



Conference call: Michael Sheerin

CEO of TLC Engineering Solutions, an Orlando, Florida-based firm pushing its way into the future.

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Correspondent

As the firm's CEO, Sheerin's role is to lead the company's team of principal owners and staff and to remain true to the firm's mission: Think. Listen. Create. TLC Engineering Solutions, recently known as TLC Engineering for Architecture, recently updated the firm's name to summarize the evolution of TLC's differentiators, and builds on the firm's promise of "Fostering teams of skilled listeners driven by intellectual curiosity."

"You can't just beat people over the head with metrics, you need to give them the tools and training to get them and their teams to the next level," Sheerin says.

A CONVERSATION WITH MICHAEL SHEERIN.

The Zweig Letter: How many years of experience – or large enough book of business – is enough to become a principal in your firm? Are you naming principals in their 20s or 30s?

Michael Sheerin: Yes. We've welcomed several younger shareholders and value their contributions to our firm. Future shareholders are nominated by the current group of

shareholders. In those nominations, we encourage discussion of how this individual has and will continue to contribute to the firm's success. Age isn't a factor; it's more about the leadership and initiative that the candidate demonstrates.

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TZL: Internal transition is expensive. How do you "sell" this investment opportunity to your next generation of principals? How do you prepare them for the next step?

MS: As a widely held firm, we describe that we are perpetually in ownership transition. While that makes for some busy work, it also ensures that we avoid the intensity and

angst of a monumental, capital intensive transition that can ruin the fun. That, and our success and continual efforts to improve, are our “sell.” We are succinct and clear about the risks, commitments, and possible rewards, and encourage candidates to consider this as their career-defining decision. We are okay with a “no,” as people are at different circumstances personally, professionally, and financially. They’re still great team members.

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TZL: Describe the challenges you encountered in building your management team over the lifetime of your leadership? Have you ever terminated or demoted long-time leaders as the firm grew? How did you handle it?

MS: You have to have a team that fits your leadership style, folks that you can trust implicitly, and are confident enough in their role that they can do their jobs well and give you the necessary news you need to hear – good or bad. Changes may be necessary if people don’t meet that criteria, but it’s important to have an open channel of dialogue to ensure that, together, you find the right place for the person and you don’t lose a good team member.

TZL: In one word or phrase, what do you describe as your number one job responsibility as CEO?

MS: “Exciter” – a CEO needs to ensure that we’re bringing an energy to all that we’re doing and exploring – and channel, not squander – the great energy that teams create spontaneously when they sync well.

TZL: If the worker shortage continues, do you see wages increasing to encourage more talent to enter the AEC space, or will technology be used to counter the reduced work force?

MS: Yes and yes. We monitor and adjust compensation based on market factors to attract new talent and also retain the team we have. We are also investing in the R&D,

technology, and tools that will help us do our work more efficiently now.

TZL: There is no substitute for experience, but there is pressure to give responsibility to younger staff. What are you doing to address the risk while pursuing the opportunity to develop your team?

MS: Providing the right amount of responsibility at the right time is the responsibility of our senior leaders. TLC provides training and tools to help support young project managers in developing their skill sets. We also have an Emerging Leaders program to develop those who we envision as our future leaders. These people are typically drawn from our PM ranks, to expose them to the soft skills and talents they need to see and grow within themselves. An additional outcome of this program is the strong relationships that develop among the participants – connecting our various offices and disciplines across operating units. It’s very beneficial to both the participants and the future of our firm.

TZL: Engineers love being engineers, but what are you doing to instill a business culture in your firm?

MS: We have a long-standing project manager training program called the “Business of Consulting Engineering” that goes beyond the basics and makes these emerging and key staff aware of the actions, risks, consequences, and rewards of their role at TLC. You can’t just beat people over the head with metrics, you need to give them the tools and training to get them and their teams to the next level.

TZL: The seller-doer model is very successful, but with growth you need to adapt to new models. What is your program?

MS: Relationships with architects, owners, and contractors are crucial to our success. We’ve successfully built our firm on the seller-doer model which has resulted in a very high percentage of repeat clients. The balance of selling and doing varies – with some staying very engaged in the management of the project, while others are available to the team and check in regularly to maintain continuity. There is no one perfect solution – it depends on the personalities and management styles of each individual. TLC does have a handful of dedicated business development staff who are integral to our on-going success.

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YEAR FOUNDED: 1955

HEADQUARTERS: Orlando, FL

NO. OF EMPLOYEES: 385

NO. OF OFFICE LOCATIONS: 13

SERVICES:

- Mechanical
- Electrical
- Plumbing
- Structural engineering
- Technology
- Energy services
- Commissioning
- Life safety and fire protection
- Acoustics
- Lighting design

MARKETS: Arts and entertainment, education, federal government, healthcare, high-rise, historic preservation, public safety and judicial, science and technology, sports and recreation, unique and innovation, hospitality and housing, infrastructure/central energy plants, mission critical, mixed-use, office, restaurant and retail, senior living, themed entertainment and transportation.

RESEARCH AND DEVELOPMENT:

Building technologies are evolving rapidly. TLC actively researches new technologies and how they can be incorporated into their designs, as well as how to accurately model these when evaluating building energy budgets. TLC’s Peak Institute, also known as PI, leads the way in embracing new systems and technology, as well as sharing this information across TLC and with its clients to benefit building owners.



The TLC Board of Directors: Front row: Jim Ferris, COO; Michael Sheerin, CEO; Bill Daly, CFO; Middle row: Mark Gelfo, Rania Sadrack, Bob Danner, Lawrin Ellis; Back row: Matt Wiechart, Brian Lomel, Gary Krueger, Mark Costello and Moncef Hadiji

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TZL: Diversity and inclusion is lacking. What steps are you taking to address the issue?

MS: In 2016, TLC pursued its JUST label. JUST is a voluntary disclosure and transparency platform created by the International Living Future Institute to measure social justice and equity in the workplace. JUST requires that organizations seeking the label disclose a range of firm and employee-related metrics. The exercise was enlightening and compelled our leadership to take a deeper dive into how we support a culture of inclusiveness and equity. Our Board implemented some modest adjustments to policies and TLC earned our JUST label. In 2018, as we renewed our JUST label, we were much more confident in what we could accomplish and where we could challenge ourselves to excel in the program.

TLC is one of only two organizations in Florida and only 85 organizations in the world to earn the JUST distinction, and it affirms that we're diverse, offer solid benefits, are equitable, and that we value our employees. This helps us attract talent, as well as provide enhanced value to project teams that are pursuing WELL and Living Building certification. TLC also has a grassroots-led Women's Initiative – this group does outreach to schools, provides training across the firm through videos, presentations and shares ideas and information with other companies in the AEC space that are engaged in similar activities.

TZL: A firm's longevity is valuable. What are you doing to encourage your staff to stick around?

MS: TLC has a solid track record in retaining employees. We know that staff stay for different reasons and we try to ensure that every TLC employee feels encouraged to excel, gets feedback from a supportive supervisor, develops through a career track, and does great work on exciting and challenging projects. We are flexible to employees moving amongst places where TLC has offices (and where we don't), and reward beyond market based on their performance as an individual and within a team. We have an ownership group

that staff sees lead every day; they see the opportunity to become the future of our firm.

TZL: Benefits are evolving. Are you offering any new ones due to the changing demographic?

MS: In recent years, we've expanded our FMLA protections to provide 12-weeks paid maternity/parental leave. We've also added pet insurance, legal access at reduced rates, and zero cost healthcare options. With our new office locations in expensive urban markets like Atlanta and Philadelphia, and to further enhance our sustainable footprint, we adjusted our parking policy to better encourage and support using public transit options, in addition to reducing the significant out of pockets for parking when applicable.

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TZL: Tell us about the last time you named a new principal from outside the firm.

MS: TLC acquired Allen + Conrad in 2015 and the owners of that firm immediately were welcomed as shareholders. Other than through acquisition, TLC hasn't typically had a new hire join the firm as a principal, but it could occur when making strategic hires or other circumstances.

TZL: How have the tax cuts impacted your firm's valuation? Do you plan on doing another valuation due to the tax cuts?

MS: Our stock price has steadily increased in recent years based on successful years of continued growth. Our price is valued annually based on our governing documents. The tax cuts and other extraordinary events caused a more significant jump in our recent price adjustment. ▀