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## Participate in the 2009 Incentive Compensation Survey and save \$300 off the new report!

TO: Architecture, Engineering, Planning & Environmental Consulting Firm Leaders, CFOs, and HR Directors  
FROM: Khrista Trerotola, Editor & Survey Coordinator, ZweigWhite Management Surveys  
DATE: June 2009  
RE: 2009 Incentive Compensation Survey of Architecture, Engineering, Planning & Environmental Consulting Firms

Most architecture, engineering, and environmental consulting firms understand the importance of compensating their staff competitively. But many simply can't bear the cost of handing out raises in this economy. How are firms like yours handling this challenge? Many are turning to incentive compensation plans. Bonus plans like these reward top performers without overpaying the rest. And if based on profitability or revenue, bonuses can be structured to be paid out only when there is money available. Find out how your peers and competitors are handling bonus plans with ZweigWhite's annual *Incentive Compensation Survey*.

Complete a survey questionnaire for the 2009 edition of this important benchmarking report and save \$300 off the list price— just \$95! The survey results will help your firm understand what works—and what doesn't— when it comes to employee incentive compensation and bonus plans. The deadline for participation is August 7, 2009.

The questionnaire may look detailed, but respondents may skip sections that do not apply to their firms. If your firm doesn't offer a certain type of plan, please follow the directions and skip questions as appropriate.

The survey questionnaire reviews what types of incentive compensation and bonus plans firms are providing, which are the most successful, how much typical payouts are, and who receives each type of bonus. It also includes detailed questions on the structure and details of each of 11 different types of incentive compensation plans.

Following are the topics the 2009 *Incentive Compensation Survey* will cover:

- |                                |                       |                         |
|--------------------------------|-----------------------|-------------------------|
| ✓ Profit sharing               | ✓ Performance bonuses | ✓ Service awards        |
| ✓ Equity-based incentive plans | ✓ Project bonuses     | ✓ Referral compensation |
| ✓ Signing bonuses              | ✓ Spot bonuses        | ✓ Holiday bonuses       |
| ✓ Retention bonuses            | ✓ Sales commissions   |                         |

**Who is ZweigWhite?** We exist to help leaders in the architecture, engineering, and environmental consulting industries achieve their business and personal goals. We publish more than 20 management surveys for firms like yours, as well as *The Zweig Letter*, the only weekly management newsletter for the industry.

**Strict confidentiality:** Rest assured that your answers to these important and sensitive questions will remain confidential. You'll notice there is no place to enter your name on the questionnaire. All questionnaires and order forms are separated in our mail room before data entry begins.

**Directions:** Here's how to participate and receive your specially discounted report:

- 1. Complete the questionnaire.** Any firm, large or small, may participate. The survey questions are easy and should take you about an hour to complete. Please do not put your name on the questionnaire.
- 2. Fill out the order form.** If you'd like to receive the survey report at the special participants' discount, complete the information on the order flap and return it with your completed questionnaire. Your report will be shipped in September 2009. *Payment must be received before the book is shipped in order to take advantage of the special pre-publication price.*
- 3. Return your completed questionnaire (and optional order form) by August 7, 2009** to ZweigWhite, 321 Commonwealth Road, Suite 101, Wayland, MA 01778.

**Questions?** Please call me, Khrista Trerotola, at 800-466-6275 x213 or e-mail me at [ktrerotola@zweigwhite.com](mailto:ktrerotola@zweigwhite.com) if you have any questions or would like more information.

You'll want to see this new report, so complete your questionnaire now! **The deadline is August 7th.**

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Chicago, IL  
Washington, DC

# 2009 Incentive Compensation Survey

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of Architecture,  
Engineering, Planning &  
Environmental Consulting Firms

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**Confidential Questionnaire:** Must be completed and returned by August 7, 2009.

**Stop!** Are you a president, CEO, CFO, COO, or human resources director responsible for creating and implementing employee incentive compensation and bonus plans in one of the following types of firms: architecture, engineering, planning, environmental consulting, interior design, land surveying, landscape architecture, construction management, or design/build?

- Yes.** Please turn the page. Answer the questions that are relevant to your firm.
- No.** Please ask the appropriate person in your firm to complete this questionnaire.

You'll save \$300 off the regular price of the survey report by completing this questionnaire! See the order form at the end of the questionnaire for more information.



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## Please read before beginning

ZweigWhite is conducting a comprehensive study of employee incentive compensation and bonus plans in A/E/P and environmental consulting firms. This is a confidential survey. Do not put your name on the questionnaire. **While the results will be published in summary form, no one will be able to identify your firm as a participant.**

The questions are detailed, but not difficult. It should take about one hour to complete the questionnaire. If you need assistance with any of the questions, or would like more information, contact Khrista Trerotola at 800-466-6275 x213 or [ktrotola@zweigwhite.com](mailto:ktrotola@zweigwhite.com).

To receive your survey report at the participants' discount, you must also return the enclosed order form. It is attached to the last page of your questionnaire— if you misplace it, please call.

Return your completed questionnaire by August 7, 2009 to:

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321 Commonwealth Road	Fax: 800-842-1560
Suite 101	<a href="mailto:info@zweigwhite.com">info@zweigwhite.com</a>
Wayland, MA 01778	<a href="http://www.zweigwhite.com">www.zweigwhite.com</a>

### Definitions of staff levels

**Senior management:** President, CEO, CFO, COO, CMO, CIO, managing partners, vice presidents, and principals.

**Middle management:** Associates, senior associates, department managers, division/department heads, branch office managers, managers, supervisors, project managers.

**Professional/technical staff:** Non-management architects, landscape architects, designers, planners, engineers, surveyors, and field staff (average of senior and junior positions unless broken out specifically as such).

**Non-professional/technical staff:** Non-management finance & accounting, human resources, marketing, information technology, and administrative/secretarial/clerical staff (average of senior and junior positions unless broken out specifically as such).

## Firm Background

- Which of the following best describes your firm overall?  
(check one)
  - Architecture or Interiors <sup>A</sup>
  - A/E (primarily architecture) <sup>B</sup>
  - Single-discipline Engineering <sup>C</sup>
  - Multidiscipline Engineering (two or more disciplines, but not full-service) <sup>D</sup>
  - Full-service Engineering or E/A (civil, structural, mechanical, & electrical; other services may include architecture, etc.) <sup>E</sup>
  - Design/Build (more than 50% of revenue from design/build services) <sup>F</sup>
  - Environmental Consulting (engineering and/or science; environmental focus) <sup>G</sup>
  - Other \_\_\_\_\_ <sup>H</sup>
- In what year was your firm founded?
  - 1945 or earlier <sup>A</sup>
  - 1946 - 1959 <sup>B</sup>
  - 1960 - 1969 <sup>C</sup>
  - 1970 - 1979 <sup>D</sup>
  - 1980 - 1989 <sup>E</sup>
  - 1990 - 1999 <sup>F</sup>
  - 2000 to present <sup>G</sup>
- In what state is your firm headquartered? \_\_\_\_\_
- Approximately how many employees are there firm-wide?  
(full-time equivalent in all offices; include owners who work in the firm) \_\_\_\_\_
- Which of the following staff size categories does your firm fall into? (using the number from question #4)
  - 1 - 24 <sup>A</sup>
  - 25 - 49 <sup>B</sup>
  - 50 - 99 <sup>C</sup>
  - 100 - 249 <sup>D</sup>
  - 250 - 499 <sup>E</sup>
  - 500 + <sup>F</sup>
- How many offices does your firm have? \_\_\_\_\_
- What was your firm's annual net service revenue for 2008?  
(gross revenue minus subconsultants and reimbursable expenses)  
\$ \_\_\_\_\_
- What was your firm's total payroll for 2008? (base salary and overtime pay only; do not include bonuses, incentive compensation, insurance, or other perks or benefits) \$ \_\_\_\_\_

9. Which of the following best describes your firm's growth or decline in revenue and staff over the past three years? (check one)
- Fast growth (average annual growth of 20% or more) <sup>A</sup>
  - Slow growth (average annual growth of 1% - 19%) <sup>B</sup>
  - Stable (unchanged for three years) <sup>C</sup>
  - Slow decline (average annual decline of 1% - 9%) <sup>D</sup>
  - Fast decline (average annual decline of 10% or more) <sup>E</sup>
10. Which of the following best describes your firm's annual net pre-tax, pre-bonus profit over the past three years? (check one)
- Very high profit (15.0% or more) <sup>A</sup>
  - High profit (10.0% - 14.9%) <sup>B</sup>
  - Average profit (5.0% - 9.9%) <sup>C</sup>
  - Low profit/loss (4.9% or less) <sup>D</sup>
11. Does your firm include incentive compensation or bonuses in its annual budget? (check one)
- Yes, we budget by type of bonus <sup>A</sup>
  - Yes, we budget by business units/service lines and/or branch offices <sup>B</sup>
  - Yes, we have an overall firm-wide budget <sup>C</sup>
  - Yes, other \_\_\_\_\_ <sup>D</sup>
  - No, we don't include incentive compensation in our annual budget <sup>E</sup>
12. Overall, how much did your firm spend on incentive compensation in 2008? (firm-wide total) \$ \_\_\_\_\_
13. In 2009, do you expect this amount to... (check one, fill in blank as necessary)
- Increase \_\_\_\_\_% <sup>A</sup>
  - Decrease \_\_\_\_\_% <sup>B</sup>
  - Remain the same <sup>C</sup>
  - Don't know <sup>D</sup>
14. In general, which of the following is your most successful incentive compensation plan? (check all that apply)
- Profit sharing <sup>A</sup>
  - Equity-based incentive plans <sup>B</sup>
  - Signing bonuses <sup>C</sup>
  - Retention bonuses <sup>D</sup>
  - Performance bonuses <sup>E</sup>
  - Project bonuses <sup>F</sup>
  - Spot bonuses <sup>G</sup>
  - Sales commissions <sup>H</sup>
  - Service awards <sup>I</sup>
  - Referral compensation <sup>J</sup>
  - Holiday bonuses <sup>K</sup>
15. Have you found any alternative forms of incentive compensation to be more motivational to employees than cash or monetary awards? If so, what specific type(s) of reward?
- Yes, \_\_\_\_\_ <sup>A</sup>
  - No, monetary awards have been the most motivational method of incentive compensation <sup>B</sup>
16. In general, which of the following is your least successful incentive compensation plan? (check all that apply)
- Profit sharing <sup>A</sup>
  - Equity-based incentive plans <sup>B</sup>
  - Signing bonuses <sup>C</sup>
  - Retention bonuses <sup>D</sup>
  - Performance bonuses <sup>E</sup>
  - Project bonuses <sup>F</sup>
  - Spot bonuses <sup>G</sup>
  - Sales commissions <sup>H</sup>
  - Service awards <sup>I</sup>
  - Referral compensation <sup>J</sup>
  - Holiday bonuses <sup>K</sup>
17. Why isn't this plan successful? \_\_\_\_\_
18. What are your biggest challenges regarding incentive compensation plans? \_\_\_\_\_
19. Who is involved in creating your firm's incentive compensation plans? (check all that apply)
- BOD/executive committee <sup>A</sup>
  - Pres/CEO/managing partner <sup>B</sup>
  - Vice presidents/principals <sup>C</sup>
  - HR director/staff <sup>D</sup>
  - CFO/accounting staff <sup>E</sup>
  - COO/operations staff/office mgrs <sup>F</sup>
  - Compensation committee <sup>G</sup>
  - Other \_\_\_\_\_ <sup>H</sup>
20. Does your firm have written documentation about its incentive compensation plan(s)? (check one)
- Yes, for all plans <sup>A</sup>
  - Yes, for some plans <sup>B</sup>
  - No written documentation for any bonus plans (skip to #22) <sup>C</sup>
21. If so, who has access to these materials? (check all that apply)
- All employees <sup>A</sup>
  - All managers <sup>B</sup>
  - Senior management only <sup>C</sup>
  - Bonus participants only <sup>D</sup>
  - Other \_\_\_\_\_ <sup>E</sup>
22. Does your firm make any of the following financial data available to all employees? (check all that apply)
- Firm-wide revenue data <sup>A</sup>
  - Firm-wide profit data <sup>B</sup>
  - Project financial data <sup>C</sup>
  - Other \_\_\_\_\_ <sup>D</sup>
  - We don't make any financial information available to all employees <sup>E</sup>

## Incentive Compensation Overview

**Incentive compensation:** Any kind of additional pay or award offered by a firm to its employees in addition to base wages, as a means of stimulating increased effort and motivating employees.

## Compensation for Senior Management

23. In which of the following incentive compensation plans are owners in your firm eligible to participate? (check all that apply)

- Profit sharing <sup>A</sup>                       Spot bonuses <sup>G</sup>  
 Equity-based incentive plans <sup>B</sup>    Sales commissions <sup>H</sup>  
 Signing bonuses <sup>C</sup>                       Service awards <sup>I</sup>  
 Retention bonuses <sup>D</sup>                    Referral compensation <sup>J</sup>  
 Performance bonuses <sup>E</sup>               Holiday bonuses <sup>K</sup>  
 Project bonuses <sup>F</sup>

24. What percentage of owners' total compensation is... (monetary compensation only— do not include cars, insurance, or other benefits etc.; estimate across all owners/majority owners; should total 100%)

	All owners	Majority owner only
Annual base salary	_____ %	_____ %
Owner bonus/distribution	_____ %	_____ %
Non-owner bonus/distribution	_____ %	_____ %
Other _____	_____ %	_____ %
	<b>100%</b>	<b>100%</b>

**Equity-based Incentive Plans:** Compensation designed to emphasize the long-term success of the firm, usually given to management-level employees (see #25 for some examples of equity-based incentive plans).

25. Does your firm currently have any of the following equity-based incentive plans? (check all that apply)

- Stock appreciation rights <sup>A</sup>       Non-qualified stock options <sup>E</sup>  
 Phantom stock plans <sup>B</sup>               Other \_\_\_\_\_ <sup>F</sup>  
 Restricted stock <sup>C</sup>                       None of the above (skip to #29) <sup>G</sup>  
 Incentive stock options <sup>D</sup>

26. If your firm has any equity-based incentive plans, have they been reviewed by anyone outside of the firm? (check all that apply)

- Yes, management consultant <sup>A</sup>    Yes, other \_\_\_\_\_ <sup>D</sup>  
 Yes, firm's external lawyer <sup>B</sup>       No <sup>E</sup>  
 Yes, firm's external accountant <sup>C</sup>

27. Has having these types of plans helped with recruiting and/or retaining upper-level managers? (check all that apply)

- Yes, plans are attractive to recruits <sup>A</sup>  
 Yes, plans create/encourage loyalty <sup>B</sup>  
 Yes, other \_\_\_\_\_ <sup>C</sup>  
 No, plans have not helped with recruiting/retaining managers <sup>D</sup>

28. Has your firm faced any of the following challenges or difficulties in creating these plans? (check all that apply)

- Making the plans fair and affordable/balancing goals vs. rewards <sup>A</sup>  
 Deciding which employees are eligible <sup>B</sup>  
 Encouraging participation <sup>C</sup>  
 Overall plan management/implementation <sup>D</sup>  
 High cost of legal fees <sup>E</sup>  
 Regulatory issues <sup>F</sup>  
 Other \_\_\_\_\_ <sup>G</sup>  
 We haven't had any challenges or difficulties with these plans <sup>H</sup>

## Profit-Sharing Plans

Firm sets aside a percentage of pre-tax profits for distribution to owners and/or employees, regardless of individual employees' performance. This is a non-qualified plan (not recognized as tax-deferred). This is NOT a subjective or discretionary bonus given for individual or team performance.

29. Does your firm currently have a profit-sharing plan?

- Yes <sup>A</sup>                                       No (skip to #44) <sup>B</sup>

30. What percentage of your firm's total pre-tax profits does your firm set aside for your employees' profit-sharing pool?

- \_\_\_\_\_ % for firm-wide pool  
 \_\_\_\_\_ % for owner-only pool (if owners have a separate pool)

31. What is your firm's profit-sharing plan based on? (check all that apply)

- Company's financial performance as a whole <sup>A</sup>  
 Profitability of individual business units/service lines <sup>B</sup>  
 Profitability of individual branch offices <sup>C</sup>  
 Other \_\_\_\_\_ <sup>D</sup>

32. Is your firm's profit-sharing plan based on... (check one)

- Accrual profits <sup>A</sup>                       Cash profits (skip to #34) <sup>B</sup>

33. If your firm's profit-sharing plan is based on accrual profits, are adjustments made to account for any of the following? (check all that apply)

- Accounts receivable or work in process <sup>A</sup>  
 Bad debt <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>  
 No adjustments <sup>D</sup>

34. How are profit-sharing distributions calculated? (check all that apply)

- Formula <sup>A</sup>  
 Equal dollar amount distributed to all employees <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

35. Who determines the formula or amount? (check all that apply)

- Board of directors <sup>A</sup>       Department managers <sup>E</sup>  
 Pres/CEO/managing partner <sup>B</sup>    Compensation committee <sup>F</sup>  
 Vice presidents/principals <sup>C</sup>    Other \_\_\_\_\_ <sup>G</sup>  
 CFO/financial manager <sup>D</sup>

36. What is your firm's formula for distribution of profits? Or, if your firm doesn't use a formula, how does it come up with the dollar amount? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

37. Which of the following types of employees are eligible for profit sharing? (see definitions of staff levels on p. 2; check all that apply)

- All employees <sup>A</sup>       Senior professional/technical staff <sup>E</sup>  
 All owners <sup>B</sup>       Junior professional/technical staff <sup>F</sup>  
 Senior management <sup>C</sup>    Non-professional/technical staff <sup>G</sup>  
 Middle management <sup>D</sup>    Other \_\_\_\_\_ <sup>H</sup>

38. When are new employees eligible to participate in your firm's profit-sharing plan?

- At start date of employment <sup>A</sup>  
 After \_\_\_\_\_ days of employment <sup>B</sup>

39. How is profit sharing paid out? (check all that apply)

- Employee's regular paycheck <sup>A</sup>  
 Separate paycheck <sup>B</sup>  
 Contribution is made to a non-qualified stock plan <sup>C</sup>  
 Contribution is made to a 401(k) or other retirement plan <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

40. How often are profit-sharing distributions paid out? (check one)

- Annually <sup>A</sup>       Quarterly <sup>C</sup>  
 Semi-annually <sup>B</sup>    Other \_\_\_\_\_ <sup>D</sup>

41. In 2008, how much did your firm pay out for profit sharing firm-wide? \$ \_\_\_\_\_

42. For 2009, do you expect firm-wide profit-sharing distributions to... (check one)

- Increase <sup>A</sup>       Remain the same <sup>C</sup>  
 Decrease <sup>B</sup>       Don't know <sup>D</sup>

43. How successful is your firm's profit-sharing plan when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

- \_\_\_\_\_ Motivate employees      \_\_\_\_\_ Recruit staff  
 \_\_\_\_\_ Meet revenue or profit goals      \_\_\_\_\_ Retain staff

## Signing Bonuses

Compensation given to "key" hires as a means to recruit new talent to a firm.

44. Does your firm ever offer signing bonuses?

- Yes <sup>A</sup>       No (skip to #52) <sup>B</sup>

45. Who determines the amount? (check all that apply)

- Pres/CEO/managing partner <sup>A</sup>    Department managers <sup>E</sup>  
 Vice presidents/principals <sup>B</sup>    Employee's direct supervisor <sup>F</sup>  
 CFO/financial manager <sup>C</sup>       Other \_\_\_\_\_ <sup>G</sup>  
 HR director/staff <sup>D</sup>

46. When it comes to signing bonuses, which of the following does your firm offer? (check all that apply)

- Cash <sup>A</sup>       Stock options <sup>C</sup>  
 Extra vacation time <sup>B</sup>       Other \_\_\_\_\_ <sup>D</sup>

47. How are signing bonuses paid out? (check all that apply)

- Lump sum at employee's start date <sup>A</sup>  
 Portion (\_\_\_\_%) at start date and portion (\_\_\_\_%) after \_\_\_\_\_ days <sup>B</sup>  
 Lump sum after \_\_\_\_\_ days <sup>C</sup>  
 Other \_\_\_\_\_ <sup>D</sup>

48. On average, how much does your firm pay for a signing bonus as a percentage of the new hire's base salary? \_\_\_\_\_%

49. How long must a new employee remain with the firm in order to receive the full signing bonus amount? \_\_\_\_\_ days

50. If the employee leaves the firm before the pre-specified time period, what are the ramifications (for the employee)? (check one)

- Forfeit remaining award but allowed to keep amount already received <sup>A</sup>  
 Forfeit remaining award and liable to repay amount already received <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

51. How successful are signing bonuses when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

- \_\_\_\_\_ Recruit staff      \_\_\_\_\_ Retain staff

## Retention Bonuses

Unscheduled compensation primarily awarded during leadership transitions and mergers or acquisitions in order for firms to hold onto their key employees.

52. Does your firm currently offer retention bonuses?

- Yes <sup>A</sup>  No (skip to #59) <sup>B</sup>

53. How are retention bonuses determined? (check all that apply)

- Formula <sup>A</sup>  
 Percentage of employee's annual base salary <sup>B</sup>  
 Flat dollar amount <sup>C</sup>  
 Discretionary <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

54. Who determines the formula or amount? (check all that apply)

- Pres/CEO/managing partner <sup>A</sup>  Division manager <sup>D</sup>  
 Vice presidents/principals <sup>B</sup>  Other \_\_\_\_\_ <sup>E</sup>  
 HR director/staff <sup>C</sup>

55. Which of the following types of employees are eligible for retention bonuses? (see definitions of staff levels on p. 2; check all that apply)

- All employees <sup>A</sup>  Junior professional/technical staff <sup>E</sup>  
 Senior management <sup>B</sup>  Non-professional/technical staff <sup>F</sup>  
 Middle management <sup>C</sup>  Other \_\_\_\_\_ <sup>G</sup>  
 Senior professional/technical staff <sup>D</sup>

56. How are retention bonuses paid out? (check all that apply)

- Employee's regular paycheck <sup>A</sup>  
 Separate paycheck <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

57. In 2008, on average, how much did your firm pay out for retention bonuses firm-wide? (if awards are non-monetary, estimate their dollar value) \$ \_\_\_\_\_

58. How successful are retention bonuses when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

\_\_\_\_\_ Recruit staff \_\_\_\_\_ Retain staff

## Referral Compensation

Compensation awarded to employees if they've recommended a candidate who is hired by the firm.

59. Does your firm currently offer referral compensation?

- Yes <sup>A</sup>  No (skip to #68) <sup>B</sup>

60. Who determines the amount? (if this is a fixed amount, specify who sets the amount; check all that apply)

- BOD/executive committee <sup>A</sup>  Department managers <sup>F</sup>  
 Pres/CEO/managing partner <sup>B</sup>  Branch office managers <sup>G</sup>  
 Vice presidents/principals <sup>C</sup>  Employee's direct supervisor <sup>H</sup>  
 CFO/financial manager <sup>D</sup>  Other \_\_\_\_\_ <sup>I</sup>  
 HR director/staff <sup>E</sup>

61. Which of the following types of employees are eligible for referral compensation? (see definitions of staff levels on p. 2; check all that apply)

- All employees <sup>A</sup>  Professional/technical staff <sup>D</sup>  
 Senior management <sup>B</sup>  Non-professional/technical staff <sup>E</sup>  
 Middle management <sup>C</sup>  Other \_\_\_\_\_ <sup>F</sup>

62. How is referral compensation determined in your firm? (check all that apply)

- Equal dollar amount distributed to all employees <sup>A</sup>  
 Differing/tiered amounts, depending on level of new hire <sup>B</sup>  
 Differing/tiered amounts, depending on level of current employee <sup>C</sup>  
 Other \_\_\_\_\_ <sup>D</sup>

63. When is referral compensation paid out? (check all that apply)

- Lump sum at new employee's start date <sup>A</sup>  
 Portion (\_\_\_\_%) at new employee's start date and portion (\_\_\_\_%) after \_\_\_\_ days <sup>B</sup>  
 Lump sum after \_\_\_\_ days <sup>C</sup>  
 Lump sum at year-end <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

64. Regardless of whether referral compensation is a set amount or varies per employee, what was the average amount paid out per referral in 2008? \$ \_\_\_\_\_

65. In 2008, how much did your firm pay out in referral compensation firm-wide? \$ \_\_\_\_\_

66. How successful is referral compensation when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

\_\_\_\_\_ Recruit staff \_\_\_\_\_ Retain staff

67. If your firm has found that referral compensation has helped with recruiting, how has it helped? (check all that apply)
- It has increased the percentage of referrals/employee motivation <sup>A</sup>
  - It has increased the percentage of qualified recruits <sup>B</sup>
  - It has decreased other recruiting costs (e.g., headhunter expenses, advertising costs, etc.) <sup>C</sup>
  - Other \_\_\_\_\_ <sup>D</sup>
  - Referral compensation has not helped with recruiting <sup>E</sup>
72. If your firm has a specific, detailed formula or a plan for calculating performance bonuses, what is this formula? Or, if your firm doesn't use a formula, how does it determine the dollar amount? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## Performance Bonuses

Compensation given to individual employees if pre-determined performance criteria or specified goals are met. This is an individual bonus, not a project bonus given to team members. A performance bonus is different from a spot bonus because it is based on criteria or goals, whereas a spot bonus is an unscheduled, one-time reward.

68. Does your firm currently offer performance bonuses?
- Yes <sup>A</sup>
  - No (skip to #81) <sup>B</sup>
69. Are performance bonuses contingent on any of the following? (check all that apply)
- Individual performance <sup>A</sup>
  - Financial performance of project teams or business units <sup>B</sup>
  - Financial performance of individual branch offices <sup>C</sup>
  - Overall company performance <sup>D</sup>
  - Other \_\_\_\_\_ <sup>E</sup>
70. When it comes to determining the performance bonus amount, which of the following does your firm take into account? (check all that apply)
- Measurable, metric criteria (project profitability, chargeability, etc.) <sup>A</sup>
  - Numerical ratings for qualitative traits (attitude, client service, etc.) <sup>B</sup>
  - Subjective review of qualitative traits (attitude, client service, etc.) <sup>C</sup>
  - Peer review <sup>D</sup>
  - Other \_\_\_\_\_ <sup>E</sup>
71. Who determines the formula or amount? (check all that apply)
- BOD/executive committee <sup>A</sup>
  - Branch office managers <sup>F</sup>
  - Pres/CEO/managing partner <sup>B</sup>
  - Employee's direct supervisor <sup>G</sup>
  - Vice presidents/principals <sup>C</sup>
  - Compensation committee <sup>H</sup>
  - CFO/financial manager <sup>D</sup>
  - Other \_\_\_\_\_ <sup>I</sup>
  - Department managers <sup>E</sup>
73. Which of the following employees are eligible for performance bonuses? (see definitions of staff levels on p. 2; check all that apply)
- Owners <sup>A</sup>
  - Non-professional/tech. staff <sup>E</sup>
  - Senior management <sup>B</sup>
  - Non-exempt/hourly employees <sup>F</sup>
  - Middle management <sup>C</sup>
  - Other \_\_\_\_\_ <sup>G</sup>
  - Professional/technical staff <sup>D</sup>
74. When are new employees eligible for performance bonuses? (check one)
- At start date of employment <sup>A</sup>
  - After \_\_\_\_\_ days of employment <sup>B</sup>
  - Other \_\_\_\_\_ <sup>C</sup>
75. Does your firm offer any non-monetary performance awards? (check all that apply)
- Yes, extra vacation time <sup>A</sup>
  - Yes, other \_\_\_\_\_ <sup>D</sup>
  - Yes, stock options <sup>B</sup>
  - No, don't offer non-cash awards <sup>E</sup>
  - Yes, gift certificates/gifts <sup>C</sup>
76. How often are performance bonuses paid out? (check one)
- Annually <sup>A</sup>
  - Quarterly <sup>C</sup>
  - Semi-annually <sup>B</sup>
  - No set schedule <sup>D</sup>
77. In 2008, how much did your firm pay out for performance bonuses firm-wide? (if awards are non-monetary, estimate their dollar value) \$ \_\_\_\_\_
78. In 2008, how much did each of the following types of employees receive for performance bonuses? (average dollar amounts and/or as a percentage of base salary, write 0 if no bonus or N/A if not eligible; if awards are non-monetary, estimate their dollar value; see definitions of staff levels on p. 2)
- |                                     | \$ amount | % of salary |
|-------------------------------------|-----------|-------------|
| Senior management                   | \$ _____  | _____ %     |
| Division/department heads           | \$ _____  | _____ %     |
| Project managers                    | \$ _____  | _____ %     |
| Senior professional/technical staff | \$ _____  | _____ %     |
| Junior professional/technical staff | \$ _____  | _____ %     |
| Finance/accounting staff            | \$ _____  | _____ %     |
| Human resources staff               | \$ _____  | _____ %     |
| Marketing staff                     | \$ _____  | _____ %     |
| Information technology staff        | \$ _____  | _____ %     |
| Admin./secretarial/clerical staff   | \$ _____  | _____ %     |

79. In 2009, do you expect firm-wide performance bonus dollar amounts to... (check one)

- Increase <sup>A</sup>                       Remain the same <sup>C</sup>  
 Decrease <sup>B</sup>                       Don't know <sup>D</sup>

80. How successful are performance bonuses when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

- \_\_\_\_\_ Motivate employees                      \_\_\_\_\_ Recruit staff  
 \_\_\_\_\_ Meet revenue or profit goals                      \_\_\_\_\_ Retain staff

## Spot Bonuses

An unscheduled, one-time, individual reward that goes above and beyond project bonuses (e.g., an entire team receives a project bonus, but only one individual on that team receives a bigger spot bonus because he/she specifically impressed the client). Different from performance bonuses and project bonuses in that there are no pre-determined criteria or formulas used to calculate this unscheduled award. It is not necessarily related to performance on a particular project— may also be awarded for other reasons.

81. Does your firm currently offer spot bonuses?

- Yes <sup>A</sup>                       No (skip to #91) <sup>B</sup>

82. Who determines the amount? (check all that apply)

- BOD/executive committee <sup>A</sup>     HR director/staff <sup>F</sup>  
 Pres/CEO/managing partner <sup>B</sup>     Department managers <sup>G</sup>  
 Vice presidents/principals <sup>C</sup>     Branch office managers <sup>H</sup>  
 Associates/sr. associates <sup>D</sup>     Employee's direct supervisor <sup>I</sup>  
 CFO/financial manager <sup>E</sup>     Other \_\_\_\_\_ <sup>J</sup>

83. For what occasions does your firm typically give out spot bonuses? (check all that apply)

- For exceptional individual effort above & beyond that of project team <sup>A</sup>  
 For exceptional attitude/leadership of an individual employee <sup>B</sup>  
 For professional achievement/certification/passing an exam <sup>C</sup>  
 As a reward for an employee who is ineligible for other bonuses <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

84. How are spot bonuses paid out? (check all that apply)

- Employee's regular paycheck <sup>A</sup>  
 Separate paycheck <sup>B</sup>  
 Cash <sup>C</sup>  
 Gift certificates/gifts <sup>D</sup>  
 Employee's choice from a selection of gift options <sup>E</sup>  
 Extra vacation time/paid time off <sup>F</sup>  
 Sporting event tickets <sup>G</sup>  
 Other \_\_\_\_\_ <sup>H</sup>

85. When are new employees eligible for spot bonuses?

- At start date of employment <sup>A</sup>  
 After \_\_\_\_\_ days of employment <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

86. Are spot bonuses usually awarded publicly or privately? (check one)

- Publicly <sup>A</sup>                       Privately <sup>B</sup>

87. If spot bonuses are awarded publicly, how does your firm celebrate the accomplishment? (check all that apply)

- Firm-wide ceremony <sup>A</sup>  
 Ceremony limited to specific staff members <sup>B</sup>  
 Announcement in company publication <sup>C</sup>  
 Mentioned during a team or company meeting <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

88. How much time typically elapses between the qualifying event/reason for the spot bonus and the bonus payout? (check one)

- Less than 1 week <sup>A</sup>                       Between 3 and 4 weeks <sup>D</sup>  
 Between 1 and 2 weeks <sup>B</sup>                       More than a month <sup>E</sup>  
 Between 2 and 3 weeks <sup>C</sup>

89. In 2008, how much did your firm pay out in spot bonuses? (if awards are non-monetary, estimate their dollar value)

	\$ amount
Firm-wide total	\$ _____
Per employee receiving a spot bonus	\$ _____

90. How successful are spot bonuses when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

- \_\_\_\_\_ Motivate employees                      \_\_\_\_\_ Recruit staff  
 \_\_\_\_\_ Meet revenue or profit goals                      \_\_\_\_\_ Retain staff

## Project Bonuses

Compensation given to team members if pre-determined, individual, and/or team project goals are met (e.g., schedule, budget, chargeability, and client satisfaction goals). This is NOT a performance bonus because it is given to a team and not based on individual performance.

91. Does your firm currently offer project bonuses?

- Yes <sup>A</sup>                       No (skip to #98) <sup>B</sup>

92. Are project bonuses contingent on meeting any of the following individual and team goals? (check all that apply)

- Schedule (team) <sup>A</sup>       Schedule (individual) <sup>E</sup>  
 Client satisfaction (team) <sup>B</sup>       Client satisfaction (individual) <sup>F</sup>  
 Chargeability (team) <sup>C</sup>       Chargeability (individual) <sup>G</sup>  
 Budget (team) <sup>D</sup>       Other \_\_\_\_\_ <sup>H</sup>

93. How are project bonuses determined? (check all that apply)

- Percentage of employee's salary <sup>A</sup>  
 Project profitability <sup>B</sup>  
 Equal dollar amount distributed to all project team members <sup>C</sup>  
 No specific calculation—left up to supervisor's discretion <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

94. Who determines the formula or amount? (check all that apply)

- BOD/executive committee <sup>A</sup>       Project PIC <sup>E</sup>  
 Pres/CEO/managing partner <sup>B</sup>       Project PM <sup>F</sup>  
 Vice presidents/principals <sup>C</sup>       Employee's direct supervisor <sup>G</sup>  
 CFO/financial manager <sup>D</sup>       Other \_\_\_\_\_ <sup>H</sup>

95. When are new employees eligible for project bonuses? (check all that apply)

- At start date of employment <sup>A</sup>  
 After \_\_\_\_\_ days of employment <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

96. When are project bonuses paid out? (check all that apply)

- At project milestones <sup>A</sup>       Annually <sup>C</sup>  
 After completion of project <sup>B</sup>       Other \_\_\_\_\_ <sup>D</sup>

97. How successful are project bonuses when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

- \_\_\_\_\_ Motivate employees      \_\_\_\_\_ Recruit staff  
 \_\_\_\_\_ Meet revenue or profit goals      \_\_\_\_\_ Retain staff

## Sales Commissions

Individual incentive pay tied to a sales goal and added directly into an employee's paycheck.

98. Does your firm currently offer sales commissions?

- Yes <sup>A</sup>       No (skip to #102) <sup>B</sup>

99. How are sales commissions determined? (check all that apply)

- Percentage of sales revenue <sup>A</sup>       Flat reward per project sold <sup>C</sup>  
 Percentage of project profits <sup>B</sup>       Other \_\_\_\_\_ <sup>D</sup>

100. Who receives sales commissions? (see definitions of staff levels on p. 2; check all that apply)

- All employees <sup>A</sup>       Business development reps. <sup>D</sup>  
 Senior management <sup>B</sup>       Marketing staff <sup>E</sup>  
 Middle management <sup>C</sup>       Other \_\_\_\_\_ <sup>F</sup>

101. When are new employees eligible for sales commissions?

- (check one)
- At start date of employment <sup>A</sup>  
 After \_\_\_\_\_ days of employment <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

## Holiday Bonuses

Compensation tied to a date on the calendar, typically given out in December. This is NOT tied to individual performance, but a scheduled, annual bonus given to employees as a reward for working at the firm.

102. Does your firm pay out holiday bonuses? (check one)

- Yes, every year, regardless of performance <sup>A</sup>  
 Yes, every year if performance criteria are met <sup>B</sup>  
 Yes, other \_\_\_\_\_ <sup>C</sup>  
 No (skip to #109) <sup>D</sup>

103. How are holiday bonuses determined? (check all that apply)

- Equal dollar amount/gift distributed to all employees <sup>A</sup>  
 Equal dollar amount/gift for certain status levels within firm <sup>B</sup>  
 Differing dollar amount based on formula/calculation <sup>C</sup>  
 Discretionary <sup>D</sup>  
 Other \_\_\_\_\_ <sup>E</sup>

104. Who determines the amount? (check all that apply)

- BOD/executive committee <sup>A</sup>       CFO/financial manager <sup>D</sup>  
 Pres/CEO/managing partner <sup>B</sup>       Other \_\_\_\_\_ <sup>E</sup>  
 Vice presidents/principals <sup>C</sup>

105. Which of the following does your firm provide as holiday bonuses? (check all that apply)

- Cash <sup>A</sup>       Food/gift baskets <sup>C</sup>  
 Gift certificates <sup>B</sup>       Other \_\_\_\_\_ <sup>D</sup>

106. When are new employees eligible for holiday bonuses? (check one)


- At start date of employment <sup>A</sup>  
 After \_\_\_\_\_ days of employment <sup>B</sup>  
 Other \_\_\_\_\_ <sup>C</sup>

107. In 2008, how much did your firm pay out for holiday bonuses firm-wide? (if awards are non-monetary, estimate their dollar value)

\$ \_\_\_\_\_

108. How successful are holiday bonuses when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

\_\_\_\_\_ Motivate employees      \_\_\_\_\_ Retain staff  
 \_\_\_\_\_ Meet revenue or profit goals      \_\_\_\_\_ Recruit staff

 **THANK YOU!** Please return your completed questionnaire and optional order form by August 7, 2009, to ZweigWhite, 321 Commonwealth Road, Suite 101, Wayland, MA 01778.

Do you have any comments or suggestions that would help us improve the questionnaire? \_\_\_\_\_

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## Service Awards

One-time gift to award employees for dedicated years of service. This is not a benefit, but rather an award acquired because an employee reached the specified amount of time with the firm.

109. Does your firm currently offer service awards?

Yes <sup>A</sup>       No (skip to end) <sup>B</sup>

110. Which of the following does your firm give as service awards? (check all that apply)

Cash <sup>A</sup>       Pens <sup>F</sup>  
 Extra vacation time <sup>B</sup>       Pins/jewelry <sup>G</sup>  
 Gift certificates <sup>C</sup>       Plaques/personalized gifts <sup>H</sup>  
 Watches/clocks <sup>D</sup>       Clothing <sup>I</sup>  
 Travel tickets/vouchers <sup>E</sup>       Other \_\_\_\_\_ <sup>J</sup>

111. Who determines the service award for each milestone? (if this is a fixed amount, specify who sets the amount; check all that apply)

BOD/executive committee <sup>A</sup>       Department managers <sup>F</sup>  
 Pres/CEO/managing partner <sup>B</sup>       Employee's direct supervisor <sup>G</sup>  
 Vice presidents/principals <sup>C</sup>       Employee chooses award <sup>H</sup>  
 CFO/financial manager <sup>D</sup>       Other \_\_\_\_\_ <sup>I</sup>  
 HR director/staff <sup>E</sup>

112. What is the dollar value of the award for each of the following milestones?

\$ \_\_\_\_\_ 5-year      \$ \_\_\_\_\_ 20-year  
 \$ \_\_\_\_\_ 10-year      \$ \_\_\_\_\_ 25-year  
 \$ \_\_\_\_\_ 15-year      \$ \_\_\_\_\_ 30-year

113. How successful are service awards when it comes to helping the firm do the following? (rate each item on a scale of 1 to 5, where 1=not at all successful and 5=very successful)

\_\_\_\_\_ Motivate employees      \_\_\_\_\_ Retain staff  
 \_\_\_\_\_ Meet revenue or profit goals      \_\_\_\_\_ Recruit staff

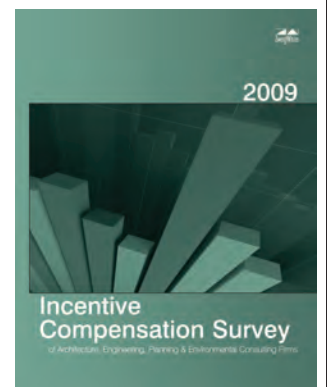
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