

As PSMJ goes to press, Congress is working to pass the largest reform to taxes in decades.

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UNCERTAINTY REIGNS AS CONGRESS SETTLES TAX REFORM

The House approved its version of the Tax Cuts and Jobs Act on Nov. 16, and the Senate on Dec. 2, 2017. Because the bill differs substantially on key provisions, leaders of both chambers have formed a House-Senate conference committee to reconcile the differences and develop a final version of the bill.

"It is an understatement to say uncertainty reigns," comments Tom Moul, Director of Strategic Tax Advisory Services, Stambaugh Ness. There are certainly similarities in the two versions of the Tax Cuts and Jobs Act, "but there are significant differences that may have a significant impact on A/E businesses as well as firm owners," he says. (For specific details, see chart on page 2 – 3.)

PASS THROUGH BLUES

Specific provisions of the tax reform bill that impacts A/E firms include tax rates for small businesses that operate as pass-through entities. Most A/E firms are pass-through entities, a hybrid between a corporation and an individual, Moul explains. In these structures, the owner pays company income at individual rates. "While there are some low brackets of individuals, there are brackets that are much higher than the twenty percent corporate rate, so there is a disparity here," he says.

Recognizing the importance of the pass-through entity, both the House and Senate have made provisions for the pass-through entity, yet both bills continue to exclude A/E firms organized as "pass-through" companies from benefitting from reduced tax rates. "Personal service corporations (PSCs) would generally not be eligible for the favorable pass through entity treatment under the House plan," Moul says. "Exceptions would include those with lower taxable incomes, and those who could substantiate a reliance on capital." The Senate bill also limits benefits.

GETTING CREDIT

Another provision of the tax reform bill that impacts A/E firms is the Historic Preservation Tax Credit (HTC). House legislation completely abolishes the HTC and the Senate version retains the provision, but significantly dilutes its effectiveness and usefulness. Another credit that A/E firms take advantage of, and which neither House or Senate plan to renew, is the Energy Credits and Deductions (Section 179D).

One credit that A/E firms can still take advantage of is the Research and Development Tax Credit, which both House and Senate have renewed, and currently is under used by the industry. ■

CURRENT SITUATION**HOUSE BILL**

Tax Rates-Individuals	<ul style="list-style-type: none"> Seven brackets –10, 15, 25, 28, 33, 35 and 39.6% 	<ul style="list-style-type: none"> Reduces to four brackets –12, 25, 35 and 39.6% Ties increases in the brackets to a “chained CPI” for inflation
Tax Rates-Corporate	<ul style="list-style-type: none"> Multiple brackets that range from 15% to a maximum of 35% Personal service corporations such as A/E firms do not get the benefit of lower brackets and pay a flat 35% 	<ul style="list-style-type: none"> Lower corporate tax rate to a flat 20% Proposal would be effective for 2018 25% proposed for personal service corporations
Pass Through Entities	<ul style="list-style-type: none"> A large majority of small businesses are structured as pass through entities –S corporations, LLCs, Partnerships Owners pay tax on company income at individual rates Subsequent owner distributions are not taxed a second time 	<ul style="list-style-type: none"> House proposal would allow certain pass through income to be taxed at 25% Default would be 30% of taxable income with remainder at regular individual rates
Alternative Minimum Tax	<ul style="list-style-type: none"> Originally designed to prevent the wealthiest taxpayers from using loopholes to avoid tax Impact now is widespread including many in the Middle Class 	<ul style="list-style-type: none"> House bill repeals the AMT
Estate Tax	<ul style="list-style-type: none"> Tax of 40% on the value of an individual’s estate measured at date of death Current law exempts the first \$5,490,000 for deaths in 2017 – married couple can combine exemption 	<ul style="list-style-type: none"> House proposal doubles the exemption and eliminates tax after 2023
Foreign Earnings	Currently US companies owe US taxes on all profits regardless where earned, ie. A worldwide tax system	<ul style="list-style-type: none"> Move to territorial system would exempt foreign earnings from US tax
Private Activity Bonds	<ul style="list-style-type: none"> Have historically been used to encourage infrastructure projects –housing, airports, hospitals, universities, etc. Developers have received federal tax credits and investors generate tax exempt interest 	<ul style="list-style-type: none"> Eliminates Private Activity Bonds
Section 199 Deduction	<ul style="list-style-type: none"> Domestic Producers Activities Deduction 9% reduction of Qualified Taxable Income 	<ul style="list-style-type: none"> Eliminates Section 199 deduction for years after 2018
Personal Exemptions	<ul style="list-style-type: none"> \$4,050 per person on individual income tax returns Phased out at higher income levels 	<ul style="list-style-type: none"> Eliminates Personal Exemptions
State and Local Taxes	<ul style="list-style-type: none"> Those who itemize deductions can deduct the greater of state and local income taxes or sales taxes plus real property taxes on non-business assets 	<ul style="list-style-type: none"> Eliminates personal income or sales taxes and cap real property taxes at \$10,000.
Mortgage Interest	<ul style="list-style-type: none"> Those who itemize can currently deduct mortgage interest on \$1.1 million of acquisition debt plus \$100,000 of home equity debt on first and second residences 	<ul style="list-style-type: none"> House plan would limit deduction to \$500,000 of acquisition debt for purchases after November 2, 2017 and allow only one residence to be considered.
Other Personal Deductions		<ul style="list-style-type: none"> House plan repeals deductions for medical expenses, casualty losses, alimony, tuition, student loan interest...
Itemized vs. Standard Deduction	<ul style="list-style-type: none"> \$6,350 Single and \$12,700 Married Filing Joint Phase out of itemized deductions on higher income taxpayers 	<ul style="list-style-type: none"> \$12,000 Single and \$24,400 Married Filing Joint
Business Expensing	<ul style="list-style-type: none"> 100% expensing of qualified property in service after September 27, 2017 and before January 1, 2023 (Section 179) 	<ul style="list-style-type: none"> Expanded to include used property.
Net Operating Losses	<ul style="list-style-type: none"> Allows corporations to carryback losses for two years and forward for 20 Also allow 100% of taxable income to be eliminated by loss carryovers 	<ul style="list-style-type: none"> Eliminates carrybacks in nearly all cases and limit 90% of income to be offset, but allows for indefinite carryforwards
Cash Method of Accounting	<ul style="list-style-type: none"> Allows for all personal service corporations but limits use for other corporations with gross receipts greater than \$5 million 	<ul style="list-style-type: none"> Expands use to \$25 million in gross receipts Eliminates Historic Tax Credit
Tax Credits Eliminated	<ul style="list-style-type: none"> Several that have benefited the AEC industry including: <ul style="list-style-type: none"> Historic Tax Credit Work Opportunity Tax Credit –House only Energy Credits and Deductions (Section 179D) 	Child Tax Credit: \$1,600 in House Plan
Tax Credits Enhanced	<ul style="list-style-type: none"> Child Tax Credit: \$1,000 per qualifying child 	<ul style="list-style-type: none"> Retained in full by both proposals
Research and Development Tax Credit	<ul style="list-style-type: none"> Most projects will qualify Focus on design activities Credit of 14-20% of Qualifying Research Expenditures: <ul style="list-style-type: none"> Wages Supplies Subcontractors 	<ul style="list-style-type: none"> Bi-partisan support to expand

SENATE BILL

CONCLUSIONS

- Maintains seven brackets but they would be 10, 12, 22.5, 25, 32.5, 35 and 38.5%. –reverse to current rates after 2025
- Reduces to four brackets –12, 25, 35 and 39.6%

- Lower corporate tax rate to a flat 20%
- Proposal would be effective for 2019

- Some sentiment to raise to 22%

- Exempts 23% of pass through income from taxation and taxes the remainder at individual rates
- Limited to 50% of the taxpayer's share of the W-2 wages paid by the entity

- Going Forward –S or C Corp?

- Senate maintains the AMT but raises effective income level

- Very significant reconciliation issue!

- Senate proposal doubles the exemption but keeps the tax – provisions only in effect through 2025

- Move to territorial system would exempt foreign earnings from US tax

- Senate does not mention

- Could have significant impact in low income housing market –especially in regions rebuilding for hurricanes, etc.

- Eliminates Section 199 deduction for years after 2017

- Most A/E/C firms qualify for the deduction

- Eliminates Personal Exemptions

- Eliminates personal income or sales taxes and cap real property taxes at \$10,000

- Elimination of state and local income tax deduction will impact spending power of those in higher state income tax states

- Senate plan sets \$1 million as limit on acquisition indebtedness and eliminates home equity interest

- Repeal/limitation of real property tax and mortgage interest deductions could have direct impact on housing industry

- Senate plan also repeals many deductions but retains medical, student loan interest, alimony and a few other deductions

- \$12,000 Single and \$24,400 Married Filing Joint

- With the repeal of many itemized deductions (state and local taxes, medical, certain mortgage interest, etc.)

- Section 179 expensing increased to \$1 million
- Depreciable life of real property decreased from 39 years to 25

- Eliminates carrybacks in nearly all cases and limit 80% of income to be offset, but allows for indefinite carryforwards

- Expands use to \$15 million in gross receipts

- Powerful tax planning tool!

- Modifies and weakens Historic Tax Credit
- Does not renew Energy Credits and Deductions (Section 179D)

Child Tax Credit: \$2,000 (\$1,100 refundable) in Senate Plan

- Various education credits combined into one new credit

- Retained in full by both proposals
- Bi-partisan support to expand"

- Remains vastly under used the A/E/C industry

COMMERCIAL MARKET HOLDING FIRM FOR 2018

The hotel, office, and mixed-use commercial real estate markets for A/E firms have provided such a lengthy period of abundant work that it seems inevitable for these segments to soon falter. How long can developers keep building offices? How many more hotels can the nation handle?

As detailed in PSMJ's just-released *2018 A/E/C Firm U.S. Market Forecast*, the theory of these markets reaching their expiration dates appears to be premature. Market fundamentals, at least in many of the nation's largest metropolitan areas, indicate that there is still some steam left for the office and hotel markets. Mixed-use projects with these properties as anchors offer a similar outlook.

GROWTH AHEAD

Despite an active private office construction market that grew by 34.5 percent from 2015 to 2016 (per *Construct Connect* chief economist Alex Carrick), the National Association of Realtors (NAR) projects that the national office vacancy rate will drop from the 13 percent it was in the third quarter of 2017 to under 12 percent (11.8 percent) by the end of 2018.

The hospitality market grew by 35.8 percent in 2016 and is projected to add another 37.5 percent in 2017, yet hotel projects continue to spring up in many geographic locations. This despite the competition from online rental services such as Airbnb and VRBO.

Jan Freitag, senior vice president of lodging insights for data firm Smith Travel Research (STR), said in October that room demand is at an all-time high. "The U.S. hotel industry—through August—has sold more rooms than ever before. As long as the U.S. gross domestic product is in the two-percent range, we do not see growth slowing down."

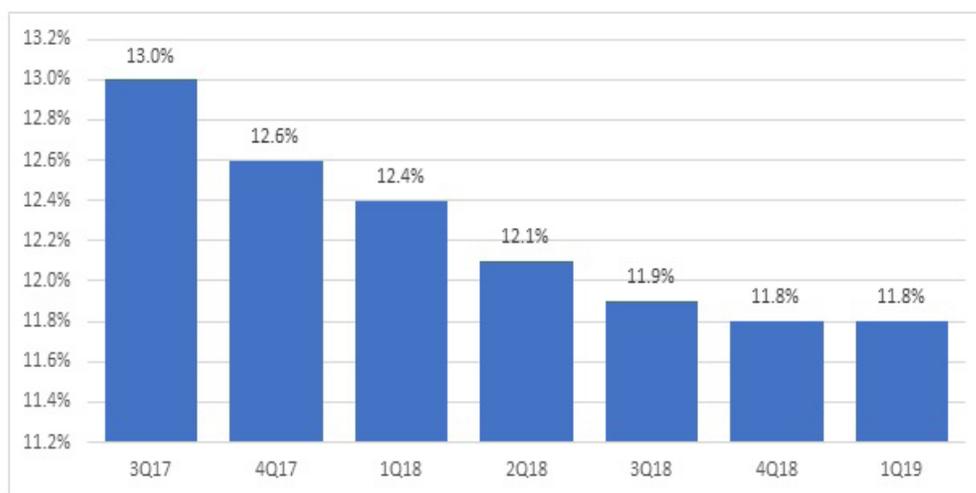
LOCAL WORK

What is clear is that the health of these markets in the near future varies by metropolitan area and region, with factors such as population growth, unemployment rate, building activity, vacancy rates, rental rates (for offices), and other factors as drivers.

For example, though Denver is hot in terms of job growth, population increases, and economic activity, the private office market is likely to cool slightly because construction activity has been so high. With 4.7 million square feet of office space due to be completed by the end of 2018, the design end, in particular, should ease somewhat. The cooling is already evident in that vacancy rates are rising and rental asking prices have leveled.

In Detroit, however, construction activity has lagged somewhat. The Forecast notes, "Detroit is a sleeper, reporting some of the highest growth in new office employment across the country. Improving business and employment conditions are meshing with limited construction activity coming off historically bad times.

Projected Office Vacancy Rates, 3Q17 – 1Q19



Source: National Association of Realtors, "2017 Q3 Commercial Real Estate Outlook"

"This is a recipe for a relative boom for the Motor City. Vacancy rates continued to decrease slightly and stood more than five percent below 2013's rate of 25.4 percent. Meanwhile, net absorptions out gained supply additions by wide margins every year from 2013 through the third quarter of 2017. [The] outlook is similarly attractive in nearby Grand Rapids." ■

To purchase *2018 A/E/C Firm U.S. Market Forecast*, click here: <http://www.store.psmj.com/2018-a-e-c-firm-u-s-market-forecast>.

TEAMS THAT EAT TOGETHER ARE MORE EFFECTIVE

It may seem counter intuitive, but the most productive way for a leader to spend lunch in the office is to get away from the phone, desk, and computer and to eat with the staff.

Researchers and business experts agree that the simple act of eating together improves productivity, creates stronger bonds, and vastly enhances communication among staff and leadership.

PRODUCTIVITY

A Cornell-backed study found that firefighters who eat meals together have better group job performance compared with firefighter teams who dine solo. "Eating together is a more intimate act than looking over an Excel spreadsheet together. That intimacy spills back over into work," the 2015 study's author, Kevin Kniffin told the *Cornell Chronicle*.

Kniffin and his colleagues asked 395 supervisors in a large-city fire department to rate the performance of their platoons compared to other fire companies in which they've served. The supervisors were also asked how often the platoon eats together in a typical four-day work week.

The platoons who ate together most often got higher marks for their team performance. Conversely, the platoons that did not eat together got lower performance ratings.

BONDING

For the staff at Architectural Design Associates, Inc. in Lincoln, NB, every Tuesday means lunch with leadership. "We buy lunch and we all sit down every week on Tuesday at noon," says Dick Bergt, CSI, co-founder and principal.

"We just talk together; we're open about everything. I'm sure there are a lot of things going on that I don't know about. I continually ask our employees about their families, their kids. It's also a place where we can talk about projects, give them a pat on the back, or help them with a problem."

ACCESSIBILITY

At Plunkett Raysich Architects, LLP of Milwaukee, WI, Managing Partner David Raysich, AIA, NCARB,

regularly lets his guard down with employees over food and beverage.

"I'll take six or seven people out for coffee and we'll just chat about whatever is on our minds. Sometimes it's business, but usually it's about what's going on in our lives. It's a way for them to find out who I am and for me to find out who they are. Some people are timid and can't get past me being their boss, but most are open and want to talk. It brings me down to earth."

For firms that do have an active lunch room, CEOs who randomly choose to sit and eat among the staff are likely to find the practice universally beneficial. Some companies force the issue, including one Chicago-based tech company cited in an August 2017 article in *Entrepreneur*.

Once a month, the leadership team at Jellyvision is paired at random with a group of employees from around the company. "Coming together for lunch takes down any feeling of corporate barriers that may arise," says Bob Armour, Jellyvision's Chief Marketing Officer. ■

ENCOURAGE CASUAL COLLISION

< 20%

Fewer than 20 percent of workers take a lunch break away from their desks, says Society of Human Resources Management.

14%

Only 14% of U.S. companies subsidize or offer free food to their workers, says the Society of Human Resources Management.

SUCCESS RESULTS FROM COMMITMENT AND RESILIENCY

Sometimes the key to improved performance for an A/E firm resides in a basic desire to act better, do better, and be better. It sounds simple, but achieving this success requires initiative, strategic thinking, commitment to the goal, and resiliency when things go wrong.

This, at least, has been the experience for 100-person design firm SWBR of Rochester, NY, a PSMJ 2017 Circle of Excellence honoree. After record-setting performance in 2016, the company wanted to ensure that it didn't lose momentum. "We asked ourselves how we could reprise in 2017 the success we had in 2016, and it came down to not forgetting what we'd done to put ourselves in position to succeed," says Tom Gears, who moved from the CFO role to CEO in January 2017.

DEFINED MARKETS

As a result, 2017 proved even more successful for SWBR, which has seen staff growth of 25 percent in the last two years and revenue growth exceeding that rate. Changes made to internal operations drove the turnaround. Leading into 2016, leadership took a hard look at the actual contribution the firm was getting from its principals and senior associates, and then made some difficult decisions. The board replaced a handful of highly compensated, but under performing team members, and invested in the development of more entrepreneurial staff in specific market areas.

Over time, the organization changed from an environment of territorialism and silos to defined market studio-based teams (Housing, Education, and Workplace) committed to meeting client needs. New hires were primarily at the entry level, and a new group of team members adopted the new approach. Billable hour percentage also increased.

"It's hard to keep up with all the great opportunities our people are creating," Gears says. "We now have the right people in the right seats, and we went from a firm of principals doing most of the selling to a deep bench of seller-doers. We have accountability within our project teams and a far more entrepreneurial mindset."

FINANCIAL SOFTWARE

Gears says one key to SWBR's recent success is that it uses its financial management software far more effectively than ever before. "We stressed that if each project team could be accountable to our goals in terms of profitability, it would be a major benefit to our organization. In the last two or three years, we've seen a massive change. We've turned those ugly 'in the red' projects into 'in the black,' above-the-line projects."

SWBR instituted a quarterly bonus program based upon sharing a portion of profits across the entire firm. As a result, more people are operating with an "owner's mentality." SWBR's principal and project manager teams meet monthly to assess the status of ongoing work, and project progress is constantly and consistently monitored from start to finish.

"We haven't forgotten why we are here, which is to deliver innovative design responses to our clients," says Gears. "But a renewed focus on financial health has allowed us to do some great things that we couldn't do before. We're investing in people through technical, design, and leadership training. We are investing in our technology, visualization tools, and our office environment. We can take some risks that we hadn't been able to take before. We can say no to certain clients and projects, and be choosier about who we partner with to accomplish our mission to positively impact lives through meaningful design. There is a lot of momentum and it feels energizing." ■

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ELEMENTS OF SUSTAINABLE SUCCESS

To repeat its success in 2017, architecture, interiors, landscape, structural engineering and graphic design firm SWBR identified several aspects of its culture that contributed to 2016:

NOT GROWING FOR GROWTH'S SAKE "If more growth changes the quality of the service we deliver, we wouldn't want to grow anymore," says CEO Tom Gears.

POSITIVE WORK ATMOSPHERE "We focus on high-performing teams and on making sure that people are excited about working here. They have clear responsibilities and roles, and they feel empowered as teams to make decisions. We promote a real business focus with accountability, workload decisions, and financial transparency to the whole firm. Everyone has a finger on the pulse of how we're doing, and we're celebrating with more recognition and rewards, including a new quarterly bonus program," Gears says.

PROFESSIONAL DEVELOPMENT The firm's commitment to professional development includes two weekly lunch-and-learn sessions, with an external presenter on Wednesdays and an in-house presenter on Thursdays. "We're trying to look at the whole person, so we're bringing in elements of health, wellness, life skills, financial management, and other things outside the office as well," he says.

WORK-LIFE BALANCE SWBR insists on "rest and recharge," and on ensuring a reasonable work-life balance.

DIVERSITY The firm recognizes that it is lagging in providing diverse opportunities for women and minority staff, so it is taking steps to rectify the situation. The firm created a women's forum that sponsors a bimonthly speaking program, and the nominating and leadership committees have been charged with identifying opportunities to promote more women and minorities to management positions.

EXPERTISE IN SELECT MARKETS SWBR's client focus includes Education (K-12 and College/University), Housing (including market-rate, senior and supportive/affordable), and Workplace (Industrial/Commercial/High Tech) sectors. Its geographic focus is generally upstate New York, but it has traveled with clients.

ALTERNATIVE DELIVERY The firm is embracing opportunities in alternative delivery methods, particularly design-build. "We've done some spectacular student housing and industrial projects with design build," Gears says. "It involves working differently than we previously had, but for certain projects, we're finding that it's an improved and faster project delivery, and it still results in a high-quality product." ■

HOW SOCIAL SHOULD YOUR PMs BE?

Should architecture and engineering firms encourage their PMs be active on social media? Firms are looking at social media more closely and are discovering compelling reasons why their teams might increase their individual activity.

At the top of the list are the realizations that social media:

- **Allows PMs to reengage with other PMs**
- **PMs can learn about new tools, training, and more on social media**
- **Posts can help promote the services the firm provides**

How firms approach encouraging their PMs social media activities are as varied and unique as the firms themselves. For some there is a low-key entry point that doesn't impose structure on their PMs. Business Manager at SOA states, "Everyone is encouraged to be on LinkedIn in our firm, but I believe I'm one of the few ... that is active in groups. There really isn't a push for PMs to do anything other than 'connect' with others."

Pointing to a more limited social media engagement, Lorie Skolski from DMS Design notes, "We post on our social media pages and then ask our staff to share the posts. The staff will mostly 'like' the posts but don't do a lot of sharing. They are not actively online engaging and sharing experiences."

Stronger opinions exist but even these appear open to acknowledging the benefits which social engagement can deliver. These benefits are often associated with other more traditional marketing tools. "Social Media is mostly a time waster, but it should be ... monitored for opportunities. It can be integrated with emails to work positively," states Gary R. Brown P.E., Q.E.P., C.M.C., L.S.R.P., C.P. of RT Environmental Services. ■

PMS—BEST BD RESOURCE FOR A/E FIRMS

Project Managers are the face of your firm. Working with clients directly and understanding their unmet needs, PMs are in the best position for selling additional services to existing clients.

A PM develops a relationship with a client over time and the client's trust strengthens when a PM is ready and able to resolve problems, provides current status reports, and accurately executes a project. According to Alan Bollinger, Project Delivery Manager for CH2M, this trust is a solid basis for your business development effort.

TRUST IS THE START

"In today's environment, trust is lacking all around, so the fact that a PM has developed this trust with the client can be more critical to winning the next project with that existing client than anything else," he says. Bollinger calls this level of trust the "Power of Incumbency," giving the PM a competitive edge. "And the beauty of all this is the PM has developed this 'power' without having to charge a penny to the BD budget." PMs need to understand these three things for a winning formula to get the next project with a client:

1. A PM's number one job within business development is selling more work to existing clients
2. The "Power of Incumbency" gives PMs a differentiator
3. Clients want to work with those who make them feel comfortable

PMs should always be aware of clients' needs and ask leading questions for upcoming opportunities. ■

BECOME THE GO-TO CHOICE FOR A/E PROJECTS

The A/E industry is a relationship-driven business, says Christopher Martersteck, AIA, LEED AP, DBIA, AECPPM, PSMJ Project Management Consultant. "If you don't proactively take steps to maintain relationships with your clients and continue to grow them, one of your competitors will do it instead."

Of all the design-build projects he has managed, Martersteck says only two were planned as design-build projects from the start. All the others grew into those expanded services as his teams grew the scope by anticipating client needs and offering services to match, before competitors could step in. "If you know what that client is planning and you help them by being engaged to perform critical front-end activities, then you're ahead of everyone else," he explains.

CREATE STRONG RELATIONSHIPS

Create strong relationships with clients and grow your initial role to become their partner of choice for all A/E projects using these eight strategies:

1. **Make a list of up to a dozen clients** that could give you other work or provide a great reference.
2. **Touch base** with these clients every couple of months.
3. **Pick one client** who you will call and "check in" with every week.
4. Once you have cycled through your list, **start over**.
5. **Anticipate your clients' needs** before they ask for help. Make suggestions. Offer services that will help them get to their goals faster or easier.
6. **Write RFPs or even internal funding requests for your clients.** This way you know about projects before they go to bid.
7. Once you have a role in a project, **suggest ways to expand or take on more of the work through change orders.** Emphasize how much time the client will save avoiding another long RFP process.
8. **Offer project management expertise**, which is often costly and cumbersome for them.

Martersteck says that for this strategy to work your firm must be first providing services clients can rely on and trust. You also must understand each client's needs and be forward-thinking and proactive. He also points out that clients are often understaffed and need assistance to manage their own processes. This is where project management expertise is helpful. Martersteck says, "Client are focused on getting the project done on time and within budget. They understand more than ever the need for help from professionals with demonstrated expertise in project delivery management. Demonstrating this perspective and skill set, is what can differentiate you and make you and your firm indispensable to your clients." ■

MARKETER—ADD VALUE AS JACKS OF ALL TRADES

Before 1980, the American Institute of Architects (AIA) didn't allow advertising by A/E/C firms. Now, however, the relatively new profession of marketer within the field comes with skills far beyond just selling, and firms that find creative ways to take advantage of those skills will go far, says Scott Butcher, Marketing and Sales Strategist, JDB Engineering, Inc.

Marketers are good communicators—both written and verbal, hold exemplar listening skills and storytelling techniques, and can help with the firm's delivery of a great customer experience. They are also:

- **Creative**—With passion to be a brand champion and the ability to be flexible and adaptable enough to help the firm move ahead
- **Technological savvy**—These professionals are very good at research and use of various platforms to deliver content and messaging
- **Good managers**—This includes an understanding of metrics or analytics

"You have this big chunk of non-billable hours within marketing/sales/human resources/information technology/finance and accounting/professional development and strategic planning," Butcher says.

"They're critical functions, but not revenue generating. Savvy firms are looking at skill set of marketing professionals and figuring out where they can insert them elsewhere into their organizations."

Forward-think firms are placing marketers in:

- **Human Resources:** This is a top role in firms where marketers are being used right now, says Butcher. Recruitment, beyond just benefits and payroll, plays a huge role in staying viable, and nobody is better equipped to sell your firm.
- **Project Management:** Marketers' communications skills easily translate into "technical editor" roles, and they are a great fit for client interface and team management as well as scope, fee, and schedule development.

- **Information Technology:** Great writing skills can be used in project websites, and a company-wide Intranet, and marketers are being trained in software and hardware research, acquisition, and installation.

- **Finance and Accounting:** Some firms are putting marketers in needed rolls in payroll, billing, AP, purchasing, compliance, and even preparing financial statements.

- **Strategic Planning:** Marketers can play useful roles in environmental scanning, SWOT / STEEP analysis, facilitation, plan development, implementation, and monitoring.

- **Professional Development/Staff Training:** Marketers are being put to work on staff development plans and are managing internal "universities," external programs, BD mentoring and training, and gap analysis.

- **Company Culture:** Marketers can help keep top performers happy with employee events and rewards programs as well as taking on conflict resolution and more.

Much as in a baseball player who can play any position, Butcher says, a marketer is a utility player who can add value in an industry that can experience feast or famine. ■

GOOD MARKETERS ARE HARD TO FIND

When considering internal and external candidates for the role of marketer, ask how he or she is going to:

- **Grow revenue**
- **Promote services**
- **Convert interest to sales**

Make sure someone at the firm who has some knowledge of marketing is part of the process.

WE'RE NOT LEAVING, WE'RE DIVERSIFYING

by Megan C. Rajner

Even for those of us who have a strong personality, thinking that we know what we want ... a variety of experiences will help us validate those internal assumptions about ourselves. My first true architectural internship was valuable to an extent that I couldn't even understand at the time I completed it. I was entrusted to accomplish tasks I had never been challenged with before. I was allowed to design, meet with clients, and manage entire sets of construction documents on my own. Shy at the time, I hadn't realized that my employer was so interested in keeping me, that I could have been exposed to even more if only I had just asked.

It was after these four months of work that I assumed I needed change. Not because I didn't enjoy my time here, in fact this job made me feel more inquisitive and useful than I ever had before. My second firm had an energy efficiency specialization, which I envision to be the future of residential design. Hoping learned knowledge of this topic would increase my professional worth, I believed this would enhance my future design capabilities. What also bribed me to make this decision was the bountiful events and opportunities that are offered when choosing to live in the city of Boston.

These assumptions didn't even necessarily pertain to the difference in the firms I considered; it was also about personal decisions. I begin to ask myself ... was the location the heaviest influence? Did my financial analysis of those locations sway my decision? Did personal relationships pull me in or steer me away? The answers to these questions continue to prove my original intention for all around change, which now contributes to a more diverse background of experience as I move forward with my career. ■

5 STEPS TO STANDARDIZE YOUR PM PROCESSES

Although A/E firms know investing in project management is a good idea, standardizing PM practices across an entire organization can be quite challenging. For this reason, Valerie Higgins, Director of A/E/C Advisory Services at Stambaugh Ness suggests five keys to getting a handle on how PMs execute client projects:

1. Get Buy-In First. Leadership must believe in standardizing project management processes. Once your principals are convinced, ensuring compliance of your PM standards will be much more feasible.

2. Publish PM Standards. Ideally, your PM standards manual should be thorough enough to hold project teams accountable, yet simple enough should clients ever wish to consult it. Published standards foster transparency internally, and shows your legitimacy externally. While you write your standards, be sure to consider the following:

- Who owns which PM tasks, from set-up and scheduling to KPI measurement and training?
- What phases should exist during your project management life cycle?
- When daily time entry and weekly approval processes should occur?
- Where you will report KPIs (i.e. ERP software) and the budgeting of resources?
- Why you report certain KPIs (e.g. EAC, ETC, EVC, RPC) and exclude others?
- How you will measure KPIs in real-time, maintain reports, and ensure consistency across teams?
- Which tools will you use to enter workflow processes and ensure accurate billing?

3. Collaborate. Meet regularly to review project maintenance. Depending on the phase (e.g. project kick-off), some meetings may be required for certain attendees (e.g. accounting or finance). Scheduling time on the calendar will set expectations and ensure good communication.

4. Fine-tune. When your processes inevitably change, track the revisions in detail. If, for example, you alter how a project status report is delivered, log the revision and dispense updates to the relevant people.

5. Train. PMs and technical leaders alike should be fluent in how to update budgets, what your KPIs mean, and why these metrics matter. To ensure PMs are experts in the tools you have chosen, budget time to teach your PM standards in depth. ■

USE SOCIAL MEDIA TO GROW YOUR BUSINESS

With Twitter being a growing number of people's go-to news source and Facebook and Instagram having over two billion followers combined, it's about time A/E firms add social media to its list of tactics that are effective for finding new clients and connecting with current customers.

GET REAL

The greatest way to engage with new clients and the community is to be human, says Mpowered Marketing's Chief Strategist, Maggie Fitzgerald. To engage your audience effectively, post with purpose and be honest about what the firm stands for.

Fitzgerald's quick tips for creating an honest and successful online presence are:

- **Don't preach**
- **Don't sell**
- **Don't be self-serving**

Show who the firm really is by posting with the purpose of displaying the people, the process, and what makes the firm successful. For example, the Christmas party photograph with the company in crazy holiday sweaters is the perfect content to post to Instagram. Add hashtags like #XYZHolidayParty2017 and #ArchitectsinUglyChristmasSweaters to further engage with clients and reach more people in the community.

By promoting who the firm is and what the brand is without trying to sell, you create a comfortable environment that may reach a wider audience.

With every tweet sent out and each photograph shared on Instagram remember to post with the purpose of being real. Use your online platform to engage with new clients and the community and post daily to attract new followers. ■

PLATFORM	BEST USE	WHAT TO SHARE
FACEBOOK	<ul style="list-style-type: none"> • Part of community • Recruitment • Links • Hashtags • Photographs and images 	<ul style="list-style-type: none"> • Charitable giving • Day-in-the-life • Job opportunities • News / articles • Employee spotlights
TWITTER	<ul style="list-style-type: none"> • Part of community • Thought leadership • International audience • Photographs and images • Links • Hashtags • Recruitment 	<ul style="list-style-type: none"> • Quick facts • Retweet (share) valuable content • News / articles • Job Opportunities
INSTAGRAM	<ul style="list-style-type: none"> • Part of community • Photographs and images 	<ul style="list-style-type: none"> • Firm events • Behind-the scenes, • Before and after • Projects • Employee spotlights
LINKEDIN	<ul style="list-style-type: none"> • Part of community • Thought leadership • Recruitment 	<ul style="list-style-type: none"> • News / articles • Job Opportunities

BIM—INCREASED PRODUCTIVITY AND LESS REWORK

Originally conceived to allow inter-disciplinary software cross talk, BIM has become more than a design tool. A/E firms now use BIM to facilitate critical project information and collaborative workflow management. A critical component of BIM is that it can act as a collective hub throughout the asset life cycle. As various disciplines adopt the model, it continues to grow. The full information exchange—among the many software programs being used in the building industry; e.g., “interoperability,” is key.

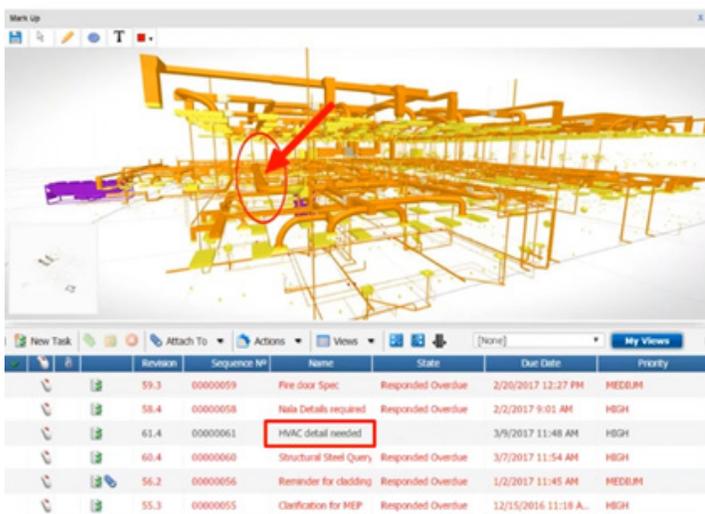
The leading player in creating and driving interoperability standards is Autodesk. The company along with 11 others operate buildingSMART (buildingSMART.org) an international organization devoted to “driving the transformation of the built asset economy through the creation and adoption of international standards.” The best BIM solutions offer:

• Collaboration increases productivity

“Interoperability” is key here since the software takes models made by different teams using multiple software, convert them into IFC format and then load the resulting integrated model into a Web browser. This promotes interoperability among architects, engineers, and construction professionals.

• Enhanced communication

Communication across disciplines and offices is critical to BIM. “Viewpoint for Projects” shows an architectural rendering, an MEP model, and other structural drawings



are all loaded into a browser. Using such a view, the person in charge of the project can quickly figure out what's missing, in this case, an airflow duct problem, and raise and assign the issue to an appropriate team member. Such a tool can track deadlines, send emails, and allow geographically separated parties to review plans together.

• Errors and Rework Efficiencies

Historically, projects run into trouble during the error and rework phase of a project. However, a good BIM tool offers a seamless process of review and comment as well as access to extended team members. This way everyone knows what needs to be changed or what isn't working right out of the start. Information such as this allows increase efficiency as much as 20 percent.

Other tool perks:

- Able to see **version comparisons**, allowing one to quickly determine whether identified problems have been addressed and incorporated into the latest rendering.
- Able to handle the **continuous updates** and terabytes of data during initial project stages.
- Scalable, you can view all changes (your requests plus whatever anyone may have changed as a result of your requests) and get a **real-time picture** of the project.
- Generate **work-flow diagrams** that help pinpoint where an information bottleneck may exist. For example, if a general contractor or architect has not returned necessary information, a good tool allows you to bring them into the process, thereby making them accountable for getting vital information into the system and keep the project moving.
- A good tool also includes a very strong **audit trail** so you can go back and look at what transpired and ascertain whether someone has dropped the ball.
- Many teams use models to show where equipment is located. Maybe you need a certain party to work together and maximize **equipment efficiency**; BIM allows you to anticipate the logistics.
- Good BIM software should allow all parties access to the most current documents so that all responsible parties are **aware and accountable**.
- When it's time to **handover a project** to the owner, it's important to find software that will make the processes easy. ■