Differentiating your firm in a crowded field

After 14 years of teaching entrepreneurship at The Sam M. Walton College of Business at The University of Arkansas at Fayetteville, I have learned there are two paths to entrepreneurial success.

The first path – and the one most think is “best” – is to invent something new that has never been done. The problem with this option is that it’s extremely difficult to do! On top of it, the market may not even realize they need whatever it is you have created.

The second path is to do something differently – something in a market that already exists, and for something that people know they need. A good example of this was Domino’s and their “30 minutes or its free” delivery pledge. It moved them to the top of the pizza business practically overnight.

Most of us in the AEC business are on the second path. If we want to have growing companies that are valuable and ones we can extract value from upon exit (one of the requirements of entrepreneurship – it’s NOT about maximizing income along the way), we need to find some way to differentiate ourselves over our competitors.

The key to figuring out how to do this lies with your clients. At Zweig Group over the past 30 years, we have interviewed countless clients of AEC firms. Their insight is invaluable. Here are some examples of problems and complaints we commonly hear:

- “The problem with ABC Company is Joe Blow

See MARK ZWEIG, page 2

Conference call: David LaVelle

January 8, 2018, Issue 1230

TRENDLINES

Sharing financial data for projects

40%

30%

20%

10%

0%

According to Zweig Group’s 2017 Recruitment & Retention Survey, over a quarter of responding firms share financial data for projects (revenue, profits, fees, chargeability), with the entire firm. More firms, 34 percent, share data only with those employees who worked on the project, and 29 percent only share with the principal in charge and the team’s Project Manager. Only two percent share data with just the principal in charge, while almost 10 percent use some other method to communicate revenue and project profits with the firm.

OPEN FOR PARTICIPATION
zweiggroup.com/survey-participation/

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ON THE MOVE

GLOBAL ENGINEERING AND ARCHITECTURE FIRM GHAFARI ASSOCIATES NAMES JAMES E. JOBES
VICE PRESIDENT Award-winning engineering, architecture, process design, and construction services firm, Ghafari Associates is excited to announce the promotion of James Jobes, AIA to vice president. He will also lead the firm’s new office in Fort Worth, Texas.

“Jim is a key contributor to the firm’s development and has the proven ability to extend our presence geographically,” says CEO and President Kouhaila Hammer. “We’ve worked on projects in the Dallas/Fort Worth area for many years, and are excited to make a more permanent home here.”

With the opening of the firm’s newest office in Fort Worth, Jobes will expand Ghafari’s footprint in the southwestern region. The new office puts Ghafari at the heart of the area’s growth and will serve as the regional hub for existing and future clients with a presence in the area.

Jobes holds a master of architecture degree from the University of Oregon and a bachelor of arts degree in economics from Indiana University. He has led several of the firm’s most complex domestic and international projects, and is a longstanding member of the American Institute of Architects. Jobes’ more than 25 years of experience includes a diverse project portfolio, including aviation, industrial/manufacturing, and commercial projects.

“I welcome this new challenge and look forward to working in such a dynamic economy,” says Jobes. “By extending Ghafari’s presence in Texas, we have a unique opportunity to better serve our existing aviation and manufacturing clients locally, as well as expand our commercial, healthcare, and education expertise to the area.”

Ghafari is a global full-service engineering, architecture, process design, consulting, and construction services firm. With 14 offices around the globe, the firm supports clients in sectors such as aviation, corporate/commercial, education, government and institutional, healthcare and industrial/ manufacturing.

MARK ZWEIG, from page 1

over there never returns my calls” (or “is super slow to return my calls”).

■ “ABC Company’s top people are good at selling us but when it comes time to do the job we rarely, if ever, see them. Instead, we get all their neophytes that we end up training.”

■ “ABC’s quality is not what it used to be. There are so many problems with their plans.”

■ “When there is a problem with something, ABC never accepts responsibility. They rarely do anything to make things right without forcing it out of them.”

■ “The people at ABC haven’t the faintest idea of what things actually cost to build. Their people are just too far removed from actual construction.”

■ “The right hand at ABC doesn’t know what the left hand is doing. Poor internal communications.”

Then, when you talk with firms’ employees – in this incredibly competitive job market – you get another list of complaints:

■ “No one tells me how I am doing/the firm is doing.”

■ “I don’t know what it takes to get ahead here.”

■ “There’s no one telling me what to do on this project.”

■ “All they care about is utilization.”

■ “I want more training.”

■ “I hate my cubicle.”

■ “As a parent, they need to give us more flexibility to come and go during the day.”

■ “The owners here don’t even say ‘Hi’ to you in the halls.”

Again, there are many more. It wouldn’t be hard for you to come up with an expanded list just from talking to your people.

My point is this: Work on dealing with these and all the other oh-so-common problems, taking real action and creating steps and systems to avoid them. When you do, you’ll be differentiating yourself over the dozens of firms you compete with. And then and only then will your long-term success – and your eventual ability to cash in on the value you’ve created – be assured. ☛

MARK ZWEIG is Zweig Group’s chairman and founder. Contact him at mzweig@zweiggroup.com.
A close architect friend of mine recently needed my coaching for an interview he had scheduled the next morning with a developer. This wasn’t an interview for a project, this was an interview for actual employment. He wanted to change jobs and hadn’t formally interviewed in 27 years! I was amazed by how much he overthought everything. I know it’s true for a lot of people on both sides of the interview table. Interviewing makes most people nervous.

Here are the main points I shared with him:

- Keep it simple. This is about finding out what this new employer needs and how it matches what you can provide. Keeping it simple in your mind will help you stay focused and confident.

- Do your research about the company and the person with whom you’ll be meeting. Go in prepared to identify reasons why you like the company and would like to work there. Interviewers and hiring managers love it when they can tell a candidate has taken the time to learn about them.

- Spend time before the meeting creating a bullet list in your mind (or on paper) of your specific strengths and skills. Help them know what and who you are: Are you a leader? A manager? A technical specialist? A rainmaker? A business-minded operational person? A communicative liaison or representative?

“I was amazed by how much he overthought everything. I know it’s true for a lot of people on both sides of the interview table. Interviewing makes most people nervous.”

See CHRIS CATTON, page 4
Do not speak negatively of your current job or boss. Develop an objective. Be ready to tell them why you’re there and what you’re seeking. You’re both hoping that your objective matches their need!

Ask the person “what exactly do you need?” That question is a good start and generates a conversation that sets you up to then talk about the strengths you could bring to their company.

Know when to stop talking. Sometimes nervousness causes people to ramble. It can be very difficult to stop talking for fear of silence. Knowing when to stop talking is a powerful communication tool and it shows confidence.

Have a great time and show off your best self!

CHRIS CATTON is Zweig Group’s director of executive search. Contact her at ccatton@zweigroup.com.
EXPERIENCE A DIFFERENT KIND OF SEMINAR
FOR AEC PROFESSIONALS // 2018 SCHEDULE

SONOMA, CA  April 26-27

ASPEN, CO  June 7-8

MONTREAL, QC  July 19-20

CHARLESTON, SC  October 25-26

The Principals Academy is Zweig Group's flagship training program encompassing all aspects of managing a professional AEC service firm. It's the most impactful two days you can spend learning about principal leadership, financial management, recruiting, marketing, business development, and project management.

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 & Acquisitions
- Ownership Transition Planning
- Recruitment and Retention

Attendees of The Principals Academy earn 12 PDH / 12 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.

Zweig Group is a registered provider with the American Institute of Architects.

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CONFERENCE CALL: DAVID LAVELLE

President and CEO of BKF Engineers (Hot Firm #44 for 2016), a 415-person engineering firm based in Redwood City, California, with 13 offices primarily in Northern California.

It’s easy to get a job, but more difficult to find new friends,” LaVelle says. “If you help them build friendships at work, it makes people want to stay.”

LaVelle first joined BKF in 1988 as a senior project manager/assistant office manager for the San Jose office. He became president and CEO in 1996.

A CONVERSATION WITH DAVID LAVELLE.

The Zweig Letter: The talent war in the A/E industry is here. What steps do you take to create the leadership pipeline needed to retain your top people and not lose them to other firms?

David LaVelle: There are many ways to win the talent war, just as there are many ways to lose it. We make sure we incentivize our top talent in a clear way so they know how to advance. Part of it is tied to compensation and internal stock ownership. We also work diligently to capture the highest profile projects in our region – the kind they can tell their friends about at cocktail parties or football games. That is a big draw on some level. We offer attractive and functional office space and try to give key people opportunities to be seen in the firm as experts in a certain market or region. All of these things are part of our brand and culture.

TZL: The A/E market is great right now. What are
you doing to cushion your firm in the event of a downturn?

DL: We have a broad base of client types and work products. We have specifically designed the mix so that our market segments don’t follow the same up and down cycles. We follow a wide spectrum of informational sources to gauge future market conditions, and talk with clients often to understand where they believe their market segment is headed. This approach served us well in the 2000 and 2009 downturns, both of which we survived with less than 20 percent staff reduction. Many similar firms lost 30 to 50 percent of staff.

“An organized marketing effort is a big part of our success. We have a solid base of repeat clients, but we still compete for a lot of projects through a formal process. We have a great business development/marketing group that helps us stay competitive and creates a positive image in our markets.”

TZL: In the event of failure, how does your firm react?

DL: We don’t fail often, but if we do we immediately look for the best way to mitigate the failure and fallout. If it’s an internal failure, we analyze the causes so we can capture any “lessons learned” and document them for the future. If it’s an external failure, we’ll make sure the client is whole at the end, including paying to fix mistakes if that seems appropriate. It has only happened a few times, but it has gained us intense client loyalty when they know we stand behind our work. The feedback we receive is that some design firms don’t.

TZL: Monthly happy hours and dog friendly offices. What do today’s CEOs need to know about today’s workforce?

DL: It is an “all volunteer” army! You need to give them a reason to volunteer again tomorrow. Part of that is being dog-friendly, creating a comfortable environment, and creating fun social situations. It’s easy to get a job, but more difficult to find new friends. If you help them build friendships at work it makes people want to stay. Figure out what will make your staff volunteer again tomorrow and build your business to provide those things to the most possible extent.

TZL: How do you deal with underperforming employees? What are your steps for removal after they have proven to be ineffective, or even counterproductive, to your firm?

DL: We do regular performance appraisals to track employee progress. If someone is identified as underperforming, we’ll advise them of their status. If no progress is made after a few months we will build a 30- to 90-day development program. We then work through the program to see if they can adjust their performance level to meet expectations. If it works out – great. If it doesn’t, we inform them of termination. We do it as painlessly as possible, but it’s part of the business. Usually the rest of their team is relieved because everyone knows if someone is not pulling their weight, they all feel the drag. It’s better to have 15 happy people than 16 unhappy ones.

TZL: Firms that have principals and firm owners who lower their compensation and invest back into the firm perform better, grow quicker, and have higher valuations. How do you balance owner compensation with investment in the firm?

DL: We look at the needs of the firm and adjust accordingly. We have some set ranges of investment in the firm’s infrastructure that come first to keep the firm healthy. Next, we consider special initiatives or other investments to address any areas of need and spend accordingly. Fortunately, we have been a high-performing firm most years and we don’t have to decide between paying well and hiring that extra person in accounting.

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?

DL: An organized marketing effort is a big part of our success. We have a solid base of repeat clients, but we still compete for a lot of projects through a formal process. We have a great business development/marketing group that helps us stay competitive and creates a positive image in our markets. We are content with our efforts, but our markets continue to demand more from us to compete in the process – more information, better graphics, shorter schedules, and tighter organization.

“The ability to communicate effectively is a huge success factor in so much of what we do. It’s very important to convince people, including some who don’t have a technical background, that the logic behind your design is sound.”

TZL: If there was one program, course, or degree program that you could take or recommend before becoming a principal or owner, what would it be?

DL: Public speaking. The ability to communicate effectively is a huge success factor in so much of what we do. It’s very important to convince people, including some who don’t have a technical background, that the logic behind your
**GATE ENERGY ACQUIRES PATRIOT FILTRATION SERVICES, STRENGTHENING BLUEFIN’S TURNKEY PIPELINE & PROCESS SERVICES**

GATE Energy announced the acquisition of Patriot Rentals’ filtration business unit headquartered in Lafayette, Louisiana. Patriot will join forces with BlueFin, a GATE Energy Company, which will expand their project management bench strength and expertise in water filtration and flowback solutions, further bolstering BlueFin’s expertise for turnkey pipeline management and flowback services.

Patriot’s water filtration division is a Gulf of Mexico industry leader. Recognized and differentiated by their experienced operations team, Patriot’s core competencies are water filtration and handling, flowback solutions for well unloading and transient event management, water filtration for pipeline decommissioning and remediation, and temporary produced water treatment for WSO's and other contaminants.

Jamie Robin, Patriot’s operations manager and partner, said, “The Patriot team is really excited about the opportunity to partner with BlueFin. The addition of this service offering to BlueFin’s best in class pipeline and process platform will bring tremendous value to their already established GoM customer base. BlueFin has built a dynamic business and have been an impressive group to watch grow over the last few years.”

Eric Hebert, Patriot’s founding and managing partner, commented, “With this transaction, our clients will gain a more efficient delivery of services, integrated expertise, and solutions to support their needs.”

**TZL: What is the role of entrepreneurship in your firm?**

**DL:** It’s a huge factor in our success. We encourage our management to push the envelope in our areas of influence and client base. We incentivize them to do it. We support well thought-out extensions of our technical abilities. If someone is willing to invest the time to enter new geography, or expand our market segments, we support and reward them. The opportunity for entrepreneurship drives our key people and our firm to overachieve.

**TZL: What’s your prediction for the rest of the year and for the next five years?**

**DL:** Last year, we had a nice 7 percent bump in total billing volume from 2016. I am comfortable that 2018 will be as good as 2017 which has been great. I would forecast some expansion in the first half of the year and a little retraction the last half of 2018. I think the economy will cool a bit in 2019 and 2020, and then start to expand again in 2021. If the government passes meaningful tax reform we could have a little more expansion, but I wouldn’t bet the house on that.
Work gossip. Some of us participate in it, and most of us see it as a relatively harmless reality of working in an office. But the truth is, gossip has the power to dismantle even the best teams and keep good teams from becoming truly great.

Here’s why work gossip is bad news:

- **It allows mistrust to grow.** When you start talking about co-workers instead of talking to them, you begin to see and assume the worst about their behavior. One of the hallmarks of a great team is assuming positive intent. This is the idea that we should assume that our teammates have a good reason for what they’re doing or what they’ve asked of us. When gossip spreads, your team will begin to do the complete opposite of this. Teammates will begin to assume that other individuals and groups have secret or ulterior motives for decisions, and they’ll fuel these suspicions with more gossip. Gossip makes it easy for a vicious cycle of mistrust and suspicion to take root and grow quickly within your team.

“\begin{quote}When you start talking about co-workers instead of talking to them, you begin to see and assume the worst about their behavior. One of the hallmarks of a great team is assuming positive intent.\end{quote}"

- **Your team will split into warring factions.** It’s typical for teams to have smaller sub-groups within them – these are usually teammates who work...
ON THE MOVE

BURNS & MCDONNELL MANAGER APPOINTED AIA COMMISSIONING REPRESENTATIVE David Meyers, who leads national commissioning services for Burns & McDonnell, has been appointed by the American Institute of Architects as the organization’s AIA representative for commissioning.

Meyers will work on AIA’s behalf to inform, guide, and share insights about policy, regulations, and other decisions affecting their members. And just as commissioning is designed to help owners and clients get the most out of their construction and renovation projects, Meyers is ready to help AIA and its more than 90,000 members get the most out of their representation.

“If I’m looking forward to being able to influence how commissioning is done,” says Meyers, a commissioning manager at Burns & McDonnell for the past four years. “I’m looking forward to continue making a difference on how commissioning is done – to make it better, and to make the requirements fit the way the industry is needing commissioning services.”

Commissioning is a systematic process of verifying and documenting that a facility and all its systems and assemblies are planned, designed, installed, tested, operated, and maintained to meet a project owner’s requirements. The process works to generate operational efficiencies, extend equipment lifespans, optimize systems, and more.

As AIA representative, Meyers will serve as the organization’s connection to two national groups whose decisions and deliberations guide the commissioning industry:

- The National Institute of Building Science and its Total Building Commissioning Program, an industrywide process to develop a comprehensive set of building system commissioning guidelines. Total Building Commissioning is the systematic process of ensuring that the performance of a facility and its systems meet the design intent and the near- and long-term functional and operational needs of the owner and occupants.

Burns & McDonnell ranks No. 3 in MEP commissioning on Consulting-Specifying Engineer’s MEP Commissioning Giants Report. Five years after establishing its commissioning practice, the firm now has more than 120 professionals who work on commissioning projects in the U.S. and abroad.

Meyers has worked in commissioning for the past seven years, after a decade as a project architect and program manager. He has served as chairman of the Building Enclosure Council in St. Louis and, in Kirkwood, Missouri, has served on the city’s Architectural Review Board and the city’s Landmarks Commission.

LINDA ADAMS, from page 9

together closely on projects. These types of sub-groups are fine if there’s a clear business purpose behind them. But sub-groups will begin to see each other as enemies when gossip is tolerated. On great teams, individuals see the team’s success as their own success. On a team with gossip and warring factions, groups and individuals view success as a zero-sum game. People will start to see the success of another “faction” as detrimental to their own. Cohesion and a true team mentality aren’t possible on a team that gossips.

You won’t have the tough (and necessary) conversations. Talking about coworkers behind their backs is a habit that allows us to avoid conflict. But open conflict and disagreement are at the heart of the world’s best teams. In fact, in our research on hundreds of teams, the highest-performing teams (when compared to low-performing teams) are:

- 106 times more likely to give each other tough feedback
- 50 times more likely to openly discuss conflict when it arises

If you gossip or tolerate gossip from your teammates, your team will never have the tough conversations that make it possible to push through major challenges and grow.

“If you’re the team leader, your job is to set the standard. And if you set the standard that gossip isn’t tolerated, you’ll quickly see this mentality spread throughout your team.”

and seek clarification. If it’s a simple misunderstanding, you’ll be able to move past it quickly. If a teammate’s motives don’t benefit the team, you can discuss this directly and give them a chance to redirect their efforts.

2) Encourage people to bring their issues out in the open. If someone is constantly complaining about a teammate, push them to bring their issues out into the open. Tell them that nothing will be better unless they address it directly – and let them know that conflict and disagreement are the only ways tough issues can get resolved.

3) Be a good role model. Don’t talk about your co-workers. If you want to be on a healthy, productive team, you need to unlearn bad habits. Learn to talk to your teammates instead of about them. Even if you’ve tolerated (or participated in) gossip before, let others know you have changed your ways and aren’t going to tolerate it moving forward. Make it clear that you’re putting the team first.

Gossip is truly one of the most damaging behaviors on any team – it prevents us from trusting our teammates, being our best selves, and achieving explosive success with our team.”

What are some easy ways to prevent gossip from infiltrating your team? Here are three quick tips:

1) Work on assuming positive intent. If you’re ever unclear on a colleague’s motives, it’s your responsibility to ask questions

LINDA ADAMS is a partner at The Trispective Group and the co-author of The Loyalist Team: How Trust, Candor, and Authenticity Create Great Organizations. For more information, please visit trispectivegroup.com.
Let’s not kid ourselves. Our workplace cultures are about a lot more than just the fun stuff. Sure, everybody loves a mini-keg on a Friday afternoon, a good office holiday party, forming a team to run a 5K charity race, or taking the families out to a ball game. And make no mistake, those activities are an important piece of the puzzle in ensuring your employees are happy. However, we all know that a positive, effective corporate culture requires much more than that – things like values, mission, communication, collaboration, respect, advancement opportunities, and operational goals. Culture is the manifestation of an organization’s soul.

While having a fun workplace is great, the good times must be underpinned by hard work and an ever-present commitment to the firm’s mission.

But, how can we ensure that the fun part of the culture marries with the hard work of profitable growth and outstanding performance? In October, Little held a THINK-athon, an eight-hour event encouraging employees to collaborate into the wee hours of a Friday night solving industry related challenges, on their own time. While the premise may sound a bit sweatshop-ish, employees were given something equally valuable in return – a chance to be involved in an authentic, high-energy event that allowed participants to remove organizational boundaries and job titles to create breakthrough solutions. At its core, this event aimed to be fun – a cultural attribute Little employees wake up every day appreciating. At the same time, however, the fun, which consisted of food/drinks, music and mini skill-building workshops, coexisted with helping Little advance its mission of generating breakthrough ideas that create a better future.
CH2M HELPS RESTORE SALT MARSH IN THE UK TO ENHANCE FLOOD DEFENSES AND RECREATE ESTUARY HABitat

A new project in Hesketh Out Marsh near Preston, U.K., helps protect property and nearby infrastructure from flooding while creating an internationally important estuary for wildlife. The Hesketh Out Marsh East Managed Realignment Scheme, which opened late August 2017, reinstates 160-hectares of land to saltmarsh, and by doing so, provides important climate change adaptation to counter flood risk from sea level rise.

Salt marshes protect against coastal erosion and water quality problems, and which reduce flooding while acting as nurseries and refuges for many species.

CH2M provided modelling and detailed engineering design to create appropriate habitats for wildlife. The team used numerical modeling to predict the design’s behavior over time, evaluating the impacts and enabling the area to flood and drain correctly.

JOHN KOMISIN, from page 11

Will this culturally-focused activity lead to tangible high bottom-line impact? Probably not by itself. That’s why Little also has programs like our grassroots, in-house research and development program that fosters innovative and habitual breakthrough thinking. The LaceUp migrant initiative gives employees the opportunity to explore, collaborate, and test an idea they are passionate about. Since launching in 2013, LaceUp has funded nearly 80 projects. One of them was the genesis of our Center for Building Performance, which takes a holistic approach to optimizing buildings for occupants and owners throughout the design, construction, and occupancy phases. This is where the intangible nature of an entrepreneurial culture focused on its employees transforms into tangible competitive differentiation and bottom-line impact.

So how can we make sure that our workplace strikes a balance between the fun, caring, authentic environment, and the rigor of a work culture that leads to profitable growth? 

Keep your mission and values front and center. When you hear leaders at all levels of an organization talking about the mission, it gives employees a compass to guide their efforts. Breakthrough thinking is at the center of Little’s mission and having it be a driving force behind culturally fun and exciting activities helps reinforce that we all play a critical role in making sure this mission benefits our clients and those who use the projects we design.

“Dig deep into your culture. Does it coexist with the tangible nature of bottom-line impact? Cultivating this approach takes strong leadership, emotional investment and buy-in from employees.”

Motivate employees by celebrating successes. What better way to reinforce your values than to recognize those that are exemplifying them and creating results by doing so? There are multiple ways of doing this. Some involve money or other material rewards and some just involve a pat on the back. We all have the choice as to whether we want to go the extra mile in order to contribute to our organization’s success. As leaders, it’s our job to provide the right motivation and autonomy that encourages that commitment. We should inspire employees to be more thoughtful and proactive in crafting ways their contributions can lead to additional meaning and fulfillment for themselves, while also benefiting the firm.

Encourage successful collaboration. Perhaps there is such a thing as collaboration overload – endless meetings, relentless emails, and pointless interactions. However, when done successfully, collaboration leads to innovation by taking full advantage of people’s strengths and respective differences. Oftentimes, we forget that collaboration can also be done outside of the walls of our own organization. Collaboration with groups such as universities and complementary industry organizations often brings new perspectives and ideas that will help push your firm forward.

Be authentic. When you have a culture that’s authentic, you have something competitors can’t imitate. Use your mission as your guide to stay true to who you are and you’ll attract top talent and loyal clients.

“Organizations with a strong and unwavering focus on mission and values and a unique culture that gets their employees excited to come to work every day (with or without a mini-keg), will be the ones who outperform financially and who attract the best talent and clients.”

JOHN KOMISIN is Little’s president and CEO. He can be reached at jkomisin@littleonline.com.