
Case Study #1

“Do I have to Train Everyone Myself?”

This case looks at an employment alternative for a senior Architect leaving practice but not ready for retirement.

David Walbridge is 63. He had just retired sold his interest in the firm to younger partners. His business contacts no longer had the value they once had. It was time to move forward. However, David still feels he has a lot to offer the professional. His experience in the design and construction industries is still relevant, and, frankly, he didn't want to dip into his retirement fund just yet.

David went to a local architectural society get together and got talking to several others about challenges that they were facing in their practices. The sum of the discussion was that recent graduates and newly hired foreign trained architects were not prepared for basic office practices. David had heard this all before.

After a healthy dose of complaining about young people, David said “Come on! The architecture schools aren't preparing the students to be profit centres immediately and *neither should they*. It isn't anyone's responsibility but ours to train our staff.”

“Dave, I haven't got that kind of time!” said Helmut. “I can't be standing over an intern watching everything they do. I know that training's our problem but, give me a break.”

Steve poked into the conversation. “Only a few of these new grads and none of the foreign trained architect know how to review an application for payment or set up the change log.”

“Steve, remember the first time you did it? Didn't you find it pretty stressful?”

“I guess. But I'm tired of training new entries all the time. It's exhausting. I can't let anything go out of the office unless I personally review EVERYTHING.”

That's when the seed for David's new venture was planted. Now he just had to go home and water it a bit.

University and Syllabus courses in contract administration, office practices and professional responsibility provide overviews, but what was really needed was training; training in the detailed processes and procedures of an architectural practice. How does a new Canadian architect learn change management, applications for payment analysis and preparing certificates of practice? What is an intern supposed to be looking for on a set of open web steel joist shop drawings?

The answer: web-based, immediately accessible training for standard office and project management procedures, backed up with personal support.

David sat down and started to figure out how he could turn his most valuable asset, his knowledge of practice, into a viable business. His strength was his knowledge. He had taught classes at the local university and community college and had the basics of developing presentations and lesson plans. He did not have experience in distance education programs or interactive web-based learning. What he already knew from his teaching experience was that if he were to partner with the continuing education department of either the university or college, they would gladly host the online offerings and take 85% of the income. What kind of revenue model would work? How should he set up this business?

Case Study #2

“We are first and foremost problem solvers.”

This case explores the possibility that architects are complex, ill-structured problem solvers as well as being designers.

Charlotte Singh and Jason Levitt have operated their downtown partnership for 10 years. They have developed an impressive portfolio of successful projects including smaller institutional, commercial and custom residential projects. With 5 employees they have been successful in attracting work and winning RFP competitions for work up to \$15 million construction value. Clients have expressed satisfaction with the services received and note how personal the service is. Mitchell Davenport, the Facility Manager of the local school board, captured the essence of Singh and Levitt when he said “What I like about Charlotte and Jason is that when I call about an issue, I barely set the phone down when one of them knocking at my door.”

Like many firms, Singh and Levitt are concerned about their future given the wave of public/private partnership projects that is rolling over them. The ability to make hiring decisions is being transferred from their board of education, hospital and university clients to central government purchasing departments. Soon there won't be any consulting RFP for an elementary school; there will be a DBFM package for 10 elementary schools, and 2 secondary schools with a total construction value of \$150 million all rolled up into a single project. It won't be a consulting firm who heads the team. It won't even be a construction company. It will be the financier. Charlotte and Jason know that they have little opportunity cracking into this market.

What Charlotte and Jason do well is listen, bring order to complex, ill-structured problems, and develop solutions. It just so happens that they are architects and their solutions result in buildings. Their clients are loyal and actually enjoy working with them. That is an extraordinary competitive advantage.

“What we need to be able to do is offer a broader range of consulting services to our existing clients than strictly building design AND we need to grow our client base” said Jason. “Did I tell you that Burt at Mercy General told me in confidence that the hospital paid \$75,000 for an 8 page risk management report for the Radiology renovation, the content of which could have been written by an architecture student. His actual words were ‘This report was dog s...t’ ”.

“But neither of us has a degree in business or marketing. We don't do statistical analysis of demographic data. How do you expect us to crack that market” said Charlotte with some exasperation.

“We are designers and problems solvers and we just have to figure out how to acquire the knowledge we need to solve a wider range of client problems” said Jason. “I don't know the answer but I can see the problem coming at us like a tsunami.”

Consider Charlotte and Jason's problem.

What kinds of people and/or partnerships do they need?

What resources do they require?

What should their value proposition be?

Develop a business model that will support a diversified problem solving service.

Case Study #3

The Consortium. "Are you in?"

This case study examines the idea of a Consortium of small and medium sized architecture firms working collectively on large projects.

"The big problem is that we have to compete with the mega-firms." The six principals were sitting in a quiet, dark corner of a downtown restaurant. It felt like Sharon was orchestrating a breakout for this gang of prisoners.

"You mean mega-*engineering* firms with architecture divisions," said Dave.

"Whatever! Clients want reduced risk and big firms sell it." Several others tried to interject. Sharon cut them off. "I know. I know. I know. Size doesn't guarantee service but clients are buying it. We need a way to demonstrate that a consortium of smaller firms working collaboratively can deliver big projects."

"But why isn't the answer just joint ventures? It's obvious," said Kalhil.

"You saw that RFP from the university last week, '*Joint-ventures need not apply*'. Clients hate the way joint ventures partnerships drop the ball. No, we need to market our group as a single team. We need to show that we have the capability to do large projects."

Angelo sat back and huffed. "All we need to do is market ourselves under a brand name. Then when we get the job we can divvy up the work."

With frustration washing over her face, Sharon explained, "If we collectively claim to offer services under a brand name like *Integrated Architecture* or something, that named entity must be a holder of a certificate of practice."

"So?" This was the first time Winston had spoken.

Sharon took a bit of paper out of his pocket, unfolded it and read. "... *at least one of the directors or employees of the corporation is a member of the Association who will personally supervise and direct on a full-time basis the practice of architecture by the corporation.* That's the way the Act reads."

"That means ...?"

"It means that if we work collectively as a corporation, each firm functioning as subconsultants..."

Cutting across Sharon, Winston leaned forward. "Subconsulting? You mean we're subconsulting to another firm. Won't clients just see this new consortium as a shell company?"

"... OR...", Sharon continued, "a partnership of corporations, each firm acting as a virtual working unit within the consortium. The challenge is that one of us will "*personally supervise and direct*" the practice of architecture for the consortium practice."

"Why just ONE of us?" asked Sukien. "Why can't we all be designated in the consortium as directing and supervising the practice? I don't want someone else telling me what to do."

"I think that one way we can make this work is to think of our individual firms as functional units within a larger corporation. Each of us would act as a manager providing resources to the larger projects. The consortium would be structured like any other matrix organization but with firms instead of functional units. We would be like a typical matrix organization, but a matrix consortium. We could even bring engineering firms into the model."

"The whole point of this consortium is to be able to compete against the big firms AND keep our autonomy."

"There have to be trade-offs. The key to success will be how we structure the way we manage our offices and production so that what we do individually works at the level of the consortium. The work across firms has to dovetail seamlessly with the whole."

Case Study #3

The Consortium. “Are you in?”

“You mean that we would all have to align the way we practice with that of the consortium?”

“Practically, I don’t see another way.” Sharon was taking on a very directive tone. “We have to create a strong, distinctive brand and present value to clients. Clients have to be assured that working with the Consortium is BETTER than working with a mega-firm.

Sharon arrived at her final point, “Are you in?”

“This is very different” said Winston.

“It’s a new business model. That’s what we are going to figure out right now?”