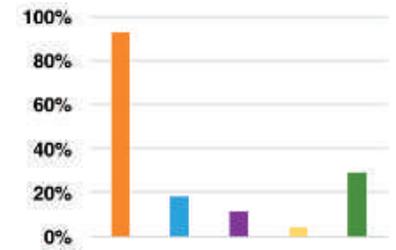


## TRENDLINES

### Marketing director bonuses



Most firms (93 percent) award bonuses to the marketing director based on **company profitability**. But 18 percent of firms also award bonuses based on **sales/business development**, 11 percent for **office profitability**, 4 percent for the number of **new and repeat clients**, and 29 percent for **individual performance, merit, and owner's discretion**, according to the 2016 Marketing Survey. Totals sum to more than 100 percent because more than one answer choice could be selected. (Special discount to TZL Subscribers, use code **SPRINGMKT15** to order this survey at 15 percent off on [ZweigGroup.com](http://ZweigGroup.com))

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## Finance and accounting terminology made simple

"We want everyone who works in an A/E/P or environmental firm to understand this stuff."



Mark Zweig

### EDITORIAL

Many folks working in firms in the A/E/P and environmental consulting industry don't understand commonly-used financial terminology. How can you blame them? If no one ever explained it to them you can't expect them to know it.

It isn't difficult, but not understanding it puts your people at a disadvantage and is bad for the firm. We want everyone who works in an A/E/P or environmental firm to understand this stuff. So here we go with some simple definitions of terms we all hear every day. Please pass these onto your people!

- **Gross revenue.** All revenue from the operations of your business or business unit, including subconsultants and reimbursable expenses.
- **Net service revenue (NSR).** This is gross revenue (see above) less subconsultants and reimbursable expenses.
- **Raw labor.** This is the total labor cost in salaries and hourly wages and includes no company-paid payroll taxes or insurance or anything else. E.g., someone earning gross pay of \$25 an hour and working 2,000 hours in the year has a raw labor cost of \$50,000.
- **New project "sale" (or sales).** The dollar value of a new project (or projects) under contract with authorization to proceed.
- **Backlog.** The total amount of work under contract yet to be performed. This can be expressed as a dollar amount but it's usually expressed in months. Calculated as total backlog

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## PROFILE



Hill International is providing project management services during the design and construction phases of the Grand Egyptian Museum – which will be the largest museum in Egypt and one of the leading scientific, historical, and archaeological study centers in the world. The museum will cover 3,500 years of ancient Egyptian history and house more than 100,000 artifacts. / Hill International

## Global conquest

Hill International CEO leads with a steady hand, always says “we,” and wants to head the largest project management firm in the world.

By LIISA ANDREASSEN  
Correspondent



David L. Richter,  
President and  
CEO,  
Hill  
International

About 18 months ago, David L. Richter stepped into the role of president and CEO of Philadelphia-based **Hill International** (Hot Firm #66 in 2015). He knew this would be his fate from the ripe old age of 9, when he worked as a document delivery boy for his father, Irvin E. Richter, the firm’s founder. Prior to his current position, Richter served in other roles that included COO; president of Hill’s project management group; senior vice president and general counsel. He’s also been on the board since 1998. Before he joined Hill, he was an attorney with a New York City law firm.

“My law degree was really great training for my current job,” Richter says. “It taught me to not only ask questions, but to ask the right questions. That’s the key.”

He’s also a big believer in education. He recently graduated from an executive education program at the University of Oxford. It took two years to complete.

“It was a learning adventure,” he says. “Maybe now I’m overeducated. Actually, no. There’s no such thing.”

“My law degree was really great training for my current job. It taught me to not only ask questions, but to ask the right questions.”

### A CONVERSATION WITH DAVID RICHTER.

**The Zweig Letter: How have you seen Hill International evolve since its founding?**

**David Richter:** It’s been a dramatic change. When I first started, we were primarily a claims firm with a staff of 200 and a revenue of about \$20 million. Today we employ about 4,800 and have revenue of \$700 million. The three most significant contributions that propelled those changes were: a shift

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Q&A, from page 3

to working with private management (about 75 percent of the business); a hard push to work in international markets (about 25 percent of our business is in the U.S.); and 10 years ago we went public, which has allowed us to grow significantly.

“It’s important to never make any fast moves. It’s also important to be a good listener and to take time to digest the information. Empowering managers and giving them autonomy is a key part of leadership, too.”

**TZL: What are your key strengths? What do you feel the key strengths are for an effective leader?**

**DR:** Having a steady hand at the wheel. It’s important to never make any fast moves. It’s also important to be a good listener and to take time to digest the information. Empowering managers and giving them autonomy is a key part of leadership, too.

**TZL: As CEO, what has been your greatest challenge to date? How have you handled it?**

**DR:** The external challenges of a global economy and the price of oil. While these things fluctuate, our success is not always reflected in our stock price. Maintaining a positive perception is always a challenge, but we do it. Our projects speak for themselves.

**TZL: What is your vision for the future of Hill?**

**DR:** To be the biggest and best construction claims firm in the world and to be the biggest and best project management firm in the world.

**TZL: Tell me about a recent project. What is your role?**

**DR:** The Grand Egyptian Museum in Giza, Egypt. The client is the Ministry of Culture’s Supreme Council of Antiquities. We are providing project management services during the design and construction phases of this museum which will be Egypt’s largest museum and one of the leading scientific, historical, and archaeological study centers in the world. The museum will cover more than 3,500 years of ancient Egyptian history and house more than 100,000 artifacts. The value of the project is \$800 million.

**TZL: How have you helped your firm to outperform some competitors? What do you feel sets you apart?**

**DR:** We are focused. We don’t try to be a Jack-of-all-trades like some other firms do. We focus on being world

“Maintaining a positive perception is always a challenge, but we do it. Our projects speak for themselves.”

class in two services – construction claims and project management. We also went global a long time ago. We recognized the importance this had on growth.

**TZL: Is there any news you care to share about Hill’s projects or anything else?**

**DR:** We were recently hired by the National Institutes of Health to manage a construction program – the National Cancer Institute at Frederick in Maryland. We’ve also done a great deal with the states of New York and New Jersey in the area of environmental cleanup and recovery work after Super Storm Sandy. Finally, we are anticipating a resurgence of work in the Middle East.

**TZL: Are you married? Children? Pets?**

**DR:** I’ve been married for 17 years and have four daughters – 13, 11, 11, and 9. We have a fish.

**TZL: What has been your best vacation spot? Dream destination?**

**DR:** Hands down, our family vacations in Avalon, New Jersey. It’s in Cape May. We’ve been doing that for many years. One day I’d love to take the whole family to Hawaii.

**TZL: What’s the last book you read (digital or print)?**

**DR:** *The Churchill Factor*. More and more I’m moving to digital, but there is still something about being able to reference a book and to put it on a shelf.

“We are focused. We don’t try to be a Jack-of-all-trades like some other firms do. We focus on being world class in two services – construction claims and project management.”

**TZL: What’s the last movie you saw in the theater?**

**DR:** *Jungle Book*. It was super.

**TZL: What’s the best piece of work-related advice you’ve ever gotten?**

**DR:** It was from my dad. He said: “In every statement you make about the company, use ‘we,’ not ‘I.’”

**TZL: Who is a leader who you admire?**

**DR:** Winston Churchill. He was tenacious.

**TZL: When you’re not working, what types of activities do you enjoy?**

**DR:** I like physical activities. I enjoy golf, tennis, running, and my wife and I do CrossFit.

**TZL: What’s your favorite lunch?**

**DR:** Chicken parmesan. ▀