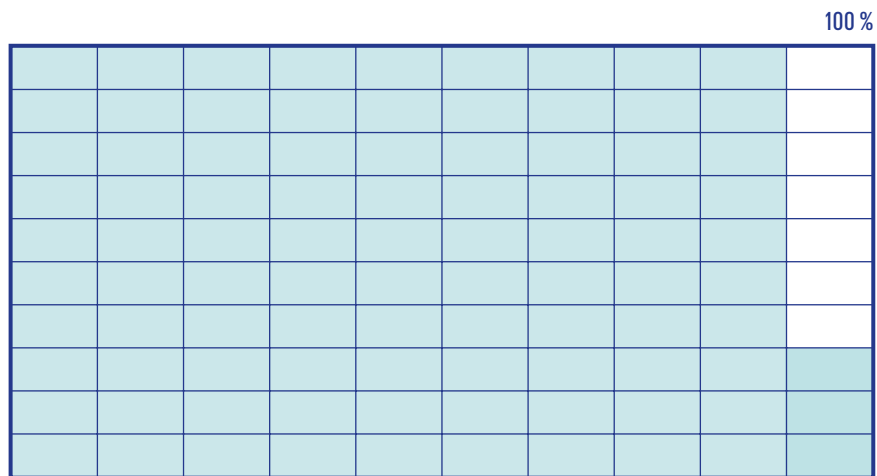


ARCHITECTURE

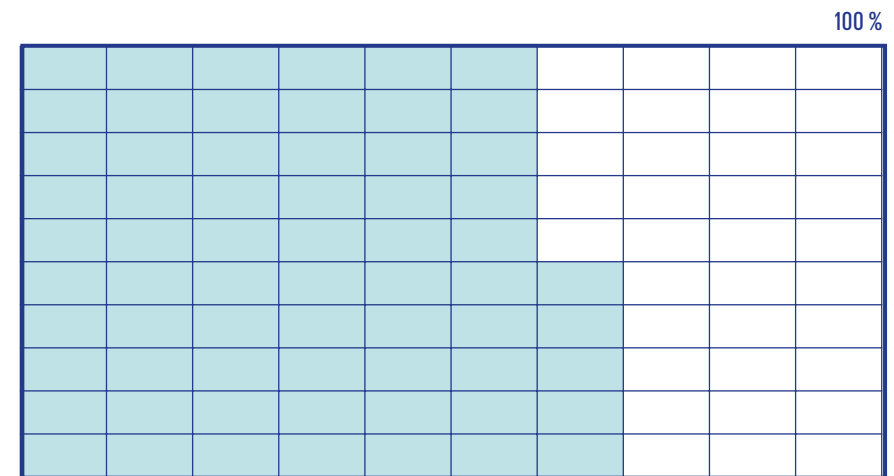
PASSION OR PROFESSION?

FACTS

ACCORDING TO THE 2020 ACE SECTOR STUDY:



93% of all architectural practices employ 5 people in all - or less....



65% are sole practitioners (1 staff in all)

In the same Sector Study, data about the practices' turnover show that:

- More than 90% of all practices have turnover close to/below the level required by the EU Public Procurement Directive.

WHY IS THAT SIGNIFICANT?

If all practices remain small and struggle to get a proper turnover to invest in new initiatives, e.g., new technology or hiring new talent, the role of the architectural practices risk being diminished in the future. To get on track and make more profit you need to look at how to run a practice.

After all you all master the art of architecture, but do you know how to run your practice?

.. Therefore, you need to work more **ON** your practice than **IN** your practice. Without losing sight of your passion but combining it with profession.



Your practice is the most important house you will ever design!

HOW CAN PASSION BE DESCRIBED?

Architects are driven by passion, it makes us who we are, what we do.

- **Passion** is what makes us better designers
- **Passion** is what makes our designs better buildings
- **Passion** is what turns construction into architecture
- Our **passion** shapes the future
- But... **passion** without control is an Achilles' heel!

HOW CAN PROFESSION BE DESCRIBED?

- Being **professional** costs effort, it doesn't come as easy as passion does.
- Making a **profession** out of your passion is what makes you and your income futureproof.
- **Professionalizing** architectural practices will lead to a healthier and more credible sector.
- A **professional** approach & network creates a broader context where clients can rely on and generates trust.
- Trust is your foundation.

CREATING AWARENESS ABOUT BUSINESS MODEL

Success is a verb; it is built on a solid structure.

Success needs its own design: your own business model.

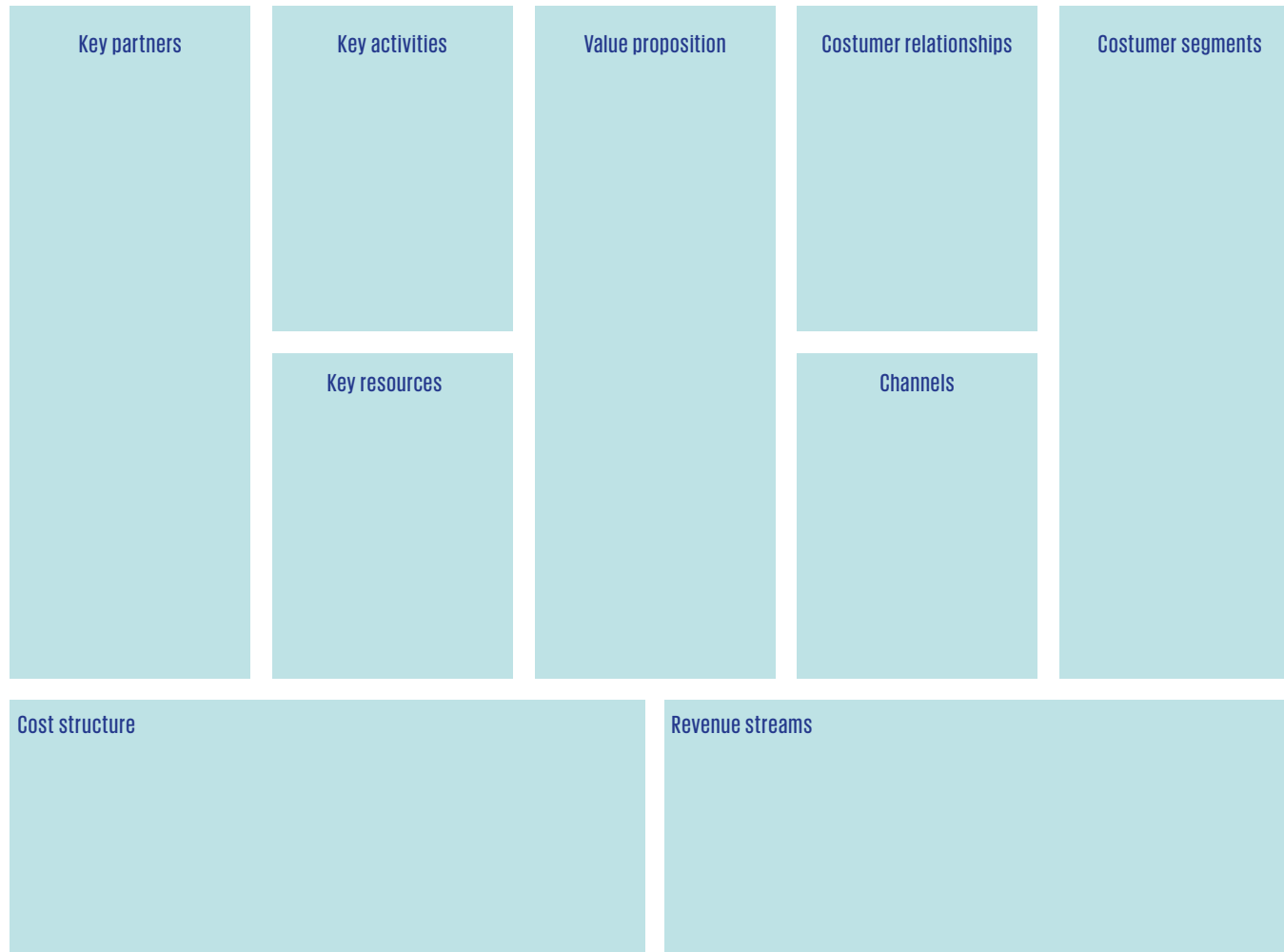
- What do you want (to achieve)?
- How do you want to realize your dreams?
- Who are your clients?
- What's your unique answer to your client's question?

Your questions and answers need a solid framework.

A business model describes the way your practice creates, delivers and captures value. A framework that creates the right circumstances, the right vision, the right answers. A brief can only be met when the design is delivered within a business model. A business model is the tool to turn pain into gain. A business model is to turn passion into profession.

A business model canvas is very helpful to structure your thinking about your business model. An example of a canvas has been developed by Strategyzer. It consists of nine elements for the definition and documentation of a business model. It is a reduced way of a business plan and gives an overview of the way your practice operates.

THE BUSINESS MODEL CANVAS



A business plan on the other side is a longer document often asked for by bankers. Here you describe your business model and your product or service idea, you introduce the founders/management team, and you also elaborate on the market, the competition, about marketing & sales und detailed financial planning.

SOURCE: STRATEGYZER

GROWTH

Growth on a personal as well as on a professional level should be the goal.

Your personal luck, your financial situation, your ideals, and goals... they all benefit from growth.

In a sector where 93% of architectural practices employ maximum five staff members growth can be realized by cooperation, by joint venture, by scaling up.

Growth - on every level - will give you the opportunity to work on your practice, instead of only in your practice.

PASSION OR PROFESSION?

You might want to run a little test on your own practice.

Ask yourself the following question:

Do you work **ON** your practice or **IN** your practice?

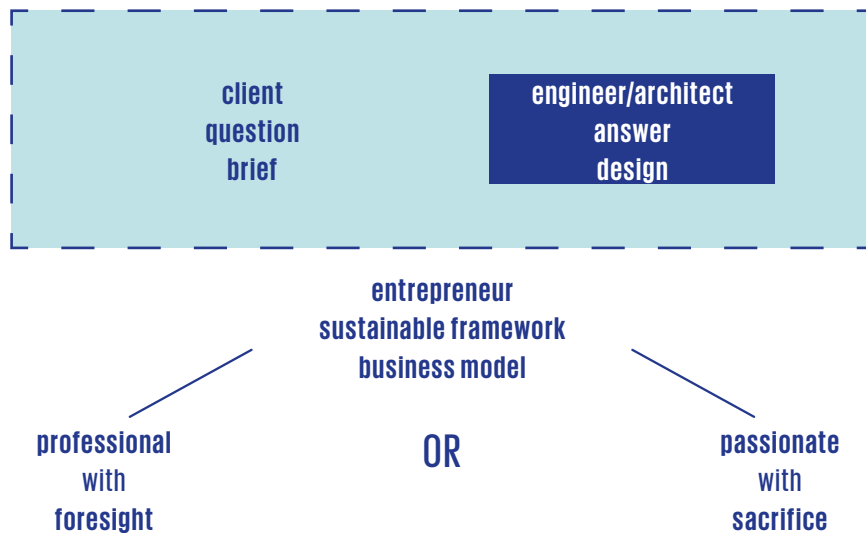
And maybe your answer will look something like this:

A) **On my practice:** Very good. As the practice's owner you are responsible for strategy and development of your architectural office. In the future, when you think about retiring, it is the more important to work on your practice. Because your office will have to be successful without you and with your successor. But don't forget to stay passionate about architecture and do not turn into a pure businessperson.

B) **In my practice:** Probably you have built up your architectural office and you are passionate about architecture. That is very good. But don't forget that as a head of a smaller or larger architectural practice you are responsible for the strategy of your "enterprise" to generate enough projects, financial income and a good future of your practice and a strong brand. That means you probably should check if you spend enough time working on your practice and setting the right course.

There is not a single right or wrong answer. But creating awareness about how to perceive the role of your practice can hopefully lead to a solid foundation for the future. What will be your legacy for your practice?

The dotted square below describes the correlation between the job and the solution and is the normal way of working as an architect - it is a "simple" transaction. But how do you make sure that your practice also makes money on this transaction? You have to act as an entrepreneur, have a solid framework that makes sure that you can deliver in due time AND a business model that makes sure that your client pays for your services.



Looking at the figure you can say that:

- Questions can only be answered within a sustainable / solid framework
- Brief can only be met when the design is delivered within a business model
- Work on your business instead in your business
- Business model is the tool to turn pain into gain
- Business model is to turn passion into profession

DO YOU WANT TO LEARN MORE?

What do you do when you do architecture? Or what is the job-to-be-done? Watch this video, by Clayton Christensen: Clay Christensen: The Jobs to be Done Theory - YouTube (and don't get confused when you find out that it is about milkshakes - it does make sense in the end)

Business Model Canvas: Strategyzer | Corporate Innovation Strategy, Tools & Training. You might want to look at the book called Business Model Generation and maybe the Value Proposition Design to get inspiration.

Gensler is a global architecture, design and planning firm. And the founder has published a book about 50 years of hard-learned lessons. You can find it here: Art's Principles: 50 years of hard-learned lessons in building a world-class professional services firm : Gensler, Arthur, Lindenmayer, Michael, Wittnebel, Doug: Amazon.co.uk: Books

You can also get inspired from this book: Professional Services Leadership Handbook (koganpage.com)

Looking for innovative thinking about business models you can get inspired here:

<https://www.bcg.com/de-de/capabilities/innovation-strategy-delivery/business-model-innovation>

Larry Keeley 2013, 10 types of innovation: The Discipline of Building Breakthroughs. Also see https://doblin.com/dist/images/uploads/Doblin_TenTypesBrochure_Web.pdf