



Profiting from Peer Reviews

Comprehensive programs evaluate the effectiveness of a firm's policies and procedures

A BY JENNIFER GOUPIL, P.E.
 s a practicing engineer you are accustomed to having others review your designs. It is an expected part of sound engineering practice for which most firms have in-house procedures. A review of your business practices may not be as common; however, many firms have benefited from a formal peer review process. In May 2003, I participated as a reviewer on a peer review team and realized the benefits firsthand.

Several organizations and consultants offer the service. ASFE/The Best People on Earth, a not-for-profit trade association of member firms that specialize in earth engineering and related applied science services, facilitates peer reviews for its members. ASFE was founded in 1969 to identify the causes of professional liability claims and losses and to develop programs and materials to help geoprofessionals avoid such exposures. (Its original name,

Associated Soil and Foundation Engineers, is no longer used.). In 1977, ASFE developed the Peer Review program for design and environmental professionals, with the assistance of the American Institute of Certified Public Accountants (AICPA). AICPA's program was mandatory; ASFE's was not, but, it has been popular. With few exceptions, firms that go through peer review enhance their management quality by having their methods and materials

reviewed and critiqued by experienced peers, and by implementing the guidance they receive.

The ASFE Peer Review

In October 1999, *Engineering News-Record* lauded the ASFE Peer Review as one of the most significant construction industry innovations of the prior 125 years. ASFE's Council of Fellows designed the program to give participating firms an opportunity to improve their business practices, internal and external communications, and overall risk management. Peer reviews of firms are conducted for the following reasons:

- to evaluate the adequacy of a firm's policies and procedures;
- to assess the effectiveness with which a firm implements its policies and procedures;
- to evaluate staff's understanding of a firm's goals and objectives, policies and procedures; and
- to provide suggestions for strengthening a firm's practice, and to enhance the quality of its services.

The ASFE Peer Review is a voluntary program. It is not used to grade a firm, nor does it lead to a certification of any kind. The program is intended to be a "come as you are" activity. Reviewers are engaged to evaluate the effectiveness of existing policies and procedures, not to "bless" a firm because it has all its paperwork in place. The program is intended to be a cyclical process to provide a framework for continuous improvement, and is not expected to be a one-time approval.

The peer review process begins by selecting a peer review team captain who will serve as an advisor throughout the process. The team captain works closely with the firm to develop a detailed scope of service and to choose the peer review team members, whose experience will help achieve the firm's specific review objectives.

The goal of the initial review is to gain insightful opinions about the completeness of the firm's policies and procedures, the effectiveness with which management communicates them, and the diligence with which staff implements them. The second review, usually conducted approximately four years later, should help to determine the efficacy of any changes made. Many firms that have not been reviewed previously are usually best served by a comprehensive peer review for the first and second time.

Peer review team member Jerry Neyer, P.E., (standing) and team captain Doug Gifford, P.E., prepare the final presentation.

A comprehensive peer review comprises the assessment of eight Core Management Components (CMCs) including:

- business management,
- facilities and technical resources,
- human resources management,
- professional development,
- project management,
- financial management,
- marketing and business development, and
- electronic resources management.

Participating firms have the option to customize the program according to the needs of the firm. Although a comprehensive review that considers all eight CMCs is recommended for the first two reviews, a firm that already has been through the review process may create a review scope that considers a select few of the eight CMCs and focuses only on specific goals. Or the firm size or review goals may dictate a more precise, focused program, even for the initial review.

After the team captain and the firm identify the scope of the peer review, the peer review team reviews firm-supplied documentation, such as the strategic plan, organization chart, job descriptions, and policy statements, as well as responses to client and staff questionnaires. Typically, on-site reviews are conducted over two to three days, during which the review team interviews selected employees, reviews additional documents, and examines management procedures. The peer reviewers evaluate their findings and, before leaving, provide an oral report to the firm.

Although a written report is optional, this final step allows participating firms to use the peer review findings as a planning tool.

A review of CTL | Thompson

To fully understand the peer review process, I was invited to participate as a review team member during the peer review of Denver-based CTL | Thompson, Inc. — a 270-person consulting engineering firm that provides geotechnical, materials, and environmental engineering services, construction materials engineering and testing, and forensic engineering. I was one of four members of the peer review team. Douglas G. Gifford, P.E., vice president of Haley & Aldrich, Inc., an underground engineering and environmental solutions provider based in Boston, was the team captain and meticulously organized the entire event. Other team members included Jerome C. Neyer, P.E., a founder and principal of Farmington Hills, Mich.-based NTH Consultants, Ltd.; and Robert C. Rabeler, P.E.,

vice president of Soil and Materials Engineers, Inc., based in Lansing, Mich.

CTL | Thompson's President and CEO, Ronald M. McOmber, P.E., discussed the firm's objectives with Gifford and decided to focus on six of the eight CMCs. In addition, McOmber was particularly interested in the staff's understanding of the upcoming retirement of the firm's founder Robert W. Thompson, P.E.

The review team visited several of CTL | Thompson's Colorado offices for three days. Gifford had organized the team's time and scheduled interviews with many staff members, as well as arranged for meetings with the senior management. The team worked tirelessly for three full days — meeting each morning by 7 a.m. and concluding each evening after 10 p.m. By the end of the review, the team had conducted 83 interviews with staff, reviewed numerous documents and files, and prepared and presented a final, oral report to the CTL | Thompson's senior management team.

The final presentation focused the team's findings within the six CMCs and provided several recommendations. The report also concentrated on the specific issue of the founder's upcoming retirement — which was generally well understood among all of the employees — and especially focused on the staff's comments and concerns.

The peer review team was dedicated to serving CTL | Thompson and truly desired to help it reach its goals. (Read "In my opinion" at right for McOmber's comments about the process.)

Conclusion

The ASFE Peer Review is an intense, thorough, and focused review of a firm's business practices and policies. From my experience as a reviewer, I now can appreciate fully the many benefits a firm receives from undergoing the peer review process and the hard work and dedication of the review team.

Having participated on both sides of the review process, McOmber agrees. "I would say that a reviewer probably has the opportunity to learn more than the reviewee," he said. "Reviewers are given the chance to see what is good in another firm and adapt it for their own firm, and to learn from the mistakes of others. The ASFE peer review process is a revelation and a bargain. The peer reviewers are dedicated to providing value to the firm reviewed. We all learned and grew from the experience."

In my opinion



A reviewee's comments on the ASFE Peer Review process

One year after the review, CTL | Thompson's President and CEO Ronald M. McOmber, P.E., responded to questions about his experience as the reviewed firm.

CE News: Was participation in the ASFE Peer Review process beneficial to your firm?

McOmber: Yes. The process and the actual peer review forced us to put aside project work long enough to focus on the core management components, which were part of the review. It also allowed staff to provide input and ideas about how we could improve, which reinforced a more open interaction between management and staff. It was good to get input from experienced peer reviewers.

CE News: Were you encouraged by the peer review process and the team's findings and recommendations?

McOmber: Absolutely. The peer review input generally supported the focus we have placed on planning and did not identify significant issues we were not already aware of. It was constructive and positive.

CE News: One year later, do you see improvements to your firm's performance that you can attribute to changes made as a result of your peer review?

McOmber: Yes. The changes we made have improved our marketing success, the communication between managers, communication with staff, and the performance of the company. (To be fair, it should be noted that economic improvement also contributed to the latter.)

CE News: Based upon your experiences as a reviewee, would you encourage other firms to undergo the ASFE Peer Review process?

McOmber: Yes. I believe most, if not all, engineering firms could benefit from peer review. CTL | Thompson plans to continue both internal and external peer reviews as part of our ongoing improvement efforts.