

The Innovative, Visionary Practice

James P Cramer, 2002

What turns a sleepy firm into a fast growing, visionary office that gains market share in each of its service segments? Why are clients consistently attracted to a relative handful of certain firms? Despite the daily assault of traditional marketing tactics, we believe clients are actually persuaded most often by the power of word of mouth and by what they hear from trusted sources. We sometimes refer to this simply as "buzz". We hear the following differentiators create that hum: relevance, likeability, vision, and an uncommonly high service IQ. Does your firm have a compelling agenda for the future?

Agile firms control the circumstance of getting attention. This leads to a spreading of the word about their currency and their keen and powerful new understanding of what's on the horizon, what's new and what's next. In this issue we will share 30 trends that are consistently being discussed as agenda priorities. Leading firms are preparing their new strategies with these trends in mind.

"We accept no excuses on issues of speed, and we encourage maximum effort in trying to make our professional services more relevant," says Scott Simpson, of the Stubbins Associates (recently recognized by Amgen for providing superior client services). It was Amgen's word of mouth recommendation that led Simpson's firm to be named lead architects for a new one million square-foot pharmaceutical/biotech project currently underway in Massachusetts.

What keeps buzz alive? Innovation! Where does innovation come from? "From a vision of a better way, from strong client involvement, and from newness of ideas that come from understanding trends and fresh applications leading to superior results," Simpson said.

Roughly 90 percent of firms use only the most traditional "process marketing" or "no marketing" rather than using strategic power to create buzz in their service segments. This is the organizational equivalent of arteriosclerosis. Firms who whine about the phenomenon of commoditization of professional services need to discover what so many firms have – that visions of great design services transcend commodities. When we dig deeper inside our experience and vision and imagine, the next level of innovation and relevance can be delivered to the clients of tomorrow.

Never stop learning. "I came to appreciate late in my career that I needed to totally revamp the way I charged fees for professional services," architect Fay Jones told me last month in his home in Fayetteville, Ark. "The Thorncrown Chapel project was on the cover of so many magazines . . . but what few people knew was that that project actually cost less than \$147,000 to build and our firm charged a flat fee of 12 percent."

The less than \$20,000 in fees permitted us to cover expenses for only two of our staff members for a few months but we made absolutely no money on the project at all," Jones said. "It gave us a jolt. We changed.

Moreover, I can tell you that our clients began to appreciate our services more when we started getting more attention (such as the AIA Gold Medal) and when our business skills improved. We went to a 15 percent fee divided into three sections: concept design, 5 percent; design development and documents, 7 percent; and construction administration, 3 percent.

Then we began to think of other ways to build the business side of the firm. Along this path of professional practice evolution, we got better work – and often-larger scale.”

Great designers such as Renzo Piano, Santiago Calatrava, and Cesar Pelli are adept at recognizing quantifiable value. They see the whole picture – and they envision overt benefits for their clients and communities. They also talk the language of “return on investment.” The ability to anticipate professional services is moving from “nice to have” toward “need to have.” Great design is becoming less of a commodity (or a “hot commodity” if you prefer).

While it is true that some design services are being commoditized (which should not be a surprise to anyone who has read the rules of the jurisdictions of the licensing boards or rules of accreditation criteria) we believe that great design will increasingly separate itself from average, yet qualified and competent, design services.

Yes, the marketplace will seek design at low cost, and at faster speed. But it will also seek great, innovative design with major overt benefits. How do you know if your services are only a commodity? Ask: What is your essence? What differentiates your firm from thousands of others? Are there countless firms similar to yours? If so, you are providing a commodity.

Technology will not save the design professions. In fact, technology will annihilate traditional architecture and design firms. The new CAD parametrics are wonderfully exciting. They should also be worrisome to design firm principals. In the future there will be seamless continuums between conceiving forms and implementing them. Draftsmen are gone and CAD operators themselves are dying. Architects, designers, and engineers are drawing with digital pens and clicking the neo-mouse with more imbedded artificial intelligence than ever before. digital, green, clean and highly creative industry is unfolding. Technology will be a tool for those with talent, but it will eliminate firms not willing to transform.

The uglification of America is under attack by the design community. In all major and secondary cities from Seattle to Tallahassee, designer buildings are in demand; clients are seeking high-end design solutions. Some of these solutions will be pre-assembled and star firms will likely design even low budget projects in the future. Philippe Starke has designed product lines for Target Stores following the success of the architecture firm of Michael Graves. Just last month Rem Koolhaas was celebrated not for another Prada project or a manifesto but for a new flag design for the European Union.

Architects will do more and more industrial design and also design buildings the way that products are designed. Many industrial designers today are taking control of the factory and manufacturing processes to more closely supervise cost, quality and profits. Architects are leading the design-build integrated solution revolution. We see integrated service delivery models replacing design-bid-build by a margin of 30 percent or more by the end of the decade. Our studies for both the AIA and the Design-Build Institute of America show that fear is being replaced by innovative and responsible integrated services.

Integrated solutions will be favored and celebrated. Leading firms make integrated service solution models their trusted model of choice. Some are embracing design-build.

Others are forming alliances of multiple competencies and inventing new supply chains. Still others embrace the financial and risk components and are active in feasibility studies before design begins.

There will be fewer places to hide for those providing tired services. Leaders sometimes alienate themselves from those living only in the past or present. The visionary can be very likable – but may not be popular because the status quo is constantly being challenged.

True professionals do not take the path of least resistance – they put an edge on value, yet take the high road on ethics and morality. There is significant risk in isolation and ignorance – in fact, our research has revealed that major mistakes in firms have often happened because the leaders were isolated and it simply did not occur to them that they had choices outside traditional parameters.