



# Five Trends Reshaping Practice

BY NANCY EGAN, FSMPS

As the long, wrenching recession abates, practitioners across the country are letting out a collective sigh of relief. The AIA Architecture Billing Index for January was up for the fifth straight month—reflecting the strongest growth in nearly five years, housing starts are on the rise, and many firms are hiring again. While the A/E/C industry finally has an opportunity to look up, the overarching challenges that were background during both the long boom and the recent downturn are now front and center in the larger discourse about resources and priorities. Globalization, demographics, increased urbanism, inadequate infrastructure, rapid advancements in technology, climate change—all demand attention.

Although these broad issues are compelling, architects, engineers, and contractors are dealing with the impacts of these forces in more immediate forms. Among the trends that are reshaping practice, five stand out.

1. Increased complexity of problems and the need to work across different fields of knowledge and multiple networks of collaborators and stakeholders
2. Interoperability of systems and the demand for integrated design including building information modeling (BIM) and integrated project delivery (IPD)
3. Hybrid business models that bring A/E/C professionals together with unexpected partners from other professions, from software to manufacturing
4. Changing nature of networks and relationships, especially as influenced by the increased use of social media and other technological advances
5. Firm cultures and brand identity in an era of mega-firms

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—Ted Sive, FSMPS

## Collaborating with Stakeholders

In many ways the issues are interrelated. “Clients are dealing with nested sets of problems,” observes Paul Nakazawa, AIA, international practice and business strategist and lecturer in architecture at Harvard’s Graduate School of Design. “Their dilemmas are complex—urban, political, economic. They need firms that can work across different fields of knowledge, are technologically skilled, and have the connectivity to tap into multiple networks of collaborators, as well as those of the societal stakeholders.”

In other words, after three or four years focused on staying in business, firm leaders are advised to look wide to position their practices for a challenging future. Senior marketing professionals, charged with helping to guide their firms into this new terrain, are needed on the front lines.

Recent conversations with a select group of SMPS Fellows reveal a picture of the altered landscape and an acknowledgment that change will take time.

## Demand for Integrated Design

“We continue to underestimate the challenge of complexity,” says Ted Sive, FSMPS, principal at Ted Sive Consulting. “Buildings are increasingly complex; no one builds a hospital by themselves. The different disciplines have to work together to find better ways of delivering projects.” Scott Butcher, FSMPS, CPSM, vice president of JDB Engineering, concurs with Sive. “BIM has made a tremendous difference on project delivery,” but Butcher adds, “It still hasn’t lived up to the hype.”

Among the reasons they cite are the varying levels of proficiency and experience among and within firms. Still, there is progress to report. According to the 2012 AIA Survey Report on Firm Characteristics, the share of architecture firms that have obtained BIM software has reached a relative plateau of 38 percent. However, the share of those firms with BIM software actually using it for billable work has grown to 76 percent.

IPD, too—so promising for the kind of collaboration required to develop fully interoperable systems in the long run—has fallen short, in part because of hesitancy from owners as well as

## Contributing Fellows



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design professionals. Here the AIA reports that only 2 percent of projects were being delivered with an IPD process, compared to 9 percent contractor-led design build and 61 percent for traditional design-bid-build (up from 55 percent in 2011). The discrepancy continues, as Sive notes, in part because the recent economy favored a bid-driven process. “The promise is still there,” adds Butcher, “but, as an industry, we’re kind of in the awkward teenage years [with these delivery systems]. We’ve grown a lot, but we still have much maturing to do.”

Some of that maturation has to do with the willingness of professionals to work interdependently. As Randy Deutsch, author of *BIM and Integrated Design: Strategies for Architectural Practice*, points out, “We have the collaboration technology; the challenge is implementation.” He suggests that the full embrace of BIM depends as much on unlearning old ways of practice, changes that have significant social impacts for firms and individuals.

Nonetheless, the pressure is on. FMI notes construction productivity is ripe for efficiency gains, citing owner demand for greater collaboration as a key driver. In addition to increased adoption of BIM and IPD, the FMI report also included lean design and the increased use of prefabrication as boons to productivity.

The contractors’ embrace of collaboration technologies may be the game changer that catalyzes Construction 2.0. In his article “BIM Becomes VDC: A Case Study in Disruption” (*Building Design + Construction*, December 2012), John Tobin, director of architecture at EYP Architecture & Engineering in Albany, NY, says, “The growth of BIM is heralding a true disruption in the construction industry. It is transforming markets, and revolutionizing expectations.” Tobin credits the unanticipated interest contractors have taken in the technology for the disruptive growth.

Among the multiple reasons for the construction industry’s push for efficiencies is the sheer number of large-scale, complex projects that demand sophisticated teaming and integrated delivery. Laurin McCracken, AIA, FSMPS, chief marketing officer at Jacobs Global Buildings NA, points out, “Ten years ago, there were as few as four projects valued at over \$1 billion in construction costs. Today, there are over 150 projects at that scale.” The depth of experience and the financial wherewithal required for such projects limits the field of competitors to big players, and they have no alternative but to drive integration in pursuit of productivity and profitability.

## Emergence of Hybrid Business Models

While the growth of complex mega-projects contributes to the increase in the number of mega-firms—and the pressure on smaller practices, there are ample opportunities for firms of all sizes if they are willing to move beyond traditional discipline boundaries. “What’s in the way of the building?” is the first question Bruce Lea, FSMPS, coach advisor at Wayne O’Neill Associates, asks his clients. For any number of owners, other urgent issues—from funding, to operations, to legislation—take precedence over needed new buildings. Solutions to these problems may be building-related but may not be architecture.

Lea sees firms that take the time to delve deeper into the client concerns are finding new ways to provide expanded services, often with new collaborators, from specialty engineers, to software developers, to fabricators. To be effective, such collaborations require a partners’ mindset and a willingness to share client intelligence and intellectual property—practices that encourage new, hybrid business models.



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## More on the Web



“BIM Becomes VDC: A Case Study in Disruption”  
by John Tobin

*Building Design + Construction* (December 2012)

[www.bdcnetwork.com/bim-becomes-vdc](http://www.bdcnetwork.com/bim-becomes-vdc)

“Business Models Aren’t Just for Business”  
by Saul Kaplan

*HBR Blog* (April 2011)

[http://blogs.hbr.org/cs/2011/04/business\\_models\\_arent\\_just\\_for.html](http://blogs.hbr.org/cs/2011/04/business_models_arent_just_for.html)

“How Consulting Firms Are Making Their Marketing More Sociable: A 2012 Research Report”  
by The Bloom Group

<http://bloomgroup.com/content/how-consulting-firms-are-making-their-marketing-more-sociable-2012-research-report-0>

“What Great Brands Do” by Scott Bedbury

*Fast Company* (August 1997)

[www.fastcompany.com/29056/what-great-brands-do](http://www.fastcompany.com/29056/what-great-brands-do)

What Lea is advising his professional clients mirrors the thinking of business leaders in other industries. “Business model innovation is becoming the new strategic imperative for all organization leaders,” says Saul Kaplan in his HBR blog post “Business Models Aren’t Just for Business.” He observes that transforming important social systems (including education, health care, and energy) with complex problems sets will require “networked business models that cut across sectors—hybrid models that don’t fit cleanly into today’s convenient sector buckets.”

## The Changing Nature of Networks and Relationships

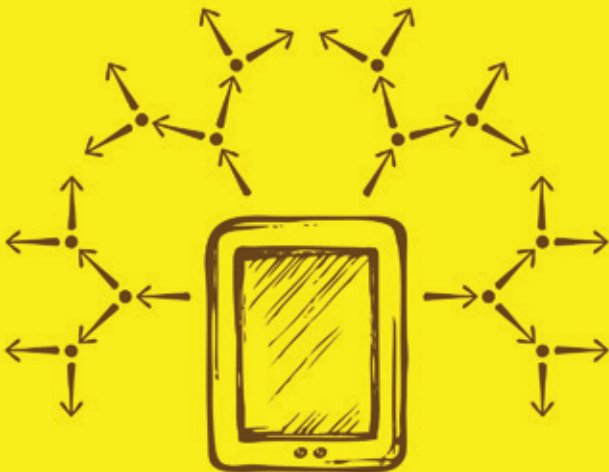
In response to the demand for broader resources and expanded networks, more and more individuals and firms are leveraging the power of the Internet, including social media. While few believe that social media will ever replace in-person relationships or traditional marketing, it has fundamentally altered interactions among professionals and between clients and their consultants. Yes, your prospective clients are Googling your firm and looking up proposed team members on LinkedIn.

As Holly Bolton, FSMPS, CPSM, director of marketing at CE Solutions, Inc., points out, “In professional services, there’s a strong focus on team members’ unique strengths and expertise and how that benefits clients.” Building relationships is critical to building business. “This makes social media particularly relevant. It allows users to create content that reinforces their personal brands and helps them form and strengthen connections with people across the street or across the globe,” she says.

While there is still skepticism, Butcher captures the sentiment of many, “I view ROI with social media as a reputation-originating investment. We are in an era that demands key staff carefully cultivate their reputations, because hiring decisions are increasingly about people more than companies. By building

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To actively enhance those virtual reputations, Bolton suggests marketers take a lesson from old-fashioned relationship building. “Much like face-to-face communication, effectiveness increases when social media is approached in a helpful spirit—by listening and responding appropriately. In addition to using it to recruit, retain, network, and fuel content marketing, firms are using social media to research, listen, learn, enhance interactions, and add value to clients through cross promotion and as a communication tool during the project process.”

What Bolton and Butcher both understand is social media is now a critical component of integrated marketing programs that include more traditional communications formats as well as improved Internet visibility. Their observations are in synch with a study from The Bloom Group, “How Consulting Firms Are Making Their Marketing More Sociable: A 2012 Research Report.” “We think the next phase of consulting firm marketing will be to bring the principles of social media—engaging in online discussion to explore an issue in an open way—to the places on their Web site that feature their thought leadership content,” the report concludes. “The next challenge for consulting marketers is to make their online publications places for fertile discussions of clients’ issues.”

## The Mega-Firm’s Impact on Culture and Brand Identity

In other words, individuals and firms have more opportunities than ever to control their message, and sending the right message is hypercritical. Branding, once seen as a luxury pursued by the largest firms, is better understood today as the consistent representation of the core values and vision of even small practices. “In an era of mega-firms and mega-mergers, firm culture and brand identity matter like never before. A strong, robust culture and a strong, vivid brand do more than anything else to differentiate firms,” says Randle Pollock, FSMPS, regional director at HDR Architecture in Houston. “Brand has become a differentiator in the marketplace, and the best firms get it as a tool both for establishing and sustaining an external identity, and also as an internal tool for recruiting and retaining top talent.”

While the value of brand identity is increasing in importance, the key components at the heart of great brands remain unchanged. In the now classic article “What Great Brands Do” (*Fast Company*, August 1997), Scott Bedbury, the mind behind Nike’s “Just Do It”

campaign and then vice president of marketing at Starbucks, shared his program for brand building. No surprise to SMPS members, authenticity, relevance, and consistency are high on his list.

In discussing how she helped Flintco, the 104-year old, family-owned firm where she serves as CMO, transition to its third generation of leadership, Dana Birkes, APR, FSMPS, CPSM, observes the importance of “knowing who you are” and the role of firm culture, a central “great-brand” trait. “We took time to deeply know our people across the company, understanding what they value and aligning our culture and our brand,” Birkes says. “The next generation has to be able to carry the values forward and deliver on the brand promise.”

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Birkes’ comments touch on what may well be the next trending issue for many firms as Baby Boom leaders prepare to retire: Are firm leaders ready to transition not just the ownership of the assets but also of the vision and mission of the firm to the next generation?

The challenges are real and daunting, yet these conversations suggest firm leaders have the knowledge, tools, and desire needed to positively reshape the design and construction professions to meet the future.

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