

TRENDLINES

Six-year salary increases



According to Zweig Group's historical salary data across all architects, civil and structural engineers, the total average increase from 2010 to 2016 was 12.2 percent. Over that six-year time frame, **structural engineers** achieved the highest growth (15.2 percent) in salaries, with **architects** (12.5 percent) and **civil engineers** (9 percent) rounding out the group. (Special discount to TZL Subscribers, use code **SRVY35off** to order surveys at 35 percent off at zweigroup.myshopify.com/collections/frontpage)

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Let's go forward and be prepared

"If what we think could happen DOES happen, all of us in the AEC business will have lots of opportunities – as well as lots of problems – to contend with."



Mark Zweig

EDITORIAL

As a matter of personal "policy" and business philosophy, I don't get into politics in these pages or any of the other publications or social media outlets used by me or my businesses. Just seems smart. We clearly live in a divided country. Why alienate anyone?

That said, now that the election is over, I think it is time we all make a greater effort to seek unity and move forward in a positive direction. I'd like to say this. Clinton supporters – the world as we know it will not come to an end. Trump as president may prove to be a lot more socially liberal than you expect. Trump supporters – everything won't be exactly the way you want and expect it to be, either. Compromise and movement toward the center will probably be in our future. Ok. So that's that – we're done. Now we can get back to business.

What does the future hold? No one knows for sure. The financial markets like "certainty" (as if there ever was such a thing – the notion of it is pretty absurd if you think about it). But like him as a human being or not, one thing we have heard is that Trump plans to spend money on infrastructure. He does have a history of building stuff so there's a good chance this will happen. That would bode well for the AEC industry.

We're already looking good. Backlogs and profitability are at record highs. So if we pile a whole bunch of new work on top of this, we're going to have to really be on our game.

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A body of water and a cold beverage

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BUSINESS NEWS

LINDE ENGINEERING NORTH AMERICA INC. STANDARDIZES ON ASPENTECH ESTIMATING AND EXPANDS USE OF ASPENTECH PROCESS SAFETY SOFTWARE Aspen Technology, Inc. , a leading provider of software and services to the process industries, announced that **Linde Engineering North America Inc.** has standardized on Aspen Capital Cost Estimator estimating technology.

AspenTech's Aspen Capital Cost Estimator empowers estimators with cutting-edge technology that enables them to rapidly and confidently evaluate capital investment projects early in the design process, understand all the economic implications of engineering decisions and manage projects more profitably.

LENA selected ACCE and extended its use throughout the organization due to the ability of the software to keep projects on schedule and within budget, improve safety performance, and achieve the highest standards of operational excellence. The flexibility and adaptability offered by the aspenONE Engineering environment was a key factor in LENA's decision, as was the ability of AspenTech's economic evaluation solutions to consistently allow engineering companies to increase their incomes by up to 50 percent compared to traditional approaches.

In addition, the company expanded its use of

AspenTech's Process Safety software, which allows Engineering, Procurement & Construction Companies to efficiently conduct safety studies, including pressure safety valve sizing, flare system design and rating, and dynamic analysis for start-up, shutdown, emergencies and compressor surge, all while using simulation data from Aspen HYSYS and Aspen Plus.

"Today's generation of estimators and engineers are under pressure to do more with less and adapt quickly to change," said Jason Stevens, head of cost estimating with Linde Engineering North America Inc. "With ACCE, and the long-term AspenTech partnership, LENA can successfully work with owner-operators hand-in-hand to manage risk more effectively and improve overall operational conditions for our clients."

"AspenTech is pleased to partner with LENA," said Josh Fredberg, senior vice president of products and marketing with AspenTech. "We look forward to continuing to deliver the technology innovations that power the workflows, business process improvements and best practices to help companies drive efficiencies and maximize returns."

MARK ZWEIG, from page 1

Here are some things to be thinking about:

- 1) Staffing.** You think it's hard to find people now? Plan on another trillion dollars worth of government infrastructure spending and it will be much, much worse. Better start thinking about what you will do to **SELL** people on working in your firm. It's going to take a lot. If you don't put in the time, you won't be able to hire, and you'll lose the good people you have.
- 2) Quality.** Always an issue when you throw a bunch of new people into the mix – many of which probably won't have the experience they need to know what they are doing. Lots of process will be needed. Building a culture that produces quality has to be a priority. Spending money on training **WILL** be necessary. Having a process to expeditiously deal with problems will be crucial. There's a lot to do to head off quality problems.
- 3) Firm capitalization.** Growth takes capital. You better be thinking about how you will raise the money you need to capitalize on what could be a coming boom. It probably will not all come from selling ownership to your current employees. You may need to consider new outside investors. Alternatively, you may need to look at new sources of debt capital. Debt is cheaper (always is when a firm is doing well), and there are non-traditional sources for lending that could be helpful to you. School yourself on where you can get money before you need it.
- 4) Benefits.** Health care is going to be a bigger and bigger cost for you. Better figure out what you will be doing to contain your costs. Education is a big part of it. Smoking cessation. Diet. Exercise. Wellness programs. There are only so many things you can do to hold down healthcare costs but you will probably need to be doing every single one of them in the future based on what's expected to happen.

So if what we think could happen **DOES** happen, all of us in the AEC business will have lots of opportunities – as well as lots of problems – to contend with. ▀

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PROFILE



A body of water and a cold beverage

Cincinnati CEO usually operates at about 150 miles per hour, but from time to time he puts on the brakes.



By LIISA ANDREASSEN
Correspondent

When it comes to leading, David Arends, CEO of CR Architecture + Design (Hot Firm #19 for 2016), a 175-person firm based in Cincinnati, says it's important to trust people to do what they say they are going to do. It's this philosophy that has helped CR to grow and prosper and it looks like the trend is going to continue for some time.

A CONVERSATION WITH DAVID ARENDS.

The Zweig Letter: Tell me a little about your path to get here?

David Arends: I always knew what I wanted to do. In 1997, I started my own firm. We were a small firm of 10. CR Architecture and Design approached me several times about coming on board and merging with them. I was not interested at first, but they continued to pursue me. They did not have an internal leadership plan in place and were looking externally. After three years of discussion, I decided to accept their offer and we merged companies in 2002. I became CEO within one year.

TZL: What are the most evident changes you've seen since 2002?

DA: The expansion of service offerings. They had one office when I started, now there are five and soon to be six. We've also added new services such

as interior architecture and urban planning. We've gone from 40 people to 175. Currently, we have eight areas of expertise.

TZL: What are your key leadership strengths?

DA: The ability to have a clear vision and strategy and sticking to the plan.

"I give people the resources they need and get out of the way. I'll dive in when I need to. If people don't see me, they know everything is going well. If I pop up, they know there's a problem and we'll work through it together."

TZL: How would you describe your leadership style?

DA: I give people the resources they need and get out of the way. I'll dive in when I need to. If people don't see me, they know everything is going well. If I pop up, they know there's a problem and we'll work through it together.

TZL: What's been your greatest challenge to date

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Q&A, from page 3

and how did you handle it?

DA: The recession. It was the first time I felt like I was not in control of the business' destiny. We had to lay people off and for me that was a personal failure. But, we survived and came out stronger. Communication was key and our business model was diverse enough which allowed us to stay afloat.

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

DA: It's easily measured in numbers. To grow 25 percent in net services revenue and 15 percent in profit net service revenue. Growth and profitability equal success and opportunity.

“We focus on core values and make sure that our values and those of our clients are well aligned. It's important to not just hire anyone with a pulse. We're selective about our employees and clients too.”

TZL: Tell me about a recent project you are especially proud of and why.

DA: Designing Princeton's joint middle school/high school campus. It began with a detailed master plan. With the new high school being built on the old middle school's site, phasing was a vital element of the design approach. The new middle school was constructed first, which paved the way for the old middle school's removal. High school construction began shortly after and was followed by the completion of Viking Village. This centrally located, shared space includes a natatorium, arena-style gymnasium, performance theater, and music complex. Each school features science labs, art studios, and technology for project-based learning. Physical education and athletic facilities include weight rooms, wrestling rooms, and auxiliary gymnasiums. The music wing includes a 1,000 seat theater as well as studios for vocalists, the band, the orchestra, piano, jazz, and theater. The district is committed to attaining LEED Silver certification. Key green design aspects include daylighting, enhanced acoustics and a chilled-beam mechanical system. The final phase of the master plan was a new athletic complex at the site of the old high school. Site renovations entail new softball and baseball facilities, a new middle school track, parking, and football and soccer practice fields, dually used for band practice.

TZL: How have you helped your firm to stay competitive?

DA: We have a solid business model. During the recession, we also had a chance to slow down and really examine what we were doing. We focus on core values and make sure that our values and those of our clients are well aligned. It's important to not just hire anyone with a pulse. We're selective about our employees and clients too.

TZL: Is there any news you care to share about what's currently happening at CR?

DA: We're in a rapid growth mode. I believe it's a good time

for our industry. We are proactively recruiting and recently hired a full-time recruiter. We have an aggressive model and it's also helping to expand our geographic footprint because we're looking in places we have not looked in the past.

TZL: Are you married? Do you have children and/or pets?

DA: I have two adult daughters.

TZL: What's one thing most people at the firm don't know about you?

DA: Most people know that I operate at about 150 miles per hour. However, I do actually put on the brakes from time to time. I'm happiest near a body of water with a cold beverage and I have four boats – all motor boats of course. I have no patience for sailing.

TZL: What's your best vacation spot? Do you have a dream destination?

DA: I have a vacation home in Wayland, Michigan. It's where I can really decompress. I travel for business just about every week, so my dream spot is my home in Wayland.

TZL: What's the last book you read?

DA: *Accountability* by Greg Bustin. It's very relevant to our industry.

TZL: What's the last movie you saw?

DA: I have a very short attention span and no patience for a movie. I watch the trailers.

TZL: What's the best piece of work-related advice you ever received?

DA: I always liked Nancy Reagan's motto: “Just say no.” It applies to many different things. In business, you have to know when to stay the course and to say no even if others are not happy about it.

“We are proactively recruiting and recently hired a full-time recruiter. We have an aggressive model and it's also helping to expand our geographic footprint because we're looking in places we have not looked in the past.”

TZL: Who is a leader you admire?

DA: I may get a lot of flak for this, but George W. Bush. He was not afraid to make decisions that might offend people.

TZL: What activities do you enjoy outside of work?

DA: Golfing and boating.

TZL: What's your favorite lunch?

DA: There are two restaurants I really enjoy. One is located in Dallas – Hard Eight BBQ – and the other is the Village Cheese Shanty in Wayland. Anything from either of those places would suit me just fine. ▀



Are there zombies in your workplace?

It's not always the employees' fault. Improve the quality of your office, celebrate the individual, and watch your staff come alive.



**Sarah
Stanford**

**GUEST
SPEAKER**

Workplaces across the globe are suffering through a zombie apocalypse. These zombies don't have ghoulish features or torn clothing, they look just like you or me. You can recognize these real-life-zombies by their mindless march throughout the day. They fixate on reaching 5 p.m. as though it was a feast of brains.

Telltale signs of these zombie workers include their consistent lack of motivation to go above and beyond their basic job role and a disinterest in innovation or new ideas. Most frightening of all, you can see in them the most quintessential zombie characteristic – their ability to infect others. Their lack of morale and active disengagement in workplace culture can spread across the office like a pandemic. In a recent global study by Deloitte, “culture and engagement” was rated the number one challenge affecting businesses in the world. The menace is real!

Traditional office environments are a breeding ground for this worker zombie epidemic. At Perkins+Will, we understand that work environments and workplace culture play a vital role in promoting and enhancing workplace engagement, banishing office zombies. The

shift from traditional work environments to high-performance workplaces is the cure to this epidemic.

“Telltale signs of these zombie workers include their consistent lack of motivation to go above and beyond their basic job role and a disinterest in innovation or new ideas.”

How do you make that shift? Below are some strategies to zombie-proof your office:

1) Celebrate the individual. A traditional work

See SARAH STANFORD, page 8



SPOTLIGHT ON: Giving

OPINION



The joy of giving

The holiday season always motivates us to give back, but a company-wide campaign can provide for charity where and when it's needed most – locally and all year long.



**Paul
Greenhagen**

**FIRM
FOUNDATION**

I really like this quote from Winston Churchill: “We make a living by what we get, but we make a life by what we give.” As professionals who work hard to support our families and acquire the things we have, we can get caught up in deadlines and personal activities and easily forget how privileged we are. The holidays have a way of motivating us to slow down, be thankful for our blessings, and remind us of others who are less fortunate.

Everywhere I go, I see fundraisers, clothing and food drives, and volunteering opportunities. The generosity feels contagious. So, after the holiday lights go back in storage, how do we keep the momentum and make giving back a part of our life, as Churchill suggests? There are so many people who need our help all year long.

This is a big challenge for Westwood. As a successful firm, I believe it is our responsibility to give back a percentage of the profits that we generate. I also think it's important to encourage employees to contribute where they can make a difference. And, both are important all year long. With multiple offices across the country, it can be difficult to keep companywide momentum. We don't claim to have it all figured out, but here are a few things that I think can help.

“After the holiday lights go back in storage, how do we keep the momentum and make giving back a part of our life, as Churchill suggests? There are so many people that need our help all year long.”

1) Align giving with core values. I listed this one first because having a vision and alignment for anything we want to achieve helps get the wheels moving. When we identify where we want to make a difference with our giving, we can engage employees and establish focus and consistency. Charitable activities are a great way to create internal awareness of a company's value, too. For example, Westwood's



giving back:

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Zweig Group is social and posting every day!



core values state that we value each other, our clients, and the communities we touch. So, for us, we align our giving to our values by supporting organizations that are near and dear to the hearts of our employees and clients. We also make sure we give back to communities that support our local offices and projects. A vision for giving helps us zero in on opportunities. Having a committee to guide the effort helps, too. Westwood's corporate "Giving Back" committee provides recommendations and support for activities and funding.

"Westwood shareholders and senior leaders are actively involved in all sorts of philanthropic activities. Empathy is important in leadership as it strengthens our understanding of our role in business and society."

2) Spread out giving allocations. A lot of companies pick one major recipient to receive a generous gift. Is that a good idea? Or is it better to share the wealth? I can see the benefits of both. Westwood used to do this, but we've shifted gears. I like the idea of helping the little guys – those organizations operating right within our neighborhoods. It personalizes our efforts and gets employees and their families engaged. We don't ignore the bigger organizations. We just prefer to choose the ones that provide direct local support. And, by dividing up our giving across many charitable groups, we can easily give all year long.

Sometimes, our contributions land on one of our own – and it is really touching to see our staff pull together to help a fellow team member. I recall when two employees agreed to shave their heads if a certain amount was raised to support another employee's personal situation. Westwood also promised a dollar match. It didn't take long to reach that goal and it was fun to watch the guys lose their hair! The point is, by being flexible with allocations people get excited to make things happen.

3) Encourage employees to take the lead. One of the biggest successes in Westwood's giving back efforts was to reach out to our employees for recommendations for charitable giving. I think most firms would be happy to see how many of their people really care for and support charities. Some of our employees seek donation support, while others want to coordinate volunteering activities. We only require that the causes we back are deeply important to our employees and clients, and align with our Giving Back vision, which is helping children and families, fighting hunger, finding cures for disease, or assisting veterans.

We are often asked if the time spent volunteering is covered by Westwood. In unique situations it has worked, but it isn't necessarily feasible for our business. I believe it's just as important to give individually as it is to do so as a company. It is really up to our employees whether they choose to volunteer during a workday. Westwood finds other ways of being generous with our time and dollars to ensure we support our employees' contributions.

4) Create a culture of giving through leaders, clients, and communities. I don't want anyone in our company to think twice about giving all year long, so I think we have to use a variety of influential channels, including leadership, clients, and communities, as well as our employees.

Leading by example is a great place to start. Westwood shareholders and senior leaders are actively involved in all sorts of philanthropic activities. Empathy is important in leadership as it strengthens our understanding of our role in business and society.

Our clients know that they can come to us to support a cause that is deeply important to them. We used to send holiday cards that let our clients know that "on their behalf we made a large donation to" an organization that we chose. Though the donation was made with sincere intent, it may not have meant so much to the client. Giving back is more than writing a check at the end of the year. There is a lot of thought and effort to make sure we are contributing where we can make the most impact.

Warm memories and traditions come with a giving back culture. Every year, we plan for a fundraising gala in March, serving at a homeless shelter in May, building homes for Habitat in July, and collecting toys, coats, and food in November. These are just a few things we do to that encourage traditional activities. People enjoy the consistency and look forward to making a difference in their communities.

5) Plan ahead. November is a time when we budget Giving Back dollars to support year-long activities for the coming year. We set aside an amount for each office based on the number of employees in their location. The offices are free to use their fund however they see fit. We also have a reserve of flexible dollars for special requests from staff and clients, as well as distributions for student scholarships and project-based community giving.

"Every year, we plan for a fundraising gala in March, serving at a homeless shelter in May, building homes for Habitat in July, and collecting toys, coats, and food in November. These are just a few things we do to that encourage traditional activities."

When the holidays have come and gone, these activities help us to remember all that we get while we make our living so that we can make a life better by giving all year long. And, when that happens, we realize the real joy of giving. ▀

PAUL GREENHAGEN is president and CEO of Westwood Professional Services. Contact him at paul.greenhagen@westwoodps.com.

SARAH STANFORD, from page 5

environment conjures images of endless rows of identical workstations. However, the high-performing workplace recognizes that individuals need choice and control of their environment in order to do their best work. Workers are not a horde with identical workstyles and preferences – instead we each have different ways to feel focused, productive, creative, or collaborative. Our office environment should support this by providing a variety of work settings to support these needs. The design emphasis within progressive office environments has moved from the individual workstation and onto the range of support spaces available to choose between – such as meeting rooms, informal collaboration spaces, phone booths, lounge areas, technology enhanced spaces, and café spaces.

Looking ahead, the individual – with their unique talents and contributions – will be more and more recognized. Organizations are restructuring themselves into cross-departmental project-based teams and the trends are growing toward crowd-sourcing talent and innovation. Individuals and their unique skill sets are a commodity that the future workplace needs to support. In doing so, workers will be engaged, empowered, and won't behave like the living-dead.

2) Create space that supports life. In the traditional office of yore, workers would clock in at 9 a.m., clock out at 5 p.m., and keep the lines between work and home life entirely separated by those two markers on the clock. However, now that technology has untethered us from our workstations and the fast-paced global nature of business has promoted more responsive workstyles, we no longer limit our workday by the clock. Instead, progressive and high-performance workspaces must adapt to accommodate a blend between workstyles and lifestyles.

“Over the last few decades the conversation has shifted from aspiring to work-life balance to work-life integration. The workplaces of the future will achieve work-life harmony when happiness is just as important an output as productivity (and zombies are anathema to happiness).”

The work environment should cater to our social needs with enticing casual spaces in which we can form friendships with our coworkers. The work environment should support our health needs with spaces that enhance rather than harm our physical and mental wellbeing. Now that we have the ability to work from anywhere, the high performance office should be a place of inspiration and collaboration where workers choose to spend time so that they can tap into that energizing culture. Over the last few decades the conversation has shifted from aspiring to work-life balance to work-life integration. The workplaces of the future will achieve work-life harmony when happiness is just as important an output as productivity (and zombies are anathema to happiness).

3) Plan for the unexpected. Much like a zombie's shuffling body, traditional offices are rigid and unyielding to change. Rooms were permanent, technology was fixed, and client spaces were pristine. In a high-performance workspace, we recognize that the most predictable thing is unpredictable

change. Workspaces need to be agile so that they can quickly respond to changing team dynamics, alterations in workflow, rapid growth in staff numbers, emerging technologies, and the physical and virtual ways that we engage with our clients and stakeholders. At Perkins+Will, we believe in designing for loose fit and long life.

“Considerations such as active design, respite spaces, controllability of environment, access to daylight and views, biophilia, access to healthy snacks, end-of-trip facilities, and ability inclusivity all contribute to a healthier and happier work environment and a more positive and engaged workforce.”

A high-performing, loose-fit workplace can include features like multi-purpose rooms, dividable spaces, wireless technology, reconfigurable furniture, and the ability to reassign spaces as needs change. The dynamic energy that is created by a “hackable” workspace results in occupants feeling an increased sense of ownership of their environment and an inherent permission to adapt it to best support their individual needs.

4) Promote health and wellness. We're not far from the time when it was considered acceptable to smoke at your desk and access to a window was the sole privilege of upper management. Thankfully, in today's high-performance workplaces the occupants' physical, emotional, and mental wellbeing are a prime focus of the design. Strategies to promote health and wellbeing are being implemented across the entire design and operation of an organization. Considerations such as active design, respite spaces, controllability of environment, access to daylight and views, biophilia, access to healthy snacks, end-of-trip facilities, and ability inclusivity all contribute to a healthier and happier work environment and a more positive and engaged workforce.

As one example, Perkins+Will has recently partnered with Fitwel, a new low-cost and voluntary certification system. Fitwel assesses the healthiness of a physical environment through an algorithm supported questionnaire. Developed by the Centers for Disease Control and Prevention, and the General Services Administration, this rating system empowers designers and building managers to incorporate policies and design strategies to enhance workspace wellness and provides for certification. Perhaps it should say “zombie free zone” on the final certificate!

Interior designers' first responsibility is to the safety, wellbeing, and positive experience of the workers who occupy the spaces we create. Through strategies to promote workplace engagement and to enhance office culture, we can activate our designer super-power – designing spaces that make us come alive! ▀

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OPINION



Leadership and management

Move forward in 2017 with Zweig Group seminars across a range of essentials – business development, project management, marketing, and more.



**Bill
Murphey**

**CONTINUING
ED**

For a short while during my undergraduate years, I majored in management. After a couple of courses, I decided a management focus was too nebulous and too touchy-feely for me, so I changed my major to something more practical: marketing.

In hindsight, the thing that turned me off to the management program was the academic reliance on theory, clichés, and what I call “Management by Wishful Thinking.” My favorite professor stood out because he was someone who had been-there and done-that. He took management theory and brought it to life by presenting real solutions to real issues leaders face on the job. That’s how I teach my MBA students and that’s how I present leadership courses in our seminars.

I hear from a lot of firms that are looking to train their employees in “management.” Not necessarily “project management,” but the all-encompassing “management.” Nobody has ever asked me for a primer on management theory; they all want practical solutions for their employees and their firm.

Too many firms accept management theory as the solution to their company’s challenges. They hire

a great-sounding consultant to provide them with “insights” into what their company needs. What they often receive is something less.

I’ve seen the work of some of those consultants and it’s horrible. I actually feel sorry for the firms that hire those types of consultants, because they’ve typically spent a good amount of money and have gained no practical solutions.

One consultant’s presentation included several nifty looking charts and graphs. Being the inquisitive person that I am, I did some research on their research. I found that those charts and graphs were copied from the internet and pasted into the presentation with no explanation about why they were relevant to the firm. One graph looked impressive enough, but had zero relevance to the firm.

See BILL MURPHEY, page 10



BILL MURPHEY, from page 9

I recommend educating yourself before speaking with a potential consultant.

- **Grab a cup of coffee and take a walk.**
Peruse the business section of your local bookstore and read the titles of the latest management books. I like to read the dust jackets to see where the authors are going with their books, but that's usually enough information.
- **Listen to the words a consultant uses.**
If a potential management consultant speaks in a vocabulary of those book titles, look for a better consultant. The best consultants know how to bridge the gap between your firm's needs and practical, proven solutions without spouting hollow jibber jabber.
- **Understand the end state.** Ask a potential consultant what actionable items will result from the engagement. Will you receive a series of slides that you are left to interpret or will you receive a detailed list of items that will actually move your firm forward?

I prefer to move forward. For 2017, in addition to our flagship The Principals Academy program and business development, entrepreneurial firm, financial management, and project management seminars, Zweig Group will introduce two new seminars on marketing and leadership skills.

Our marketing program is the first true marketing course for AEC firms designed to help your staff understand how to market your firm and build the brand in their respective roles. Like all of Zweig Group's training programs, you'll walk away from it with a notepad full of ideas to immediately begin implementing in your firm. In that course, we'll cover such areas as: the differences between business development, marketing, and selling; techniques for differentiating your firm from the competition; and marketing strategy and tactics that will drive sales and business development success.

I'm especially excited about our new leadership program, partly because I'm co-developing it, but mostly because it will be a much needed resource for firms. The program was created to ensure current and emerging leaders have the essential skills needed to lead teams in the years to come. Notice that it's geared toward long-term skills and not faddish theory that will be forgotten in a couple of weeks.

We've designed the leadership program around the recognition that too many architects and engineers are leading formal and informal teams, yet have never had any education or training on how to build and foster teams that are capable of producing exceptional results. Our assessment was evidenced in Zweig Group's 2016 *Principals, Partners, and Owners Survey*, where we found that 34 percent of those surveyed had completed no college-level business coursework. One out of three firms is led by someone with zero formal business education. What could go wrong?

"Take an honest look at your team. Are they fully prepared, trained, and educated to grow your firm? Consider leadership training programs in 2017 to ensure they're ready to lead and grow your company."

The leadership program will help fill in many of the gaps missing from a leader's portfolio. Specifically, we'll cover areas such as: how to build, foster, and lead high-performing teams; techniques for becoming an influencer in your firm; reeling in, retaining, and releasing talent in your organization; and methods and strategies for becoming an effective communicator.

We actually have too much content to present in the two-day course, so we'll have other topic areas available for customized, in-house programs.

As this year ends and the new one dawns, I hope you'll take this opportunity to assess the current state of your firm and layout an actionable path to your future success. If you need help with your strategy, carefully vet your potential consultants to ensure they're going to provide you with a structured plan. Also, take an honest look at your team. Are they fully prepared, trained, and educated to grow your firm? Consider leadership training programs in 2017 to ensure they're ready to lead and grow your company. A great strategy means nothing if your team isn't prepared to execute it. ▀

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A TOTAL MANAGEMENT COURSE FOR A/E/P FIRM LEADERS The Principals Academy is Zweig Group's crash course in all aspects of managing a professional service firm.

The program is presented by a team of speakers – including Zweig Group founder and CEO Mark Zweig – with extensive experience working with and for A/E firms. The Zweig Group team has a clear understanding of what it takes to lead and grow a firm. The Principals Academy is continuously updated with the latest approaches to leading a successful firm with an expanded focus on business development, strategic planning, and financial management. The Principals Academy is like a two-day MBA for technical professionals and is the most impactful two days you can spend learning to build your career and your firm.

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

- Business planning
- Marketing/business development
- Accounting
- Financial management
- Project management
- Leadership
- Mergers and acquisitions
- Ownership transition planning
- Recruitment and retention

Attendees of The Principals Academy earn 12 PDH/CEUs. Zweig Group seminars are eligible for Professional Development Hours credits and Continuing Education Units. All attendees receive a certificate of completion indicating the number of hours earned during each seminar.

The Principals Academy is coming to Orlando, Philadelphia, Chicago, and San Diego in 2017.

To sign up or for more information, please visit zweiggroup.com/seminars/ or call 800.466.6275.



The millennial era

If you want to groom the next generation of leaders, you'll have to make sure your firm is changing with the times.



Phil
Keil

M&A INSIGHTS

I'm a millennial. Gasp! There, I said it. A lot has been made of my generation. The good, the bad, our desires, our beliefs. Are we in fact the "We" generation, as the Wizard of Ads, Roy Williams, postulates in his book, *Pendulum: How Past Generations Shape Our Present and Predict Our Future?*

I get it, there's some baggage here, but nothing can change the fact that we are the future of the A/E industry, the future of leadership. With that being the case, firms need to think about how to best position themselves for that future. Zweig Group's Randy Wilburn, director of executive search, wrote a great article, "The Gig Economy," that recently appeared in *The Zweig Letter*. In his piece, Wilburn talked about a new mindset in the A/E industry. Millennials don't really want to work at one place their entire career. And while they're at your firm – and if you want to have an outside chance of keeping them for a meaningful amount of time – they need something to believe in.

Knowing this, firms have to learn how to attract, retain, and develop millennials as their second-tier leadership. Working in M&A, it's surprising how

"Millennials don't really want to work at one place their entire career. And while they're at your firm – and if you want to have an outside chance of keeping them for a meaningful amount of time – they need something to believe in."

underdeveloped and unprepared the second tier is. Oftentimes, this leads to a founder, hoping to leave a legacy, being required to sell the firm since there isn't anyone on staff that is ready to take the

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TRANSACTIONS

CALSPAN ACQUIRES TRIUMPH AEROSPACE SYSTEMS-NEWPORT NEWS Triumph Group, Inc. and **Calspan Holdings**, the parent company to a thriving group of entities including Buffalo-based aerospace and automotive research company Calspan Corporation, announced the acquisition of Triumph Aerospace Systems – Newport News, Inc. The transaction was effective September 30, 2016 and the new company will operate as Calspan Systems Corporation. Triumph Aerospace Systems – Newport News generated revenues of approximately \$18 million in Triumph Group’s fiscal year ended March 31, 2016.

Calspan Systems Corporation, is a globally-recognized, industry-leading, engineering, design, analysis and manufacturing firm, specializing in the engineering and manufacture of complex hardware and prototype systems. Also included in this acquisition is the company’s Force Measurement Systems division, located in San Diego, California. Triumph Aerospace Systems – Newport News had been a subsidiary of the Triumph Group since 2006.

“We are very pleased to add Calspan Systems Corporation to our company, and expand our capabilities in providing our customers with a heightened expertise in aerospace engineering, testing, and design,” stated Calspan President and CEO, Louis Knotts. “This transaction is a winning combination for Calspan’s customers, employees and partners, as it builds on and complements the significant foundation already in place.”

The acquired company will retain its management, technical and supporting staff and will continue operations at its current headquarters in Newport News, Virginia, along

with its San Diego facility. “We are excited to join the Calspan team,” said Stephanie Mumford, Calspan Systems Corporation President. “Our core customers are very similar, and we are now positioned to significantly enhance Calspan’s position in the industry.”

Earlier this year Triumph Group President and CEO, Dan Crowley announced a transformation plan to positively position Triumph for long term success and enhance its competitive position in the marketplace. “The sale of Triumph Aerospace Systems-Newport News to Calspan is in the best interest of all companies involved,” said Crowley. “The sale will allow Triumph to focus more intently on our core business capabilities. I am confident that under Calspan the company will have greater opportunities for growth.”

This acquisition expands Calspan’s global reach. As stated by Calspan Chairman, John Yurtchuk, “This acquisition reinforces Calspan as a growth company in the industries we serve, offering a consistent focus of providing an exceptional level of service to our customers.”

It is expected that full integration of the companies will be completed by the end of 2016.

AECOM ACQUIRES REMAINING 50 PERCENT INTEREST IN FT SERVICES JOINT VENTURE **AECOM**, a premier, fully integrated global infrastructure firm, announced that it has acquired the remaining 50 percent equity interest in FT Services Limited, a joint venture company based in Calgary, Alberta.

Formed in January 2007 between Flint Energy Services Limited, an AECOM subsidiary, and Broadpectrum Limited, FTS specializes in

large-scale maintenance and turnaround services for the Canadian resource and energy industry, including oil sands, refining, chemical, midstream and other heavy industry facilities. FTS has partnered with some of the largest energy producers in the world to ensure the availability and reliability of their assets. FTS’ financials will be consolidated into AECOM’s construction services segment. FTS generated approximately US \$210 million in revenue in the trailing twelve months.

The acquisition strengthens AECOM’s oil and gas business by further diversifying its end market exposure through FTS’ 2,000 employees and skilled trades professionals, strong market position and solid opportunity pipeline. With FTS, AECOM is able to offer clients integrated, full-lifecycle services through expanded scale and resources, particularly on turnaround projects and those with construction components. These competitive differentiators allow AECOM to capitalize on growing maintenance opportunities within the Canadian petrochemical and oil and gas industries.

“Our acquisition of the remaining 50 percent in FT Services further strengthens our highly differentiated and complete offering within the Canadian oil and gas market, and enables a true full suite of services to leading energy clients, particularly in regards to growing maintenance needs,” said Dan McQuade, group president, construction services. “With the combination of our strong client relationships, we have established a diverse foundation for growth within this market.”

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reins. This needs to change. Even if your plan is to sell your firm, a strong set of up-and-coming leaders will make your firm much more valuable and marketable.

I’m a “why” guy, like most of my generation. Millennials want something to believe in and they want to make a difference. There has to be an authentic reason why your company exists (hint: it’s not just about profits). The firm’s “why” must permeate every facet of your organization, your vision, every marketing campaign, every action you take, and every bit of communication you share internally and with the outside world. In the millennial era, that will be the difference between the firms that succeed and the firms that don’t. Getting a ping-pong table and allowing for flextime is not going to be the difference maker in the type of talent you attract. At least not for those with the potential to be your next CEO.

Take some time to really think about your strategic plan, your mission, your values, and your vision. Can each individual in your enterprise articulate why your firm

“Can each individual in your enterprise articulate why your firm exists? What impact do you hope to have on your firm? The industry? The world? This may sound grandiose, but it’s what millennials are looking for.”

exists? What impact do you hope to have on your firm? The industry? The world? This may sound grandiose, but it’s what millennials are looking for. Principles are what drive growth, attract talent, and customers. People don’t buy what you do, they buy why you do it. It’s why millennials would choose to work for you instead of your competitor. And it’s also why they’ll be prepared to lead your firm when you’re ready to retire. ▀

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