

# THE FIRST WORD

October, 2008

## State Board of Licensure Proposed Rule Changes Public Hearing Set for Friday, November 14th

The State Board of Licensure for Professional Engineers and Land Surveyors has finalized the Proposed Rules to implement the revised Statutes which were approved in the 2008 Legislative Session.

The proposed Rules deal with a variety of changes and updates to the current Rules. Of significance in the proposed changes are rules to allow for the implementation of the use of Digital Signatures on plans by engineers and surveyors.

Other issues addressed in the Proposed Rules included, but not limited to, "Direct Control & Supervision" issues; Education requirements for licensure as a Professional Land Surveyor; declaration of specific engineering discipline(s) in which a Professional Engineer is competent to practice; and, changes to the Minimum Standards for Legal Descriptions by land surveyors.

In accordance with the Oklahoma Administrative Procedures Act, the State Board of Licensure will hold a Public Hearing regarding the Proposed Rules.

The PUBLIC HEARING will be held on Friday, November 14, 2008 at the Oklahoma Engineering Center in Oklahoma City. Public comments on the Proposed Rules will be accepted at that time. Written comments will be accepted as well - you may e-mail comments to [kathy@pels.state.ok.us](mailto:kathy@pels.state.ok.us) or mail them to the board office.

A copy of the Proposed Rules can be found on the ACEC OKLAHOMA website at [www.acecok.org](http://www.acecok.org).

ACEC OKLAHOMA urges all members to carefully read the Proposed Rules, and to attend the Public Hearing on Friday, November 14th.

## ACEC OKLAHOMA Leadership Meets with Senator Jim Inhofe

ACEC OKLAHOMA Chairman of the Board Steve Ford, Vice Chairman Jim Benson, and President & CEO Jim Sullins attended a reception for United State Senator Jim Inhofe on September 30th.

ACEC OKLAHOMA thanked the Senator for his leadership in adding \$8 billion to the Highway Trust Fund to prevent bankruptcy of the Fund.

Discussions also included the re-authorization of SAFETEA-LU in 2009, and, water and wastewater infrastructure issues in which the Senator is including QBS language.



Jim Benson, Steve Ford, Senator Inhofe, Jim Sullins

## Last Call for Project Management Bootcamp

PSMJ, in association with ACEC OKLAHOMA, will host PSMJ's critically acclaimed **PROJECT MANAGEMENT BOOTCAMP**, Thursday-Friday, October 23-24, 2008 at the Renaissance Convention Center in downtown Oklahoma City.

**PSMJ has extended the "Early Bird Discount."** To register for the Bootcamp use the special ACEC OKLAHOMA Registration Form available on the ACEC OKLAHOMA website ([www.acecok.org](http://www.acecok.org)).

This is the third time that PSMJ and ACEC OKLAHOMA have conducted the PROJECT MANAGEMENT BOOTCAMP, with over 50 Oklahoma engineers and architects attending each of the two previous sessions respectively. It was the highest rated program ever hosted by ACEC OKLAHOMA, and we are excited to provide the opportunity again this year.

PSMJ literally wrote the book on project management methodology in the A/E/C industry. When you attend this Bootcamp, you master the skills necessary to develop a baseline project planning method in your firm. You'll learn how to ensure client comfort and profitability on every project through real-world lessons from the world's leading A/E/C project management experts.

PSMJ seminars are the best because each and every class is tailored to participants' specific needs. In each session, our instructors work with you to identify your specific needs and address crucial issues facing each and every attendee.

PSMJ uses this unique GUARANTEED approach because with nearly 30 years of experience, we KNOW what the issues are and have compiled a 300-page workbook to address virtually any subject that arises. And, if it is not covered in our workbook, our instructors follow up with you to get you the information you need.

Registration for the PROJECT MANAGEMENT BOOTCAMP is \$1,195.00 per person. **Also, discounts for three or more attendees from the same firm are available.**

Also, all attendees will earn 12 Professional Development Hours (PDHs).

**Space may be limited, so don't delay in registering. AND be sure to use the special ACEC OKLAHOMA registration form found on our website: [www.acecok.org](http://www.acecok.org)**

## AIA / ACEC OKLAHOMA / AGC Joint Meeting Set for November 6th

For the 4th year, ACEC OKLAHOMA will join with AIA and AGC on Thursday, November 6th during AIA's Annual Convention.

**BUILDING OKLAHOMA 2008: Leadership by Design** will be held at the Wes Watkins Center on the Oklahoma State University campus in Stillwater on Thursday 6th.

Registration for the Thursday program is only \$40 per person for ACEC OKLAHOMA members. See the attached form for Program Details and Registration Info. Also, engineers attending will receive **six (6) professional development hours (PDH)**. Friday registration is also available for those who would like to attend both days of the AIA Conference.

The Joint session on Thursday will focus on Building Information Modeling (BIM) Project Delivery, and BIM Liability and Ethical Concerns. Jim Jacoby, Walter P Moore, Houston will lead the Project Delivery program, and George Vogler, Reserved Resource Insurance, will discuss the Liability and Ethical questions.

This is going to be an OUTSTANDING conference, and all ACEC OKLAHOMA members are encouraged to participate in this important Joint Meeting between the design and construction professions.

We hope to see you in Stillwater on November 6th!!!!

## 2008 ACEC OKLAHOMA Engineering Excellence Awards

Just a reminder that the ACEC OKLAHOMA 2008 Engineering Excellence Awards Program "Call for Entries" is now available. **Submission deadline is November 7th.**

The 2008 Entry form has been sent to all member firms, and is also available for download on the ACEC OKLAHOMA website at [www.acecok.org](http://www.acecok.org).

All member firms are encouraged to enter the competition which is a prelude to the ACEC National Engineering Excellence competition.

This is a great way for ACEC OKLAHOMA member firms to showcase their top projects, and we hope that everyone will seriously consider submitting an entry.

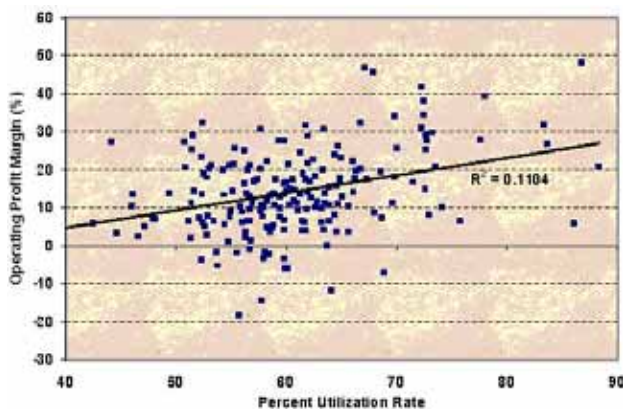
## Managing Overhead for Long-Term Growth

### Invitation to join Dave Burstein of PSMJ Resources, Inc.

Tuesday, October 14, 2008

Live on the Web — 1:30 p.m. to 3:30 p.m. EDT

Most principals in A/E firms focus on labor utilization (aka chargeability) more than any other metric in managing their firms. And during tough times, when overhead cutting becomes a necessity, this focus becomes an obsession. But does higher labor utilization really lead to improved profitability? Take a look at the following chart which compares utilization vs. profit for a large number of firms:



Firms with higher utilization do, on average, have higher profits. But look at the spread in the data. Only 11% of the variability in profits are attributable to labor utilization. The important thing is not how much overhead you spend, it's how well you spend it. PSMJ has invented a new metric that we call "Return on Overhead." It is computed by dividing the firm's profit by its overhead. Here is a similar graph of ROO vs. profitability:



You can see that there is a much higher correlation (correlation coefficient of 48%). The ROO is always an important metric

but it is particularly important during tough times when revenues start to drop. Firms with low ROO get killed because they can't cut overhead as fast as their revenues are dropping. Firms with high ROO are in much better position to "ride out the storm."

**For more information on this important topic, join Dave Burstein, PSMJ's Director of Consulting and Training, for a 2-hour webcast to be held at 1:30pm EDT on October 14, 2008.**

Here is the agenda for this important program:

- \* Why low overhead doesn't necessarily mean high profits
- \* The most common mistakes principals make in cutting overhead
- \* What is "Return on Overhead" and why is it the critical metric?
- \* Benchmarking your overhead costs vs. similar firms
- \* How to cut the largest controllable overhead costs
  - Non-performing principals
  - Ineffective business development
  - Unnecessary administrative overhead
  - Marginally productive employees
  - High cost non-labor overhead expenditures (rent, office supplies, etc.)
- \* Your action plan

If you attend this program, you won't just get a bunch of theory. You get practical, proven ways of cutting your overhead in that strengthen, not weaken, your firm. And you get the tools to implement these ideas, including:

- Benchmarking data you can use to compare your firm's major overhead expenditures with that of other A/E firms of similar size, clientele, and practice areas
- Worksheets (in electronic format) to help you decide on what you should cut
- Practical guidance on how to preserve, or even enhance, morale while you're making the necessary overhead cuts

**[Click Here to Register for this Webcast](#)**

Registration fee to attend the web-presentation live is **only \$249**, additional attendees at the same connection are only **\$99 each**. Visit <http://www.psmj.com> to register or call PSMJ's Education Department at (800) 537-7765 or (617) 965-0055. **This webcast is registered with AIA and earns you 2 CEUs and/or PDHs.**

# PRESIDENT'S MONTHLY UPDATE

## October, 2008

### David Raymond, ACEC President & CEO

#### General

- Urged Congressional leaders to pass financial legislation to address “financial crisis” and to include infrastructure funding to address “infrastructure investment crisis.”
- Secured final passage of legislation to restore solvency to the Highway Trust Fund through \$8 billion transfer from the General Fund, which will avert major cuts to state highway programs.
- Participated on the U.S. delegation to the annual FIDIC Conference led by ACEC Chairman John Hennessy; participated in a panel discussion on government advocacy chaired by ACEC Sr. Vice Chairman Gregs Thomopulos, who was named President-elect of that organization; and received coverage in a Canadian newspaper for presentation on “the art of advocacy.”
- Participated in ACEC/Massachusetts Board discussions and as guest speaker at their Member meeting on implications of presidential election outcomes for ACEC issues.
- Hosted 46-member delegation from the China National Association of Engineering Consultants (CNAEC) to discuss Chinese engineering markets and issues.
- New “Quick Fire Survey” is now a weekly feature of *Last Word*, measuring member opinion on pertinent industry issues.
- Hosted congressional fundraising events for Senator Gordon Smith (R-OR), Senator Ben Nelson (D-NE), Congressman Roy Blunt (R-MO), Congressman John Boozman (R-AR), Congressman Jim Clyburn (D-SC), and Congressman Chet Edwards (D-TX).
- Launched ACEC’s Political Action Center to encourage political participation and get out the vote activities by ACEC members.
- Secured the appointments of two ACEC representatives to the National Levee Safety Committee to help the Corps of Engineers develop a national levee certification program.
- Successfully worked with industry allies to remove several anti-contractor provisions to the National Defense Authorization Act.

#### Institute for Business Management

- Hosted five popular online seminars: *Contracts, Coverage and Jury Interpretation: A Peek Behind the Insurance Curtain*, Al Rabasca; *Calculating Carbon Footprints: Potential Business for Engineering Companies*, Mark van Soestbergen; *An Inside View of the Programs and Funding of Rural Development*, U.S. Department of Agriculture, Ben Shuman; *Shortage of Engineers: There Is No Quick Engineering Fix*, Jack Jolls; *Developing and Implementing Winning Strategies for Engineers, Architects and Construction Companies*, Clare Ross.
- Conducted a successful Finance Forum, Chicago, Sept. 15-16, with 40 CFO’s of member firms in attendance.
- Presented ACEC’s flagship program, The Business of Design Consulting, in San Antonio, TX Sept. 25 – 27.
- Launched SEI Class 14 with the group’s first session in Washington, D.C., Sept. 20–24, including presentations at the Brookings Institution by world-renowned scholars, visits with Congressmen on Capitol Hill, and a hosted visit to the Australian Embassy.
- Bestsellers of the month: *Engaging the Hearts and Minds of All Your Employees* and *How to Be the Employee Your Company Can’t Live Without*.
- Discussed industry priorities, including SAFETEA LU reauthorization and oversight of state DOT compliance with federal procurement regulations, with new FHWA Administrator Tom Madison.
- Secured Senate committee passage of a \$38.5 billion water infrastructure bill that expands the application of QBS to federally-funded water projects.
- Helped to secure Senate committee passage of bridge inspection legislation that creates a risk-based bridge inspection and repair program and requires licenced PEs to oversee inspection activities.
- ACEC/Georgia became the ninth state organization to achieve its 2008 ACEC/PAC fundraising goal.