

## Cars, cars, cars

The long love affair between design firm leaders and cars continues, Mark Zweig writes.

Today, things are a little different, with only 38 percent of firm principals getting company vehicles, down from 57 percent in 1998.



Mark Zweig

EDITORIAL

We were doing an in-house seminar a couple weeks ago for a really great planning and architecture firm on the East Coast.

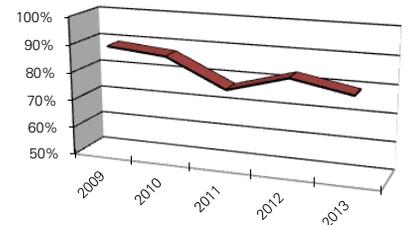
One of the things we talked about was company cars. I made a statement that architects either hate cars and view them strictly as a means of conveyance, in which case they drive Toyota Prius or ancient, creaking Honda Civics, or they love cars and drive Bentleys and Porsche 911s. It was hysterical. In one small group of about 12 people, three immediately identified themselves as having a Prius and one had a Porsche 911 and a high-end Mercedes.

An interest in cars and motorcycles has always been one of those things that I had in common with many of our clients – principals and managers of architecture and engineering firms. Back in the good old days, we used to have CEO gatherings at various racing schools. We raced Formula cars and Vipers at Skip Barber Racing School at the Moroso Motorsports Park in Palm Beach. We did Richard Petty Driving Experience (80 laps on a banked tri-oval) at Las Vegas Motor Speedway. And we did the Spencer Riding School

See MARK ZWEIG, page 2

## TRENDLINES

### Declining worth



The percentage of principals who say that their investment in their firm is worth more than what they paid for it has decreased slightly, according to the 2013 "Principals, Partners, & Owners Survey."

This year, 79 percent of principals say that their investment in their firm is worth more, a drop from 83 percent in 2012. This number has been on a gradual decline over the past few years: At a five-year high of 89 percent in 2009, it decreased to 87 percent in 2010.

The biggest decline, however, was in 2011, with only 77 percent of principals reporting that their investment in their firm was worth more than they what paid for it.

– Margot Suydam, Survey Manager

## ALSO INSIDE

- PM PERSPECTIVES: 'I was that guy once...' Page 7
- HR: Examining the past; planning for the future. Page 9
- FINANCE: ESOPs are well matched for A/E firms. Page 11

## FIRM INDEX

Berger Group Holdings Inc.	12
H&A Architects and Engineers	9
HKS Inc.	12
HKS Knox Advisors	12
Karn Charuhas Chapman and Twohey	10
Kleinfelder	3
LEO A DALY	10
Pond	9
Provost & Pritchard Consulting Group	9



M&A activity remains moderate

Page 5

## Maximizing contractor relationships

Page 3

## ON THE MOVE

**LEO A DALY HIRES:** The Denver office of **LEO A DALY** (Omaha, NE), a 1,000-person international architecture, planning, engineering, interior design, and program management firm, announced the hiring of **Jack Brinkley** as senior project manager.

Brinkley is an architect with more than 27 years of experience working on complex projects, including hospitals, medical office buildings, clinics, airport terminals, solar energy research buildings, clinical testing laboratories, and pharmaceutical and metallurgical research laboratories. He recently completed work as the resident healthcare architect for the 212-bed Sheikh Khalifa Medical Centre in Morocco. Brinkley's healthcare expertise aided in ensuring compliance with international building codes and AIA healthcare guidelines.

"We're excited to add Jack to the team," said Susie Jorgensen, LEO A DALY vice president, senior structural project engineer, and director of operations. "He's a proven design principal and project manager who has designed and managed many complex projects. He's a great addition to LEO A DALY's growing Denver practice."

Brinkley is responsible for developing LEO A DALY's growing business in the healthcare and federal markets.

**KCCT FOUNDER RETIRES:** **Kam Charuhas Chapman and Twohey** (Washington, DC), an architecture, planning and interiors, announced that founding partner **Thomas Twohey** will retire on April 1, 2013, KCCT's 30th anniversary.

Twohey is one of four founding partners of KCCT and serves

as principal in charge of business administration. Financial and accounting experience has significantly influenced his understanding of architectural practice, enabling him to manage a growing, financially stable and design-driven firm.

With more than 50 years of professional experience, Twohey has specialized in health care, transportation, and the renovation and modernization of historic buildings. Award winning projects include the National Building Museum and the Ariel Rios Building façades.

Twohey focused on the development of national and international markets. As president of KCCT International, Ltd. Twohey managed the design of major transportation and planning projects worldwide in Taipei, Kaohsiung, Bangkok, Seoul, Manila, and London.

Prior to founding KCCT, Twohey participated in the design and construction of major infrastructure projects, including the Northeast Corridor Improvement Project and the Washington Metro system.

On the other hand, KCCT announced **Kevin Nisson** as its new CFO.

Sought out to provide firm-wide leadership, strategy, operations and financial management to KCCT, Nisson will work with the principals to continually refine and implement the strategic growth plan to expand and position the firm as a leader in providing program design and management services. With over 27 years of experience in professional services, Nisson will oversee the financial, human resources, administration, and information technology operations while fostering an environment of accountability, excellence, collaboration and innovation among the staff as well as to demonstrate fiscal responsibility.

## EXAMINING, from page 9

allocated one of its HR resources (our recruiter) to another functional area.

"We wanted to ensure that hires were value-added since all departments were part of budget reductions," she says.

**FUTURE PLANNING.** Hansen says that management and Provost & Pritchard is "cautiously optimistic" about what's next.

"We have begun to hire again. HR is focusing on growth, new training and helping supervisors to plot strategies for challenging their staff as business picks up and new opportunities present," she says. "As hard as some of this has been, this time has allowed us to refocus on the most critical areas of our business and recognize the things we value most. It caused us to pull together, think creatively and to ask hard questions about how we wanted to come through this period – as a result we remained profitable each year, have retained talented employees and are able to look forward with a lot of confidence."

Gower, at Pond, says that staff has expanded in proportion with the firm's needs.

"Our policies and practices have evolved primarily to address the changing demands of a growing business landscape," she says. "We have continued to open new corporate offices in several new geographic locations. Professional growth has increased pressure on our emerging leaders to move faster in their learning and their skills and to step up into new roles with broader scope."

Pond has also continued to enhance and evolve its benefits,

both core offerings and ancillary. For the core benefits, the biggest changes have continued to center around healthcare.

"We chose to enter 2013 as a self-funded arrangement to better protect our investment in wellness as a long-term risk mitigation strategy," Gower says. "We will continue to adjust effectively moving forward with our goal being to continue to offer the most competitive benefits possible."

Gower adds that Pond's vulnerabilities are less likely to be related to benefits, compensation, and growth opportunities.

"We predict that negative impact risk would primarily relate to work/life balance, particularly during peak demand times, and the constant pressure on all our professionals to continue to learn and grow professionally," she says. "Likely, much of the HR goals on our FY '14 business plan will focus at addressing these areas. I foresee much greater attention on training and development as well as workflow alignment and cross utilization now that we have a growing employee base in remote locations. Expanding incentives and rewards will likely be considered to build on our commitment to excellence in performance."

H&A also continues to build its HR strengths to meet new demands.

"For example, we are a federal contractor so what is very important to us in terms of recruiting and compensation is in relation to recent OFCCP (Office of Federal Contract Compliance Programs) activities," Davison says. "We are in the process of implementing a new HRIS (human resources information system) to ensure we meet compliance requirements in the most efficient way possible. We have also identified an internal resource that we are training in the processes of recruitment to assume some of the responsibilities." ▀▲