

## IN THIS ISSUE:

### Developing a Business Plan for 2013

■ Resolve to do a SWOT Analysis in 2013. ....	1
■ Is Construction America's Least-Innovative Industry? .....	1
■ PSMJ Hot Book. ....	2
■ Did You Know? .....	2
■ PSMJ Works with Public Works. ....	3
■ Did You Know? .....	3
■ The Road Well Traveled (Is One With a Map). ....	3
■ Accounting System Demonstration. ....	4
■ Should You Track EBITDA? .....	4
■ Who's Buying and Selling... ..	5
■ Ask The Expert. ....	5
■ Decennial Liability and Decennial Insurance. ....	6
■ The Future of Project Management. ....	7
■ Growth Through Selling. ....	7
■ Beyond The Obvious: Opportunity Pipeline Management. ....	8
■ Get Personal With Your Strategic Plan. ....	9
■ Getting the Prime to Pay. ....	9
■ Upcoming Industry Events. ....	9
■ Why Great Employees Leave? .....	10
■ Boomerang Employees. ....	10
■ Survey Spotlight. ....	11
■ John Ruskin: Common Law of Business Balance. ....	11
■ November 2012 Test for CEU Credit. ....	12

## Resolve to do a SWOT Analysis in 2013

by Steve Nelson, senior PM, PMP

It may seem early to be thinking about resolutions for a new year, but here's one worth pursuing: Adopt SWOT analysis as one of your best practices. Not only is a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis relatively simple to implement, but the scope of the exercise can be scaled to achieve a "fit for purpose" deliverable.

The general process is to first articulate and refine the subject of the analysis, which could range from a high level concept like corporate business planning to an assessment of a specific regional or local operation, to the feasibility of a program or particular project. That's the scalable aspect. More specific language in the scoping statement reduces the number of interesting but off-topic discussions. For instance, rather than state the analysis objective as "Determine the Challenges Facing Employees of XYZ Corp.," a better starting point is "Perform SWOT for Continued Successful Project Delivery by the Modesto, CA Operation of XYZ Corp."

- *With the topic defined, assemble a group of individuals who have knowledge of the subject, perhaps with a few who will benefit from gaining that knowledge.*

- *Remind the group of the subject and scope of the analysis, and facilitate the discussion using typical meeting ground rules and practices; ensure that ancillary topics are captured, but not permitted to derail the stated objective of the meeting.*

*(continued on page 2)*

## Is Construction America's Least-Innovative Industry?

by Dan Noble, FAIA, FACHA, LEED AP

We are on the cusp of a quantum leap in the design and construction industry; that the basic fundamental core relationships, the end product of design and the processes of imagining and building the places we inhabit are in the midst of a monumental sea change.

If you can shape it, you can build it. Parametricism, the science of advanced computational design and digital animation in the creation of fluid forms, envisions a new aesthetic, claiming relevance on all scales from architecture and interior spatial design to large-scale urban design projects. Through the use of parametric design we can input prescribed variables that determine space efficiencies, overall sustainability attributes, building skin performance, and virtually anything you can measure. We can then develop a prototypical virtual model of the design and predict how a building will perform before it is erected.

Incorporating powerful software applications such as Grasshopper and Rhino, we can take these measured and prescribed building designs into a Revit model and collaborate with all the design consultants to eliminate conflicts between the various trades. Structural beams, ventilation ductwork, electrical raceways and cable tray conflicts will be identified and

*(continued on page 2)*

## PSMJ Works with Public Works

by Mike Ellegood

In recent years, many of our public works agencies have been forced to reduce staff caused by budget cuts, long-term public pension worries, and a declining economy. In many cases, the staff that was reduced formed a knowledge base that has been difficult to replace. What this means is that more and more agencies are relying on consultants to provide technical depth, specialized expertise and design services for needed public infrastructure projects. Managing consultants requires different tools and procedures than managing projects accomplished in house.

Recognizing this, the American Public Works Association (APWA) recently teamed with PSMJ Resources to conduct a one-day seminar titled *Effective Consultant Management for Public Works Agencies*. This seminar was held on the day before this year's Congress in Anaheim. This well-received conference covered topics such as making the decision to hire a consultant, tips on what to ask in RFPs, how to evaluate responses, how to determine and negotiate an appropriate and reasonable fee, how to track consultant progress, releasing projects for construction, common design mistakes that can result in claims, claims management, dealing with a non-performing consultant, and when to claim against a consultants insurance.

Participants received a digital toolbox on a small flash drive that was chock full of useful forms and Excel tools to assist in the spectrum of consultant project delivery. Judging from the enthusiasm of the participants and rave reviews, the seminar was well received and valuable. ■

**Mike Ellegood is a former engineering consultant and prior County Public Works Director so he knows project delivery from both sides. He has been associated with PSMJ Resources for 12 years and has presented at the annual APWA Congress for the past eight years. Mike is a PSMJ Senior Consultant and is the content manager for PSMJ's Public Works Project Management Bootcamp.**

## Did You Know?

In late August of this year, Deltek, Inc., the leading global provider of enterprise software and information solutions for professional service firms and government contractors, and a publicly traded company, was acquired by Thoma Bravo, LLC, a private equity investment firm, in a \$1.1 billion cash transaction.

Deltek is one of the sponsors of PSMJ's A/E/C Industry Summit, to be held this December 6 and 7 in Orlando, Florida. The subject of the summit is, *Massive Change: Impacting the Design Industry in 2013 and Beyond*. ■

## PSMJ's 2012 Financial Performance Benchmark Survey

**Available Now!**

**How does your firm stack up?**

Benchmark your firm's financial performance against the largest available cross-section of industry peers and competitors.

**Order your survey right now, online at [www.psmj.com](http://www.psmj.com) or call (800) 537-PSMJ today! Need it right away? Call us to have a PDF emailed to you.**

## The Road Well Traveled (Is One With a Map) by Karen Compton

My husband likes to take car trips. I hate them. I get sick. During our 20 years of marriage, I've had to learn how to take a road trip and not get sick. I've figured out that I need to know how long we'll drive, when we will stop, when we'll eat, and when I'll get to sleep. If I don't get to stretch, eat, or sleep, my husband can look forward to me being sick the entire time.

My reaction to a car trip without a schedule is a great analogy of what it's like to run a practice without a Strategic Plan. The employees are the ones who end up sick (and tired), the partners are the ones who want to stop, and the owner is the one who gets no sleep. Why should your firm have a Strategic Plan? You wouldn't get in a car and take a road trip without a map, so why run a practice without a plan?

A Strategic Plan is a valuable tool that maps your practice's journey from present to future. It defines new opportunities and new markets, and it honestly addresses challenges and opportunities in management, operations, service delivery, sales and leadership. Without a Strategic Plan, you end up wherever the wind may take you.

***Here are three important rules for developing an effective Strategic Plan.***

- **Be honest.** Strategic Planning, done well, examines all of your practice's functional areas and develops plans, tactics, and strategies to achieve long and short-term business goals. It will fail if the participants are less than honest with themselves and others about the firm's opportunities and challenges. Ask for honest comments and observations, and receive them without judgment or criticism. While all points of view can't be reflected in a focused strategic plan, all must be heard in order to have buy-in to the final plan.

- **Focus on the journey, not the destination.** The value in Strategic Planning is not in the document that you produce. It is in the dialogue, discourse, and consensus that builds toward the direction you are headed. Don't spend nine months trying to write the perfect document. Instead, spend two days mapping out the best journey based upon a clear destination (i.e., buy, sell, develop leadership, add markets, add services, eliminate services, etc.).

- **Define accountability.** The best plan means nothing unless there is accountability. Don't leave the table without defining accountability and actions for various components of the plan. This is often difficult, but without it, passengers along for the trip are likely get sick—sick of promises not kept and goals not achieved.

Today's competitive firms are strategic, thoughtful, and deliberate. Gone are the days where "winging it" could get you on the right road to your destination. Today, winging it is likely to send you coasting down an uneven side road, while others who have planned their trip enjoy a road well traveled. ■

**Karen Compton is principal of A3K Consulting in Glendale, CA, a business development and strategic planning firm specializing in the A/E/C industries. Ms. Compton is also the founder of Industry Speaks™, a web-based business-to-business portal that connects A/E/C firms with experienced consultants. She can be contacted at [kcompton@psmj.com](mailto:kcompton@psmj.com)**