

## On the Record: Tightening business operations

> Find out what these firm leaders are doing to keep their businesses running efficiently in today's economy.

In a down economy, it's essential for A/E and environmental services firms to run as efficiently as possible. Find out what these firm leaders had to say when *The Zweig Letter* asked, "What steps do you take to tighten your business operations during tough times?"

**Jeff Banning, president of Banning Engineering (Plainfield, IN), a 40-person site, civil, infrastructure, and surveying firm:**



Jeff Banning, President, Banning Engineering

"When you talk about tightening our business operation, there are several ways we go about this. The largest way of tightening up our business operation would be to lay off people. Unfortunately, we had to lay off four people just after

Thanksgiving. Hopefully that will take us through this downturn. We operate pretty efficiently and don't have a huge amount of extra frills. Our salaries and benefits are by far the largest part of our budget, so that is where the biggest reduction in operating expenses would occur if we needed to tighten things up further.

"We have looked at eliminating 'extras' that we might have done in the past. When someone comes calling asking for a donation or when joining an organization or when purchasing an item, we think twice about what that does to benefit our core business and what kind of priority the request should warrant. When a current marginal client asks us to perform work, we definitely take a different approach than in the past. Their proposed work is scrutinized much more highly. If a new client asks us to perform work, we are more

selective and cautious with respect to who they are and we try to research their company and past record. We also have more management meetings to discuss the economy and to review our financial and workload status. We also try to communicate this to our team."

**Craig Kasper, CEO at Hull & Associates, Inc. (Columbus, OH), a 150-person environmental and energy consulting firm:**

"We recognized the beginning of the economic slowdown in early 2008 and our CEO leadership team identified actions to proactively combat issues that could affect Hull. These actions focused on operational adjustments that have a minimal or only short-term impact on our employees as a whole and focused marketing strategies to sustain our revenue.

"Some of the operational adjustments have included freezing salaries, forgoing bonuses, and reducing benefits for shareholders and other upper-management personnel; reducing or removing certain discretionary expenses; increasing efforts to manage cash flow and debt; and managing work schedules for field personnel involved in construction projects that have slowed or temporarily stopped for the winter. At this time, we have not had broad benefit reductions such as reducing 401(k) matches, changing health benefits, or adjusting salaries for mid- and staff-level employees.

"From a marketing perspective, we have focused on four market areas that we believe will continue to provide opportunity during the downturn and beyond. These include urban revitalization, waste management, energy, and certain industrial services. We started by approaching many of our long-term clients to discuss their needs and, where appropriate, offered alternate approaches to help move projects forward, such as alternate fee arrangements or at-risk services to assess the feasibility of a project or secure state and federal funding. In addition, we have continued to follow our strategic plan which includes expanding the geographic reach of our more transportable, value-added services. Finally,

we continue to closely monitor and stay involved with proposed regulatory changes and other market drivers so that we are positioned to assist our clients and expand market share."

**Rich Kenderian, president of KZA Engineering, P.A. (Wall, NJ), a 61-person multi-discipline civil engineering firm:**



Rich Kenderian, President, KZA Engineering, P.A.

"Although we keep tight control over our company's business operations and financial status at all times, even in 'good times,' as many of our design firm's clients are developers, we take extra time to talk to our clients to ascertain

their financial health and what we can do to help them stay healthy. There is advice we can offer that may not occur to them, that will provide alternative solutions to marketing or financing their projects. Although this type of consulting is not often part of a design consultants' program, it helps assure our clients that we consider ourselves more of a partner in our clients' success, as we cannot be successful without them.

"We also monitor our indicators more often, and pay closer attention to staff utilization. Our staff members are very intelligent. They know when workflow slows, so instead of easing off on load, we take advantage of the extra time and create internal projects that will ultimately increase the efficiency and quality of our organization and its product."

**Kevin Johnson, president of Traffic Planning and Design, Inc. (TPD) (Pottstown, PA), a 135-person transportation engineering firm:**

■ "TPD traditionally hires 12 to 15 co-ops each spring for a six-month program. Our spring 2009 program will consist of three co-ops.

■ "TPD negotiated better terms with our health insurance provider as part of our

annual renewal, resulting in no increase in premium and expanded services for employees.

■ "TPD is more effectively using study/plan submissions as leverage to collect past due invoices.

■ "TPD typically replaces one-third of our computers each year. We are currently investigating the possibility of extending this cycle by one year.

■ "Weekly workload assessment meetings/conference calls are being held so that the workload can be assigned more uniformly not only between offices but within the different teams set up in each office. This strategy has resulted in the elimination of the need for people to work extra hours rather than mandate that all extra hours will be prohibited."

**Ed Jerdonek, president and CEO at Luckett & Farley (Louisville, KY), a 120-person multi-disciplinary planning and design firm:**



Ed Jerdonek, President and CEO, Luckett & Farley

"We really aren't doing anything differently. We have a very healthy backlog and a well-diversified portfolio. We've had a lot of focus in on those areas that are strong and we redeployed people in those areas. I have an amazing group of partners. Our COO is a guy who is able to understand how projects go together and can look at the tactical needs. Our vice president of business development does a great job of seeing into the horizon. We have a super-strong vice president of finance and accounting who does a great job at keeping our finances in order. I like to look at emerging markets. Our responsibility is to make sure to position the firm for another 150 years of success."—FRANCEEN SHAUGHNESSY ([fshaughnessy@zweigwhite.com](mailto:fshaughnessy@zweigwhite.com)) ■

For more responses, read the complete article online at [www.thezweigletter.com](http://www.thezweigletter.com).

## Former president/CEO of CDM dies

> Joseph Heney worked at firm for 44 years, rising through the ranks to become president in 1978.

Joseph Heney, the former president and CEO at CDM (Cambridge, MA), a 4,000-person consulting, engineering, construction, and operations firm formerly known as Camp, Dresser & McKee, died Jan. 17 at age 81 in a Massachusetts nursing home after complications from Alzheimer's disease, according to an obituary in *The Boston Globe*.

Heney joined CDM as a co-op student in 1950, working as a draftsman. He eventually rose through the ranks to lead the firm in 1978. He retired in 1994 after 44 years of service and distinguished leadership, according to a press release issued by CDM.

Just after Heney graduated from Northeastern University in Boston, Massachusetts, with a bachelor's degree in civil engineering in 1952, he became a project engineer with the firm, according to the release. He also furthered his education, earning a master's in sanitary engineering from Harvard University in 1954.

In 1975, he completed the Advanced Management Program at the Harvard Business School, just three years before he became president in 1978, when the previous president died. In 1982, he became CEO and chairman, according to *The Boston Globe* article.

Although Heney stepped down from his position with CDM in 1994, he stayed active with the firm until 2000 by attending directors' meetings, according to *The Boston Globe* article.

Under Heney's leadership, CDM expanded services within the U.S. and around the world, according to the CDM press release.

While at CDM's helm, Heney led the firm's diversification into the then new

practice of hazardous waste management and the creation of CDM's federal subsidiary to respond to vast remediation needs introduced through the federal Superfund program.

He served as the first chairman of the Hazardous Waste Action Coalition, a unit of the American Council of Engineering Companies (ACEC) (Washington, DC), then known as the American Consulting Engineers Council, to advocate legislation that would enable professional engineers to work effectively on the national priority of hazardous waste cleanup, according to the release.

Heney also maintained a long relationship with Northeastern University, according to the release. He served on the university's Board of Trustees and chaired the Northeastern National Council.

He was also the vice chair of the National Commission for Cooperative Education. He was honored as one of Northeastern University's Outstanding Alumni of 1988.

A registered professional engineer in 10 states, Heney was also a diplomat in the American Academy of Environmental Engineers (AAEE) (Annapolis, MD) and a member of many other professional organizations, according to the release.

CDM leaders say that those who had the privilege to work with Heney remember him as a calm and decisive leader, a good listener, and a champion of professional excellence for the firm and its employees, according to the release.

To exemplify, the firm offered a quote from a speech Heney once gave to young engineers at the firm, in which he said: "If I were a young engineer starting out today, I would learn all I could about my field. I would also learn about other areas that are increasingly important. Only then could I make an effective contribution to a modern day environmental engineering firm."—JOÃO FERREIRA ([jferreira@zweigwhite.com](mailto:jferreira@zweigwhite.com)) ■