

## Hard Hat Services makes its big debut in a small way

> Find out how this 31-person full-service environmental engineering, construction, and management solutions firm grabbed a spot for the first time on *The Zweig Letter Hot Firm 2006 List*.

Landing the Number 64 spot on *The Zweig Letter Hot Firm 2006 List* is **Hard Hat Services, Inc.** (Naperville, IL), a 31-person full-service environmental engi-



John McDonough,  
Vice President,  
Hard Hat Services, Inc.

neering, construction, and management solutions firm. Hard Hat Services is the smallest firm on the Hot Firm 2006 List.

John McDonough, vice president and co-founder, attributes the firm's success to keeping its word. "Bottom line: We do what we say we're going to do, for the price we say we'll do it," says McDonough.

McDonough and President Tom Blair founded Hard Hat Services in 2000. The two met while working for Montgomery Watson— now known as **MWH Global, Inc.** (Broomfield, CO), a 6,100-person A/E firm that primarily focused on federal and large municipal clients. As Montgomery Watson started to move away from the industrial sector, McDonough and Blair decided to continue working with industrial clientele and started their own firm.

McDonough and Blair had a comprehensive business plan before starting their firm which included the expectation that Hard Hat Services would grow quickly. When Hard Hat Services first started, they worked for larger A/E firms and had a few industrial clients. However, now Hard Hat Services has limited teaming opportunities with large A/E firms and does 90% of its business directly for multiple industrial clients.

McDonough does not think it is harder for small firms to grow quickly, "Our

decision tree is simpler and we're able to be more flexible," he says.

Hard Hat Services now has five offices— located in Naperville, Illinois; Milwaukee; Kansas City; St. Louis; and Chesterton, Indiana. Naperville, Chesterton, and Milwaukee are primary offices; St. Louis and Kansas City are satellite offices. With today's technological advancements, setting up satellite offices is easy— the purpose of these satellite offices is for serving specific clients and projects, says McDonough.

Most of the 31 employees of Hard Hat Services are degreed professionals and mostly engineers and construction managers— the firm only hires employees with experience in the industry. "By being a successful small business and hiring good people with existing clients, we're able to be profitable, which drives growth," says McDonough.

Although Hard Hat Services only hires employees with prerequisite experience, there is still plenty of room for growth. McDonough says, "Being a smaller company also means more flexibility to provide incentive compensation more easily, whether project-based, sales commission, or another type of bonus."

Being a design-build firm, Hard Hat Services focuses on providing turn-key services for its clients. Clients only have to call one company to track the project, says McDonough. "By offering turn-key services, we align ourselves with the client as a partner, not just as a service provider. We're going in on a project together."

In December 2005, Hard Hat Services expanded by acquiring **Harrington Engineering and Construction (HE&C)** (Chesterton, IN), a three-person firm that provides construction-based engineering services for owners, architects, design engineers, and contractors. "They provide similar services, but also had a distinct niche in sediment remediation," McDonough says. Harrington Engineering and Construction has kept its name and now works under Hard Hat Services.

Within the next five years, Hard Hat Services plans to expand its business by

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## HOT FIRM Smallest firm

offering additional services to existing clients and by entering new geographic markets. The growth plan calls for key employee hires and strategic acquisitions. Although its success has made Hard Hat Services a target for selling to or merging with a larger firm, growing independently is in its best interest. "We need to continue to grow in an organized and focused way," says McDonough.

When firms are in growth mode, they usually have to add more employees. However, Hard Hat Services is different. "The traditional A/E business generates anywhere from \$100K to \$150K per employee. At Hard Hat Services, we generate two to three times that per employee," says McDonough.

For smaller A/E firms like Hard Hat Services, McDonough suggests, "Have a detailed business plan that you review on a quarterly or semi-annual basis. Stick with your plan, and have lofty, yet achievable goals." — **KRISTINA RIELLY** ([krielly@zweigwhite.com](mailto:krielly@zweigwhite.com)) ■



**HARD HAT SERVICES™**  
Engineering, Construction and Management Solutions

- > **Headquarters:** Naperville, IL
- > **Firm type:** Full-service environmental engineering, construction and management solutions
- > **Size:** 31 employees
- > **Revenue growth:** From 2002 to 2005, Hard Hat Services' revenue grew 484% from \$1.2 million to \$7.3 million.
- > **Staff growth:** From 2002 to 2005, Hard Hat Services' staff grew from 5 people to 31.
- > **Markets served:** Water/wastewater treatment and solid waste and remediation
- > **Hot Firm 2006 ranking:** 64
- > **Other Hot Firm appearances:** None.

