

An interview with **Cathy Colan Muth**

Chief Executive Officer, O.R. Colan Associates



BY BARBARA SALTER NELSON

Catherine (Cathy) Colan Muth recently celebrated her official 25th year anniversary with O.R. Colan Associates. Founded in 1969, the company is recognized nationally for its expertise in providing land acquisition, relocation, educational and preliminary planning services for public works projects. Having served as the company's Chief Executive since 1991, Cathy has a unique perspective of the industry.

What are the most significant industry changes you have witnessed over the last 25 years?

One of the most significant changes has been the recent introduction of public and private sector partnerships. Over the past 10–15 years, the states have requested more control, and the federal government has given more authority to state and local public agencies regarding highway improvements and other public projects. Given the expanded needs for surface transportation and an aging transportation infrastructure, public agencies have serious funding shortfalls despite the added flexibility offered by current federal programs. As a result, when states don't have enough money for all their transportation needs, they are beginning to look to public and private sector partnerships—where private entities invest in toll road projects, for example. That means that there are many new players in the industry.

Furthermore, on the public sector side, we're experiencing the graying of the industry with no clear succession planning. Cutbacks in federal funds have led to early retirements, downsizing and reductions in training budgets. The remaining industry experts often don't have the time to mentor their successors. And here again, that means there are new people in critical positions who may not be aware of requirements, interpretations, and practices regarding the Uniform Act that have evolved through the decades.

How does that affect industry staffing?

I think that dependence on right of way consultants will increase over the coming years. Due to decreases in state staffing, more states are beginning to use consultants to meet their right of way needs.

Additionally, local public agencies with limited staff are often responsible for large federally funded projects. Our knowledge and advice can make a significant difference in delivering a project on time, within budget and with positive public perception, particularly on design-build projects led by engineers who are unfamiliar with federal and state regulations for acquisition and relocation assistance. We are also proactive with our local public agency clients in explaining established right of way processes and procedures to ensure federal funds are not potentially jeopardized due to non-compliance – and that they don't experience huge cost overruns as a result of making costly mistakes.

What do you see as the significant contributions your company has made to the industry?

My father, Owen Richard Colan, was one of the first to promote the idea of using consultants for the right of way phase. After graduating from Georgetown Law School, he landed his first job with the West Virginia Turnpike, where he purchased all the land for their original two-lane turnpike. From there, he went to the Federal Highway Administration (FHWA) in Pennsylvania as their Realty Specialist and was later recruited by the West Virginia Department of Transportation (DOT) to be their Right of Way Director. In 1969, he decided to form his own consulting company.

He had been very active in the AASHTO (American Association of State Highway Transportation Offices) when he was with the FHWA and the West Virginia DOT. At that time, he began promoting the idea that it really made sense to use consultants for right of way acquisition. His reasoning was that it took eight years from the time you decided to build a road until the time you opened that road—including design, right of way acquisition, and construction—but only two of those years actively involved the right of way function. He argued it would be more economical to use a consulting firm since a company may have only occasional need for these services. He began speaking about that, and in 1969, he started his own consulting company and is credited with starting the first right of way consulting firm in the country.

It was about 10 to 15 years after that when the state and federal governments started downsizing and more consultants got into the industry. States started to depend very heavily on consultants for the right of way acquisition. He actually had a vision of the future.

What are the biggest challenges facing the industry today?

The graying of our industry with no succession planning is a major challenge. In the past, consultants depended on being able to hire trained people from the agencies. We're experts and want to hire other experts to join our company. That won't be possible for much longer. Three or four years from now, there will literally be no one to hire from the state or federal agencies because those with experience will be retired. Within the next five years, I predict that there will be a severe shortage of knowledge and expertise.

The biggest challenge to the industry is that there are no specifically geared degree programs available from which we can recruit. In fact, FHWA has realized this and is working with community colleges to establish a curriculum that may eventually lead to a degree in Public Sector Real Estate.

Another major challenge is the shortage of funding. With the wars in Iraq and Afghanistan, as well as the cost of hurricane recovery on the Gulf Coast, the federal budget is stretched beyond its limits. As a result there's much less funding than what is needed for transportation and similar programs.

The cost of construction is another big challenge facing our the industry. Because of international demand for materials like steel and concrete —particularly from China— the costs of constructing roads or runways, by some estimates, went up by more than 30 percent last year. For a state's five-year plan that was funded based on yesterday's construction costs, this will mean that fewer roads can be built and/or maintained with those existing funds. There's going to be a real crisis because of that in terms of our country's infrastructure.

What are your secrets for leadership success?

To lead a company of any size requires personal inner strength. A CEO must be a leader who is focused more on the future than on the present. I learned early on in my career that if you're managing the day-to-day activities of a company, then you don't have time to think about the future. The key is hiring talented people—then letting them do their jobs.

Additionally, I have what I call my 4-3-2 Plan for Success. These are four qualities, three abilities, and two guiding principles that have helped me in my executive career. The four qualities are perseverance, optimism, intuition and empathy. Perseverance is the difference between success and failure in a career. I have always said that our biggest successes have come five minutes after I was ready to give up. The key is not giving up.

Optimism is the second most important quality. Henry Ford said, "Whether you think you can, or think you can't, you're right." I've always agreed with that. Additionally, if you are an intuitive decision maker, it will be a plus. This has been very helpful for me because a CEO must be able to make decisions based on limited information. In our industry, a timely decision is often far more important than a perfect decision. Empathy and people skills are also essential. Most of your issues as a business owner or executive will be around people issues, not technical ones.

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The three abilities are: to accept responsibility; to accept risk; and to live in the future. Management and leadership are all about accepting responsibility for the actions of your team. To be successful, you must give credit to your team when things go right and accept responsibility when things go wrong.

A good leader must also be a risk taker. Being a business owner is the biggest gamble you can take because every job you bid is a gamble and the stakes are high. You have to be willing to take risks in pursuit of your vision. Furthermore, in our industry, a CEO must be able to have both the patience and the vision to plan for projects that will not be completed for many years.

Finally, I have two guiding principles. The first is: never make a decision based on fear. If you hear yourself using the word 'fear' in your justification of any action or refusal to act, then back up and rethink it. Most people never accomplish even a small portion of what they are capable of just because they are afraid of failure, afraid of the cost, afraid of what people may say, or afraid of change.

My other guiding principle is to avoid negative energy. Otherwise, you will not have enough energy to be a leader. That holds true in daily life as well as in business. You can make a conscious decision not to allow negative energy to drain you. Try it the next time you miss a flight or meet with one of life's other frustrations. You have the power to choose how you react to these daily events. I save my energy for bigger problems. ●