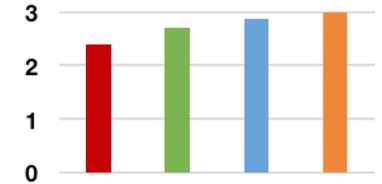


TRENDLINES

Breakeven multipliers



According to Zweig Group's 2016 *Financial Performance Survey*, the breakeven multiplier for **very high-profit firms** was 2.4, **high-profit firms** was 2.7, **average-profit firms** 2.9, and **low-profit firms** 3.0. This illustrates how much money the firm must generate per dollar of direct labor to cover overhead and direct labor costs. For every dollar spent on direct labor, Very high-profit firms must generate \$2.40 to cover labor and overhead, whereas Low-profit firms must generate \$3.00. (Special discount to TZL subscribers: Use code SRVY35off to order surveys at 35 percent off at zweiggroup.myshopify.com/collections/frontpage)

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The impression you create

“It sure makes sense to pay attention to these things when you are first hiring someone. Certainly you can get surprised later on but usually the signs will be there.”



Mark Zweig

EDITORIAL

People always laugh over here at Zweig Group when I launch into a tirade about a guy who worked for us long ago. This fellow was a consultant – an engineer with an MBA – and every time we went to a seminar or industry conference he would put on his black jeans, wraparound sunglasses, and yes – a black leather fanny pack. Drove me freakin’ nuts. Here we were – supposedly a “classy” and “hip” Boston-based consulting firm to the design industry – and we had key people with zero sensitivity to what would be an appropriate “look” for the clients we served.

Then we had another situation recently where one of our junior employees insisted on wearing his keys on his belt. Sorry, but that makes you look like the building janitor and not the building owner. Not cool! And you shouldn’t have to tell people “don’t wear your keys on your belt.” If they had any powers of observation or sensitivity to the environment around them they would notice and adjust without being beaten over the head by their supervisors.

You’ll see a lot of stuff like this in firms just like yours, too. People don’t know how to dress – they don’t know how to look – and even worse, they don’t know how to act. I’m not going to say there’s nothing you can do about it but there is a little something you can do. I have taken people to men’s stores more than once to outfit them with the basics of a decent wardrobe but you cannot make these people wear whatever it is you buy them unless the occasion is now and they’re going to wear it out of the store. People will do what they want to do. It isn’t

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Conference call: Page 6 Tony Mirchandani

BUSINESS NEWS

THE FIRST GROUP'S THE ONE AT JUMEIRAH VILLAGE CIRCLE WINS PRESTIGIOUS ARCHITECTURAL AWARD

The One at Jumeirah Village Circle, one of the latest hotel developments from leading Dubai-based property firm The First Group, has been named Leisure and Hospitality Project of the Year at the prestigious Middle East Architect Awards. The 40-storey tower in Dubai's JVC precinct is one of four hotel projects under development in Dubai by the British-owned international hotel and property firm, which is best known for its collection of highly popular aparthotels in the city.

The award is the second major honour to be bestowed upon The One at JVC in recent months, with the property being named Hotel of the Future at the respected id Design Awards in December.

The One at JVC beat a shortlist of notable projects to claim this latest award, including Four Seasons Bahrain and Deyaar Hotel in Dubai.

Designed by renowned architectural firm **NORR Group Consultants International**, The One at JVC was praised by the judging panel for its innovative design that "puts guests firmly at the centre of a great [hotel] experience".

Discussing the honour, Yahya Jan, president and design director of NORR Group told *Middle East Architect*: "You always hope to win and the competition in this category was tremendous with [many] great projects. With [The One at JVC] we wanted to explore the tower – to break it up [in a design sense] – and The First Group was great and open to experimenting and breaking the norms."

MARK ZWEIG, from page 1

always a case of not knowing better or not having the funds to dress better.

When you have these situations, the first thing you have to ask yourself is whether or not it really matters. Maybe that person won't ever see anyone and the fact that he wears the same Black Sabbath T-shirt three or four days out of the week may not be the end of the world (unless it stinks – then you have to confront him!). On the other hand, if you have someone who insists on parking their "lifted" Dodge Ram Dually – flying a six-foot-long rebel flag from a pole in their bed – right out in front of your office every day, you may have to say something to them.

The second question you have to ask yourself is, "Does this offender know what they are doing? Or are they ignorant?" If they know what they are doing is wrong/inappropriate/inflammatory and yet they insist on doing it anyway, you may not be able to tolerate it. This person is deliberately causing problems for you. If it is ignorance that enables them to do what they're doing, it's your duty to educate them before taking the next step.

In any case, it sure makes sense to pay attention to these things when you are first hiring someone. Certainly you can get surprised later on but usually the signs will be there. Look carefully at how someone dresses and communicates with you. If they do something wacky in an interview, they'll probably do it later on. ▀

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

The 46,166 square metre The One at JVC will be managed by highly respected international hotel operator Wyndham Hotel Group when it opens toward the end of 2018. Wyndham Hotel Group – the world's largest hotel company based on number of hotels, with a global portfolio of almost 8,000 hotels in 76 countries – also operates the prestigious Wyndham Dubai Marina on behalf of The First Group. The One at JVC will operate as a Ramada Plaza, the hotel operator's, upper mid-scale brand and will join Ramada's network of more than 842 properties located in 63 countries worldwide.

The ultra-stylish, 502-key hotel will provide guests with a host of world-class amenities including a rooftop swimming pool, gymnasium, steam rooms, and sun deck; premium restaurants; a fully equipped business centre; extensive Wi-Fi access; laundry and dry-cleaning services; plus 24-hour security and valet parking.

"This award once again reaffirms The One at JVC's growing reputation as one of the most exciting hotels currently under development in Dubai," said Danny Lubert, The First Group co-founder and joint chairman. "We are confident The One at JVC will set new benchmarks for service and value in the upper mid-scale hospitality sector when it opens in 2018."

The One at JVC is The First Group's fourth hotel property currently under development in Dubai, with other projects located in Dubai Marina, Business Bay and Jumeirah Village Triangle.



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THE ZWEIG LETTERS

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We're not immune

Due to the absence of a comprehensive, federal Good Samaritan Law, A/E professionals are hesitant to lend a helping hand after an emergency.



William
Quatman

GENERAL COUNSEL

We have all heard someone in a perilous condition say, “Don’t just stand there, help me!” Or, more commonly the victim might ask, “Is there a doctor in the house?” But professionals are sometimes reluctant to offer their services as a volunteer for fear of getting sued. Architects and engineers are among those who are often asked to lend a hand during or after an emergency, whether the situation is man-made or a natural disaster. But, being risk averse, design professionals have sought legislation to cloak themselves with “statutory immunity” in their role as a volunteer.

In the past three years, these types of bills have been introduced in New York, New Hampshire, Mississippi, and Ohio, with varying results. In the May 7, 2012 issue of *The Zweig Letter*, we addressed the topic of liability of design professionals when volunteering their services. (See “What Is Your Liability When Volunteering,” Issue 958, p. 7). The new legislation and our new U.S. Congress suggests that we revisit this topic to see what developments have occurred in the states and what might be accomplished at the federal level.

WHAT IS A GOOD SAMARITAN LAW? The name Good Samaritan comes from the biblical parable told by Jesus shortly after saying, “Love your neighbor as yourself.” In Luke 10:30-37, the parable tells of a man who was attacked by robbers, stripped of his clothes, beaten, and left half dead. A Samaritan stopped and took pity on the man, bandaged his wounds, placed him on a donkey, brought him to an inn, and took care of him. Jesus said at the end of the story, “Go and do likewise.”

The first Good Samaritan statute was passed in 1959 in California. Since then, every state has enacted some form of legislation to protect volunteers. These statutes are written to protect individuals from liability for negligent acts committed while voluntarily providing emergency care. As one California court put it, “The enactment of Good Samaritan legislation represents the resolution of competing interests. On the one hand, there is an interest in the vindication of the rights of the malpractice victim. On the other hand, there is the need to encourage physicians to render emergency medical care when they otherwise might not. Where applicable, the legislation favors the latter over the former.” There are wide variances in these laws, with some providing protection to a narrow class of individuals, such as licensed or certified medical professionals, while others protect a broader class of people.

See WILLIAM QUATMAN, page 4



RECENT AND CURRENT EFFORTS. New York has been trying for at least three years to pass a Good Samaritan law for design professionals. The current 2017 bill is N.Y. Senate Bill No. 2243, which protects engineers, architects, landscape architects, and land surveyors from liability for personal injury, wrongful death, property damage, or other loss when such professionals render voluntary services, without compensation (other than reimbursement of expenses), at the scene of a natural disaster or catastrophe. The bill covers only “a declared national, state, or local disaster or emergency, whether natural or man-caused,” when the professional is working at the request of, or with the consent from, a public official.

The only conditions are that the professional was acting reasonably and in good faith within 90 days from termination of the declared emergency. The immunity does not apply, however, if the conduct was “wanton, willful, or intentional misconduct, or gross negligence.” A similar Senate Bill 2160 passed the Senate 60-1 in 2016 but failed to get a vote in the House.

Last year, in 2016, the Mississippi legislature considered House Bill No. 1317, titled, “the Good Samaritan Law for Architects and Engineers.” The bill would have granted immunity to design professionals volunteering in an emergency, however the time within which the immunity applied was shorter than proposed in New York, and was limited to just 30 days after declaration of the specific emergency. Unfortunately, the bill never got to a floor vote in the House and died in committee. A similar state Senate Bill 2369 also died in committee.

In 2015, two other states passed Good Samaritan laws for design professionals. The Ohio legislature passed House Bill No. 17 almost unanimously (96-1 in the House, and 31-1 in the Senate). The bill is broader than the two discussed above, and provides immunity not only to architects, engineers and surveyors, but to contractors and tradespersons who volunteer their services during a declared emergency.

The New Hampshire legislature passed House Bill No. 292 which granted civil immunity to licensed engineers and architects rendering assistance in an emergency in the absence of gross negligence or willful misconduct. The bill is limited to services that relate to “the structural integrity of the entire building or system or any portion thereof, or to a nonstructural element of the structure or system, affecting public safety.” Like the proposed New York law, the immunity does not apply to acts or omissions constituting gross negligence, or wanton or willful misconduct.

STATE LAWS VARY GREATLY. The states that have passed Good Samaritan laws for design professionals are not uniform in who is covered, nor for what acts. The Alabama statute, Section 6-5-332(f), protects “any licensed engineer, licensed architect, licensed surveyor, licensed contractor, licensed subcontractor, or other individual working under the direct supervision of the licensed individual who participates in emergency response activities,” without compensation, if the volunteer “acts as a reasonably prudent person would have acted under the same or similar circumstances.”

The Illinois statute protects professional engineers, architects, land surveyors, and structural engineers from civil liability when they volunteer “during or within 60 days following the end of a disaster or catastrophic event.” In tornado-prone states like Kansas and Missouri, architects and engineers are immune from liability for negligent structural inspections performed voluntarily after a natural disaster. The Missouri statute extends protection to “construction contractors, equipment dealers and other owners and operators of construction equipment” for actions taken as emergency volunteers.

The Arkansas statute protects any “registered architect or professional engineer” who volunteers in a declared emergency except for wanton, willful, or intentional misconduct. In Colorado, state law similarly protects licensed architects or engineers who volunteer to provide architectural, damage assessment, engineering, or surveying services, respectively, at the scene of an emergency, but not for acts constituting gross negligence or willful misconduct. In Louisiana, licensed architects, professional engineers, and land surveyors are immune for “voluntary architectural, engineering, or land surveying services that occur during the emergency.”

Perhaps the broadest statute is found in Massachusetts, where the law grants immunity to licensed professional engineers, architects, environmental professionals, landscape architects, planners, land surveyors, or contractors, in addition to subcontractors and suppliers who volunteer in a natural disaster or catastrophe within 90 days of the end of the natural disaster or catastrophe.

NEED FOR A FEDERAL LAW. As can be seen from the sampling of statutes mentioned above, this variance calls for a federal law that will provide blanket coverage nationwide, without so many differences. There have been efforts since 2007 to pass just such a federal law, but those efforts have failed thus far. In 2011, Congress considered H.R.1145, the “Good Samaritan Protection for Construction, Architectural, and Engineering Volunteers Act,” which would have provided “qualified immunity” for volunteers from the construction, architectural, and engineering industries who provide service in times of disasters and emergencies.

The bill died but was reintroduced in 2014 as H.R. 4246, but died again. Prior to 2007 and 2010, versions of the Act (H.R. 2067 and H.R. 5576, respectively) also died in committee without a House vote. Perhaps a renewed effort, with support from the professional associations such as AIA, NSPE, ACEC, and AGC, will result in passing this federal law under the new 115th U.S. Congress which has until January 3, 2019 to get the job done. With a Republican dominated Congress and a Republican president, this is the time to pass “tort reform” laws like this. No matter what political party you align with, we can all agree that this law would benefit design and construction professionals, in addition to the general public who need our help in an emergency. ▀

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The New Grand Strategy

Book about elevating sustainability as a national strategic imperative is an impressive guide on how the US can shape a prosperous future.



Ed
Friedrichs

FROM THE
CHAIRMAN

My daughter was at a sustainability conference in Santa Clara, California recently. She heard a talk by Mark (Puck) Mykleby describing his book, *The New Grand Strategy – Restoring America’s Prosperity, Security and Sustainability in the 21st Century*. Knowing how well his ideas aligned with mine, she told him, “You’ve got to talk with my dad.” My daughter, a municipal public policy analyst, continues to introduce me to some of the most interesting people.

A few weeks later, I spoke to Puck, a former Marine aviator who goes by his call sign. I had no idea what we were going to talk about, but talk we did – for about an hour and a half. A little background: Puck and one of his co-authors are both ex-military, so I expected a strong lean toward the armed forces and how we should be positioned globally as we move forward in the 21st century – especially since Adm. Mike Mullen, then chairman of the Joint Chiefs of Staff, was the one who commissioned the two officers to devise a new grand strategy for America. Nothing could have been further from the truth.

“The authors’ white paper argued for a strategy to recapture America’s greatness at home and abroad by elevating sustainability as a national strategic imperative.”

From the book’s liner notes, “It had been 56 years since Dwight Eisenhower defined the last grand strategy, and Mullen needed a new strategic

See ED FRIEDRICHS, page 8



SPOTLIGHT ON: Mirc

PROFILE



Conference call: Tony Mirchandani

CEO of RTM Engineering Consultants (Best Firm #37 Multidiscipline and Hot Firm #50 for 2016), a 120-person firm based in South Barrington, Illinois.

By LIISA ANDREASSEN
Correspondent



Tony
Mirchandani,
CEO, RTM
Engineering
Consultants

The *Zweig Letter* recently caught up with Tony to ask him about the recent acquisition of Texas firm **Lippe and Associates Consulting Engineers**. It's 100 percent about culture matches.

“To be effective, a board must understand and be aligned with the mission of the business and work to uphold its integrity.”

A CONVERSATION WITH TONY MIRCHANDANI.

The Zweig Letter: What's the recipe for creating an effective board?

Tony Mirchandani: To be effective, a board must understand and be aligned with the mission of the business and work to uphold its integrity. The recipe to creating its effectiveness lies in its members – who should be independent from the business and a mix of individuals who possess best-of-class skills, both within and outside of the industry. A fiduciary board is required to protect the shareholders' interest as well as find opportunities to increase value through strategy. While the CEO is responsible for proposing strategies and operating plans to achieve certain results during the year, it is the responsibility of the board to hold the CEO accountable for accomplishing these proposed outcomes.

TZL: What's the greatest problem to overcome in the proposal process?

TM: The unpredictable nature of the proposal process is an ongoing challenge. Since each proposal is





different and takes time to produce customized responses – and oftentimes requires last-minute preparation – your agenda for the day, or even the week, gets thrown right out the door when an RFP pops up. However, we're able to tackle these challenges head on with our business development and marketing teams working hand-in-hand to efficiently produce thorough and compelling proposal documents.

“At RTM, our people are our most important asset. We cultivate talent from top universities and provide the continued education, mentorship, and hands-on experience it takes to truly grow as a professional within this industry.”

TZL: How does marketing contribute to your success rate? Are you content with your marketing efforts, or do you think you should increase/decrease marketing?

TM: Whether it's getting the word out about a new office or educating our industry on trends and best practices, marketing is a vital part of bringing in new business. Our multi-dimensional program helps nurture our current relationships, while also opening the door to new opportunities that we would otherwise miss if we weren't actively engaging with new audiences.

When it comes to marketing – or any other aspect of our business – we focus on being smarter than we were the year before. So, it's not a matter of increasing or decreasing the marketing program as a whole; it's about increasing efforts in avenues we know work and will provide results and decreasing our emphasis in tactics that were not as impactful.

TZL: What's the best way to recruit and retain top talent in a tight labor market?

TM: At RTM, our people are our most important asset. We cultivate talent from top universities and provide the continued education, mentorship, and hands-on experience it takes to truly grow as a professional within this industry. RTM also empowers team members through a culture that values a healthy work/life integration, which contributes to personal, professional, and company growth.

TZL: What's your preferred strategy for growth, M&A or organic? Give us a synopsis of how your firm effected growth in the recent past.

TM: RTM has employed both M&A and organic growth strategies to become a 120-person engineering firm with seven offices nationwide. We have expanded our reach and deepened our expertise by merging with like-minded firms, while we have organically increased the capabilities of each office to provide reliable and innovative designs to clients in our existing markets.

Our recent merger with Lippe and Associates, a full-service MEP firm located in Dallas, Texas, allowed us to take advantage of opportunities and big wins in that market. We also grew across our offices and markets outside of Dallas – through leveraging relationships with clients who have offices in multiple cities. Both growth strategies have played a crucial role in where RTM stands today, and the partnerships we form have strengthened our service capabilities and our customers continue to benefit from that.

TZL: What's the greatest challenge presented by growth?

TM: Part of our mission here at RTM is to oversee our clients. As we continue to expand into different markets, we want to ensure that every client is given the care they need and deserve. It's all about striking the right balance between providing our clients the attention of a local boutique firm, while providing the resources and reach of a national multidiscipline engineering firm. We have continued to accomplish this balance through our studio approach and the empowerment of our millennial team members, who place the utmost importance on delivering superior engineering consulting services to clients.

TZL: What's the key benefit you give to your employees? Flex schedule, incentive compensation, 401(k), etc.?

TM: If you ask any of our team members what they like most about RTM, more often than not it would be the feeling of working with an extended family. Although we encourage this in many ways, such as a flexible schedule to promote work/life integration and numerous company outings combined with a fun work environment to facilitate comradery, it really comes down to the dedication and trustworthiness exhibited by our team. We all embody the “succeed together and fail together” motto, which creates close ties among colleagues that transcend the standard working relationships.

“Effective ownership transition is all about aligning cultures. We strive to merge with companies that have like-minded owners, which typically drives compatible cultures. All other logistics can be worked out; in other words, it's 100 percent about culture matches.”

TZL: What's your philosophy on fee/billing and accounts receivable? How do you collect fees from a difficult client?

TM: That is a great question; this continues to be a challenge for us and we're open to advice.

TZL: Is there a secret to effective ownership transition?

See CONFERENCE CALL, page 8

ED FRIEDRICHS, from page 5

direction that focused on America's 21st century future, not its 20th century past." The authors' white paper argued for a strategy to recapture America's greatness at home and abroad by elevating sustainability as a national strategic imperative. After leaving government, Puck, along with co-authors Patrick Doherty and Joel Makower, extended their research and strategies into this book.

A fundamental premise and the subject of the book's Part II, "Three Pools of Demand," is a focus on walkable communities, regenerative agriculture, and resource productivity. You may now be starting to understand how we ended up in such a long conversation. The book follows very closely our direction for West 2nd District here in Reno (west2niddistrict.com) which I've written about in previous blogs.

Puck and I, along with co-author Patrick Doherty, decided we needed to have an extended conversation in Reno with our team to find more ways in which we could work together. This took place January 17. By the time the day ended, we all agreed it was the most directly-applicable discussion any of us had experienced. Puck and partners are now raising a fund for lending within projects that further their premises for steering a better course for America, including home mortgages that favor sustainably planned and executed communities along with capital for streetcar and light rail mobility. Their research and examples fortify the fundamental changes that are coming in the way millennials, the dominant generation of our time, are going to want to live, and why.

"Puck and I, along with co-author Patrick Doherty, decided we needed to have an extended conversation in Reno with our team to find more ways in which we could work together."

Puck had personally done the extended research, and I

CONFERENCE CALL, from page 7

TM: Effective ownership transition is all about aligning cultures. We strive to merge with companies that have like-minded owners, which typically drives compatible cultures. All other logistics can be worked out; in other words, it's 100 percent about culture matches.

TZL: Once you've won a contract, what are the "marching orders" for your PMs?

TM: Once we win a contract, our mission is to go in and overserve clients from day one. We don't necessarily go after jobs; we pursue work with clients who we can develop long-term relationships with, and we accomplish this through overserving.

TZL: What has your firm done recently to upgrade its IT system?

TM: We have built a national RTM cloud that provides team

found this impressive. I tend to focus on books in this domain that have been supported by academic research. But the research in this book is as good as I've ever experienced, with more than ample explicit resources supporting their strategies and a bibliography that can easily draw the reader more deeply into any one of the specific strategies that the authors explore.

"Puck and partners are now raising a fund for lending within projects that further their premises for steering a better course for America, including home mortgages that favor sustainably planned and executed communities along with capital for streetcar and light rail mobility."

Part III of the book takes the reader beyond planning and place-making to how to pay for this, described through excellent sections on "Capital and Stranded Assets," "A Business Plan for America," and "Waiting on Washington." I found the closing sections of the book, "Not Waiting on Washington," and "We the People," the most provocative and compelling chapters.

I learned what we're doing here in Reno is not so crazy after all. I came away with a strong desire to highly recommend this book to anyone involved with community building – planners, architects, engineers, city councils, planning commissions, city staffs, and, most importantly, legislators and leaders at the state and federal levels. I'd say to them: Here's your instruction manual and your grand strategy to propel our communities to greatness. Let's go for it! ▀

ED FRIEDRICHS, FAIA, FIIDA, is a consultant with Zweig Group and the former CEO and president of Gensler. Contact him at efriedrichs@zweiggroup.com.

"Once we win a contract, our mission is to go in and overserve clients from day one. We don't necessarily go after jobs; we pursue work with clients who we can develop long-term relationships with, and we accomplish this through overserving."

members with access to resources across all offices as well as a dynamic internal information system for knowledge share.

TZL: What's your prediction for 2017 and for the next five years?

TM: Bullish; we're optimistic about continued expansion in the U.S. real estate market. ▀



A simple question

What can I do for you today? As it turns out, perhaps not a whole lot, but in a crunch, a little can go a long way.



Jay
Thornton

BRAND
BUILDING

It's a simple enough question. But how often do you actually ask it of your peers, managers, and subordinates? We're busy people in big jobs and never have enough hours in the day to get things done. I get it. But this might be one of the more valuable business lessons I've learned. It's a question that spans B2B, B2C, M&A, CSR, IT, and works 24/7: What can I do for you today?

The first time I was asked the question, I was frantically building a website for a national client in the retail space. I hadn't slept in about 24 hours and was up against a tight deadline that I *was not* going to miss. Email was spooling, voicemail was stacking up, and I was quickly developing an eye twitch. My boss walked up, recognized the gravity of the situation, and rather than ask for a status update, just looked at me and said, "What can I do for you today?"

He couldn't jump in and help build the site. Dealing with my mounting email and voicemail wouldn't have helped, either. What made the difference at that moment was that his question

"It's a simple enough question. But how often do you actually ask it of your peers, managers, and subordinates?"

cut through the tunnel vision for a brief moment so I could take a breath. I looked up and said, "Coffee." Three minutes later I had a fresh cup of joe and a new respect for the CEO. Not for the coffee, but for recognizing an issue and addressing it directly.

See JAY THORNTON, page 10



TRANSACTIONS

LINDE AND PRAXAIR ANNOUNCE INTENTION TO MERGE Linde AG and Praxair, Inc. announced that the companies intend to combine in a merger of equals under a new holding company through an all-stock transaction. Based on 2015 reported results, the combination would create a company with pro forma revenues of approximately \$30 billion, prior to any divestitures, and a current market value in excess of \$65 billion.

The proposed merger would bring together two leading companies in the global industrial gas industry, leveraging the proven strengths of each. The transaction would unite Linde's long-held leadership in technology with Praxair's efficient operating model, creating a global leader. The combined company would enjoy strong positions in all key geographies and end markets and create a more diverse and balanced global portfolio. Additionally, it would enable the development and delivery of more innovative products and services to customers.

"The strategic combination between Linde and Praxair would leverage the complementary strengths of each across a larger global footprint and create a more resilient portfolio with increased exposure to long-term macro growth trends," said Steve Angel, Praxair's chairman and CEO. "We consider this to be a true strategic merger, as it brings together the capabilities, talented people and best-in-class processes of both companies, creating a unique and compelling opportunity for all of our stakeholders."

"Under the Linde brand, we want to combine our companies' business and technology capabilities and form a global industrial gas leader. Beyond the strategic fit, the compelling, value-creating combination would achieve a robust balance sheet and cash flow

and generate financial flexibility to invest in our future," said Aldo Belloni, CEO of Linde.

The merged company would create significant value for shareholders through the realization of approximately \$1 billion in annual synergies, driven by scale benefits, cost savings and efficiency improvements.

The combined company will be governed by a single board of directors with equal representation from Linde and Praxair. Linde's Supervisory Board Chairman, Wolfgang Reitzle, would become chairman of the new company's board. Steve Angel would become CEO and a member of the board of directors.

The combined company will adopt the globally-recognized Linde name and be listed on both the New York Stock Exchange and the Frankfurt Stock Exchange. The new company will seek inclusion in the S&P 500 and DAX indices.

The new holding company will be formed and domiciled in a neutral member state of the European Economic Area, with the CEO based in Danbury, Connecticut. Corporate functions would be appropriately split between Danbury, Connecticut and Munich, Germany to help achieve efficiencies for the combined company.

Under the proposed terms of the transaction, Linde shareholders would receive 1.540 shares in the new holding company for each Linde share exchanged in the German offer, and Praxair shareholders would receive one share in the new holding company for each Praxair share. As a result, current Linde and Praxair shareholders would each own approximately 50 percent of the combined company, assuming a 100 percent share exchange in the German offer.

The parties expect to complete their internal

approvals and execute the definitive Business Combination Agreement in the coming months. Execution of a definitive Business Combination Agreement remains subject to confirmatory due diligence, further negotiations and board approvals of both Linde and Praxair.

Perella Weinberg Partners and Morgan Stanley are acting as financial advisors and Hengeler Mueller, Cravath, Swaine & Moore LLP and Linklaters LLP are serving as legal counsel to Linde. Credit Suisse is acting as exclusive financial advisor and Sullivan & Cromwell LLP is serving as legal counsel to Praxair.

THE FALCON GROUP ACQUIRES J. BELLIVEAU & ASSOCIATES The Falcon Group announced its recent acquisition of J. Belliveau & Associates. This comes as part of The Falcon Group's sales initiative related to foreseen growth in this market sector.

Jim Belliveau brings 30 years of experience in building envelope design, construction and maintenance which will greatly enhance Falcon's existing Miami staff and further assist in serving their growing client base.

Through this acquisition and Falcon's strong relationship with the employees from JBA, Falcon has increased their capabilities and local experience as well as enhanced our ability to provide better and more comprehensive service.

"Jim and I believe that we have created a relationship that can be very responsive to our clients' needs, provide professional services within a competitive fee structure and positively increase the clients' experience with JBA, now an integral part of the Falcon Group," say William Pyznar, principal of the Falcon Group.

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Since then, I've asked this question from a number of roles managing teams, clients, customers, and companies across various industries. Teams love the personal attention. Managers get direct input into teams without pressure. And clients/customers are taken aback – just before they tell you exactly what they need to make them a long-term, loyal customer. It's an "easy button" for business and interpersonal relations.

Here's the catch, though. You've got to deliver. And quickly. This doesn't mean taking on a task you're incapable of achieving, or trying to teach yourself a new skill. Do something you're uniquely qualified to do, or something that will make life easier for that person. Doing this can also get you out of your own head for a minute. I tend to deliver and disappear where appropriate, letting that person get back to the task at hand.

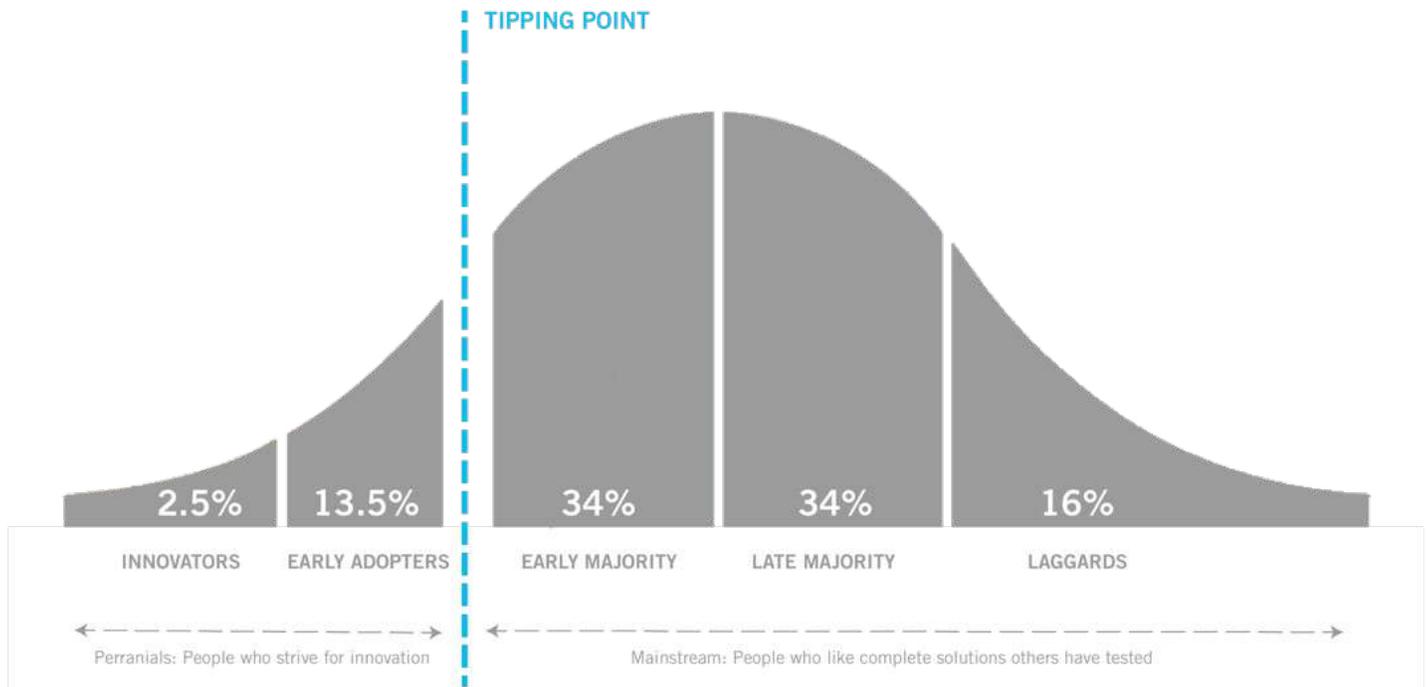
I'm a geek. I build platforms. I link systems. I tell you to reboot your computer. But I am also a student of

"I build teams of people smarter than me. I give them impossible goals, equally impossible deadlines, and still we achieve. I attribute these successes to solid communication, reading situations for stressors, and always being ready for the assist."

communication. I build teams of people smarter than me. I give them impossible goals, equally impossible deadlines, and still we achieve. I attribute these successes to solid communication, reading situations for stressors, and always being ready for the assist. And, of course, asking the simple question: What can I do for you today? ▀

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LAW OF DIFFUSION OF INNOVATION



Perennial power

Much has been made of how to design workplaces that attract and inspire millennials. But there might be a better demographic filter for your workplace.



Yukari
Yamahiro

GUEST SPEAKER

Millennials. Gen Y. Echo Boomers. Regardless of the name, this generation is unquestionably an influential cohort – particularly in our industry, where generational differences are often a driver of workplace design. As the biggest generation in the U.S. workforce, much has been made of how to design workplaces that attract, inspire, and enhance the productivity of millennials. But there may be a better demographic filter.

Meet the Perennials, which *Fast Company* recently defined as the “ever-blooming, relevant people of all ages who live in the present time, know what’s happening in the world, stay current with technology, and have friends of all ages. [They] comprise an inclusive, enduring mind-set, not a divisive demographic.”

The concept of Perennials better reflects our reality online and off. Amazon and Netflix get it right with recommendation engines that target people based on behavioral data over outmoded generational stereotypes. How do we replicate this strategy in the workplace? Here are a few considerations.

“As the biggest generation in the U.S. workforce, much has been made of how to design workplaces that attract, inspire, and enhance the productivity of millennials.”

DESIGNING FROM THE INSIDE-OUT. Workplace design can inspire organizations, increase trust, and spark innovation. In order to leverage this potential, designers must identify core organizational values

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BUSINESS NEWS

SOUTHLAND ENGINEERING USHERS IN A NEW APPROACH TO ENGINEERING SERVICES

Southland Industries has launched **Southland Engineering**, a collaborative engineering firm that specializes in the planning, engineering, design, management, and coordination of building systems. Remaining connected to Southland's full range of expertise.

"We're not just starting an engineering firm – we are re-engineering the profession as a whole. Owners should expect engineers to create solutions that not only solve the technical challenges, but also contribute to solving the cost, construction, operation and maintenance challenges simultaneously. Our engineering teams are equipped to tackle these issues and enhance the building process from start to finish," stated Executive Vice President of Southland Engineering Michael McLaughlin.

With a focus on connected solutions, Southland Engineering is tearing down the traditional silos to achieve customers' multifaceted goals of performance, energy, sustainability, quality, time, and resources for each project. The national engineering firm features an in-house team of engineers, coordinators, BIM specialists, and constructability experts, offering the unique ability to reduce overall cost by confirming the constructability, operation, and maintenance associated with its designs.

"We saw an opportunity to offer a better approach to engineering services and through

our collaboration, Southland Engineering produces cost-responsible, constructible solutions that push the envelope and redefine the expectations of a modern engineering firm," said Ted Lynch, CEO of Southland Industries.

Southland Engineering considers the full lifecycle of building systems and their interaction with other building requirements, with expertise spanning mechanical, electrical, plumbing, process, fire protection, and building automation systems. The company serves a variety of markets and industries with experience in healthcare, semiconductor, and mission critical projects.

FLUOR TO DESIGN AND BUILD \$2 BILLION DIABETES API MANUFACTURING FACILITY FOR NOVO NORDISK IN NORTH CAROLINA

Fluor Corporation has been awarded an engineering, procurement, construction and construction management contract by Novo Nordisk for its new \$2 billion diabetes Active Pharmaceutical Ingredient manufacturing facility in Clayton, North Carolina. Fluor has been providing basic design services since Novo Nordisk announced plans for the new facility in August 2015 and now will be executing the full scope of work. Fluor booked its \$1.2 billion value of the investment in the fourth quarter of 2016.

"Fluor is honored to have the opportunity to assist Novo Nordisk in building this world-class facility in North Carolina to provide modern treatments to diabetes patients,"

said Juan G. Hernández, president of Fluor's Life Sciences and Advanced Manufacturing business. "This project is the single largest life sciences facility investment in North Carolina's history, which fits well with Fluor's legacy of building numerous significant life sciences and manufacturing projects in the southeast U.S."

"Novo Nordisk selected Fluor for this critical project, the largest in our history, based on their strong safety culture, technical competence in the life sciences industry and ability to deliver the full scope of work," said Morten Nielsen, senior vice president, Novo Nordisk. "We look forward to continued strong cooperation for the success of this project."

The new facility will measure more than 830,000 square feet, the equivalent of nearly seven football fields, and will produce life-saving medicines for use by patients around the world.

Nearly 2,500 craft employees and subcontractor jobs are expected at peak construction with about 700 new jobs at the facility when it is completed. Construction is expected to be completed in mid-2019.

Fluor's unique integrated solutions model will enable the company to leverage its global expertise across business lines such as power generation, as well as its staffing and construction equipment entities, water expertise and others for this project.

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and the key people who keep their organizations energized. The Golden Circle and the Law of Diffusion of Innovation, two concepts about organizational motivation and impact, help designers and organizations create spaces that are designed from the inside-out.

The Golden Circle explains how every organization, regardless of its size or industry, knows what they do. A children's hospital, a corporate law firm, and a bicycle component manufacturer all know their service. Within the organization, most people know how to do what they do. However, usually only a handful of people truly understand why they do what they do. An inspired organization grounds itself with its core belief – the why.

"Meet the Perennials, which *Fast Company* recently defined as the 'ever-blooming, relevant people of all ages who live in the present time, know what's happening in the world, stay current with technology, and have friends of all ages.'"

PERENNIALS, THE KEY TO THE WHY. To find the organization's core, it's important to engage Perennials, who are passionate,

"To find the organization's core, it's important to engage Perennials, who are passionate, compassionate, creative, confident, and collaborative and typically go above and beyond to stay involved."

compassionate, creative, confident, and collaborative and typically go above and beyond to stay involved. They have their finger on the pulse of the latest advancements, and thrive in multiple networks. Whether they are the CEO or an intern, 70 years old or 22, they drive their organization to succeed. Their beliefs form the Golden Circle's core.

Perennials make intuitive decisions based on what they believe. Within our U.S. population, the Law of Diffusion of Innovation shows that about 2.5 percent are innovators, 13.5 percent are early adopters, and 34 percent are either early majority or late majority. To design an inspiring environment, the organization must influence the tipping point (15 to 18 percent) of the law of diffusion of innovation. To exert this influence, designers should tap into the Perennials, who are most likely to be innovators and early adopters. ▀

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