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Q&A with Greg Burghardt, President and CEO of Arrow Engineering, providing Mechanical, Electrical, Structural and Civil Engineering Services for the Buildings Industry across Western Canada from BC to Ontario and the Northwest Territories



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CEOCFO: *Mr. Burghardt, would you tell us about Arrow Engineering?*

Mr. Burghardt: We provide mechanical, electrical, structural and civil engineering services for the buildings industry, mostly in Alberta, but all the way from BC to Ontario and up into the Northwest Territories. Last year we booked about 600 projects and probably designed about 700 buildings – we contribute to a lot of projects.

CEOCFO: *How are you able to handle so many projects?*

Mr. Burghardt: We have a fantastic team behind us, and the systems and procedures in place to handle a large volume of work. Our people have a good understanding of what they need to do to get work out the door, and are very committed to our projects and clients.

CEOCFO: *Would you give us a scenario for a couple of different projects?*

Mr. Burghardt: A fairly common project for us would be a primary school - we've designed 79 of these in the last dozen years. Additionally, we've designed about 150 car dealerships and tens of thousands of apartment units. Some interesting recent projects that we've been involved in include the Stanley Milner Library revitalization in Downtown Edmonton, and the Lewis Estates Recreation Center in West Edmonton.

CEOCFO: *What do you look at in different parts of your projects that some people might not take into consideration?*

Mr. Burghardt: We have excellent people, and we've invested heavily in training them to be the best in the industry. In fact, when we did our last analysis, we spent about three times the industry average on training. That sort of investment in training and the various other ways we invest in our people make them way above the average in our industry. I really believe that the work we put into our people empowers them to come up with better solutions for our clients. It is great to have customers that appreciate that kind of dedication – to be fair, some do more than others. Our best customers are those who understand that a little more upfront investment on quality engineering and better design ultimately lowers their construction and life-cycle costs. I have a hard time saying we specifically look at this or that, because there are so many aspects to projects, but we apply our expertise to a wide range of scenarios every day. We certainly get compliments from our clients saying that we have “gone the extra mile for them” whether that be through exceptional customer service or coming up with a really innovative idea that saves them money and time.

CEOCFO: *What goes into understanding what a client really wants in a project?*

Mr. Burghardt: It can be a challenge when somebody thinks they know what they want, but aren't making an informed decision, or alternately, they have no idea what they want and can't give you enough guidance to get them to where they think they want to be. I think those are the bigger challenges in our business.

CEOCFO: *How do you help a client along?*

Mr. Burghardt: We allocate the proper personnel to a job and we do our utmost to ask the right questions. I believe that the quality of the services we provide depends on the questions that we ask. I live by a motto that one of my earlier mentors and boss taught me, and I still stand by it; he said that "when a project is going sideways, you need to put more effort into it and not less". We've never pulled somebody off of a project or tried to spend less time on something that required more time for resolution. I'm not saying that we do not have a conversation with a client saying that we need to discuss fees because we're spending more time on their project than we should be. A project may not be messed up because of us, but we still have to put effort into getting our customer across the finish line in a successful manner.

CEOCFO: *I see on your site, "Inspired by People, Driven by Results." What does that mean day-to-day?*

Mr. Burghardt: I care a lot about our staff and I care a lot about our customers. Being human beings, how we relate to each other is so important, and we need to remember that. I'm always reminding people that this is about getting things done, getting them done right, and getting our client across the finish line. I am told that I am a driver – but I only score about a nine and three quarters out of ten of that scale. So I guess I'm keen on keeping the proverbial "foot on the gas" and making sure that we get stuff done. I describe our culture as a 'fun and productive place for great people to work', and I think that is an accurate 'quick and dirty' summary of what it is like to be at Arrow. I actually just used it this morning when we hired another very senior staff member, which was a fantastic win for us.

"I really believe that the work we put into our people empowers them to come up with better solutions for our clients."- Greg Burghardt

CEOCFO: *How do you keep on top of technology, new materials and new trends?*

Mr. Burghardt: I have a strong interest in new technology, so I'm always on the hunt for new information. I subscribe to many publications, and probably delete a hundred emails a day out of my personal account - I look at the title and delete, delete, delete, but the odd gem pops out at me and I dig into it later when I have time. I'm always watching developments, going to events about upcoming trends and I am involved in different groups working on developing new technology. For example, I have been involved in a group trying to bring fusion technology to Canada, which Arrow has financially supported; it is a huge initiative, and we are pretty small players, but I enjoy being involved in that sort of thing. Because of that interest, we've begun putting some effort towards artificial intelligence, as I believe that AI is going to have a major impact on our business in a few years. We actually did a presentation for any interested staff one evening this fall, a pizza and beer sort of thing; we had a room full of people and spent a couple of hours teaching about what AI really is, because most people know little about it. We had a brainstorming session afterwards about what parts of our jobs are really repetitive, or the parts that we really dislike, and we're trying to figure out where there is an opportunity to dabble with some AI to help us be more effective and cost efficient at Arrow, and alleviate the burden of some of the tasks we don't like.

CEOCFO: *Do security issues come up as you are designing and creating?*

Mr. Burghardt: We do the odd project for clients that I am not able to disclose. Interestingly enough, we do have the odd project for which we are required to keep the data in a separate secure area, but those are few and far between. Generally speaking, I am not hearing much about security issues other than the norm of having more cameras and sensors on doors and that type of thing.

CEOCFO: *Yesterday you were recognized as an Aon Best Employer in Canada. You also were awarded the Canadian Business Excellence Award for the second year in a row. Would you tell us about the recognition and did you understand in the beginning as CEO that you wanted a company that would be recognized for your culture and business practices?*

Mr. Burghardt: We actually recently redid our awards presentation wall because it was literally overflowing. I don't want to let it affect my ego, but it's pretty neat to see the wall that we had to redo to fit all of our awards. In fact, there are still a few on my office wall, and I have three behind my desk that haven't made it up yet. It's nice to win all those awards, and there are a couple drivers behind it. When we started Arrow, my partners and I had come from a predecessor company that we felt was never even going to be a good company, so after working there for a short time I told them I had decided

to move on because I wanted a great company. My two partners and I ended up offering jobs to five others who were working at that predecessor company; all five of them accepted, so eight of us started working together about twelve years ago. One of the things I am most proud of is that all eight of us are still working together today. We started Arrow with the clear intention of being a great company and being the number-one choice for the best employees and best clients in the business. As we have grown, we have had to alter the way we do culture, but I feel strongly that we never deviated from our original intention to be the best we can, given our marketplace, for our team and our clients. I'm a big believer that if you have good intentions, then you can consistently fill the goodwill bucket so when you screw up - which we all do including me - you have some goodwill in the bucket to draw from to maintain positive relationships.

Like I said, we've always wanted to be a great company and I believe that we have achieved that goal. It is nice to get the accolades, which are a bit of a pat on the back and a "thank you" to the whole team, because we've achieved this together. The other thing that it really helps with is recruiting. With us being newer players on the block, often being up against companies that have been around for 40, 50 or even 60 years, when somebody leaves one of those companies to come work for little Arrow Engineering, those plaques on the wall help us gain that extra credibility. We had another senior fellow join us about five years ago, and he said that he came here because he wanted to enjoy the rest of his career. Those plaques help give people confidence about those kinds of decisions.

CEOCFO: *We came upon Arrow from PROFIT 500 List, so we know business is good. What is next?*

Mr. Burghardt: It is interesting that you said business must be good, because with our revenues we could have been on that list for many years before we ever applied, and this year we placed 496th. Two years ago our revenues dropped 20% and we are still on that list, and I think that is very interesting; we had some growth years as high as 74%. The last year was totally flat, so growth in those first three years helped us to get on that list – it's an average of five years; it's interesting how that worked out in the end, and that we still made it on the list.

I am a big believer in doing the best that we can, and I expect our team to do the best that they can given what we have to work with. The last couple years we have had to strive hard for efficiency so that we can be competitive in a very competitive industry and an extremely competitive area here in Alberta. We just went through a Lean implementation with over 6 months of ongoing training for our entire team. That has been a cultural shift for us, and Lean will be a "forever thing" at Arrow.

The economy around here is still weak, but is looking more stable than the last couple of years. We are looking for the next opportunity; we're poking around looking at new market opportunities, and are evaluating what makes sense.

CEOCFO: *Why do you enjoy it so much?*

Mr. Burghardt: I love business, and I love engineering. In fact, in my high school year book I actually wrote that I am looking forward to a career where business and engineering interact, and that was some 33 years ago. I love business and I enjoy seeing happy staff at Arrow, and happy clients that are referring us. It is not a perfect world and things go wrong in business, but I still really enjoy waking up every morning and coming to work at Arrow.