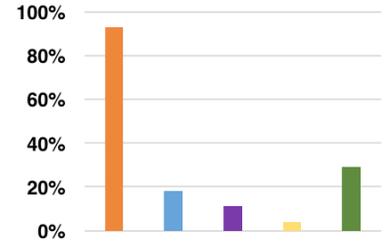


TRENDLINES

Marketing director bonuses



Most firms (93 percent) award bonuses to the marketing director based on **company profitability**. But 18 percent of firms also award bonuses based on **sales/business development**, 11 percent for **office profitability**, 4 percent for the number of **new and repeat clients**, and 29 percent for **individual performance, merit, and owner's discretion**, according to the 2016 *Marketing Survey*. Totals sum to more than 100 percent because more than one answer choice could be selected. (Special discount to TZL Subscribers, use code **SPRINGMKT15** to order this survey at 15 percent off on ZweigGroup.com)

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Finance and accounting terminology made simple

“We want everyone who works in an A/E/P or environmental firm to understand this stuff.”



Mark Zweig

EDITORIAL

Many folks working in firms in the A/E/P and environmental consulting industry don't understand commonly-used financial terminology. How can you blame them? If no one ever explained it to them you can't expect them to know it.

It isn't difficult, but not understanding it puts your people at a disadvantage and is bad for the firm. We want everyone who works in an A/E/P or environmental firm to understand this stuff. So here we go with some simple definitions of terms we all hear every day. Please pass these onto your people!

- **Gross revenue.** All revenue from the operations of your business or business unit, including subconsultants and reimbursable expenses.
- **Net service revenue (NSR).** This is gross revenue (see above) less subconsultants and reimbursable expenses.
- **Raw labor.** This is the total labor cost in salaries and hourly wages and includes no company-paid payroll taxes or insurance or anything else. E.g., someone earning gross pay of \$25 an hour and working 2,000 hours in the year has a raw labor cost of \$50,000.
- **New project “sale” (or sales).** The dollar value of a new project (or projects) under contract with authorization to proceed.
- **Backlog.** The total amount of work under contract yet to be performed. This can be expressed as a dollar amount but it's usually expressed in months. Calculated as total backlog

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MORE COLUMNS

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JUNE RELEASE

2016 INCENTIVE COMPENSATION SURVEY Incentive compensation is an important aspect of attracting and keeping the right candidates for employment. What are peer companies doing? How many people participate and what percentage of the compensation budget is variable? What segments or specialties are seeing success with incentive plans? What incentives should your firm implement and how?



MARK ZWEIG, from page 1

divided by net service revenue times 365. E.g., a company with \$5 million in NSR and a \$3-million backlog has 219 days of backlog.

- **Direct labor.** The dollar amount of raw labor charged to active jobs or projects.
- **Total labor.** The dollar amount of total raw labor.
- **Utilization rate.** Total direct labor dollars over total raw labor dollars. E.g., a firm has total direct labor of \$2 million with total raw labor of \$3 million. The utilization rate is 66.67 percent. Some people calculate this as total direct labor hours over total labor hours, but this is not correct!
- **Effective labor multiplier.** NSR divided by raw direct labor dollars. E.g., a firm has \$5 million in NSR with \$2 million in direct labor. Effective labor multiplier is 2.5.
- **Target labor multiplier.** Projected NSR divided by projected raw direct labor. A hypothetical number that may or may not become reality.
- **Revenue factor.** Net service revenue divided by total raw labor, OR utilization times effective labor multiplier. E.g., a firm with NSR of \$5 million and total raw labor of \$3 million has a revenue factor of 1.67.
- **Accounts receivable (AR).** The total dollar amount of all bills sent out but as of yet owed to you by clients.
- **Average collection period (ACP).** The time it takes you, on average, to collect on an invoice. Expressed as days outstanding. Total AR divided by annual gross revenue times 365. E.g., a company has a total AR of \$1 million and does \$6 million in gross revenue. ACP is 60.8 days.
- **Work in-progress or work in-process (WIP).** This is the total value of work performed that has not yet been billed to clients. Usually expressed in days of unbilled revenue. Unbilled revenue divided by annual net service revenue times 365. E.g., a company does \$5 million NSR and has total unbilled work of \$350K. WIP is 25.5 days.
- **Overhead rate.** Total costs less total direct labor divided by total direct labor. E.g., a company has \$4.5 million in total costs with \$2 million in direct labor. Overhead rate is \$4.5 million minus \$2 million divided by \$2 million, or 1.25. Usually expressed as a percentage, this would be 125 percent.
- **Accounts payable.** Total of all money you owe your subconsultants and suppliers.
- **Current assets.** Cash in the bank plus accounts receivable on a specific date.
- **Current liabilities.** Accounts payable, accrued payroll (money people have earned but not yet been paid), and other short-term obligations.
- **Current ratio.** Total current assets divided by total current liabilities.
- **Income statement.** Total income less total expenses equals profit or loss. Covers a period of time – usually a month, quarter, or year.
- **Balance sheet.** Total assets minus total liabilities equals owners' equity or "book value." Calculated at a specific point in time – usually month end, quarter end, or year end. A "snapshot" view of the firm.
- **Accrual accounting.** Revenue is based on revenue earned, whether or not it has been billed or collected, and expenses are based on expenses incurred, even if the company hasn't received a bill for them yet.
- **Cash basis accounting.** Revenue is based on money received by the firm (cash in) and expenses are bills that have been actually paid (cash out). Cash basis accounting is how one keeps their checkbook. ▀

MARK ZWEIG is Zweig Group's founder and CEO. Contact him at mzweig@zweiggroup.com.

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PROFILE



Hill International is providing project management services during the design and construction phases of the Grand Egyptian Museum – which will be the largest museum in Egypt and one of the leading scientific, historical, and archaeological study centers in the world. The museum will cover 3,500 years of ancient Egyptian history and house more than 100,000 artifacts. / Hill International

Global conquest

Hill International CEO leads with a steady hand, always says “we,” and wants to head the largest project management firm in the world.

By LIISA ANDREASSEN
Correspondent



David L. Richter,
President and
CEO,
Hill
International

About 18 months ago, David L. Richter stepped into the role of president and CEO of Philadelphia-based **Hill International** (Hot Firm #66 in 2015). He knew this would be his fate from the ripe old age of 9, when he worked as a document delivery boy for his father, Irvin E. Richter, the firm’s founder. Prior to his current position, Richter served in other roles that included COO; president of Hill’s project management group; senior vice president and general counsel. He’s also been on the board since 1998. Before he joined Hill, he was an attorney with a New York City law firm.

“My law degree was really great training for my current job,” Richter says. “It taught me to not only ask questions, but to ask the right questions. That’s the key.”

He’s also a big believer in education. He recently graduated from an executive education program at the University of Oxford. It took two years to complete.

“It was a learning adventure,” he says. “Maybe now I’m overeducated. Actually, no. There’s no such thing.”

“My law degree was really great training for my current job. It taught me to not only ask questions, but to ask the right questions.”

A CONVERSATION WITH DAVID RICHTER.

The Zweig Letter: How have you seen Hill International evolve since its founding?

David Richter: It’s been a dramatic change. When I first started, we were primarily a claims firm with a staff of 200 and a revenue of about \$20 million. Today we employ about 4,800 and have revenue of \$700 million. The three most significant contributions that propelled those changes were: a shift

See Q&A, page 4



Q&A, from page 3

to working with private management (about 75 percent of the business); a hard push to work in international markets (about 25 percent of our business is in the U.S.); and 10 years ago we went public, which has allowed us to grow significantly.

“It’s important to never make any fast moves. It’s also important to be a good listener and to take time to digest the information. Empowering managers and giving them autonomy is a key part of leadership, too.”

TZL: What are your key strengths? What do you feel the key strengths are for an effective leader?

DR: Having a steady hand at the wheel. It’s important to never make any fast moves. It’s also important to be a good listener and to take time to digest the information. Empowering managers and giving them autonomy is a key part of leadership, too.

TZL: As CEO, what has been your greatest challenge to date? How have you handled it?

DR: The external challenges of a global economy and the price of oil. While these things fluctuate, our success is not always reflected in our stock price. Maintaining a positive perception is always a challenge, but we do it. Our projects speak for themselves.

TZL: What is your vision for the future of Hill?

DR: To be the biggest and best construction claims firm in the world and to be the biggest and best project management firm in the world.

TZL: Tell me about a recent project. What is your role?

DR: The Grand Egyptian Museum in Giza, Egypt. The client is the Ministry of Culture’s Supreme Council of Antiquities. We are providing project management services during the design and construction phases of this museum which will be Egypt’s largest museum and one of the leading scientific, historical, and archaeological study centers in the world. The museum will cover more than 3,500 years of ancient Egyptian history and house more than 100,000 artifacts. The value of the project is \$800 million.

TZL: How have you helped your firm to outperform some competitors? What do you feel sets you apart?

DR: We are focused. We don’t try to be a Jack-of-all-trades like some other firms do. We focus on being world

“Maintaining a positive perception is always a challenge, but we do it. Our projects speak for themselves.”

class in two services – construction claims and project management. We also went global a long time ago. We recognized the importance this had on growth.

TZL: Is there any news you care to share about Hill’s projects or anything else?

DR: We were recently hired by the National Institutes of Health to manage a construction program – the National Cancer Institute at Frederick in Maryland. We’ve also done a great deal with the states of New York and New Jersey in the area of environmental cleanup and recovery work after Super Storm Sandy. Finally, we are anticipating a resurgence of work in the Middle East.

TZL: Are you married? Children? Pets?

DR: I’ve been married for 17 years and have four daughters – 13, 11, 11, and 9. We have a fish.

TZL: What has been your best vacation spot? Dream destination?

DR: Hands down, our family vacations in Avalon, New Jersey. It’s in Cape May. We’ve been doing that for many years. One day I’d love to take the whole family to Hawaii.

TZL: What’s the last book you read (digital or print)?

DR: *The Churchill Factor*. More and more I’m moving to digital, but there is still something about being able to reference a book and to put it on a shelf.

“We are focused. We don’t try to be a Jack-of-all-trades like some other firms do. We focus on being world class in two services – construction claims and project management.”

TZL: What’s the last movie you saw in the theater?

DR: *Jungle Book*. It was super.

TZL: What’s the best piece of work-related advice you’ve ever gotten?

DR: It was from my dad. He said: “In every statement you make about the company, use ‘we,’ not ‘I.’”

TZL: Who is a leader who you admire?

DR: Winston Churchill. He was tenacious.

TZL: When you’re not working, what types of activities do you enjoy?

DR: I like physical activities. I enjoy golf, tennis, running, and my wife and I do CrossFit.

TZL: What’s your favorite lunch?

DR: Chicken parmesan. ▀



A CEO's advice for young professionals

Here are nine tips on how to be successful in the A/E/P business. Hint, most of these tips are not specific to the A/E/P business.



**Matt
Crafton**

**ENGINEERING
INSIGHTS**

I have the honor of being a guest lecturer once a semester for a senior-level course at the University of Arkansas. It's fun because I get to be with these "kids" right before they enter the workforce. After we're done with the technical part of the class, I share a little free advice with them about what I think are the keys for success in our industry. I offer those same points here for your consideration.

- 1) **Work hard.** It may sound old fashioned and "un-hip," but there is no substitute for a person who gives his or her boss the extra effort to get the job done. I'll take someone with a strong work ethic any day over someone who is supposedly "gifted" but can't meet deadlines or take pride in the quality of his/her work. *Labor Omnia Vincit!*
- 2) **Dress for success – the "I just got back from a kegger look" won't cut it.** Mark Zweig wrote about this in the April 25 edition of *The Zweig Letter*, and he was right on point. Even in the business casual world of 2016, our clients expect professionalism from us, and that starts with how we present ourselves. If we want to charge those healthy hourly rates, we need to look and act like we deserve it. Make a good impression on your clients and your boss by dressing sharp for work.
- 3) **Establish technical expertise – become a professional.** Fortunately, in the U.S. we have laws that require qualified professionals to design projects and

"I'll take someone with a strong work ethic any day over someone who is supposedly 'gifted' but can't meet deadlines or take pride in the quality of his/her work."

stamp construction plans and studies. Besides basic pride in the accomplishment, being a licensed professional makes one marketable, and clients and employers need that expertise. I've never met anyone who said: "Boy, I sure regret getting my P.E. license."

- 4) **Be a team player.** I don't think we've ever had a project in our business that was completely produced by one person; design and construction projects are all about working with people. You've got to

See MATT CRAFTON, page 8



SPOTLIGHT ON: Arcadis

PROFILE



Courtesy, Arcadis

Fertile fields

Environmental remediation of distressed properties nationwide is at the heart of the Urban Land Restoration Index by global firm Arcadis.

By RICHARD MASSEY
Managing Editor



Kurt Bell,
Global
Leader of
Environmental
Restoration,
Arcadis

Focused on the megatrend of re-urbanization, a new index ranking the development potential of centrally located brownfields in 27 U.S. cities is now on the market.

“Industrial land owners with large surplus properties in central locations hold the key to one of the critical challenges of re-urbanization, the creation of new places with scale and critical mass.”

Produced by **Arcadis** – a global, publicly traded multidiscipline firm with an expertise in

environmental remediation – the index is meant to unite property owners, city officials, and developers, behind projects that could be transformative for their locales.

Not surprisingly, New York ends up with the highest ranking. But the big takeaway from the index is that mid-market cities like Charlotte, Nashville, Pittsburg, and Portland, appear in the top 10. Cleveland, Baltimore, Phoenix, and Detroit appear at the bottom of the list. The Arcadis index is based in part on a 2014 survey of 45 global conglomerates, which hold over 20,000 properties deemed surplus.

“Industrial land owners with large surplus properties in central locations hold the key to one of the critical challenges of re-urbanization, the creation of new places with scale and critical mass,” the report says. “Not only does the redevelopment of



“Not only does the redevelopment of such sites provide an opportunity to transform urban communities, but it will enable impaired land owners to maximize the value of their underutilized properties.”

such sites provide an opportunity to transform urban communities, but it will enable impaired land owners to maximize the value of their underutilized properties.”

Environmental remediation is nothing new, and there are plenty of examples of old brownfields that have been turned into dynamic properties. What the Arcadis index brings to the table for the first time is an assessment of a city’s dynamism – business climate, job growth, GDP, and workforce – and how it might enhance the viability of a remediation. The end goal is to match a cost-effective project with one that will also yield long-term results for residential, commercial, or mixed-use development.

Index author Kurt Beil, a global leader in environmental restoration with Arcadis, is crisscrossing the United States shopping the index to potential partners.

“We’re trying to point to those places where they’ll get a return,” he says. “Those mid-tier cities are very attractive. A lot of these properties that haven’t been dealt with are very important.”

Investors, of course, can be fickle, and where they decide to put their money can change over time – or in an instant. So for cities like Nashville and Charlotte, which have dynamism in addition to relatively low remediation costs, Biel’s message is simple.

“The market is now,” he says.

“We’re trying to point to those places where they’ll get a return. Those mid-tier cities are very attractive. A lot of these properties that haven’t been dealt with are very important.”

There are as many as 300,000 brownfields in the United States, ranging from former gas stations to detergent manufactories, from steel mills to abandoned dry cleaning facilities, according to the Environmental Protection Agency. The total cost of cleanup could exceed \$200 billion. While it can take years to complete, remediation, according to the National Bureau of Economic Research, is good for property values. Referencing New York City’s Office of Environmental Remediation, Beil says the process can unlock billions in investments.

Beil, with a background in civil and environmental engineering, says the inventory of developable brownfields is adequate for a

Arcadis city dynamism versus best cities for business

CITY	OVERALL RANK	CLEANUP COST	ULRI
New York	1	164	76
Charlotte	2	139	54
Denver	3	145	50
Nashville	4	130	58
San Francisco	5	247	41
Pittsburgh	6	100	51
Chicago	7	152	44
Miami	8	169	39
Portland	9	203	39
Los Angeles	10	247	31
Seattle	11	181	39
Houston	12	219	37
Minneapolis	13	162	36
New Orleans	14	188	38
Tampa	15	127	36
Philadelphia	16	105	35
Washington DC	17	175	37
Atlanta	18	163	33
Indianapolis	19	141	30
Dallas	20	219	28
Boston	21	165	33
San Diego	22	251	19
Las Vegas	23	138	20
Cleveland	24	108	22
Baltimore	25	149	28
Phoenix	26	151	17
Detroit	27	221	0

Courtesy, Arcadis

See ARCADIS, page 8

MATT CRAFTON, from page 5

be able to get along with people to have any chance of success.

5) Become an excellent writer. For most in our industry, our college education is spent in classes teaching the technical parts of the profession – doing calculations and working problems. Unfortunately, far too many new graduates leave college without the ability to write a paragraph that is grammatically correct, with correct spelling, correct punctuation, etc. Don't slip into "text mode" in business communication, including letters and email. Learn to write well and don't be afraid of edits and feedback from others.

6) Become an excellent speaker. Let's face it; most folks in this profession are introverts. There's nothing we love better than cranking out drawings and spreadsheets all day. But, to be a successful architect or engineer, you've got to learn to be comfortable speaking in front of others. It doesn't come naturally for most people, so it takes practice, practice, practice. When an NBA player hits a clutch shot at the last second to win the game, he didn't make that by accident – years and years of practice went into preparing him for that moment. The same is true with speaking in public – it takes practice, so look for ways to hone that skill and it will serve you well.

“Don't slip into 'text mode' in business communication, including letters and email. Learn to write well and don't be afraid of edits and feedback from others.”

7) Establish relationships with clients. The lifeblood of this business is revenue, and revenue comes from clients. The

ARCADIS, from page 7

healthy market, but for the properties to turnover, “a lot of parties have to come together to make it happen.”

Another key aspect of the index is its ranking of cleanup costs. On one hand, there's the unrestricted closure of a site, or “clean closure.” On the other is restricted closure, or “cleaned to suit end use,” which is much more affordable.

At No. 2 on the Arcadis index, Charlotte is poised to take full advantage of re-urbanization and the remediation of brownfields. On the upswing for decades, signaled by the arrival of the NBA's Charlotte Hornets and the NFL's Carolina Panthers, Charlotte is in the process of increasing its footprint northward.

Under construction is the Charlotte Area Transit System's Blue Line Extension, a 9.3-mile commuter rail connecting Uptown with the UNC Charlotte campus. Scheduled to open next year, the line is expected to open up new areas to development, including a few brownfields.

By comparison, markets like Houston and Los Angeles, which are much larger than Charlotte, rate lower on the list because the remediation costs, and thus the threshold for entry, are much higher, a factor that could hamper long-term profitability.

Anchored in part by the auto industry and a healthy real estate market, Nashville also ranked high on the Arcadis index. Blessed with an internationally known brand – Music

person who can form and foster relationships with clients, bringing new work to his or her firm, will always be highly valued.

“The person who can form and foster relationships with clients, bringing new work to his or her firm, will always be highly valued.”

8) Look for challenging opportunities. It's easy to fade into the woodwork. Just show up for work, do the hours and leave at the end of the day. Don't be that guy or gal. Ask your boss for challenges and difficult projects. When the office needs someone to organize a fundraiser, step up and take it on. Be the person who stands out because of your enthusiasm for any task.

9) Become involved in your community. Life is not all about you. Invest time outside work hours in things you are passionate about: church, professional or technical societies, social clubs, Big Bros/Big Sis, Habitat for Humanity, United Way, coaching youth sports, etc. Find something that you are genuinely interested in and give back. Your life will be richer for it.

I'm sure many of you have helpful advice for people entering our profession, and I would love to hear what you have to say. ▀

MATT CRAFTON is president and CEO of **Crafton Tull**, an architecture, engineering, and surveying firm based in Rogers, Arkansas. He can be reached at matt.crafton@craftontull.com.

City – Nashville has been growing for the last five years, and according to the University of Tennessee, the entire state, and Nashville along with it, will continue to grow through at least 2025.

“Arcadis brings 150 years of experience in environmental restoration, urban planning and development, and resiliency, with a proven track record of bringing private, public, and investment communities together to deliver successful remediation and redevelopment programs.”

The Arcadis index is the centerpiece of what's known as a seller-doer proposition, meaning Arcadis is not just shedding light on the possible land deals, but would participate in them as a consultant.

“Arcadis brings 150 years of experience in environmental restoration, urban planning and development, and resiliency, with a proven track record of bringing private, public, and investment communities together to deliver successful remediation and redevelopment programs,” the index concludes. ▀



Try going Hollywood

The use of video in your recruiting campaign might be what it takes to create buzz for your firm, and in the end, land great employees.



Randy
Wilburn

RECRUITING NOTES

This summer movie season is going to be pretty unique with several big ones coming out over the next four months. You have a *Ghostbusters* reboot, *X-Men Apocalypse*, *Independence Day II*, and *Jason Bourne* to name a few. The biggest in my mind is Marvel's *Captain America Civil War*. They've been teasing this movie for more than a year now. I couldn't wait to see it and ended up in the theater the first weekend it opened.

The movie studios know how to create a buzz and whet our appetites for their product. They've teased us with one trailer after another showing bits and pieces of the movie. This method of storytelling by marketing ensures that the movie studios get the biggest audience possible when the movie premiers.

Like the trailer method of storytelling employed by Hollywood, companies in the design industry need to think about how they build momentum for a service, project, and position.

This article should serve as a primer for how to create a buzz to attract real talent to your organization.

I've spent a lot of time with clients working on their branding and marketing efforts. I've been telling anyone who will listen that recruiting

"Now more than ever before, it's easy to get the word out about a company and what makes them unique. It's called YouTube!"

and marketing go hand in hand. Now more than ever before, it's easy to get the word out about a company and what makes them unique. It's called YouTube! Housing not only one of the biggest and busiest search engines on the web, YouTube has become the go-to site for any and everything. Imagine having your company information indexed and cataloged on YouTube for that next great employee who may be looking for a more engaging place to work!

See RANDY WILBURN, page 10



BUSINESS NEWS

NEW CONSTRUCTION STARTS IN APRIL SLIDE 8 PERCENT: NONRESIDENTIAL BUILDING, MULTIFAMILY HOUSING RETREAT AFTER MARCH GAINS

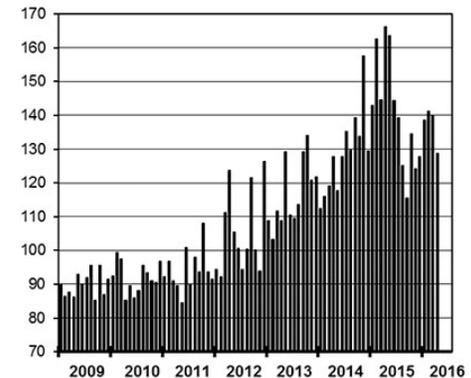
The value of new construction starts in April fell 8 percent from the previous month to a seasonally adjusted annual rate of \$608.3 billion, according to Dodge Data & Analytics. Nonresidential building pulled back following its sharp March increase, and residential building also declined due to a slower pace for multifamily housing. Meanwhile, the nonbuilding construction sector showed improvement, with public works strengthening after its lackluster March performance. Through the first four months of 2016, total construction starts on an unadjusted basis were reported at \$198.4 billion, down 12 percent from the same month a year ago. The first four months of 2015 had been lifted by several exceptionally large projects, including three liquefied natural gas terminals with a total value of \$15.4 billion and three large petrochemical plants with a total value of \$11.9 billion, which substantially increased last year's January-April amounts for the electric utility/gas plant and manufacturing building categories. If the electric utility/gas plant and manufacturing building categories are excluded, total construction starts during

the first four months of 2016 would be down a modest 4 percent from a year ago.

April's data lowered the Dodge Index to 129 (2000=100), compared to 140 for March. The Dodge Index had registered improved activity during February and March, averaging 141. April's decline returned the pace of construction starts to what was reported during the July 2015-January 2016 period, when the Dodge Index averaged 129.

"The construction start statistics on a month-to-month basis are subject to frequent ups-and-downs, so April's decline after two months of improved activity was not a surprise," stated Robert Murray, chief economist for Dodge Data & Analytics. "The elevated volume for nonresidential building in March was not expected to be sustained in the near term, yet the strength shown by its institutional segment in March does provide an indication of where growth is likely to come over the course of 2016. The prospects for the commercial segment of nonresidential building, while still positive, have grown more tenuous given signs that banks are beginning to take a more cautious approach towards commercial real estate loans. Residential building is still deriving some benefit from this year's low interest rate

The Dodge Index of New Construction Starts (Year 2000 = 100)



environment, and increased funding under the new federal transportation act should provide support for the public works sector."

Added perspective is made possible by looking at 12-month moving totals, in this case the 12 months ending April 2016 versus the 12 months ending April 2015. On this basis, total construction starts are down 3 percent, due to this performance by major sector – nonresidential building, down 17 percent; residential building, up 12 percent; and nonbuilding construction, down 7 percent.

RANDY WILBURN, from page 9

One way to do this is by using video to highlight the benefits of working at your firm.

"Imagine having your company information indexed and cataloged on YouTube for that next great employee who may be looking for a more engaging place to work!"

Here are four ways for you to create cool content that you can share with the outside world about just how great your firm is. You can use this content to engage and enlighten clients and future job candidates alike.

- 1) Create a YouTube channel for your company and start populating your channel with short videos about your business. Things like the services you offer, what's it like to be an employee there, and plans you have for the future, are all appropriate.
- 2) Document some of the activities that you do on a daily basis for clients. I would also include a "day in the life" type of video for a broad range of employees. I would also corral the CEO/president and even another leader and feature them in a video. Especially those that are camera shy.
- 3) Highlight the extracurricular activities of your employees and the firm. Talk about the athletes in your organization and how you foster active lifestyles with gym memberships, and cycling or running groups. You should also consider discussing some of the ways that your company gives back to the community at-large.

4) When possible, capture testimonials from your clients discussing how your firm helped them out in some way. We can never have enough testimonials, and for some reason, when they're on video they take on a life of their own. That's a good thing.

I heard an expression a long time ago that I use quite a bit: "It's a pitiful Frog that doesn't praise his own pond!" And in terms of touting your firm, it couldn't be more appropriate.

I know it may seem like a lot of effort for little return, but the reality is that you don't know how effective you can be at marketing your company if you don't at least try using video. Here is an example of a tech company, Shopify, on how you can make these videos informational and fun at the same time. Check it out here: youtu.be/XMRufdqFmM

"I know it may seem like a lot of effort for little return, but the reality is that you don't know how effective you can be at marketing your company if you don't at least try using video."

I wrote this article to get your creative video juices flowing. I would be more than happy to discuss these ideas with you further. Email me and we can chat more. ▀

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OPINION



Leadership transition

Letting go is hard to do, so when the time comes for a changing of the guard, it helps if the second tier is groomed, confident, and empowered.



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Much of our recent work has been in assisting A/E/P firms in the creation of effective ownership transition plans that allow the variety of tiers to assume management and operations of the firm. In many cases, senior leaders have created and guided their firms for most of their careers, some spanning generations.

Much like those of us who have raised children and watched them turn into teenagers and then into young adults, the successful first tier leaders are able guide the second tier, allow them to learn and to fail, and finally, to help them step into leadership roles with confidence. Most importantly, both parents and leaders alike recognize that without letting go, the ownership transition will not be successful.

“The cultivation of a culture of trust is fundamental to the organization.”

Often ownership transition is less about the financial model than it is about the second- and even third-tier leaders who are stepping into somewhat uncharted territory. If you have been

honored to mentor these folks, you see their frustration with failure. Sometimes that feeling of failure comes with a fear of moving forward, since trying to do so would just lead to more failure. So we draw on the greater wisdom from Yoda: “Try not. Do or do not. There is no try.”

The cultivation of a culture of trust is fundamental to the organization. As the second- and third-tier leaders take ownership of their new roles, they must have a network that has their back at all times. Lessons and the way they’re learned can have either a positive or a negative impact. It’s all in how the senior leaders carry the code of conduct, and how they foster interest in the roles of these new leaders. Failure is a perception that can be modified by the gentle guidance of the leadership team. Without that guidance, you as a

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ON THE MOVE

INTERMATIC ANNOUNCES APPOINTMENTS FOR DIRECTOR OF SALES FOR ELECTRICAL DISTRIBUTION AND SENIOR MARKETING MANAGER Intermatic Incorporated, a leader in energy management solutions, announced two appointments that will help facilitate implementation of the company's global growth strategy and expanding digital platform.

"Steven French is now director of sales for Electrical Distribution," announced Michael Bartindale, vice president of sales for Intermatic and its global brands, including Grässlin controls. "His new role includes responsibility for national accounts, U.S. sales in electrical distribution, and our expanding application sales specialist team that supports specifiers and facility managers. This change will integrate the team serving the U.S. for our electrical controls products. In addition, we have reorganized into three sales regions under Steven to ensure we are meeting the needs of all our customers throughout the U.S. to enable us to better coordinate our support."

French served most recently as director of sales for the southern U.S. region and has been with Intermatic for eight years. The role change will allow Bartindale to focus on further building Intermatic's business in Europe across the Americas, including Mexico and Brazil. Intermatic is expanding its Mexico City sales

team and business development activities.

In the company's marketing function, **Mindy Greenlee** was appointed senior marketing manager for the company's digital programs worldwide.

"Research shows that contractors all over the world are relying more and more on their smartphones, tablets and computers to research products online before making a purchase at their local distributor. We're staying ahead of the curve by supplying our customers with the information they need through a robust social media and web-based platform," said Liz Jacobs, vice president of marketing for Intermatic.

"For the past several years, we've been investing in the digital tools needed to reach contractors and electrical installers in the manner that they've told us is most productive and efficient for them – through Facebook, Twitter, YouTube, LinkedIn and our website," explained Jacobs. "Our focus on building a more comprehensive and accessible digital library of product resources will better serve contractors and our sales agents."

Greenlee's team will also focus on Grässlin control products, which are popular throughout Europe, South America, and Asia, and now in parts of India as well. Greenlee has been with Intermatic for two years, serving most recently

as manager of creative services.

PPG ANNOUNCES EXECUTIVE APPOINTMENT PPG announced that **Adriana Macouzet**, currently general manager, Latin America North, has been appointed vice president, Latin America, and general manager, protective and marine coatings, Latin America. Macouzet will provide regional leadership for Latin America overall, excluding PPG Comex, and have direct accountability for the PMC business in the region.

After joining PPG as a paint formulator in Mexico in 1984, Macouzet advanced through automotive coatings roles in pretreatment, operations planning, and sales and marketing before moving to Argentina in 1995 to develop new business in Latin America South. She returned to Mexico in 1998 as account manager for Ford and General Motors before being named sales and marketing manager, automotive coatings, Latin America, in 2005. Macouzet was named director, automotive and industrial coatings, Mexico, in 2008 and then general manager, automotive coatings, Mexico, before moving into her current role in 2012.

A native of Mexico, Macouzet earned a chemical engineering degree from La Salle University, Mexico City, and a business administration degree from Michigan State University.

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senior run the risk of losing the very talent that you want to move into your role.

As a senior leader, how participatory are you in cultivating MBWA – management by walking around? Do you really know the staff that works for you? What drives them, nourishes them, and what is their professional passion? For yourself, have you engaged someone who you trust, someone who has no fear of telling you what you need to hear?

"As the second- and third-tier leaders take ownership of their new roles, they must have a network that has their back at all times. Lessons and the way they're learned can have either a positive or a negative impact."

In a previous article, we highlighted the guys at Pikes Place Fish Market and how they transformed their customers' experience. Out of that came a simple little book, *Fish Philosophy*. As a leader, do you and your team embrace these four simple traits: "Choose your attitude! Play! Make their day! Be there, be present!"

If you are worried that your second and third tier might not do what's needed to ensure success, have them create a business plan. In a recent strategic planning exercise in which we engaged 19 new leaders, both second and third tier, we challenged all of them to provide the following in six pages:

- What is my vision for the continued success of the firm?
- What do I see as the growth and performance in my area?
- What targets of opportunity will I engage to grow my area?
- How will I get the firm to participate in my vision?
- What will define success?
- How will I safeguard the ownership transition, not just for the departing first tier, but for the future sustainability of the firm?

These six-page plans set a foundation of success for this particular firm and guided the next year's vision. The plans were not perfect, but it allowed the first tier to work with these leaders to amplify the ideas that were strong and to assist in those that required tuning. With these plans in place, letting go became easier to do.

So as you move into the future, remember what Neil Sedaka said: "Breaking up is hard to do." Letting go is even harder – unless you embrace, engage, and trust the next tier. ▀

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