keep doing as we run this contest in future years – because we thought it would bring the award more exclusivity.

See MARK ZWEIG, page 2

To be among the 100 fastest-growing A/E/P or environmental firms means you have to be doing something right.

## TRENDLINES

### Not planning



ZweigWhite's 2012-13 "Operating Expenses Survey" finds that A/E/P and environmental consulting firm spending on 401(k) plans decreased this year after climbing to a five-year high in 2011.

Last year, the median firm contribution to 401(k) plans as a percentage of net service revenue increased to 1.5 percent from 1.3 percent in 2010.

In 2012, this number has dropped to a five-year low of 1.1 percent.

– Margot Suydam, Survey Manager

## FIRM INDEX

Architectural Engineering Design Group .....	9
CTL Engineering, Inc.....	3
Dade Moeller .....	3
exp.....	4
Hazen and Sawyer .....	10
Hart Crowser .....	10
Huckabee.....	9, 11
O'Neal, Inc.....	9
Project Time & Cost, Inc.....	11
Shive-Hattery .....	10

## HR | FINANCE

### SUPPLEMENTS

Pages 9 - 12

## INSIDE

■ HR: Connectivity and productivity tied.

Page 9

■ FINANCE: Combat payment delays.

Page 11



## On the road to success... Page 3

FROM THE CHAIRMAN: **Hot Firm 2012 – Leadership**

THE FAST LANE: **Successful firms and marketing**

Pages 6 and 7

## MARK ZWEIG, from page 1

It is pretty amazing, really, to get on this list. There are somewhere around 80- to 90,000 firms that make up the design and environmental consulting "industry." To be among the 100 fastest-growing A/E/P or environmental firms means you have to be doing something right. By "right," I mean that clients are responding to your offerings.

Some of my observations of this year's winners include:

- 1) Their response to a downturn in business was to spend more money on marketing. This is counter to the way most A/E/P and environmental firms respond – they cut.
- 2) They generally seemed to think that creating a culture of ownership was critical to their success. We heard from many firms that had ESOPs, widespread ownership, and practiced open book management.
- 3) When discussing regrets or bad decisions, there seemed to be a consensus that they wished they'd cut their losses sooner with unprofitable offices or service lines.
- 4) Just about all of them had done at least one acquisition and were considering more of them. Many had done many small deals.
- 5) Having a talented and motivated staff was a top-cited factor in their firm's success by most of the CEOs present. Good times or bad, the right people are crucial! You need people who will walk on fire for you.
- 6) One of the CEO's jobs is to defuse conflicts among key people. These kinds of conflicts between valuable and committed employees are very frustrating to the organization's CEO.
- 7) Being focused and never forgetting your niche is crucial to success. You have to be careful and not take on too many distractions – i.e., business lines or market sectors you aren't going to be successful in.
- 8) Don't paint yourself into a corner – always have contingency plans. Rigid adherence to a plan was not a favored idea for the Hot Firm CEOs in attendance in Aspen. ▲▲

MARK ZWEIG is the chairman and CEO of ZweigWhite. Contact him with questions or comments at [mzweig@zweigwhite.com](mailto:mzweig@zweigwhite.com).

## A/E BUSINESS NEWS

**INDUSTRY RESPONDS TO SANDY:** The American Institute of Architects member organizations are beginning to assess the damage caused by Superstorm Sandy to communities in the Northeast region.

"Now that the storm is passing, we will formulate plans to assist architects there in evaluating the building damage caused by the storm and map a path to recovery," said Jeff Potter, AIA president, in a statement. "Meanwhile, experienced disaster responders with the AIA have resources to help prepare architects for this important role."

For more information about the effort, visit the AIA Disaster Response Program at [www.aia.org/disasterresponse](http://www.aia.org/disasterresponse).

The AIA said disaster relief donations should be sent to Architecture to Humanity ([www.architectureforhumanity.org](http://www.architectureforhumanity.org)).

Meanwhile, officials with the Associated General Contractors of America said that storm recovery and reconstruction efforts might prompt temporary spikes in construction employment in some metro areas throughout the Northeast. However, the overall impact is unlikely to significantly alter economic conditions for the construction industry, they said.

"We are likely to see localized spikes in construction employment throughout November and the winter as crews are mobilized to rebuild communities damaged by Hurricane Sandy," said Ken Simonson, the association's chief economist. "However the overall impact of reconstruction work on construction employment is likely to be minimal, as planned projects in Hurricane damaged communities are put on hold while people rebuild."

Construction employment declined in 160 out of 337 metropolitan areas between September 2011 and September 2012, increased in 125 and was stagnant in 52, according to a new analysis of federal employment data by AGC.

Association officials said that construction employment in many areas continued to decline as construction activity is put on hold amid uncertainty about federal tax and investment programs and declining public sector demand.

**GSA SEEKS TECH:** The U.S. General Services Administration announced that it issued a request for information online to gather input on new sustainable building technologies and practices in support of its Green Proving Ground program. The program is seeking information from industry, commercial organizations, educational institutions,

and non-profit organizations on technologies that have the potential to improve economic and environmental performance in federal buildings.

The GPG program leverages GSA's own real estate portfolio as a test bed to evaluate the viability of emerging building technologies and practices to save energy, water, and reduce operational costs. The RFI is inviting industry and stakeholders to submit information to the program, which will be used in the selection process for technologies to test as part of the GPG's 2013 program. Technologies that are chosen for the program are tested in GSA's federally-owned buildings. Results from these evaluations will continue to assist GSA in finding ways to make buildings more efficient and assist industry in deploying new technologies and practices into the broader market. GSA owns and leases 9,600 buildings across the country and has the real estate portfolio needed to evaluate these technologies.

GSA is seeking information on innovative building technologies and practices that can be donated or provided via testing agreements at no cost. The RFI will remain open until Friday, Nov. 23 at 5:00 pm ET.

Parties interested in submitting information should review the RFI at the FedBizOpps.gov website: [www.fbo.gov/?s=opportunity&mode=form&id=c8a1a5394e05d04c9f8cf7c755a5e4e3&tab=core&\\_cview=1](http://www.fbo.gov/?s=opportunity&mode=form&id=c8a1a5394e05d04c9f8cf7c755a5e4e3&tab=core&_cview=1).

For more information about GSA's Green Proving Ground Program visit: [www.gsa.gov/GPG](http://www.gsa.gov/GPG).

## THE ZWEIG LETTER

38 West Trenton Blvd., Suite 101  
Fayetteville, AR 72701

Mark Zweig | Publisher  
[mzweig@zweigwhite.com](mailto:mzweig@zweigwhite.com)

João Ferreira | Managing Editor  
[jferreira@zweigwhite.com](mailto:jferreira@zweigwhite.com)

Christina Zweig | Contributing Editor  
[christinaz@zweigwhite.com](mailto:christinaz@zweigwhite.com)

Tel: 800-466-6275  
Fax: 508-653-6522  
E-mail: [info@zweigwhite.com](mailto:info@zweigwhite.com)  
Online: [www.thezweigletter.com](http://www.thezweigletter.com)  
Twitter: [twitter.com/zweigwhite](https://twitter.com/zweigwhite)  
Blog: [zweigwhite.blogspot.com](http://zweigwhite.blogspot.com)

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## HOT FIRM

# On the road to success...

2012 Hot Firm leaders share their journeys.

Editor's note: This is the first of a two-part series covering The Zweig Letter 2012 Hot Firm List.

By CHRISTINA ZWEIG  
Contributing editor

**H**ot Firm leaders are a special breed. They never lose sight of possibility. Here they share their firm's tales and how they became success stories.



**Matt Moeller**, CEO of **Dade Moeller** (Richland, WA), the No. 10 on the **THE ZWEIG LETTER** 2012 Hot Firm List, talks about branding. The firm provides government and commercial nuclear clients a full range of professional and technical services in environment, safety, health

and quality assurance. The 250-person firm was founded in 1994 by Dade Moeller (Matt Moeller's father), a pre-eminent scientist and educator in the fields of health physics and environmental health. Two decades later, the firm still stands for Dr. Moeller's principles.

"When we founded the company it was all about the brand, it was all about Dade Moeller... it was about education, good science, the environment... it was about creating more than what we started with," Matt Moeller says. "Being disciplined, being focused, and never forgetting our niche is key to success."

He attributed most of the firm's growth to relationship building. Over 95 percent of the firm's growth has been organic, though Moeller notes that an acquisition of a four-person company in December 2009 resulted the eventual landing of a very important project.

**CEO'S ROLE IN GROWTH.** When asked what he thought was the most important thing he does as a leader

and how this has contributed to firm growth, Moeller said, "My work is intended to be on behalf of the company rather than about me. My job is to set the vision and direction of Dade Moeller with particular focus on positioning our company for medium and longer-term opportunities and markets."

Moeller puts great effort into fostering a corporate culture based on relationship building.

"This relates to how I present Dade Moeller to our many clients, current and potential teaming partners and companies representing new markets," he says. "I also focus a lot of my efforts in support of those who are delivering on our vision through projects or internal activities and interactions with clients, teaming partners and other colleagues. Without solid relationships, growth is impossible in our industry."



C.K. Satyapriya,  
President/CEO  
CTL Engineering,  
Inc.

C.K. Satyapriya, president and CEO **CTL Engineering, Inc.** (Columbus, OH), a full service consulting engineering, testing, inspection and analytical laboratory services company, also believes in the power of being a client-focused organization. To keep his firm growing when they were doing poorly,

Satyapriya says he focused and increased marketing effort. Though it was a tough decision to allocate resources to these areas when the firm was not doing well, he calls this, the "best action we took."

With this newfound client focus, Satyapriya says principals must visit their top 10 clients regularly. "They must know the color of their eyes, names of children, etc.," he says, adding that this action has led to a 30- to 40 percent increase in work that has been maintained.

Established in 1927 as a privately held independent engineering and testing

laboratory serving the local community, CTL now has locations around the world and is owned by 260 employees. The firm is No. 66 on The Hot Firm List this year.

Moeller doesn't act as a solo star and is a huge advocate of empowering others in the firm, supporting their effort and still providing necessary feedback to ensure "consistency of vision."

"Every leader's goal should be to work oneself out of a job; that is, mentor another to take your place so that you can do other activities to initiative and sustain the company's growth," he says.

Dade Moeller also has leadership and management teams and a very active board of directors.

Satyapriya also has an employee-focused approach to leading. He says, "Allowing people to utilize their strengths and establishing a vision for the company" are among the most important things he does as a leader.

When times got tough in 2008, the strong ownership culture fostered by Satyapriya was a major player in keeping the firm successful.

"Since the ownership culture is great, employees willingly took a cut in pay (I lead by example by announcing a cut in my pay first) and rolling furloughs for about six months in 2009," he said.

**DEVELOPING 'THE PLAN.'** "The first plan was put together in 1992-1998 and updated every year. In 1999 CTL became a majority ESOP and that required a change in the direction," Satyapriya says. The company at the time also created a BOD composed mostly of external participants.

"In 2005, we adopted the balance score card approach to the strategic plan and also instituted a plan for the project managers to establish the strategic plan, which improved buy-in," Satyapriya says. Since 2007, a major portion of the firm's growth has been through careful acquisitions.

See HOT FIRM, page 8

## PRACTICE

# Defining scope of work is essential

Relations with subconsultants can get complicated otherwise.

Editor's note: This is the first of a two-part series.

By LIISA SULLIVAN  
Correspondent

**H**ow to define the scope of work; and, how to minimize out-of-scope work? In general, the primary goal of any such negotiations is that the parties reach a meeting of the minds as to expectations, obligations, rights and remedies to minimize potential for disputes, cost overruns and change orders.

**PRIME IS KING.** Michele Kidd, assistant general counsel at **exp** (Brampton, ON), a consulting firm that provides building engineering, earth and environment, infrastructure engineering, planning and design, program management and sustainability services, advises that the best approach to negotiating with subconsultants is dictated by the client requirements and the commitments made in the prime agreement. Ultimately, the prime is responsible to the client for the actions of everyone acting under it, whether that is employees, independent consultants, or third-party subs and suppliers.

"The overall objective is to obtain the same commitments from subs as you are obliged to give the client; to leave no gap in what is promised and what is received," Kidd says.

The scope of work to be performed by a subconsultant will ideally link back to the overall scope of work you have agreed to provide to the client.

Kidd advises that you use the scope of work in the prime agreement as a start-

"The project scope is the Holy Grail. If it is not accurate then nothing else will be either. The contract business terms are critical and need to be clearly and thoroughly defined to control how each entity performs their role and meets their obligations."



Michele Kidd,  
Assistant General  
Counsel, **exp**.

ing point and tie the sub obligations to the requirements under that agreement. For example: *Subconsultant assumes toward Consultant all the obligations applicable to the Services that Consultant assumes toward Client in the Prime Agreement. The Prime Agreement is incorporated into this*

*Agreement by reference and shall be provided to Subconsultant upon request. In the event of any conflict or discrepancy between the terms and conditions of this Agreement and the Prime Agreement, the Prime Agreement shall govern.*

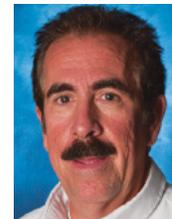
Kidd also says that it's important to have the following:

- A good understanding of what you have or will agree to provide to the client under the prime agreement. Overlay this against the services that a sub is able to provide. It should be clear which party is providing what service.
- Upstream, your own scope of work should use clear, precise scope language, including assumptions about the project (i.e., number of site visits required, number of meetings to attend, length of construction phase, size of budget, etc.), and limitations and services included and not included.
- If language in the prime agreement is a more general "the consultant shall provide all geotechnical services for the project as required," the subcontract should contain the same type of language. Common examples include providing services:
  - as necessary
  - as may be reasonably inferred
  - as are typically provided in projects of this nature

- to the satisfaction of the consultant/client
- as directed by the consultant/client

If something in a subconsultant proposal is unclear, ask about it. Generally, do not use the subconsultant's proposal for its scope of services as it may not reflect accurately the services you wish them to perform from the prime agreement. Do not assume that the issue can be addressed as the project progresses or will be covered by a change order. Clarify scope of work before it begins.

**MUTUAL UNDERSTANDING.** David Petrone, director of contracts and risk support at **MBP** (Fairfax, VA), a multi-discipline consulting firm, agrees that before defining the scope of work with a subconsultant in a formal sub agreement, it is critical that the prime consultant reach a mutual understanding of the scope of services with its client in a prime agreement.



David Petrone,  
Director  
of Contracts and  
Risk Support,  
MBP.

"The parties to a sub agreement should then find time to engage in oral discussions prior to putting pen to paper for a subconsultant agreement so that each party can better understand the other party's expectations and obligations. Without having oral discussions, there's a greater potential for future disputes," Petrone warns.

The scope of work for which a subconsultant's services are required will usually mirror, to the maximum extent practicable, the scope of work applicable to the prime consultant.

"The prime consultant will, however, likely need to adapt some of the terms and conditions of the prime agreement for the sub agreement," Petrone says.

For example, the scope of services in the prime agreement may have a performance schedule for deliverables and the prime consultant has obligated itself to the client. For the prime consultant to have adequate time to review

and comment on deliverables received from a subconsultant before they are passed to the client, the prime consultant will likely need to establish separate (earlier) deadlines for deliverables being developed by the subconsultant.

“Additionally, the subjects used in most sentences in the prime agreement that refer to the prime consultant or the client may not clearly explain the obligations of the subconsultant to those parties by incorporating by reference all of the terms and conditions of the prime agreement into the subconsultant agreement,” Petrone says. “For example, an indemnification provision that requires that ‘the Prime Consultant indemnify and hold harmless the Client...’ may not adequately convey what indemnification obligations the subconsultant might have to either the prime consultant or the client unless there is some further adaptation or modification of the provision.”

Therefore, parties are often required to explain how the action verbs of sentences in the prime agreement apply to the subconsultant by adapting/modifying the language appropriately.

**HOW DO YOU MINIMIZE OUT OF SCOPE WORK?** Kidd advises the following:

- Understand upfront what you have agreed to provide to the client and what you expect the subconsultant to provide. Do a gap analysis to ensure the two are the same.
- Tie the obligations of the sub to the overall obligations in the prime agreement.
- Do not agree to approve a change without a corresponding approval from the client.
- Clarify that you are to be the primary point of contact with the client to avoid client providing inconsistent direction. For example: *Unless specifically provided in this Agreement, Subconsultant shall not communicate with Client, either directly or indirectly, concerning the Project or the performance of Services without the prior written consent of Consultant. Any Client*

*communication or inquiries regarding the Project shall be directed to Consultant.*

Petrone recommends that, at a minimum, a subconsultant agreement should require that before any out-of-scope work is performed:

- 1) The subconsultant must provide written notice in any circumstance where it is believed that an act or omission of the prime consultant or the upstream client entitles the subconsultant to an equitable adjustment to the performance schedule or pricing; and
- 2) A written modification to the subconsultant agreement is duly signed by both parties to the contract.

Regardless of whether or not the parties agree as to whether services being performed are out of scope, requiring the subconsultant to provide written notice of what it believes to be out-of-scope work will allow the parties to consider and discuss alternative performance approaches to minimize and possibly eliminate any potential increased costs.



John Hardy,  
President/CEO,  
John Hardy  
Group, Inc.

“The project scope is the Holy Grail,” says John Hardy, president/CEO, the John Hardy Group, Inc. in Atlanta, a development services firm. “If it is not accurate then nothing else will be either. The contract business terms are critical and need to be clearly and thoroughly defined to control how each entity performs their role and meets their obligations. The relationship of each contract entity involved needs to be accurately defined and coordinated between all of the contracts required to ensure the entire project scope of work is covered and coordinated with the others without any significant overlaps or gaps.”

The second part of this series will focus on the nuts and bolts of crafting the actual contract and include dos and don'ts. ▀▲

## CALENDAR

### 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](http://www.zweigwhite.com/seminars/pmo/index.asp).

### MARKETING IN TODAY'S WORLD:

Marketing in our industry is changing! It is not business as usual for A/E/P and environmental firms.

The tough economy and the increasing power of the Internet and electronic communications are changing everything marketing-wise.

Spend the day with the industry's leading management expert, Mark Zweig, for an in-depth discussion of how marketing needs to adapt to deliver results now.

Attendees will learn:

- The role management needs to play in marketing
- How everyone in the firm can be selling
- Ways to help technical people overcome marketing-phobia

Upcoming events are scheduled for Nov. 15 in Orlando, Fla., and in 2013 on Feb. 7 in San Diego, April 11 in Indianapolis, and May 9 in Charleston, S.C.

For more information or to register, call 800-466-6275 or log on to [www.zweigwhite.com/seminars/mktsem/index.asp](http://www.zweigwhite.com/seminars/mktsem/index.asp).

# Hot Firm 2012 – Leadership



Ed  
Friedrichs

FROM THE CHAIRMAN

A laundry list of what distinguishes true leaders.

At THE ZWEIG LETTER 2012 Hot Firm Conference in Aspen, Col., last month, I had the great pleasure of leading a conversation between about 40 CEOs of firms who had distinguished themselves through their growth during the previous year, both in size and in profitability – a significant achievement in the current economy.

The topic was leadership. I asked each participant to describe a characteristic that defines his or her leadership style and represents his or her key strength. In the spirit of a good poker player who knows the “aces” and the “spaces” in his hand, I also asked for a weakness; an area of leadership that they admire but don’t necessarily exhibit; one that they must rely on others for so their firm has a well-rounded leadership team.

The following represents the leadership ingredients described and discussed. Weaknesses are expressed as strengths because, in a well-rounded leadership team, each characteristic behavior must be present. While there are many great books and articles that inventory leadership characteristics, I think this list is outstanding:

- **People skills.** Empathy for the people with whom I work. The ability to both praise and criticize constructively.
- **Marketing and sales.** Two different skills: a strong desire and capability to define and energize the firm’s market strengths; and the ability to sell work.
- **Empowerment.** Giving people the tools and authority to represent the firm, command the firm’s resources and act as a leader on the client’s behalf.
- **Live by example.** Walk your talk; *do as you say*.
- **Consistent philosophy.** Manage growth and work in a manner that achieves consistency with the firm’s values and standards.
- **Expand leadership.** Through empowerment, coaching and mentorship, help people grow; then “let go” and let them lead.
- **Collaboration.** Demonstrate and facilitate a collaborative attitude and process throughout the firm.
- **Hard work and commitment.** Model this behavior and build a culture that supports it.
- **Inspire growth.** Articulate a vision and inspire its achievement.
- **Observe your environment.** Enables ability to recognize and anticipate changes, threats and opportunities.
- **Build consensus.** Do this by drawing out people’s thoughts. Give everyone a sense of engagement; a sense that they’ve been heard.
- **Maintain optimism.** Be a “glass half-full” leader.
- **Articulate values.** Use stories and parables to consistently remind people of what you stand for.
- **Accountability.** Demand commitments and then insist upon execution.
- **Discipline.** It’s alright to be prolific with ideas, but have the discipline to select and pursue to completion the ones that are going to build your business most effectively.
- **Change.** Inspire constructive and adaptive change in your organization.
- **Leadership education.** Teach “the business of the business” – not just mechanics, but the things that make our business flourish.
- **Open communication.** Get the right information into people’s hands.
- **Cheerleader for improvement.** Sustain an attitude that “we can always do it better.” Consistently communicate the work of the whole firm.
- **Humility.** Learn what you don’t know by listening to everyone.
- **Lead the client relationship.** From sale to execution.
- **Focus** on people and objectives (not on “what’s in it for me”).
- **Adopt and adapt** your business practices to ever changing technology.
- **Make** each person feel the importance of their individual role to the success of your work.
- **Future leaders.** Teach them and grow them. Set them up for success through learning experiences.
- **Tools.** Give people what they need to do their jobs well.
- **Nurture collaborative, trusting relationships.**
- **“Feed the peace.”** Spread oil on water; defuse tense situations to keep people focused on solving for success.
- **Develop** trust and credibility throughout the organization.

See ED FRIEDRICHS, page 8

# Successful firms and marketing



Bernie Siben

THE FAST LANE

Seven characteristics that distinguish the winners.

In my almost 30 years as an AEC industry marketer, including eight years as an independent consultant, I have been employed or contracted by many firms, been an SMPS member and speaker to industry groups, and have written for this and other industry publications. I speak with many folks about AEC industry marketing.

Based on my discussions with colleagues, I have concluded that successful AEC firms do seven things in their marketing efforts, and do them well:

- 1) They plan
- 2) They follow their plan
- 3) They position themselves
- 4) They make good decisions
- 5) They have a proposal writing process
- 6) They debrief
- 7) They share information

**They plan** – Successful firms do not wander blindly through their market sectors. They develop detailed strategic plans to help them determine where they've been, where they are now, and where they want to go. These plans also detail the clients with whom they want to do business, the kinds of projects they want to do, the kinds of clients and projects they want to avoid, the kinds of risks they are willing to take, and other factors they consider important.

**They follow their plan** – For successful firms, it is not enough just to have a plan sitting on the shelf. The plan informs their pursuit and other marketing decisions, as well as a host of other decisions and activities involved in project execution and administrative support.

**They position themselves** – Successful firms identify desired clients, contact and visit them, and build relationships long before an RFQ or RFP

is issued. They talk to prospective and existing clients about upcoming projects and try to position themselves as the best firm to select in advance of the RFQ/RFP.

**They make good decisions** – Making good decisions is about having a process to clarify the issues and determine if a specific path will lead to a stated goal. A strong “go/no go” analysis, for example, helps identify whether an RFQ/RFP responds to the firm's strategic plan, whether the project can be done within the client's schedule and budget, whether the firm has appropriate staff and experience to win the project, and whether marketing staff have the time necessary to deliver a high-quality proposal.

Considering marketing staff capacity in the analysis ensures that the firm will not commit to more than its marketing staff can produce. Cutting corners to turn out one more proposal often means the quality of all proposals will drop and you may lose a project you might have won if you hadn't taken time and resources away from the effort.

The go/no go analysis also considers timing. One West Coast firm's process says that if the completed go/no go analysis and RFP are not given to the marketing group at least two weeks before the due date, it is an automatic “no go.” They have learned the hard lesson that quality takes time!

Some years ago, in the SMPS Listserve, I asked anyone whose firm had a hit rate above 60 percent to tell me why they thought that was so. Every single responder attributed that success to having a strong go/no go process.

In short, a strong go/no go process helps take the ego out of the go/no go decision.

**They have a proposal writing process** – Successful firms have a process for scheduling the components of a successful submittal. Starting with a list of the tasks that must be completed, they work backward from the due date and determine when each component must be completed, when it must be started, and who will be responsible for it. In some firms, the process includes a statement – supported by firm leaders – that missing an assignment deadline could result in cancelling the submittal.

**They debrief** – Successful firms debrief after most, if not all, submittals – whether they are selected or not. They recognize the importance of knowing what a client thinks is bad – and good. That knowledge

See BERNIE SIBEN, page 8

Based on my discussions with colleagues, I have concluded that successful AEC firms do seven things in their marketing efforts.

**HOT FIRM**, from page 3

Moeller says his firm definitely had a plan for success, though it didn't have an official start date.

"We did not begin. Rather, we evolved and matured by refining and improving our business development processes and business operations to support the growth objective," he says.

The firm develops and updates its five-year plan routinely, a practice that has helped focus business development activities and prioritize the most costly growth efforts.

"That said, our plan was not just about attaining a specific dollar value by a particular time. The growth objective was one of numerous goals we set to help us identify our internal needs, target opportunities, and develop relationships with those with whom we needed to partner to be successful," Moeller says.

Satyapriya has had to refine criteria and make tough decisions. "I recognized that by establishing specific metrics to decide on the continuation of a branch, I closed poorly performing branches. That helped me focus resources on other branches and help them grow."

**ED FRIEDRICHS**, from page 6

- **Invite criticism.** And learn from it.
- **Balance** doing projects right versus driving for profitability.
- **Honesty.** Employ constructive candor; lead by doing right.
- "If you're the first to talk, others won't learn to think for themselves."
- **"Know when to hold 'em and when to fold 'em."** Stop doing things that are no longer building your business.

Is it any wonder that these firms were able to achieve leadership in their markets?

I added a few of my favorites to the discussion:

- Nurture trust through your consistent commitment to your core values. Walk your talk.
- Your energy level and passion are a demonstration of your ambition, vision and commitment to why you're in business.
- Spread your culture through storytelling. Use parables to deliver value messages.
- Cast people into roles that engage their strengths. Team people with complementary strengths. Don't expect people to "fix" their shortcomings.
- Spread authority and responsibility; demand accountability. You get what you measure. Authority is not an entitlement.
- Take strong leadership on your client's matters. Guide the success of your client's programs as if you own them personally.

Three books on aspects of leadership that I highly recommended to the group:

- 1) Now Discover Your Strengths, by Marcus Buckingham and Donald Clifton.
- 2) Great by Choice: Uncertainty, Chaos and Luck – Why Some

Flexibility has certainly been a key to Dade Moeller's success, a characteristic that has been applied to the business development organization, which Moeller describes as "changing and maturing." Business development is directly related to how the firm feels they are doing in terms of client perception, backlog, workload, etc.

"Interestingly enough at times it's been larger, then got smaller, more distributed, less distributed," Moeller says.

Overall, Moeller says this flexible approach has led the firm to not have a discernible "worst decision," something he attributes to "having contingency plans when conditions or decisions do not go our way." The firm focuses on what they can control, but recognizes that in business (especially during recent years) there are many factors that can't be controlled. Strong relationships minimize surprises.

"When conditions falter, we try not to focus on what has happened to us, or assign blame. Rather, we focus our attention on how we will respond. We believe the latter is the mark of our character and corporate culture. The bottom line is that when something does not go well, we need to try to fix it, learn from it, and move on," Moeller says. ▲▲

Thrive Despite Them All, by Jim Collins and Morten Hanson.

- 3) Primal Leadership: Learning to Lead With Emotional Intelligence, by Daniel Goleman, Richard Boyatzis and Annie McKee. ▲▲

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

**BERNIE SIBEN**, from page 7

informs the firm's overall proposal/pursuit process, as well as every future proposal for that client.

**They share information** – The information learned in debriefings and other client discussions is captured as "lessons learned," stored in their computer network and made available to any person who needs it. Any marketer or project manager can access the lessons learned regarding a specific client before they make a visit, begin writing a proposal, or hold a kick-off meeting for a new project.

When I was growing up, still splashing around in the kiddies' wading pool, and wanting very much to go in the big kids' pool, my mother always told me that if I wanted to swim with the big kids, I first had to learn how to swim like the big kids.

A paraphrase on that philosophy works here:

When it comes to AEC marketing, if you want to compete with the successful firms, you have to learn to compete like the successful firms. ▲▲

BERNIE SIBEN, CPSM, is owner/principal consultant of The Siben Consult, LLC, in Austin, TX, providing strategic and marketing services to A/E/C and environmental firms nationwide. Contact him at 559-901-9596 or [bernie@sibenconsult.com](mailto:bernie@sibenconsult.com).

## WORKPLACE

# Connectivity and productivity tied

When you balance it all out, it seems that the pros do outweigh the cons.

By LIISA SULLIVAN  
Correspondent

There's no question about it: we're a mobile society and companies are taking cues from the social arena and incorporating them into the workplace. Now, keep in mind, there are pros and cons when it comes to mobile device use at work.

*"Policy must precede technology. Information and data security presents unique challenges. A 'BYOD' policy needs to protect corporate data and employee data/privacy."*

**POLICIES PROVIDE USE STRUCTURE.** Brian Gallagher, director of marketing at **O'Neal, Inc.** (Greenville, SC), a project planning, design and construction firm, says that the company provides employees with laptops, smartphones, iPads, tablets, etc.

"We provide many of our design, construction management, business development and executives with laptops based on business needs," Gallagher says. "We currently have a 'BYOD' policy for smartphones and iPads/tablets. We also provide reimbursement for certain devices and phones, as well as access."

However, without a proactive BYOD policy, there are risks to the employee and the company.

"Policy must precede technology. Information and data security presents unique challenges. A 'BYOD' policy needs to protect corporate data and employee data/privacy. The company and employees need to understand the BYOD and privacy policies. Employees are less likely to resist policies when



Brian Gallagher,  
Director of  
Marketing,  
O'Neal, Inc.

they understand the rules," Gallagher says.

At O'Neal, these policies include acceptable usage agreements that define acceptable use of the device and corporate resources (ShareFile, DropBox, VPN, CRM data, etc).

Gallagher explains that all company-issued devices are to be used for business purposes only.

"Most of our employees use their laptops and devices at job sites and at clients' sites," he says. "We have established a technology team to help us identify opportunities when software and hardware can automate the design and construction process. This team consists of employee-owners from various aspects of our business – architecture, engineering, procurement, construction management, business development, marketing and IT."

Nick Gurov, vice president at **Huckabee** (Fort Worth, TX), an architecture, engineering and management firm, also provides laptops to employees who are required to be mobile.

"Smartphone allowances are a part of the employee's benefit package. Connectivity is the key to success in today's marketplace," Gurov says.

Huckabee also has a policy in place that outlines company-issued equipment is meant to be used for business purposes only.

**COMPANY SUPPORTS EMPLOYEES AS NEEDED.** Jon Brooks, principal at **Architectural Engineering Design Group** (Denver, CO) provides laptops to most employees. These are in place



Jon Brooks,  
Principal,  
Architectural  
Engineering  
Design Group.

of tower-style workstations.

"This allows team members to take their laptops with them for site visits or to give presentations, or to work from home if needed," Brooks says. "We have seen a migration by younger, self-motivated staff to use their own personal smartphones or tablet devices for work and we have set up our IT infrastructure to accommodate this (i.e., remote email access, etc.). We recognize that all individuals work differently, especially when out of the office, so our 'policy' right now is simply to provide the technology so that if this type of 'interconnection' is something that an employee desires to have, we can accommodate it easily."

Architectural Engineering Design Group does not currently have any strict policies in place for using these devices.

"It's our intent to provide these devices as a convenience to assist with getting work done as our employees' schedules allow," Brooks says.

**WHAT ARE THE PROS?** As an organization, O'Neal finds ways to embrace emerging technologies.

"It's easy to say that we won't support mobile devices, but employees will continue to bring their devices. Technology for technology sake doesn't make sense, but leveraging technology to improve a business process can have a significant impact on profitability," Gallagher says. "In reality, the devices can lead to increased efficiency and productivity. Construction technology is a fast-growing segment. There are literally hundreds of products available that can help automate the construction process – many of which have

See CONNECTIVITY, page 10

## ON THE MOVE

**SHIVE-HATTERY CHOOSES NEW PRESIDENT:** **Shive-Hattery** (Cedar Rapids, IA), a 350-person architectural and engineering firm, announced the election of **James Lee** to the position of president. Lee has served as executive vice president since January 2012.

Thomas Hayden has served as president and chairman of the board since 1996 and will remain as chairman of the company.

“Jim has exceptional experience in developing and maintaining long-term client relationships which complement our firm’s philosophy,” Hayden said. “His market experience, client insight and industry knowledge will continue the firm’s success.”

Lee joined the architecture and engineering consulting firm in 1985 and has over 30 years of experience. He has a mechanical engineering background and previously served as the building systems team leader in Shive-Hattery’s West Des Moines office, the largest team in the company.

“I look forward to my new role and continuing the firm’s strong history of serving its clients and providing great careers for our employees,” Lee said. “Client and employee satisfaction has and will continue to be the key to the firm’s longevity.”

As Shive-Hattery’s president, Lee is responsible for the overall leadership, culture, vision and direction of current and future operations of Shive-Hattery.

**HAZEN AND SAWYER PROMOTES:** **Hazen and Sawyer** (New York, NY), a water and wastewater engineering firm, announced the appointment of **Richard Peters** as the firm’s Northeast regional manager.

Peters brings to the post 28 years of experience in the industry, 25 of them with Hazen and Sawyer. He has previously served as the firm’s project director on several local projects known around the world, such as the Cat-Del UV Disinfection Facility and the NYC Water for the Future Program, and served as the firm’s Northeast Region Water Practice Group leader.

Succeeding Rich as Northeast Region Water Practice Group leader is **Matthew Valade**, the firm’s Boston office manager. Valade has managed several significant and successful water treatment projects, including the Cat-Del UV Disinfection Facility, the Stamford, Conn., water treatment plant, and the Madbury, N.H., water treatment plant.

**Sandeep Mehrotra** is assuming the role of New York City office manager. Mehrotra brings to the post 28 years of experience, 25 of them with Hazen and Sawyer. Sandeep has also served as project director on several local projects known around the world, including the Staten Island Bluebelt and CSO-PlaNYC. He will also continue to serve as the Firm’s Sustainability Practice Group leader.

**Eamon Kelly** is assuming the role of the Northeast Region PM/CM Practice Group leader. Kelly has 28 years of experience in the industry, 10 of them with Hazen and Sawyer. He has managed many large construction projects in the region, including the Phase 1 upgrade of NYC’s Bowery Bay wastewater treatment plant.

**EIGHT JOIN HART CROWSER:** **Hart Crowser** (Seattle, WA), an employee-owned environmental and engineering consulting firm, has hired eight new employees.

**Pete Heltzel** and **Kelsey Donahue** have joined the Edmonds office. Heltzel is a fisheries biologist who is helping the City of Bellevue determine the status and trends of fish populations in urban streams. His clients have included the US Army Corps of Engineers, US Navy, King County, Port of Seattle, and energy companies. Donahue is a marine biologist who is supporting habitat characterization in Cook Inlet in Alaska and marine animal monitoring for the US Navy.

**Max Gummer**, geotechnical engineer, has joined the Portland office. Gummer has previously worked for the Oregon Department of Transportation. He is working on waterfront and roadway projects.

**Suzanne Faubl**, **Marc Miller**, **Kerry Hosken**, **Nimfa Josol**, and **Rebecca Ramsey** have joined the Seattle office. Faubl is an environmental engineer who will be assisting with projects for the U.S. Forest Service, Seattle City Light, and Washington State Department of Ecology. Hosken is an environmental engineer with experience in wildlife biology. He will be supporting stormwater and remediation engineering projects. Miller is a field geologist who will be working on the SR99 Bored Tunnel project in Seattle and other geotechnical infrastructure projects. Josol is a senior accounting clerk with 22 years of experience. Ramsey is a project assistant.

## CONNECTIVITY, from page 9

apps (both for Apple and Android platforms). Proactive organizations are embracing these opportunities and letting employees try things out. Many of our younger employees are very comfortable with technology and can be the source of future best practices.”

Brooks of Architectural Engineering Design Group says that not all work gets done these days in the office, so it’s important to give everyone the tools to work remotely as needed.

Gurov of Huckabee agrees that the company’s mobile employees can be productive out of the office. Huckabee also allows for continued work product

in the event of an emergency or weather-related activity.

**WHAT ARE THE CONS?** At O’Neal, security is a big concern. Companies and employees must share the responsibilities of protecting corporate data and ensuring compliance. For example, the Health Insurance Portability and Accountability Act (HIPAA) requires native encryption on any device that holds data subject to HIPAA.

Additionally, allowing employees to BYOD can create a drain on IT and helpdesk resources.

“There is a fine line between what a helpdesk should support and what the

employee’s service provider should support. It’s important to define that line,” Gallagher says.

Brooks explains that there are also higher costs associated with laptop versus tower computers for the same performance.

“Regarding phones and tablets, these types of devices blur the lines between personal and business usage,” Brooks says. “It’s difficult to determine how best to accommodate everyone’s needs while still making solid financial decisions for the company’s bottom line.”

Gurov adds that loss and damage also come into play, which simply converts into more cost. ▀▀

## OPERATIONS

# Combat payment delays

Getting paid on time keeps the wheels in motion. Here are the strategies to make it happen.

By LIISA SULLIVAN  
Correspondent

In a perfect world, you send out your invoice and are paid within 30 days. However, as we all know, it's not a perfect world. There are sometimes large gaps between billing and payment, but there are some strategies that will help to keep you afloat.

**COMMUNICATION AND FOLLOW-UP PLAY BIG ROLE.** Chris Potter, vice president/controller at **Project Time & Cost, Inc.** (Atlanta, GA), an international team of cost engineers, program managers, and forensic consultants, says that its past due receivables are generally attributed to: 1) a lost invoice; and 2) inaccurate invoice requirements.

To combat these problems, PT&C does the following:

- If a client claims that they never received an invoice or it was misplaced, the invoice is identified and resent. PT&C attempts to mitigate the effects of this issue with the use of upfront and constant client communication.
- Since PT&C's clients rarely complain that they do not receive the deliverable, the firm includes its invoice as a separate attachment with the deliverable.
- Within 48 hours of sending the deliverable and invoice, PT&C's project managers contact the client to ensure receipt and to identify any quality issues with the deliverable or potential issues with the invoice.
- PT&C sends monthly reminder statements, again with the supporting invoices attached.
- PT&C's collections' group makes contact, at the appropriate time, with clients' accounts payable departments.



Tom Lueck,  
President,  
Huckabee.

The group finds that communication between comparable departmental colleagues provides better response and results than attempts to contact the client project manager, with whom accounting may have no relationship.

"Most of our clients, if not all, to some degree, have specific invoicing requirements," Potter says. "To help our billing staff organize and enact these requirements, PT&C created a shared folder, organized by client, to track invoicing requirements. Since we constantly receive client change notifications and with 48-hour contact response feedback, the billing staff updates in real time. Our next step in this effort is to automate these invoicing requirements with our billing system."

**ENSURE FINANCING IS IN PLACE.** Tom Lueck, president at **Huckabee** (Fort Worth, TX), an architecture, engineering and management firm, says that in publicly-funded work, the financing is in place so there are usually very few issues with payment.

"The most common issue is getting the lines of invoicing receipts and payments set," Lueck says. "The more concerning problem is when payment is held. This usually means that the owner is upset with the architect's performance on an issue."

To facilitate payment, it is advantageous to get the payment stream established early on in the project, when invoicing amounts are smaller.

"If this is accomplished, the payments are moving seamlessly when the larger amounts start to appear," Lueck says.

**STRATEGIES TO HELP AVOID PAYMENT DELAYS.** Getting paid in a timely manner is vital to your architecture or engineering firm's cash flow and

growth. Below are seven tips that architecture and engineering firms can use to get paid faster.

Axiom develops project-focused software solutions specifically for A/E firms ranging in size from 10-person design studios to multi-state organizations. They offer the following advice:

"The most common issue is getting the lines of invoicing receipts and payments set."

- 1) Be clear.** Clearly articulate your firm's billing procedures in a face-to-face meeting. Additionally, send a follow-up letter and/or contract for services.
- 2) Be repetitive.** Repeat your firm's billing procedures in every statement or invoice that you send to the client.
- 3) Be flexible.** If any changes to the policy are made for a specific client, clearly document these changes and stick to them.
- 4) Be firm, but fair.** Don't start out collections' efforts with a harsh or abrasive tone. Instead, start out by asking for their assistance and explaining that addressing outstanding receivables is in your mutual best interest to keep the project and relationship moving forward.
- 5) Notify management when necessary.** Never let a receivable go without project management-level attention beyond 45 days.
- 6) Communicate with the appropriate people.** Direct collection calls or letters to the individual in a client organization with the direct responsibility for getting the bill approved and the check sent.
- 7) Consider extensions.** Agree to a client's request for an extension only if the client is willing to send you a written letter of commitment documenting the new arrangement. ▽▲

# Storm recovery efforts facilitated



David Alexander

GUEST SPEAKER

Firms can use their GSA Schedule contracts to help state and local entities recover from Sandy.

**I**n the aftermath of Sandy, state and local entities are allowed to issue task orders to firms that hold GSA Schedule contracts. These contracts are typically open only to federal government agencies. But the “Recovery Purchasing” clauses in these contracts make state and local entities eligible to use them to plan for or recover from presidentially declared emergency events.

Under GSA Schedule contracts, thousands of firms provide a wide variety of A/E, construction management, energy efficiency, environmental, and other services and products to federal government agencies. Billings total about \$38 billion in a typical year. Only federal government agencies can issue orders, with two exceptions. GSA Schedule contracts for IT or law enforcement products and services are always open to state and local governments.

Partly motivated by a bipartisan push after hurricanes Katrina and Rita, federal legislation was enacted to open all GSA Schedule contracts to state and local governments to help them prepare for or recover from natural disasters and certain other types of emergency events (for example terrorism or biological attacks). The goal is to provide state and local government entities with a streamlined way to select and engage contractors at pre-determined hourly prices.

GSA Schedule contracts are fairly easy to obtain, and

## Guide to Winning Federal Government Contracts

This book will take you through the process of identifying opportunities, developing strategies, and preparing effective proposals, as a prime, a subcontractor, or a sub-consultant. Written and revised by David J. Alexander, who has more than 25 years of experience in providing consulting services to the federal government, this publication navigates you through the complexity of the market and provides you with straightforward, easy-to-understand information that you can use to help your firm win federal contracts.

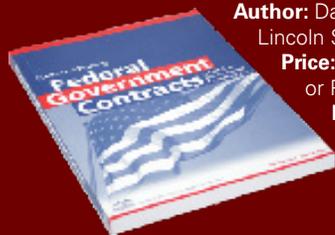
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- Apply basic strategies for breaking into or expanding your presence in the federal marketplace
- Identify federal business opportunities and make bid/no-bid decisions
- Prepare winning proposals – from preparing a compelling personnel section to maximizing your past performance score
- Successfully win work with the federal government

are held by many of the nation’s largest technical services firms, as well as by many mid-size and smaller firms. Obtaining these contracts requires a proposal, which is fairly straightforward, except for the pricing section. While the pricing section is complex, the contracts are awarded with fixed labor rates, not cost-reimbursable rates, the former of which are much easier to handle than the latter for many firms. ▲▲

DAVID ALEXANDER of Lincoln Strategies, LLC, helps firms enter or expand within government markets. Lincoln Strategies has helped many A/E, environmental, and construction management firms, including some of the largest in the nation, pursue and win federal contracts. Contact him at [dalexander@LincolnStrategies.com](mailto:dalexander@LincolnStrategies.com) or by phone at 978-369-1140.

## Guide to Winning Federal Government Contracts



**Author:** David Alexander, Lincoln Strategies, LLC  
**Price:** \$295 Print or PDF  
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