

Basics of Working Overseas

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SUMMARY

In October 2004 the International Committee of the AIA New York City component hosted a panel presentation, "International Practice Issues: Cross-Cultural Partnerships." The program's intent was to teach design firms firsthand strategies for working in an overseas market. Insurance and licensing experts provided relevant practice experience.

EDUCATE THE FIRM GLOBALLY

According to Marilyn Jordan Taylor, FAIA, urban design chair and former partner of Skidmore, Owings & Merrill, the best way to understand international practice is to see it as an intersection of cultures. For the practice of architecture to be truly global, Taylor believes, firms must practice across cultures by maintaining a commitment to openness and difference.

International architecture will be vastly affected by the growth of the world's megacities (cities with more than 10 million in population), especially considering that experts predict there will be 36 megacities by 2015, up from 23 in 2004. Design professionals must adapt to the extraordinary pace of change in these cities to maximize the value and capacity of city infrastructure. This first requires an understanding of the country's culture and practices.

ESTABLISH A RELATIONSHIP WITH A FOREIGN CLIENT OR PARTNER

Before learning about a new culture, firms must first decide which country to target in relation to the firm's goals. The firm's project types should embrace and function as an extension of the culture. Firms then need to find a client—either a local client or a U.S. client—that does business in that country. Steven M. Davis, FAIA, of Davis Brody Bond says a firm can find a foreign client in several ways:

- Look for a client through research and marketing
- Establish a strategic alliance
- Enter local design competitions
- Bring your own client or have one bring you

The key is to find a reliable partner. Talk to past consultants of a client to see how smoothly, or not, their projects unfolded with the same client.

Once a client relationship is established, firms must do their homework regarding culture and practices:

- Determine how business is conducted locally
- Determine what kind of documentation is required
- Investigate what methods and materials are available
- Understand the culture and environment well enough that the design makes sense within the local context

Language comprehension also is important for effective professional communication. Investigation of local market conditions and capabilities will determine whether projects can be constructed as intended, which will help you to manage client expectations. Clients outside the United States have different expectations than U.S. clients, and these expectations must be carefully managed. As with all projects, careful development of a budget and a schedule is critical.

UNDERSTAND LOCAL LAWS

A firm attempting to expand overseas should consider local licensing laws. Design professionals need to research two main types of laws: title laws and practice laws. Title laws restrict the professional titles one can use, and practice laws restrict the functions of a design professional's practice.

In addition, international practice involves two main types of agreements:

- **Practice in a Host Nation Agreement.** Design professionals practice in conjunction with a local design professional who is responsible for the project.
- **Full Mutual Recognition Agreement.** Design professionals become licensed in another country and receive full recognition there as such.

While not inclusive, these issues are critical for design firms to address before practicing internationally.

A BUSINESS CHECKLIST FOR INTERNATIONAL PRACTICE

Dick Viktora, Esq., general counsel for Skidmore, Owings & Merrill, and Joseph H. Jones Jr., Esq., managing director for Schinnerer, created this checklist:

Contracts

- Clearly define the role of the design professional: Is that role legally permissible in the host country?
- Try to use standard contract forms whenever possible; client-generated agreements are usually heavily biased toward the client.
- Be sure to include a choice of provisions; negotiate the U.S. as the choice of legal jurisdiction.
- Carefully define the scope of services; disputes over this are the most common claim triggers with overseas projects.
- Get your contract in writing.
- Negotiate an arbitration provision.

Business Practices

- Consult with qualified advisors on legal and accounting issues.
- Research local practices on code compliance, contract formation, and negotiation.
- Research the legal system: How are disputes resolved?

Insurance

- Make sure your professional liability policy provides coverage for overseas work.
- Find out how your insurer handles overseas claims.
- Be aware of exclusions to your policy.

- Look for uninsurable provisions, such as warranties or guarantees.
- Negotiate a contractual time limit for project-related claims.

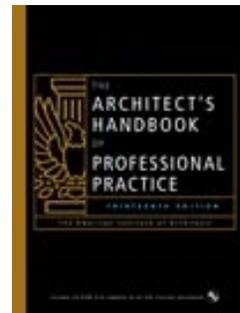
More Best Practices

The following AIA Best Practices provide additional information related to this topic

- 06.04.01 Getting Paid for International Work
- 06.04.09 Lessons from Working in China
- 12.01.01 Risk Management Checklist

For More Information on This Topic

See also “Practicing in a Global Market” by Roger B. Williams, FAIA, JIA, and C. Richard Meyer, FAIA, *The Architect’s Handbook of Professional Practice*, 13th edition, Chapter 6, page 100. See also “Getting Paid in Global Practice” by Elena Marcheso Moreno in the *Update 2003* to the *Handbook*.



The *Handbook* and the *Update 2003* can be ordered from the AIA Store by calling 800-242-3837 (option 4) or by sending e-mail to bookstore@aia.org.

Keywords

- Practice
- Project administration
- Project communication
- International communications



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