

**ACEC Summit, Whistler, BC
CEO and Principals' Roundtable
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Topics:

- 1) Qualification Based Selection**
- 2) Recession**
- 3) Administration/organizational structure**
- 4) Young Professionals**

Qualification Based Selection

Qualifications are based on local knowledge – an important notion. QBS supports large firms not small. QBS foster fair fiscal responsibility. 90% of selection based on relations which is QBS since this is sole sourced by qualifications. QBS is a way to market and expand a business. The federal government sets projects aside for procurement by QBS. Discussion that some cost component should be included in RFPs since the owner needs to control his/her costs in order to negotiate rates and fees. Prequalification is used when there is no sole sourcing. If we don't have QBS then our profession is commoditized.

The Recession

1. What impact is the recession having on your business/firm?

In Ontario, the mining and minerals sector has shut down. In other provinces firms are working on the backlog. There is a fear of artificial funding and that the delivery of projects will slow down. Employment in the US is bleak since 2/3 of the work is in the private sector. When there are jobs, it is easier to find clients. We need to remain cautious since the recession could last a few years. Mining sector wants supply to remain low so demand remains high. In Saskatchewan it is different within the same industry. In Ontario there is a regional effect since they lost 6 years of stock growth. Maintenance of infrastructure is ongoing creating work. Worldwide, there is a low supply of engineers creating a high demand for these professionals. Firms still require specialty areas (i.e. civil) of engineering. It takes nerve however to hire a new engineer

even though his area of expertise is required when you cannot find work for the current staff. Small firms do whatever possible to keep staff during a recession, even if it is work share such as 2 days on and 3 days on Unemployment Insurance. Uncertainty exists whether the stimulus funds are still going to be available. There is a cultural impact when hiring or assigning jobs.

Administration/Organizational Structure

2. When is the right time to hire additional staff to do the accounting, administration, Human Resources, proposal writing etc. type of work?

Most agreed the right time is when the firm has 50 employees. One needs to have an interest in this type of work to manage these functions effectively. If the senior person performs these tasks on an irregular and part time basis, the results are a 'killer' to the success of the firm. When the senior person in the firm does not like doing HR work, then it is best to hire someone who likes this task, either full time or outsource. One needs to know labour laws which change periodically.

Managing a staff of 35 can be alright but when staff is between 12-40 a management team should be established to share administrative and hiring duties. Often a firm can hire for half the cost of the lost revenue when the management team takes on these administrative tasks.

One participating firm hired a full time person to manage accounting functions when he had only 7 employees. Now with 17 staff he has an administrative assistant and an operations manager for policy, IT and other areas of specialization. Although hiring these individuals cuts into the profit margin, having them perform these tasks frees up the engineers time to generate money for the firm. The span of control is 15-20 staff. Beyond that span a senior manager cannot know what is going on with all employees. Best to delegate authority and responsibility.

Young Professionals

3. What are firms doing to engage their young professionals?

Give them responsibility and challenges. Recruit when they know your company style and then hire them. Question re; do young professionals want leadership? Blending type A and non-A types is a good fit, happy with one type of job and not leadership. Do young professionals want to be transient? (i.e. some firms only hire when projects demand a higher number of engineers, and then let them go when the projects are not there). Firms need to create an environment to stay – with an internal focus. What do YPs want? Interesting and diverse work, different business areas, showers for biking to work, tools for young – a new philosophy. YPs want 60 hours of paid work when they are out of town, yet return to office for a 40-hour week. They have had last 9 years of good jobs – lucky. Require training for first 10 years to get them ready to take on responsibility. Need work-life balance; industry needs to accommodate young people, male and female. Need to ask them to do overtime but only some of the time. If they don't want to do overtime, it does not mean they don't want to succeed. They want an opportunity for growth. Discussion about not giving in to Young Professionals demands

and expectations. Like Boomer parents we tend to adapt to them versus the older engineer who hired the current Mature Professional. Often what the YPs say they want conflicts with what they need to get to what they want. Not to confuse demands with ambition. They/we need to identify how to get them to where they want to go.