

CONSTRUCTION >> *Andis Robeznieks*

Going global

Two architecture firms announce consolidation deals

A consolidation and globalization trend among healthcare-oriented architecture firms continued as two big acquisition deals were unveiled.

RTKL Associates, a Dallas-based architecture, engineering and planning firm, announced Aug. 27 it had acquired AHS International, a Beijing-based healthcare-architecture practice. Days earlier, Stantec, an Edmonton, Alberta-based planning, engineering, architecture and project-management company, announced it had signed a letter of intent to acquire Anshen and Allen, an architecture firm headquartered in San Francisco.

RTKL's acquisition was described in a news release as being "structured as a simple asset purchase," while Stantec spokesman Jay Averill said his company's acquisition of Anshen

and Allen "will be an all-cash deal."

Those deals follow a number of agreements that have been announced or completed in the past year (See chart).

"Our goal is to no longer be a U.S. firm that does work around the world, but to be a global firm," said Brad Barker, executive vice president for RTKL. "You're seeing healthcare become a globalized industry."

RTKL, acquired by Amsterdam-based design, engineering and management services consultant Arcadis in 2007, has been working with AHS on the 2,200-bed, 1.18 million-square-foot Shanghai Changzheng New Pudong Hospital.

Barker's comments on globalization were echoed in a news release in which Anshen and Allen CEO Roger Swanson said the deal will

help his firm "compete for projects that have significance and impact worldwide."

Stantec has about 10,000 employees in 150 locations with a staff of about 1,700 in its buildings group. Anshen and Allen has more than 200 employees and has offices in Boston; Columbus, Ohio; San Francisco; and an overseas office in London. For two years in a row, Anshen and Allen has had winning entries in the *Modern Healthcare* Design Award contest, (See page 21). Anshen and Allen also was the third-highest ranking architecture firm on the 2010 *Modern Healthcare* Construction and Design Survey (based on 2009 dollar volume), while Stantec Architecture finished seventh (March 15, 2010, p. S1).

RTKL, not listed on the *Modern Healthcare* survey, has 900 employees in 11 offices, while its parent company, Arcadis, has 12,000. Barker said RTKL is seeking to grow its international market, in part, to make up for the loss of domestic business brought on by the recession and the uncertainty over healthcare reform.

"We now live in a global economy, and the collapse of the financial markets has made us aware of how connected we are," Barker said. "In the global market place, the megafirms will be the winners."

On that point, Robert Pratt, CEO of the eight-employee Pratt Design Studio in Chicago, disagrees. According to Pratt, small companies like his will do just fine, midsize companies may see difficulties, and large firms will have their share of problems brought on by their size.

"We have a lot of flexibility, and we don't have 1,000 mouths to feed," Pratt said. "When you get to be a behemoth firm you create a Frankenstein monster that chases you around."

Pratt said he has received five offers over the past 10 years to buy his company, but he's not interested in selling and added that his company is busy with a number of projects—including the new \$470 million, 259-bed Elmhurst (Ill.) Memorial Hospital.

"That's a pretty good project—even for a behemoth," he said. <<

DESIGNING DEALS

Healthcare architecture, design and engineering companies are changing ownership at a rapid clip

DATE	DEAL
August 2010	Stantec, Edmonton, Alberta, signs a letter of intent to buy Anshen and Allen, San Francisco.
August 2010	RTKL Associates, Dallas, acquires AHS International, Beijing.
July 2010	DLR, Omaha, Neb., acquires KKE Architects, Minneapolis.
June 2010	IBI, Toronto, acquires Nightingale Architects, London.
March 2010	NBBJ, Seattle, acquires Chan Krieger Sieniewicz, Cambridge, Mass.
January 2010	Perkins and Will, Chicago, merges with Shore Tilbe Irwin & Partners, Toronto.

Source: *Modern Healthcare* reporting

MODERN HEALTHCARE GRAPHIC

Hospital-physician survey open

The Patient Protection and Affordable Care Act along with other economic forces will significantly change the way hospitals and physicians work with one another.

To help measure that change, *Modern Healthcare* in partnership with Press Ganey, the patient-satisfaction measurement firm based in South Bend, Ind., is

conducting an industrywide survey on hospital-physician relations. The 2010 Hospital-Physician Relations Survey will examine the state of relations between hospitals and their employed physicians and how those relations may change.

The survey is now open and is available to all readers of *Modern Healthcare* and sister publication *Modern Physician*.

Readers can take the survey at modernhealthcare.com/surveys. The survey deadline is Sept. 20.

Modern Healthcare and Press Ganey will analyze the results and report the findings in the Nov. 8 issue of both *Modern Healthcare* and *Modern Physician*.

For more information on the survey, please contact Rebecca Mielcarski, special projects/research editor, at rmielcarski@modernhealthcare.com or 312-397-5511.