skew Nixon Ferguson Architects will do almost anything for a
good client. Based in Memphis, Tennessee, where Federal
Express has its hub, the firm has done all kinds of work for
FedEx for 20 years—acting as owner’s representative and
project manager on some jobs, putting together requests for proposals on
others, and working as design architect on still others.

Bottom DuVivier Architects of Redwood City, California,
employs a different business strategy—they have identified a service no
one else is providing and developed a tool to help deliver it. The service
is gathering and analyzing information on how people work in particular
office environments, a process the architects call “discovery,” which
they employ before programming a client’s workplace. The tool is a propri-
etary piece of software called 3T, which creates a database of useful
information on a company’s employees and the ways in which they get
their work done.

From predesign to postoccupancy, architects are expanding the
services they offer. According to the 1997 American Institute of Archi-

technology at Princeton University and a consultant to architects. Indeed,
some legal firms are doing accounting work, and a few of the big account-
ing firms are doing strategic business consulting, which often includes
facilities planning. The result is a blurring of distinctions between the
professions, with architects sometimes finding themselves running up
against giant entities such as Anderson Consulting, the management con-

The motivation for all these professionals to expand their ser-

by Clifford A. Pearson

“AIA’s Best-Managed Firms

How to succeed with EXPANDED SERVICES

IT’S NOT JUST DESIGN ANYMORE. ARCHITECTS ARE MAKING MONEY BY
STAYING INVOLVED DURING THE ENTIRE LIFE OF A BUILDING.

“The only way a 25-person firm like us can compete with the
big firms is to add value to the process,” explains Lisa Bottom, of Bottom
DuVivier Architects. The firm’s 3T computer program “is a way for us to
establish intellectual rigor in the process,” she adds.

“What we’re seeing is a shift in the role played by some archi-
tepts, from one that’s project-oriented to one that’s relationship-oriented,”
explains Richard Hobbs, FAIA, vice president of professional practice for
the AIA. Instead of delivering a project and then moving on, architects are
trying to serve clients on a long-term basis, providing a variety of services
before architectural design starts and after it is completed.

Rewriting the rules

To reflect this changing role, the AIA has rewritten one of its most basic
contract documents—the Owner/Architect Agreement (B141). The new
document organizes services into six categories—project administration,
planning and evaluation, design, construction procurement, contract
administration, and facility operation—no longer making a distinction
between “basic” and “additional” services. The implication is that archi-
tepts can perform all kinds of work during the life cycle of a building,
depending on the needs of the client.

CLIENTS ARE LOOKING FOR SOMEONE TO PROVIDE SOUP-TO-NUTS SERVICES.

“What you want to provide is a program for a client, not just a
project,” says Paul Nakazawa, an architect whose firm, Pearson Egan
Nakazawa, works as a management consultant to design firms. “This way
you get a continuous stream of work.” Being involved with a client on an
ongoing basis and getting to know its business allows the architect to
become a trusted advisor, not just a service provider, explains Nakazawa.
Trusted advisors have the inside track on getting future projects, and they
don’t have to compete on the basis of fee alone.

Lewis Goetz, AIA, whose firm, Greenwell Goetz Architects,
in Washington, D.C., specializes in corporate interiors, explains his mis-

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consultants, rather than having the client or another consultant do it, says Goetz.

A few years ago, Greenwell Goetz helped "reengineer" Mobil Oil's headquarters in Fairfax, Virginia. "We offered Mobil a team approach, including programming, technology advocacy, change management, project management, and design," relates Goetz. "Technology advocacy," explains the architect, is "finding better applications of technology to help people do their work. You're not changing the process, but improving the tools." Although Mobil had renovated their headquarters not long before Greenwell Goetz reengineered it, the company understood that changing approaches to work and new business tools required a new kind of workplace.

"The new paradigm is for architects to serve clients as facilitators and integrators," says Hobbs. While architects don't have the expertise to provide all services, their training and overview of the building process allows them to organize and direct the entire building team. Ironically, by expanding beyond "traditional" services, architects are starting to regain control of the building process, which they lost during the past few decades as engineers, project managers, and contractors sliced larger pieces of the pie for themselves.

Changing needs of clients

In the wake of the recession that followed the 1987 stock market crash, corporate America underwent a series of dramatic changes as companies laid off employees and contracted for services that had been provided in-house. In the past, corporate facilities departments oversaw the building needs of big companies. Today, many corporations have eliminated these departments or shrank them significantly. Even as business picked up in the 1990s, many corporations kept their payrolls lean. This situation has created a host of opportunities for architects.

"Clients are looking for someone to provide one-point responsibility" for the work formerly done by in-house departments, says Stuart Rose, whose firm, Professional Development Resources, advises design firms. "They want to find a few good vendors or consultants with whom they have built trust," reports Rose. "The way the market is working these days, you'll get either all of a client's work or none of it."

The way to earn trust is to show you understand your clients' businesses as well as they do. That often means focusing on particular kinds of clients. "Narrow your client types and provide more services," recommends Mark Zweig, president of Zweig White Associates, a Natick, Massachusetts, consulting firm. "Architects tend to do just the opposite," looking far and wide for clients to whom they can sell the same services.

Working from a focused base of clients, Askew Nixon Ferguson Architects (ANFA) offers a broad range of services, going as far as spinning off a couple of companies to offer construction management and facilities management. Set up as separate corporations, these two entities can work on projects for which ANFA is not the architect as well as those for which it is.

The most important lesson ANFA has learned about providing expanded services, says Stephen Hill, AIA, a principal at the firm, is "Always ask your clients if they want fries." Just as McDonald's management knows it can increase sales at virtually no expense by training its clerks to ask the right questions, ANFA makes sure its clients know about all of the services it provides in addition to architectural design.

"The cost of selling more services to an existing client is about one-seventh of what it would cost to sell your firm to a new client," states Rose. "And if you start doing that, you find that your whole marketing focus is different. Instead of sending out brochures and looking for new clients, you're aiming for a 95 percent repeat-business rate."

Organizational issues

Like ANFA, some firms have set up independent groups to provide services other than architectural design. For construction management or design-build operations, liability may be an issue, so having independent companies may make sense. Separate organizations may also encourage the entrepreneurial spirit to flourish and allow employees and shareholders to be rewarded according to the success of their efforts.

Separating expanded services from architecture can sometimes give a firm more credibility with clients. Smith Group, a Detroit-based company that includes architectural firms in three cities, an engineering firm, and separate groups for real estate strategy, development, and program management, doesn't use the word "architecture" or "architects" in the names of any of its firms. Instead it uses the phrase "Solutions for the natural and built environment" to identify what it does, explains Arnold Mikon, FAIA, chairman, president, and CEO of Smith Group.

"We've found that generally speaking we present ourselves as an A/E with expanded services," the client hears as A/E and we're
a separate company, International Design for the Environment Associates (IDEA), in 1990. While the original shareholders of IDEA were all CTA partners, the company now has some shareholders outside of CTA and a chief operating officer, Frederick Wales, who has a background in construction and was once a submarine officer.

CTA's entrepreneurial streak began in the mid-1970s when Prudential Insurance hired it to design a multimedia show called "Where's Boston?" and made CTA partner Peter Chermayeff the executive producer. After two years, the show's stage was damaged during a hurricane. When Prudential didn't rebuild it, CTA bought the rights to the show, reassembled it on a different site, and ran it as a money-making enterprise for 13 years. "Being in show business gave us an idea of what we could do beyond architecture," notes Chermayeff.

In the early 1980s, the firm acted as codeveloper of a $65-million mixed-use project it designed in Cambridge—a hotel, housing, and retail complex called Charles Square. Later, CTA sold its interest in the project for a profit. "That gave us a taste for real estate," says Chermayeff.

When the city of Lisbon approached CTA about working on an aquarium for its 1998 expo, the firm decided that the tight deadlines and international setting made it too difficult to work in a traditional capacity as architect. So it proposed a turnkey development in which IDEA (in joint venture with a Portuguese contractor) would guarantee a maximum cost and control almost all aspects of the aquarium's design, construction, and start-up operations.

As for future entrepreneurial ventures, "We're looking to do something with museum-shop retailing or educational retailing," states Chermayeff. "It would be an extension of what we do with exhibit design and might be another spin-off company."

Taking financial risks, admits Chermayeff, "can be dangerous" and "isn't everyone's cup of tea." He adds, "I'm not sure how many architects have the stomach for this type of work. But I thrive on it."

### Fitting expanded services into a firm

Another key question is whether to bring expanded-service capabilities in-house or develop a network of consultants with whom you work on a regular basis. "Owning" these capabilities may give the firm a stronger presence in the field but may burden it with extra overhead and make it less able to adapt to changing market conditions.

"Our basic approach is to focus on our core competencies, then bring in outside consultants who are the best in their business," states Lewis Goetz. "After all, why would a really great engineer want to work for an architectural firm? Great engineers want to work for engineering firms." Goetz tries to work with the same consultants on a regular basis, but he has no contractual arrangements with any of them.

Some firms are experimenting with more formal alliances, not only with consultants but with other architects. The Star Alliance, which includes architects, engineers, planners, and consultants from 14 companies in North America, is perhaps the most ambitious of these under-
Our own viewpoint as well as our clients’—result from a process in which we help clients define the problem of a project and not just provide them with a solution,” explains Timothy Love, one of the firm’s vice presidents. For example, the 38-person firm has had a relationship with Princeton University since 1987 that has involved developing a database of the existing campus buildings, master planning, advising on future development, and designing projects such as a parking structure and a dormitory. “Due to our long relationship with Princeton, we share responsibility with the client for the stewardship of the campus,” says Love.

Machado and Silvetti is also renovating the J. Paul Getty Villa in Malibu, California, transforming it from a general museum of art into a specialized museum for antiquities, now that the new Getty Center has opened in Los Angeles. “For the Getty Villa project we recommended that the programming effort and the preliminary design phase be done simultaneously,” explains Love. This allowed the two processes to inform one another and helped the client “clarify [its] own institutional mission.”

Construction and postconstruction services take architects farther afield from the old-time definition of what an architect does. But they may represent a greater opportunity. “If one looks at the life of a building, from gestation through birth to adolescence and adulthood to obsolescence and reuse, it is clear that more of the spectrum is post-experience.”

**“WHAT YOU WANT TO PROVIDE IS A PROGRAM FOR A CLIENT, NOT JUST A PROJECT,” SAYS CONSULTANT PAUL NAKAZAWA.**

rather than predesign,” explains KPS’s Plosser. “I think we make a significant mistake in centering the discussion on building (the verb) rather than buildings (the noun).”

In 1996 O’Donnell Wicklund Pigozzi and Peterson Architects (OWP&P), a 239-person firm in Chicago, began offering facilities consulting. Although integrated with the rest of the firm, facilities consulting at OWP&P has its own leadership and offers services unique to its division, including database creation and management and provision of on-site personnel to manage a building’s operation. When OWP&P kicked off the service, “we had the problem upside-down,” admits
Pat Rosenzweig, a spokesperson for the firm, "focusing on software rather than on client need." Eventually, OWP&P hired an experienced leader in the field to offer clients a full range of facility management services.

**Doing it all: from feasibility study to fish handling**

When the Genoa Aquarium opened in 1992 as part of Italy’s 500th anniversary celebration of Columbus’ landing in America, it featured a building designed by Cambridge Seven Associates. No surprise there: Cambridge Seven has designed aquariums around the world over the last three decades—from Boston and Chattanooga to Osaka, Japan. But the firm’s involvement in the Genoa project didn’t start or stop with architectural design. A company set up by Cambridge Seven, called International Design for the Environment Associates (IDEA), provided an array of services including market feasibility, business-plan development, programming, construction, exhibit design and installation, even animal collection and introduction of animals into their exhibits.

And that’s not all. IDEA helped set up the Italian organization that would operate the aquarium, recruiting and training a team of administrators, plant operators, animal-care specialists, and marketing and marketing executives. So Cambridge Seven and its subsidiary essentially designed the client, as well as the aquarium building.

Small firms are also finding opportunities in expanded services, often in specialized niches. For example, Asymptote Architecture, a New York City firm headed by Hani Rashid and Lise-Anne Couture and staffed with a handful of young, computer-savvy architects, has been successful with computer-related services. For a large financial institution in New York, the firm is developing “a real-time information environment” that will include an interactive 3D model of the institution’s famous building. The client had originally hired a computer firm for the project, says Rashid, but wasn’t happy with the result. Only after seeing what Asymptote could do did the client realize that an architect brings together the computer and spatial skills necessary for the project.

**Challenges to expanding services**

With new services come a host of new challenges and issues for architects to address. The first is figuring out which additional services to provide. “Listen to your clients,” advises almost every consultant. If your existing clients need certain kinds of work, you should help them get it—either by providing it yourself or bringing in consultants.

But timing is an important issue as well. “Entering the market at the right time is imperative,” states Larry Self, executive vice president of Hellmuth Obata + Kassabaum. “Being too early can be as detrimental as being too late.” And what works one day may not work as well the next, something ANFA discovered with its computer-aided facility management (CAFM) services. “Six years ago we went into CAFM as we found many of our clients needing these services,” recalls ANFA’s Hill. For three years, the firm made healthy profits from facility management. But the market changed, competition increased, and the firm’s success with these services has diminished, admits Hill.

Not only does the market have to be ready, but the firm must be prepared as well for its dive into new territory. “I’ve seen some small firms bomb out by expanding into services they weren’t yet capable of providing,” says Princeton’s Gutman. “A firm must be prepared technically and have the human capital as well,” advises Paul Nakazawa.

Another danger is spreading yourself too thin. Providing new services “may divert a firm from its essential purpose,” warns Peter Piven, a principal consultant at the Cox Group. “We counsel firms not to go too heavily into new businesses all at once,” he says. If a firm provides many services distinct from design, does it endanger its identity as an architecture firm? Few of the consultants and architects interviewed for this article saw this as a serious problem. “It’s possible for a firm to travel too far afield and lose its identity,” says Gutman. “But I don’t see it happening much.”

Success comes with a few dangers. One problem in providing expanded services “is the heavy dependence on highly skilled individuals without much second-tier backup,” states Hillier. “This creates a workload-leveling dilemma, not to mention the ‘held hostage’ aspect of having a very specialized service be dependent on a very specialized individual who could get a better salary offer tomorrow.”

The architects who are providing expanded services know it isn’t easy to do it well. Getting the right people and keeping them, figuring out which skills need to be brought in-house and which can be outsourced, establishing the best mix of services, and learning how to market them are all issues that must be addressed.

Ultimately, expanded services raise the question of value. Is a
"A few years ago, we realized, whether we liked it or not, that we were in the information business," says Gray Plosser, president of KPS Group, a 70-person architecture firm based in Birmingham, Alabama. "Architects tend to see information as something they use but always throw away," he says. "But the information itself has great value."

Managing information has been the key to KPS's approach to growth. The firm offers a range of services from strategic facility planning and programming to program management and relocation assistance. But designing and then maintaining the information systems used to manage buildings and building portfolios is the most important element in the firm's package of expanded services.

One of KPS's biggest clients is BellSouth, which owns about 50 million square feet in more than 9,000 buildings. KPS designed and installed a sophisticated CAD database that allows the client to record, track, and monitor this huge inventory of buildings. The system is "an intelligent graphic database" that covers not just the spaces in the facilities but the people who work in them, explains Plosser.

KPS also trains BellSouth employees to use the system and ran a help desk at the start of the project. Although KPS provides software and operational systems, the critical element it provides, says Plosser, is ongoing consulting services. "What we really sell is intelligence"—expert advice.

Another important client is Compass Bank, which is based in Alabama and has operations in Florida and Texas. KPS works with Compass on its capital facilities strategy, helping with budgeting, site selection, architectural design, interior-space planning, and even the installation of furniture and office equipment.

Being involved with these companies during the full life of their buildings means KPS is connected with its clients on a continual basis. "Once you're inside a client's business all the time, you're a more valued part of their operations—and you're much less expendable," says Plosser. "Our desire is to stay connected with the client and the client's real estate assets."

Continual access to a client means knowing about projects before anyone else and getting the jump on the competition. And being involved with buildings during their entire life cycle, not just during the relatively brief period of design and construction, means a steady and predictable source of revenue. "It reduces the peaks and valleys of the business cycle," reports Plosser. "Building goes in cycles, but management and maintenance go on all the time."

Five years ago, most of KPS's expanded services were interior design projects, which represented about 10 percent of the firm's billings. Today, new services such as facility-information and program management account for about 35 percent of KPS's billings—with an additional 15 percent represented by interiors work. "Expanded services are where our most explosive growth is," states Plosser.

Recently, KPS set up a subsidiary company so it can offer design-build services, and has bids out on two such projects. "That's the next horizon for us," says Plosser.

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<thead>
<tr>
<th>Firms Surveyed</th>
<th>Seattle, 75 employees</th>
<th>Greenwell Goetz Architects, Washington, D.C., 52 employees</th>
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<tbody>
<tr>
<td>Asymptote Architecture, New York City, 5–9 employees</td>
<td>Hellmuth Obata + Kassebaum, St. Louis, 1,884 employees</td>
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<tr>
<td>Askew Nixon Ferguson Architects, Memphis, 30 employees</td>
<td>The Hillier Group, Princeton, N.J., 394 employees</td>
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<tr>
<td>BOORA Architects, Portland, Oreg., 80 employees</td>
<td>KPS Group, Birmingham, Ala., 70 employees</td>
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<td>Bottom Duvivier Architects, Redwood City, Calif., 25 employees</td>
<td>Machado and Silvetti Associates, Boston, 38 employees</td>
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<tr>
<td>Callison Architecture, Seattle, 361 employees</td>
<td>O'Donnell Wicklund Pigozzi and Peterson, Chicago, 239 employees</td>
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<tr>
<td>Cambridge Seven Associates, Cambridge, Mass., 65 employees</td>
<td>Sherman Greiner &amp; Hallo, Concord, N.H., 7 employees</td>
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<tr>
<td>DES Architects + Engineers, Redwood City, Calif., 125 employees</td>
<td>Smith Group, Detroit, 651 employees</td>
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<td>GGL Architecture/Interior Design</td>
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