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INCREASING MARGINS

The Change After the Storm: Getting a Jump on Recovery

By Steven J. Isaacs, P.E., and Karen Newcombe

"There are three differences between leaders who will pull through this and those who won't. The first and foremost is defining realism, and then taking the actions now and not postponing them. The second thing is orienting people on the new reality with superb communications—internally and externally. And the third, coping with the toughness of the existing environment, but positioning the business to change after the storm." —Ram Charan in *Fast Company*, Dec. 2008

CONTINUED ON PAGE 10

ALSO IN THIS ISSUE

Snapshot on the A/E/C Industry Economy 2
Several industry surveys indicate that the current economic slowdown is going to continue well into 2010.

Sound Advice: The Importance of Business Planning 3
A podcast by Joan Capelin featuring Anthony Schirippa, AIA, IIDA, who outlines the importance of financial and business planning and communicating in the tough times ahead.

Social Media Can Add a New Dimension to Outreach 5
Three totally different firms—large, medium, and small—demonstrate that a good strategy is required to know where firms should invest in social media and to what purpose.

On Issues of Ethics 7
Most A/E firms develop a set of ethical standards from a variety of sources, but in the final analysis, integrity has to be a driving force of a successful firm.

How to Win Business: Talk to the Decisionmaker Early 9
Decisionmakers have often made themselves difficult to access, and for good reason. Learn how important it is to make contact with them early.

EXERCISING LEADERSHIP

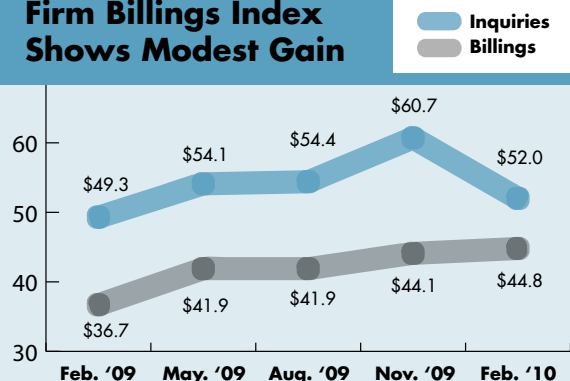
Navigating the Public Sector Design Review Process

It's true that in every city and town across the country the design review process for public projects is pretty challenging, because of the various rules and regulations from all the different public stakeholders involved. You need to make sure that you're prepared for that going in. There are many minefields to watch for, and nowhere are these more prevalent than in New York City. Three NYC agencies outline their views on how to work within their guidelines and regulations and two principals from local architectural offices tell how they work with these same client agencies.

Wendy Feuer, assistant commissioner, Urban Design and Art, NYC Department of Transportation (DOT).

CONTINUED ON PAGE 13

Firm Billings Index Shows Modest Gain



Source: American Institute of Architects

Snapshot on the A/E/C Industry Economy

Most current economic forecasts predict a long, slow climb out of a deep economic hole, with unemployment as a major issue. A survey by the Consumer Confidence Board, based on a sampling of about 5,000 U.S. households, showed a dip in February only to rebound slightly in March. Yet the outlook for the next six months does not look positive.

On the A/E/C front, business conditions showed modest improvements as the AIA's Architectural Billing Index (ABI) moved up more than two points, but only to 44.8 (see chart on page 1). Construction activity also continues to decline in just about every state according to the Association of General Contractors (AGC), with most states reporting double-digit percentage drops. Design firms have put the brakes on billing rates for their key management positions, and although the percentage median for repeat business has remained at 75 percent for the last four years, it has dropped slightly to 72 percent.

According to PSMJ's Quarterly Economic Survey, one-third of A/E firms expect their revenue to be about the same in Q2 2010, whereas slightly more than one-third expects revenues to increase. Backlog is down for more than one-third of firms over the last quarter. On the bright side, proposal activity has nearly doubled over the last quarter.

An industry survey of structural engineering firms indicated that "economic conditions were getting worse" (77 percent), and those "hopeful about the future" (only 37 percent). Regarding the ARRA economic stimulus plan, half of respondents indicated it would not result in more work until later in 2010. The four greatest challenges these engineers face are:

1. Keeping a backlog (57 percent),
2. Maintaining clients (12 percent),
3. Maintaining staff (11 percent), and
4. Salaries, recruiting and staff benefits (20 percent).

Another survey of civil engineers found that only one-quarter of respondents anticipated that their firm's revenue will increase, while less than one-third indicated it will remain the same.

Other factors that affect their firm's performance are projects going "on hold" (86 percent), layoffs and downsizing (58 percent), acquired another firm (6 percent), and acquired by another firm (3 percent).

It's clear that last year's optimism for a quick recovery in 2010 was premature at best. However, continued expectations for federal support for transportation and renewable-energy markets offer hope that the recession has bottomed out and that recovery, however slow, is now within sight. □

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Market Predictions, Q2 2010

Among the markets that are predicted to show strong future growth among survey participants are:

- Water/Wastewater (water supply distribution, collection, water treatment and reuse).

Those markets with moderate increasing growth are:

- Transportation (road, bridges, rail, airports, and traffic)
- Energy/utilities (power plants and pipelines)
- Environmental (waste disposal, grey fields remediation, and wetlands).

Those markets predicted to remain about the same include:

- Government buildings (courts, jails, fire and police stations)
- Health care (hospitals, nursing homes, medical offices and labs)
- Education (K-12 schools, gyms, dorms, libraries, labs and higher education)
- Housing (condominiums, senior living, multifamily and single family homes)
- Light industry (assembly and repair facilities)
- Heavy industry (mining, chemical plants, petroleum and steel).

The market predicted to show the least growth is:

- Commercial development (office buildings, retail, hotels and restaurants).

Sound Advice: The Importance of Business Planning

In a series of podcasts by Capelin Communications, Joan Capelin, Hon. AIA, PRSA, FSMPS, talks with industry leaders about how the design and building industry will get through today's tough times. Here she speaks with Anthony P. Schirripa, AIA, IIDA, chairman and CEO, Mancini-Duffy.

Capelin: *What does it take to build a strong organization and then keep it going in this business climate?*

Schirripa: A strong organization is made up of good talented people with an understanding of what all of our strengths and weaknesses are, and who approach everything we do in a team spirit. That helps us stay strong and get through these tough economic times.

Capelin: *How does this recession change the perception of risk with design firms?*

Schirripa: If the workload is changing both in quantity and quality we have to look carefully at that. The recession sometimes provides us with opportunities to look harder at ourselves and at the future in terms of

where we are going to be when the recession ends, because it will end eventually. When it does the firm needs to be ready for that. We need to work at leveraging our people's talents, how can we get into markets on project types that we're not into now, and keep looking at those critically and more rapidly than we would in normal times.

Capelin: *You sound very much like a businessman as well as an architect. Does it make sense for a design professional to actually run a design firm?*

Schirripa: I understand my client's businesses and it's important for all design professionals to have that grasp. I do not think that somebody other than a design professional should run a design firm. They should be involved, but the ultimate decisions need to be made by the design professionals who are running the firm. They have an intuitive sense of the risk-reward structure. Business people, good as they are, don't necessarily grasp the emotional connection, as much.

Capelin: *If cost is going to be a factor in hiring design firms, what's a good strategy now?*

Schirripa: I don't think cost should be a factor. As professionals we have to convey to potential clients that what we bring to the table is worth the fee we are submitting, that our approach to projects is something that brings value to the process, and brings value to the clients business. In hard times it's truer than ever.

Capelin: *There has been a lot to say for firms staying within their core competencies in an economic recession. You've done some interesting things going from interiors to the architecture side of the practice. Do you recommend staying close in or just let her rip?*

Schirripa: A combination of both is certainly needed. Clearly the core competency is what gets firms to the position they're in and they should never lose sight of that, but we are always looking for other opportunities wherever they present themselves. Most of the successful firms do the same.

Capelin: *You're very much of a business planner, but not every design firm has a business plan, much less a marketing plan. Do you think other firms are going to get the message after the recession is over?*

Schirripa: A firm has to understand where it has been, where it wants to go and how it's going to get there, and the only

way to do that is to have a very clear and simple business plan with guideposts along the way to measure this success. To operate a firm any differently is crazy in some sense. In addition to servicing our clients, there's a more noble purpose to what we do. We're creating work places and buildings for people to live in and work in, but these need to be the business drivers to get to the next level and keep improving, so if you don't have that road map it's tough to get there.

Capelin: *You're heading to be president of AIA, N.Y. Chapter, with a program that focuses heavily on training in preparation for leadership. What do you have in mind?*

Schirripa: We talk about architects leading the charge in sustainable design, helping to achieve the 2030 challenge, so they are naturally put into leadership roles. I want that to be celebrated and emphasized. We need to do a better job as a profession in training our young people on how to lead both at the project level and at the firm level. Beyond that, we also need to be community activists and to give back to our communities.

Capelin: *You are one of the most up-beat professionals I know. Do you ever get discouraged?*

Schirripa: We have to move forward because for me the future is always bright, and that's how we need to keep it. □

Social Media Can Add a New Dimension to Outreach

By Tami Hausman, Ph.D.

The rewards of social media are not difficult to demonstrate. Unlike traditional communications, social media channels allow firms to select the topics they discuss

and the audiences they target. Social media tools come in all shapes and sizes. Virtually any firm can create a proactive social media effort that is integrated with its outreach

program and yields ongoing conversations with clients and colleagues.

An increasing number of design firms are safely testing the social media waters to help draw more attention. Since good business relies on strong relationships, it's not surprising that social media tools—which are based on social networking—have penetrated the business world. It's also not surprising that enterprising architects and their peers are starting to exploit them.

To demystify some of the issues surrounding social media, the New York chapter of the American Institute of Architects brought together two very different firms, HOK and Archi-Tectonics, along with the founders of Architizer (www.architizer.com), a social media Web site for architects. Benjamin Prosky, co-founder of Architizer, described the benefits of social media most succinctly: the bottom line is that “it gets your name out there.” The panelists also emphasized that a good strategy is required to know where firms—particularly small firms—should invest their resources and to what purpose.

Mike Plotnick, media relations manager at HOK, explained that HOK started its blog in 2008 to address its recruiting challenge, which was especially difficult for a global firm with 23 offices. This was influenced by a University of Virginia business school study conducted by MBA students that urged HOK to have a presence on Facebook and to start a blog.

The firm's external outreach brought at least one unexpected benefit, explained Plotnick: “It connected teams internally. Our blog, ‘Life at HOK,’ celebrates the process and people, not just the object. It shines the light on what people are doing on all types of projects and in different locations.”

Blogs also give a firm more reach. Winka Dubbeldam, principal of Archi-Tectonics, described her firm as “small and inventive”

but her Web site as “static and more of an archive.” Because the Web site was built using Flash software, search engines can't retrieve its content. On the other hand, her blog, “Archi-Tectonics Today,” is built with more flexible software, so its content is searchable and based in “real-time.”

As Prosky described it, “The more information you plug into the Internet, the more people can find you.” Social media can also help shape a firm's persona vis-à-vis the outside world. Plotnick pointed out that “HOK started its blog to make the firm to appear smaller and more personal, whereas a blog can help a smaller firm like Archi-Tectonics appear bigger and more significant.” Dubbeldam explained “the firm is ‘three-dimensional,’ because we take advantage of digital tools.”

Customized programs that speak to a firm's needs and its employees' comfort levels are the most successful. “Life at HOK” is centered on people at HOK like Kimberly Dowdell, a blogger who shares her own stories and, as she explains, “stories of my HOK colleagues. We also make videos and post them on the blog.” Dubbeldam considers Facebook to be a more casual format than her blog: it's where she posts information about a pro bono project for an African orphanage, for example.

Architizer, which aspires to be the premier online database for design firms, combines

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a number of social media tools. In a way, it's like LinkedIn, Facebook, and Twitter combined into one: members are free to post new projects, messages, and connect to colleagues instantly. The issue of immediacy is particularly salient in a field like architecture since the time between kickoff to completion takes years. "Archi-Tectonics Today' has to be about today," said Dubbeldam, "to highlight news about the firm and what we're doing right now."

Using Twitter helped Architizer to create a buzz on the first day of its launch in November 2009. By January, Architizer already had some 4,500 individual members encompassing 950 firms and 3,200 projects—and it's still growing. "It is an online source for architects that relies on user-generated content," explained co-founder Marc Kushner. While most architects may not see a direct connection between use of social media and new clients, Kushner said that Architizer's goal is "to connect architects with their colleagues, other friends, and eventually to potential clients."

It can be difficult to navigate all of these tools, but Prosky says, "It is not daunting. It is a simple way to post information, and it only takes minutes to set up a profile or even to search for an architect." Dubbeldam concurred that her firm's blog is "a fast and efficient way to provide information. We use free software that saves money and time." But she cautioned, "You have to remain up-to-date with social media or the whole reason for using these tools can backfire."

While there is always some risk associated with social media, Plotnick says, "It is a useful investment that definitely helps build relationships." It is also not a replacement for other marketing efforts. At Archi-Tectonics, social media are just one aspect of a well-rounded program that includes exhibitions, books, installations, and magazine articles. And, at times it can even

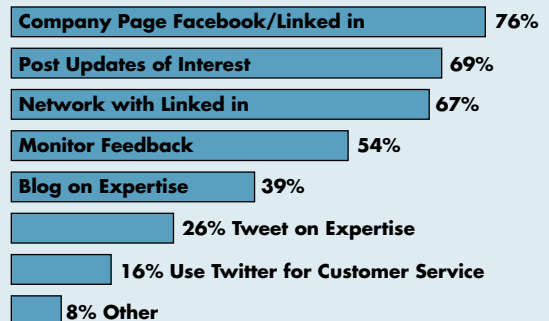
reap rewards: a few members of Architizer have already matched up with clients and the press, even overseas.

While there is still a lot to be learned, social media offer a number of possibilities. At the end of the day, at least two of HOK's original reasons for delving into social media remain true: "It's the future" and "it's fun."

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Note: The best way to describe Architizer might be to call it a Facebook for architects with thousands of projects represented on the site. Hundreds of firms—from the big names to the no names—have created profiles and uploaded information about their work, including photos, credits, materials, and even some renderings or sketches. Each project has its own dedicated page. And—perhaps most critically—every location is mapped in Google Maps so you can actually go see the building in real life at www.architizer.com.

Social Media Tactics Used By U.S. Small Business



On Issues of Ethics

By Marilynn Deane Mendell

Like all things there are two sides to every view— maybe more. In philosophy class one learns to argue both sides. Should one ever lie? Some would say, “No, never.” They would say that the first lie invalidates everything from that point onward. Trust must come before all things and that one single white lie corrupts the world for eternity. Others would argue that to lie in the face of supreme malice or to save the life of a child provides justification.

And so the balance of ethics goes. Most A/E firms develop a set of ethical standards that come from a variety of places. Professional organizations dole out components that may have legal ramifications if not adhered to for contracts. Some firms over a period of years form internal honor systems based on a combination of familial historic teachings, societal norms, and perhaps religious tenets. Clients often dictate boundaries, the breaches of which can be construed as unethical practices.

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What May Not be Obvious on the Surface. Most firms have a vision statement or policy that codifies a few of these sentiments. And often that’s as far as it goes. One of the great indicators of a firm’s health for a change management consultant is how the firm actually carries out its world of ethics. Without high ethical standards firms develop a dysfunctional way of operating that becomes extremely costly over time. An outside consultant can:

- See how a firm’s systems get organized to affect/effect accountability and transpar-

ency, ultimately revealing a great deal about the company’s true management.

- Identify borrowing, or the absorbing permanently of small pieces of ideas or expertise that never constitute the whole. Quantify the usurping of that amorphous world of ideas—that ethereal place where brainstorming sessions in a group often leaves ownership ambiguous to all but the originator of the thought. Weigh the value of taking as by right, where it may seem perfectly normal to say, “I hired this person; therefore all that he or she produces on my time belongs to me.”

- Observe reactions to failures and how trust manifests itself within project management. An office where theft is totally nonexistent may still be the harbinger of other less quantifiable dubious practices like inequity, which is an interesting word that plays out in so many ways and rarely situates itself in the same sentence with words like stealing and lying. Paying a man more than a woman in the same position.

While such unethical practices may seem obvious, and produce a horrified reaction that they still exist, inside privately held companies with no human resources department, people get rewarded differently and treated unfairly. Full disclosure of entitlements within a single firm would be shocking by most of today’s standards, but in a small firm these variances still occur on a regular basis. Plagiarism manifests itself in subtle ways within some firms. An image of one project replaces the image of

a totally different project. Quotes that never occurred become part of a qualification package. Using other firm's projects on a Web site or in an article and neglecting to give them credit.

Scrupulous practitioners of high ethical standards would close their business before considering any of the above. They realize that the stakes of a slippery slope are much higher than what may appear important at first glance. The largest threats are not the legal ramifications. The greatest loss unequivocally comes as the loss of the corporate moral. Loss of respect.

Failure to trust. And most importantly, fear. Anger may result and often a justification such as, "If they can do that, then so can I." In most cases a slow passive aggressive "who cares, why should I try when, no point in doing this, they'll just

steal my ideas" attitude permeates the firm like a slow growing gangrenous tumor. It's palpable. The celebration dies. Companies where these practices persist eventually fall apart. Strong, smart employees leave and the weak remain but they become mere drones—cogs in the wheel.

Integrity has to be the driving force of a successful firm. Without total adherence, the structure begins to crumble into relativism and subjective decisions usually dictated by the principal's whims or tolerances. A mandate to support totally ethical practices requires definitions of what will not be tolerated as well as what must occur. Employee reviews must have many statements posing questions about the same dilemma in different ways to make sure of clarity. Principals have to set the tone by leading as an example. And there needs to be a place where an employee can go to get help if there are breakdowns in the

systems and he or she is asked to behave in an improper manner. In a small firm with only principals to turn to and, where they are the culprits, then as my business ethics professor William Baumher used to say, "the employee has no choice but to leave."

Hiring an outside consultant who can diagnose the problems can often turn around a firm that means well but just hadn't really been paying careful attention. A strong consultant can usually guide a caring company and set up systems that remind everyone of expectations. A retained consultant, who visits regularly, can establish a new way of conducting business. It is not a pleasant task. Generally, people like to think of themselves as honest and forthright and when a consultant starts pointing out their less likeable characteristics, they react violently—even if they're paying the consultant to tell them the truth. Denial has deep roots. In-house professionals can bring about change if the principals support an open dialogue and if they can take criticism. The financial benefit that comes about when employees feel they will get credit and ownership for their ideas, when they can feel they are treated equally, and when they will be heard without repercussion, will be enormous in terms of retention and billable hours.

Finally, it is always wise to take the ethical pulse of the firm with in-house blind surveys, suggestion boxes, annual structured reviews, and a corporate-wide meeting where the firm's mandates get heard and discussed.

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Principals have to set the tone by leading as an example

How to Win Business: Talk to the Decisionmaker Early

Decisionmakers often make themselves difficult to access, and for good reason, everyone wants something from them. They set up smokescreens, gatekeepers, and other layers of interference. This should be a good indication that without their knowledge and approval of your pitch to win, it's a long journey of uncertainty. To increase your chances of winning, two things must happen: You must gain access to the decisionmaker and you must understand his or her goals, drivers, ambitions, fears, prejudices, and preferences. The first test is to know who the real decisionmaker is by conducting research and surveillance inside the organization.

It's best to start with the user groups within the company or institution. Study the organization chart of the facility or company. Visit the facility and study the operations, traffic flow, and internal workings. Ask a lot of questions—leading to determine who the real decisionmaker is. Then conduct a Google search, read articles he or she has written, and ask colleagues what preferences and what values he or she is committed to. Once you have made contact, be responsive to the causes that are important within the organization. Try to determine what's critical in a working relationship with a design firm and what the expectations are for the project you're seeking, and what his or her personal goals are that relate to the project's success.

By knowing the decisionmaker you should be able to provide an exceptional proposal and follow-up presentation. This in turn makes his or her decision an easy sell to superiors, stakeholders, and internal clients. Does this pay off in the end?

Three separate identical surveys taken

over a 20-year period of firms that won commissions, knew the decisionmaker well in advance of the project. The results of the studies were outlined by W. Bruce Lea and J. Rossi in an article, "What It Takes to Win (in any Market): The Cold Hard Truth." Although the studies were done years apart the results came in at two-to-five percentage points of each other, showing an overwhelming importance of meeting with the client well in advance of the project. Specifically, when asked if someone in the firm met with the client before the RFP was published, the answer was "yes" (81 percent), "no" (19 percent). In terms of the timing of the first meeting, the answer was "seven months" prior to the RFP, and the number of meetings before the RFP was "five on average." When asked, "with whom in the client's organization did he/she meet," it was the senior executive (81 percent), department manager (65 percent), staff (42 percent). Principals were the ones most often who had developed the relationships with those in the client's organization (89 percent), although many firms relied on an advocate—someone with clout in the client's organization that will speak on your firm's behalf (71 percent).

These studies indicate that a winning pursuit has the following characteristics, an early intensive pre-sell effort by the principal focused on high levels in the client organization or an advocate developed prior to the issuance of the RFP or during the proposal/interview process.

Source: *The Marketer* (SMPS)

Watch for next month's article on ways to determine who the decisionmakers are by using Organizational Decision Mapping (ODM). □

Increasing Margins:

CONTINUED FROM PAGE 1

The economic storm is showing signs of abating, but most firms seem uncertain about whether to unlatch the shutters and emerge, or stay in the shelter to avoid spring's floods and tornados. After three years of gloom, doom, and loss, A/E firms now face a new set of challenges that cannot be dealt with by staying safely underground.

Among these challenges: (1) Finding the right leaders for the new reality, (2) Setting a new course for the firm's strategy, (3) Rebuilding and developing the staff, (4) Renewing dormant client relationships, and (5) Revitalizing marketing and branding programs.

1. Finding the right leaders for the new reality. When economic times are tough, those with strongly conservative fiscal instincts often emerge as good leaders, able to squeeze dollars out of thin air, make the necessary cutbacks, and help others hold the line so the firm can stay in business. Their knowledge is reassuring to those who have never been through a recession. In post-recession conditions, their cautious approach can slow the firm down when it needs to be moving forward.

Clients have been holding back on projects for three years or more. There is a backlog of public works projects on hold, and in spite of lower revenues, public officials are feeling pressure to get schools, water treatment plants, and other needed facilities and infrastructure underway.

Firms need to be ready to get to work, and the leaders who are best able to generate forward momentum are those with entrepreneurial and adventurous characteristics. The difficulty is discovering those individuals capable of rapidly building this momentum and then allowing them to take on leadership roles within the practice.

AMI's founder, Lou Marines, points out in his new book *The Language of Leadership* [Greenway Publishing] that "Most of us who are currently leading our industry's organizations grew up in these professions during less dynamic times . . . yet times of turbulence are also times of great opportunity." Marines points out that no matter what focus the firm takes, leaders for the post-recession period must not only be adaptable, they must be "evolutionary"—capable of breaking down the old direction and stale processes and transforming the firm to take advantage of new shifts in the marketplace.

2. Setting a new course for firm strategy. Ram Charan emphasizes a similar point in his interview with *Fast Company*, that good leaders are "tuned to external change—anticipating, connecting the dots and seeing the outside world." Firm strategies that were tuned to the pre-recession world have been on the shelf for several years. Recessionary strategies are soon to become obsolete. Will it be enough to dust off the old strategy and get back into a familiar groove? We do not believe so.

The world has changed considerably during this recession, and the business landscape is never going to be what it was four years ago. Firms need to have a clear understanding of how the future will play out for their clients, their marketplace, and what sort of work they should be doing.

We believe that strategic planning for the post-recession world must take future scenarios into account, and produce not only a primary strategic plan for the firm, but also contingency plans to prepare for and deal with alternative situations as they arise.

Both the scenarios and ongoing monitoring of the trends as they develop over time give firms an informed look at how forces

at work in the world today will play out in the future.

3. Rebuilding the staff. The most frequently asked question by our clients and conference attendees is whether we expect the talent shortage to still be there when the recession is over. In the recession of 1987-1991, architecture and engineering lost talented young professionals to other industries—and most of them never came back. This was due in part to the emerging technology industry, combined with a low barrier to entry at that time.

In this recession, different forces are pulling on young professionals. Sabine Hoover, research consultant at FMI Corporation (AMI's parent company) reported in March 2010 that workers have all "seen the large print: 'The Top Ten Jobs of 2015 Don't Exist Today.' We know that a radical industry and workforce transformation is occurring right now." Gary Burtless of The Brookings Institution said in the report that for laid-off workers, it is difficult to even know what industry they will be in when they go back to work. College graduates with training in CAD, BIM, and other design and information management systems may be pulled away to Internet, IT or consulting work, as they were in the 1990s.

On the positive side, James Cramer, principal of Greenway Group, has seen many laid off design professionals striving to stay within the profession, for instance, by improving their skills with advanced education. Cramer believes many will return to the industry, but that architecture, engineering and construction themselves will be different professions.

For firms preparing for or entering the early phase of economic recovery, this can mean that competition for talent is already on—whether you see it or not. "Talent is upwardly mobile," said Cramer, "A good

many are being recruited into stronger organizations," which means that when the upswing is well underway in three to four years talented people will no longer be on the job market.

That very fact should give firms pause about doing any further layoffs: cutting loose staff that represent years of investment in knowledge, abilities, experience, and client relationships is exactly the opposite of what firms need to do today.

In the words of Tom Peters, "You can't shrink to greatness." Firms must begin building staff now, or risk being left hiring from a lineup of talent that has already been picked over by competitors.

4. Renewing dormant client relationships. Today is the time when firm leaders need to ask long-term clients, "What does your future look like?" Clients face the same transformative trends that A/E firms must adapt to, and most will not be able to simply return to pre-recession plans.

Though they may not realize it, clients need the creative design skills that A/E firms provide to help them get a jump on recovery. Diagnostic conversations with key clients, and those prospective clients identified during the future planning process, should strive to help them look forward and identify what comes next:

- What business will they be in when business comes back?
- How will they gain advantage in the new marketplace?
- What do they need to get to an advantageous position?

Leaders with great listening skills and the capability to interpret what they hear are the ones for this assignment. The intelligence gained in these conversations will inform the A/E firm's planning process and determine what services the firm needs to

offer, and therefore:

- What talent to focus on hiring,
- The message to the marketplace, and
- How to position the firm for success.

Organizations not willing to enter this adventure will be soon watching their competitors leap ahead as the economy turns.

5. Revitalizing marketing. Your firm will come out of the recession to a changed world and a changed profession, requiring a new approach to marketing.

During the recession—actually, during just the past year—the rise and fall of Twitter sent the marketers of the world into a tizzy. While Twitter is already a fading fad, the phenomenon of social marketing is not going away. The challenge will be for marketing professionals at architecture and engineering firms to develop strategies for using this tool for the benefit of clients and projects.

Given a public voice, Everyman has become a reporter/marketer/critic/analyst of sorts, spreading his opinions to anyone who will listen—and that can be great for your clients, or terrible. Managing this public dialogue is more complex and takes the sort of diplomatic ability required for facilitating a community meeting on a major project that impacts many constituencies.

The challenge for clients is that the community meeting is no longer a central, organized occasion with professional facilitators to direct the proceedings, and discussion isn't limited to the new project. The public can and does discuss the facilities, business operations, social and environmental "friendliness," and board room secrets of A/E clients in an ad hoc manner, in highly public forums, without facilitation, and often in a misinformed or even malicious way. Is this the A/E industry's problem? Yes—this public dialogue affects the business decisions, strategic plans, and facilities choices

that clients make.

This data stream is actually an opportunity for A/E firms: tapping into that information and using it in service of your client's business is the next frontier of market research for design firms. Would it not be an advantage to walk into your next interview and tell clients what their staff and customers are saying about a facility that isn't even designed yet?

At the same time, A/E firms must refocus their own branding and marketing efforts to match new marketplace conditions, take advantage of social marketing, and be prepared to adjust that message constantly in a future that is rapidly and constantly changing shape.

AMI and FMI have spent much time in the last year with our heads in the future, while trying to entice our architectural and engineering clients to look ahead. It is time for the leaders to get out of survival mode and spend time and energy looking ahead, not only toward the end of the recession, but to what our industry must do to survive in the future. We believe there is an approaching revolution coming to this industry. Firm leaders must begin to look forward to prepare for the changes on the horizon.

Steven J. Isaacs, associate AIA, P.E., managing director of the Advanced Management Institute (AMI), a business unit of FMI Corporation, has 30 years' experience leading design firms and major engineering, architecture and planning projects throughout the world. He is a frequent speaker at many industry events. (sisaacs@ami.com)

Karen Newcombe, marketing and communications director of the AMI, performs ongoing research on industry and future trends. She has 23 years' experience in the architecture/engineering industry. (knewcomb@ami.com) □

Exercising Leadership

CONTINUED FROM PAGE 1

Her agency oversees maintaining and servicing 21,000 lane miles, keeping 300,000 light fixtures working, and ensuring the safety and functioning of 788 bridges. The city is also currently being transformed to provide more bike lanes, taking back underutilized spaces, and creating world class streets that encourage people to use in new ways. Over one-quarter of the land area are streets and they have a number of stakeholders; utility companies, telephone and cable companies, Consumer Affairs, Department of Environmental Protection, everyone with issues about the streets, all ruled by the *NYC Street Design Manual*.

"When we review designs, it's important to note that we will be looking at them through our lens," Feuer pointed out. "You may be thinking of that project as it will be in the magazines, we have to live with the maintenance of it. How will it look in ten years? So when you look at projects, instead of focusing on your own boundaries, look more widely, that's the way we look at things, that's our lens," she concluded.

David J. Burney, commissioner, NYC Department of Design and Development (DDC). His agency manages construction projects for 20 different city agencies where most of the work is design-bid-build, guided by the *Design and Construction Excellence* handbook. "Rather than navigating the review process, I call it surviving the review process," Burney said. "Here's the top ways I've come up with to do that. My recommendation on fee competition is don't even go there. It's probably a job you don't want. Make sure you're getting the right fee to cover the cost of the work, make sure the client has realistic expectations on the budget, scope and schedule for completion, and make sure that your

contract covers all the things that you know the agencies are going to ask you to do. If you get those buttoned up everything will go smoothly. And if you don't, there's nothing you can do to fix it later. It will become an adversarial process," Burney warned.

"The way we manage the review process is that all the stakeholders involved in the project are in the room. You won't get contradictory comments from different groups. They make a decision and you move on. You are also going to face a series of progress reviews with the Public Design Commission. Most of the agencies have a liaison that helps you get through the processes. We always have rehearsals before going to the Public Design Commission. Listen to your coordinator, they've been there hundreds of times and know exactly what's required and that will get you through," Burney advised.

For some reason the construction and design professions have not embraced the peer review process, but Burney maintains that it's hard to overestimate the usefulness of it. "We do peer reviews very early on. You come out with a reassurance that you're going in the right direction, a level of affirmation. You will also be going through constructability reviews, which are a frustrating phase, but saves an enormous amount of time in terms of reducing change orders and RFI's (Requests for Information), so we think it's time well spent," he added.

"Maintenance is usually handled by users that are more interested in running a fire department or a library, so when you hand that building over, make sure that you've considered adequate training. Have systems that can be operated by a city custodian who may not be the best equipped to handle the sophisticated computerized equipment we have today, with temperature and humidity control and the like. Be forewarned about this as the client will complain to you later

when things are not working," Fieldman concluded.

Gale Rothstein, assistant VP, Design Review, liaison to Public Design Commission, NYC Economic Development Corporation (EDC). She provides guidance for submission packages and oversees coordination with other agencies. "You can expedite your design approval by researching the members of the commission to understand what their design criteria are," said Rothstein. "There was a large project that we brought to review that included well over 200 trees. In the preliminary review, the Department of Environmental Protection would not allow half as many trees because of their proximity to sewer or water mains; the only way to keep all of them was to use concrete root barriers. The Parks Department would not allow concrete root barriers. The Public Design Commission didn't want to lose the trees because it didn't support its 'million-tree initiative,' and this was one of my better days," Rothstein commented.

These are Rothstein's four C's, regarding directives of design.

1. Continuity: The design is stable and uninterrupted, has a flow and is integrated.

2. Consistency: It can become a standard for the whole city.

3. Context: Know everything that is happening around your project.

4. Coherence: Have a logical harmony between elements.

"My best advice is to coordinate very early with your stakeholders and have everything they said in writing in your back pocket. Do

not show what you cannot build. If it is not in your budget do not show it to them. For your presentation keep a record of all the iterations of your design," Rothstein advised, "and please, practice your presentation, and put your best foot forward when approaching the public design process," she concluded.

Gregg Pasquarelli, principal, SHoP Architects. His firm is working on many city projects, a correction facility, a bridge and some public-private partnership projects. So the firm's experience is quite broad. There are five things that are important to Gregg in working with public agencies.

1. Be Clear. "Be clear in your RFP, be clear about what your design ideas are, be clear in your presentation, be clear with the agencies, be clear with the community, and be clear with contractors. If you can let them all into the thought process and the design process, you'll have a much better chance of getting your ideas realized. It's an important part of getting the work, of engaging the community and getting it built."

2. Be Flexible. "It's not about an edifice that's so tightly wound that any kind of change from any kind of influence, whether it's a community input, a material selection or a value engineering process, that the design falls apart when it has to absorb that difference."

3. Be Engaged. "Get your hands dirty in the political process, in the construction process, and in the financial process. When you can link the financial model and the political model and the technological model to your design and link that to the flexibility of that design and link that to being clear, I think you have a much greater chance of

You can expedite your design by researching the members of the commission

success of getting buildings that work.”

4. Be Patient. “It’s a long process. Public work takes time. On our major project we’re on public meeting number 125. It’s about a commitment, because public work is important to be engaged in. You will get a lot of contradictory information from the various agencies. Being clear, flexible and engaging helps you navigate that process.”

5. Do Great Work. “Great work doesn’t mean building an edifice to yourself that will get you on the cover of a magazine. Great work is engaging, functional, buildable, and inspiring. There is a lot of talk now about sustainability. The most sustainable thing we can do as a profession is build buildings that people like and take care of, that last a long time, as opposed to knocking them down or renovating them over and over as a sort of stylistic consumption. Becoming a partner with the public agencies to partake in that kind of investment is the most sustainable thing that we can do and the best thing for our clients and the city as a whole,” Pasquarelli concluded.

Anthony Fieldman, principal, Perkins + Will Architects. His firm is engaged in a variety of institutional work, but primarily working on the NYC police academy, a large, complex project, encompassing 2.5 million sq. ft. of interiors in over 20 buildings on a 35-acre highly encumbered difficult site. The economic melt-down hit in the middle of the design process resulting in a redesign from square one, when the funding was cut by more than half, and the firm was forced to look at staged construction.

“There is a difference between public and private work. The similarities between the two are the standard pieces of any architectural project: client, budget, schedule, and a

space program. That’s were the similarities end. Everything else is differences.

“The biggest difference is the multiplicity of client agencies that one has to engage in and focus on toward the same goal. It’s really easy in a public project for it to go off track and for people to pit their own needs against one another, and the architecture suffers enormously as a result. The review protocols are more onerous. So you have to find mechanisms to deal with those when the ground rules change under your feet,” Fieldman said.

“The other big difference is that your client and your client’s tenant often plan to occupy these buildings for 50 years, so you have to create buildings that are legacy, not flash-in-the-pan projects. The client needs to be left with the end product that is maintenance friendly. Decisions should be filtered through legacy-governed architecture that will last long term, Durability is the watchword,” Fieldman pointed out.

“Specifically, the police academy project is the largest in the city’s history. It’s the largest one in our office. There are a lot of complexities. We have fast-

track construction, so we have a lot of overlapping phases. The solution is that we have an integrated project-delivery office with roughly 80 people that includes the client agencies, contractor, and all of our engineers. We communicate on a daily basis with all the stakeholders in

the same room, and have on-the-board reviews. We partner to understand the other party’s perspectives. This takes strong leadership to focus on the goals, taking into consideration the client’s point of view so that those client-based solutions result in great public architecture,” Fieldman concluded. □

The client needs to be left with the end product that is maintenance friendly.

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