

2011 Top Structural Engineering Firms

PRESSURES DON'T KEEP STRUCTURAL ENGINEERING FIRMS FROM SUCCEEDING.

By Stephanie Hildebrandt, João Ferreira

Crushing competition, increased fee pressure, and commoditization are defining the marketplace for structural engineering firms in 2011 as the economy slowly moves toward recovery.

Nevertheless, many firms are thriving and even expanding as a revitalized mergers and acquisitions market and industry consolidation occurs. Diversification also is a strategy many firms are using to grow.

Structural Engineer stacks 20 of the most successful firms in the industry in its Top Structural Engineering Firms list. The magazine uses annual revenue as a basis for the ranking.

“The overall AEC industry view, as well as ours, is that 2011 will be a relatively flat year for activity, with continued intense competition and fee pressure,” Glenn Bell, CEO, Simpson Gumpertz & Heger Inc. (SGH), told *The Zweig Letter*, a sister publication of *Structural Engineer*, earlier this year. “A return of growth should occur from 2012 to 2013, but with a continued eye toward value and bringing new services to the table.”

SGH’s 2011 strategy is one of lean operations with an emphasis on bringing superior value to clients. Bell didn’t, however, exclude the possibility of investment and expansion in 2011, which recently materialized with the acquisition of Capobianco Consulting Engineers, LLC.

“We think the current environment is providing opportunities to build strength and capacity,” he said. “Areas we are targeting are acquisitions of high-quality, small niche firms; further geographic diversity in the U.S.; bringing more collaborative integrated services to our clients; adaptive reuse and renovation of existing structures; and almost anything related to energy.”

Thornton Tomasetti has a hopeful outlook for the industry in coming years, but firm leaders are not necessarily holding their breath.

“While we hope the uptick in the economy will confirm our strategic choices over last few years, we also recognize we need to continually adapt our strategy to anticipate market conditions,” said Thomas Z. Scarangelo, chairman and CEO, Thornton Tomasetti. “Our outlook for the industry is cautious optimism. Many signs point in a positive direction, but we still view the outlook conservatively and closely monitor the fundamentals as we look to accelerate out of the recession.”

As a result, the firm plans to continue to expand geographically to diversify its services. “We have added complementary expertise and leadership to our ranks, and have added two new practices: Construction Support Services and Property Loss Consulting,” Scarangelo said. “Since 2008, we have gone from 16 offices to 23 worldwide. We are pursuing opportunities in Latin America and for expanding our sustainability services.”

Likewise, T.Y. Lin International sees success in its future thanks to diversification, acquisitions, and a strong relationship with its clients.

“T.Y. Lin International has positioned itself for success by focusing on client satisfaction and delivering functional projects that are on time and on budget. We have also leveraged our worldwide presence and

capabilities, and have diversified into international markets that have not experienced the financial challenges seen in the United States,” said Alvaro J. Piedrahita, president and CEO, T.Y. Lin International. “T.Y. Lin International’s strategy is based on a long-term outlook based on profitable growth. This plan includes growth and diversification through acquisitions and organic growth.”

ZweigWhite’s “2011 Merger & Acquisition Survey” notes the number of firms reporting plans to sell rose to 55 percent from 29 percent in 2010.

Amid all the uncertainty, market trending seems to be a prime concern as structural engineering firms eye the future.

“At Degenkolb we are very proactive with our strategic planning and this year we are focusing our attention on a discussion about what trends are going to influence our business in the next 10 years and what do we need to do to adapt,” Stacy J. Bartoletti, president and CEO of Degenkolb Engineers in San Francisco, said in an interview in *The Zweig Letter*. “One area of study that I believe will be very important to our business is demographics. Demographics will drive a vast majority of the infrastructure that gets built, and in the next 10 to 20 years we are going to see some substantial changes in the demographic makeup of the U.S. and world populations.”

About the Top Structural Engineering Firms list

Firms on the list derive at least 50 percent of their revenue from structural engineering and are headquartered in the United States. Information used to comprise this list was supplied by the firms on the list. In all cases, the most recent financial data (primarily from fiscal year 2010) was used. To be considered for the 2012 Top Structural Engineering Firms list, contact Dan Cuoco, editor of *Structural Engineer* magazine, at dcuoco@zweigwhite.com.

TOP STRUCTURAL ENGINEERING FIRMS 2011				
Firm Headquarters	Annual Revenue	No. of Employees	Leadership	Website
T.Y. Lin International San Francisco	\$229.3 million	2,138	Alvaro J. Piedrahita, president and CEO	www.tylin.com
Arup New York	\$228.4 million	981	Mahadev Raman, chairman of Arup in the Americas	www.arup.com
Thornton Tomasetti, Inc. New York	\$98.2 million	550	Thomas Z. Scarangelo, chairman and CEO	www.thorntontomasetti.com
Wiss, Janney, Elstner Associates, Inc. Northbrook, Ill.	\$95 million	483	William J. Nugent, president	www.wje.com
Simpson Gumpertz & Heger Inc. Waltham, Mass.	\$83.6 million	400	Glenn Bell, CEO	www.sgh.com
Walter P Moore Houston	\$50 million	289	Ray Messer, president and chairman of the board	www.walterpmoore.com
Degenkolb Engineers San Francisco	\$32 million	180	Stacy J. Bartoletti, president and CEO	www.degenkolb.com
Magnusson Klemencic Associates Inc. Seattle	\$21.6 million	111	Jon Magnusson, CEO	www.mka.com
Wallace Engineering Tulsa, Okla.	\$16 million	136	Tom Wallace, president and CEO	www.wallacesc.com
Jaster-Quintanilla Austin	\$15.9 million	141	Gary W. Jaster, P.E., principal	www.jqeng.com
Miyamoto International Earthquake + Structural	\$10.4 million	100	Kit Miyamoto, Ph.D., S.E., president and CEO	www.miyamotointernational.com

Engineers, U.S. West Coast				
Raths, Raths & Johnson, Inc. Willowbrook, Ill.	\$6.1 million	33	Otto C. Guedelhoefer, senior principal	www.rvj.com
Timothy Haahs & Associates, Inc. Blue Bell, Pa.	\$6.1 million	47	Timothy H. Haahs, P.E., AIA, F.ASCE	www.timhaahs.com
PCS Structural Solutions Seattle	\$6 million	40	Brian Phair, CEO	www.pcs-structural.com
KL&A, Inc. Golden, Colo.	\$5.9 million	32	Gregory Kingsley, Ph.D., P.E.	www.klaa.com
Steven Schaefer Associates, Inc. Cincinnati, Ohio	\$5.1 million	47	James R. Miller, P.E., S.E., president	www.ssastructural.com
Finley Engineering Group, Inc. Tallahassee, Fla.	\$4.5 million	36	R. Craig Finley, Jr., P.E., managing principal	www.finleyengineeringgroup.com
ClarkDietrich Engineering Services LLC Atlanta, Ga.	\$4 million	* 40	Robert Warr, director of engineering services	www.clarkdietrich.com
Ruby+Associates, Inc. Farmington Hills, Mich.	\$3.1 million	25	Tricia Huneke, chief operating officer and chief financial officer	www.rubyusa.com
BHB Consulting Engineers Salt Lake City	\$2.5 million	25	Don Barker, president and principal	www.bhbengineers.com
<i>*Proposed revenue due to merger</i>				