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What's on the Horizon for Your Firm?

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How to determine the right horizon line for your career was the topic of the cover story of *Marketer's* December 2008 issue. The short of it: The horizon is as close or far as you want it to be.

Let's recap a moment. Drawing exclusively from my SMPS Foundation White Paper research, the article reported that most states permit some level of design firm ownership by non-designers—or, in more legal language, *non-licensees*.

This fact surprises many firms where one design discipline or another tends to dominate and restrict ownership. Reasons for this exclusivity vary, but it comes down to habit, culture, ignorance of these possibilities or of the laws of the state where these firms operate, and/or the need on the part of ownership to keep tight control on the enterprise, for whatever reason, including xenophobia.

But there are many examples—some featured in the white paper—of successful design firms based on broader ownership, organizations where the “right people on the bus” include the firm's marketing leader and/or the others in its C-Suite: the chief financial, chief technology, chief operations, chief human resources officer—you get the idea.

What would it be like in the future if *your* company were to expand its leadership and ownership to “outsiders” with complementary interests, credentials, and degrees? There could, for instance, be MBAs and CPAs; former legislators, nurses and health administrators, and school administrators; attorneys; media industry executives (if you're really serious about your clients' branding); industrial designers; and so forth. Would the firm be better able to meet its mission? Serve its clients? Gain and retain talent? How would that work?

Wait, wait! In fact, many forward-thinking firms around the United States already have such people on staff or in close contractual relationships. As a team, they are busy advising their clients, creating the future America, and having a great

time doing that work. Further, they are making a respectable profit and enjoying their positions of responsibility, authority, and respect vis-à-vis their clients and community.

How well would the design firm of the future operate under this more diverse business profile? What options are possible and what breakthroughs available?

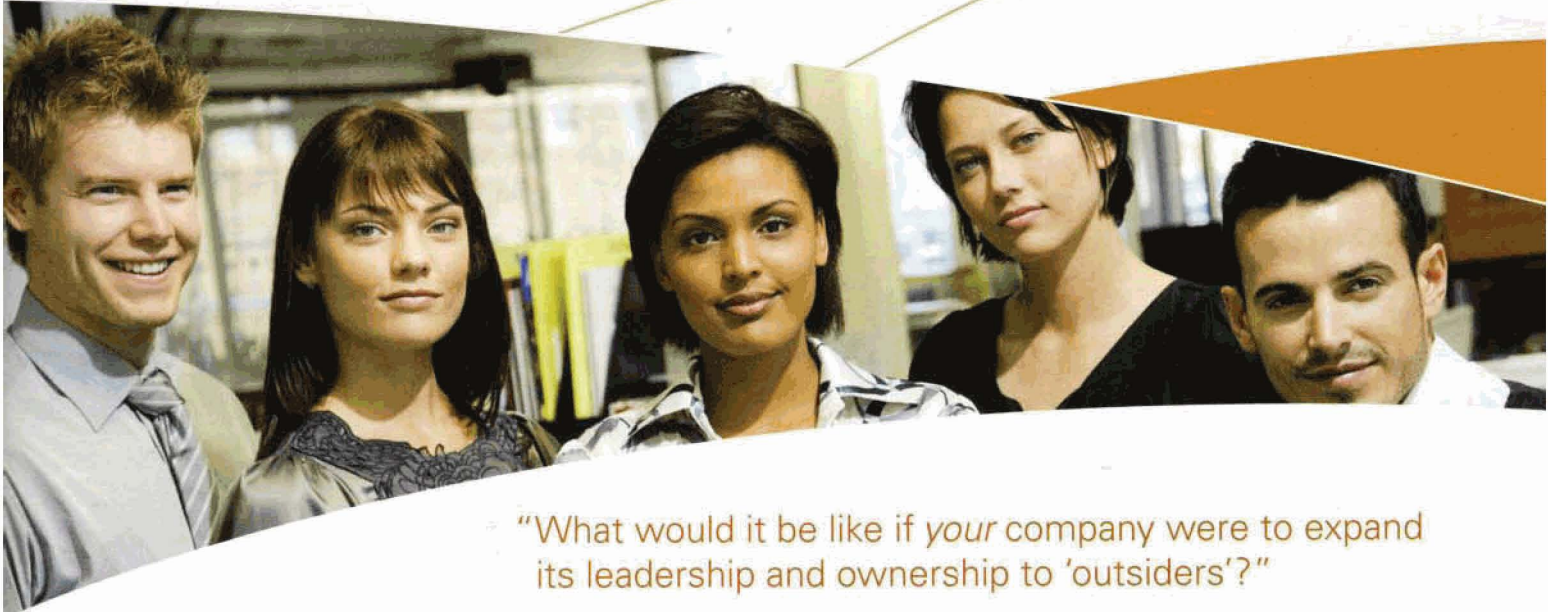
I've been addressing these questions in presentations around the country, on the wings of the white paper's results, along with my white paper legal advisor James Frankel of Arent Fox.

The more the economy has weakened, the more our projections seem realistic. On May 1 at the American Institute of Architects' 2009 conference in San Francisco, we'll be joined by management consultant Hugh Hochberg, principal of The Coxe Group, in a two-hour program that will definitely kick the predictions and discussion up a notch.

“How well would the design firm of the future operate under a more diverse business profile?”

Speaking of the horizon, here is some of what I see.

- Certainly, firms now recognize that their key people do not have to be design professionals—although these others must understand the business of a design enterprise and value what design professionals do. On that basis, look for much broader management, if not voting ownership.
- This new paradigm—we've been calling it a Stage Two Firm, Stage One being the traditional model—requires thinking about how designers and non-designers work together. Designing a building and designing an organization both require vision, tact, and decisiveness, in addition to talent.
- There are organizationally strong, creative firms that will never go this way. That's fine; there is room for all kinds.



“What would it be like if *your* company were to expand its leadership and ownership to ‘outsiders’?”

- One attorney describes licensure as a “lava flow” because things do and can change in each state, where these decisions reside. For instance, after a 20-year lobbying effort, the architects, engineers, and landscape architects of New York State—the most restrictive state of all about professional design firm ownership—have just about convinced the legislature to open up ownership to 25% by non-licensees. Will the potential new shareholders, including worthy senior marketing professionals, of New York-based firms be ready to become strategists and leaders?
- Firms that have a variety of owners are arguably better able to deliver services and are more alert to opportunities that meet client needs. This will change the competitive landscape: Imagine that three ostensibly equal firms make a shortlist, but one of them (yours?) has people on board from different backgrounds that enable them to think and act in new ways to resolve a client’s problems. Which firm do you think would get the assignment?
- Thought leadership comes right along with this new approach to ownership. The formula that applies is $1 + 1 = 11$. Licensees and non-licensees who respect each other’s skills, knowledge, and experience and who share responsibility for a professional design firm have a real advantage in how they consider and discuss options for their clients—and their own—businesses.

“We’re all connected,” writes Tom Friedman of *The New York Times*, who has observed that the world really is flat. To narrow the focus to the United States: In the late 1920s, the various states decided to setup a special business category for professional services firms, for many then-valid reasons. But if we’re connected (and, yes, working globally), do the silos that inevitably came from this business model still serve the design professions, 80 years later? Has the business world stood still?

I don’t think so. You’d be well-served to consider what could change. What’s no longer useful or relevant and what remains inviolate in the legislature and also in your firm’s culture and contribution? How would broader ownership benefit your work and approach? Every firm will have its own answer—and everyone the firm employs and considers for ownership needs to consider that answer.

Whether you are on a track to ownership or already in that position, ask yourself: Do I share the values of the firm for which I am working so intensely? Is it heading toward a horizon that I like? If not, can I—and how can I—influence that trajectory? And if not, what then, for the firm and for me? ■

EDITOR’S NOTE: Commissioned by the SMPS Foundation, Joan Capelin’s white paper, “Resetting the Horizon Line: The Ultimate Career Step for Marketing Professionals,” complete with statements from the survey participants and an annotated bibliography, can be read online or downloaded from www.smpsfoundation.org.

About the Author



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