



THE AMERICAN INSTITUTE
OF ARCHITECTS

Practicing Architecture | Practicing Architecture

AIArchitect

SMALL PROJECT PRACTITIONERS

A Q&A with Rena Klein, FAIA: Small Firms Between Recession and Recovery

Strategic planning and the collaborative pooling of design resources are the keys to repositioning small firms and sole practitio

By Sara Fernandez Cendon

Rena Klein, FAIA, is the owner of Seattle-based RM Klein Consulting and author of *The Architect's Guide To Small Firm Management*. In addition to her work as a management consultant, she has 20 years of experience as the owner of a firm specializing in residential remodeling and custom homes. Klein will share her expertise at two AIA National Convention sessions in New Orleans: Going It Alone: Practice as a Solo Practitioner and Preparing for the Recovery: Using the Downturn to Your Firm's Advantage. In advance of her convention presentations, *AIArchitect* caught up with Klein about how small firm proprietors can grow their businesses during this unique juncture between recession and recovery.

AIArchitect: What lessons do you think small-firm practitioners can take from the now-receding crisis?

Klein: The primary opportunity that the recession has offered small firm practitioners has been the chance to rethink the strategy and direction of their firms. It's hard to talk about the recession without also talking about the period right before it, which was a boom time—perhaps artificially inflated—but nevertheless a boom time. Many small firms grew very quickly during that time, and they often grew without a strategy. When the recession hit, many of them had to downsize, and that's a painful process. So the biggest lesson might be to beware of the boom time; to think strategically about growth to build firms that can be sustained through leaner times.

I've heard of a number of firms who have used this slower time to take a look at their operations, because it's often [that a] lack of operational effectiveness is where the money is lost in small firms. It's important to put time into creating standards, creating effective means of project delivery--“routinizing the routine,” as I'm fond of saying--instead of reinventing the wheel every time. If people have used this slow time to improve operations, to do the learning that they needed—on sustainability, software, current practice issues—then they should be well positioned to take advantage of the opportunities ahead.

We often say that small firms and sole practitioners have the advantage of being nimble. As the economy recovers, how can they leverage that quality?

Very small firms, firms of less than five people, are similar to solo practitioners in many ways. But once you get up to 15 or 20 people, you're talking about a firm that needs a lot more structure and maybe isn't quite as nimble. Still, for all small firms I think tremendous opportunity is coming because of technology. New technologies are allowing smaller firms to be more productive, to do joint ventures with people in other cities and other countries, to go after bigger, more interesting jobs.

One of the problems that small firms have had during the recession is that bigger firms have tended to “bottom feed,” if you'll excuse the expression. They've pursued projects that they never would've looked at during a boom time; the kinds of projects in small communities that small local firms ordinarily acquire. I've heard of solo proprietors and very small firms coming together in collaboratives where they maintain their individual business identities but go after projects as a joint venture. If they have among them the skills that might be represented in a bigger firm, now they can compete for bigger projects. These teams can be dispersed nationally or globally thanks to the virtual collaboration tools now available. We have Skype, we have video conferencing, we can share documents and easily work across the distances.

Now that we're beginning to recover, we're in a position where we don't have to increase our overhead in order to increase the number of people working for us or with us. It used to be that you'd have to find an office to accommodate a certain number of people and then all co-locate there for 8-10 hours a day. You don't have to work that way anymore, and that's a change, but I think small firms are adapting really quickly. My suspicion is that it's going to be a little more challenging for larger firms to get used to having teleworking arrangements. The new start-up firms and small firms of all sorts are looking for these less traditional ways to practice, so they don't have to ramp up their overhead and start the up/down cycle all over again.

Is this a good time for small firms and sole practitioners to branch out into new project types?

Moving into different project types or market arenas is always a difficult thing to do, and it probably didn't make sense to do it during the recession, because you really want to try to leverage what you know best. But as things recover, it might be worthwhile to develop relationships and begin to learn about markets like housing for older adults or healthcare design, where we know there's going to be more work in the future.

It's not an easy thing to do. It's not just by luck that some firms dominate certain markets. Somebody had to say, “We're going there because it's clear that's where the future lies.” Small firms need to do a little bit of that kind of thinking as well. They need to be aware of the macro trends and position themselves strategically.

If you had to give just one piece of advice to a small firm and one to a sole practitioner, what should each be doing right now?

It's more or less the same advice for both kinds of firms, but I'll start with small firms. Engage in a strategic planning process. That sounds very "businessy," so let me put it in a different way: Use your design skills to design a preferred future for your firm. Think about organizational design and the design criteria that are important to you—what are your goals both financially and operationally, how much you want work, how much you want to make.

If you don't quite know how to approach it, there are people and books out there that can help you. But make a plan and work at executing it--and then have a plan B, because a strategic plan is always a work in progress. You never want to write a plan, stick it in a drawer somewhere, and never look at it again. It's about the process of planning, not the plan. A lot of small-firm practitioners tend to be opportunistic, and I'm suggesting that you can be strategic as well as opportunistic, and that you are more likely to meet your goals with a strategic as well as opportunistic approach.

If you're a solo practitioner, the gut check is, "Am I really happy? Am I really satisfied with what I'm doing?" If you're not, then working alone really gives you the power to change things. Solo practitioners may find that they can identify some of their less satisfying tasks, whether it's production drawings or bookkeeping, and contract those services out. There's efficiency in working alone, but there are other options and arrangements that can work just as well. You can think about your work life as something you can design and have some control over.

Recent Related:

[Consulting Practice Niches Create Shelter for Architects in a Thorny Economy](#)

[Small Firm Takes Big Steps with Stimulus-Funded Projects](#)

[AIA Members Coping with the Economic Downturn](#)

[Chief Editor and Chief Economist Agree: Now Is the Time to Prepare for a More Prosperous Future](#)

[Components Helping Out-of-Work Members](#)

[Checking the Pulse of Healthcare Architecture](#)

Reference:

Purchase Klein's book, *The Architect's Guide To Small Firm Management*, at the [AIA Store](#).

Visit the [Practice Management Knowledge Community](#) Web site on AIA KnowledgeNet.

Visit the [Small Project Practitioners'](#) Knowledge Community Web site on AIA KnowledgeNet.

Do you know the Architect's Knowledge Resource?

The AIA's resource knowledge base can connect you to [*Current Practices in Small Firm Management: An Architect's Notebook*](#)

See what else the [Architects Knowledge Resource](#) has to offer for your practice.

[Back to AIArchitect March 18, 2011](#)

[Go to the current issue of AIArchitect](#)