

Hankins & Anderson Finds Big Success In Niche Work

Hankins & Anderson (Richmond, VA) is a 60-year-old consulting engineering firm that works predominantly with the U.S. government. President and CEO Mike Matthews cites three reasons for the firm's success in this market: a sharp focus on the niche work it does, strong expertise working within the federal government's framework, and a firm-wide commitment to superior service and client focus. Matthews reports that 98% of all new projects come from clients who have used his firm's services in the past.

It's exciting, valuable work

Hankins & Anderson is committed to firm growth and geographic expansion. One of the selling points to young designers that fuels their growth is the number of interesting projects the firm takes on. The firm's expertise in embassy design, military installation work, and other types of sensitive federal projects — combined with its commitment to client focus — creates an attractive working environment.

Mike Matthews reports that 66% of the firm's work is design-build, a method that in some firms could put the squeeze on cash flow. The firm does not have cash flow issues working in the design-build environment. The government is a great payer if you can work successfully within its system. What's more, the firm has been successful selling the true value of its services.

Growth and geographic expansion planning

Hankins & Anderson is a relatively large firm in the Richmond, Virginia area so, in addition to having geographic expansion as a strategic planning directive, it also serves the firm as a recruiting tool because new branch offices are attracting talent in different places.

As with all successful firms, business development is a cornerstone of Hankins & Anderson's growth and expansion. The firm is divided into four submarkets, each led by a market director — a senior manager in the firm who is responsible for business development, client maintenance, project profitability, and all the other management responsibilities that any head of an independent business would assume. Matthews gives the market directors the latitude to make all strategic decisions within their submarket but he does offer direction if he sees a new market opportunity for the firm.

The firm conducts strategic planning with an outside facilitator every three years and develops a five-year strategic plan. The firm also has annual planning sessions — also with an outside facilitator — to provide an operational and technical tune-up to the strategic plan.

Non-technical business training for technical people

In the firm's annual planning sessions, the outside facilitator stresses the project managers' role in business development for the firm. Hankins & Anderson has adopted the "service-centered selling" method that demands project managers be "market aware," keep their eyes and ears open to new opportunities and ask the right questions of prospects and clients. "We don't call anyone — cold or warm — just to tell them how great we are. They've heard it a million times," asserts Mike Matthews. "We don't call unless we have something worthwhile and useful to tell them. Sharing information about projects is the best business development you can do. It demonstrates that you know and care about the clients and prospects to bring them viable information."

The firm has also committed to training the market directors in sales techniques and strategies. "Ten years ago, when I became CEO, I recognized that, as a firm, we didn't know much about running a business. Making the decision to give the market director sales training has increased their comfort level with clients and prospects and put them in a position to collect information. This process has been critical to their success in selling our services," says Matthews.

In addition to sales training, the firm also encourages staff to learn about running a business in a more general sense through continuing education — and this starts with CEO Matthews, who is currently halfway through an **MBA program at the University of Richmond**. "There's a whole other world out there to explore," says Matthews. "The process of earning an MBA has been a huge eye-opener and has definitely changed the way I look at my firm and my business. I bring more stuff back from school that has helped us run the firm better." Matthews also sends the firm's managers to **non-engineering-related leadership and communications courses** and a **14-week mini MBA program**.

360-degree accountability

One of the outcroppings of Hankins & Anderson's management re-structuring and leadership transition 10 years ago was the decision to leave the CEO off the firm's board of directors. The CEO reports to the board as an outsider which provides strong corporate governance for the firm. "Governance for engineering firms is a big consideration these days. We have built-in accountability," says Matthews. — **BRUCE LYNCH** (blynch@psmj.com) ■

Hankins & Anderson is just one of the firms that will be profiled in the forthcoming book, *PSMJ's Circle of Excellence: How the Best-Run A/E Firms Manage Clients, Staff, and Projects*.