

# Real estate consulting firm doesn't let small size keep it out of big league

BY DANIEL DUGGAN

CRAIN'S DETROIT BUSINESS

When Jeff Evans started a real estate development consulting firm in the midst of a recession, he knew it was a risk.

Not only did he have to compete for business against firms more than 10 times the size of his, but he had to deal with a dramatically smaller pipeline of developments in the region.

"We had to take risks, work harder and be smarter with our money," said Evans.

The firm consults for developers and construction firms during the early stages of a project by performing due diligence on the land, providing civil engineering services and managing the approval process with local governments.

The firm has built up a list of clients that includes public utilities and pipeline companies, which he is not permitted to name. **Metro Consulting Associates LLC** is working on the redevelopment of **Cobo Center** and the Gratiot County Wind Project, a 30,000-acre wind



Evans

farm in Gratiot County.

MCA recently completed a three-year job for the **Ann Arbor Downtown Development Authority**.

Starting with \$275,000 in revenue in the first year, 2009, Evans built the book of business into \$1.5 million by the end of 2010. But he realized the growth had gone unchecked.

"At the end of 2010, we did a strategic review and realized that two-thirds of our revenue was coming from two clients," he said. "That scared us to death."

They set out and broadened the client list to 12.

The key for a small firm to compete against larger firms is to invest and work smarter.

"We invest heavily in technology so that we can work smarter," he said. "We can do a job with one person being smart with technology where other firms need to use two people."

The challenge for small firms just starting out is persuading clients to pick them despite the short life of the firm, said Mark Kramer, president of **Soil and Materials Engineers Inc.**, a Plymouth-based firm that also does civil engineering work and had 2011 gross revenue of \$26.5 million.

"Jeff will be able to succeed because he has relationships, and that helps a lot," Kramer said. "When

you're a smaller firm, you need to have visibility, otherwise you don't even find out about projects."

A developer who comes to town and is looking for a civil engineer will likely call the larger firms on the list, he said, where smaller firms might not get a call.

SME recently moved into the Indianapolis market, Kramer said, and has the similar challenge of growing. As a result, SME has gone after niche projects for which other firms might not be competing. They did testing for Super Bowl XLVI to ensure that the sidewalks could withstand the pressure of so many people walking on them at once.

Evans agreed part of growing the firm was taking risks on projects that not every firm might go after. His firm, for example, has focused on predevelopment services for wind farms and is anticipating the start of work on its fifth project.

"We aren't afraid to take risks, and we'll go after things even if we don't know as much as the other folks," said Damon Garrett, the operations manager for MCA, also overseeing business development.

"What we don't know, we can learn quickly, and that's what we've had to do."

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