

National & Regional News

Tips for anticipating and strategizing for the next ten years

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THE WORLD CONTINUES TO EVOLVE at an increasingly rapid pace. Recent books such as Thomas Friedman's *The World Is Flat* explain this phenomenon at a global level, and the evolution occurs in many ways at many levels.

One level of change involves competition. The lines between architects and other practices and businesses will continue to blur ... to the disadvantage of most architecture firms. Firms can expect more intrusions into the conventional architectural arena by non-architects, such as contractors, strate-

gists, and program managers. They can expect more geographic outreach by architects and non-architects. And they can expect huge growth in impact – in terms of intellectual capital and competition – from China, India, and other Asian countries.

At the same time, clients will show decreasing loyalty to their architects, while increasing the pressure for flawless, timely delivery. Clients, competitors, the media, the public at large and people within the firm will raise the bar for creative and technical and service quality.

Architecture firms themselves are seeing plenty of changes. With respect to technology, we ain't seen nothin' yet. Our computers, cell phones, iPods, expanding wireless networks, and yet-to-be-created devices and systems will give us more capability and portability and accessibility than we have already ... and it won't stop there.

Shifting socio-demographic profiles (most notably, couples starting families later) will continue to be factors in shaping firms, particularly at the leadership level. In particular, the later age at which couples are starting families

– most likely when they are reaching prime credibility in their firms and in the marketplace – puts practitioners in conflict between attending to the needs and opportunities of their *firms* and of their *families*. Appropriately, family priorities will more often “win” this rivalry for attention.

Recent and current signs, small ones, but signs nonetheless, suggest that the fifteen-year-old pattern of declining communications skills among practitioners is changing for the better. However, leadership shortages and inadequacies exist and will continue to be huge issues.

As far as the economy goes, we can expect at least one significant slowdown, probably two, during the next 10 years. Architects who understand the economy and its effects on markets and clients will do better than those who lack such understanding.

Increasingly, what separates the great firms (and great work) from the rest, particularly among large firms, will not be only the work – although that will be a huge part of it – but its contribution to the clients' success by clients' measures.

Strategy Perspective

The dilemma of many large firms, particularly the mega-firms, is that to impress on their clients the high level of personal service they provide they adopt a very logical strategy, which is to appear to be a small firm while providing considerable resources. This offers significant benefits to both clients and to members of the firm:

- Strong sense of empowerment
- Strong resource base on which to draw
- Potential for diversified project type opportunities
- Multiple market presences that offset dips
- Great resources for learning and professional growth

At the same time, certain realities often surface:

- Many large firms are short in achieving external professional recognition for staff.
- Advancement occurs to a degree on seniority rather than performance.
- The essential drawback of the typical strategy is that a large firm can

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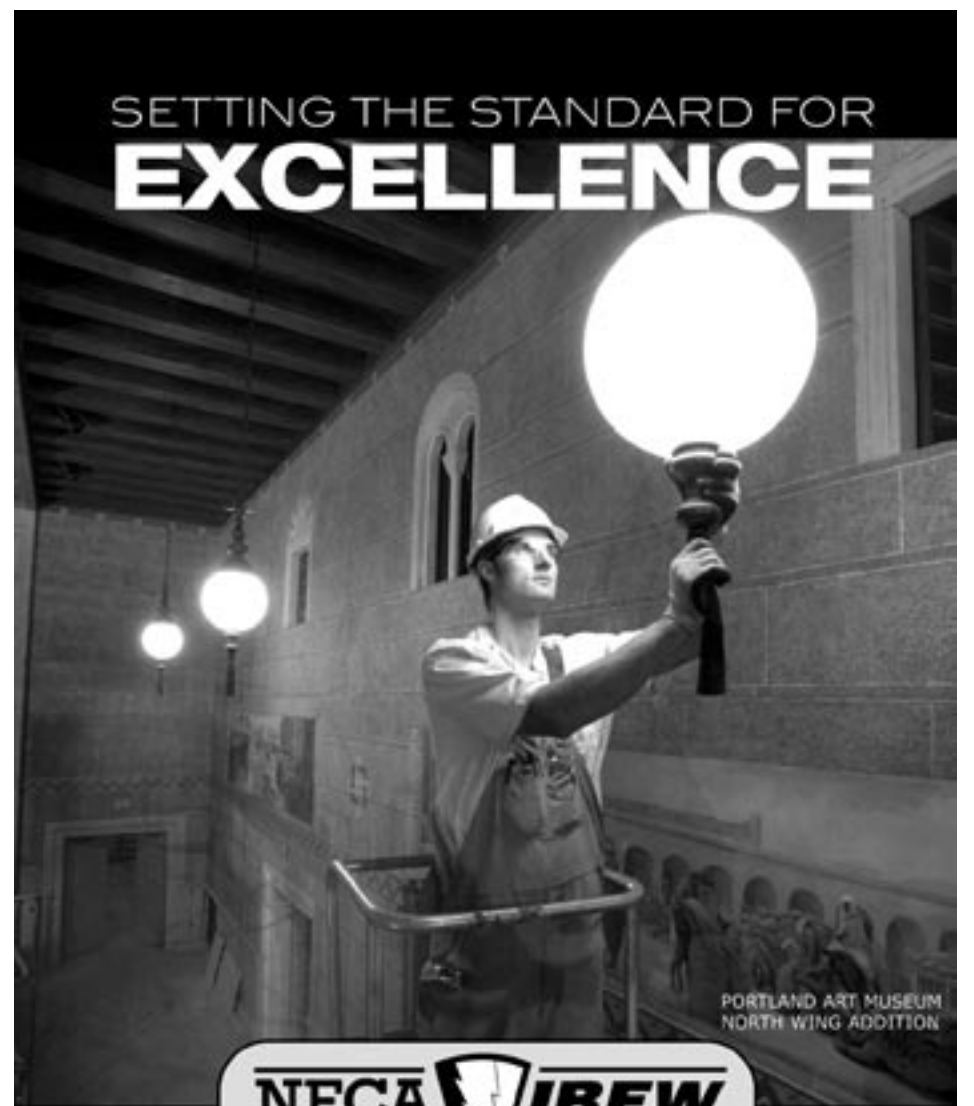
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Allied Works, BOORA receive top regional design awards

PORTLAND'S ALLIED WORKS ARCHITECTURE AND BOORA ARCHITECTS were among the recipients of top design honors as part of the 2005 AIA Northwest & Pacific Region Design Awards.

The awards for architectural excellence were presented at the annual AIA Northwest & Pacific Region Conference held in Seattle in early August. Jury members included Jim Glymph, AIA; Lee Copeland, FAIA; Susan Jones, AIA; and Evett Ruffcorn, FAIA.

Award of Honor

- Sun Valley Residence
Allied Works Architecture, Portland
- Portland Institute for Contemporary Art, Temporary Festival Theater
BOORA Architects, Portland
- Olympic College Poulsbo Branch Campus
Miller/Hull Partnership, Seattle
- Seattle Central Library
LMN Architects, Seattle

Award of Merit

- Leschi Residence
E. Cobb Architects, Seattle
- Residence in Sun Valley
Susan Desko, Ketchum, Idaho
- Madrona Residence
Vandeventer + Carlander Architects, Seattle



Image by Helene Binetg

Allied Works Architecture of Portland received an Honor Award for its design of this Sun Valley residence during the AIA Northwest & Pacific Region Conference.



Image by Sally Schoolmaster

BOORA Architects' design of the Temporary Festival Theater for the Portland Institute for Contemporary Art earned the Portland firm an Honor Award during the AIA Northwest & Pacific Region Conference.

- Kotlik K-12 Replacement School
Koonce Pfeffer Bettis Inc, Anchorage
- Albers Mill Adaptive Re-Use
BCRA, Tacoma
- Evian Spa
CL3 Architects Ltd/Alan Chan Design Company, Hong Kong

Award of Commendation

- New Holly Redevelopment
Weinstein A/U Architects + Urban Designers, Seattle
- Lloyd Crossing
Mithun Architects + Designers + Planners, Seattle

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end up being only a series of small firms that share the rent, which in a military analogy falls into the "divide and conquer" arena. Size becomes the strength rather than what size can help the firm achieve. Such practices often feel compelled to take on marginally appropriate clients and assignments for fear of not having other work to fill the hopper. And such firms opt more quickly to hire the most available talent rather than the most suitable talent.

Strategic alternatives

Here are some strategies that large firms, and to a degree, all firms, might consider:

- Become a truly large firm, one that capitalizes on the impact it can create in reasonably conventional ways.
- Become an assembly of small and mid-size firms with local leadership driven by a sense of opportunity rather than fear of competition.
- Shift into new arenas. Better yet, capitalize on the power of size and its potential for huge intellectual capital to create new arenas.
- Become a big firm, irrespective of the level of "intimacy" – small firms within a large organization – that exists. Capitalize on the horsepower to seize and create opportunities to lead markets and clients.

Specific Strategic Steps

Any of the above strategies are likely to rest on your bookshelf unless you define and enact specific strategic steps. The first is to lead clients by understanding their environments, ambitions, measures of success, funding, politics and the people, particularly the decision-makers. Client relationships become stronger when the firm increases its knowledge about the client and brainstorms ways to support them. This builds credibility with the client and attracts more of the right work than other marketing strategies. It also combats the trend toward decreasing loyalty on the part of clients.

Another strategic step is to hone skills at all levels in the firm. These include collaboration, brainstorming, negotiation, technical, creative, communication and leadership skills. It also involves graphic and visual skills, both traditional and technological-based. While working to build these skills within the firm, identify and develop leaders early.

Look differently at the notion of risk and the inherent resistance to change. Learn from entities that have changed, and recognize the criticality of high profitability in its contribution to courage and confidence. Strong profitability allows good firms to become great firms.

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Oregon's new Public Safety & Training Academy in Monmouth, opening 2006, incorporates all the features of smart, efficient design, thanks to financial help from Oregon tax credits and Energy Trust of Oregon. Find out how you can qualify for up to \$250,000 in financial support to showcase best practices in energy efficiency and design.

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