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The Journal of the Society for Marketing Professional Services

best practices

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by Mindy Frink

business development

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excerpt

Business Comes to the Expert
by Brenda Richards and Kathleen Soldati

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*What does it take
to get to this table?*

On Point: Joan Capelin Resets the
Career Horizon Line for Marketers

*The SMPS Foundation White Paper
that can change your trajectory*

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SMPS members and their firms contributed photos used throughout this issue.

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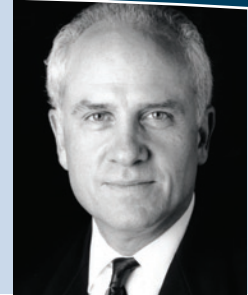
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The Way We Market Now

Inspired by a new SMPS Foundation White Paper authored by Joan Capelin, “getting to the table” is our theme. And in our cover story, she explores what that means by asking some tough questions, like “What does it take for non-licensed individuals to have ownership in a firm that provides professional services?” As you soon will discover, almost no one turns a phrase like Joan, a contributing editor, and no one has had the guts to frame the questions and issues regarding the career horizon line for marketers in such a way—until now.

In her piece you will learn what it takes to get to the table, including what the 50 states allow in terms of non-licensed practitioners (that is to say, most marketers) and what some non-licensed individuals have already achieved. You will also hear about several non-licensed individuals who have chosen marketing as their role in the field—but who have yet to become the firm owners that their passion, training, and experience might merit.

In the end you may well ask, “Why aren’t I at the table?”

We share Joan’s hope that SMPS will make sure its members aren’t just prepared to produce proposals but also to do the research, learn the business of design and construction, develop enduring client relationships, and become skilled at leadership. That way, marketers will be prepared to steer their firms in the most exciting and profitable direction, and to take their place in their firm’s ownership group.

Inside, there is much more on the ways we market now from some of our other editors as well as first-time contributors: Mindy Frink reveals how to learn what your clients really think. John Doehring Jr. spells out common marketing mistakes. Sara Gammill takes her turn on how to see past stereotypes. And Brenda Richards and Kathleen Soldati share an excerpt from their new book, *Business Comes to the Expert*, about the changes you can make to your thinking and what it takes to build a more vibrant, flexible, and successful design business.

Now available for viewing on the SMPS Web site is the 2009 Editorial Calendar (go to smps.org and click on Member Services, *Marketer*, and Editorial Calendar). Interested contributors are invited to contact any member of the *Marketer* team to pitch ideas—even if they are about “tables.”



Resetting the Horizon Line: The Ultimate Career Step for Marketing Professionals

BY JOAN CAPELIN, FSMPS, HON. AIA

“What does it take to get to the table?”



Can...do...should...why would...non-licensed individuals have ownership in a firm that provides professional services?

At every SMPS presentation I make, in nearly every office I visit, some marketing person asks me, "Why don't they listen to me? What does it take to get to the table?"

"They," of course, are the firm's owners. "The table," of course, is the closed-door policy meeting where the owners strategize about the future and formalize the policies of the business.

"What does it take?" is the topic of this white paper.

Is licensure required for owners of professional design firms that practice in your state?

Ownership requirements vary from state to state, and range from simple to very complex laws, rules, and regulations. Information on ownership requirements is sometimes scattered over a number of statutes and other regulatory sources evolved over a period of time. It took weeks to find and validate this information. Despite all this digging, readers are cautioned to contact their governing state body and/or legal counsel to understand and comply with a state's requirements.

To create the chart accompanying this article (see page 15), two national surveys performed in 2007 were combined. One was done by the Washington, DC-based National Council of Architectural Registration Boards (NCARB). The other is the product of the Clemson, SC-based National Council of Examiners for Engineering & Surveying (NCEES), the engineering counterpart to NCARB.

In the next section, things become very pertinent if you are considering becoming an owner. You will learn about the structure or organization of design firms. That, in turn, reflects the amount of protection that makes the current owners comfortable, the profit/loss tax features they seek, and how they see their company growing or changing ownership over time.

How are design firms structured?

Someone seeking ownership status needs to know not just what that state permits but also how the firm is set up legally.

Design firm legal structures range from a corporation (in states like California that have no restrictions on ownership), to a sole proprietorship, general partnership, joint venture, professional corporation (PCs), limited liability company and limited liability companies (LLC), limited liability partnership (LLP), and professional association (PA).

Some firms create a holding company that is not a professional services firm, and the corporation in turn owns the professional firm(s)—though all the money funnels to the corporation.

In short, it's clear if a design firm that is restricted from creating non-licensed owners really wants to make someone a shareholder, this can be achieved somehow. But first you have to investigate the level of access available to you. Then again, if the chief concern of the state licensure bodies—and not a few design professionals themselves—is to protect against a non-professional's dictating design decisions, why would someone want to become an owner? That's the theme of the next section.

Why would someone who is not a licensed design professional want to become an owner of a professional services firm?

Licensed professionals are always personally liable in case of professional malpractice, a sobering fact of life. But what are the risks of design-firm ownership for a non-licensee who would never be involved in the administration of professional services that affect public health, safety, or welfare?

Frank Musica, senior risk management attorney at Victor O. Schinnerer & Company, Inc. (VOSCO), provides an answer about the legal exposure of non-licensees. VOSCO is one of the design professions' major insurers. Musica is also a graduate architect who holds both an MBA (“this helps me to understand the marketing and management concerns of our policyholders”) and a JD.

“A professional liability policy is in the firm's name,” Musica clarifies, “and everyone in the firm is insured under that policy, whether they are licensed or not. Some insurance companies might offer more restrictive policies to lower the policy's cost.”

But there is some investment risk. HGA's vice president, director of marketing, and shareholder **Julie Luers, FSMPS**, appreciates that “when you become an officer, you have more authority to call the shots for your department or discipline. You can sign contracts.” But there are also cons, as Luers makes clear: “There are financial rewards, because the bonus structure is very different. But in a bad year, you bonus the staff before the officers.” Indeed, if there is a falloff in revenue, if a project has a problem, if there's a lawsuit against the firm, the value of the design firm's stock may drop, as well.

Ownership usually comes with strings attached. “For whom much is given, much is required,” one source who knows his New Testament responded. In his provocative *DesignIntelligence* article entitled “The Ownership Mirage,” **Kerry Harding** asks, “What new tasks and duties will they now have? Mandatory participation in one or more...organizations? Business development quotas? Staff recruiting and mentoring?”

Management consultant **Hugh Hochberg**, partner in The Coxe Group, cautions, “Some firms don't want to have a wide base of ownership.” One architect described his large firm as having such a limited ownership group, there “might at times be people who qualify but there wouldn't be room.”

One lawyer pointed out, “It's a ticket into the game; it doesn't mean that you can play.”



Julie G. Luers, FSMPS, Vice President and Director of Marketing, HGA Architects and Engineers

Hugh M. Hochberg, Principal, The Coxe Group Inc.

Peter J. Kienle, FSMPS, CPSM, Chief Marketing Officer, McKim & Creed, P.A.

Knowing these pros and cons, many non-licensees nonetheless want to become owners. So, the next section explains what one group of non-licensee owners does, how they became owners, and in some cases, how they view these pros and cons.

Who are non-licensee owner role models? What do they do?

Several of the non-licensee people interviewed for this white paper shared stories that were both interesting and relevant. Their career trajectories and current roles make them exemplars and prove that marketing as a career path has yielded many great citizens of the design professions.

Peter Kienle, FSMPS, CPSM, SMPS National President in 2006–2007 and chief marketing officer at McKim & Creed, P.A., is one of six executives to run the company. The firm is a professional association composed of just fewer than 500 engineers, surveyors, and planners headquartered in Raleigh, NC, and with offices in 15 locations. An executive officer but not a shareholder of the firm, he previously served in marketing roles for Moody-Nolan and NBBJ.

“I thought I knew how firms work. I didn’t,” Kienle admits. “Today I know all the financial stuff, like utilization rates. Now I appreciate that others have to bill more, to cover for me.” As CMO, his job description is to know the trends, or lead them. “I’m not the marketing manager. I’m proactive. I get out there with the big picture and plan for the firm’s future. ‘CMO’ is a title but not an entitlement.”

Maxinne R. Leighton, Assoc. AIA, directs marketing at Beyer Blinder Belle, an architectural firm with offices in New York City and Washington, DC. Recipient of the 2008 Marketing Champion Award of SMPS New York, Leighton is philosophical about the situation in New York, which restricts ownership to licensed design professionals and therefore excludes her: “In light of the restrictions of New York state laws and Beyer Blinder Belle’s structure as a limited liability partnership, I have attained what is legally possible within our profession as a non-technical member of an architectural firm as the principal of business development and one of the administrative leaders at BBB. This has been accomplished not just through compensation but through the same autonomy, respect, and growth that would come with being a partner at Beyer Blinder Belle.”

Mitch Levitt, FSMPS, 2001–2002 SMPS National President and 2006 SMPS Marketing Achievement Award recipient, joined Karlsberger as a healthcare planner in 1979; the firm was located only in Columbus, OH, at the time. He was asked formally to take over the marketing of all Karlsberger services in 1982; in 1985 he became the youngest shareholder ever; and in 1987 Levitt was named the youngest partner in the history of the firm.

Today Karlsberger is a holding company with 4 offices and 165 employees, and Levitt is its president and CEO. “It was their way to get me to stay,” he feels.

Karlsberger has a closed corporation agreement between the different entities that gives Levitt control over the architectural practice even though he’s not a registered architect. The newest entity is Karlsberger Healthcare Consulting, which is a women-owned business with the women in that group holding most of the shares (Karlsberger Planning owns 10%).

Julie Luers, SMPS National President in 1996–1997 and 2003 SMPS Marketing Achievement Award recipient, has since 2000 been a shareholder at Hammel, Green & Abrahamson (HGA), headquartered in Minneapolis. HGA offers architecture, engineering, and interior design with 550 employees spread over 6 offices; the firm has been in business for 55 years. Luers came to HGA already having been a shareholder at TSP One, Inc.

Luers’ experience in marketing and public relations goes back to the 1970s, much of it at Ellerbe. She works with both business development and marketing people. “My role is to think strategically and to bring new knowledge that’s a benefit to my colleagues,” she explains. “There’s a lot of freedom, and we are entrepreneurial. If you can write a good business plan for a new marketplace, there are generally no constraints. You can make market positioning changes.”

Cannon’s **Gary Miller** worked for a bank and then as facilities planner. Next he made econometric models for engineers so they could predict the need for facilities. From there he went to Morrison-Knudsen as corporate director of strategic planning and business development.

Maxinne R. Leighton, Assoc. AIA,
Principal–Business Development/
Director of Marketing, Beyer Blinder
Belle Architects & Planners LLP

Mitchel R. Levitt, FSMPS,
President and CEO, Karlsberger



Twenty-five years ago, he joined Cannon as Don Cannon's assistant, to help him grow the firm from local and regional to national. Sixteen years ago, Miller became Cannon's CEO and has grown it to 16 offices around the world, with 800 people and 150 officers, every one of them shareholders.

Miller leads and coordinates a high-performance executive leadership team that addresses broad operations, professional practice, marketing, and business matters, ensuring that all aspects of the firm are properly integrated and coordinated to achieve optimal results.

Robert Packard, Assoc. AIA, is the senior managing partner at Zimmer Gunsul Frasca Architects, a 500-person firm with 5 offices providing architecture, urban design/planning, and interior design. ZGF is owned by 15 partners; all but Packard are architects. However, his graduate degree in planning and urban design cast him in a positive professional light vis-à-vis the other firm leaders. "Our culture has made a design degree a key criterion in becoming a partner," he confirms.

Packard came to ZGF at age 28. As he became more involved in the front end of projects, he was offered the chance to lead marketing.

As Norm Zimmer approached retirement, Packard was asked to take over his position as managing partner. At that time, however, a non-architect was not allowed an equity position in an architectural firm in Oregon. Packard and Zimmer were invited to testify to the Oregon Legislature to change these limiting ownership governances. "Norm often joked that, if we had not been successful in changing the Oregon statute, I would have been the 'managing partner in the closet.'"

SMPS National President in 2003–2004, Marketing Achievement Award winner in 2005, and the editor of *Marketer* since 1998, **Randle Pollock, FSMPS**, joined Walter P Moore as principal and chief marketing officer after engagements at CRS, 3D/International, and Heery. Consulting engineers with a geographically broad practice based in Houston, TX, Walter P Moore has been in business since 1931 and incorporated since 1966. There are 78 shareholders, all of whom have voting stock, with the largest number of shares possible (the president's) limited to 10%. In management, only Pollock, the CFO who is a CPA, the director of training and organizational development, and the director of human resources are non-engineers.

These profiles beg the answer to the question why a design firm would benefit from having a non-licensee owner on its board. But what specific skills would you yourself need to be recognized as owner material? The next section answers that question and includes information from Walter P Moore that could be exceptionally useful in gauging preparedness for an ownership/leadership role.

What skills do you need to have to become an owner?

Getting to "the table" isn't just for the wanting. Owners are very particular and protective of their assets. Most of the larger firms have extensive explicit qualifications. Yet even design professionals who can lead a project successfully may not have the very different skill set required to run an office or firm. (Actually, why is a licensed technical professional with no business training considered a better ownership candidate than a non-licensed one who is proficient in the needed skills?)

The first part of this section is in a Q&A format, with the answers in the words of people who are owners. It is a rich checklist to use to assess your own circumstances and strengths. The second part presents two different firms' policy statements on the attributes required of senior management.

□ Do you understand the business of design?

- Mitch Levitt: "The best thing I did, much as I hated it, was to serve as COO of Karlsberger. This forced me to learn the business. It's one thing to market people and talent, but another to understand the business of architecture. You have to be good at what you do, and at what everyone else does. You can't be in your own cocoon."
- **Janet Martin**, president, Communication Arts: "You're at a disadvantage if you don't understand the business. How can you become a partner? How can you protect all interests?"
- Gary Miller: "Most architects don't go to school to become business people. They have a passion for design or the arts, and this is a way to use their creative juices to earn a livelihood. Then again, that's why I love this industry."
- **Judith Nitsch, P.E., LEED AP, FSMPS, CPSM**, president, Nitsch Engineering: "In order to run a good business, people have to know more than their particular responsibility. If you know how the firm runs, you'll be a better professional for your firm."

□ Are the partners open to the skills you bring, if you're not a design professional?

- **Joseph E. Brown, FASLA**, president and CEO of EDAW: "In the old EDAW, when it was still internally owned, anyone in a critical position as a principal would be an owner: HR, finance, general management—anyone who helped the firm achieve its goals. They weren't the majority, but a strong minority is important."
- Hugh Hochberg: "Firms don't like to train people in their strategy, because what if they leave? Well, what if you don't train them?"
- Janet Martin: "Most creatives don't want to think of this as a business. But that's changing because of the blurring of lines between the professions. And there's also the fact that the clients want quick creative answers, so running the business itself gets more creative."

- Gary Miller: “The road for a non-architect or a non-engineer is more difficult than in some other businesses, because most people go into architecture or engineering because they love design. Most design firms wouldn’t necessarily think of bringing in a businessman.”

- Bob Packard: “Today’s range of issues requires 360-degree coverage. The point is not to be afraid of identifying individuals who help you complete your view of the issues facing a design firm.”

□ What are the important skills you need?

- Julie Luers: “You have to think strategically. Bring new knowledge that’s a benefit to your colleagues.”

- **Laurin McCracken, AIA, FSMPS**, CMO of Jacobs Global Buildings NA, 1987–1988 SMPS National President, and 1997 recipient of the Marketing Achievement Award: “Learn how to read the financial sheet.”

- Bob Packard: “Interpersonal skills and communication ... those become very important.”

□ Do you have the fortitude and character to lead a firm?

- **Walter Hunt Jr., FAIA**, vice chairman of Gensler: “You are not elevated to principal at Gensler unless you’re making a real contribution and continue to grow within the firm and the community.”

- Bob Packard: “On top of talent are layered the soft issues: emotional IQ, maturity, strategic thinking. They are not a given.”

- Peter Kienle: “Listen about what the company needs. Get your hand up and do it. That’s how you are going to get ahead. Know the trends. And bridge to other people and generations.”

- Laurin McCracken: “[They need] smart people that can keep all the balls in the air all the time and are willing to work long hours.”

□ Do you have the wherewithal to purchase shares?

Money is a whole other discussion, but no discussion of firm ownership is complete without it. **Peter Piven, FAIA**, and **William Mandel** spell out the situation in *Architects’ Essentials of Ownership Transition*: “Firms whose principals are contemplating ownership transition are sometimes faced with the problem that the high value of the firm based on the firm’s net worth leads to a high purchase price for the buyer—a price that is unaffordable without assistance of some kind.”

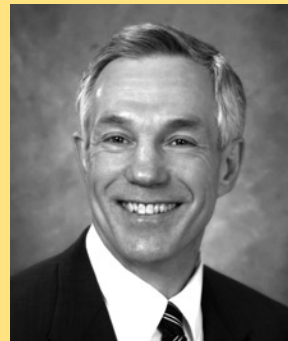
There are a variety of ways to acquire shares:

- Cash, which the purchaser produces from his personal funds or through a personal loan.

- Vesting, where the firm permits the new partner to buy the shares at an agreed-upon speed—also number or percentage of shares—over a period of time, usually paid for by the new partner’s commensurate portion of the profits. The purchaser is required to pay taxes on the profit distribution and to put the balance (sometimes, plus) toward the vested ownership. Of course, the purchaser is obliged to fulfill the transaction.

Gary Miller, CEO, Cannon

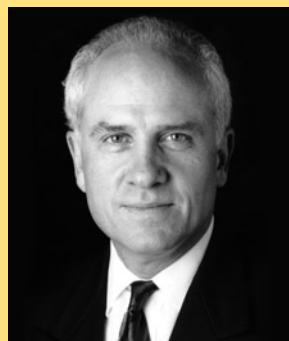
Robert Packard, Assoc. AIA, Senior Managing Partner, Zimmer Gunsul Frasca Architects



Randle Pollock, FSMPS, Principal and Chief Marketing Officer, Walter P Moore

Janet Martin, President, Communication Arts

Judith Nitsch, PE, LEED AP, FSMPS, CPSM, President, Nitsch Engineering



- Assistance from the firm through a bonus, with the same tax scenario and obligation to purchase as above.
- Assistance from the firm through the firm's arranging a favorable loan from its bank or guaranteeing a bank loan.
- A flat-out gift from the firm, a rarer situation that happens when the firm is anxious to retain a particular employee who for some reason does not have the discretionary funds to buy in. The recipient is, nonetheless, obliged to pay gift taxes.

Both the seller of shares and the buyer need to have a skilled attorney and accountant available to them. Despite the finer points of this unavoidable step, nearly all the people interviewed about ownership who could become owners took the step.

- Julie Luers: "They look at your level of experience and capabilities when they determine shares. Then get as many shares as offered one time a year."
- Randy Pollock: "You need to have 'skin in the game' to have an impact. As Walter P Moore transitioned from one generation of leadership to another, it wanted a wider distribution of ownership and to avoid the serious problems when one generation of owners gets ready to sell and no one is in place to buy its stock."

Pollock provided a list of the qualities that Walter P Moore has identified for its owners. They appear in "Company Title Qualifications" and other documents that lay out the career path from associate to senior associate, principal, senior principal, and president: The more involved and responsible the person is, the higher the needle on the proficiency gauge. Here are the fundamental attributes for the top senior positions:

- Personal impact on company success
- Industry respect and credibility
- Unquestioned loyalty and dedication to the firm
- Leadership in and out of the company
- Commitment to core values
- Growth of staff
- Superior team member
- Positive attitude and external image
- Financial commitment

- Participation in a "culture of reinvestment"
- Participation in financial sacrifice, if needed
- Minimum service: nine years with Walter P Moore
- Appropriate degree and license

Cannon has its own list, which Gary Miller provides: "We expect our people to be very knowledgeable about the firm and to participate and help implement the firm's Vision and Goals. We also expect them to live and promote our values of honesty, integrity, fairness, courage, collaboration, caring, and respect. And they must put the interest of the firm first. They need to help grow the organization, and to be humble leaders. Our people are empowered to do great things on behalf of the firm, as long as they live our values."

Judy Nitsch relates, "Sometimes inviting people to be an owner is enough of a wakeup call for them to evaluate their long-term career goals. But be fair. Make it clear that, if they decide not to, it doesn't mean you expect them to leave. Learning this the hard way also taught me that you have to market ownership internally."

Let's say that all systems are go: The state's licensure laws work in your favor, you can breach your firm's current corporate structure, you don't mind a little financial risk, your command of the design business is laudable, and there are ways to support your buy-in. What else stands in your way?

Why aren't more marketers owners?

Size of firm might indeed have something to do with the reason so few marketing people are design-firm owners. As it turns out, the people profiled in the section on role models are all in larger firms. Most large firms want and need to grow, to connect the electricity of doing challenging design projects with motivating and retaining a team of designers.

Another issue is an ambivalent attitude toward marketing and marketers on the part of the licensed professional owners, who consign marketers to what Peter Kienle calls "second-class citizenship." The Coxe Group's Hugh Hochberg holds that, no matter their legal structure, "[Most design firms] still operate as a partnership; that's the pivotal thing."



Joseph E. Brown, FASLA, President and CEO, ED&A

Laurin McCracken, AIA, FSMPS, Chief Marketing Officer, Jacobs Global Buildings NA

Peter Piven, FAIA, Principal, The Coxe Group Inc.

Lack of knowledge of the business and lack of leadership skills top the list of problems for owners. Janet Martin, as a non-licensure partner at Communication Arts in Boulder, relates, “What’s lacking on the marketing side of it, I’ve heard forever and ever, is that they’ve brought in this work, but they don’t know how to lead the business.”

Is that just a convenient excuse? Peter Piven responds, drawing on his years in house at CRS and then GBQC, and since then with The Coxe Group, “I’ve never encountered a situation where a firm that wanted to elevate key people [who] were not licensed in a way to permit ownership, didn’t do so,” he observes. “It takes for the most part a hierarchy where non-licensurees have a route to the top. But people in control may not want non-licensed people to join the ownership group. ‘This is an architecture firm, and we want owners to be architects, end of story.’”

Friedrich Bohm comments on this issue from the chairman’s perspective. Bohm, who helped NBBJ build itself into one of the largest American design firms, raises the important point that the design schools traditionally have been set up as silos—namely, by departments—and that, as soon as the shift to a broader, inter-related design organization becomes universal, things will change.

“Design firms have a tough time understanding the value of integrating other kinds of people,” he observes. “I have always believed in having diversity. The more open you are to a variety of talent and expertise, the more successful you’ll be. This starts at the university level, and we are seeing more of it now.”

The problem seems to lie partially in marketing’s lack of credibility as well as in the absence of role models. But marketers themselves are ambivalent, in their case about getting into ownership and leadership. Bohm observes: “I just don’t see marketers stepping up and becoming leaders.” And Packard relates candidly, “I don’t have a lot of people breaking down the door wanting to be managing partner.”

Perhaps SMPS and the marketers it is shaping need to hear the message about this perceived lack of access and success. Hochberg makes the point very directly: “SMPS’s tangent is unfortunate; it elevates the perception of the marketing role. Do these people have strategic insight? Do they have a presence with new clients and sectors? Do they influence the direction of the firm? They are often

good when the market is good, but not good in retreat. And they show themselves as orchestrators, not leaders. They don’t see that their firm needs leadership and that they are not contributing to it. If they were truly strategic, they wouldn’t be blocked.”

What if you can’t be an owner in the firm where you work or want to work?

Nothing in life is inevitable. Along a career’s continuum, there are opportunities you recognize and embrace or deny. Sometimes the way to the ownership position you covet is under construction or the bridge washes out.

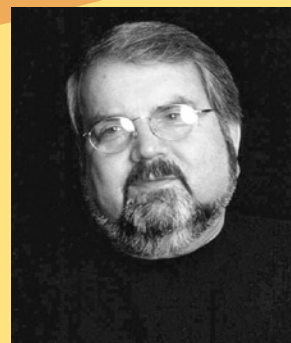
If you’ve read this far, it should be clear that, if you plan to advance to ownership in a particular design-professional office, you need to know whether:

- The culture and structure of the firm are viable.
- The age of the owners and their generation are a good match to yours.
- The business model looks forward or backward—that is, are their practices the way they have always been—as they are first becoming in this century.
- The state’s requirements work to your advantage.
- Your achievements in the industry and for particular companies combine to put you in the path of leadership and ownership.
- Your entrepreneurial spirit and ability to effect change are welcome.

Mitch Levitt offers this perspective: “Realistically, to be successful in what we do, you have to take a risk. One of those risks may be that you have to get a different employer.”

Laurin McCracken has long been way ahead of the curve in the industry. Here’s his observation about how to approach getting the position you merit, assuming that you have a solid understanding of business, not just the design business: “These business questions are asked generally today. But when I was first called in for an interview and I asked to see the firm’s financial statement, the answer was

Friedrich Bohm, Chairman, NBBJ
Craig E. Park, FSMPS, Assoc. AIA,
 Vice President and Chief
 Marketing Officer, Leo A Daly



‘Why would you want to see it? It’s private.’ And that revealed to me that it was probably not a very good one.”

Cutting to the chase, engineering business founder Judy Nitsch states: “If they are backwards about ownership, they are probably backwards about other things.”

“I know what it’s like to start out and get little respect,” recalls Randy Pollock, an architect by training. “There are tons of companies that *do* get it, that do treat people well and offer ownership, recognize responsibility, achievement, and leadership.” Watch his closing observation, however: “But, maybe some people just shouldn’t be owners.”

What if there is zero chance to become an owner? What if you are invited to become the CMO in a firm with two brands, 1,200 on staff, offices in 18 cities...that is entirely owned by one person? Is life over, if you are ambitious and innovative? It’s time to focus on **Craig Park, FSMPS, Assoc. AIA**, 2002–2003 SMPS National President and the 2007 Marketing Achievement Award recipient. An architect by training, Park is vice president and CMO of Leo A Daly of Omaha, which is owned entirely by Leo A Daly III, FAIA, its chairman, president, and CEO.

The Daly organization has a corporate executive team that includes a CFO, CMO, CIO, corporate director of human resources, another for salaries and benefits, a corporate counsel, and a director of corporate public relations. They are empowered, well compensated, and for the most part long employed by the company. “This disproves that you must have equity to have a high-functioning professional services firm,” Park observes.

“If marketers think strategically and prove that they can deliver a better future,” he feels, “they should be at the table.” Park explains, “A CMO is all about competitive positioning and acquisition analysis.”

This kind of strategizing is in the air at any number of design firms, HOK, Gensler, Rockwell among them. “We’re making the horizon line move. This is an industry built on growth; it’s not just backfill. It’s all about new building types, new infrastructure needs, and the changing dynamics in the communities we serve,” says Park. “If you do only one building type, you’ll be okay for a while. But eventually, you’ll need to change.” He sounds just like you’d expect an owner to sound, wouldn’t you say? **■**

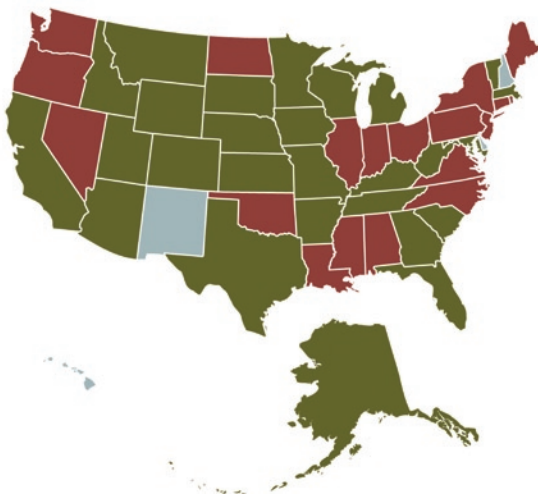
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About the Author

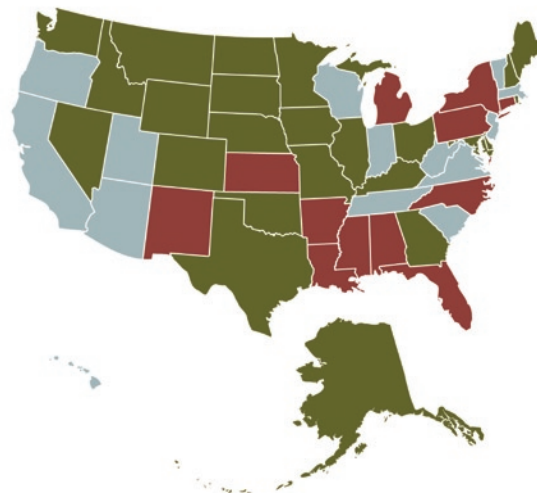


Contributing Editor Joan Capelin, FSMPS, Hon. AIA—strategist, public relations consultant, popular speaker, and SMPS Fellow—is the founder of Capelin Communications (www.capelin.com), which specializes in professional services firms in the design and building industry. Joan was the recipient of the 1990 SMPS Marketing Achievement Award. She can be reached at JCapelin@capelin.com.

Architecture Firm Licensing 2007



Engineering Firm Licensing 2007



■
YES, the state restricts ownership to some percentage for licensed versus non-licensed

■
NO, the state has no restrictions on firm ownership

■
Information is not available

Is licensure required for owners of the architectural and engineering design firms that practice in your state?

N = The state has NO restrictions on firm ownership. **Y** = YES, the state restricts ownership to some percentage for licensed versus non-licensed people. This ownership percentage varies from state to state and perhaps also from one business structure to another (e.g., maybe no restriction for a general business corporation but ownership restrictions for a professional corporation. **Dash (—)** = Neither NCARB nor NCEES had current information. Contact the pertinent licensing board for information.

| State | Architect | Engineer | Notes |
|-----------------------|-----------|----------|---|
| Alaska | N | N | |
| Alabama | Y | Y | |
| Arizona | N | — | |
| Arkansas | N | Y | E: One or more owners or principals must be licensed. |
| California | N | — | |
| Colorado | N | N | |
| Connecticut | Y | Y | |
| District of Columbia | Y | — | |
| Delaware | — | N | |
| Florida | N | Y | E: Non-Florida Board of Professional Engineers (FBPE) licensees must have an equity interest; however, a Florida P.E. must be a principal officer of the business organization. |
| Georgia | N | N | |
| Guam | N | Y | E: One or more owners or principals must be licensed. |
| Hawaii | — | — | A: Contact Board. E: Person directly in charge of the professional work is licensed. |
| Iowa | N | N | |
| Idaho | N | N | |
| Illinois | Y | N | E: Owners need not be licensed. Managing agent must be full time and licensed. |
| Indiana | Y | — | |
| Kansas | N | Y | E: A corporate officer must be licensed in the state. |
| Kentucky | N | N | |
| Louisiana | Y | Y | E: An employee must be listed as the supervising professional. |
| Massachusetts | N | — | |
| Maryland | N | N | |
| Maine | Y | N | |
| Michigan | N | Y | E: Two-thirds of the firm's principals must be licensed. |
| Minnesota | N | N | |
| Missouri | N | N | |
| Mississippi | Y | Y | A: Yes, architects and engineers only. E: One or more owners or principals must be licensed. |
| Montana | N | N | |
| Nebraska | N | N | |
| Nevada | Y | N | |
| New Hampshire | — | N | A: Contact Board. |
| New Jersey | Y | — | |
| New Mexico | — | Y | A: No position. |
| New York | Y | Y | A & E: All owners must be licensed. |
| North Carolina | Y | Y | |
| North Dakota | Y | N | |
| North Mariana Islands | — | Y | |
| Ohio | Y | N | |
| Oklahoma | Y | N | A: Yes, for professional corporations only. |
| Oregon | Y | — | E: The responsible charge must be registered. |
| Pennsylvania | Y | Y | |
| Puerto Rico | — | — | |
| Rhode Island | Y | N | |
| South Carolina | N | — | E: One or more owners or principals must be licensed. |
| South Dakota | N | N | |
| Tennessee | N | — | |
| Texas | N | N | E: Owner is not required to be licensed, but firm must have at least one full time P.E. on staff. |
| Utah | N | — | |
| Vermont | N | — | E: This is done through the Corporate Division, not the Board of Engineering. |
| Virginia | Y | — | E: Requirement varies, review Parts XIII, IX, and X of the Board's regulations. |
| Washington | Y | N | E: The ownership must designate the engineer/land surveyor who is responsible. That person may be an officer or employee. |
| West Virginia | N | — | E: One or more owners or principals must be licensed. |
| Wisconsin | N | — | |
| Wyoming | N | N | |

Source: This chart, compiled by the author's team, is based on information seized mostly from surveys done in 2007 by the National Council of Architectural Registration Boards (NCARB) and the National Council of Examiners for Engineering & Surveying (NCEES).