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Engineer designs a road to rapid growth

Allen Casey has led M/E Engineering to become one of the nation's fastest-growing engineering firms

By LYNETTE HAALAND

Allen Casey will find it hard to forget the year he and three partners left the stability and comfort of their jobs to start their own company.

"It's been an interesting learning process to go through," says Casey, president of M/E Engineering P.C.

"But I think when you do not take a paycheck for a year, you tend to go at things a little tougher," says Casey, 51.

Casey was heading the local operations for a Syracuse-based firm—he declined to identify the firm—when he decided he was tired of working for someone else.

"I said to Joe (Straub), 'I've had enough. Let's do something else.' And we did," Casey says.

He and Joseph Straub Jr. persuaded two younger co-workers, William Liberto and Ronald Mead, to join them in 1991.

The firm, specializing in mechanical and electrical engineering, posted revenues of \$13 million this year—more than double its revenues of two years ago. M/E also is one of the fastest-growing engineering firms in the country.

"We've been successful from the get-go," Casey says.

David DeLuca, a friend and attorney, represented Casey when he left the Syracuse firm and helped the four partners form M/E.

"(Casey) thought that if he was going to become successful that really the only way to do that was to form his own business," DeLuca says. "He put together a group, knowing well their strengths and weaknesses."

To launch the firm the partners put everything, including their personal credit, on the line.

"We all found money in different places, friends and family," Casey recalls.

Financing was the biggest obstacle and the partners were relieved to get their initial loan from M&T Bank. Convincing clients to go with them was another challenge, as was convincing employees to take a risk and join their new venture.

"We took care of our people first, then we were paid," Casey says.

"(Casey) made sure he had sufficient staff to undertake any project they bid," DeLuca says.

"(Casey is) most organized and most circumspect," he says. During the formation process "he was very sure every 'i' was dotted and 't' was crossed."

DeLuca recalls the firm's initial office space at 40 Humboldt St. felt sort of empty.

"I remember at the officewarming there were the shareholders and four or five other (employees)," DeLuca says.

But it represented the optimism of where the partners wanted to take the firm. And they have not strayed from that path.

"It's just exploded," DeLuca says.

The firm started with 1,200 square feet and has expanded through the years to 18,000 square feet at the same location.

M/E's staff has reached 115 today, roughly half here and half in Buffalo.

"We're one of the biggest (mechanical/electrical firms), if not the biggest firm, outside of New York City," Casey says.

M/E ranked 69th on a list of the top 100 earning mechanical/electrical firms nationwide published by trade magazine *Consulting-Specifying Engineer* in its August 2001 issue.

M/E also ranked No. 52 on Zweig White & Associates Inc.'s Hot Firm 2001 ranking and No. 38 on the 2000 list. The list ranks the 100 fastest-growing architectural, engineering and planning firms in the United States, based on three-year revenue growth.

M/E's growth in part is due to Casey's management philosophy.

"Provide a quality product, treat clients and employees fairly, address issues and resolve disputes in a fair and expeditious manner," Casey says.

DeLuca says Casey's strong leadership style has helped to build the firm.

"He's a good manager. He thinks outside of the envelope," DeLuca says. "He comes prepared. He's a casual guy; that's his charm. But he's got all the information to make decisions at his fingertips."

One of the firm's strengths has been its structure.

"We don't have a hierarchy set up. Nobody's building empires. We're all in it together," Casey says.

Straub agrees, adding there is a high level of trust among the partners.

"When the four of us started up the business, we all knew each other's personalities and how we worked together," Straub says. "We all have common goals. That saves us a lot of screwing around and time."

Each partner takes care of different functions.

"We maintain personal involvement in projects," he says. "I think the whole is way more valuable than the parts."

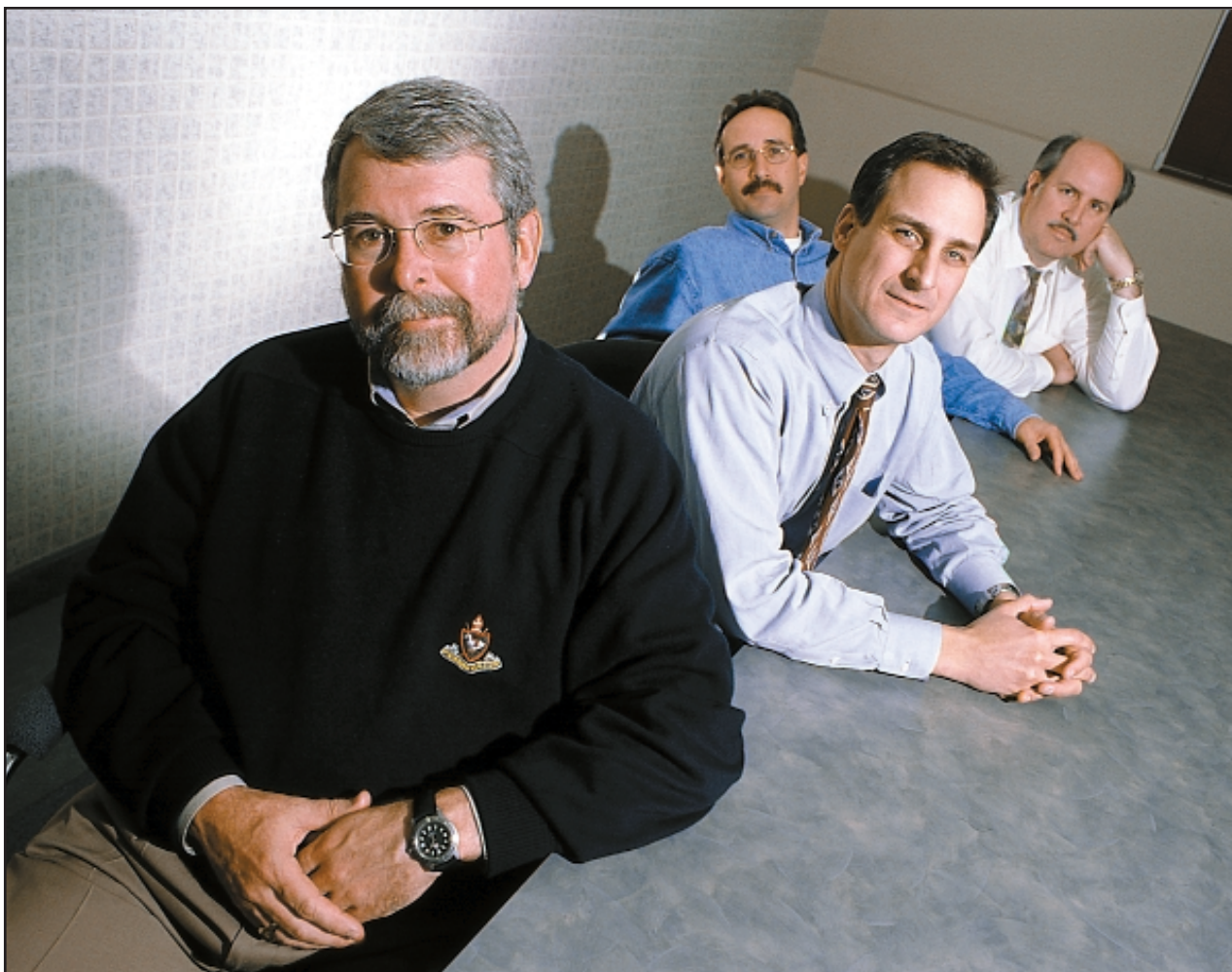


Photo by Kimberly McKinzie

GROWTH TRACK—Allen Casey, front, president of M/E Engineering P.C., started the firm in 1991 with his three partners. The firm, with \$13 million in revenues and 115 employees, ranks among the fastest-growing mechanical and electrical engineering firms in the country.

The firm provides consultation and designs electrical, HVAC, plumbing, data telecom and fire protection systems.

Some 75 percent of the firm's work is in the public-sector markets, including kindergarten-12 educational facilities, and court and correctional facilities. The remaining 25 percent involves an array of private projects covering the college, health care and senior-housing sectors.

Casey focuses on Monroe County projects, including Monroe County court facilities improvements, Unity Health System and Rochester Institute of Technology's College of Applied Science and Technology and College of Engineering.

Gannett Co. Inc.'s printing facility at Canal Ponds Business Park and the Rundel Library are two of the firm's larger, recent local projects.

The firm recently finished the drawings for the B. Thomas Golisano College of Computing and Information Sciences at RIT.

Mead works mainly with the public school market, including East Rochester, Fairport and Brockport school districts. He also heads the firm's laboratory work, including expansion at the University of Rochester Laboratory for Laser Energetics and a lab for Bristol-Meyers Squibb Co. in Syracuse.

Straub focuses on projects in the eastern part of the state

and Liberto focuses on western projects. The Seneca Correctional Facility was one of M/E's big projects.

The firm is organized with what Casey calls studio teams. These teams provide support to each principal in the firm and that principal's client base. The teams help build confidence among clients and provide consistency.

M/E also does work for architectural firms such as SWBR Architects & Engineers P.C., DeWolff Partnership Architects LLP and Macon Chaintreuil Jensen & Stark LLP.

"We have a very experienced and capable staff. It's our biggest asset. We've had little turnover," Casey says.

"We want to make sure they are taken care of. They are very valuable to us," Straub says.

There are 20 licensed engineers in the firm and 36 graduate engineers—20 from RIT including Casey, Mead, and Liberto. Straub graduated from UR.

In 1999, M/E started an engineering scholarship in the RIT College of Applied Science and Technology. "(RIT's) been a great resource for us," Casey says.

The firm strives to treat employees fairly with excellent benefits, compensation and flexibility. The firm also closes each year from Christmas to New Year's Day.

"(Casey) treats people very well and fairly. He can be demanding but very, very fair about things," says Straub, who has worked with Casey for some 15 years. "Al's a straight shooter. He's one of those 'says what he means and means what he says' kind of guys."

In 1996, M/E partner Liberto moved to Buffalo to open an office there. It grew from six to 15 employees before merging with the Wilson, Klaes, Brucker & Worden P.C. office in 1999.

"Two owners wanted to retire and they approached us and we cut a deal after six months," Casey says.

The M/E team went back to M&T for another loan, this time an acquisition loan that now has been paid off, Casey says.

The merger doubled the firm's staff to 100 employees. Wilson, Klaes added 40 staffers to M/E's Buffalo operations and 10 to M/E's Rochester office.

Revenues jumped from \$5.8 million in 1998 to \$12.3 million last year, Casey says.

Areas M/E is targeting for growth include state college projects and energy conservation and retrofit projects. The company also is looking at geographic expansion.

The firm already does business in the Albany area and in the eastern part of the state, but it plans to open an office in the capital area.

"That's to strengthen ties to those agencies that administer projects all over the state," Casey says.

The firm works with the Office of General Services and

Continued on next page

Close-up

Allen Casey

Title: President, M/E Engineering P.C.

Education: AAS, electrical engineering, 1970, B.S., electrical engineering, 1973, Rochester Institute of Technology

Family: Wife, Diane; daughter, Erin, 15, and son, Allen, 13

Age: 51

Home: Rochester

Main Interest: Golf

Memberships: National Society of Professional Engineers, New York State Society of Professional Engineers, Rochester Engineering Society, Illuminating Engineering Society, National Fire Protection Association, Professional Services Management Association, Society for Marketing Professional Services and Construction Specifications Institute

Quote: "Keep it local. It's my pet peeve when projects use outside experts that come to town."

the Dormitory Authority of New York State.

M/E also is looking to expand outside of New York.

"We're looking to grow the business. We have some opportunities to do that," Straub says.

The Buffalo office already does projects in Pennsylvania and Ohio, so it would be logical to move toward those states, he says.

The state university system is another area of potential growth in the years ahead. Most of the campuses were built in the 1960s and 1970s and need upgrades and expansion, recently completed state surveys indicate.

"(Campuses) need modernization and energy efficiency," Casey says. "We hope to do that."

Energy-efficient projects are expected to increase in the coming years. More federal and state projects are required to use energy-efficient systems.

"We feel this is a strong (area) for us," Casey says.

Some projects involve energy-efficient light systems that use highly efficient fluorescent bulbs, high-intensity discharge lighting and increased natural lighting with more windows. Energy-efficient systems currently can cost up to 10 percent more than traditional systems.

Although these areas promise to keep the firm on its growth path, the slower economy hurts.

"The biggest challenge is the uncertainty of the economy," he says. "We're not as confident as we were last year."

Work for the public sector and non-profits have kept the firm busy the last several years.

But now bond issues have slowed for the school market, which could trickle down to M/E, Casey says.

"In the private sector, those developers have put on the brakes. It started in the first quarter and really stopped midyear," he said.

The uncertainty carries over to the 10 or so municipalities that M/E works with.

"They rely on a lot of funding from state and sales tax income. But because there is uncertainty about the federal involvement on covering costs (related to Sept. 11), there is uncertainty at the municipality level," he says. "Last year, we didn't have that concern."

Casey, who moved to Rochester when he was 7, was first drawn to the field of engineering in the 1960s when he attended Edison Technical High School. He joined the technical-electrical program.

Then he enrolled in RIT and joined the co-op program that further exposed Casey to the construction end of the business.

"(The program) gives you a break and lets you work and make some money," he says.

In 1970, Casey earned an associate of applied science degree in electrical engineering from RIT. Three years later, he received a bachelor of science degree in electrical engineering.

Shortly after college Casey started working as an electrical engineer at the Cannon Partnerships in Grand Island, near Buffalo. After several years there, Casey started to work at Weil and Moses Inc. in New Orleans. There he started as an electrical engineer and then moved up to electrical department manager.

After another couple of years, he moved across the country again, taking a job at Wright-Pierce Inc. in Topsham, Me.

He landed back in Rochester some 20 years ago when he took a post at Lozier Inc. as a senior electrical engineer.

He met his wife, Diane, when he was stopping in to say hello to former co-workers assembled at the Red Creek bar-restaurant in Henrietta.

"I was having lunch and she was working there," he recalls.

The couple married in 1981. They have two children, Erin, 15, and Allen, 13. The family lives in Rochester.

In 1982, he began nearly a decade-long stint at the Syracuse firm. He became a project director and an electrical department manager.

"He's got great ethics, understands the business and the



Photo by Kimberly McKinzie

Casey shares leadership duties with his partners, from left, William Liberto, Ronald Mead and Joseph Straub Jr.

space he's in," says William Hughes, CEO of HPA Consulting Group Inc., a telecommunications, voice, data and technology company. "His firm has been a delight to work with."

Hughes and Casey have worked together on projects for the last eight years. They also golf together.

"I talked him into joining Oak Hill," Hughes says.

Casey loves golf. This year, Casey spent a lot of time at Oak Hill Country Club, playing 66 rounds of golf—posting his personal best.

"And we love to take his money with his very low handicap and his inability to perform to his handicap," Hughes says.

They also generally fit in a Wednesday night bowling game at Oak Hill. Plus, he is known "to have a pint of Guinness, too," Hughes says.

"Al is a terribly great guy. I put him as one of the best I know," Hughes says.

Longtime friend DeLuca adds that Casey always is open to advice, both on a personal and a professional level.

"He's selected a pretty reliable group of friends and confidants," DeLuca says. Their friendship started 20 years ago.

"When he was a recent graduate of RIT, I met him at a Persuasions concert, a black a cappella group," DeLuca recalls.

At the end of the concert, the group invited everyone to come up and sing on stage—it was a benefit-type concert similar to Farm Aid. Casey went up, as did DeLuca

and a friend.

The members of the Persuasions were listening closely to pick who to sing, "In the Still of the Night," before the crowd.

"They let (Casey) sing the lead," DeLuca remembers. "We were forming an a cappella group and I looked at my friend and said, 'There's my lead singer.'"

The Showvinistics was formed. Casey mainly sang tenor and did some harmony. The a cappella, doo-wop group was a novelty at the time and received television coverage.

They would play sets during breaks for Nik and the Nice Guys and the Skycoasters at the Downtown Festival Tent.

Casey gave up the group in the mid-1980s when his daughter was born.

DeLuca suspects Casey has not returned to the Showvinistics because he is so busy with M/E.

"I've been talking to him about coming back," DeLuca says. "He's done very well (with his firm)."

Casey is proud of what of M/E has become.

"We did it and that's the bottom line," Casey says. "After 10 years of growth it has been more than worthwhile."

There is a succession plan in the works among the founders. They have brought on associate-level partners who have access to a small percentage of the ownership.

"This year's task is to form that plan," Casey says. "We want it to be as painless as possible."

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