

Business Foundations of Architecture

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MANAGEMENT FOR DESIGN

London | Melbourne | Sydney | Brisbane



MANAGEMENT FOR DESIGN

Founded in Australia around 10 years ago ago

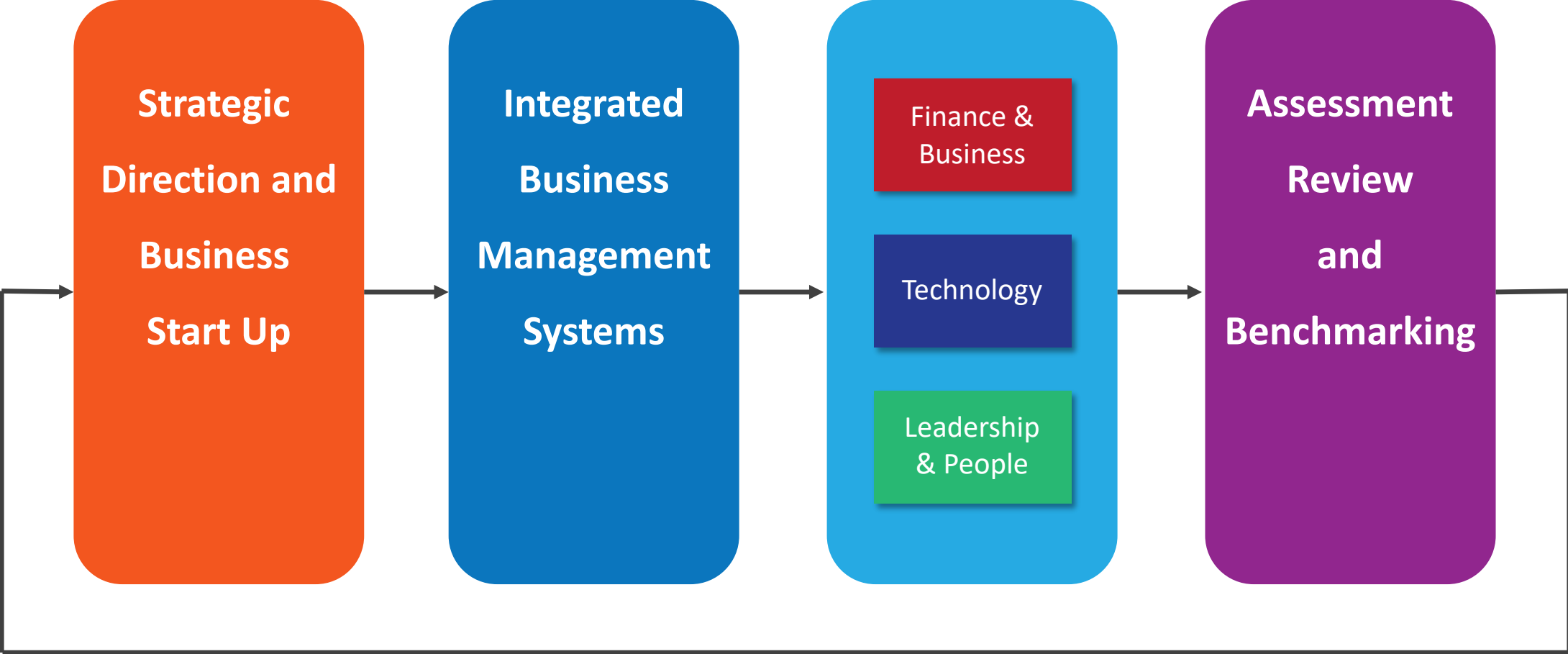
Studios in London, Melbourne, Sydney and Brisbane

A relationship with the ACA that extends across the UK

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MANAGEMENT FOR DESIGN



Introduction



Most architects and designers set up their own practice with little or no experience of running or building a business

Your focus is on project design and delivery and managing the clients

Significant differences in managing a business and designing and delivering buildings

Introduction

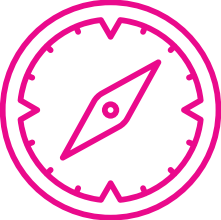


Identified common themes in successful architecture businesses:

- They tightly control the design process
- They are sought out by their clients
- They typically charge more than other practices
- They have a unique value proposition
- They have clarity about where they are going
- They are strong in financials and risk management
- And most importantly they get business and people

The Business Foundations

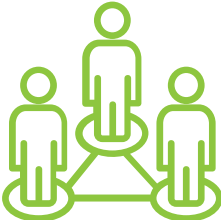
Purpose and Direction



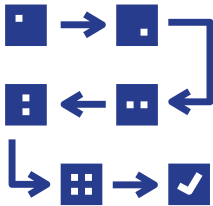
Leadership



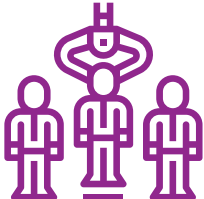
Team



Systems



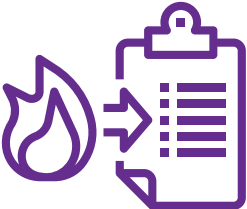
Project | Resource Management



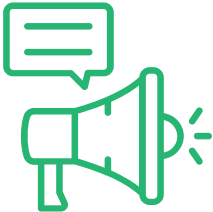
Financial Control and Profitability



Managing Risk



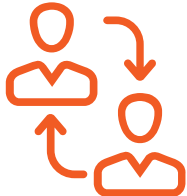
Marketing and Communications,



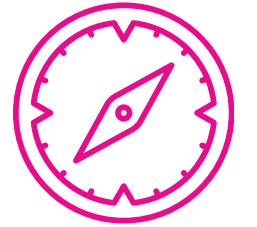
Design, Innovation, and Delivery



Succession



Purpose and Direction



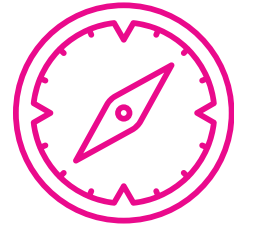
70% of design business don't have a clear plan for where their business is now and where its heading

So where to start?

1. You need a clear understanding of where your industry is heading
2. You need to have a clear understanding of what you are great at and where will you focus

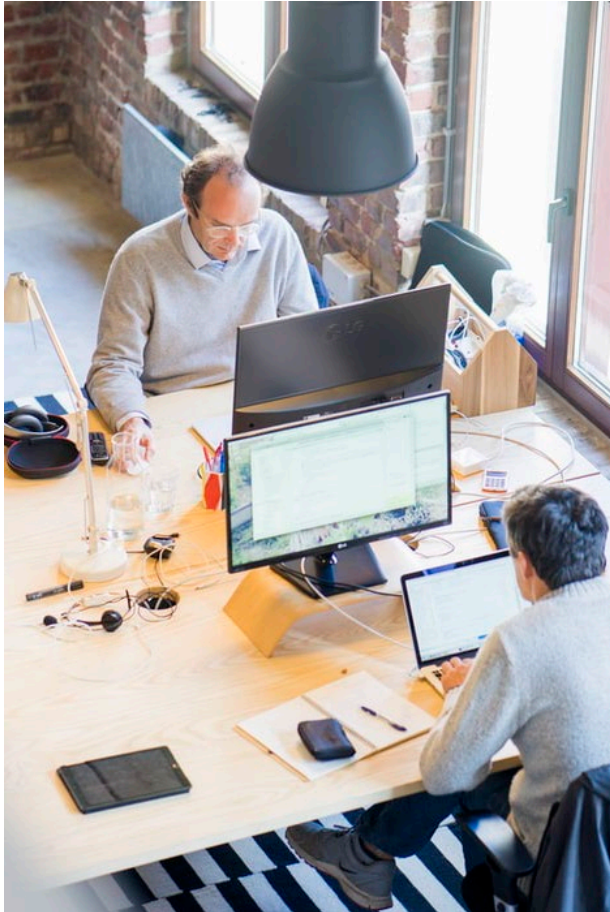
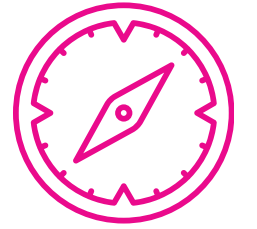
Your strategy needs to be built around what will lead you to win work now and into the future?

Purpose and Direction



- How does your company win the work?
- How do you generate work?
- What is your expertise?
- How are you positioned in the marketplace?
- How do you deliver the work?
- What sort of people do you need to have around you?
- How do you become innovative?
- And finally, what sort of financial management control do you need?

Purpose and Direction



A strategic plan with concise strategic objectives and clear plans for implementation doesn't need to be extensive

The key element is to have a clear path, something that you are all aligned with as a leadership team, that you've communicate with your key people and everyone is on board with it

Leadership



Leaders of architecture business are facing some unique challenges

Architects in a leadership role are usually good at:

1. Designing
2. Nurturing clients
3. Delivering projects.

They lack expertise around establishing, running and growing a successful business

Accountability and contribution is somewhat avoided as a topic by leaders

Leadership



Great leaders in architecture:

- Collaborate
- Delegate
- Expect responsibility and accountability
- Empower people
- Promote trust in their people
- Constantly reinforce the value that they bring
- Have a focus on performance and profit
- Share information and rewards
- Have a clarity of purpose

Leadership

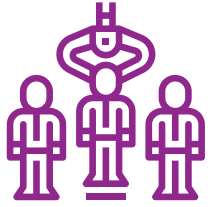


As a rule of thumb you should spend at least half a day to day on your business

You need to spend time on your business

None of this comes over night it takes time, experience and learning from others

Project and Resource Management



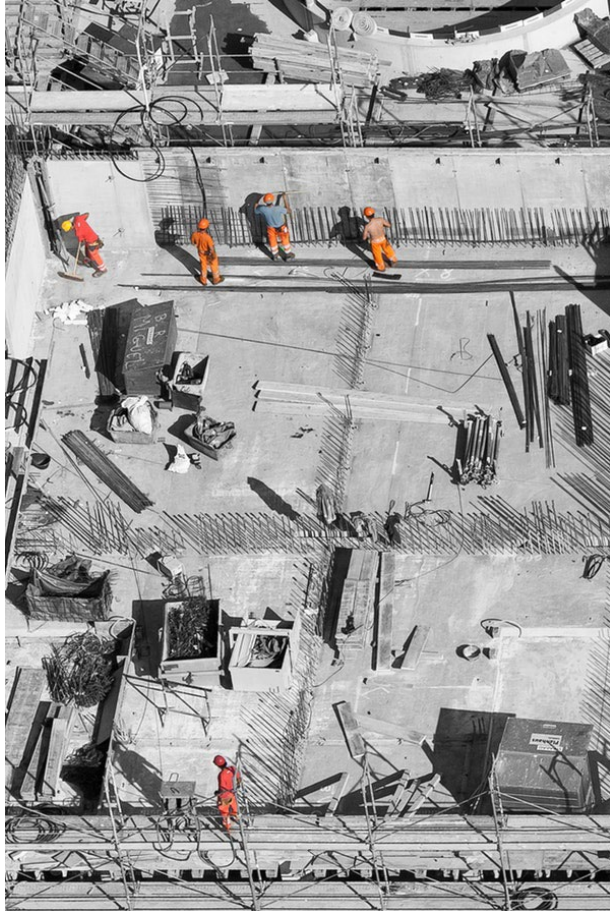
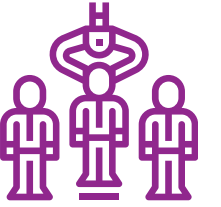
Project and resource management has far less to do with people than you've been led to believe

If you want to make an impact in this area, your effort needs to be on developing a consistent way of work

Putting systems in place – a consistent way of working and reinforcing and supporting that approach

Ask yourself “How do you manage projects across the studio and each project?”

Project and Resource Management



Great project management is fundamental to business success in our industry

All your projects need a plan

Track your progress on a weekly basis as a minimum

Project and Resource Management

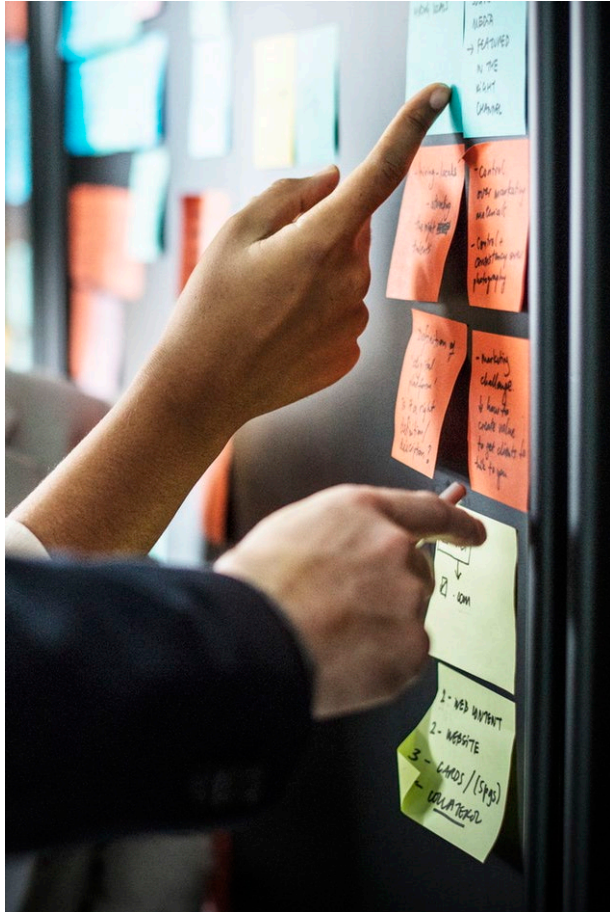
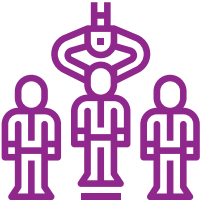


So, what is resource management?

1. Who is working on what and when
2. Who is available when?
3. Who is over and under-utilised?
4. What are the resource requirements moving forward?
5. It should tie into billings now and into the future
6. Include a regular review

Unfortunately, most architecture and design firms don't have an effective system

Project and Resource Management



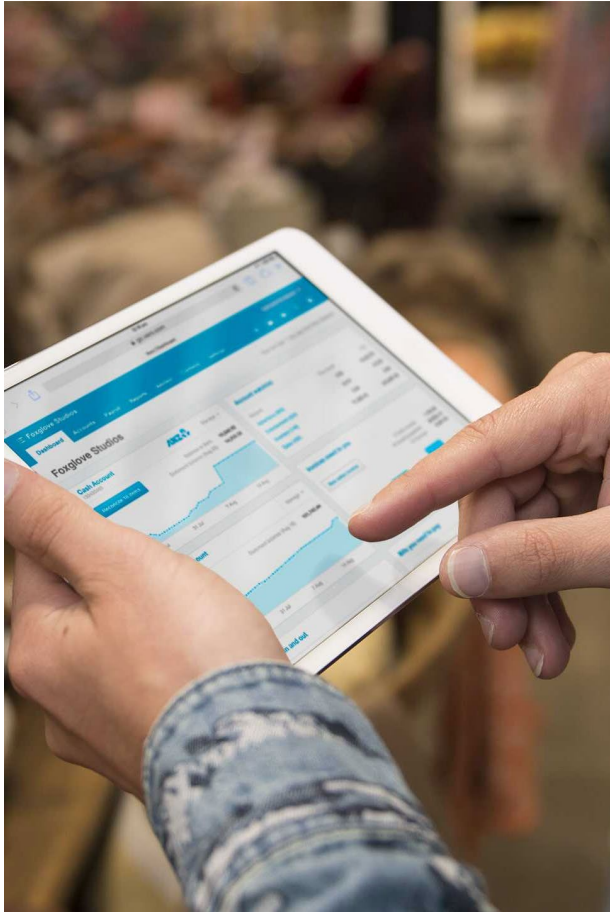
You should have a clear picture of the workload moving forward

An effective and comprehensive resource plan ensures you've got the right number of people to complete the work

And then, that you have the right people to help grow the firm

You need strong project and resource management systems in place

Financial Control and Profitability



How well is your business managed

Profitability is a very good indicator of the effectiveness of your business

Achieving a 20% profit margin—which is income less expenses (before tax)—should be your benchmark

Treat your financials as a scorecard for your business

Financial Control and Profitability



A strong profit allows you the ability to:

- take on the work that you want to take on
- work with clients you want to work with
- say no to projects and clients

Strong financial performance and profitability allows you to feel that you are in control of your business

Financial Control and Profitability



It's about having at your fingertips the measures or information that will drive your decision making going forward

The ability to predict your future work provides you with the information to project out your resourcing

All this information is irrelevant unless you review it

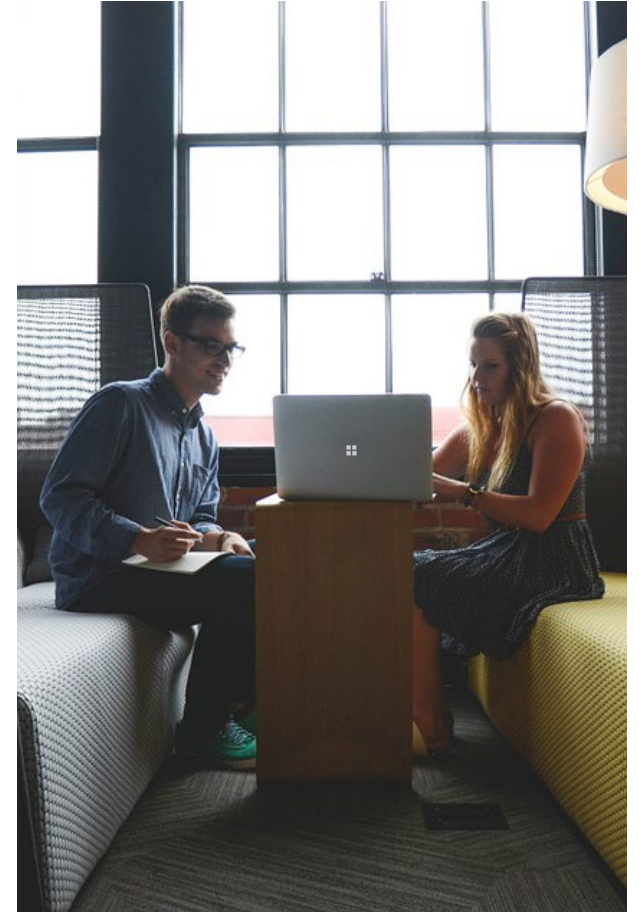
Conclusion

You need to focus on your business as well as in the business

Focus on your business - these foundations - are the model for success

Can you step away from the business without it falling over?

You can influence so many lives through that, your own, your families, your people and your partners



Conclusion

By working with us you will develop and put in place strong business foundations

That's what we do. That is our expertise.



Thank you

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