
Article Portfolio Selections

Group 11

Marketing, Negotiating, and Draft Writing

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A Few Effective Strategies Can Make All the Difference in Negotiating

By Steven J. Storts
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FOR more than two decades, the use of negotiating skills in the construction industry has steadily increased — from project start-up through the performance phase to close-out. Still, management consultants point out that not all stakeholders are taking full advantage of some of the more proven negotiation strategies.

Project managers, by their own nature, tend to negotiate almost everything they do, but sometimes they overlook the actual process itself, thereby adversely affecting any desired outcome. Research further shows that engineers and other professionals alike tend to negotiate within certain levels of predictability, a routine that should be avoided whenever possible.

Ironically, the key to effective negotiating often rests on the deployment of two basic interpersonal skills: patience and positive behavior. Without some occasional introspection or reinforcement, though, these skills can be elusive for some and totally abandoned by others.

Engineering negotiators who strike the worst deals are generally those who lack patience. Their anxiety becomes a weakness as they hurriedly move toward a conclusion of the negotiation process without fully understanding the consequences. Telegraphing a weakness only emboldens the other side to “hang around” and become more demanding.

Also, impatient negotiators can be more susceptible to making unne-

cessary or poor opening offers, granting frivolous concessions, or engaging in impulse buying or settling.

One suggested way for not losing patience is to never negotiate against a deadline, if possible and affordable. Studies on conflict resolution and negotiation have revealed that in project management, those who tend to wait until the last moment to resolve an issue always seem to pay for it one way or another. In other words, the bottom line price gets higher for less in return.

Savvy negotiators know the importance of maintaining a positive attitude at the table; they know that likeability can be a useful tool in gaining concessions. Posing a constant adversarial relationship with the other side will do little to persuade them or influence their behavior to anyone’s advantage.

Similarly, dwelling on deadlocked issues or pointing a constant finger of blame or fault will generally result in just more of the same. Instead, try to convey more of a sense of optimism — an inexpensive substitute for making early concessions. Negotiating parties usually make concessions to gently coerce the other side into dealing, but an optimistic attitude is a better, more patient approach to the same end. After all, if the other side does not see a deal as being possible, it will not bother making concessions anyway.

When engaged in negotiating, it is also important to steer clear of the intimidation game and never reward intimidation tactics. Such conduct becomes ineffective when not acknowledged or rewarded with concessions. Likewise, do not try to defeat intimidating conduct. Just let it run its course, remain calm and neu-

tral, and then redirect the negotiating process back to the underlying needs of both sides. However, be aware that acceptable behavior is not always guaranteed and that rational negotiation can be the exception, rather than the rule, when resolving conflicts.

Beyond honing of interpersonal skills, initiating a favorable negotiation largely depends on research in advance of any formal meetings. The most effective negotiators are those who do not take any position until they have gathered insightful information regarding the other side’s perspective. Examples of information to obtain prior to or at the early stages of negotiating might include tentative deadlines, organizational authority or status, possible alternative solutions, personal interests, motivations, bottom lines and past negotiating history.

The initial phase of any negotiating should always involve asking questions, floating trial balloons, and presenting options for others to consider. Oftentimes, though, one side or the other will *negotiate blindly* by entering a room, sitting down at the table, and starting off with an opening offer or a demand. This tactic is rarely successful because it shows a lack of patience; it is less likely to be received in a positive manner.

Assuming patience has prevailed, the opening position or offer from either side becomes the single most important tactical move in any negotiation, whether bargaining or resolving conflicts. An opening offer has a direct impact on the manner in which ensuing negotiations will pro-

ceed, including how engaged the other side will be in the process and what their attitude will be toward an amenable outcome.

Of course, engineering interests must always keep their bottom line at the forefront of their strategy, in addition to knowing when to strategically deadlock. Equally important, negotiators must know their status in relation to that of the other side, as this can be a tactical advantage. A lack of status at the negotiating table is a fairly good indication that

demanding behavior will backfire and result in an unnecessary deadlock. However, keep in mind, too, that the party lacking authority to close a deal at the table can occasionally be the most powerful for the simple reason that it is unpredictable and cannot be pinned down on any position.

Finally, if posturing and predisposition begin to pervade discussions, there is always one steadfast strategy remaining in an engineer's negotiating toolkit: look and act con-

fident in justifying all proposals with detailed metrics and insist that other parties do the same. Any refusal or hesitation on their part to comply will appear as a sign of weakness or, at the very least, lessen their opportunities for any viable counter proposals. Remember, in the end no one wants to sit at a negotiating table and appear uncomfortable for any extended period of time.

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U.S. Economic Uncertainty Draws Attention to Marketing Strategies

By Steven J. Storts
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MIXXED reviews of U.S. construction employment near the end of 2011 are not likely to garner much economic optimism for the near future, at least not for some sectors of the construction community.

In December, the Associated General Contractors of America released its analysis of federal employment data showing that construction employment declined in 146 out of 337 metropolitan areas between October 2010 and October 2011, increased in 140 metro areas, and stayed level in 51 others. A little brighter November report had overall construction unemployment dropping to 13.1 percent from the 18.8 percent logged a year earlier.

AGC cites declining federal investment in infrastructure projects as part of the reason for the lagging job figures and contends that construction employment could benefit from increased funding for transportation projects and other pro-growth measures designed to spur private sector demand. Ken Simonson, AGC's chief economist, notes, "If it were not for a slight increase in private sector demand, construction employment would be down in even more communities."

Indeed, private residential construction has recently fared a little better financially than other building sectors. In its monthly housing markets index released late last year, the National Association of Home Builders noted that the number of improving housing markets continued to expand for a fourth consecu-

tive month, rising from 30 metropolitan areas in November to 41 metro areas in December.

In its December economic forecast, the Institute for Supply Management indicated that capital expenditures, a major driver in the U.S. economy, will show only a modest increase in the manufacturing sector, while investment in the nonmanufacturing sector, including construction, will remain somewhat flat.

An economic outlook survey conducted by the American Institute of Certified Public Accountants in the fourth quarter of last year pointed to some improvement in economic optimism, but broad pessimism about the rate of recovery still lingers. On a regional basis, the survey findings show a brighter view of business prospects this year than during the last quarter of 2011, with one exception — the Northeast; the Midwest has the sunniest outlook.

"We saw improvements in every category of the index, including sentiment about prospects for the U.S. economy," says Carol Scott, AICPA vice president for business, industry, and government. "However, serious concerns about the business climate remain, reflected by continued reticence for new investment and hiring."

Finally, McGraw-Hill Construction's *Dodge 2012 Construction Outlook* reports that new construction starts are expected to reach \$412 billion in 2012, barely higher from the 2011 total. The forecast is for total construction to continue along at 2011 levels, rather than noticeably boosting a long-awaited recovery.

Amid these fluctuating economic

forecasts, the more pertinent challenge ahead for construction organizations is how to market services in an uncertain economy.

Hinge Marketing, which specializes in marketing and branding for professional services worldwide, suggests that architectural, engineering, and construction organizations should "try to think of today's downturn as an opportunity to test your self-discipline and refocus on marketing fundamentals. That way, your firm is likely to come out of the downturn stronger and better positioned than ever."

The key to marketing during a recession is to focus first on existing clients, Hinge points out. "It's far cheaper and easier to get more work from businesses that already trust you than to build new relationships from scratch," the company notes. "Talk to your clients and honestly assess their needs. Your best clients want to work with you and are likely to appreciate your pro-activism."

When seeking new clients, the Reston, Virginia-based firm advises businesses to identify and target the types of organizations that best suit "your skills and fee levels. You are more likely to close this type of business than if you cast your net too wide and sacrifice positioning for short-term business."

Planning for a longer sales cycle is also wise, Hinge adds, primarily because most businesses move at a slower pace in making decisions during economic downturns. Construction organizations need to stay ahead of potential client decisions by slowing down their own spending allocations accordingly.

Finally, although it may be tempting for struggling businesses to lower their fees for services, Hinge says to avoid that mindset if at all possible. Pricing is a positioning tool, the company explains, and potential clients could equate low prices with lower quality. “Instead, focus on attracting the kinds of clients that appreciate — and are willing to pay for — your expertise,” Hinge emphasizes. “If you have to make compromises to stay competitive, try to adjust your offerings or reduce your scope of work before cutting your fees.”

An economic slowdown also provides the opportunity for construction organizations to re-evaluate their marketing and sales efforts. In addition to honing their online presence through Web sites and blogs, businesses should consider fine-tuning their localized marketing approaches by contributing articles for publication, volunteering for public speaking engagements, and mentoring at all levels of education and business practice.

Rebranding or building a reputation in new fields is a viable way to

gain market share, too. McGraw-Hill cites green design and construction as a rising player in the building industry, particularly at the local level, and notes that newer techniques for use of prefabrication and modularization on construction projects are affording more opportunities for businesses to improve productivity and expand their client base.

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A Few Basics for Gaining an Edge In the Green Construction Marketplace

By Steven J. Storts
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ONE of the most frequent comments voiced by small to medium-size businesses regarding green construction is how to begin the process of implementing a viable program. Another common concern is that green enhancements are too costly up front for many project owners to consider.

While the initial capital outlay for building green can exceed that of more traditional construction—currently estimated at two percent or less of the total project cost—the yield in energy savings can be as much as tenfold over the entire life cycle of the constructed project.

In terms of actual dollars, studies have shown that over a 20-year life cycle, some green buildings have returned to stakeholders \$53 to \$71 per square foot of investment, supporting claims that investment in green construction can result in lower capitalization rates, higher sale prices, and increased tenant occupancy.

Once the hurdle of up-front costs vs. life-cycle costs can be cleared, most companies approach environmentally friendly construction by first “thinking green,” defined simply as the design, commercialization, and use of processes and products that are feasible and economical, while minimizing source pollution and risk to human health and the environment.

The U.S. Environmental Protection Agency notes that green engineering can have the greatest positive impact and cost effectiveness when applied early to the design and de-

velopment phase of a construction project. Strive to use this life-cycle thinking in all engineering activities by minimizing waste and ensuring that all material and energy inputs and outputs are as inherently safe and benign as possible.

Also, actively engage communities and stakeholders in development of engineering solutions and create these solutions beyond current or dominant technologies. In other words, improve, innovate, and invent new methods and technologies to achieve sustainability.

One simple process that companies might consider in developing a green building program begins with the encouragement of clients and project partners to consider sustainable design and construction methods as part of the project goals, thus bringing viable, green building ideas and solutions to the table for discussion. Complementing this approach should be a companywide initiative to educate and train all project team members in best sustainable construction practices and provide them necessary tools for achieving benchmarks.

Companies interested in pursuing a green agenda have numerous information resources at their fingertips on the Web:

- Reed Construction Data, a premier information and data resource for the architectural, engineering, and construction industries in North America, offers a wide range of articles on green building and a diverse portfolio of integrated products and services that address information needs during every phase of the building life cycle.

- Certification services provided by Green Advantage emphasize the role of construction personnel in improving the environmental and health attributes of the built environment: commercial, residential, and commercial/residential. Certified practitioners must demonstrate foundational knowledge, comprehension, application, and ability to analyze green construction concepts, materials, and practices.

- Noblis Inc., CTG Energetics Inc., and the U.S. Green Building Council (USGBC) recently released the U.S. General Services Administration’s sustainable facilities tool, which is intended for facility managers, project managers, developers, and building owners who require more guidance about sustainability, why it matters, and how to implement sustainable solutions. The tool is free to use and can be accessed at www.sftool.org.

Perhaps the most comprehensive green resource available for construction companies to access is USGBC and its Leadership in Energy and Environmental Design program that was launched in 2000. LEED is an internationally recognized green building certification system providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across a series of green metrics: energy savings, water efficiency, carbon dioxide emissions reduction, improved indoor environmental quality, and stewardship of natural resources.

More than 40,000 projects are currently participating in the commercial

and institutional LEED rating systems, comprising more than 7.9 billion square feet of construction space in all 50 states and 117 countries. In March, USGBC released its 2010 list of top 10 states for LEED-certified commercial and institutional green buildings per capita square footage, based on the 2010 U.S. Census. In descending order, the list includes the District of Columbia, Nevada, New Mexico, New Hampshire, Oregon, South Carolina, Washington, Illinois, Arkansas, Colorado, and Minnesota.

USGBC has long touted environmentally friendly construction, claim-

ing that implementation of an integrated, systems-oriented approach to green project design, development, and operations can yield synergies and improve the overall performance of a building and reap financial benefits. For instance, LEED-certified buildings are designed to lower operating costs, increase asset value, and qualify for tax rebates, zoning allowances, and other incentives in hundreds of cities across the U.S.

As a primary benefit, LEED provides building owners and operators a concise framework for identifying and implementing practical and mea-

asurable green building design, construction, operations, and maintenance solutions. A hallmark of LEED is its open and transparent process where the technical criteria proposed by USGBC are publicly reviewed for approval by the almost 20,000 member groups that comprise the organization.

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How to Write a Good Quality Article

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WRITING a good article bears strong similarity to taking that proverbial journey to anywhere because when the final destination is reached, it is neither the beginning nor the end of the excursion that generally becomes the focus: it is everything in between.

Like any planned journey, a good article must have a starting point, a topic or issue that addresses a reader's interest, emotion, or curiosity to the extent that he or she wants to continue reading. As a beginning writer, it is always recommended that you select a topic from your own personal niches—career experiences, relationships, hobbies, leisurely pursuits, or recreational interests that draw your attention, research, and participation. When you are enthusiastic about your article content, your readers will follow suit. Later, you can step out of your comfort zone. For now, focus first on what you know and do best!

Assuming you have your article topic at hand and have updated your research where necessary, the next

step—and the most rewarding—is crafting your reader's journey. If you are familiar with your topic, don't be surprised that you are able to produce an article draft of 1,000 words or more in just one sitting. If you are accustomed to writing from an outline, then do so. Otherwise, just let your thoughts flow freely and log as much text as possible while your mind is fresh and organized. Along this journey, though, there are some key points to remember:

First, do not plagiarize the works of others. Be original, create your own scenarios, and *use your own words*. If you do use other references to support your contentions—and this is generally expected in most writing—cite those sources in the text of your article by using direct or indirect quotes or paraphrasing. However, be sure to strike a careful balance in their use. After all, you want to build your readers' confidence first and foremost in what you have to say.

Second, and very important, use words and phrases that are familiar to your readers; you are not testing their vocabulary or yours, either. The key is to relate to your readers, not

to impress them; you already have their attention. With that said, you will still find it necessary now and then to have an updated *Webster's* dictionary within reach, along with a recent copy of *The Associated Press Stylebook*, a popular reference for general writing.

Third, once you have completed your article draft, set it aside for a few minutes and then go back and refine what you have written. Review the organization of your content. Does your text flow naturally toward your conclusion? If so, check your spelling, grammar and punctuation, fix any errors, and then move on to your next challenge. Do not become obsessed with perfection to the point where it hinders your performance.

Finally, when it comes to writing that good article, note that readers are creatures of habit; they already have an interest in you because of your unique talent. When readers expect quality articles, provide them to the best of your ability. But have some fun, too, and smile as you take those journeys!

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