

StarTribune.com, Minneapolis-St. Paul, Minnesota
July 16, 2006

Small Business: Building growth is engineering firm's goal

Susan Rani hopes her record of consistent, reliable work on government contracts will help her win more private-sector projects.

Todd Nelson, Special To The Star Tribune

Susan Rani has had a hand in building such projects as the Hiawatha light-rail line and the main road at Minneapolis-St. Paul International airport. Now Rani, president of Rani Engineering in St. Paul, wants to build a bigger company.

Her civil engineering firm specializes in water resource management, construction management and civil, transportation and environmental projects.

Her growth plans call for doing more work with private clients, big regional and national contractors that would hire her company to take on pieces of their large jobs. She wants her company to be "the best subcontractor they can turn to for reliable and consistent services," a reputation she said she believed Rani Engineering had begun to secure over the past couple years.

But today, private contractors account for only about 20 percent of her business. She'd like to have a more even split between private work and government contracts, which have been the mainstay of her business.

But getting there means overcoming "presumption of incompetence" that Rani, 46, said she and other women and minorities who own professional engineering firms often face. That assumption arises in part because so few such firms exist. Women and minorities owned just nine of more than 150 firms that have voluntarily registered with the American Council of Engineering Companies of Minnesota, according to executive director David Qxley.

Also contributing to that perception is the fact that government contracts specify that a certain percentage of a big project must go to firms owned by women or minorities. Some potential clients mistakenly assume that women and minority-owned firms are in business only because of such government set-asides.

Rani rejects that perception. "It's a competitive business. We're expected to perform. If we don't, we go away," she said. "The marketplace is a strict disciplinarian when it comes to those things. ... You survive by being good and delivering on your promise."

That's what Rani, 46, has strived to do since she founded her firm in 1993. She has gone

from doing everything herself to overseeing a full-time staff of eight and three part-time employees. Rani charged equipment on her credit card and her husband, Robert, an electrical engineer, built her first office computer. She leased office space until 1996, when she moved into a building she and her husband bought in St. Paul's Frogtown neighborhood.

She has used internal capital to pay for growth, adding five employees and doubling revenue since 2003. Revenue last year topped \$900,000 and is expected to grow 10 percent this year. A native of Korea, Rani moved with her family to this country when she was 12 so her father could study mechanical engineering at the University of Minnesota. Rani, who spoke no English when she arrived, has a civil engineering degree from the U and an MBA from the university's Carlson School of Management.

Hoping to find private clients, Rani attends functions of the Metropolitan Economic Development Association (MEDA), a Minneapolis nonprofit that assists minority-owned and managed businesses. She volunteers with professional and nonprofit community organizations, and encourages her employees to do so as well.

"You're doing something good for the community and for the profession," Rani said. "You're enhancing the human capital of yourself and others, and that's not a bad goal."

Gary Ehret, senior project manager at national engineering firm Kimley-Horn and Associates, said he's known Rani since 1994, when he worked at a different firm that hired Rani Engineering. The job was to consult on water management issues related to construction of the road leading to and from the Lindbergh terminal at the Minneapolis-St. Paul International Airport.

"I always appreciated the fact she was very committed to trying to do the best possible job," Ehret said.

Rani has been very diligent in putting together a construction contract for the U.S. Army Corps of Engineers for what will be a 23-mile sewer-collection system on the west side of Lake Mille Lacs, said Roland Hamborg, the corps' project manager.

The project will extend from Garrison to a wastewater treatment plant that the Mille Lacs Band of Ojibwe has built on the lake. "We've been very pleased with the quality of the work," Hamborg said. "We've been very satisfied with her work ethic and determination to get the job done and get it right."

The expert says: Winning large contracts in the private market will be difficult because of "a perception and probably a reality" of a status-quo or good-old-boys network that operates by friendships or word-of-mouth, said Camille George, a mechanical engineering professor at the University of St. Thomas.

"It's an uphill battle ahead of her because she's a minority and a woman", George said. "This is a reality she has to work within. Her strength is she does a good job, does it on

time and with a good budget.”

Rani must build on those strengths and stress her accomplishments as she seeks more work on big private projects. George said she sees an opportunity for Rani to differentiate her company as an innovator by gaining expertise in the new but rapidly growing field of green or sustainable engineering.

Engineers for a Sustainable World, a nonprofit network of students and professionals, will have its national conference this fall at the University of Iowa in Iowa City.

“She could position herself as a more forward-thinking company in terms of these sustainable solutions,” George said. “It would also play to her feeling that companies have a responsibility to the community and to the general public. It’s not just about making a profit, it’s being successful but also being a good global citizen.”

Todd Nelson is a freelance writer in Woodbury who also has written for the St. Paul Pioneer Press and the Raleigh News & Observer. His e-mail is todd_nelson@mac.com.

©2006 Special To The Star Tribune. All rights reserved.