

# 2010 Financial Performance Survey

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of Architecture,  
Engineering, Planning &  
Environmental Consulting Firms

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**Confidential Questionnaire:** Must be completed and returned by March 25, 2010.

**Stop!** Are you a president, CEO, CFO, or financial manager in one of the following types of firms: architecture, engineering, planning, environmental consulting, interior design, land surveying, landscape architecture, 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 \$350 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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12. Are your firm's financial statements prepared by an outside accountant? If so, on what basis? (check one)

- Compiled <sup>A</sup>                       Audited <sup>C</sup>  
 Reviewed <sup>B</sup>                       Not prepared by outside acct. <sup>D</sup>

13. Under what form of ownership is your firm organized?

(check one)

- Proprietorship <sup>A</sup>                       Private Corp. (S-Corp) <sup>E</sup>  
 Partnership <sup>B</sup>                       Public Corp. <sup>F</sup>  
 Professional Corp. (PC) <sup>C</sup>                       LLC <sup>G</sup>  
 Private Corp. (C-Corp) <sup>D</sup>                       Other \_\_\_\_\_ <sup>H</sup>

14. If privately held, how many owners does your firm have?

(not including ESOP owners) \_\_\_\_\_

15. Is your firm a subsidiary of another company? (check one)

- Wholly-owned <sup>A</sup>                       Majority-owned <sup>C</sup>  
 Minority-owned <sup>B</sup>                       Not a subsidiary <sup>D</sup>

16. Does your firm have an employee stock ownership plan (ESOP)? If so, how much of the firm's stock does it own?

- Yes \_\_\_\_\_% <sup>A</sup>                       No <sup>B</sup>

17. Approximately what percentage of your firm's projects are performed for public vs. private clients? (should total 100%)

\_\_\_\_\_ % Public                      \_\_\_\_\_ % Private

18. 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>

19. Which of the following best describes your firm's annual net pre-tax, pre-bonus profit on net service revenue 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>

20. Is your firm certified as an MBE, DBE, WBE, or HUB? (check all that apply)

- MBE or DBE <sup>A</sup>                       HUB <sup>C</sup>  
 WBE <sup>B</sup>                       None <sup>D</sup>

## Finance & Accounting Staff

21. How many staff are assigned to finance and accounting?

(firm-wide, full-time equivalent; please write a "0" if your firm does not have any-one in that position; do not include payroll or other HR staff)

- \_\_\_\_\_ CFO (write 1 or 0)  
 \_\_\_\_\_ Controller(s)  
 \_\_\_\_\_ Office/financial/accounting managers  
 \_\_\_\_\_ Accountant(s)  
 \_\_\_\_\_ Bookkeeper(s)  
 \_\_\_\_\_ A/R staff  
 \_\_\_\_\_ A/P staff  
 \_\_\_\_\_ Administrative/clerical staff (assigned to finance & accounting)  
 \_\_\_\_\_ Other \_\_\_\_\_  
 \_\_\_\_\_ **Total finance & accounting staff**

22. In 2009, what was the approximate total labor expense for the finance and accounting group? (salaries, bonuses, and overtime pay for the positions listed in #21) \$ \_\_\_\_\_

23. What is the title of the individual with the highest day-to-day responsibility for finance and accounting in your firm? (check one; only say president, CEO, or managing partner if your firm does not have a CFO, controller, or other financial manager who is dedicated full-time to finance and accounting)

- Pres/CEO/managing partner <sup>A</sup>                       Office/financial/accounting manager <sup>D</sup>  
 CFO <sup>B</sup>                       Controller <sup>C</sup>                       Other \_\_\_\_\_ <sup>E</sup>

24. Which of the following degrees has he or she earned? (check all that apply)

- Associate's degree <sup>A</sup>                       Ph.D. <sup>E</sup>  
 4-yr. bachelor's degree <sup>B</sup>                       Other \_\_\_\_\_ <sup>F</sup>  
 5-yr. professional degree <sup>C</sup>                       No college-level degree <sup>G</sup>  
 Master's degree or MBA <sup>D</sup>

25. Has he or she had any college-level business education?

(check all that apply)

- Graduate degree (MBA) <sup>A</sup>  
 Undergraduate business degree <sup>B</sup>  
 Some courses toward degree <sup>C</sup>  
 Some courses not for degree credit <sup>D</sup>  
 No college-level business education <sup>E</sup>

26. Is this individual a CPA?

- Yes <sup>A</sup>                       No <sup>B</sup>

27. How long has he or she been with your firm? \_\_\_\_\_ years

28. How long has he or she had this role in your firm? \_\_\_\_\_ years

29. Is he or she a registered technical professional in a field other than finance? (*engineer, architect, planner, land surveyor, etc.*)  
 Yes <sub>A</sub>                       No <sub>B</sub>
30. Is this person an owner in your firm? If so, how much? (*not including ESOP ownership*)  
 Yes \_\_\_\_\_% <sub>A</sub>                       No <sub>B</sub>
31. Is this person...?  
 Male <sub>A</sub>                                       Female <sub>B</sub>
32. How old is he or she? \_\_\_\_\_
33. What is his or her current annual base salary? \$ \_\_\_\_\_
34. Did he or she receive a bonus in 2009? If so, how much?  
 Yes \$ \_\_\_\_\_ <sub>A</sub>                       No <sub>B</sub>
35. Is he or she entitled to overtime pay for hours worked over 40? If so, approximately how much overtime pay did he or she receive in 2009?  
 Yes \$ \_\_\_\_\_ <sub>A</sub>                       No <sub>B</sub>

40. How many staff members left your firm last year? (*FTE; write 0 if none*)  
 \_\_\_\_\_ left on a voluntary basis  
 \_\_\_\_\_ left on an involuntary basis (*were fired or laid off*)
41. Were there any layoffs of staff last year? (*due to lack of work*)  
 Yes <sub>A</sub>                                       No (*skip to #43*) <sub>B</sub>
42. If so, how many people were laid off? (*administrative personnel includes anyone who is generally non-billable*)  
 \_\_\_\_\_ Professional/technical      \_\_\_\_\_ Administrative
43. Does your firm currently carry professional liability insurance?  
 Yes <sub>A</sub>                                       No (*skip to #47*) <sub>B</sub>
44. If so, how much professional liability insurance coverage does your firm currently carry?  
 \$ \_\_\_\_\_ per year      \$ \_\_\_\_\_ per claim
45. What is the deductible?  
 \$ \_\_\_\_\_ per year      \$ \_\_\_\_\_ per claim
46. Has your firm ever made an insurance claim in excess of legal defense fees in connection with a project? If so, how many? (*check one*)  
 Yes \_\_\_\_\_ <sub>A</sub>                       No <sub>B</sub>                       N/A (*no claims*) <sub>C</sub>

## Other Statistics

36. What types of contracts does your firm use? (*estimate percentages from the last year; should total 100%*)
- |  |             |
|--|-------------|
| Lump sum/fixed price                                     | _____%      |
| Cost plus fixed fee                                      | _____%      |
| Cost plus award fee                                      | _____%      |
| Hourly billing rate (not to exceed)                      | _____%      |
| Hourly billing rate (unlimited)                          | _____%      |
| Hourly raw labor rate times a multiplier (not to exceed) | _____%      |
| Hourly raw labor rate times a multiplier (unlimited)     | _____%      |
| Other _____  | _____%      |
| <b>TOTAL</b>   | <b>100%</b> |
37. Does your firm have an operating line of credit? If so, what is the maximum? (*including current balance*)  
 Yes \$ \_\_\_\_\_ <sub>A</sub>                       No <sub>B</sub>
38. What is your firm's target labor multiplier? (*not actual multiplier, but the multiple of raw labor the firm seeks to achieve*) \_\_\_\_\_
39. How many new staff members joined your firm last year? (*FTE; write 0 if none*) \_\_\_\_\_

47. Has your firm ever had a dispute associated with a project that required mediation, arbitration, or litigation?  
 Yes <sub>A</sub>                                       No (*skip to #50*) <sub>B</sub>
48. If so, with whom? (*check all that apply*)  
 Owner <sub>A</sub>                                       Contractor <sub>D</sub>  
 Third party <sub>B</sub>                                       Government agency <sub>E</sub>  
 Subcontractor <sub>C</sub>                                       Other \_\_\_\_\_ <sub>F</sub>
49. If so, what type of dispute? (*check all that apply*)  
 Contract <sub>A</sub>                                       Professional liability <sub>D</sub>  
 Errors and omissions <sub>B</sub>                                       Worker's compensation <sub>E</sub>  
 General liability <sub>C</sub>                                       Other \_\_\_\_\_ <sub>F</sub>
50. What was the dollar value of backlog at year-end? (*work under contract not yet performed*) \$ \_\_\_\_\_
51. What was the dollar value of unbilled work in progress (overruns) that your firm wrote off last year?  
 \$ \_\_\_\_\_
52. What was the dollar value of bad debt that your firm wrote off last year? \$ \_\_\_\_\_



## Income Statement (for last completed fiscal year).

Want a Microsoft Excel worksheet for this page?  
Go to [www.zweigwhite.com/go/survey](http://www.zweigwhite.com/go/survey)

**IMPORTANT:** Please do not leave any items on the income statement or balance sheet blank. If the value of any item is "0" please indicate with a "0"; if it is not applicable or you do not know the answer, please place an "N/A" in the blank.

68.	<b>GROSS REVENUE FROM PROFESSIONAL SERVICE BUSINESS</b> (exclude investment & other income)								
69.	LESS DIRECT SUBCONSULTANT EXPENSES (at cost)	-							
	LESS DIRECT REIMBURSABLE EXPENSES (at cost)	-							
70.	<b>NET SERVICE REVENUE</b> (#68 - #69)								
71.	LESS DIRECT LABOR COST	-							
	<i>(raw labor wages charged to projects; includes salary only; does not include bonuses, which are described in #77 below; also does not include other payroll costs such as vacation, holiday, and sick leave, which belong in #74 payroll expenses, below)</i>								
72.	LESS OTHER DIRECT COSTS	-							
	<i>(other costs charged to projects; excluding subconsultant and reimbursable expenses already listed above in #69)</i>								
73.	<b>GROSS PROFIT (LOSS)</b> (#70 - #71 - #72)								
74.	LESS PAYROLL EXPENSES								
	a) payroll taxes								
	b) vacation, holiday, sick leave								
	c) group insurance (health, dental, life, etc.)								
	d) pension/profit sharing/401(k) matches (excluding #77)								
	e) other fringe benefits								
	f) total payroll expenses					(sum of a-e)	-		
75.	LESS GENERAL & ADMINISTRATIVE OVERHEAD								
	a) indirect labor								
	b) rent & utilities								
	c) professional services (legal, accounting, etc.)								
	d) travel & entertainment								
	e) marketing expenses								
	f) professional liability insurance								
	g) depreciation/amortization								
	h) other expenses								
	i) total general & administrative overhead					(sum of a-h)	-		
76.	<b>PRE-TAX, PRE-BONUS PROFIT (LOSS)</b> (#73 - #74f - #75i)								
77.	LESS BONUSES (performance bonuses, incentive compensation, discretionary 401(k) contributions, etc.; excluding profit sharing, 401(k) matches, and retirement plans included in #74d above)	-							
78.	PLUS/LESS INTEREST INCOME/EXPENSE (net, circle plus or minus)	+ / -							
79.	PLUS/LESS OTHER INCOME/EXPENSE (net miscellaneous non-operating income/expense, gains on asset sales; circle plus or minus)	+ / -							
80.	<b>PRE-TAX PROFIT (LOSS)</b> (#76 - #77 +/- #78 +/- #79)								

## Balance Sheet

Want a Microsoft Excel worksheet for this page?  
Go to [www.zweigwhite.com/go/survey](http://www.zweigwhite.com/go/survey)

Please provide balance sheet information for the last complete fiscal year. (Use same accounting method as in previous questions.)

### ASSETS

81.	CURRENT ASSETS		
	a) cash and cash equivalents	<input type="text"/>	
	b) accounts receivable (net)	<input type="text"/>	
	c) work in process (work completed, but not yet billed)	<input type="text"/>	
	d) shareholder notes receivable	<input type="text"/>	
	e) prepaid expenses	<input type="text"/>	
	f) other current assets	<input type="text"/>	
	g) total current assets	(sum of a-f)	= <input type="text"/>
82.	FURNITURE, FIXTURES, AND EQUIPMENT (net)	<input type="text"/>	
83.	REAL ESTATE (net book value)	<input type="text"/>	
84.	OTHER ASSETS	<input type="text"/>	
85.	<b>TOTAL ASSETS</b> (#81g + #82 + #83 + #84)		= <input type="text"/>

### LIABILITIES

86.	CURRENT LIABILITIES		
	a) accounts payable	<input type="text"/>	
	b) line of credit	<input type="text"/>	
	c) current portion of long-term debt/capitalized leases	<input type="text"/>	
	d) current portion of shareholder debt	<input type="text"/>	
	e) other current liabilities	<input type="text"/>	
	f) total current liabilities	(sum of a-e)	= <input type="text"/>
87.	LONG-TERM LIABILITIES		
	a) long-term debt/capitalized leases (less current portion)	<input type="text"/>	
	b) shareholder debt (less current portion)	<input type="text"/>	
	c) deferred taxes	<input type="text"/>	
	d) other long-term liabilities	<input type="text"/>	
	e) total long-term liabilities	(sum of a-d)	= <input type="text"/>
88.	<b>TOTAL LIABILITIES</b> (#86f + #87e)		= <input type="text"/>

### STOCKHOLDERS' EQUITY

89.	EQUITY CAPITAL	<input type="text"/>	
90.	RETAINED EARNINGS	<input type="text"/>	
91.	<b>TOTAL STOCKHOLDERS' EQUITY</b> (#89 + #90)		= <input type="text"/>
92.	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> (#88 + #91; should equal #85)		= <input type="text"/>

93. **IMPORTANT:** What was the last month and year in the fiscal year you are reporting on pages 6-7? (e.g., 12/08) \_\_\_\_/\_\_\_\_

please continue on the back with #94 ⇨

## Growth Trends

94. What were your firm's annual gross revenue and annual net service revenue for the last three completed fiscal years? *(most recent gross revenue should match #68; most recent net service revenue should match #70)*

Fiscal year	Gross revenue	Net service revenue
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

95. What was your firm's annual pre-tax, pre-bonus profit for the last three completed fiscal years? *(most recent pre-tax, pre-bonus profit should match #76)*


Fiscal year	Pre-tax/pre-bonus profit
_____	\$ _____
_____	\$ _____
_____	\$ _____

96. What do you expect your firm's gross annual revenue will be... ?

In three years	\$ _____
In five years	\$ _____
In ten years	\$ _____

98. Is your firm doing any of the following as a result of the current recession? *(check all that apply)*

- Reducing labor expenses by administering pay cuts to current staff <sup>A</sup>
- Reducing labor expenses by laying off current staff <sup>B</sup>
- Implementing a salary freeze for current staff <sup>C</sup>
- Implementing a hiring freeze for new staff <sup>D</sup>
- Cutting back on perks and benefits *(e.g., 401(k) plans, tuition reimbursement, healthcare benefits, company cars, etc.)* <sup>E</sup>
- Reducing bonus payouts <sup>F</sup>
- Cutting back on marketing expenditures <sup>G</sup>
- Cutting back on IT expenditures <sup>H</sup>
- Other \_\_\_\_\_ <sup>I</sup>
- No, we're not making any operational changes as a result of the current recession <sup>J</sup>

 **THANK YOU!** Please return your completed questionnaire and optional order form by March 25, 2010, 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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## Outlook

97. Who do you think is being affected the most by the current recession? *(check all that apply)*

- My firm <sup>A</sup>
- U.S. architecture, engineering, and environmental industry <sup>B</sup>
- U.S. business in general <sup>C</sup>
- International architecture, engineering, and environmental industry <sup>D</sup>
- International business in general <sup>E</sup>
- Other \_\_\_\_\_ <sup>F</sup>

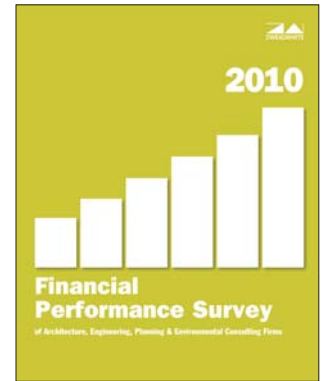
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