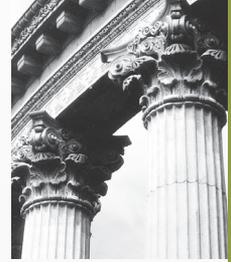


WHAT IF EVERY LEADER
AND PROJECT MANAGER IN
YOUR FIRM UNDERSTOOD
AND ACTED ON YOUR FIRM'S
FINANCIAL METRICS?

INTRODUCTION



FINANCIAL MANAGEMENT SUPPORTS FIRM-WIDE GOALS

Rigorous financial management enhances a firm's ability to excel in design and technical excellence, project execution and delivery, client satisfaction, business development, professional development, talent recruitment and retention, succession planning and other firm-wide goals.

Financial stability and profitability are necessary for a firm to achieve its strategic vision and to sustain a culture that reflects its commitment to the profession and the communities it serves.

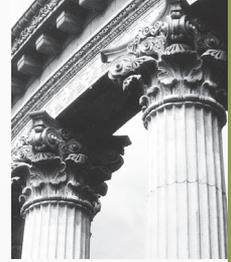
Through our financial management consulting, our clients:

- Implement systems, policies and procedures that continuously improve project and firm-wide profitability;
- Apply straightforward yet sophisticated planning tools;
- Make better-informed strategic decisions;
- Gain confidence in their financial reporting systems; and
- Integrate financial management and financial performance planning into the firm's culture.

By working with over 200 design professional firms since 1996, our team has developed and refined best practices in financial management and developed proven tools adopted by small, mid-size and larger firms.

*When it is obvious that goals cannot be reached,
don't adjust the goals, adjust the action steps.*

-- Confucius



FINANCIAL EXPERTISE

Strogoff Consulting's Financial Management Team

Michael Strogoff, FAIA, has advised many of the nation's most successful architecture, engineering and specialty design firms and received Presidential Citations from the AIA California Council and AIA San Francisco for his contributions to the practice of architecture.

Stephen Epstein, MArch, MBA, spent 25 years as a leader with award-winning and widely recognized national architecture firms and has expertise in finance, operations, strategic planning, human resources and project management.

Rena Klein, FAIA, author of *The Architect's Guide to Small Firm Management* (Wiley, 2010) and one of the few experts in the nation frequently cited on entrepreneurial and small design firm practice.

Karen Kauh, CPA, brings 20 years of experience in the banking and finance industry managing internal auditing, valuing commercial companies and real estate, and consulting with business owners.

Mary Anne McKernie, brings a 25-year background collaborating with firm's accounting departments and recruiting CFOs, Controllers, Accounting Department Managers and senior bookkeeping staff.

Plans are only good intentions unless they immediately degenerate into hard work.

-- Peter Drucker

CONSULTING SERVICES SUMMARY



SERVICES TAILORED TO EACH FIRM'S CULTURE AND STRATEGIC GOALS

Working closely with a firm's leaders and financial management team, we tailor our services to fit each firm's specific needs. Our approach results in targeted and disciplined financial management practices that are aligned with a firm's strategic goals.

Strogoff Consulting's financial management services include:

- **Financial Assessments** that evaluate a firm's financial position and benchmark its performance against trends and industry standards
- **Financial Reporting and Planning Tools** to improve a firm's financial reporting structure, train leaders and emerging leaders to interpret financial information and provide information vital for making strategic decisions
- **Financial Performance Planning Techniques** that advance the firm's strategic use of its fiscal information to continuously improve profitability
- **Project Financial Performance Guidance** to establish systems and procedures and to provide training to implement project management tools for achieving consistent project profitability

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

-- Charles Darwin

FINANCIAL ASSESSMENTS



ANALYSIS THAT LEADS TO ACTION

An objective assessment of the firm's financial systems and operations will identify specific areas for improvement and support effective decision-making.

Financial assessment services include:

- **Financial Data.** Reviewing and evaluating the annual operating budgets, revenue and cash flow projections, project budgeting, labor allocations and other existing reports and tools
- **Reporting Effectiveness.** Evaluating accounting systems, methodologies and reporting protocols for generating accurate financial statements and actionable reports
- **Key Performance Indicators.** Analyzing the firm's current financial information and concisely reporting its financial position.
- **Benchmarking.** Comparing past, current and projected financial performance to trends and industry standard
- **Profitability Analysis.** Evaluating profitability by project type, size, service, location and other factors
- **Organizational Design.** Reviewing roles and responsibilities, quality assurance processes and accounting workflow
- **Operational Effectiveness.** Conducting interviews with Principals and key employees to identify opportunities to increase revenue and profitability
- **Administrative Processes.** Reviewing financial management capabilities, budgeting, billing, project tracking, staffing balance, team structure, workload management and other processes that affect financial health

OUTCOMES

- An executive summary highlighting the firm's financial position and its organizational, operational and administrative strengths and weaknesses that impact its financial performance
- A Key Performance Indicator and Benchmarking report illustrating targets and comparisons with trends and industry standards
- An action-focused analysis of project profitability by type, size, service, location and other factors

FINANCIAL REPORTING AND PLANNING TOOLS



TIMELEY, ACCURATE, FINANCIAL INFORMATION

Producing and effectively interpreting timely, accurate financial information is key to strategic decision making.

Consulting services include:

- **Financial Report.** Evaluating the quality, frequency and usefulness of the firm's financial reports
- **Financial Dashboard.** Developing an easily updated tool for tracking and illustrating key financial performance indicators
- **Financial Training.** Assessing the abilities of and training the firm's leaders and project managers to effectively interpret the firm's financial reports and take appropriate actions

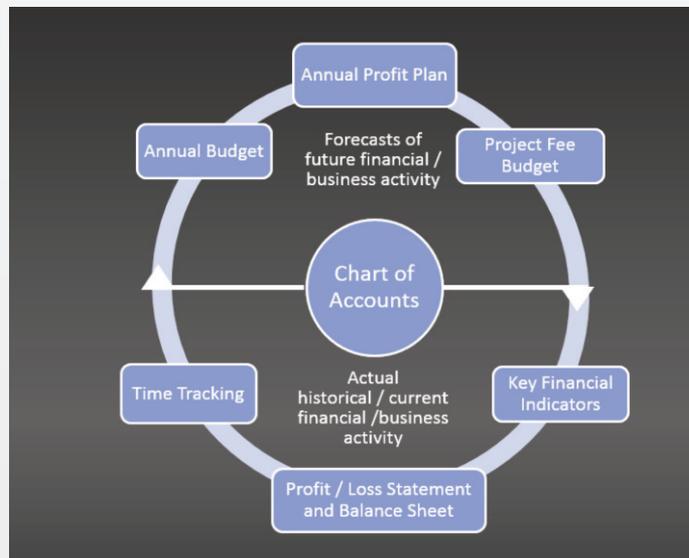


Diagram courtesy of Steve L. Wintner, AIA Emeritus

OUTCOMES

- Improved access to and analysis of key financial performance indicators vital for strategic decision making
- A concise set of recommendations for enhancing financial tools and reporting systems and developing understandable and actionable reports
- Detailed and focused individual training plans to improve understanding and effective use of financial reports, metrics and related planning tools

FINANCIAL PERFORMANCE PLANNING TECHNIQUES



STRATEGIC APPROACH, CONTINUOUS IMPROVEMENT

Implementing effective financial performance techniques enables a firm to strategically employ its resources, continuously improve its profitability and better achieve its strategic goals.

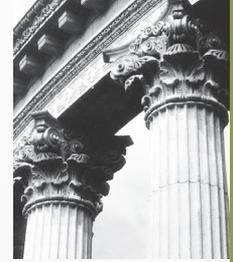
Consulting services include:

- **Profitability Goals.** Developing achievable firm-wide and project-specific financial goals
- **Organizational System.** Developing an appropriate framework for planning and evaluating profitability
- **Overhead Planning.** Analyzing direct project and overhead expenses and determining appropriate cost-reduction strategies
- **Fee Structures.** Analyzing procedures for developing fee proposals and negotiating basic and additional services
- **Resource Management.** Evaluating staff allocation and resource management procedures
- **Compensation Planning.** Evaluating salary, bonus, incentive and profit-sharing programs
- **Scenario Planning.** Developing financial scenario planning tools and case-specific analyses for testing alternate strategies

OUTCOMES

- A targeted plan for improving financial performance
- Recommendations for developing persuasive fee proposals and for optimizing fee structures and billing rates
- Recommendations for improving staffing and resource management procedures
- A roadmap for implementing a compensation, bonus and profit sharing program that support the firm's strategic goals

PROJECT FINANCIAL PERFORMANCE GUIDELINES



PROJECT PROFITABILITY AS THE BUILDING BLOCK

Profitability is primarily dependent upon the financial performance of every project.

Consulting services include:

- **Project Management.** Evaluating current project management systems, procedures and skill sets for improving project profitability
- **Project Budgeting.** Recommending training needs related to effective project budgeting and tracking
- **Contract Terms.** Providing guidance in negotiating, interpreting and managing client and consultant contract terms that impact profitability

OUTCOMES

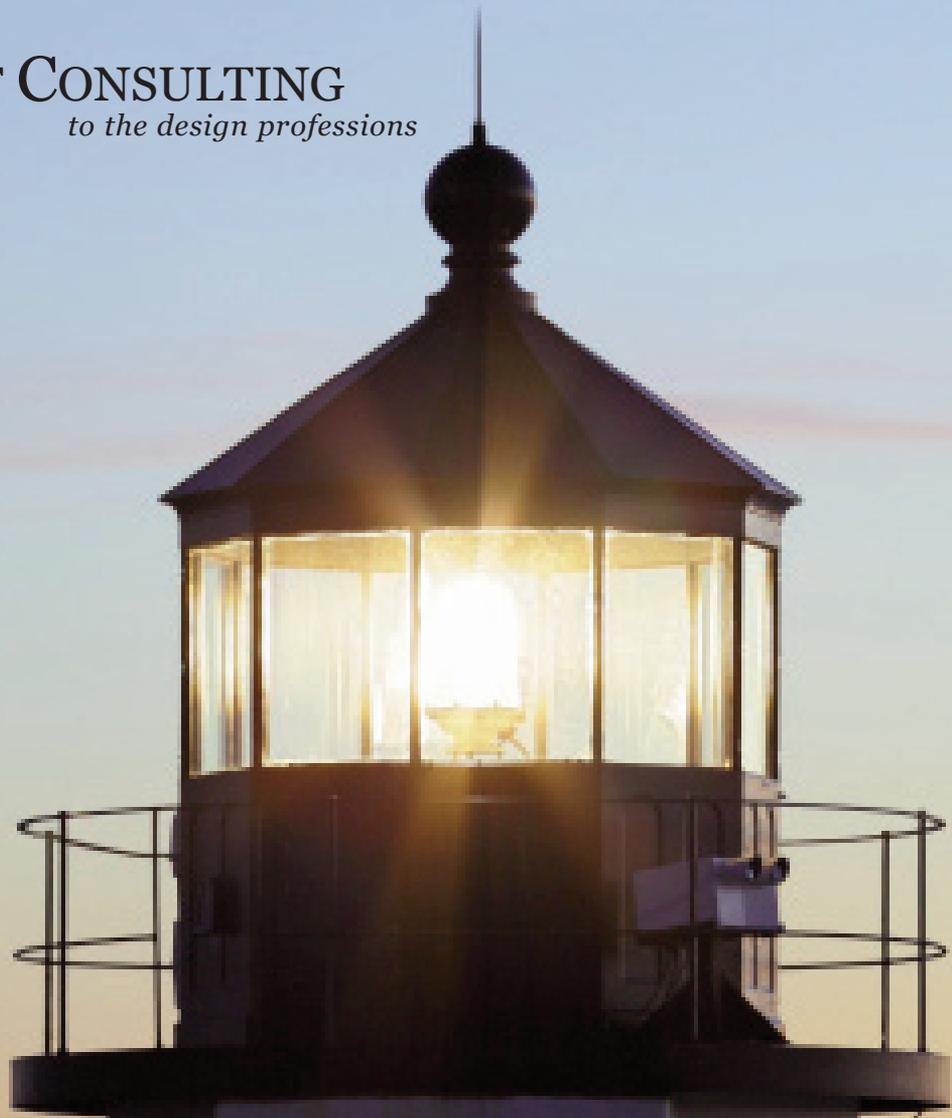
- An executive summary of recommendations for improving project financial performance
- Recommendations for developing more effective project budgets, schedules and work plans
- Recommendations for developing more effective project consultant fee standards, negotiating tools and negotiating training
- A professional development strategy for providing project leaders with the knowledge and skills necessary to achieve sustained project profitability

Our goals can only be reached through a vehicle of a plan in which we must fervently believe, and upon which we must vigorously act. There's no other route to success.

-- Pablo Picasso

STROGOFF CONSULTING

to the design professions



For more information, please contact:

Stephen Epstein
Stephen@StrogoffConsulting.com
310.694.7991

or

Michael Strogoff, FAIA
Michael@StrogoffConsulting.com
415.383.7011

www.StrogoffConsulting.com

FINANCIAL MANAGEMENT SERVICES