



Welcome to the FMI Quarterly

By Chris Daum

2020: A Long, Strange Trip

Welcome to the third edition of the 2020 FMI Quarterly. We are publishing this edition during what is arguably the most challenging period of our careers. The global pandemic is affecting every corner of the planet, creating unprecedented levels of change, complexity and uncertainty across industries, including the Built Environment.

With this in mind, the enclosed articles aim to help leaders and managers understand, contextualize and arm themselves with useful tools and new ways of thinking during this time of extraordinary change.

One article discusses the critical importance of developing a strategic framework for making decisions. Such a framework is important in *any* business environment, but is especially critical during volatile and uncertain times. In most situations, strategic decisions incorporate three key elements: market potential, market position and state of readiness. The authors take an in-depth look at the role that each element plays in developing a good strategic decision-making framework.

Another article delves into the challenges facing the heavy highway and civil markets. With the FAST Act expiring, heavy highway and civil contractors will face new challenges. Working through these issues will require nimble and dynamic strategies. Just what direction these strategies must take will depend upon the course of events related to surface transportation funding at the federal and state levels.

A third article describes the nature and benefits of *agile leadership*. Has there ever been a time in any of our careers when we, as leaders and managers, needed to be more agile in our thinking, behavior and decision-making? Probably not.

Lastly, we've included a timely piece on *business differentiation* in market cycles where supply versus demand tilts in favor of project owners. In down markets where there is perceived overcapacity, the urge to compete on price (versus adding value) often feels compelling and necessary. From this article, you'll gain insight into what it means to differentiate your company around demonstrable value that matters to owners (and that they're willing to pay for), and learn how to compete more effectively through the cycle.

The damage wrought by COVID-19 is winding its way through the general economy and will certainly impact the Built Environment in both anticipated and surprising ways. We believe the biggest challenges for engineering and construction firms are still months away and will be substantial. On behalf of my FMI colleagues, we trust you will find the content of this edition of the Quarterly helpful, and we are ready to connect with you further on these—and any other issues—you and your team are dealing with during this truly extraordinary time.



Chris Daum is the president and chief executive officer of FMI Corporation. Chris oversees the management of all FMI businesses and services and leads the firm's strategic growth efforts. He can be reached via email at cdaum@fminet.com.

Exclusively Focused on the Built Environment

Who We Are

FMI is a leading consulting and investment banking firm dedicated exclusively to the Built Environment.

We serve the industry as a trusted advisor. More than six decades of context, connections and insights lead to transformational outcomes for our clients and the industry.

FMI CONSULTING

FMI Consulting has a deeper understanding of the Built Environment and the leading firms across its value chain than any other consulting firm. We know what drives value. We leverage decades of industry-focused expertise to advise on strategy, leadership & organizational development, operational performance and technology & innovation.

FMI CAPITAL ADVISORS

FMI Capital Advisors, a subsidiary of FMI Corporation, is a leading investment banking firm exclusively serving the Built Environment. With more than 750 completed M&A transactions, our industry focus enables us to maximize value for our clients through our deep market knowledge, strong technical expertise and unparalleled network of industry relationships.

PRACTICE AREAS

Strategy

- Market Research
- Market Strategy
- Business Development
- Strategic Planning

Leadership & Organizational Development

- Leadership & Talent Development
- Succession Management
- High-performing Teams
- Corporate Governance
- Executive Coaching

Performance

- Operational Excellence
- Risk Management
- Compensation
- Peer Groups

Technology & Innovation

- Market Accelerator
- Partner Program
- Tech Readiness Assessment
- Sourcing & Adoption

SECTOR EXPERTISE

- Architecture, Engineering & Environmental
- Building Products
- Chemicals
- Construction Materials
- Contractors
- Energy Service & Equipment
- Energy Solutions & Cleantech
- Utility Transmission & Distribution

SERVICES

- M&A Advisory
- ESOP Advisory
- Valuations
- Ownership Transfer

EXECUTIVE EDUCATION

- Acquisitions in the Construction Industry
- Ownership Transfer & Management Succession



for the Built Environment

TRAINING PROGRAMS

Over 10,000 industry leaders have completed FMI training programs, which span the entire management spectrum, from new managers to senior executives.

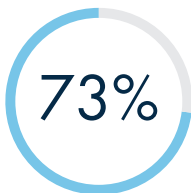
- Emerging Managers Institute
- Field Leader Institute
- Project Manager Academy
- Construction Executive Program
- Leadership Institute
- Leading Operational Excellence
- Construction Selling Skills
- Market & Selling Strategies
- Ownership Transfer & Management Succession
- Acquisitions in the Construction Industry

FMI PEER GROUPS

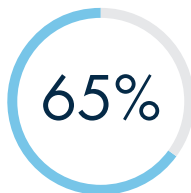
FMI manages nearly 50 individual peer groups across the industry. Connecting businesses through networking, expanding visions and providing feedback.

- Organizational Structure and Development
- Human Resources
- Business Development
- Information Technology
- Operations Management
- Financial Management

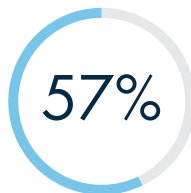
FMI CLIENT HIGHLIGHTS



ENR Top 400
**LARGEST
CONTRACTORS**



ENR Top 200
**SPECIALTY
CONTRACTORS**



ENR Top 100
**DESIGN
FIRMS**



ENR Top 200
**ENVIRONMENTAL
FIRMS**



ENR Top 100
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for the Built Environment

Denver

210 University Boulevard
Suite 800
Denver, CO 80206
303.377.4740

Houston

1301 McKinney Street
Suite 2000
Houston, TX 77010
713.936.5400

Phoenix

7639 East Pinnacle Peak Road
Suite 100
Scottsdale, AZ 85255
602.381.8108

Raleigh (headquarters)

223 S. West Street
Suite 1200
Raleigh, NC 27603
919.787.8400

Tampa

4300 W. Cypress Street
Suite 950
Tampa, FL 33607
813.636.1364

WWW.FMINET.COM