

The Power of Peer Review

Celebrating our Foundation, Building Our Future



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Agenda



About Me

GAI Consultants, Inc. (GAI)

Peer Review

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- Why Non-Terra firms avoid doing Peer Reviews
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- The Future of Peer Review

Testimonial – Terra Insurance Company

Q & A



ABOUT ME AT GAI

About Me at GAI



- Began my engineering career in 1972 in GAI's Pittsburgh office
- Opened GAI's Florida subsidiary, GAI-SE, in 1982
- Elected **President** of GAI-SE in 1987
- Elected **President and CEO** of consolidated GAI in 2003
- Currently serving as **CEO and Board Chairman** overseeing GAI's growth and strategic development
- **Member of the Board of Trustees** for Point Park University and **Chair** of the Terra Insurance Company Board of Directors

About Me and Peer Review



- I've been involved in **15 Peer Reviews** as both a Peer Reviewer and Team Captain over a 12 year period
- The companies I've Peer Reviewed have ranged in size from 30 people to over 500 people
- Firms I've Peer Reviewed mainly included firms in continental U.S. along with firms in Canada, Australia and Hawaii
- I've also participated in **5 Peer Reviews of GAI** from 1992 to 2013
- I'm a long time member of the GBA Peer Review committee and **Mr. Green** in "Green Geo" the Fine-Tuned, Peer Reviewed Machine!

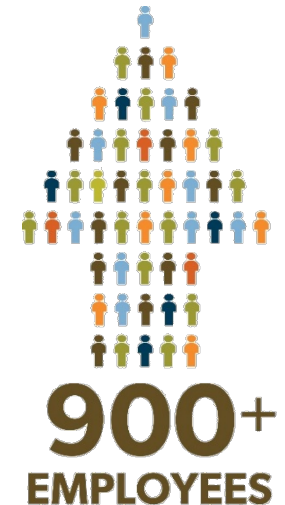


GAI CONSULTANTS, INC. (GAI)

GAI Consultants, Inc. (GAI)



- Employee-owned engineering, planning, and environmental consulting firm with over 60 years of experience providing local expertise to worldwide clients
- 900+ employees across 27 offices in 12 states
- Recognized as one of America's top 500 engineering and environmental firms by Engineering News-Record
- Ranked largest environmental firm in Pittsburgh by Pittsburgh Business Times





PEER REVIEW

History of Peer Review



- The Peer Review program was introduced by GBA, formerly ASFE, in 1975
- In 1999, ENR named Peer Review one of the **125 most innovative construction industry developments** of the prior 125 years
- Since its inception, Peer Review has continued to evolve and adapt to changing business demands

Purpose of Peer Review



- Peer Review (PR) is a process that **provides a framework for improving business performance and Risk Management focus**
- PR Team members evaluate a firm's Core Management Components (CMC's):
 - Professionalism (image and culture)
 - Business management
 - Facilities and technical resources
 - Human Resources management
 - Professional development
 - Project management
 - Financial management
 - Marketing practices
 - Electronic resources

GAI Timeline Relative to the GBA Peer Review Program



1983

Peer Review recommend ways to continue operating a quality-based practice.

1992

Peer Review make recommendations about ownership-transition alternatives.

2002

Peer Review recommend consolidating multiple GAI companies into one entity to promote a "One Company" culture.

2013

Peer Review suggest that the firm's sense of security and comfort may not be as merited as some firm leaders may believe. They suggest that the firm should dampen the pace of its mergers and acquisitions and focus on fully integrating the firms it acquired over the last several years.

1988

Peer Review suggest ways to improve GAI's geographic-expansion efforts.

1997

Peer Review noted that employee morale had improved, ownership transition is proceeding smoothly, and the firm has a solid business base and a strong team of employees to do the work.

2007

Peer Review recognize that the firm is achieving its "One Company" culture goal.

How Does Peer Review Work?



- Firm CEO selects a Peer Review Team Captain – typically the CEO or Principal of a non-competing firm
- Firm CEO and Team Captain develop a Peer Review scope of service
- Team Captain and firm CEO choose Peer Review Team Members, when necessary

How Does Peer Review Work?



- Peer Review Team:
 - Surveys the firm's staff and client representatives
 - Performs individual staff interviews
 - Assesses internal business practices
- On-site reviews typically take 2 to 5 days depending on firm size
- Peer Review team debriefs select senior staff, relating its observations, findings, and recommendations then prepares a detailed report

Benefits of Peer Review



- GAI has completed seven Peer Reviews since 1983
- Independent evaluation of GAI's strengths and weaknesses that helped GAI achieve professional growth, loss prevention, and continuous improvement
- When GAI was at a various crossroads in growth, the Peer Review Team recognized the firm's extensive client base, great people, and solid policies and systems, and made valuable recommendations for optimizing our ongoing success

Benefits of Peer Review



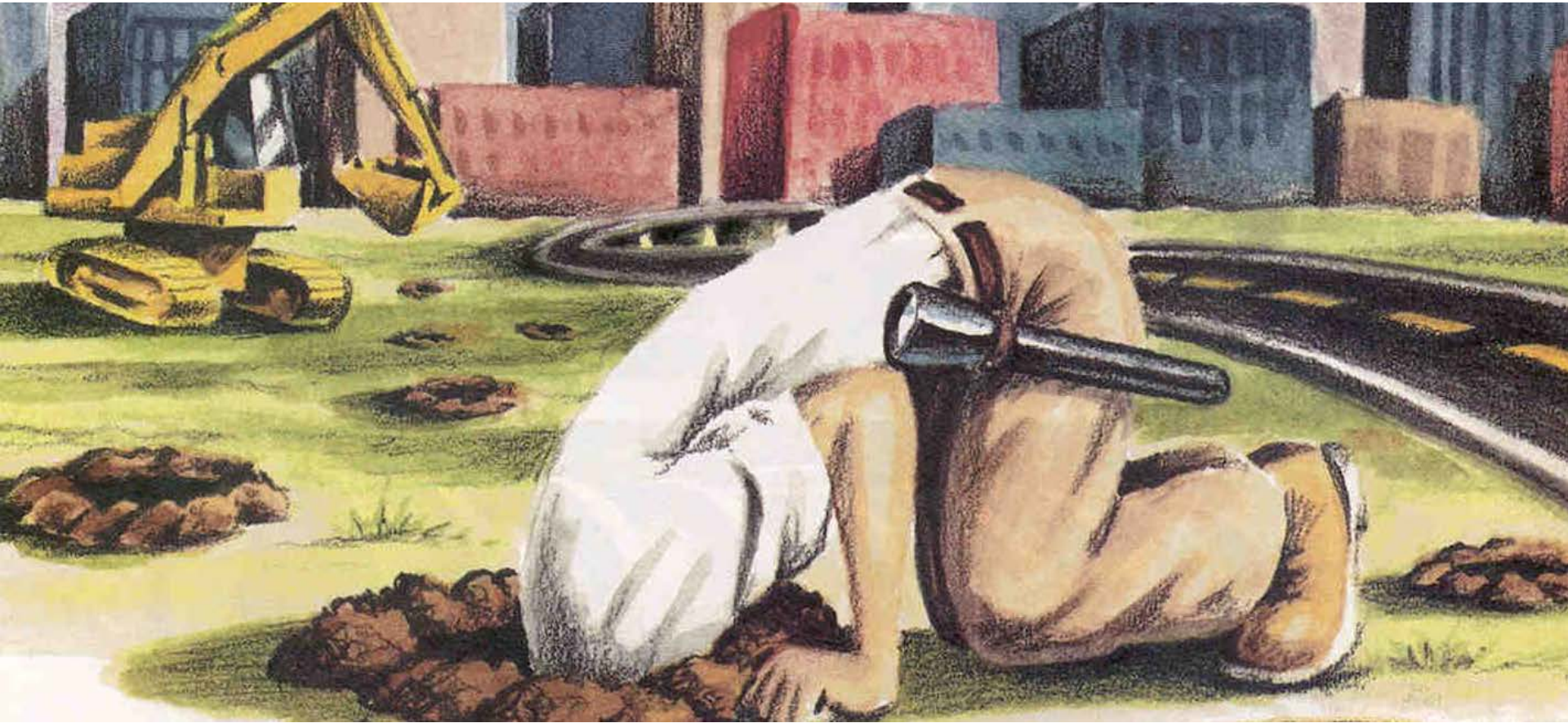
- Peer Review Teams have observed GAI strengths as:
 - Positive employee **morale**
 - Excellent training and professional **development programs**
 - Top-line **expansion**—organic, and mergers and acquisitions
 - **Strong presence** in energy and transportation markets
 - **Well-developed** systems, policies, and procedures
 - **Progressive** re-organization to better meet client needs
- Peer Review Teams improvement recommendations included:
 - Adding **more definition and direction** to processes
 - **Better Communications** with staff
 - Succession Planning **awareness**
 - Addressing and solving **performance problems**
 - Paving the way for staff to **work interdependently**
 - **Developing relationships** with key universities to enhance recruitment

Peer Review as a Business Tool



- Peer Review provides a framework for improvement by:
 - Evaluating policies and procedures that affect quality of services
 - Identifying specific, personalized methods for business improvement
 - Letting the staff know that Senior Management cares about their opinions
- Peer Review is a valuable marketing attribute
 - Clients like giving comments (positive or negative) as part of the Peer Review process
 - Peer Reviewed firms have an opportunity to follow-up with those Clients that elect to share there responses

Why Non-Terra firms avoid doing Peer Reviews?



Why You Should be a Peer Reviewer



- Analyzing other firms can provide new insights into how to improve your own company's business practices
- You get to meet and interview a lot of interesting people
- Performing Peer Reviews reinforces and expands your personal business and professional knowledge
- Participating as a Peer Reviewer is a service to your profession and a valuable contribution to firms that need your help

The Future of Peer Review



- Terra Insurance Company (Terra) will continue to support the Peer Review process as a key component in developing and maintaining top quality insurance risks
- Non-Terra firms will recognize the benefits of the Peer Review process as a tool to drive business performance and culture
- The GBA Peer Review committee will continue to look for ways to improve and make the Peer Review process more attractive to firms
- A new group of Peer Reviewers and Team Captains will emerge as the current the group reaches retirement age

Testimonial – Peer Review Process



Terra Insurance Company (Terra)
Dave Coduto – President & CEO

- Key component in developing and maintaining a proactive, risk management focused culture
 - Initial Peer Review completed upon joining the Terra risk retention group and then generally once every five years thereafter
- Cost of peer review ranges between \$10,000 up to \$40,000 and is 100% reimbursed by Terra
 - Average cost is \$25,000 per insured
 - Terra reimburses the first 50% of peer review costs when the insured shares the Peer Review results with Terra
 - Remaining 50% reimbursed when insured shares with Terra their responses and proposed action plan as a result of the Peer Review



Q & A

Thank You!

If you have questions about *Peer Review*,
contact me at g.dejidas@gaiconsultants.com