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NOT DOGGING
CEO



Bala and Yeomans team up

Combo is the largest engineering firm

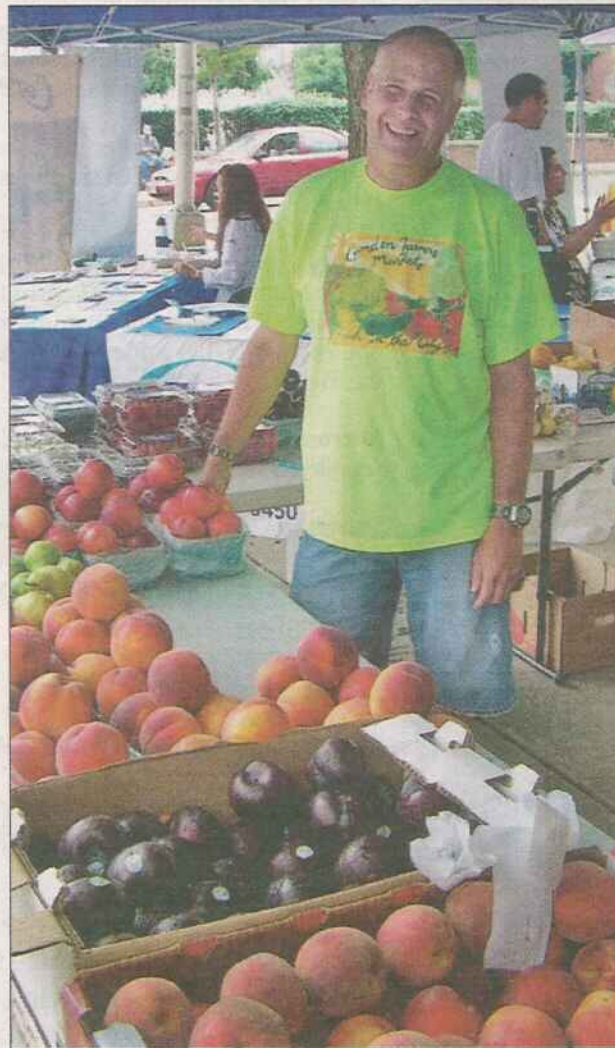
NATALIE KOSTELNI
STAFF WRITER

Bala Consulting Engineers Inc. has acquired Paul H. Yeomans Inc. to create the region's largest independent engineering firm.

The acquisition, which was worked out over the past nearly three months in secret, will allow the combined company to handily compete for engineering jobs, especially those sometimes lost out to larger, out-of-town firms. It also puts it in a position to weather the current dropoff in construction activity that has left some engineering companies struggling.

"One plus one equals four," said Michael Anastasio, who was one of the founding partners

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JOHN GEORGE | BUSINESS JOURNAL

Tom Kearns at the farmers market outside Virtua's ambulatory-care center campus in Camden.

Hospital crop of markets

JOHN GEORGE
STAFF WRITER

On an overcast afternoon week at lunchtime, the corner Atlantic and Mount Ephraim avenues in Camden is attracting more traffic than a typical day's share of traffic.

Tom Kearns from Pastors' Gardens in Hammonton, Atlantic County, is greeting regular customers to the farmers market. Virtua hosts once a week at its ambulatory-care campus in the city.

Robin Waddell from Rutgers University's cooperative extension program is giving passerby a healthy cooking lesson for a low-calorie dish: grilled chicken with peach salad with raspberry dressing.

Virtua is not the only health-care system to embrace

SEE FARMER

Pa. withstanding recession better than its neighbors

G. SCOTT THOMAS
SPECIAL TO THE BUSINESS JOURNAL

BIZJOURNALS ANALYSIS

The recession by the numbers

lumbia. Each state's results were compared

at No. 20 out of all the states and Washington, D.C. New Jersey ranked No. 36 and Delaware No. 38.



NATALIE KOSTELNI | BUSINESS JOURNAL

Mike Anastasio (left) and Bob Voth worked out the deal during meetings at the St. Davids Golf Club.

ENGINEERING: Biggest born of Bala and Yeomans marriage

FROM PAGE 1

of Bala. "That's the formula of success. The sum of parts is greater than the whole."

Anastasio is confident the acquisition is a fit of complementary strengths that will create value for clients, and he anticipates it will enable Bala to expand.

"The growth will be exponential," he said.

That Bala moved forward with an acquisition amid a recession and when construction-related industries are in the doldrums is how Anastasio has operated since forming the company in 1982 during the so-called Reagan Recession.

"We tend to be counter-cyclical in our growth strategy," he said. "We look at downturns as opportunities to gain market share and position ourselves properly when the market recovers."

In another local merger announced this week, EwingCole and Robert D. Lynn are forming the area's biggest architectural firm, highlighting how the industry is shifting.

Anastasio declined to disclose many details of the Bala transaction. Both are private companies. Under terms of the agreement, Bala took on the assets of Yeomans and formed an affiliate called PHY Engineers. Key personnel of Yeomans have joined PHY in management positions. Bala had 60 employees before the acquisition and will now have 80 people working from its King of Prussia office at 443 S. Gulph Road where it leases 22,000 square feet. Yeomans was located at 833 Chestnut St. in Center City, with more than 60 employees.

The merger will surprise the architectural, engineering and construction industry since two local, strictly engineering companies seldom, if ever, have joined forces. While there's a smattering of smaller firms, there are just three big local firms — Bala, Wick Fisher White and Yeomans — in Philadelphia providing mechanical, electrical, plumbing and fire protection design services to archi-

itects.

While there are other large architectural-engineering firms, such as Kling Stubbins and Ballinger, and several engineering firms that focus more on civil, transportation and environmental work, Bala and Yeomans don't typically compete with those firms on that line of work. In the past, Bala, Yeomans and Wick Fisher have teamed up with architectural firms to compete against the architectural-engineering firms on institutional projects.

Yeomans has been in business since 1945 and has worked on skyscrapers that have come to define the skyline including Comcast Center, Loews and Symphony House, and is working on two condominium towers — 1706 Rittenhouse and 10 Rittenhouse. Its focus on high-rises has given Yeomans an expertise

and talent for those projects.

"There's a lot of technical aspects that are involved with systems in very tall buildings," said Bob Voth, president of Yeomans. "A lot of people had the perception you had to go to New York to get that talent, and we were able to break that glass ceiling."

Voth and Anastasio, both members of a golfing group called the Delaware Indians, casually talk since the 1980s while playing rounds on combining forces. Nothing ever came of it. There were obvious synergies between the two firms. While Yeomans had a lock on high-rises as well as life care, historical renovations and adaptive reuse projects, Bala's strengths were in structural engineering, LEED commissioning, data centers and mission critical information technology

services.

The two companies would get frustrated when New York or other out-of-town engineering firms would land work on large Philadelphia projects. The idea of finding an alternative that would compete with New York companies on local jobs kept the two returning to those discussions.

"We've known for a long time that our strengths would match up well and sometimes say: 'Boy, wouldn't that be something?'" Voth said. He had joined Yeomans out of college and was part of a partnership that bought the company from the second generation of Yeomans. He became president in 1992.

Recognizing the construction industry was suffering in the recession and seeking out strategic opportunities to get through the downturn, Voth approached Anastasio about the idea again and signaled he wanted to make it happen.

"At the first meeting between Bob and me, we sat down in my office and structured the transaction that day," Anastasio said. "It took about an hour. The framework that we established that day is exactly what happened."

A consultant was brought in the following week to work on integrating the companies. Two days were spent at the Villanova Conference Center getting to know key players from both sides and two more days spent figuring out how to meld the two cultures.

"The legal and financing was secondary to the people," Anastasio said. "It was immediately obvious that we cared about our people and the emphasis we put on our people."

Both had very little turnover and many current employees had joined their respective firms out of high school and completed college while working. There also were differences that needed ironing out and not all of Yeomans' employees were kept in the acquisition. Anastasio and Voth met each Friday since June 2 at St. Davids Golf Club about the deal and it was finalized Aug. 7. ■

RECESSION

FROM PAGE 1

hurt by double-digit declines in their construction job growth over the past year.

Bizjournals is the online media division of American City Business Journals, the nation's largest publisher of metropolitan business newspapers and parent of the Philadelphia Business Journal.

The study focused on the following indicators, using raw data from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis and Federal Housing Finance Agency:

- Unemployment rate.
- Nonfarm employment growth.
- Personal income growth.
- Wage growth.
- Home value growth.
- Construction employment growth.

Each category was subdivided into five different intervals, all ending in the latest month or quarter for which official figures are available. Nonfarm employment growth, for example, was analyzed over spans ranging from three months (March to June 2009) to three years (June 2006 to June 2009).

In general, high-profile states that led the charge to prosperity earlier in the decade are now among the biggest drags on economic progress. Nevada, Arizona, Florida, California and Georgia rank among the seven weakest states today.

Small, underpublicized states, on the other hand, are faring remarkably well in these tough times. North Dakota, Louisiana, Oklahoma, South Dakota, Alaska and West Virginia are among the seven strongest states economically.

North Dakota, with a score of 7.463 points, surprisingly emerged as America's economic powerhouse, ranking first in bizjournals' overall standings. It is the only state with an unemployment rate below 5 percent. And it's the only one with positive growth rates in all five remaining categories during the past 12 months.

Rounding out the top five are Louisiana, Oklahoma, South Dakota and the District of Columbia. All of these runners-up suffered job losses during the past year, but their income levels are rising (with the exception of South Dakota's) and their home values are holding steady (with the exception of Washington, D.C.'s) — two solid accomplishments in the current climate.

The news is far worse in Nevada, the weakest state in bizjournals' standings with a score of -9.489 points. Nevada's unemployment rate has soared to 12 percent, its job base has shrunk by 6.2 percent since mid-2008, and its home values have plummeted 31.1 percent during the same span.

Michigan ranks next to last in economic strength, followed by Arizona, Florida and California. These four states all lost more than 5 percent of their jobs during the past year. Their wage levels and home values have also dropped substantially.

The population gap between America's strongest and weakest states is striking. Four of the 10 strongholds have fewer than a million residents, but each of the 10 weaklings has more than 2.7 million people.