

ENGINEERING MINNESOTA

The Sambatek Turn-Around



Sirish Samba, P. E.,
Sambatek
President/CEO

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Future Was Bleak. Then
Engineers Regained
Control Of The Firm
And Everything Changed.**

ENGINEERING MINNESOTA
1107 Hazeltine Blvd.
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COVER STORY

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Ten years ago the future was bleak but then engineers regained control of the firm and everything changed

There have been a few exhilarating ups and some significant downs during the 50-year history of Sambatek, the Minnetonka-based engineering consulting firm. Skip McCombs, P.E. and Dickman Knutson, RLS, formed a half-century ago as McCombs-Knutson Associates.

A significant “up” has been the ability of the firm to bounce back from the challenging period of the recent recession when its future was in doubt. The company was purchased by an investment firm in the early 2000s after decades of ownership by Minnesota engineers. Minnesota engineering history reveals ownership by non-engineers does not work well. And, in this situation, history proved an accurate guide.

Engineering tends to be a complex business that thrives on the creation of trusting relationships with clients. That approach can

find itself in conflict with any owners bent on creating a speedy and sizable return on investment.

For certain, the firm had a very successful run for a long time. In the mid-80s McCombs Knutson Associates became McCombs Frank Roos Associates (MFRA) as Greg Frank, P. E. and Jeff Roos, P. E. were named principals. The then 70-employee operation flourished under a family-style business atmosphere. That approach changed, however, following Frank’s retirement at the start of the new century. The firm was purchased by an investment group concerned more with generating profits than developing long-term client and employee relationships. The situation improved somewhat in 2005 when ownership was transferred to a private equity group. But the new effort fell victim to a deteriorating economy that sideswiped many businesses around 2008.

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Sambatek employees during a conference room discussion

COVER STORY

MFRA engineers knew they faced a serious challenge at that time. One of those folks was Sirish Samba, P. E. a native of India who years earlier had decided he would “strive for creative ways to overcome tough challenges.” That goal initially took him to Nagarjuna University in India where he graduated in 1992 with a degree in civil engineering. From there, he was accepted in the graduate program at South Dakota State University where he obtained a Master’s degree in civil engineering. He joined MFRA as an EIT in 1994. The board of owners from private equity group named him President and CEO in June of 2008. One of his first actions as CEO involved a successful effort to place firm ownership back into the hands of employees. He was joined in the effort by fellow employees Erik Miller, Paul Pearson, Mark Anderson, and Steve Janson.

Samba acknowledges the decision to restore firm ownership to working professionals provided numerous financial challenges, “but it was the right thing to do” he said shortly after the change was made. “We felt it was important that a professional practice be owned by professionals. We wanted to change the firm’s culture to what is best for our employees and clients,” he said.

Eight years later, Samba believes Sambatek, which became the firm’s new name, has fully recovered from its earlier economic challenges and is headed for an “exciting future.” He acknowledges that future prospects are helped by “quality workmanship, talented staff,” and the company’s qualification as a Disadvantaged Business Enterprise (DBE) because of Samba’s Indian background. One of the main purposes of the State’s DBE program is to increase participation of minority-owned firms in government-funded program such as the recently completed Minnesota Vikings football stadium in downtown Minneapolis where the firm did considerable work. Sambatek has also worked with the Department of Transportation, Hennepin County and the Metropolitan Council in Minnesota and the Department of Transportation in North Dakota. Sambatek was one of the first Minnesota engineering consulting firms to establish a presence in the neighboring state when its economy boomed as a result of changes in oil drilling procedures. Their North Dakota office currently employs 10 people and the firm’s overall work load includes a mix of public and private sector projects.

Sambatek employs about 100 people whom Samba is quick to point out are the firm’s greatest asset. “We pride ourselves on being a very open and transparent firm,” he said. “If employees are given the opportunity to grow in their jobs, then the company will also grow.”

Samba admits he has a very idealistic approach when it comes to engineering. As a youngster in India, he recalls his mother pointing out the significance of engineering work performed by Sir Arthur Cotton, a British civil engineer who built a dam near Samba’s hometown in the 1850s that ended flooding and significantly diminished the impact of droughts. That work, Samba

recalls, provided an excellent example of the way engineers and engineering can significantly make a positive difference in the lives of many people. “I thought that using engineering to make life better for others would be a very good way to spend the rest of my life,” he said.

Samba spends a good portion of his time these days responding and reacting to the activities and ideas of employees as well as clients. Sambatek recently concluded a survey of employees regarding a variety of issues and is currently surveying its clients. Seeking out, listening to and responding to feedback has been a main component of the firm’s rebuilding strategy, Samba said. One recent benefit resulting from employee feedback: they now officially have the day after Thanksgiving off. Other changes stemming from employee feedback include an office gym, a ping pong table for mid-day breaks and real cups and silverware (as opposed to foam cups and plastic spoons) so the company can implement the sustainability practices it builds into many of its projects. Samba also notes that a far more substantive change resulting from employee engagement is the practice of Open Book Management and the ability for employees to work remotely and/or gearing work schedules to promote a better work/life balance.

Feedback comes from weekly staff meetings as well as quarterly “Town Hall” get-togethers where employees are briefed on firm activities. The format also allows for anonymous questions that can be placed in an envelope which can cover diverse topics ranging from “what the firm is doing to promote energy efficiency” to the aforementioned holiday request for “day after Thanksgiving”.

“Clients and Employees are the key to our success,” Samba observed. “Our approach is to keep them involved and give them a say in the way things are done. Ours is not a ‘from the top down’ operation. We like to keep everyone engaged. It is an approach that has worked very well in the recent past and one that will position Sambatek for great success into the future.”



Former longtime MN/DOT engineer Doug Differt, P. E. (left) provides consulting services for Sambatek