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| ***Advancing the Practice of Architecture*** | **Fall 2014 Issue** |

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.

## Letter from the Editors \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By David B Richards, AIA and Donald Simpson, AIA

In this edition of the PM Digest we consider the challenge of managing our firms and projects to profitability. Acknowledging that the success of a firm or project can be measured in many ways, we sought to focus on what can often be one of the most challenging aspects of success for architects; financial success. The articles consider several aspects of practice management that relate to the financial success of our firms.

The articles in this edition include:

* Michael Webber of AE Finance, provides an overview of the Key Performance Indicators of High Performing Firms.
* Rich Friedman, Founder of Friedman & Partners explores the challenge of establishing our value and commanding the fees we warrant (plus avoiding commoditization in some markets), by understanding what our clients value and how they measure it.
* Rich Burns, a PSMJ Consultant and founder of GNU Group, considers the cost of getting work in his article, “Do You Know the ROI of Your Proposals?”
* Donald Simpson, AIA of the KPS Group, Inc. has described the essential elements in compiling a firm’s best practices and tools into a Project Management Manual.
* David Richards, AIA of ROSSETTI provides 4 key steps for managing profitable projects.

**Upcoming Issue:**

The next edition will feature articles from the presenters at the recent “GROW” symposium. The symposium was a joint effort between the AIANY and the AIA PMKC that focused on cultivating the next generation of architectural leaders.

In spring of 2015 we plan to offer articles on the topic of Quality Management.

If you have expertise or information on these topics to share with the AIA PMKC, please contact David Richards at [drichards@rossetti.com](mailto:drichards@rossetti.com). The deadline for articles related to next generation leaders is January 15, 2015. It will be here before you know it so send your thoughts this week.

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## Features \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| High Performing Firms: By the Numbers  |  |  | | --- | --- | | By Michael A. Webber, Aff. ACEC, All. AIA, [*A/E Finance*](http://www.aefinance.net)- Yes, architecture & engineering firms can make good profits – over 20% Operating Profit Rates – and provide stockholders a very good returns on their investments – over 30% Pre-tax Returns on Equity. A valuable source of Key Performance Indicators (KPIs) is the Deltek Clarity Architecture and Engineering Industry Study on financial performance.  [Read more »](http://www.aia.org/akr/Resources/Documents/AIAB104938) | Michael Webber | |  |

#### Value: The A/E/C Industry's Biggest Blind Spot?

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| Rich Friedman | By Rich Friedman- Savvy professionals know the importance of asking clients and prospects probing questions. Your goals may include:   * Learning more about their organization and role, their greatest challenges, and trends and drivers impacting their success * Determining how they define and measure value from a firm like yours * Identifying who they view as your most potent competitors and why   [Read more »](http://www.aia.org/akr/Resources/Documents/AIAB104937) |

#### Do You Know the ROI on Your Proposals?

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| By Rich Burns, PSMJ Consultant- Many firms are reactive in their approach to proposals - pursuing an RFP even when it doesn’t pass the go/no-go evaluation. Pursuing a job that doesn’t fit diminishes your chance for success and your hit rate average will suffer. Hence, your per proposal cost is increased.  [Read more »](http://www.aia.org/akr/Resources/Documents/AIAB104936) | Rich Burns |

#### The Project Management Manual

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| Donald Simpson, AIA | By Donald C. Simpson, AIA- Our success or failure as professional organizations and as businesses depends largely on how well we manage our projects. Regardless of the firm’s success in marketing services, designing sound and aesthetically pleasing works and honing our technical skills, without sound management of our projects we are doomed to failure.  [Read more »](http://www.aia.org/akr/Resources/Documents/AIAB104935) |

#### Four Keys to Profitable Projects

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| By David B. Richards, AIA, LEED AP, PMP- Success on a project can be measured in many ways. One simple set of criteria for project success includes:   1. a happy client, 2. a cool project, 3. happy staff and 4. making a little money   [Read more »](http://www.aia.org/akr/Resources/Documents/AIAB104934) | David Richards |

## Best Practices \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

One of the PMKC’s initiatives is to continuously improve the AIA’s Best Practices. AIA Best Practices represent the collective wisdom of AIA members and related professionals. We like to highlight one or two new best practice articles in each issue of the Practice Management Digest. We encourage you to read this edition’s pick:

**The Power of Feedback during the Business Development Cycle**  
This Best Practice presents three simple ways to use feedback that will differentiate your firm and influence your prospects in the decision-making process. [www.aia.org/practicing/bestpractices/AIAB104842](http://www.aia.org/practicing/bestpractices/AIAB104842)

## News \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### Congratulations to the 2014 ProNet Scholarship Recipients

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| Nathan Blair | **Nathan Blair** graduated with a Bachelor of Science in Architecture from the University of Utah in 2014. He will be returning to the U of U in the fall to complete work on a Masters of Architecture with an expected graduation in 2016. Mr. Blair is currently employed with Epic Engineering located in Heber City, UT. Upon completion of the Master’s degree program, it is Mr. Blair's intention to seek fulfillment of IDP credit hours with Epic Engineering. [Read Nathan's case study response.](http://www.aia.org/education/AIAB101839) |

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| Kevin Fletcher | **Kevin Fletcher** grew up in Miami, FL and will be completing his Bachelors of Science in Architecture at Wentworth Institute of Technology in 2015 with plans of attending graduate school in the fall of 2015. During his time as an undergraduate student, Fletcher, a Dean’s List Scholar, has remained an active member of the American Institute of Architecture Students (AIAS). [Read Kevin's case study response](http://www.aia.org/education/AIAB101840). |

**Thank you to our generous sponsor:**



**Stay tuned! The Fall 2015 application will be available soon on the** [***PM ProNet page***](http://network.aia.org/practicemanagement/home/pronet)**!**

#### Providing Legal Frameworks for Architectural Projects: Case Studies of AIA Contracts

By Architizer Editors

Contracting an architectural project, on a large or small scale, can get messy without proper documentation and legal agreements. As more players become involved in the process, a firm needs increased legal protections and clear delineations of responsibilities, roles, and permissions on and off the construction site.

[Read more »](http://architizer.com/blog/aia-contract-documents/)

## Upcoming Event \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### Beginners Guide to Using AIA Contract Documents and Software- In person Training

Friday, December 12, 2014 | 8:00 am - 1:30 pm ET | **Eligible for 4 AIA/CES LU Hours**  
Location: AIA National Headquarters Office in Washington, DC

**Workshop fees are $224 for AIA members and $299 for non-members.**

During this course, you will learn the importance of having written contracts in place, and the potential dangers in operating without them; explore the contractual relationship between the various construction parties and how contracts define the responsibility, authority, and expectations of each; and become familiar with the key features of commonly-used AIA contract documents. Don't miss this opportunity to attend an interactive session on the latest version of AIA Contract Documents and Software!

[Register Now](https://live.blueskybroadcast.com/bsb/client/CL_DEFAULT.asp?Client=643475&PCAT=4906&CAT=4906&utm_source=KC%20calendar&utm_medium=online%20calendar&utm_campaign=in%20person%20training)

## Resources \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### Archived Webinar: The Business Case for the 2030 Challenge

Sponsored by the AIA Practice Management Knowledge Community

**In case you missed this webinar, a PDF handout of the presentation is now available.**  
Look for more information to follow about a similar session to be featured at 2015 Convention in Atlanta.

The value of pursuing the 2030 Challenge is providing sustainable buildings that enhance building performance and improve user productivity as a result of engaging energy modeling, daylighting modeling, and comfort modeling during the design process. This session outlined how engaging the 2030 Commitment allows your firm to be more competitive in the market.

[Learn More](http://network.aia.org/practicemanagement/resources/viewdocument/?DocumentKey=d265124b-5d91-4e07-99ab-ae088435c971)

#### Archived Webinar: A New Concept in Practice: Leading the Delivery Process

Sponsored by the AIA Project Delivery Knowledge Community

**This live webinar was held on November 13, 2014. A recording of the webinar as well as a copy of the presentation and Q&A are are now available.**

Recognizing a need for change to address demands for more efficiency, project complexities and sustainable results, the AEC industry is slowly transitioning to more integrated project delivery methods, fostering more collaboration. Concurrently, some firms are leveraging the benefits of BIM’s emerging technology to not only work smarter, but to ultimately facilitate this change in the way projects are delivered.

[Learn More](http://network.aia.org/projectdelivery/resources/viewdocument/?DocumentKey=6e68c49f-dbaf-4974-b7c3-56605e5b9176)

#### New! AIAU Courses on Practice Management

AIAU Logo

Our desire to continue learning is what keeps us sharp and our profession relevant. Now with AIAU, the AIA’s new online education platform, anyone in the world with an Internet connection can access top courses on business and workforce management taught by leading experts in architecture, project management, legal claims, and education.

Courses are carefully curated and cover the latest research into best practice techniques on budgeting, tactics for bidding and winning contracts, how BIM strategies and social media management can elevate practice efficiency, and much more.

Check out these great courses:

[**Aesthetics of Architectural Photography: Dialogue and Live Demo Techniques Used to Create Great Photography**](https://aiau.aia.org/courses/aesthetics-architectural-photography-dialogue-and-live-demo-techniques-used-create-great/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1.5 LUs / RIBA**

[**Avoiding or Reducing Architect-Contractor Conflicts in Small Projects**](https://aiau.aia.org/courses/avoiding-or-reducing-architect%E2%80%92contractor-conflicts-small-projects/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1.5 LUs / RIBA**

[**Designing to an Energy Budget: Focus on Small Firms and Projects**](https://aiau.aia.org/courses/designing-energy-budget-focus-small-firms-and-projects/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1 LU / GBCI / RIBA**

[**Supporting Workstyles for Greater Organizational Success**](https://aiau.aia.org/courses/supporting-workstyles-greater-organizational-success/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1 LU / RIBA**

[**Teaching Architects to Coach**](https://aiau.aia.org/courses/teaching-architects-coach/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo) **│ Earns 1 LU / RIBA**

[**Attracting, Retaining, and Engaging Tomorrow's Firm Leaders**](https://aiau.aia.org/courses/attracting-retaining-and-engaging-tomorrows-firm-leaders/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1 LU / RIBA**

[**Things You Never Learned in School About Working as a Designer: From Social Media Liability to Site Safety**](https://aiau.aia.org/courses/things-you-never-learned-school-about-working-designer-social-media-liability-site-safety/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo) **│ Earns 1 LU / RIBA**

[**Reclaim Your Power! Win New Work by Being the Leader you are Meant to Be**](https://aiau.aia.org/courses/reclaim-your-power-win-new-work-being-leader-you-are-meant-be/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo) **│ Earns 1.5 LUs / RIBA**

[**Profiting From Design Build for a Residential Practice**](https://aiau.aia.org/courses/profiting-design-build-residential-practice/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1.5 LUs / RIBA**

[**Creating Systems and Processes for Effective Social Media Management for Entrepreneur Architects**](https://aiau.aia.org/courses/creating-systems-and-processes-effective-social-media-management-entrepreneur-architects/?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)**│ Earns 1 LU / RIBA**

Individual courses are $25 for AIA members and $40 for non-members. Buy four or more courses and save 15%, no promo code needed.

[Check out more great courses on AIAU**»**](https://aiau.aia.org?utm_campaign=AIA0028&utm_source=tk&utm_medium=promo)

## Online Resources \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

See everything that the Practice Management Knowledge Community has to offer at <http://network.aia.org/practicemanagement/home/>

Visit the Practice Management Digest [archives page](http://network.aia.org/PracticeManagement/Home/PMDigestArchives/) for past issues.

**Connect with Practice Management on:**

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