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s the oldest of six children growing up on a dairy farm in Holland, Michigan, Rob Petroelje says he learned from his father at age six the keys to good management. Today he is putting those keys into play as the founder, president and CEO of V3 Companies Ltd., a multi-disciplined consulting firm based in Woodridge, Illinois. The company has grown to employ 350 professionals and expanded its engineering consulting services to include land development, natural resources, and infrastructure. Nowadays, the mid-sized firm is enjoying tremendous success as one of the fastest-growing companies in its class.

“I know my Dad didn’t consciously set out to do this, but through our work together on the farm, he instilled in me the tools I rely on today to be an effective leader,” said Petroelje. “I call it the ‘Four E’s.’ First he *equipped* me with the knowledge I would need to complete a task, then he *empowered* me to do it. Once I proved I could do it, he would *expect* to see results. Then he *enriched* me by thanking me for a job well done.”

According to Petroelje, he uses the same philosophy with the people V3 employs. He and his management team are careful to select the most equipped professionals in the field to work for V3 – people who are self-motivated and can handle a lot of responsibility.



Rob Petroelje, founder, president and CEO of V3 Companies

V3 Companies Finds the Right Balance

As the demand for civil engineers and surveyors continues to outweigh the supply, many companies are trying to be proactive in their efforts to retain and recruit valuable employees. And while Petroelje believes it’s important for V3 to offer compensation packages that keep up with the competition, he believes it is just as important to

provide people with verbal recognition for excellent work.

“I think one of the most important lessons my parents taught me was to say ‘please’ and ‘thank you,’” said Petroelje. “Looking back at my career, it’s not the bonuses I remember, it’s the moments when someone patted me on the back and made me feel appreciated.”

>> Brigette Beaudoin

New employees learn about Petroelje's philosophy soon after they join V3. He makes it a point to sit down with each one over lunch and talk about the culture at V3.

"I want them to understand that business is my third priority in life behind my faith and my family. It would be hypocritical for me to expect anyone else at V3 to put work first," said Petroelje.

For V3, the formula works. Over the past 11 years, the company's stock value has climbed from \$11.20 to \$71.90.

Revenues from 2000 to 2005 have nearly doubled from \$18 million to \$33 million. Most recently, the firm ranked first in Illinois for being the top firm to

work for and scored within the top 50 engineering firms nationwide, according to an October 2005 survey conducted by a civil engineering trade publication. Employees who took the anonymous survey gave the firm particularly high marks for work/life balance issues, overall ethics of the firm, taking pride in their work, and company morale.

The Formative Years

Petroelje believes his early experiences working for several different firms in Chicago helped shape his beliefs about the kind of firm V3 would become.

After graduating from Michigan Technological University with a bachelor

THE FOUR E'S

>> by Rob Petroelje

Equipped My father first taught me how to do a chore, then he made sure I understood. In the same way, at V3, we make sure all of our employees are equipped with the educational background to complete a task.

Empowered My father demonstrated that he trusted my ability by delegating a chore for me to do by myself. Similarly, we empower our employees by letting them take on responsibility and not micromanaging them.

Expected Whether it was milking a cow or driving a tractor, my father expected me to get the job done with excellence. By the same token, we hold high expectations for our employees.

Enriched Nothing meant more to me than recognition from my father for a job well done. That's why, beyond competitively compensating our employees, we say and do things to let them know they are appreciated. In my personal experience as an employee, a well-deserved "pat on the back" is much more memorable and satisfying than a monetary bonus.



Employees at the Woodridge office take a break from work by playing a game of trivia.



V3 headquarters in Woodridge, Illinois



Rich Lannon, Vice President of Human Resources

of science degree in civil engineering in 1974, Petroelje and his wife Sally moved to Chicago where he gained several years of engineering consulting experience on high profile projects like Chicago's 'Deep Tunnel.' In 1975, the Illinois Environmental Protection Agency mandated a multi-year construction project to solve Chicago's ongoing flooding and water pollution problems. Petroelje was part of a team of engineers who successfully designed a portion of the 125-mile underground tunnel system that would burrow under the city and redirect the polluted waters – a system in its final stages of construction today. Two years later at age 26, he would face the biggest responsibility of his career to date when his firm entrusted him with the role of civil design manager for a new \$5 billion airport in Jeddah, Saudi Arabia.

"The challenges of being the point person for all civil engineering tasks on such a high profile project and collaborating with consultants from different regions of the world who had very different styles of communication really broadened my horizons," says Petroelje.

Despite the many professional opportunities he knew existed at these more prestigious firms, Petroelje started to think about branching out on his own. One of the trends he observed while working for others was an unbalanced share in the company's success that

heavily favored owners over employees. Petroelje envisioned a firm that better served all of its employees. And while he felt confident he had the engineering skills to succeed, he knew he needed help with the financial and legal technicalities of starting a business. With the help of two friends from his church who were willing to invest in the company and offer business and financial advice, he went to work.

“It’s not the bonuses I remember... it’s the moments... when someone made me feel appreciated.”

Setting the Foundation

Six months later, in October 1983, Petroelje opened Site Development and Infrastructure (SDI) Consultants, Inc., a civil engineering firm. He renamed the company V3 Companies in 2000 to account for the broadening of the services offered to clients.

Petroelje credits his wife Sally for playing a pivotal role in getting SDI off the ground. The high school sweethearts married after his junior year of college

and have four children – Jodi, Liza, Jenny and Benj – and two grandchildren. A legal secretary by trade, his wife took responsibility for all of the administrative work, and held the unofficial position of trusted advisor. “She was my sounding board and chief encourager,” Petroelje notes.

The couple also set important ground rules that would prove to be critical factors to the success of their family and in developing the culture of the company.

“Every day I came home for dinner and spent time with the family until around 8:00 p.m. or so when I would head back to the office if there was more work to be done,” said Petroelje. “We agreed we would give that lifestyle two years and see how it went. And if at the end of that period we were in a position to make our first hires, then I’d be able to scale back my work hours and stay in business.”

By year’s end, SDI was doing enough business for Petroelje to hire another civil engineer and a draftsman. Nearly 10 years later, in 1993, SDI had grown to 30 employees and had gained a strong reputation for its work in large scale, commercial and corporate development projects.

Defining the Core Values

Before the firm’s doors were ever opened, Petroelje, with some prodding from his Bible study group and his wife, drafted guiding principles that would serve as the core values for the firm. The group challenged him to ink out

long-standing guidelines that would reflect the reasons he started his own company in the first place: to create an environment of shared success across the entire company’s workforce. Today the firm remains grounded by a commitment to excellence and integrity, a focus on clients and a dedication to employees.

Petroelje, who refers to himself as V3’s “minister of culture,” is proud to say that these core values are a big part of the company’s success. And he credits

Reception area of V3's Denver office. The company will begin searching for its next regional office location in 2007.



many other members of the V3 team for helping him see it through.

"If I were the only visionary, we'd have a dictatorship, not a shared partnership," said Petroelje. "It's crucial to be open to new ideas and different perspectives if you want to keep good people around."

Part of that shared vision includes the strategic plan that was created by V3's management team to help the firm measure itself against its principles. The Employee Stock Ownership Plan (ESOP) was born from this plan to give employees a generous share of the company's success.

"One of the best decisions we ever made was to give our employees inclusive ownership by creating an ESOP," said Petroelje. "We've managed to provide V3 employee shareholders with an average 20 percent return on their investment every year."

Growing Pains

Company leaders would have to learn from their own mistakes before getting the formula right when it came to expansion. In 1995, V3 started an office in Holland, Mich. and in 1997, it acquired a small firm in Lakewood, Colorado, only

to watch them struggle. The office floundered for the first several years, unable to find the right chemistry between V3 managers and employees who were more accustomed to a top-bottom approach to management.

"Denver was a real lesson in patience for us," said Petroelje. "Once we found the right chemistry with our people there, everything started clicking. It took several years of experimenting, but we knew it was a good market for us and that it would just be a matter of time."

The Michigan office eventually closed after management concluded that uncontrollable market factors were to blame for its failure to turn a profit after eight years in business. Petroelje attests that being the bearer of such bad news to his employees was one of the most difficult experiences of his career. But at the same time, he also considers the decision a major milestone for the company in that once management concluded that the business model didn't fit the location, they acted decisively and worked diligently to relocate all 20 employees.

Plans for Expansion

V3 recently completed the acquisition of an 80 person civil/survey firm in

Phoenix, Arizona, which gives the company a substantial presence in this very active market. Petroelje is optimistic about V3's success in 'the Sunbelt' given the area's year-round construction activities and open business network that allows new companies to prosper without having to rely on longstanding relationships within the community for business opportunities.

The Future of V3


As the firm continues on its path of strategic growth, it has become increasingly more important to Petroelje to keep the company's culture intact.

Today, 22 years after Petroelje founded V3, he is more enthused than ever about the company's future. The headquarters' office in Woodridge is flourishing with the full structure of land development, natural resources, and real estate services, and he expects to eventually replicate this model at all current and future expansion sites. The company will begin searching for its next regional office location in 2007. And as early as 2010, Petroelje predicts they will be close to doubling in size to as many as 600 employees.

He also believes that, several years from now, someone with a different skill set within the company will step forward to help drive that growth – a change he says he will welcome and fully support.

Lately he has not felt the pressure to be as involved in the day-to-day activities of driving the company, and is instead taking more time to lend his knowledge and expertise to community endeavors, in part as a public face for the company. This includes serving on several not-for-profit boards, including Elim Christian Services, Timothy Christian Schools Foundation and St. Petersburg Theological Seminary.

Petroelje calls the shift a natural progression and foresees his future role as a stabilizing force that helps new leaders transition smoothly and keeps managers from losing sight of the guiding principles that have made V3 the success that it is today.

Says Petroelje, "I have no doubt that the next generation of V3 leaders will stay anchored in the company's core values, and I have great confidence that the firm will remain strong long into the future." 

Brigette Beaudoin is an account manager with Public Communications Inc. in Chicago.