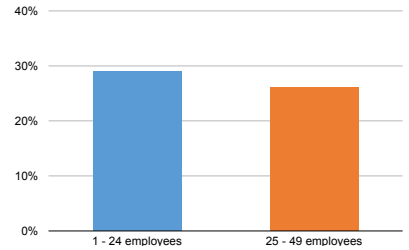


Ponder costs of doing business

If considering to outsource, look at the numbers. It may be cheaper to do business in often-snubbed places in the U.S.

TRENDLINES

New clients



While it's no surprise that A/E firms of all sizes tend to get most of their new business from repeat clients, Zweig Group's 2014-2015 Small Firm Survey finds that small firms get more than a quarter of their business from new clients. According to the recently released report, firms with 25- to 49 employees get 26 percent of their new business from new clients, while firms with 1- to 24 employees report that 29 percent of their new business comes from new clients.

— Margot Suydam, Director, Research

SURVEY & SAVE Participate in Zweig Group surveys and receive a significant discount! Help your own firm and others like it by contributing your knowledge and experiences to the data that leaders of architecture, engineering, and environmental consulting firms are using to build their annual firm plans. To see open surveys, log on to <https://zweiggroup.com/survey-participation.php>

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I have been wondering for years why A/E/P firms don't consider outposts in states such as Arkansas, Missouri, and Kansas, among others.



Mark Zweig

EDITORIAL

For the past decade or more, many larger and mid-sized A/E/P firms have been establishing outposts in countries such as Mexico, India, and the Philippines, among other places. While in some cases local work is driving this expansion, more often than not the goal is to create a low-cost production center for churning out construction documents or other less esoteric endeavors. The labor costs are much lower in some of these places.

However, many companies that have gone down this path have ultimately discovered that the vastly different cultures, language barriers, legal environment, and more have led to less than stellar output. One CEO told me in reference to their then-significant Mexican engineering operation that it "costs one third as much but takes three times longer to get anything done, so it's a wash." By the time you add on management time, quality problems, complex legal forms of organization and tax structures, and a myriad of other known and unknown factors, the perceived windfall one may expect from having these operations goes away pretty quickly.

For A/E/P firms in "expensive to operate" places such as Los Angeles, San Francisco or New York City (and many

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MORE COLUMNS

■ GUEST SPEAKER:
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Get with your flow. Page 7

BEST FIRM
**Work worth doing
drives staff**

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**Build strength from
within**

Page 3

A/E BUSINESS NEWS

BECHTEL REORGANIZES Bechtel (Reston, Va.), a 53,000-person engineering, project management, and construction firm, announced that the company will combine its civil and most of its power business units to create the Bechtel Infrastructure global business unit. The unit will be among the company's largest, serving a variety of customers around the globe. The move better positions the company to meet the needs of customers in key markets by integrating its services and creating a full suite of infrastructure offerings within one unit.

Toby Seay, president of Bechtel's power business, will become president of the Infrastructure unit, which will be headquartered in London. Peter Dawson, president of the company's civil business, will become Bechtel's head of corporate services and chief financial officer, a position he held previously. Dawson succeeds Mike Adams, who will lead new strategic projects reporting to the company's chief executive officer.

The Infrastructure business unit will operate through seven business lines:

Civil – Americas, Civil – EAM, Civil – Asia Pacific, and Water combine the communications market sector with master planning, urban developments, marine, ports and harbors, roads, bridges, hydro, and industrial cities, as well as big water (new city water supply systems, major tunnels and canals, tidal protection) and associated scope (large industry-funded water supplies and wastewater treatment installations).

Power includes thermal, renewables, steam, and transmission.

Aviation includes greenfield development of new airports and expansion of existing facilities, as well as airport upgrades required by security requirements and new generations of aircraft.

Rail includes all phases of high-speed rail, passenger and freight heavy rail, light rail, and metro systems.

As part of the reorganization, Bechtel also creates a new unit, Nuclear, Security & Environmental (NS&E), which combines the company's government and commercial nuclear businesses.

The reorganization and leadership changes take effect Jan. 1, 2015.

MARK ZWEIG, from page 1

others) that like this idea of having a lower cost "production center," I have been wondering for years why they don't instead consider outposts in states such as Arkansas, Missouri, and Kansas, among others.

It occurred to me today as I pulled into a \$10/day airport parking space a short walk from our nearly new airport that everything is easier and cheaper in the heartland states. Despite some local accents and expressions that may seem foreign to some of you, there's no language barrier. State and local governments may be more management-friendly (Fayetteville, Ark., where we live could be a rare exception!). Decent office space costs as little as \$10/square foot. You can buy a livable home 10 minutes from the office for as little as \$100 per square foot. Commute times for everyone are shorter. Parking is free. Employees may be easier to attract. The work ethic is usually better – thanks to many growing up on farms. And you probably won't need some kind of special legal form

There's nothing wrong with clean air, a seven-minute commute and always being able to park at the grocery store.

of organization to do business there. Everything is easier in Kansas than it is in India – yet there still may be some significant cost reductions and productivity gains one could acquire.

As a guy who has had offices in San Francisco, D.C., Chicago, Atlanta, Boston and other places and who moved from the Boston area to Arkansas 10 years ago, I can assure you there are smart people in places like this and the quality of life is pretty good. There's nothing wrong with clean air, a seven-minute commute and always being able to park at the grocery store. Nor do I miss paying \$150 every time my grass got cut and \$20,000 or more in property taxes. Just sayin'... ▀

MARK ZWEIG is the chairman and CEO of Zweig Group. Contact him with questions or comments at mzweig@zweiggroup.com.

DODGE INDEX DIPS The Dodge Momentum Index fell in September, dropping to 115.8 (2000=100) for the month, down 0.7 percent from August's reading of 116.6, according to McGraw Hill Construction.

The Momentum Index is a monthly measure of the first (or initial) report for nonresidential building projects in planning, which have been shown to lead construction spending for nonresidential buildings by a full year.

After rising 13 percent during the first half of 2014, the Momentum Index declined in each of last three months, retreating a combined 7 percent.

Despite these setbacks, the Momentum Index remains 8 percent higher than a year ago, indicating that to this point the upward trend for nonresidential building projects at the planning stage is still present.

The September drop in the Momentum Index was the result of diminished planning activity for its two main segments – commercial building, down 0.8 percent; and institutional building, down 0.4 percent.

While the commercial segment showed a slight decline, two notable projects of over \$100 million in value entered planning during the month. They are a \$500 million Resorts World Hotel and Casino in Las Vegas and a \$130 million hotel in New York.

THE ZWEIG LETTER

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LEADERSHIP

Build strength from within

Firms that focus on developing an effective culture of delegation make the job easier for leaders.

By LIISA SULLIVAN
Correspondent



John Komisin,
President and
COO, Little
Diversified
Architectural
Consulting.

Creating strong internal relationships is the key to leaders resting easy at night. If they know they have well trained, reliable people on the ground, life is just that much sweeter. So, where do you begin?

TRUST, BUT VERIFY. John Komisin, president and COO, **Little Diversified Architectural Consulting** (Durham, NC), a 110-person firm, says that there is a natural evolution that takes place over time between the leader who is delegating and the colleague who is taking on the assignment.

“Early on, the leader is typically wise to ‘trust but verify,’” Komisin says. “As the teammate demonstrates the ability to always complete the project with quality and on time, the leader may need to verify less and less, if at all. At a certain point, the leader may only require an update within a specified timeframe for major issues; otherwise, the trust that has been built up enables the leader to be assured that everything is being taken care of as promised.”

“As the teammate demonstrates the ability to always complete the project with quality and on time, the leader may need to verify less and less, if at all.”

YOU CAN'T PUT A PRICE ON TRUST. June Collins, executive vice president, **Dudek** (Encinitas, CA), a 300-person environmental consulting firm, says that trust is their highest value.

“We believe people working in an atmosphere of trust rise to the occasion and outperform those in more structured, managed work environments,” she says. “We strive to create and maintain a trust-based work environment that encourages and rewards employees who come together to solve problems and feel comfortable speaking up. This makes for a more enjoyable and productive environment and reduces risk for the firm.”

In Dudek's experience, the advantages of a trust-based approach far outweigh the risks. A more structured, top-down approach is often risk-averse, managing to the lowest common denominator (i.e.,

because one person might take advantage of flexible work hours and not get the job done, everyone needs to punch a time card).

“We've seen the rewards of a trust-based system. Staffers are proactive because they have the freedom to act,” Collins says. “Authority for decision-making happens at the level closest as possible to clients to enable us to respond quickly to client

See DELEGATION, page 4



Derek Kohl,
Director of
Engineering,
BL Companies.

START WITH SIX

Derek Kohl, director of engineering, **BL Companies** (Meriden, CT), a 286-person, employee-owned integrated architecture and engineering firm for public and private clients, suggests that leaders start with these six tactics first:

1. Provide clear direction and communication on what is expected from the individual in the job responsibilities and roles. “This past year, I implemented a ‘score card’ for each of my managers summarizing their individual goals and objectives to provide a simple and very concise document that outlines the areas they need to focus on and the expected outcomes,” Kohl says.
2. Understand employee strengths and weakness and make sure they are in the right “seat” on the bus.
3. Have consistent and regular individual and group meetings and communications. This helps facilitate improved team coordination and relationship building.
4. Consider employing a leadership development program that promotes effective listening, communication, feedback and understanding individual working styles. With these leadership skills, staff shows a willingness to communicate in an open, honest and constructive manner which, in turn, builds trust and strong working relationships.
5. Provide growth opportunities, appropriate to level of responsibility and decision making, but at the same time establish clear guidelines and practices for review/approval of certain items. With better trust and developed working relationships over time, you will be able to know that the project or task is in good hands and the individual will seek support, guidance or approval as necessary.
6. Acknowledge and reward high performance and those that can be trusted to get things done.

TALK TO US

Do you have an interesting story to tell? Is your company doing things differently and getting results? Let us know. We'd love to contact you and feature you in an upcoming case study. If interested, please email LSullivan@zweigwhite.com.



TRANSACTIONS

BOWMAN BUYS Bowman Consulting (Chantilly, Va.) announced that, effective Oct. 1, it has acquired **Omland Engineering Associates** (Cedar Knolls, NJ), a 40-plus-person engineering firm with offices across New Jersey. With the addition of Omland, Bowman continues to expand its national presence with over 500 professionals located in more than 30 offices throughout 13 states and the District of Columbia.

"Omland brings a long standing presence throughout the New Jersey and New York markets. This addition is a great opportunity for us to continue our expansion into one of the largest and most dynamic metropolitan areas in the country," said Gary Bowman, president of Bowman Consulting. "Stan Omland has built a great reputation for his firm and we look forward to having Stan be an integral part of our continued growth and success."

Omland Engineering was founded in 1997 by Stanley Omland. Omland began with a book of select private and municipal clients, and over the years, has grown and diversified to provide multiple disciplines, including site/civil engineering, municipal/public works, surveying, landscape architecture, master and city planning, and traffic and transportation engineering.

"Partnering with a firm that has a similar client focus and culture of excellence was of paramount importance to me and our team, and I am confident in Gary's leadership and the strength of his firm," Stanley Omland said. "With the synergies Bowman and Omland share in services, philosophy, and approach, Gary and I both see this as a natural fit and are excited about the opportunities this will collectively bring to our organizations."

Over the past three years, Bowman has advanced its national expansion strategy with acquisitions and cold starts in Phoenix, Denver, Pittsburgh, Austin, Chicago, Safford, Ariz., Charleston, S.C., Southern Florida, and now New Jersey. Omland Engineering will operate under its current brand through the remainder of the year after which it will transition to Bowman Consulting.

SWCA BUYS SWCA Environmental Consultants (Phoenix, AZ), announced that it has acquired **Turnstone Consulting** (San Francisco, CA).

Founded in 2000, Turnstone is an environmental planning firm serving clients in Northern and Central California. Well-known and

respected for its successful Environmental Impact Report services, Turnstone provides a full range of environmental planning, review, and permitting services under the California Environmental Quality Act.

Marquee projects in San Francisco include the Treasure Island/ Yerba Buena Island Project, Parkmerced Project, Chinese Hospital Replacement Project, San Francisco Municipal Transit Agency Transit Effectiveness Project, Millennium Tower, and The Mexican Museum and Residential Tower Project at 706 Mission Street. Notable projects outside San Francisco include the Kaiser Modesto Medical Center, Calaveras Dam Replacement Project, and Vallejo's Mare Island Revised and Restated Specific Plan.

This acquisition expands SWCA's market presence in California and furthers the company's position as one of the largest environmental compliance firms in the U.S.

SWCA has provided environmental consulting services since its founding in 1981 with a focus on planning, natural and cultural resource management, permitting, regulatory compliance, water resources, and climate change consulting. The company's growing team of professionals combines scientific expertise with in-depth knowledge of permitting and compliance protocols to develop technically sound, cost-effective solutions for environmental projects throughout the United States.

"We're very excited to welcome Turnstone into the SWCA family," said John Thomas, SWCA president and CEO. "We're also very pleased to bring our wide-ranging environmental expertise to clients in the San Francisco Bay Area market. Turnstone has a cultivated a loyal following among clients in the Bay Area and beyond, and we will maintain that tradition of high-quality service."

Turnstone principals Nancy Cunningham Clark and Barbara Sahn will continue to lead the planning and permitting experts in San Francisco.

"Barbara and I were impressed from the first by the SWCA management team and SWCA's commitment to sound science and client service," Clark said. "While we will continue our focus on CEQA, joining SWCA allows us to offer a much broader array of services to our clients. SWCA's network of experts in natural and water resource management, archaeology, architectural history, and air quality creates new opportunities for expansion."

DELEGATION, from page 3

needs; staff understand they are trusted to make wise decisions and they do it collaboratively and responsibly."

The key, of course, is walking the walk. Underpinning a trust-based system are clear goals, transparent communication and individual accountability – a continuing challenge for Dudek as the firm grows and diversifies.

"On rare occasions, trust is misplaced and we'll get burned, but the benefits of trusting folks to do the right thing for clients and the firm pay off for us every day," Collins says.

DO THE RIGHT THING. Tom Warn, COO, **Nova Consulting Group, Inc.** (Minneapolis, MN), a 110-person environmental and engineering services firm, finds that people tend to rise to the level of expectations. Therefore, if you hire good people, maintain solid lines of communications of what is expected (i.e., what defines success) and give them

"We believe people working in an atmosphere of trust rise to the occasion and out-perform those in more structured, managed work environments."

the authority and resources to accomplish these goals; people tend to elevate their performance to meet/exceed expectations.

"Unfortunately, many times managers feel that they must micromanage their staff with the expectations that they will need their assistance to meet the needed performance goals," he says. "The confidence and support that management places with their staff can go a long way to helping people achieve more success. It basically comes down to trusting your good people to do the right things as needed to succeed." ▀

BEST FIRM

Work worth doing drives staff

Best Firm To Work For attracts top talent, offers extensive benefits and is active in its community.

By LIISA SULLIVAN
Correspondent



The team at Leonard Rice Engineers, above. Participants in a team-building exercise, below right.

At No. 23 on the 2014 Best Firms To Work For ranking, **Leonard Rice Engineers, Inc.** (Denver, CO), a 41-person, civil engineering firm, has built its strength on having dedicated, highly qualified individuals among its ranks.

More than half of the staff is comprised of registered professional engineers, professional geologists and/or professional hydrologists. The firm also has two certified project management professionals.

We sat down with them to find out why they think they made the cut.

A LITTLE FEEDBACK FROM THE PRESIDENT... THE ZWEIG LETTER: Why do you think your firm was nominated to be a Best Firm To Work For?

Gregg Ten Eyck: "Since our company was founded by Lee Rice in 1972, Leonard Rice Engineers, Inc. has always been committed to contributing to the water community by providing professional services to top-notch clients, and hiring and retaining the best talent. To do that, you need to create a workplace environment that is exciting and rewarding to each employee. With our current team and our ZweigWhite (now Zweig Group) recognition, I think we have been very successful in making Leonard Rice Engineers, Inc. a great place to work."

TZL: Is this your first time on the list? Have you applied before? Please explain.

GTE: "This is our first time on the list. It was also our first time applying. As the company continues to attract and retain top talent, we wanted to make sure that what we think is a great place to work still is a great place to work."

TZL: Was your overall experience with the application process for becoming a best firm a positive one? Please explain.

GTE: "Yes. We had a positive experience, as it gave us an opportunity to do a pulse check with a sample group from our staff that represented the various services we offer as a water resources engineering consulting firm."

WHAT ARE OTHER EMPLOYEES SAYING?

TZL: So, you work in HR? What do you think makes Leonard Rice a best firm to work for?



Nancy Allen: "I'm the HR director and find this firm inspiring to work for. Why? It's because it is a company where the culture is based upon a strong foundation of constructive core values that I believe in. Not only do we have a tremendously talented staff, but we also have people who genuinely care about one another. I really appreciate the support for ongoing learning, growth and individuality. I think this embodies why people want to work here."

TZL: What are some of your favorite benefits/perks?

See LEONARD RICE, page 8



Need equipment? Lease or loan?

To help determine the most appropriate option, consider the 10 questions below.



William Sutton

GUEST SPEAKER

As the economy continues to improve, more construction businesses are making capital investments to fuel their growth. When business owners and managers consider acquiring equipment, they often think of their payment option as a “lease versus buy” decision. In any economic environment, when preserving owner or shareholder capital is an important goal, financing equipment through a lease or loan will enable your business to preserve its cash.

CHOOSING YOUR FINANCING OPTION.

Whether you finance equipment through a lease or loan, each has its advantages. In evaluating your options, it is important to look at each alternative to determine which will best balance usage, cash flow and your financial objectives. To help determine the most appropriate option, consider the following 10 questions:

1) How long will the equipment be required?

Generally speaking, if the length of time the equipment is expected to be used is short term (which usually means 36 months or less), leasing is likely the preferable option. Equipment expected to be used for longer than three years could be a candidate for either a lease or a loan.

2) What is the monthly budget for the equipment?

As with any ongoing business expense, consider the monthly cost for a piece of equipment and how it fits into your budget. In general, leasing will provide lower monthly payments.

3) Will the equipment become obsolete while it is still needed for the operation?

Protection against obsolescence is one of the many benefits of equipment leasing, since the risk of obsolescence is assumed by the lessor. Certain lease financing programs allow for technology upgrades and/or replacements within the term of the lease contract.

4) Is the equipment going to be used for a specific contract or can it be used for other projects?

Often, the business objective of equipment is for it to be revenue-producing. If a piece of equipment has limited use within a specific contract and won't be used for other projects, it's not ideal for it to be idle while you continue to make payments on it. It makes sense to stop the equipment expense when the income from it ceases, which you can do with a lease.

Whether you finance equipment through a lease or loan, each has its advantages. In evaluating your options, it is important to look at each alternative to determine which will best balance usage, cash flow and your financial objectives.

5) How much cash would be required up front for a lease and for a loan?

Leasing can often provide 100 percent financing of the cost of the equipment as well as the costs for transportation, delivery, installation set-up, testing and training, and other deferred costs (e.g., sales tax). Loans usually require a down payment and don't include the other cost benefits. Ask how much of a down payment is needed and assess the availability and desirability of allocating company capital for that down payment.

6) Can the company use the depreciation or would the company get a greater benefit from expensing the lease payments?

The tax treatment of the financing arrangement is an important consideration in choosing between a lease and a loan. A loan provides you with the depreciation tax benefit; with a lease, the lessor owns the equipment and realizes the tax benefit, which is usually reflected in a lower monthly rent payment for your business as well as the ability to expense the payment. In many instances, if your business cannot use the tax benefit, it makes more sense to lease than to purchase through a loan because you can trade the depreciation to the lessor in exchange for better cash flow.

See WILLIAM SUTTON, page 8

Get with your flow

An organized life makes room for flow
(and we need that time for great ideas to spring forth).



Marilynn
Mendell

GUEST SPEAKER

How do you see your task list? Ever mounting? Emails in overload? A messy desk about to avalanche? Pressing deadlines and grouchy clients making unrelenting changes? An idiotic press for more meetings? And no time for the big ideas.

RELAX. What if a month's worth of periodical reading develops into a Zen experience of endless enjoyment? Time management and organization can be framed in a much more optimal way: a means to free time for flow to appear. Consider the word *flow*. One can define it as the mental state of operation in which a person performing an activity becomes fully immersed – being in the zone. Good.

TAKE A VACATION DAY AT THE OFFICE...

On a Sunday at 5 a.m. before the world gets up. Again it's all in the framing. I said *vacation day*.

There's a tiny bit of prep work before you begin. The day before, stop by a local office supply store and buy file folders in various colors. Be sure to purchase red ones. Drop in the basket those old fashioned phone memo pads with multiple copy options, some Day-Glo highlighters, and those oversized Post-It notes.

Get a beverage loaded with caffeine. When you arrive at your desk, LOOK at the array of tasks. Feel them. Fend off feelings hopelessness. We're framing here. That means envisioning the tasks ahead as a fun and entertaining occasion and any self talk on the positive side would be helpful. Now divvy up the mess. Stack magazines to be read in one pile. People to deal with in another. Trips go into individual red folders. For instance, if you're attending NEOCON, then anything to do with that conference goes into that folder. Invoices and checks to write – another pile and a different colored folder. Humans locate by color. Training your brain to always know that red is trips, blue contracts and so on will make it easy when you're dashing out to catch a plane to look for the red file.

Now, take a break. What things on the list of tasks need total concentration? Reviewing contracts? Writing checks? Deleting emails? Stick a few of those large Post-It notes up on your wall. They'll hold a personal strategic plan. Write goals at the top of one, the words delegate, next, and research & development on another. Still on *vacation*. Don't look at the pile and think, "Shut the front door. I should be working instead of doing this." Let it go. WHY? To build a mental safety net

If you know that once a month you're going on vacation to your office to tidy things up or just read peer magazines in a relaxed vacation mode, with fresh coffee, a Danish, and classical music, then you have created a kind of mindful procrastination.

and a path toward flow. Bringing clarity to your space improves time management, which in turn relieves procrastination, so that when you're in the zone of flow guilt evaporates. Keeping a record on a pad of all calls rather than on scraps of paper, Post-It notes, or buried in Moleskin develops into a means to easily recall information and find important documents. Old fashioned carbon copy phone message books can still come in handy to write messages from clients, and the top copy can be easily passed on while the remainder copy can be kept as a future reminder of what task had been assigned. Getting organized takes practice. It requires 40 days to build habits.

Before going into flow, add more things to your emergency net. Take some plain white computer paper and turn it sideways in front of you.

See MARILYNN MENDELL, page 12



WILLIAM SUTTON, from page 6

7) How will a working capital facility be impacted?

Many businesses have an aggregate line of credit through a bank that they can use for inventory purchases, improvements and other capital expenditures. Depending on the lending covenants, it is often possible, as well as preferable, to preserve your bank working capital by leasing equipment through an equipment finance provider.

8) How flexible does your business want the financing terms to be?

A lease can provide greater flexibility, since it can be structured for a variety of contingencies, whereas with a loan, flexibility is subject to the lender's rules. If your business has continuing use for the equipment at lease termination, extended rentals, purchase options, trade-ups and return options are available. The lease term allows your business to match all expenses to the term of the equipment's use, including income tax expense, book expense and cash expense. Most importantly, as mentioned previously, the expense stops when the equipment is no longer required.

9) Do you anticipate the need for additional equipment under your financing agreement?

If your business is planning for growth, you can enter into a master lease that

will allow you to acquire multiple pieces of equipment under multiple schedules with the same basic terms and conditions. This provides greater convenience and flexibility than a conditional loan contract, which must be renegotiated for additional equipment acquisitions.

10) Who can help me evaluate what's best for my business? Whether you finance equipment through a lease or loan, each has its advantages. When making the decision between a lease and a loan, it is highly recommended that you consult with your accounting professional, as well as draw on the resources of your equipment financing provider to enable you to secure the best possible terms for your lease and/or loan.

These are some of the key considerations that should go into the lease versus loan decision-making process. For a lease/loan comparison and online tools, visit www.equipmentfinanceadvantage.org/ef101/llc.cfm. ▀

WILLIAM SUTTON is president and CEO of the Equipment Leasing and Finance Association, the trade association that represents companies in the \$827 billion equipment finance sector. For more information on equipment financing, please visit www.ELFAonline.org. Follow ELFA on Twitter @elfaonline.

LEONARD RICE, from page 5

Mary Presecan, Water Resources Group manager: "The support and encouragement I receive at Leonard Rice to grow as a person and a professional is unmatched. When I wake up in the morning I look forward to going to work. It has been this way for 12 years, and it was 12 years ago that I started with the company."

Dave Colvin, Groundwater Group manager: "I have never before felt so connected to the what, how and why the inner workings of why a business does what it does. I am integrated into these aspects of the business of Leonard Rice and am therefore so much more content and connected as an employee."

INVESTING IN PEOPLE. The firm's ownership has evolved from a single owner in 1970 to an employee-owned firm with more than 15 shareholders. It continues to invest in developing its next generation of leaders through participation in professional associations and through firm-wide training.

The company also continues to emphasize expertise and professional registration. And, while it believes in change and new opportunities, what remains constant is a commitment to contribute to the community by providing professional services to top-notch clients.

The bottom line is that Leonard Rice knows that people are its greatest asset.

"Whether it is one of our professional engineers or a friendly voice answering your phone call, we all believe in doing our very best to make Leonard Rice a great place to work and a great company to work with," Ten Eyck says. "We believe that we do work worth doing, and that our success is driven by the high caliber and talent of our staff." ▀

CARING FOR EMPLOYEES

Leonard Rice offers the following benefits to its employees:

- A comprehensive medical plan, which uses a large network of doctors and hospitals
- Prescription drug coverage
- Dental plan
- Vision discount program
- Generous contribution to a health savings account. Individuals are also able to contribute to the health savings account with pretax dollars.
- Flexible spending plan offered for individual pretax contributions to pay for defined out-of-pocket healthcare and dependent care expenses.
- Other fully subsidized offerings include basic life and accidental death and dismemberment insurance, a long- and short-term disability benefit
- Access to an employee assistance program that provides resources for health and wellbeing issues.
- A defined contribution plan, which includes a company contribution amount equal to three percent of the individual's annual salary.

Leonard Rice also has a wellness program that fosters a workplace that supports making healthy lifestyle choices. The program includes fitness and community service challenges and various educational seminars.

And, because the company values its responsibility to the environment, it has an internal recycling program and provides all staff with an RTD Eco Pass – an annual pass purchased for employees so they can have unlimited rides on all local, express, and regional bus and light rail service.

Finally, each month, Leonard Rice facilitates lunch meetings for all staff where they share company news, business updates, and staff presentations on technical topics and project overviews. The firm recognizes and celebrates achievements and occasionally spotlights new staff members.

Employees also participate in company-wide spring and fall seminars that feature various topics to promote strong working relationships and professional and individual development.

WORKPLACE

Mentoring and motivators

To help people be the best at what they do, first you need to understand what drives them.

By LIISA SULLIVAN
Correspondent

GOOD TO KNOW

Less than a quarter of firms (22 percent) have career "tracks" that employees can follow.

Source: 2014 Policies, Procedures & Benefits Survey, Zweig Group: <https://zweiggroup.com/p-2191-policies-procedures-benefits-survey-2014>

TALK TO US

Do you have an interesting story to tell? Is your company doing things differently and getting results? Let us know. We'd love to contact you and feature you in an upcoming case study. If interested, please email LSullivan@zweigwhite.com.

Leaders are often placed in the role of mentor. But exactly how do they go about it? Mentoring is not a one-size-fits-all activity. Leaders need to understand that people have different motivators and that what motivates them most will dictate the best mentoring style for that person.

In the early 1940s, Abraham Maslow created his "theory of needs." This identified the basic needs that human beings have, in order of their importance: physiological needs, safety needs, and the needs for belonging, self-esteem, and "self-actualization."

Later, David McClelland built on this work in his 1961 book, "The Achieving Society." In this book, he identified three motivators that he believed all people have. They include a need for: 1) achievement; 2) affiliation; and 3) power.

People will have different characteristics depending on their dominant motivator. And, according to McClelland, these motivators are learned (which is why this theory is sometimes called the Learned Needs Theory).

McClelland says that, regardless of gender, culture, or age, people all have three motivating drivers, and one of these will be their dominant motivating driver. This dominant motivator is largely dependent on culture and life experiences.

So, what are the goals and characterizations of each motivator? And what do people with these different motivators think about most?

ACHIEVEMENT

What are the goals of the achievement motive? Success in situation requiring excellent performance.

What are the characteristics of the achievement motivator?

- 1) Concern with excellence
- 2) Complete involvement/wants to see finished product

- 3) Desire to out-perform others (competitive)
- 4) Wants unique accomplishment
- 5) Restless and innovative (enjoys striving)

Use your best judgment when motivating and engaging your team. Understanding a variety of motivational theories will ultimately help you decide which approach is best for the situation at hand.

What do people motivated by achievement think about?

- Doing a better job
- Goals and how to attain them
- Obstacles and how to remove them

AFFILIATION

What are the goals of the affiliation motive? Being with someone and enjoying mutual friendship/camaraderie.

What are the characteristics of the affiliation motivator?

- Concerned with being liked and accepted
- Warm, friendly relationships
- Concerned about being separated from others

What do people motivated by affiliation think about?

- Wanting to be liked
- Consoling and helping people
- Feelings of others and self

POWER

What are the goals of the power motive? Having impact or influence.

See MOTIVATORS, page 10



ON THE MOVE

PSI PROMOTES Professional Service Industries, Inc.

(Oakbrook Terrace, IL), a 2,300-person environmental, engineering and testing services firm, announced three promotions.

Jonathan Sink was appointed as principal consultant for its Construction Materials Testing Service line. Sink will be the primary principal consultant for PSI's Tampa office. He serves a dual role as senior engineer and manager of Tampa's Construction Services Department and has been with PSI since 2012.

David Barndt was appointed principal consultant for the Construction Materials Testing Service line. Barndt will be the primary principal consultant for PSI's offices in Waukesha, Green Bay, Chippewa Falls, Menasha, Ripon, Wis. and Eagan, Minn. He has more than 20 years of experience in geotechnical engineering, construction materials testing and environmental consulting. Based in PSI's Waukesha office, he serves a dual role as senior vice president and has been with PSI since 1981.

Bryan Sy was appointed as principal consultant for the Construction Materials Testing Service line. He will be the primary principal consultant for PSI's offices in McKinney, Fort Worth and Dallas, Texas. Based in PSI's McKinney office, he serves a dual role as district manager and has been with PSI since 2007.

MACKAY SPOSITO NAMES MacKay Sposito (Vancouver, WA), a 165-person consulting firm specializing in energy, public works and land development, announced the addition of a new leader.

Kris Strickler will lead the firm's company-wide transportation services as the director of Transportation. Strickler has over 15 years of leadership experience in the transportation sector.

A well-known advocate in Salem, Ore. and Olympia, Wash., Strickler will forward his passion for regional multi-modal transportation solutions at MacKay Sposito. His diverse résumé includes leadership roles at ODOT, Project Director for the Columbia River Crossing, as well as engineering design positions within WSDOT.

"Kris is a valuable addition to our leadership team. With his extensive resume and respect within the industry, we are pleased he chose our firm to help guide the future of transportation and mobility," said Tim Schauer, president and CEO of the firm.

MacKay Sposito's expertise spans design, planning and project management, master-planning, civil engineering, landscape architecture, land surveying, construction management and land development for both public and private sector clients.

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What are the characteristics of the power motivator?

- Charismatic, visionary
- Concern for reputation or position
- Wants his/her ideas to predominate
- Strong feeling about status
- Strong need to influence others
- Often verbally fluent

What do people motivated by power think about?

Influence and control she/he has over others and how to use it to win arguments, change people and gain status and authority.

SO, WHAT'S NEXT? First, examine your team to determine which of the three motivators is dominant for each person. You can probably identify drivers based on personality and past actions.

For instance, perhaps one of your team members always takes charge of the group when you assign a project. He speaks up in meetings to persuade people, and he delegates responsibilities to others to meet the goals of the group. He likes to be in control of the final deliverables. This team member is likely primarily driven by power.

On the other hand, you might have another team member who never speaks during meetings. She always agrees with the group, works hard to manage conflict when it occurs, and visibly becomes uncomfortable when you talk about doing high-risk, high-reward projects. This person is likely to

have a strong need for affiliation.

Second, based on the driving motivators of your workers, structure your leadership style and project assignments around each individual team member.

For example, when providing feedback for achievers, McClelland recommends that you give a fair and balanced appraisal. They want to know what they're doing right – and wrong – so that they can improve. When providing feedback for people who have high affiliation characteristics, be personal. Emphasize their good working relationship and your trust in them and they'll likely be more open to what you say. Remember that these people often don't want to stand out, so it might be best to praise them in private rather than in front of others. Finally, for power people, be direct and to the point when providing feedback. Keep them motivated by helping them to further develop their career goals.

DO YOUR HOMEWORK Now, keep in mind that McClelland's theory of needs is not the only theory about worker motivation. Mindtools.com, a career site that provides essential career tools also points to something called Sirota's Three-Factor Theory. This theory also presents three motivating factors: equity/fairness, achievement and camaraderie.

Sirota's theory states that we all start a new job with lots of enthusiasm and motivation to do well. However, over time, due to bad company policies or poor work conditions, many people lose their motivation and excitement.

Use your best judgment when motivating and engaging your team. Understanding a variety of motivational theories will ultimately help you decide which approach is best for the situation at hand. ▀

OUTLOOK

Is the industry an economic indicator?

Economists and industry leaders agree that what happens in the design industry doesn't stay in the design industry.

By LIISA SULLIVAN
Correspondent



Kermit Baker,
Chief Economist,
American
Institute of
Architects.

Is performance at architecture firms an early indicator of how the economy is doing overall? The answer seems to be yes – and it's positive.

WHAT'S THE AIA SAYING? The recent AIA Foresight Report, developed by the American Institute of Architects and produced in cooperation with the Greenway Group, highlights key trends in the architecture marketplace. The report serves as a tool to help architecture firms develop their own solutions by providing research that applies to the current and future practice of architecture. Some of the key data points include:

- More than half of design firm leaders in North America expect growth for 2014 and 2015.
- More than half of the respondents of the AIA Work-on-the-Boards survey felt that merger and acquisition activity among architecture firms will increase.
- The Bureau of Labor Statistics anticipates approximately 18,600 architecture jobs will be added to the U.S. economy between 2012 and 2022, which represents a greater-than-average growth rate of 17 percent.
- Design firms are exploring alternative ways to attract and retain key talent, including flexible work plans (hours and location) that allow for better work/life balance, improved work environments, profit sharing programs, fringe benefits, and ongoing education.
- Public-private partnerships (P3s) are growing in the U.S. as a project delivery method as both the federal government and several states change policies and regulations.
- Crowdfunding and crowdsourcing signal major changes in the role of users and clients in the design process.
- AIA and the acting Surgeon General emphasize that all architecture presents an opportunity to positively influence public health.

Kermit Baker, AIA chief economist, says that as of August, U.S. architecture firms have produced four straight months of accelerating gains in design billings. With a reading of 55.8 in July (where any

score above 50 signifies growth), the index reflected the strongest gains in billings since mid-2007. The August number fell slightly to 53, but still marks growth in the sector.

And, with solid monthly scores for new design contracts and new project inquiries, all signs indicate strong momentum building in design activity, which is expected to produce solid gains in construction later this year and into 2015.

What makes this news even better is that every region of the country and every sector played a part.

After a slow start to the year, the economy is finally beginning to perk up," Baker says. "In part, this is due to stalled projects that are coming back and being dusted off. Firms are reinvesting in operations again."

"Our local markets are operating at a much faster clip than most other areas of the country. I believe this does indicate upcoming general improvement in the U.S. economy – albeit, it looks to be at a relative moderate pace."

FIRMS AGREE... ECONOMY IS COMING AROUND. Jason Haagenson, CFO, **JLG Architects** (Grand Forks, ND), an 89-person firm, says that JLG's performance over the last several months is, most certainly, an indicator of how its local geographical economies are doing.

"Our local markets are operating at a much faster clip than most other areas of the country – but, as a whole, there does seem to be wide ranging traction in the industry – at least in the central and mid-western states," he says. "I believe this does indicate upcoming general improvement in the U.S. economy – albeit, it looks to be at a relative moderate pace."

See INDICATOR, page 12



INDICATOR, from page 11

Thomas Lee, CFO, **Ayers Saint Gross** (Baltimore, MD), a 155-person international, inter-disciplinary design firm with expertise in college and university master planning, building design, and landscape architecture, says that ASG continues to have one of its best years in its 104-year history. In the past year alone, it has hired more than 30 employees.

“Our August 2014 backlog amounts are above last year’s amounts, our year-to-date revenues have far surpassed last year’s and our projected 2014 business plans. Our balance sheet remains very strong and our ratio benchmarks are outperforming our peers,” Lee says. “We remain optimistic that the broader economy and construction sectors

will continue in a positive trend and that our 2015 business plan will meet or exceed our 2014 actuals.”

All this said, ASG still plans to enter 2015 cautiously, as there are many uncertainties that could impact construction spending next year.

HIRING IS UP TOO. Baker adds that as firms feel more comfortable with the economic outlook, they are also beginning to increase their payroll headcounts. He says that payrolls increased nationally by 209,000 in July, the sixth straight month that employment has increased by at least 200,000 positions. Construction is also benefitting from the general increase in employment, with payrolls at construction firms increasing every month this year. ▀

MARILYNN MENDELL, from page 7

Draw six vertical lines about two inches apart and one horizontal line about two inches from the top. Get a butterfly paperclip and attach that to the top (each week create a new task sheet and transfer still to be completed tasks). Write in the days of the week on top of the horizontal and between the verticals. Now put the tasks you need to do into the days by deadlines. STOP. Are you thinking about what’s the most critical or just writing things anywhere? Critical thinking requires quiet uninterrupted time when you’re fresh, so it should go first. Don’t forget to insert exercise and time to play. Make sure to put in doctor’s appointments, school visits, and black tie events. Maybe set mornings aside to go over important documents and pay bills – “Oh, I already do that all on my electronic devices.” We all have our events and meetings on phones. I’m talking about a different thing. “But, I don’t have time to put these things in four different places.” I’m asking for a tiny bit of indulgence here. Please write things on paper as opposed to entering them in an electronic calendar. This task requires the use of pencils and erasers. Oh, and highlighters. Humans, it turns out, like to write and we all feel an enormous amount of satisfaction from crossing things off our lists. “Oh, I cross them off electronically.” Not the same. Studies have shown that the brain lights up when using a tool like a pencil and there’s little happening up there with the electronic gizmo. There have to be rewards for habits to set in and endorphins really juice up that action.

Once in place, trust the orderly, the safety net reminders, the goals stuck to walls, and the team of well trained support people ready to implement delegated tasks so that you can then have guilt free time to devote to flow.

and that’s assuming you haven’t forgotten what you were about to say. No folks popping in to discuss anything. No answering phones. Daydream as much as you want as the brain almost works overtime when in that state. Ideas can also show up on morning walks, or in the shower. Flow brain activity will appear when you’re relaxed and will seem to come out of nowhere. Getting organized and compressing tasks expands time to enable free flow thinking. Some days you’re able to concentrate and some days zip. On the former, get into flow. When an idea comes forth, drop everything else. When you feel a flow moment coming on, relish in the opportunity and create that PowerPoint (at least a good draft) that might not be due for another few months. Are there other perhaps more pressing things that need to be crossed off the task list? Yes. Do ideas show up every day? No. The tasks can wait, especially if you have put a system in place so things don’t fall through cracks. Delete emails when tired.

Once in place, trust the orderly, the safety net reminders, the goals stuck to walls, and the team of well trained support people ready to implement delegated tasks so that you can then have guilt free time to devote to flow. Be sure to really believe the *vacation* frame when house cleaning and refrain from, “Ugh, I hate working here. I have so much to do. Why do I have to work on weekends?” That kind of thinking reinforces negative self talk that will ultimately prove fatal to your effort to get into flow.

If you know that once a month you’re going on vacation to your office to tidy things up or just read peer magazines in a relaxed vacation mode, with fresh coffee, a Danish, and classical music, then you have created a kind of mindful procrastination. That acknowledgment in and of itself will relieve a great deal of stress and once set as a pattern of behavior should help you gain more free time for vastly more pleasurable things. Enjoy your flow time. ▀

Here’s another important point that leads to flow. Aggregate time. Flow requires uninterrupted time from beginning to end. No emails. For every email that interrupts a thought, it takes a minimum of 15 minutes on each side of that distraction to get back to concentrating,

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