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# Practice Management Digest

## News & Best Practices from the PM Knowledge Community

*As the Practice Management Knowledge Community our Mission is to Advance the Practice of Architecture through discovering, generating, organizing, and sharing insights, resources, and tools that enable architects to practice more effectively.*

## Features

### Letter from the Editor

*By Donald Simpson, AIA, LEED® AP*

#### "Use Your Influence in a Positive Way"

This issue of the Digest for 2011 is focused on the topic of Leadership. The articles cover a broad spectrum of topics from personal development of the leader, to planning for leadership transitions, as well as managing a crisis situation as a leader.

Someone told me recently, "If difficulty builds character this current situation has put four walls and a roof on mine." Through experience we learn that it is not just encountering difficulty that brings strength and better character, but our responses to the difficulties that we face. Challenges can bring focus to make us better at what we do and help us hone skills that we can use to greater effect at a future time.

"He who knows no hardships will know no hardihood. He who faces no calamity will need no courage. Mysterious though it is, the characteristics in human nature which we love best grow in a soil with a strong mixture of troubles." - Harry Emerson Fosdick...[Continue Reading](#)

### Heroic do-nothing Leadership

*By Louis L. Marines, Honorary AIA*

We live in an age of heroic, action-driven leadership, where society demands of our leaders "Do something" in response to the changing world around us. This constant demand for action reminds me of the TV psychiatrist played by comedian Bob Newhart, who, faced with perplexing dilemmas presented by his patients, would adamantly counsel, "Stop It!" This is advice that we who lead might well embrace, not all the time, but in brief sabbaticals we give ourselves. By gaining some freedom from constantly responding to the expectations of others (and of ourselves) that we always be bent on doing something, improving something or someone--making progress, piling up achievements -- we can improve both our quality of life, and our

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leadership abilities...[Continue Reading](#)

## **A Lack of Accountability Erodes One's Leadership Credibility**

*By Robert Gaarder, PhD*

"Anyone who accepts mediocrity -- in school, on the job, in life -- is a person who compromises, and when the leader compromises, the whole organization compromises." - (Charles Knight)

Leadership is a combination of personal attributes and interpersonal skills. For the past decade, I have worked as a leadership consultant to scores of leaders in architecture companies. In the course of my work, I normally administer a developed '360' instrument specifically for architecture firms. This instrument rates one's leadership attributes and skills as seen through the eyes of those who work with that person. With more than 500 people weighing in, I have discovered that as a group, *leaders of architecture firms are not very good at holding others accountable*. Most leaders are consistently rated low in Accountability, as well as in the related skills of *Communicating Expectations/Delegating Appropriately and Conflict Management*...[Continue Reading](#)

## **Labyrinth to the Top: Women in Design Firm Leadership**

*By Rena M. Klein, FAIA*

In Fortune 500 companies only two percent of Chief Executive Officers are women. Statistics are scarce, but one can assume that in prominent architectural firms, the numbers are similar. Research is now showing that barriers to the top for women are more like a labyrinth than the iconic glass ceiling.

The American Institute of Architects (AIA) reports that in March 2008, sixteen percent of firm principals and partners were women, up from twelve percent in 1999. Anecdotally, it is known that most of these female principals and partners are sole proprietors or owners of small firms. This common wisdom is consistent with research studies of managerial demographics in the United States. While women occupy forty percent of all managerial positions, only six percent of the most highly paid executive positions are held by women...[Continue Reading](#)

## **Leadership Succession and Continuity**

*By Raymond Kogan, AIA and Cara Bobchek*

Sooner or later, it happens to every company: for any number of reasons, the leader of the firm—President, CEO, or Managing Principal--departs. It may be due to retirement or the separation may be involuntary. Regardless of the reason for the firm leader's departure, the succession of a new leader must follow. Leadership succession, which is inevitable, has the potential to exert a major impact on a firm's reputation, operations, culture, and even survival; however, despite its importance, a great many—if not most—design firms don't adequately prepare for it. [Continue Reading](#)

Of all the many attributes that successful design firms share, effective

leadership is absolutely the most important. If a firm needs capital, it can borrow it; if business is slow, a firm can boost its marketing program. But without an effective leader—today or in the future—a firm faces serious trouble...[Continue Reading](#)

## **Animal Spirits In High Performance Cultures**

*By Kyle V. Davy, AIA*

In the 1930's, Roosevelt had an intuitive grasp of the country's "animal spirits" and understood his role as a leader to inspire a positive, constructive outlook in society during a time of extreme adversity. Now, in this post-recessionary environment, professional design firms face their own serious challenges. The effects of the recession linger across the economy, markets haven't recovered, clients are increasingly assertive, and new aggressive competitors loom. Leaders of professional design firms must become masters of their company's animal spirits, inspiring positive beliefs and behaviors to build high performance cultures...[Continue Reading](#)

## **A Field Guide to Avoiding and Managing a Crisis**

*By Erika Rosenfeld, PhD*

A crisis is anything that may negatively affect the well-being of your practice by damaging your reputation. It is not simply an accident or disaster: these create the climate for a crisis, but they are, with respect to reputation, relatively neutral. It is what you do and say that provokes or deflects a crisis. Similarly, your reputation does not exist in a vacuum: reputation is a function of what others think and say.

Consider, for instance, the BP oil spill, which was indisputably a major disaster. It became a crisis for BP in part because the company appeared to have no communications strategy and because, as one wit put it, "The only time [CEO Tony Hayward] opens his mouth is to change feet."

In contrast, within a year of seven deaths from cyanide-laced Tylenol, the brand reclaimed its top market position. Why? Because the manufacturer, Johnson & Johnson, communicated immediately, continually, fully, and honestly, making it abundantly clear that the company put public welfare before corporate profit. As these examples illustrate, the key to crisis management is effective, prompt, and forthright communication. BP was perceived as reckless and uncaring; Johnson & Johnson never entirely lost public trust...[Continue Reading](#)

## **How to Be(come) a Principal**

*By Kathryn Sprankle*

Everyone knows what a Principal is: a strong performer in a firm leadership and stewardship role. Typically, it refers to a stock ownership level, but not always. How we define "strong performer," and "leadership role," however, has evolved over the years. Many architects who became principals 15 or more years ago are finding they have to prove themselves all over again and, in some cases, are being passed up by younger up-and-comers for new opportunities.

What's different today? For one, transparency is a leading trend in business. Our increasingly business-savvy employees and shareholders want to know the "why's" about everything. Why did the Board make that decision? Why are we opening a new office? Why is there no bonus pool for the third year in a row? And, Why is that person a principal? Transparency requires clarification and communication about everything we do, including articulating specifically what a company expects of its principals and how it intends to gauge their performance...[Continue Reading](#)

## ***Scholarship Opportunities***

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### **Emerging Professionals -Scholarships to Cover Knowledge Fall Conferences Available**

Each 2011 AIA Knowledge Scholarship will fund a dedicated and knowledgeable person to attend a Knowledge Community fall conference in order to cover the event via social media, capture the content and deliver a variety of products to wider audiences during and after the conference. The AIA Knowledge Community conferences are forums for national dialogue, research and networking in niche professional interest areas. Applications are due August 15, 2011. [Download the program overview and application today!](#)

## ***Upcoming Events***

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### **AIA Practice Management Knowledge Community Conference at Architecture Exchange East 2011 (ArchEx)**

ArchEx, presented by the Virginia Society AIA, is the mid-Atlantic region's premier conference and expo for architects, engineers, interior designers, landscape architects and planners.

Now in its 24th year, ArchEx will be held November 2–4, 2011, in historic Richmond, Virginia. The AIA PMKC will be providing a Practice Management 'track' of programs. Please plan to join us.

Registration will be through the [ArchEx Website](#).

## ***Webinars***

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The following Webinars are currently planned for the remainder of 2011:

- August 25 - Developing Future Leaders
- September 22 - Escaping the Wal-Marting of Design
- October 13 - Understanding Your Client

## ***Editorial Calendar***

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The next Practice Management Digest Issue, to be published in the third quarter of 2011, will have the overall topic of Firm Planning. This include topics such as:

- Strategic planning
- Strategic alliances / Collaboration
- Mergers and Acquisitions
- Ownership transitions
- Different Models of Ownership
- Planning or Organizational issues related to Global practice
- Corporate responsibility strategies or planning

If you wish to provide an article for consideration in the next PM *Digest* on one of the above topics, please contact the editor at [dsimpson@kpsgroup.com](mailto:dsimpson@kpsgroup.com) for further information.

### ***Resources***

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[AIA Practice Management Knowledge Community on KnowledgeNet](#)

[AIA Practice Management Knowledge Community Best Practices](#)

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