

Starting a Firm: Essential Resources

Contributed by Peter Piven, FAIA, and Bradford Perkins, FAIA. Excerpted from *Architect's Essentials of Starting a Design Firm*
Revised November 2006

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SUMMARY

Starting an architecture firm from the ground up is best accomplished with a core group of advisers. An attorney, an accountant, a banker, management consultants, former employees, former colleagues, and retired business owners can help new entrepreneurs avoid common mistakes and effectively manage unavoidable business challenges.

LEARN FROM OTHERS

Though it is possible to go out on your own without any professional assistance at all, it is wiser to launch your firm only after you have assembled a core group of trusted professional advisers and other resources whom you can rely on for timely information, valuable advice, and support.

New business owners often make common and predictable business mistakes that they could have avoided by consulting experienced and knowledgeable professionals, while unavoidable business challenges might have been overcome with less difficulty and lower risk of disaster. Every new business owner should have the following advisers and resources readily available.

AN ATTORNEY

Develop a relationship with an attorney who is knowledgeable about building design and construction and construction contract law, and with whom you are comfortable speaking. Don't hesitate to consult your attorney regularly. A five-minute telephone conversation may give you exactly the right information to save you needless concern or countless hours in correcting an error at a later date.

AN ACCOUNTANT

It is not uncommon for design professionals to begin their practices without accounting help. If the firm stays very small and operates as a proprietorship, such help may not be needed. A start-up firm has a greater chance of success, however, if it manages its financial affairs in a businesslike fashion from the

beginning. An accountant can help set up a sophisticated chart of accounts for recording transactions in a way that allows the business owner(s) to generate useful financial information. Good bookkeeping practices, using affordable financial management software, vastly simplify the preparation of tax returns and other government reporting forms while helping to ensure regular client invoicing and prompt collection of outstanding accounts receivable.

A BANKER

Bankers can be invaluable resources of local business information and knowledge, particularly in small communities. They frequently develop a broad understanding of the real estate market and the business community in which they operate. Bankers can be among the best resources for developing business contacts and are generally willing to share their knowledge with their customers. Establishing a personal relationship with a banker also may make it easier to obtain the financing or a letter of credit that your business may need to grow at a later date.

MANAGEMENT CONSULTANTS

Consultants of many kinds can provide information, expertise, perspective, and impartiality. Because their work brings them into contact with many different firms, consultants often have a broad view of management issues and solutions that the best among them have applied to particular situations or problems. Choose consultants who listen well, understand your problem, and propose solutions that are appropriate and in proportion to the issue. There should be a clear, distinct relationship between the cost of management consulting services and improved operations or profit for your business.

FORMER EMPLOYERS AND COLLEAGUES

Among the many reasons to avoid burning bridges as you advance in your career, former employers and colleagues can be great sources of information,

assistance, inspiration, and sometimes even client referrals. Architects are generally disposed toward helping one another and will often share all manner of detailed, often proprietary, information as long as you are not in direct competition.

Many of these relationships are mutually beneficial. For instance, a former employer may not want to take on a project that is too small for his or her firm but is reluctant to turn the client away, and the project might be ideal for a small firm just getting started. The referring architect can thus serve the prospective client with a referral to someone who can better serve the client's needs—someone in whom the former employer has a degree of confidence from past association.

RETIRED BUSINESS OWNERS

There is no substitute for the school of hard knocks. Many people who have acquired business skill and knowledge through experience are eager to share it. Seek out a retired architect or small-business owner in your area who is willing to serve as a mentor and in whom you feel comfortable confiding. An invaluable resource is the Service Corps of Retired Executives (SCORE) [www.score.org], a nonprofit association dedicated to providing entrepreneurs and small-business owners with free, confidential, face-to-face and e-mail business counseling.

RESOURCES

More Best Practices

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

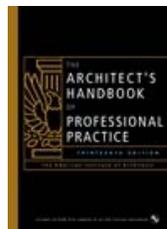
- 04.01.02 Starting a Firm: Lessons from Failure
- 04.01.03 Seven Tips for Emerging Firms
- 04.01.04 New Firms Grow with a Marketing Plan

For More Information on This Topic

This article is excerpted and adapted from

Architect's Essentials of Starting a Design Firm, by Peter Piven, FAIA, and Bradford Perkins, FAIA.

Written by two leading experts in the field, this valuable resource addresses all aspects of starting and maintaining a successful design firm.



See also "Starting a Firm," by Elena Marcheso Moreno, *The Architect's Handbook of Professional Practice*, 13th edition, Chapter 6, page 115. Both books

See also the 14th edition of the *Handbook*, which can be ordered from the AIA Bookstore by calling 800-242-3837 (option 4) or by email at bookstore@aia.org.



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Keywords

- Practice
- Business planning