

Engineering growth

New services complement core mission at R.A. Smith & Associates

BY CHARLES RATHMANN, *of SBT*

When National Survey and Engineering (NSE), a subsidiary of Brookfield-based R.A. Smith & Associates, won just a surveying contract for work on the immense Pabst Farms project in Oconomowoc, president Rick Smith was disappointed, but hopeful.

"Most of the work was to be done by the city's consultant, Ruekert/Mielke," Smith says. "And then the city hired Earthtech (a multinational engineering firm) to complete a stormwater study. We were competing for that work, too."

In the end, R.A. Smith's performance on the surveying project convinced the powers that be that the engineering firm should get additional work on the 1,300-acre mixed-use development, according to Smith.

Recently, the firm's private development group landed civil engineering work for East Lake Village, a 170-lot residential development within Pabst Farms. R.A. Smith is designing the civil engineering aspects of the project, including grading, stormwater management, storm and sanitary sewers and a sewage lift station.

Work will have to be completed by late summer — a very tight timeline for a major development like East Lake Village. Deadlines need to be adhered to, so homes can be constructed at the site in time for East Lake Village to be a stop on the 2004 Tour of Homes, according to those close to the project.

"It illustrates my point that if you provide excellent service, people will seek you out, regardless of the economy," Smith says, explaining how his company's revenues swelled to over \$18 million — a \$2 million



PAUL GAERTNER

DIVERSIFICATION Rick Smith has added to the range of services his company provides.

increase from the previous year.

The fact that R.A. Smith, which owns a good share of municipal engineering work in southeastern Wisconsin, would go out of its way to pursue work with private projects such as Pabst Farms runs counter to the way civil engineering firms typically do business.

Many of R.A. Smith's competitors choose to work for municipalities as their engineer of record, avoiding entanglements

with developers whose interests may conflict with those of the cities, towns and villages where development takes place.

However, Smith's creation of different divisions of his company to handle each type of client has paid off. In 1994, Smith acquired NSE to handle surveying duties for R.A. Smith, as well as build its own client roster.

In March 1999, R.A. Smith added geo-

PROFILE OF A LEADER

Richard Smith

President, R.A. Smith & Associates, Brookfield

AGE: 53

EDUCATION: Bachelor of science degree in civil engineering and master of science degree in environmental engineering, Marquette University

COMPANY'S ANNUAL REVENUES: \$18.1 million projected for 2003

EMPLOYEES: 205

ROLE MODEL: The school of hard knocks, but also individuals such as President John Kennedy, Marquette University basketball coach Al McGuire and architect Frank Lloyd Wright.

LEADERSHIP PHILOSOPHY: "The president of the company cannot be above any task in the business."

graphic information system (GIS) services to its offerings through the purchase of Access Technologies Inc. The acquisition of Access Technologies also brought to R.A. Smith personnel who created a division devoted to creating 3-D visuals of buildings and development projects.

Already, 3-D division manager John Chapman has grown the practice into projects atypical for a civil engineering firm, including the creation of 3D images of La-Z-Boy furniture.

While Smith drives the more traditional divisions of the company to gain a greater share of the overall civil engineering market, the newer portions of the business are experiencing the most explosive growth.

In the vein of *Good to Great* author Jim Collins, Smith is successfully preserving his core businesses while simultaneously pioneering new avenues to growth.

"The fundamental distinguishing dynamic of enduring great companies is that they preserve a cherished core ideology while simultaneously stimulating progress and change in everything that is not part of the core ideology," Collins writes.

While some small businesses choke on growth as they divert resources from bread-and-butter projects and clients to bleeding-edge opportunities, Smith says his goal is to always take on a little more work than each division can complete — forcing growth across the board.

"We have an annual brainstorming session with people from across the company," Smith says. "We look for ideas for new products and services and pursue the ideas with the greatest interest. If we come up with one or two ideas a year, we are doing well."

One service the firm may enter soon is e-commerce, according to Smith. R.A. Smith could offer e-commerce access to its services, allowing clients to view their account information on-line. The company also could set up e-commerce solutions for clients.

So far, Smith's vision seems to be working. According to R.A. Smith chief financial officer John O'Connell, the company is on track for projected 15% growth in 2003.

"Most divisions are growing 11% to 17%, but the overall blended rate will be about 15%," O'Connell says. "The newer divisions are growing at a much faster rate, but the fact that they are starting off with much less revenue means the total dollar contribution will not be as great."