



Tetra Tech EC

This construction company is finding growth in a down economy by listening to and acting on customer demands. Don Rogers explains.

Pay Attention

The current market downturn is a significant challenge for almost any business. To remain a viable business partner, companies must be consistent in delivering on their service promises by streamlining their processes and eliminating any room for error.

Thankfully, Tetra Tech EC, a full-service consulting, engineering, remediation, restoration, and construction firm, is prepared with three client-engaging operating philosophies based on W. Edwards Deming's quality assurance management system. The first is Client Service Quality, one of three operating philosophies that help employees manage client relationships by putting themselves in their clients'

shoes, including the clients in the decisionmaking process, and accepting the client's judgment.

The second philosophy is Do It Right, and the third is Shared Vision. Don Rogers, president and CEO of Tetra Tech EC, the largest operating division of parent company Tetra Tech, Inc., said that by using these quality assurance tools, the \$960 million company can not only take on new services, but also ensure it can lead its clients to success.

"By listening to our clients, continuously getting feedback from them on how we are serving them and what we can do to serve them better, and applying that into our process, we moved from identifying client needs to understanding how to execute those needs to help them achieve their goals," he said.

Growing up

In the past few years, Tetra Tech EC has expanded its capabilities to include two new markets. The first, vertical construction, centers on Department of Defense (DoD) initiatives to upgrade its facilities. Programs such as Base Realignment and Closure (BRAC) and Transformation, which are the DoD's efforts to reduce the footprint of its bases by increasing efficiencies, involve a lot of new and "green" oriented construction.

In addition, initiatives such as Grow the Army, Grow the Navy, and Grow the Air Force, which Rogers describes as the





military trying to meet the new geopolitical climate it finds itself in, involve the construction of barracks, child development centers, headquarters, clinics, hospitals, and vehicle maintenance and training facilities. These initiatives involve dealing with buildings and above-ground structures, in contrast to Tetra Tech EC's historical civil-oriented surface and subsurface remediation work.

The second new market is in the renewable energy field. Previously, Tetra Tech EC was involved in the siting and permitting of renewable energy facilities. Two years ago, it moved into the engineering aspects of renewable facilities and became certified to the standards of ISO 9001 at its wind-engineering center of excellence.

Rogers said the move into these two new sectors was a direct result of a piece of the Deming process—the feedback loop of paying attention to and acting on customer needs. “As we began to better serve our traditional clients as they entered into renewable energy, a lot of potential clients moved into renewable energy as well, both domestic clients and those bringing their approaches from overseas to the US,” Rogers said.

“As we became recognized as a company that was satisfying the needs of our existing clients, it became relatively easy to penetrate new clients who entered the market,” he said.

Ahead of the pack

Following customer needs has given Tetra Tech EC a competitive advantage. The company is one of the few engineering and construction companies that can provide a full range of



services on a renewable facility project, from choosing the technology for the facility to permitting it and handling community relations, engineering, construction, operations, and maintenance, and it is perhaps the only such company grown from the environmental industry.

“Although there are companies that handle pieces of the process, I’m unaware of another that does it all, from helping you conceive of the idea to bringing it to life and then operating and maintaining it,” said Rogers.

The development of Tetra Tech EC's new customer base in renewable energy came in stages. In the first stages, the company was attractive to developers because of their sched-



ule-driven needs. Using capital late in the game and getting it back as quickly as possible is their mode of operation, said Rogers, so the fact that Tetra Tech EC could do it all and in a fast-tracked manner made the company the perfect partner.

As the market matured, stronger entrants came into the renewable energy marketplace, including large established developers, utilities, and the unregulated subsidiaries of utilities. "These companies tend to have a more matured procurement process," said Rogers. "As the market matures, they became a bigger and bigger part of the equation, and now I would say they are probably the largest part of our client base in renewable energy."

Hitting the mark

In one year, Tetra Tech EC's energy sector's revenues grew from less than \$5 million to \$270 million, and Rogers attributes this growth to two factors. First, the Deming process of continuous feedback, being responsive to, listening to, and understanding client needs. Second is the Deming-derived quality management process of executing work without error.

"Many of our previous renewable energy projects had to be completed by December 31, 2008 because if they were not, tax credits would not have been obtained or agreements would not have been met," said Rogers. "Many times, the completion date is also in the power purchase agreement for the utility that's going to accept the power from these energy facilities, so schedule and cost are critically important."

Many of the projects are also non-recourse finance projects, which means there is little room for change as the project

unfurls. It also means Tetra Tech EC's rigorous approach to execution serves both the company and its clients well. To maintain its reputation and its ability to serve client needs, the company has invested in its employees by developing six- and eight-week training programs to bring employees who have not worked on renewable energy activities up to speed.

"They work with the folks doing the siting, the permitting, and community relations people and then with engineers when we are doing the designing," said Rogers. "Then they go to the field and participate in the construction, the start-up, and the O&M of these facilities."

Although Tetra Tech EC has seen the most growth from its new renewable energy sector, the pending stimulus package hints at further growth in vertical construction. Efficiency will be just as important for projects dealing with the federal government, but Rogers said the company's client-engaging philosophies will guide it through whatever challenges lie ahead. ■

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