Keeping Current

Client Relations: It never hurts to organize your firm so that it meets the demands of your client.... 2

CAD for Principals: In a first-of-its-kind venture, A/E principals now have a resource in the newly formed CAD for Principals Council..................... 3

Turf Wars: Principals should be on the alert after the Corps of Engineers takes on a series of jobs that A/E feel belong in private practice territory ...5

Vive la Différence: If you want to stand out from the crowd, differentiate .......... 7

Missing in Action: Seems A/E can’t hold a candle to doctors in the popularity department...................... 8

Growth Strategies: It’s not only how much you grow, it’s how you do it .......... 9

Ornery Clients: You never tell ’em so, but you and your fellow principals are well aware of it: some clients are crabby .......... 10

And more...

Increasing Margins

15 Indicators That an A/E Firm Is Too Closely Held

Principals without a sound plan to tackle management succession and business continuity should review the 15 indicators below. If any of them are familiar to you, you need to craft such a plan in a hurry.

If you fail to do so, warns Hank Harris, who directs A/E management consulting services for FMI Corp. (Raleigh, N.C.; 919-787-2204), “[your] firm and your personal net worth will be adversely and irrepairably affected.”

What to watch for:

1. Failure to evolve from an owner-dependent organization

—continued on page 13—

Exercising Leadership

How One Firm’s Principals Found a Great New Office by Becoming Their Own Client

The following narrative came to PR from architect Jonathan Butler, a principal of Butler Rogers Baskett, a 70-person A/E firm in New York City.

Recently, a new client came to us for help. The lease on its existing space was about to run out after 20 years, and although the location was wonderful, the space itself left much to be desired. Already too small, it certainly would not accommodate any additional growth:

• The client had had to expand to another space, several floors away in

—continued on page 14—
• Too much time is required to prepare for the exam.

• Changes in graduating architects’ career paths, chief among them the many jobs opening for architecturally-trained people in the lucrative electronic world of computer animation and Web design that don’t require licensing.

• Major changes in the timing and format of the exam in the past five years.

Also blamed was the restrictive nature of the Intern Development Program (IDP), which places rigorous restraints on the types of practical experience that count toward admission to the licensing exam.

Source: Kermit Baker (Washington, D.C.; 202-626-7300)

If you want to stand out from the crowd, differentiate.

That’s the message of a survey of marketing decisionmakers in 422 United States and Canadian professional service firms, large and small, and including a substantial number of A/E firms.

“If reengineering was the buzz word for the 1990s, differentiation promises to be the business trend of this decade,” says Suzanne Lowe, president of Expertise Marketing, which performed the survey. To differentiate, A/E firms must find a uniqueness they can not only sustain, but which can’t be easily duplicated. Then they have to promote this uniqueness, says Lowe.

Uniqueness can take myriad forms. For a partial listing, see the sidebar, “Differentiation in A/E Firms.”

79% of A/E firms claim to have used differentiation as a conscious tactic in the past three years, according to Lowe. Other findings include:

• Firms say they differentiate to look more distinct against competitors so as to capture larger market share.

• A/E firms expect to alter their differentiation approaches this year more sharply than will other professions.

• As differentiation spreads,
joint ventures and alliances (among A/E firms, for example) will elbow out improved services focus as the most common tactic.

- Many firms are hiring specialized individuals to enhance uniqueness.
- Larger firms are more likely than smaller firms to push differentiation.
- Less commonly used or difficult tools, such as pursuing mergers and acquisitions or sharing financial risk with clients, tended to be more successful.
- Image-oriented approaches (changing a logo or motto, or increasing advertising) are less likely to be effective than substantive approaches such as specialized services and joint ventures.
- Main barriers to differentiation are in-house: The most common are lack of buy-in and delays in execution.

The case of Bartlett & West. Typical of many responses was that of Jack Hennies, director of marketing for Bartlett & West Engineers, a 250-person engineering firm from Topeka, Kansas. "Tom Peters makes a good point," he says. "Put your proposal in a stack of them from your competition. If you can't see a real difference, there's no reason your customer should be able to either. There's a perception that engineering is a commodity . . ."

Bartlett & West's key tactic has been, in Hennies' words, "saying we understand what [our clients] needs are regarding their end-users. Our customers are the municipal engineers or city officials. They all have customers that they're responsible to."

Hennies cites as a main obstacle the fact that differentiation forces people to move outside their comfort zone.

For another view on differentiation, see the article, "Is Branding the Best Way to Make Your Firm Stand Out From Today's Pack?" (PR October 1999, page 1). Source: Expertise Marketing (Concord, Mass.; 978-287-5080)

Seems A/E can't hold a candle to doctors in the popularity department. So say recent findings by Zweig White & Associates, Inc., who, after surveying 100 A/E firms, discovered that "with medical dramas like ER and Chicago Hope flooding America's pop culture, the general population knows a lot more about resuscitation than it does about design/build."

Respondents were asked the question: "How accurate do you feel the media's perception of the architect/engineer/planner and environmental consulting industry is?" Ninety-six percent selected the answer "Non-existent. We're MIA to the popular media."

What to do? "With a few exceptions, [A/E] firms do a shameful job of marketing themselves to the outside world," claims Zweig White principal Richard Friedman. "Instead of