

Lessons from the best-managed firms

Small, medium, and large

Is Growth a Burden or a Blessing?

FEATURES

By Jane F. Kolleeny and Charles Linn, FAIA

Starting the firm seemed simple enough. You and a few friends from college struck out on your own with a couple of small contracts. That was 15 years ago. Your desks were hollow-core doors on sawhorses jammed into a second-floor office subleased from an insurance agency. Somebody gave you a two-year-old set of *Sweet's*. One of your friends did the books, and once a month on Friday \$20 was pilfered from the cookie jar for ribs and beer. That was your company culture.

A year later, you and your partners faced what seemed like a huge decision. To qualify for a project you sought, you'd have to hire an honest-to-goodness, full-time employee. Now you'd be paying health insurance and workman's compensation, you'd have to withhold taxes and eventually pay other benefits, such as a 401K, profit sharing, vacations, and sick leave. To break even on the costs of hiring, you'd have to keep the new person on for at least a year. But it was time to sink or swim, and you dove in.

Once you'd added one employee, hiring others got easier. When the two church jobs came along, you added four. When you got the high school job, you added six more and moved to a bigger space. Pretty soon there was a receptionist, secretary, a bookkeeper, a spec writer, a field person, a marketing manager, a kid to update the Web site, a human resources director, and an employee manual. Nowadays there are 75 employees. Where all-night charrettes once demonstrated the firm's enthusiasm for flexing its creative muscle, timesheets and billable hours govern yours and everybody's thinking these days. When it's time for ribs (rice and beans for the vegetarians) and near-beer (you wouldn't want to be liable if an employee had a car accident), you and your partners catch yourselves calculating how billable hours will slip away while everybody eats, and wondering, are we still having fun?

Growth is a slippery slope that all firms either embrace or eschew, since firms are on a continual path of change and repositioning.

For example, Herbert Lewis Kruse Blunck Architecture, in Des Moines, Iowa, had a staff of 28 in 1997 and 52 in 2001, almost doubling in size in four years. Mithun Architects, in Seattle, jumped from 50 to 150 employees between 1992 and 2002, tripling its size over a 10-year period. At the same time, many partnerships divide and refine into new identities, such as Hellmuth, Obata + Kassabaum (HOK), with 1,850 employees in 24 offices worldwide, which is divided into three main businesses with several business-unit divisions organized according to market type.

Many jobs require a minimum number of workers, and there is no doubt that the larger an organization gets, the more complex its administration becomes. Increased workload means an enlarged infrastructure, which means escalating overhead, reinventing firm culture, and pursuing new markets. Gary Desmond, FAIA, of AR7 Hoover Desmond Architects in Denver, with a total staff of 21, says, "smaller size is better for culture but not as good for benefits and HR." A larger firm like HOK, founded in 1955 by three partners, today must overcome the

Growing Pains: What It Costs to Add an Employee to the Firm

Adding staff is not an inexpensive proposition—when recruiting costs are added to taxes, benefits, equipment, and fees, putting a person to work who makes \$55,000 annually could cost almost \$27,000! And this does not include other overhead, such as rent, equipment, repairs and maintenance, professional insurance, professional fees, travel and entertainment, depreciation, and so on.

The following represents how much a New York City firm estimates it will spend to recruit and hire a specific individual:

Pre-hire costs	
Candidate identification (advertising/recruiting fees)	\$ 450–10,000
Interview process (value of time)	\$ 1,100
Offer materials (take-away materials, monograph)	\$ 55
Subtotal	\$ 1,605 to \$11,155
Post-hire costs	
For an employee making	\$ 55,000 per year
IT equipment	\$ 3,300
Employee benefits	\$ 2,500–7,500
Taxes	\$ 5,000
Subtotal	\$ 10,800 to \$15,800
Grand total	\$ 12,405 to \$26,955

Data courtesy of Tim S. Reedy, Administrative Director, HHPA, New York City



Part I


*SIZE HAS A TREMENDOUS AFFECT
ON MOST THINGS—DOES IT
AFFECT ARCHITECTURAL PRACTICE?*

	CITY	STATE	MULTI-OFFICE	# TOTAL STAFF	# PRINCIPALS	# ASSOCIATES	# SUPPORT STAFF	# IT STAFF	YEAR ORIGINATED	PC/MAC	TECHNOLOGY INFRASTRUCTURE	ACCOUNTING SOFTWARE	TYPES OF DATABASES	DATABASE SOFTWARE	CAD SOFTWARE	RENDERING SOFTWARE
AR7 HOOPER DESMOND ARCHITECTS	DENVER	CO	NO	21	4	0	-	1.5	1978	PC/MAC	SERVER, WEB SITE, INTRANET, EXTRANET	SEMA4	PROJECT, CLIENT, EMPLOYEE	ACCESS	AUTOCAD	FORM-Z
BELMONT FREEMAN ARCHITECTS	NEW YORK	NY	NO	8	1	8	1	0	1986	PC	T-1 LINE, SERVER, WEB SITE	QUICKBOOKS	PROJECT, CLIENT	MICROSOFT OFFICE	AUTOCAD	AUTOCAD 3D
BROMLEY CALDARI ARCHITECTS	NEW YORK	NY	NO	8	2	1	1	.5	1991	PC	WEB SITE	QUICKBOOKS	CLIENT	OUTLOOK	AUTOCAD	3D STUDIO
BUTTRICK WHITE & BURTS	NEW YORK	NY	NO	25	2	2	5.4	1.5	1983	PC	SERVER, WEB SITE	HARPER AND SHUMAN	CLIENT	ACCESS	AUTOCAD 2000	LIGHTSCAPE, ILLUSTRATOR
CENTERBROOK ARCHITECTS & PLANNERS	CENTERBROOK	CT	NO	75	1	14	16	3	1975	PC	T-1 LINE, SERVER, WEB SITE, INTRANET, EXTRANET	SEMA4	PROJECT, CLIENT, EMPLOYEE	PROLOG	AUTOCAD 2002, ARCHITECTURAL DESKTOP 3	3D VIZ
COLLINS + SCOVILLE ARCHITECTS	ALBANY	NY	NO	61	5	10	7	1.5	1991	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	-	PROJECT, CLIENT, EMPLOYEE	COSENTIAL ADVANTAGE, EXPEDITION	AUTOCAD LATEST	3D STUDIO, VIZ, FORM-Z
COOPER, ROBERTSON & PARTNERS	NEW YORK	NY	NO	75	18	6	0	4	1979	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	DELTEK	PROJECT, CLIENT, EMPLOYEE	MARKET EDGE ACT, WINDOWS	AUTODESK 2I	ARCHITECTURAL DESKTOP, ACCURENDER
CUH2A	PRINCETON	NJ	YES	397	27	109	65	14	1962	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	SEMA4	PROJECT, CLIENT, EMPLOYEE	ACCESS, SQL SERVER	AUTOCAD, MICROSTATION	3D VIZ, MAX
DANGEROUS ARCHITECTS	CHELSEA	MI	NO	5	1	2	2	.5	1994	PC	SERVER, WEB SITE	DELTEK	PROJECT	MS WORD	AUTOCAD	AUTOCAD
DAVID OWEN TRYBA ARCHITECTS	DENVER	CO	NO	32	3	7	4	.5	1988	PC	T-1, SERVER, WEB SITE	QUICKBOOKS	-	-	AUTOCAD	FORM-Z
DOMINY + ASSOCIATES ARCHITECTS	SAN DIEGO	CA	NO	23	5	2	3	2	1986	PC	SERVER, INTRANET	WIND2	CLIENT	-	AUTOCAD	COREL DRAW, 3D STUDIO
DPK&A ARCHITECTS	PHILADELPHIA	PA	YES	34	3	10	7	3	1984	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	DELTEK ADVANTAGE	PROJECT, CLIENT, EMPLOYEE	ACCESS, OUTLOOK	AUTOCAD 2002	FORM-Z
DWG GROUP	CHESTER	NY	YES	18	2	2	1	2	2000	PC/MAC	T-1 LINE, SERVER, WIRELESS	SEMA4	PROJECT, CLIENT, PERSONAL	AUTOCAD 2000, MICROSTATION	-	3D STUDIO VIZ
EINHORN YAFFEE PRESCOTT	ALBANY	NY	YES	450	46	160	94	20	1982	PC	T-1, SERVER, WEB SITE, INTRANET	MICROSOFT ACCOUNTING PLUS	PROJECT, CLIENT, EMPLOYEE	CRM, ACCESS, SQL SERVER, ADVANTAGE, ADP	AUTOCAD, MICROSTATION, ARCHITECTURAL DESKTOP	3D STUDIO VIZ, FORM-Z, LIGHTSCAPE
FLAD & ASSOCIATES	MADISON	WI	YES	360	17	84	59	14	1927	PC	T-1 LINES, SERVER, WEB SITE, INTRANET	DELTEK ADVANTAGE	PROJECT, CLIENT, EMPLOYEE	MS SQL 7	AUTOCAD 2000	ACCURENDER, 3D STUDIO VIZ
GARRETT SMITH	ALBUQUERQUE	NM	NO	9	1	0	1	1	1990	PC	T-1, SERVER, WEB SITE	IN-HOUSE	PROJECT, CLIENT	-	AUTOCAD	FORM-Z
GRUZEN SAMTON	NEW YORK	NY	YES	135	6	30	15	3	1936	PC	T-1 LINE, SERVER, WEB SITE, EXTRANET	SEMA4	PROJECT, CLIENT, EMPLOYEE	MARKET EDGE	AUTOCAD 2000	FORM-Z, 3D VIZ, DESKTOP 3.3
GUSTAVSON/DUNDES ARCHITECTURE & DESIGN	NEW YORK	NY	YES	7	2	4	1	1	1985	PC	SERVER, WEB SITE	SEMA4	PROJECT	-	AUTOCAD DESKTOP	-
HARDY HOLZMAN PFEIFFER ASSOCIATES	NEW YORK	NY	YES	145	8	16	31	11	1967	PC	T-1 LINE, SERVER, WEB SITE, INTRANET, EXTRANET	QUICKBOOKS	PROJECT, CLIENT, EMPLOYEE	FILEMAKER PRO, CUMULUS, ACCESS	ARCH. DESKTOP 3.3, FORM-Z, 3D STUDIO MAX	3D MAX, LIGHTSCAPE, COREL DRAW
HARLEYELLIS	SOUTHFIELD	MI	YES	313	40	50	48	12	1908	PC	T-1 LINES, SERVER, WEB SITE, INTRANET	DELTEK	PROJECT, CLIENT, EMPLOYEE	FOXPRO SQL	MICROSTATION, AUTOCAD	-
HARRY TEAGUE ARCHITECTS	ASPEN	CO	NO	17	1	-	4	0	1978	MAC	SERVER, WEB SITE	SEMA4, DELTEK	CLIENT, CONTACT	FILEMAKER PRO	POWERCAD	ARCHICAD
HERBERT S. NEWMAN & PARTNERS	NEW HAVEN	CT	NO	56	7	9	9	3	1964	PC	T-1 LINE, SERVER	DELTEK	PROJECT, CLIENT	ACCESS	AUTOCAD 2000, R14	-
HELLMUTH, OBATA + KASSABAUM	ST. LOUIS	MO	YES	1,850	316	459	185	93	1955	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	SEMA4	PROJECT, CLIENT, EMPLOYEE	PIVOTAL, FILEMAKER PRO	AUTOCAD	AUTODESK, 3D STUDIO MAX, VIZ
R.M.KLIMENT & FRANCES HALSBAND ARCHITECTS	NEW YORK	NY	NO	35	5	3	3	1	1972	PC	T-1 LINE, SERVER, INTRANET, WEB SITE	CFMS, DELTEK ADVANTAGE	CLIENT, CONTACT, PROJECT	ACT, PROLOG MANAGER	AUTOCAD 2000, AUTOCAD 14	3-D STUDIO, ACCURENDER
IBARRA ROSANO DESIGN ARCHITECTS	TUSCON	AZ	NO	2	2	0	0	0	1998	MAC	WEB SITE	-	CLIENT	APPLEWORKS	CLARIS CAD, VECTORWORKS	-
KOHN PEDERSEN FOX	NEW YORK	NY	YES	385	13	72	39	6	1976	PC	T-1 LINE, SERVER, WEB SITE, INTRANET	EXCEL	PROJECT, CLIENT, EMPLOYEE	DELTEK CRM	MICROSTATION, AUTOCAD 2002	3D STUDIO VIZ
KRUECK & SEXTON	CHICAGO	IL	NO	14	2	2	.5	1	1978	PC	T-1 LINE, SERVER, WEB SITE	DELTEK ADV.	-	-	MICROSTATION	FORM-Z
LEERS WEINZAPFEL	BOSTON	MA	NO	35	4	6	6	1.5	1982	MAC	T-1 LINE, SERVER, WEB SITE	DELTEK ADV.	PROJECT	FILEMAKER PRO	VECTORWORKS	FORM-Z
LINE AND SPACE	TUSCON	AZ	NO	4	3	2	7	0	1978	PC/MAC	T-1, WEB SITE	QUICKEN	CLIENT, PROJECT	-	AUTOCAD	3D VIZ
LMN ARCHITECTS	SEATTLE	WA	NO	105	25	36	20	2	1979	PC	SERVER, WEB SITE	QUICKEN	CLIENT, PROJECT, CONTACT	DELTEK CRM	MICROSTATION	4 MARKETING, 3 GRAPHICS
LOHAN ASSOCIATES	CHICAGO	IL	NO	65	17	17	17	2	1969	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	DELTEK ADV.	PROJECT, CLIENT, EMPLOYEE	ADVANTAGE (ACCOUNTING), ACCESS	AUTOCAD 14, AUTOCAD 2000	ADT 2I, 3D STUDIO, VIZ, MICROSTATION, FORM-Z
LOONEY RICKS KISS	MEMPHIS	TN	YES	146	6	8	31	4	1983	PC	T-1, SERVER, WEB SITE, INTRANET	DELTEK ADV.	PROJECT, CLIENT, EMPLOYEE	ACT, DELTEK, ACCESS	AUTOCAD, ARCH. DESKTOP	3D STUDIO VIZ, FORM-Z, LIGHTSCAPE, RHINO
MITHUN ARCHITECTS	SEATTLE	WA	NO	140	15	48	-	5	1949	-	T-1 LINES, EXTRANET, INTRANET, WEB SITE	DELTEK ADV.	CLIENT	FILEMAKER PRO	AUTOCAD 2000, ADT	-
MORGAN ARCHITECTURE	PRINCETON	NJ	NO	5	1	1	3	1	1993	PC	T-1 LINES	SEMA4	PROJECT	-	AUTOCAD	-
MURPHY BURNHAM & BUTTRICK	NEW YORK	NY	NO	17	3	14	3	1	1997	PC	T-1, SERVER, WEB SITE, INTRANET	QUICKBOOKS	PROJECT, CLIENT, EMPLOYEE	OUTLOOK	AUTOCAD	FORM-Z
NBBJ	SEATTLE	WA	YES	862	91	263	117	3	1943	PC/MAC	T-1 LINES, SERVER, EXTRANET, INTRANET, WEB SITE	HARPER AND SHUMAN	PROJECT, CLIENT, EMPLOYEE	MICROSOFT SQL	MICROSTATION	3D STUDIO VIZ
OGAWA DEPARDON ARCHITECTS	NEW YORK	NY	YES	8	2	0	5	1	1987	PC	T-1 LINES, SERVER, WEB SITE	PROPRIETARY SOFTWARE	CLIENT, EMPLOYEE	OUTLOOK	AUTOCAD	-
PERKINS EASTMAN	NEW YORK	NY	YES	410	26	69	82	14	1981	PC	T-1 LINES, SERVER, WEB SITE, INTRANET	PEACHTREE	PROJECT, CLIENT	COSENTIAL DATABASE	AUTODESK 3, AUTOCAD 2000	3D VIZ, 3D MAX, LIGHTSCAPE
PERRY DEAN ROGERS	BOSTON	MA	NO	52	4	12	8	2	1923	PC	T-1, SERVER, WEB SITE, INTRANET	DELTEK ADV	PROJECT, CLIENT, EMPLOYEE	ACCESS	AUTOCAD	ACCURENDER
PUGH & SCARPA	SANTA MONICA	CA	NO	19	2	2	2	2 AS NEEDED	1991	PC/MAC	T-1, SERVER, WEB SITE	DELTEK HARPER AND SHUMAN	PROJECT, CLIENT, EMPLOYEE	NOW CONTACT AND NOW UP-TO-DATE	POWERCAD	FORM-Z, PHOTOSHOP
RANDY BROWN	OMAHA	NE	NO	4-12	1	1	1	0	1993	PC	SERVER, WEB SITE	QUICKBOOKS	PROJECT, CLIENT, EMPLOYEE	-	MICROSTATION	3D VIZ
RNL DESIGN	DENVER	CO	NO	200	14	48	15	8	1956	PC	T-1 LINES, SERVER, WEB SITE, INTRANET	-	PROJECT, CLIENT, EMPLOYEE	MS ACCESS	AUTOCAD DESKTOP 3.3	3D VIZ, AUTODESKTOP 3.3
ROSS BARNEY & JANKOWSKI	CHICAGO	IL	NO	49	3	2	-	3	1981	PC	T-1 LINES, SERVER, INTRANET	AXIUM	PROJECT	-	AUTOCAD	3D VIZ, PHOTOSHOP, ACCURENDER
SEARL & ASSOCIATES, ARCHITECTS	CHICAGO	IL	YES	11	2	7	2	0	1990	PC	INTRANET, SERVER, WEB SITE	QUICKBOOKS	CLIENT, PROJECT	FILEMAKER PRO	AUTOCAD	ACCURENDER
SHUBIN & DONALDSON	CULVER CITY	CA	YES	12	2	8	2	.5	1990	PC/MAC	SERVER, WEB SITE, INTRANET	QUICKBOOKS	PROJECT, CLIENT, EMPLOYEE	FILEMAKER PRO	AUTOCAD, VECTORWORKS	FORM-Z, 3D STUDIO MAX
SMITH GROUP	DETROIT	MI	YES	936	163	166	131	28	1853	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	DELTEK SEMA4	PROJECT, CLIENT, EMPLOYEE	SQL, MS OUTLOOK, MS ACCESS, GENTRAK RFP	AUTOCAD 2001, MICROSTATION	3D STUDIO MAX, V12, FORM-Z
SKIDMORE, OWINGS & MERRILL	NEW YORK	NY	YES	1,017	29	249	208	22	1936	PC/MAC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	DELTEK ADVANTAGE	PROJECT, CLIENT, EMPLOYEE	MS SQL	-	AUTODESK, 3D STUDIO VIZ, 3D STUDIO MAX, FORM-Z, RENDERZONE
SORG & ASSOCIATES	WASHINGTON	DC	NO	35	1	3	4	3	1986	PC	T-1 LINES, SERVER, WEB SITE	DELTEK	PROJECT, EMPLOYEE	FILEMAKER, ACT	-	COREL DRAW
STUDIO A/B	NEW YORK	NY	NO	2	2	0	0	0	1992	PC	WEB SITE	WIND2	PROJECT, CLIENT	EXCEL, ACCESS	DRAWBASE, AUTOCAD	PHOTOSHOP
SWANKE HAYDEN CONNELL ARCHITECTS	NEW YORK	NY	YES	300	16	50	52	15	1906	PC	T-1, SERVER, WEB SITE, INTRANET	EXCEL	PROJECT, CLIENT, EMPLOYEE	ACCESS, DELTEK, ACT, SQL	AUTOCAD	3D STUDIO, FORM-Z
THOMPSON, VENTULETT, STAINBACK & ASSOCIATES	ATLANTA	GA	YES	268	42	153	76	9	1968	PC	T-1 LINES, SERVER, WEB SITE, INTRANET, EXTRANET	DELTEK ADVANTAGE	PROJECT, CLIENT, EMPLOYEE	VISUAL FOX PRO	MICROSTATION	3D STUDIO
VALERIO DEWALT TRAIN & ASSOCIATES	CHICAGO	IL	NO	34	5	5	5	1	1982	PC	T-1 LINES, SERVER, WEB SITE	-	PROJECT, CLIENT	ACT, ACCESS	BENTLEY, MICROSTATION	MICROSTATION, PHOTOSHOP, PHOTOPAINT
WILLIAMSON POUNDERS	MEMPHIS	TN	NO	15	2	0	3	1	1990	PC	T-1 LINES, SERVER, WEB SITE	WIND2 AND ABRA	PROJECT, CLIENT, EMPLOYEE	MICROSOFT	AUTOCAD, DATACAD	-

MARKETING TRAINING PROVIDED FOR TECHNICAL STAFF	# PRINCIPALS PERFORMING BUSINESS DEVELOPMENT	% PRINCIPALS TIME IN BUSINESS DEVELOPMENT	OVERSEAS MARKET	% REPEAT CLIENTS	LEADERSHIP TRANSITION POLICY	ADDITIONAL SERVICES
NO	2	35%	NO	50%	YES	PREDESIGN, INTERIORS
NO	1	30%	NO	30%	NO	INTERIORS
-	2	25%	YES	90%	-	PREDESIGN, INTERIORS
NO	2	6%	NO	80%	NO	PREDESIGN
NO	6	60-80%	NO	46%	YES	PREDESIGN, INTERIORS, PROGRAMMING
YES	3	25-30%	NO	75-80%	YES	DESIGN/BUILD, INTERIORS
YES	10	10-25%	NO	65%	YES	PREDESIGN, CORPORATE ADVISORY, PROGRAMMING
-	2	80%	YES	75%	NO	PREDESIGN, LABORATORY PLANNING, STRATEGIC PLANNING
NO	-	20%	NO	0	NO	PREDESIGN, INTERIORS
NO	3	25%	NO	60%	NO	PREDESIGN
NO	1	20%	NO	30-40%	YES	PREDESIGN, INTERIORS
YES	3	30%	NO	70%	YES	DESIGN/BUILD, PREDESIGN, INTERIORS PRESERVATION, CULTURAL RESOURCE MGMT, CONSERVATION
NO	1	40%	NO	30%	NO	DESIGN/BUILD, PREDESIGN
YES	25	15%	YES	80%	YES	DESIGN/BUILD, INTERIORS, PREDESIGN
YES	16	40%	YES	75%	YES	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS
NO	1	35%	NO	40%	NO	MAINTENANCE, DESIGN/BUILD, PREDESIGN, LANDSCAPE
YES	6	20-90%	YES	60%	YES	PREDESIGN, INTERIORS PROGRAMMING
NO	2	20%	NO	-	NO	PREDESIGN, INTERIORS
YES	8	25%	NO	10%	YES	PREDESIGN, INTERIORS, PROGRAMMING
YES	35	10-35%	NO	75%	NO	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS, LANDSCAPE
NO	1	10%	YES	-	NO	INTERIORS, PREDESIGN
NO	6	10-80%	NO	70%	YES	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS
YES	316	20-35%	YES	50%	NO	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS, ENGINEERING, GRAPHICS
YES	4	5%	NO	60%	YES	INTERIORS, PREDESIGN
NO	2	-	NO	50%	-	INTERIORS
NO	5	60-80%	YES	30%	YES	PREDESIGN
NO	1	10%	NO	60%	NO	PREDESIGN
NO	4	20%	NO	52%	NO	PREDESIGN
NO	2	10-20%	NO	-	YES	DESIGN/BUILD, PREDESIGN
NO	6 PARTNERS, 16 PRINCIPALS	18-20%	YES	73%	YES	PREDESIGN, INTERIORS, URBAN DESIGN
YES	5	20%	YES	60%	YES	PREDESIGN, INTERIORS
NO	5	15-20%	NO	70%	YES	PREDESIGN, MARKET RESEARCH, COMMUNITY VISIONING, GRAPHICS
YES	ALL	20%	YES	40%	YES	INTERIORS
NO	1	20%	NO	50%	NO	DESIGN/BUILD, INTERIORS
NO	3	50%	YES	50%	NO	MAINTENANCE, PREDESIGN, INTERIORS, GRAPHICS
YES	8	91%	YES	30%	YES	DESIGN/BUILD, MAINTENANCE, PREDESIGN
NO	2	30%	YES	40%	NO	DESIGN/BUILD, PREDESIGN, INTERIORS
NO	26	15%	YES	60%	YES	PREDESIGN, INTERIORS, PROGRAM MGMT, URBAN PLANNING/DESIGN, LANDSCAPE
NO	4	20%	YES	30%	NO	PREDESIGN
NO	2	30%	NO	80%	NO	MAINTENANCE, PREDESIGN, INTERIORS
NO	-	20%	NO	-	-	DESIGN/BUILD, PREDESIGN
YES	14	30%	YES	70%	YES	DESIGN/BUILD, PREDESIGN, INTERIORS
NO	1	30%	NO	30-40%	NO	PREDESIGN INTERIORS
YES	2	20%	NO	25%	NO	PREDESIGN
NO	2	40%	NO	15%	NO	PREDESIGN
YES	14-19	25%	YES	85%	YES	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS, LANDSCAPE, ENVIRONMENTAL
YES	29	5-30%	YES	75%	YES	DESIGN/BUILD, PREDESIGN, INTERIORS, ENGINEERING, GRAPHICS
YES	2	25%	YES	65%	NO	DESIGN/BUILD, INTERIORS
NO	2	10%	NO	20%	NO	INTERIORS
YES	16	50%	YES	60%	YES	PREDESIGN, INTERIORS, PRESERVATION PLANNING
YES	18	25%	YES	60-65%	YES	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS
YES	5	45%	NO	90%	YES	MAINTENANCE, DESIGN/BUILD, PREDESIGN, INTERIORS
NO	2	25%	NO	25%	NO	PREDESIGN, INTERIORS

The following data was collected between October 2001 and January 2002, using a two-part survey. One survey solicited factual information about firms, part of which is included in this chart. The balance of this data will appear next month. The second survey featured narrative questions, was more subjective, and solicited opinions concerning the relationship between a firm's size and its ability to function. We used this survey to substantiate many of the points we make in our article series. Of the 52 respondents in the survey, 18 are in the small category, 10 are medium-size, 10 are large, and 14 extra-large. Geographically, half the firms are on the coasts and half in the interior. Twenty-one of the firms we surveyed have more than one office, and this included firms in all size categories, with 12 multi-office extra-large firms. The youngest firm was founded in 2000; the oldest in 1853. Ten firms have both Macintosh computers and PCs; three have Macs only. Even firms of modest size have Web sites—only three did not. All but a few small firms have information-technology staff. About half the firms have done at least one overseas project, and most firms perform predesign and interior work. Some firms reported as much as 90 percent of their work was from repeat clients, although other firms specialize in project types that do not tend to repeat, such as performing arts facilities.

Note: A dash appearing in the chart means either "none" or information was not provided.



perception that “we are a huge, bureaucratic, corporate powerhouse,” says Bill Valentine, president of the HOK Group. Growth also means more institutionalization and specialization of tasks and a greater need to pay attention to the bottom line to cover the overhead and keep those hungry mouths fed. “Larger firms create a machine with lots of cogs to plug people into—it is a more efficient mousetrap,” says Randy Brown, AIA, of Omaha, who has 12 employees.

And what does the need for profitability do to the creativity that governed the initial impulse to produce architecture? Some say there is no conflict. “Profitability is a direct extension of having a strategic plan that clearly defines the direction you will take in your selected markets. You maintain profitability by staying with your plan,” says Roger Neuenschwander, president of Thompson, Ventulett, Stainback and Associates (TVSA), in Atlanta, with 268 employees. Others are not so sure: “It is always hard to make a profit when you care about design,” says Gilles Depardon of Ogawa Depardon Architects, a firm of eight in New York City.

For many firms, growth is reactive rather than proactive. Landing new work with considerable scope motivates firms to hire staff as quickly as possible. But growth is not just about adding more warm bodies; growth causes revenue and quality-control problems, not to mention the time-consuming task of hiring staff and then training them, which often gets short shrift because of time demands. And there are more costs incurred in hiring than just paying a salary (see box, page 190). Firm managers should think about growth strategically, rather than impulsively, anticipating what will happen before the squeeze, rather than during it.

Why write about firm size?

Over years of interviewing people for the magazine on a wide range of practice-related issues, we’ve found the subject of firm size was common to most of our discussions. One of the most attractive things about practicing architecture is that firms don’t have to be large to do it well—the perfect size is whatever works best to accomplish whatever purpose the architect has embraced for his or her work.

But that outlook may be simplistic. We found that firms large and small alike often have the impression that their size is awkward, that it “both hinders and helps,” says Peter Newman, a partner at Herbert S. Newman and Partners, New Haven (56 on staff). So, we decided to explore what kinds of problems are unique to different-size firms. For this three-part series of articles, we used a survey to solicit opinions about firm operation from principals, administrators, and marketing staff of about 50 firms of all sizes, located throughout the U.S. Our survey was not intended to be conclusive, but to unveil trends to guide our discussion. Our sample was not random—we chose firms that we have worked with in the past.

We divided the firms into categories by size. Looking at the AIA

Firm Survey for 2000–2002, we learned that 87 percent of firms have one to 19 people, and we decided to call these “small firms.” This category was subdivided in the AIA survey, but we felt one category that featured firms of modest size would illustrate similarities of culture, overhead, and project opportunities. Our medium-size category, at 20 to 49 persons, was the same in the AIA survey, and comprises 8 percent of total firms. Our large firm size is 50 to 149 people, and we added an extra-large category to account for firms that employ a minimum of 150 people, although AIA combined these in a large-size category of 50 or more staff. We felt it necessary to create this “jumbo” category to account for the mega-size firms responsible for the vast majority of the earnings of our profession. By compiling this information and reviewing recent literature on firm organization and management, we have made a number of observations on how firm size affects, or in some cases does not affect, the practice of architecture.

The challenges and relevance of size

Size has a tremendous affect on most things, but is good architectural practice among them? It certainly affects the tasks of the individuals who work at firms, the process by which design is performed, and the overall culture. Some recent graduates say they want to work at small firms so they can have a diversified experience. Belmont Freeman, AIA, of Belmont Freeman Architects, New York City, with a staff of eight, feels its small size “is a positive attraction to talented young professionals who see the opportunity to get directly involved in all aspects of design and production.”

Others say they want the large firm experience so they can work on bigger, more visible projects. “Large offices give you better exposure to multiple project types and sizes and allow you to work on many projects at different stages,” says Maureen Intihar, a recent graduate who joined

**SMALL AND LARGE FIRMS
ALIKE SEEM TO HAVE
THE IMPRESSION THAT
THEIR SIZE IS AWKWARD.**

Mithun Architects. A jumbo-size firm might offer travel to overseas projects, experience in multioffice collaboration, and elaborate intern-training programs. In a medium-size firm, an architect could work on projects of substance in a modest-size environment. “All of our staff have more contact with clients and a much more varied project range,” says Suman Sorg, FAIA, of Sorg and Associates, Washington, D.C., with 35 employees.

Small firms can quickly respond to changing market conditions



but may fail if they can't afford to hire enough people to keep up with their workload or if their clients are slow to pay. The large firm may have enough people and equipment to handle the work but may fail because its size limits its ability to adapt to change, or because it can't keep enough work flowing in in a timely way.

Without adequate financial controls, costs can become unruly for the large firm. This can lead to cash-flow problems, forcing it to lay off people to survive. Principals who run large firms become concerned that they have to operate within such tight margins that they no longer have the opportunity to spend time being creative and doing the best possible design work. Another view comes from Jim C. Childress, FAIA, at Centerbrook Architects in Centerbrook, Connecticut, with 75 on staff, who says, "Ironically, architecture is more profitable if you put more emphasis on doing great architecture and not on making money." We explore the "creativity versus profit" conundrum in Part II of our series.

Expansion necessitates change. You will know when change is needed, because the evidence speaks clearly. You realize that the founding principals cannot be hands-on with every project coming

into the firm, and that trusting the associates is a necessity. You see your firm's appetite for new work exceeds the principals' ability to be the sole rainmakers. You know when the firm's bookkeeping software isn't sophisticated enough; you need a human resource person who is knowledgeable about more than health insurance; and you realize you need dedicated staff for technology and marketing. When firms enter this stage, there is no universally right way to grow, but at a minimum, investments in infrastructure and technology, the empowerment of second-tier staff, and recruiting for the long-term will be required.

Many design firms suffer from the misconception that their size-related troubles are unique. We asked our surveyed firms about the challenges of their size, including both the advantages and the disadvantages. John Scott, AIA, president of CUH2A, in Princeton, New Jersey, with

397 on staff, feels his firm is "unable to fully realize the benefits of being small or large. We are nimble enough to change quickly, and large enough to qualify for any project we are interested in, but hard put to differentiate ourselves by anything other than region." Kelly Donahue, corporate communications manager at Einhorn Yaffee Prescott (EYP) of Albany, New York, with multiple offices on the East Coast and 450 on staff, says, "We are considered a production-oriented firm instead of a design-oriented firm," a disadvantage the firm has faced, she feels, largely because of their size.

Some of the smaller firms, including Garrett Smith, in Albuquerque, with a staff of nine; Krueck and Sexton, Chicago, with 14 people; and Dangerous Architects, in Chelsea, Minnesota, with five employees, cited problems with being perceived as too small to be entrusted with the next-tiered size of projects, though they feel they can handle them. Jennifer Greene, associate and marketing director at R.M.Kliment & Frances Halsband Architects, New York City, says, "We want to remain at 35 employees, but it is challenging to be able to bring in the work at the right time to keep everyone busy without overworking them."

Larger firms had different problems. Karen Cooper, a partner at Cooper Robertson & Partners, New York City, with 75 on staff, is challenged to "maintain the collegial, low-key atmosphere while striving to implement more rigorous management procedures necessary for a larger size firm." Meredith Berman, marketing director at Gruzen Samton, New York City, with 130 people, says that as a larger firm, its size forced it to take any and all work to maintain payroll. "When we were small, we were able to be more selective about which jobs we took. It is a constant balancing act between projects that are a design challenge and projects that are 'bread and butter'—those that are profitable and keep people busy." Tim Reedy, administrative director of Hardy Holzman Pfeiffer Associates (HHPA), with a total of 145 employees in Los Angeles and New York City, says, "Our size allows us to be flexible in structuring, although the longevity of staff has led to a large number of senior staff, which creates

**"WHEN WE WERE SMALL,
WE WERE ABLE TO BE
MORE SELECTIVE ABOUT
WHICH JOBS WE TOOK."**

interesting organizational issues. HHPA has had to redefine what is typically viewed as 'senior.' Staff that have been with the firm for a number of years are recognized for their individual contributions to the efforts of their team, which has eased the stereotype that one needs to advance to project management to succeed and has allowed the firm to avoid having a surplus of managers."

When we asked firms if they desired to grow from their current size, we received quite a mix of answers. Gary Desmond, FAIA, of AR7 Hoover Desmond, says, "Smaller is better for a generalist like us." Sorg and Associates, in Washington, D.C., with 35 on staff, wants to stay the size it is for design control. The size of Centerbrook Architects is based on how much work the five partners and one principal can handle and still provide clients with close, hands-on attention. Dennis M. King,

FAIA, principal and corporate chairman of Harley Ellis, in Southfield, Minnesota, with a staff of 313, says, "Common business knowledge suggests that if you're not trying to get ahead and grow, you're really falling behind. When design practitioners routinely challenge this concept, they tend to view our profession as only an 'art' rather than a business."

RNL Design, in Denver, with 200 employees; EYP; and Swanke Haden Connell Architects (SHCA), in New York City, with 300 employees, have all grown by acquiring other firms. According to Idy Vanderhoff, marketing manager of EYP's New York City office, the firm began with a staff of about 100 to 120 in 1989. By acquiring three firms, it expanded from

Albany, New York, into eight additional locations, including one overseas, and grew to its current size of 450. SHCA acquired a New York City firm specializing in health care and then a firm in Paris. "Breadth of project types, depth of experience, and enhanced geographic diversity have been

SOME SAY, "IF YOU'RE NOT TRYING TO GET AHEAD, YOU'RE REALLY FALLING BEHIND."

achieved in these two acquisitions," says Cynthia Kracauer, managing principal of SHCA's New York office.

Growing pains will always be accompanied by the excitement of change, making the future something to both prepare for and look forward to. While we may feel secure and immovable at present, the mutable tides ensure that this, too, will change. Join us next month as Part II of our series examines firm culture and size as they relate to organizational styles, creativity, profitability, and human resources. Part III, in August, will conclude our series, as we look at how architects' careers can be influenced by the size of the firm they work in. ■