

# PRINCIPAL'S REPORT

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## Sound Advice From a Professional Strategist

Nearly every voice today is resounding to the state of our economy. Advice for the A/E/C community can be found in every print and electronic format. Joan Capelin, FSMPS, Hon. AIA, PRSA, of Capelin Communications, has initiated a series of short, pithy podcasts where she interviews key leaders and thinkers to advise and help firm leaders get through these tough times and prepare for new times ahead. The seventh in this series is with James P. Cramer, Hon. AIA, chairman of the Greenway Group and founder/publisher/editor of *DesignIntelligence*.

**Capelin:** *Jim, how do you suggest that design professionals get around a recession like this?*

**Cramer:** This recession, which is an economic recession, can trick us and lead us into an emotional paralysis if you will, or an emotional recession. The financial part is one thing, but we can't get too wrapped up in feeling sorry for ourselves right now, because more is expected of leaders in our industry. Some might remember the Ralph Waldo Emerson quote, "What lies behind us and what lies before us are tiny matters compared to what lies within us." So this is a time when we can lift up our organizations to their potential, but we have to consciously lift ourselves into an ascendant state even when it's emotionally difficult to do.

**Capelin:** *You conduct a fair number of retreats, and it appears they are especially popular this year. What makes them useful or not?*

**Cramer:** It's after these retreats where we find a way to value imagination over rationalization. And we take a leap into the future. It's like an opportunity to really rally behind the new vision of the organization. It's not just a motivational thing. It has got the strategic initiatives so that people know what to do when they get back in the office. More of us have the all-searing wisdom, but when we all dance together on these issues and tolerate a little chaos, we'll be fine as long as we keep a civility about it and caretaking about it and some servant leadership about it.

**Capelin:** *Is now the time to innovate, or is now the time to take a breather until we get past this period?*

**Cramer:** Creativity and innovation is where it's at today. People in the A/E/C industry should think of themselves as innovators, as entrepreneurs. They should think of themselves as people who can refresh strategies and make it living in the future. Innovativeness can happen in technology, in our processes, in the quality of our relationships, and in how we deliver better service day by day than we ever have before.

**Capelin:** *Jim, you've been an early proponent of sustainable design, so how far does this revolution have to go on the green design services belt curve?*

**Cramer:** There's no denying that green design has become a powerful cultural issue, and in a remarkably short period of time, but I worry that there is so much more that needs to be done. There's a confluence today of smart business and clever engineering and pragmatic use of natural resources to make for a better world, but time is marching forward and a lot of us in this industry are not—either in theory or in practice—doing as much as we should with our unique training and the opportunities that are before us. Sustainable design is more important than ever. There are more opportunities to jump into the space of leadership on sustainable design.

**Capelin:** *Because cost has become a factor in hiring design firms, what's a good strategy right now? Drop fees? Don't drop fees? What do you suggest?*

**Cramer:** It's a matter of value proposition and productivity. In the last 10 years, productivity of a typical professional practice has increased dramatically, leaving plenty of fee flexibility. Don't whine about downward fee pressure when the productivity is increasing and when it's a strategy to offer better services for less money. People whine about too much commoditization in our industry. Sometimes reducing fees is a good strategy. There's an opportunity to make a decent profit on pretax, prebonus, and still justify a lower fee, but it takes great project management and a real understanding of the productivity metrics within your firm.

**Capelin:** *You've just blogged about the importance of having positive expectations about the future, not just negative ones. What is your perspective on that?*

**Cramer:** People say I'm a walking optimist. I am not a walking optimist. Optimism can be the enemy to your future. In our A/E/C industry today, there's just far too much blind optimism and happy talk about the future. We need to become strategic optimists, where we see the uncommon value that we can bring to this industry. It is helpful to have a constructive paranoia about what's going on in our industry and to be anxious about challenging conventional beliefs. Then that strategic optimism can carry the day.

Source: <http://capelin.com/sound-advice-podcast/>. Click on the sound advice icon on the home page. James P. Cramer, The Greenway Group, [www.greenway.us](http://www.greenway.us).