The American Institute of Architects

2007 Client Perception Study

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Prepared by

AIA Economics and Market Research Group

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Summary of Key Findings

U.S. architecture firms provide construction design and related services to private businesses, nonprofit institutions, government agencies, and private individuals. This report is intended to measure the perceptions of these major business clients with respect to working with an outside architecture firm on these building projects, and their level of satisfaction with the services provided.

A. Importance/satisfaction of architect involvement

- Clients feel that the involvement of architects is important for all the major phases of a construction project, but particularly important in the design, construction and predesign phases.

- Clients are generally very satisfied with architect involvement in all phases of construction projects, with the highest satisfaction scores recorded for activities during the design and predesign phases.

B. Architect strengths and weaknesses

- Of the potential positive attributes of architects, clients most agreed that architects are valuable to all phases of a building project, followed by architects having good communications skills, and that they are capable of building on the client's vision.

- Most clients disagreed with the potential negative attributes of architects. The statement that rated the highest level of agreement was that architects lack an understanding of business needs, with an average agreement score of 5.4 on a 10-point scale (with 10 indicating strong agreement).

- Overall, clients are generally pleased with role that an architect plays in the design and implementation of projects, with federal government clients expressing the highest degree of satisfaction.

C. Perceived Value

- Clients generally feel that they are getting good value for the money that they pay for architects' fees. Client groups that are particularly satisfied with the value that they are getting from architects are: federal government clients; clients with smaller capital budgets; and clients located in New England and the Pacific Southwest.

D. Ways for architects to improve relationships with clients/things architects do well

- Things that architects could do to improve their working relationship with clients included: better listening and communication; better understanding of client needs and knowledge about the project; and more accurate cost estimates and staying on budget for the project.

- Things listed by clients that architects generally do well include: design and draw; create a vision for a project; and listening and communication.

Purpose of This Report

The purpose of this project was to develop a baseline for client perceptions of architects in terms of what they do well, and what could be improved upon from the client's perspective. Future research on this topic can therefore be measured against these results to determine if architects are making progress in the eyes of their clients. To develop this baseline, a random sample of readers of the trade publication ***Building Operating Management*** was surveyed. A fuller discussion of the survey methodology is presented below.

This report builds on research of two previous studies. In 2002, the AIA published ***The Client Experience,*** an ethnographic study of the various stages of the design process and how architects interact with their clients. Subsequent research and quantification of those findings were published in the ***2005/06 Client Experience*** survey. Neither study was intended as a benchmark of client perceptions, and as such neither included a random sampling of clients, nor a large enough sample to draw statistically valid conclusions of client perceptions or attitudes toward architects. However, many of the concepts developed by those efforts are included in this study.

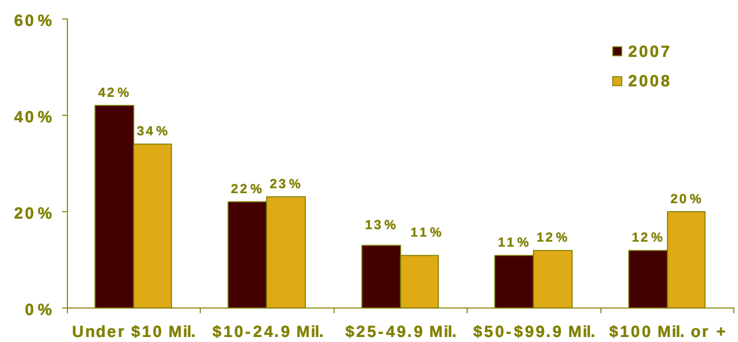
Projected Capital Construction and Reconstruction Activity in 2008, and Perceptions of Current Economic Conditions

Organizations were screened to ensure that capital construction and reconstruction budgets at the location surveyed were in excess of $1 million in 2007. Over 40% of the respondents reported budgets of under $10 million, while almost a quarter (23%) reported budgets of $50 million or more.

For many respondents, construction and reconstruction budgets were projected to increase in 2008. The share of organizations with capital budgets under $10 million declined from 42% in 2007 to 34% in 2008. The share with budgets of $50 million or more increased from 23% in 2007 to 32% in 2008 (Figure 1).

1. Most Surveyed Firms Had Capital Budgets Under $25 Million, but Budgets Generally Were Increasing in 2008

Distribution of value of budgets for capital construction, % of organizations



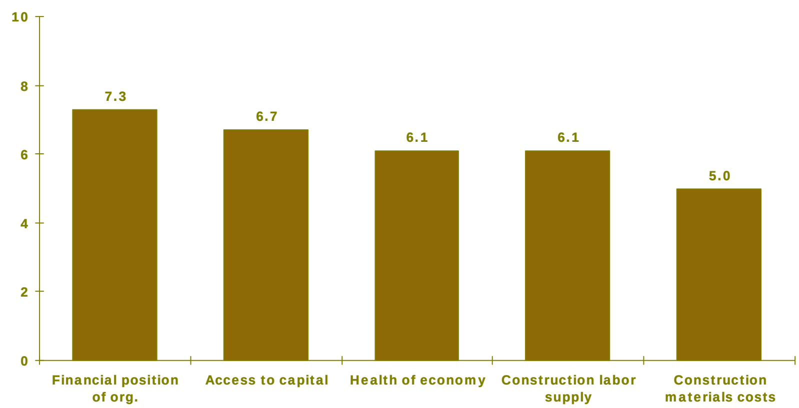
Source: 2007 AIA Client Perceptions Survey.

Changing economic conditions affecting the nonresidential construction environment could well influence a client's capital expansion plans for 2008, as well as their expectations for architects' performance on those projects. Participants in this study were asked to evaluate the current condition of factors that affect the capital investment environment, using a 10-point scale in which "10" is "very favorable" and "1" is "very unfavorable."

The factors affecting the capital investment environment are reasonably favorable, with average scores ranging from 5.0 to 7.3 on a 10-point scale. The most positive score was given to the financial position of respondents' companies or organizations (7.3). On the other hand, the high cost and volatility of construction materials appears to have the greatest dampening effect on the current capital investment environment (with a score of 5.0). The good news is that companies with larger capital budgets ($50 million or more in 2007) tended to give more favorable scores for most factors affecting the capital investment environment, particularly financial position of their company (7.7 vs. 7.3 for all respondents), access to capital (6.9 vs. 6.7) and health of the economy (6.4 vs. 6.2) (Figure 2).

2. Clients Rated Economic Fundamentals for Construction as Somewhat Favorable to Neutral

Average score for current conditions, 10-point scale ((1= very unfavorable; 10=very favorable)



Source: 2007 AIA Client Perceptions Survey.

Client's Satisfaction by Project Phase

The most common methods for identifying outside architects for projects was through prior work relationships or on-going contractual relationships (both cited by approximately two-thirds of respondents (respondents could identify multiple sources). Referrals are the next-most often used source for finding architects (cited by 53%). Other common sources include responses to "RFQ's" and "RFP's."

Clients have no obvious single method for hiring architects. The choices offered: competitive bidding; negotiated sole source; and on-going contractual relations; were all quite frequently used and used in almost equal frequency. Other methods that were mentioned include the “RFP/RFQ” process with “interviews and negotiations.”

Clients with larger capital budgets were somewhat more likely to have an ongoing contractual relationship with a firm (63%) as a basis for hiring an architectural firm. Private corporate clients were more likely to use a negotiated sole source approach (62%), while public corporations indicated extensive use of competitive open bidding (68%).

Respondents were asked to rate their perceptions of: 1) how important was the involvement of an architect in each phase of their most recent project; and 2) what is their level of satisfaction with the involvement of an architect (using a 10-point scale) in each major project phase (pre-design; design; construction procurement; construction; and post-construction.1) Overall, the respondents rated the involvement of architects as important in each of the major project phases. However, the highest scores were reserved for design (7.8 on average), construction (7.6) and pre-design (7.1). Federal government respondents rated architect involvement in the design phase as

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1 Project phases were described as follows for the respondents:

Pre-design: Typical activities: The scope of the project; key design points, requirements, and expectations; the context of the project - the entire enterprise of which the project is a part. Resources are assessed, such as the financial and intellectual capital available, and the problems the client needs to resolve

Design: Typical activities: Architectural-level designs depicting the domain characteristics and technology structure are prepared. The look and feel of the system - user interface style - is designed. Prototypes are built at this point, if they are needed. Migration and risk assessments are performed).

Construction procurement: Typical activities: Identifying the actual builders of the system. For projects that are outsourced, bids are submitted to outside contractors and potential participants are evaluated; assisting with contract details and in assessing cost. Sequences are arranged and contracts signed).

Construction: Typical activities: The client's vision is understood and executed; reviewing construction-level designs to the degree dictated by the complexity of the construction process. Conduct design reviews and analyze problems and change request; design the accepted changes, assess the impact on overall design and cost, and sequence changes; participate in testing and acceptance reviews to the extent the client desires).

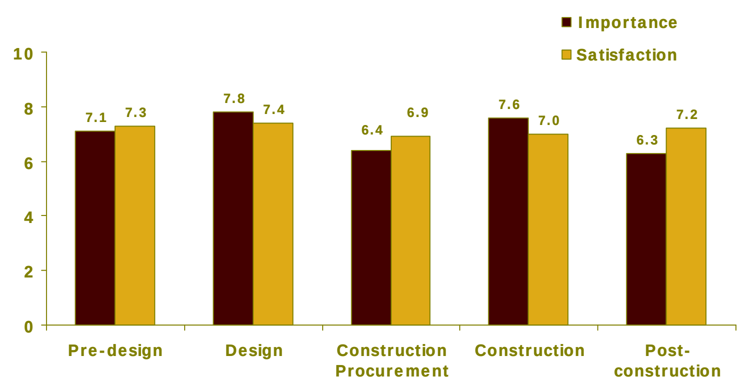
Post-construction: Typical activities: Assisting client with the project rollout and the migration to the new system; training of system operators and users, as needed; assist in warranty issues and ongoing maintenance procedures).

the most important (8.2), followed closely by state or local government (8.1).

For most project phases, respondents rated their level of satisfaction with architect services to be on par with their perceptions of the importance of architect involvement. Average satisfaction scores ranged from 6.9 for construction procurement to 7.4 for design. The project phases that had the highest ratings in terms of importance of architect involvement also tended to have the highest scores in terms of satisfaction. Federal government respondents provided the highest satisfaction ratings for design phase (8.1) and pre-design (7.7) and construction (7.2), but the lowest satisfaction scores for post-construction (5.9) and construction procurement (6.1). State and local government respondents had above average satisfaction scores for each project phase (Figure 3).

3. Project Phases That Clients Rate as Most Important Generally Also Rate as Having Highest Level of Satisfaction

Average score for responses to the importance of the involvement of architects by project phase, and their satisfaction with architects' involvement; 10-point scale (1=not important/satisfied; 10=extremely important/satisfied)



Source: 2007 AIA Client Perceptions Survey.

Another way of looking at client perception of the importance of and satisfaction with architect involvement in the various project phases is to compare the percentage of respondents who believe architect involvement is very important (offering a rating 8, 9, or 10 for that project phase on a 10-point scale) and the comparable percentage who are very satisfied with this involvement. This analysis points to similar conclusions:

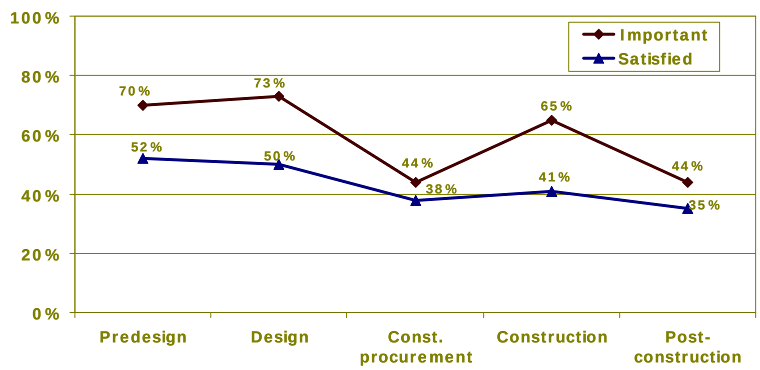
- For all major project phases, respondents rate the importance of architect involvement above their level of satisfaction with that involvement.

- Clients believe architect involvement is most important in the pre-design, design, and construction phases.

- Client satisfaction with the involvement of architects is highest during the pre-design and design phases of a construction project, but it tends to degrade in the latter phases (Figure 4).

4. Importance of the Architect Involvement Has Exceeded Satisfaction with Performance for all Project Phases

% of respondents rating item as 8, 9, or 10 on a 10-point scale, where 10 indicates "extremely important" or "extremely satisfied"



Source: 2007 AIA Client Perceptions Survey.

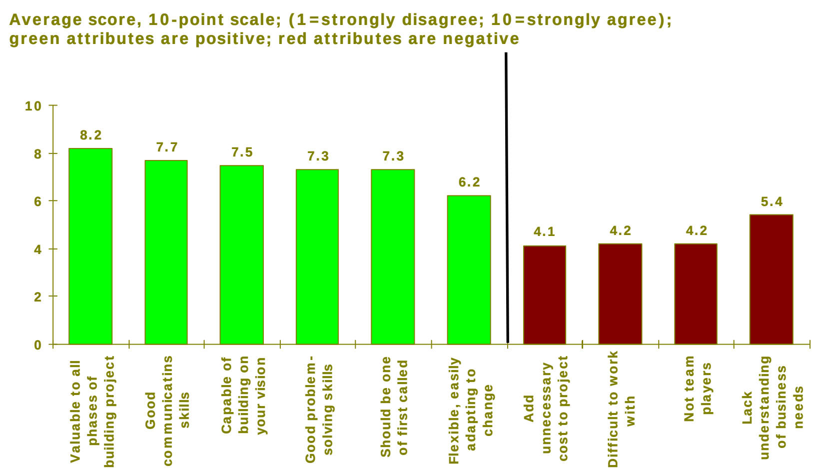
Architect Strengths and Weaknesses

Respondents were given a list of potential positive or negative perceptions of architects, and asked to rate the degree to which they agreed or disagreed with each statement. Most respondents generally agreed with the potential positive perceptions, and disagreed with the negative ones.

The perception that generated the most agreement was: "An architect's design skills and creativity are valuable to all phases of a building project from start to finish", where scores averaged 8.2 on a 10-point scale and a score of 10 indicates strong agreement. "Communications skills", "capable of building on your vision", "problem-solving skills", and "should be one of the first people called" all rated scores between 7.3 and 7.7. The lowest rated positive perception offered was that "architects are flexible, easily adapting to change", with a score averaging 6.2.

From the perspective of the share of respondents that strongly agree with the statement, just over two-thirds of the participants in this survey strongly agreed (8, 9, or 10 on a 10-point scale) that an architect's design skills and creativity was valuable to all phases of a building project from start to finish (68%). Just under two-thirds (60%) strongly agreed that they were pleased with the role that architects play in the design and implementation of a project. Just over half strongly agreed that architects have good problem-solving skills (54%), an architect should be one of the very first people called when building or renovating (52%), and architects are capable of building on a client's vision (51%). Relatively few believed architects add unnecessary costs, are difficult to work with, or are not team players (Figure 5).

5. Architects Viewed by Clients as Valuable to All Phases, Having Good Communications Skills, But Sometimes Lacking Understanding of Business Needs

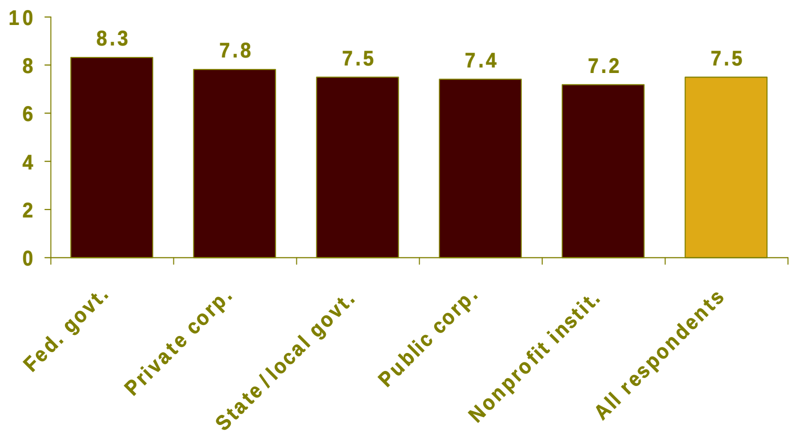


Source: 2007 AIA Client Perceptions Survey.

As a summary perception, respondents were asked the extent that they agreed with the statement that "overall, they are pleased with the role that the architect plays in design and implementation of a project". The average score for this statement was 7.5, with Federal Government clients and private corporation clients more likely to strongly agree (average score of 8.3 and 7.8 respectively). Organizations with smaller capital budgets were somewhat more likely to strongly agree that they were pleased with the role that architects play (Figure 6).

6. Overall, Clients Pleased With the Role that Architects Play in the Design and Implementation of Projects

Average score for responses to: "Overall, pleased with the role that the architect plays in the design and implementation of a project", by type of organization; 10-point scale; (1=strongly disagree; 10=strongly agree);



Source: 2007 AIA Client Perceptions Survey.

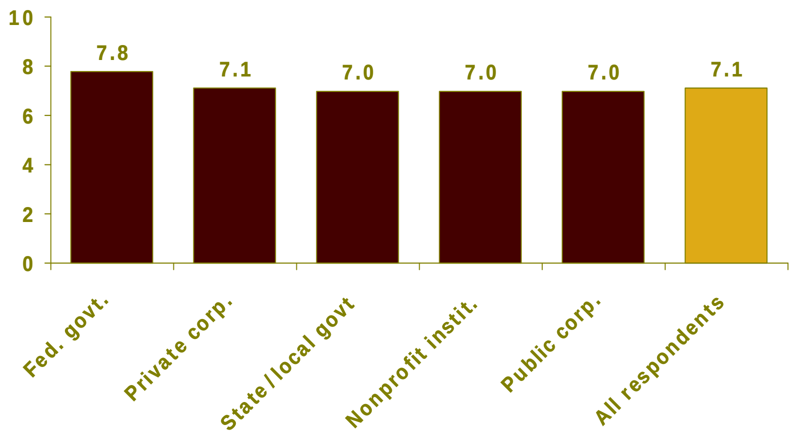
Perceived Value for the Money

In an effort to develop an overall summary of client's perceptions of architects, respondents were asked to rate the value they were getting for their money regarding architect's fees for projects undertaken in 2007. Overall, clients rated the "value for their money" as 7.1 on average on a 10-point scale, with 1 indicating poor value and 10 an excellent value. Just under half of respondents (46%) believe they have received very good value (with ratings of 8, 9, or 10) for architects' fees on their 2007 projects.

By type of organization, federal government clients felt the most positive about the value for their money of architects' fees. All other types of client organizations rated the value for their money as essentially the same (Figure 7).

7. Overall, Clients Generally Feel That They Are Getting Good Value for Their Money Regarding Architect's Fees on Recent Projects

Average score for responses to: "Overall, pertaining to your projects in 2007 regarding the architect's fees, how would you rate the value you are getting for your money?", by type of organization; 10-point scale; (1=poor; 10=excellent);

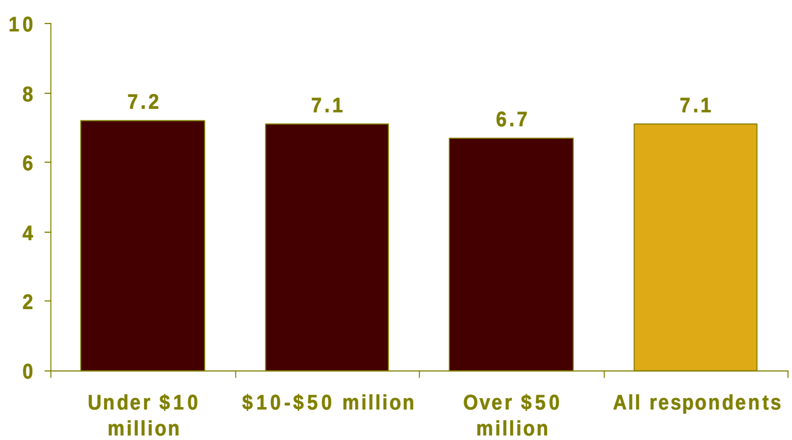


Source: 2007 AIA Client Perceptions Survey.

Clients with smaller capital budgets in 2007 rated the value for their money of architects' fees as somewhat higher than organizations with larger capital budgets. In particular, organizations with capital budgets of $50 million or more in 2007 rated the value for their money somewhat lower (Figure 8).

8. Clients With Smaller Capital Budgets More Likely to Feel That They Are Getting Good Value from Architect's Fees

Average score for responses to: "Overall, pertaining to your projects in 2007 regarding the architect's fees, how would you rate the value you are getting for your money?", by 2007 capital budget; 10-point scale; (1=poor; 10=excellent);

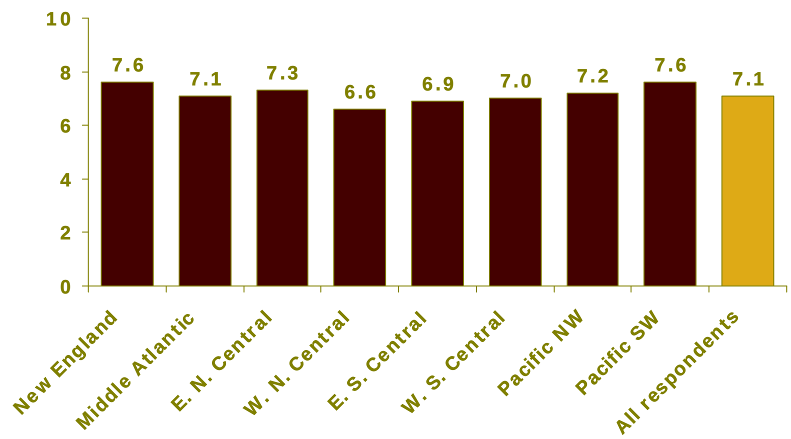


Source: 2007 AIA Client Perceptions Survey.

Finally, at differences across regions were analyzed to see if clients in some regions might generally be more satisfied with the value for their money for architects fees than those located in other regions. The variation in ratings across regions was not extreme, but did exist. Clients in New England and the Pacific Southwest rated the value for their money the highest, with an average of 7.6, while clients in the West North Central states (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota) rated the value of services the lowest of any of the other nine areas of the U.S. (Figure 9).

9. Clients Along the Coasts Generally Feel That They Are Getting a Better Value for Their Money Regarding Architect's Fees

Average score for responses to: "Overall, pertaining to your projects in 2007 regarding the architect's fees, how would you rate the value you are getting for your money?", by location of organization; 10-point scale; (1=poor; 10=excellent);



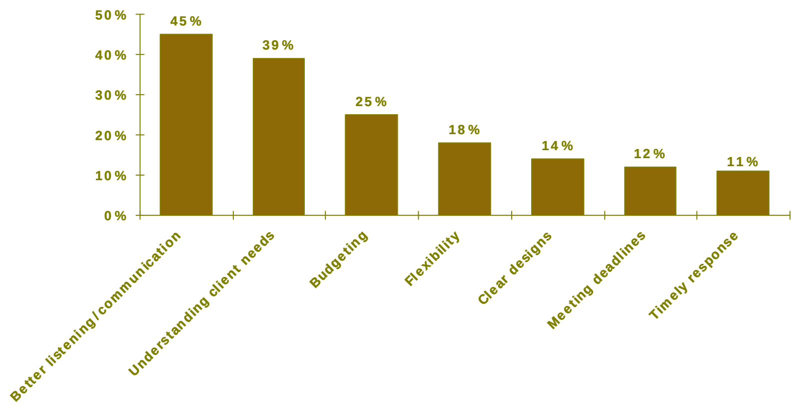
Source: 2007 AIA Client Perceptions Survey.

<u>Ways to Improve Relationship with Client; Things Architects Do Well</u>

Finally, clients were asked to provide – through an open-ended format and therefore without out any prompting – the three most important things that architects can do to improve their working relationship with their clients. The most popular response, listed three by just under half of the respondents as one of their top three concerns cite a need for better listening and communication skills (45%). Also mentioned frequently were: a better understanding of clients' needs/knowledge about the project; and accurate cost estimates/remaining on budget (Figure 10).

10. Better Listening, Understanding Client Needs Top List of Things Architects Can Do to Improve Client Relationship

Three things that architects can do to improve relationship, % of responses (only top responses listed, open ended question)

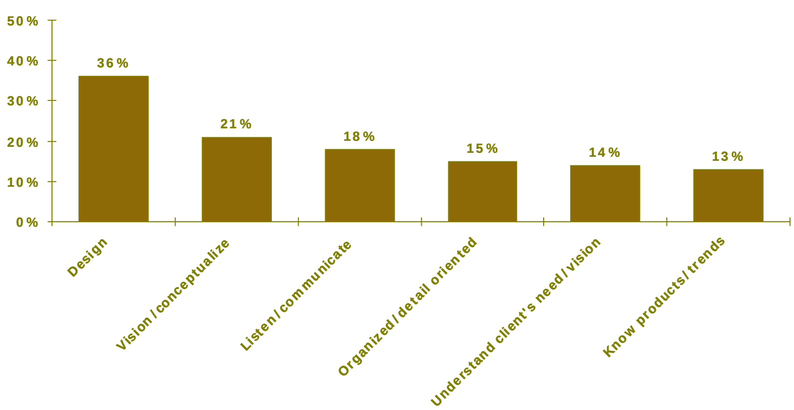


Source: 2007 AIA Client Perceptions Survey.

Clients were also asked to list the things that architects do well. Over a third of the respondents cite architects' design and drawing skills (36%) as one of the three things architects do well. Their vision and ability to conceptualize projects was listed by over one-in five respondents, while their ability to listen and communicate was mentioned by 18% (Figure 11).

11. Designing and Ability to Develop Vision/Conceptualize Things Architects Do Well According to Clients

Three things that architects generally do well, % of responses (only top responses listed; open ended question)



Source: 2007 AIA Client Perceptions Survey.

Summary and Conclusions

Through a random sampling of major clients of architecture firms, this report concludes that clients generally acknowledge the importance of involving architects in all phases of a construction project, with particular emphasis on the predesign, design, and construction phases. Clients' expression of satisfaction with architect involvement is positive, but somewhat lags their perception of the importance of architect involvement.

Clients are generally pleased with the role that an architect plays in the design and implementation of projects. They generally agreed that architects possess the commonly held favorable attributes, and generally disagreed that architects possess commonly held unfavorable attributes. However, more work could be done to dispel the image of some of the unfavorable attributes (e.g. architects lack understanding of business needs).

Clients generally feel that they are getting good value for the money with their architects' fees. While architects are acknowledged to have favorable design and vision/conceptualization skills, clients feel that they could improve listening/communication (although this also ranked high on positive attributes), understanding of client and project needs, and more accurate cost estimates and budget management skills.

Survey Methodology

The primary method of gathering information for this project was a web-based survey, conducted between October 4 and November 12. The first batch of 3,000 email invitations with a link containing the survey was sent to subscribers of ***Building Operating Management*** magazine on October 4. Subsequent batches of email invitations were sent periodically until the survey was closed for tabulation and analysis on November 12. Approximately, 4,500 or 25 percent of the total email addresses were undeliverable. Email reminder messages were sent to prospective respondents to encourage their participation in the survey. Of the 18,000 who received the email invitations, 257 viewed and answered all questions, for a response rate of 1.4 percent.

The survey analysis reflects responses from clients who indicated that they hired architecture firms (46%), managed architecture firms working on the organization's projects (34%) and/or worked with architecture firms on the organization's projects (68%) (multiple responses were permitted). Similarly, of the 257 respondents, one in three respondents (34.2%)

represent a state or local government organization, followed by private corporations (28.4%), nonprofit institutions (24.1%), public traded corporations (8.4%) and federal government (4.7%)

Slightly more than half the respondents (54.5%) have either started or indicated that they would start between one and five construction or reconstruction projects in 2007. Twenty-seven respondents reported that they will commence or have already commenced more than thirty projects.

About two-fifths (42.4%) of the respondents reported 2007 capital construction and reconstruction budgets under $10 million at the location surveyed. A further 34.6% have budgets between $10 and $50 million, while 23% have $50 million or more. One in three respondents (33.9%) estimated that their 2008 capital construction and reconstruction budget at their locations was between $1 and $9 million. Fifty-nine (59) respondents reported $10 to $24million, while 5.4% have $250 million or more.

The predominant buildings for 2007 capital construction and reconstruction projects are institutional, reported by most of the respondents (87.9%). The second most popular buildings are commercial/industrial (70.4%), followed by residential or mixed use residential (14.8%). Respondent could report capital projects for multiple building categories.

The regional distribution of respondents was as follows:

South Atlantic	23.2%
Middle Atlantic	22.8%
Pacific Southwest	14.4%
East North Central	14.4%
West South Central	8.8%
West North Central	8.4%
New England	3.2%
East South Central	2.8%
Pacific Northwest	2.0%

Of the 257 respondents, 135 provided their position titles. The director positions, which included titles such as director of facilities, management and maintenance, etc, represented the largest number of respondents, accounting for 30.4 percent. There are five executive directors among the director positions. Vice Presidents accounted for 6.7 percent of all respondents with position titles, while those with “facilities/facility” in their titles comprised 11.9 percent. Included in the “facilities/facility” titles are facilities building manager, facilities engineer, facilities operations manager, facilities specialist, superintendent of facilities, etc. Sample titles of the respondents are included in the appendix to this report.

Acknowledgements

The American Institute of Architects acknowledges the assistance of Cleve Corlett of Brand Planning LLC for help in designing the questionnaire, coordinating the field work portion of the survey, and conducting a preliminary analysis of the survey results. The AIA also acknowledges the assistance of Trade Press Publishing Corporation and Building Operating and Management magazine in selecting the sample and for providing the names and email addresses of the survey sample.

Appendix: Sample Titles of Respondents

ADMIN DIR SUPPORT
SERVICES
ADMINISTRATOR & CEO
ADMINISTRATOR FACILITIES
ASSISTANT DIR OF FACILITIES
ASSIST PHYS PL DIR
ASSISTANT DIRECTOR
ASSOCIATE DIRECTOR
ASSOCIATE DIRECTOR PROJ
ASSOCIATE PROJECT
COORDINA
ASSOCIATE VP
ASST DIR FAC MGMT
ASST DIRECTOR
BASE CIVIL ENGINEER
BOARD SECRETARY
BRANCH MANAGER
BUILDING & FACILITIES MGR
BUILDING FACILITY ASSISTAN
BUILDING MANAGEMENT
BUILDING SUPERVISOR
BUS OPERATIONS MGR
BUSINESS MANAGER
CEO
CFO
CHAIRMAN
CHIEF ENGINEER
CONST MANAGER
CONSTRUCTION MANAGER
CONSULT MGMNT
COO
COORDINATOR OPERATIONS
SUP
CORP FACILITIES PROJECT
MN
CPO III
DEPUTY PROGRAM DIRECTOR
DIRECTOR
DIRECTOR BLDGS & GRDS
DIRECTOR CORPORATE
FACILIT
DIRECTOR CORPORATE
SERVICE
DIRECTOR FACILITIES AND MA
DIRECTOR MANAGEMENT
SERVIC
DIRECTOR OF
CONSTRUCTIONS
DIRECTOR OF ENGINEERING
DIRECTOR OF FAC
MANAGEMENT
DIRECTOR OF FACILITIES
DIRECTOR OF FACILITIES ENG
DIRECTOR OF FACILITY PROJ
DIRECTOR OF MAINTENANCE
DIRECTOR OF OPERATIONS
DIRECTOR OF PLANT OPS
DIRECTOR OF SUPPORT SVCS
DIRECTOR OF
TRANSPORTATION
DIVISION SALES MANAGER
ELECTRICAL ENGINEER
ENG SHOP COORDINATOR
EST GM
EXEC DIRECTOR FACILITIES
EXEC DIRECTOR OF
OPERATION
EXECUTIVE DIR OF FAC
EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR FACILIT
FACILITIES AND MAINTENANCE
FACILITIES BUILD GRND
FACILITIES BUILD GRND MGR
FACILITIES BUILDINGS GRDS
FACILITIES DIR OF MAINT
FACILITIES DIRECTOR
FACILITIES OPERATIONS
MANA
FACILITIES SPECIALIST
FACILITY DIRECTOR
FACILITY ENGINEER
FACILITY MANAGER
FIELD FACILITIES COORDINAT
GENERAL MANAGER
HEAD OF MAINTENANCE
LEAD PROJECT MANAGER
LEASING ACCOUNT MANAGER
M Q T
MAINT DIRECTOR
MAINTENANCE BUILDER
MAINTENANCE COORDINATOR
MAINTENANCE DIRECTOR
MAINTENANCE MECHANIC
SUPV
MAINTENANCE SUPERVISOR
MANAGER
MANAGER ENGINEERING
MANAGING DIRECTOR
MGR FACILITIES
MGR PLNG CONST
OFFICE OPERATIONS
MANAGER
OPERATIONS MANAGER
OWNER
OWNER DEVELOPER
PARTNER
PHYSICAL PLANT DIRECTOR
PLANT ENGINEER
PLANT OPERATION DIRECTOR
PLANT OPERATIONS
MANAGER
PRESIDENT
PRINCIPAL
PROCUREMENT OFFICER
PROGRAM MANAGER PROG
DEV & PROJ MGR
PROJ ENG CONST MGR
PROJECT COORDINATOR
PROJECT ENGINEER
PROJECT MANAGER
PROPERTY ADMINISTRATOR
PROPERTY MGR
PUBLIC BLDG PLNGR FOUR
PURCHASING
REGIONAL FACILITIES MGR
REGIONAL TECHNICAL
MANAGER
SECTION MANAGER
SENIOR ENGINEER
SENIOR VP CORPORATE
SOLUTI
SENIOR VP MANAGEMENT
SERVI
SR DIR FACILITIES PLAN
SR DIRECTOR OF FACILITIES
SR ELEC SVP
SR PROJECT MANAGER
SR VP OPERATION
STAFF ENGINEER
SUPERVISOR OF BLDGS
SUPERVISOR OF BUILDING
AND
SUPERVISOR OF
CONSTRUCTION
SUPT OF FACILITIES
SYS ADMIN
TRADES MANAGER
VICE PRESIDENT
VICE PRESIDENT FACIL
VP CONSTRUCTION
VP CTO
VP OF OPERATIONS
VP PRESIDENT MGR
VP RESIDENTIAL MGMT
VP SALES AND MARKETING