

regarding architect liability vary among the states, design professionals generally cannot avoid professional liability through the use of an LLC.

### Changes in Ownership

Like ownership of a corporation, memberships in an LLC may be transferred with the permission of other members. Although many states have limitations on the transferability of membership, the authority to transfer memberships can be specified in the operating agreement. When specifically permitted, a membership may be transferred without terminating the LLC and creating a new company. In addition to including provisions for transfer of membership in the operating agreement, members should enter into buy/sell agreements that will establish a purchase price and methods of sale.

### Income Taxes

As previously mentioned, LLCs are generally treated as partnerships under tax laws. However, due to a recent federal statute concerning LLCs, architects should consult with a tax adviser to ensure an LLC meets the requirements for treatment as a partnership for tax purposes in the jurisdiction where they practice.

## 4.3 Strategic Planning for the Design Firm

Jack Reigle

*Before a firm can be effectively client-centered, it must first learn through its principals to “know thyself.” Strategic planning is the integrated process of examining, deciding, and composing the life of the firm.*

Strategic planning has undergone a revolution. Those in the vanguard have replaced the numbers-driven, operationally oriented, committee-designed plans of the past in favor of a simpler but bolder approach.

Good strategy is not complex, but it requires decisions. At its core is choice—the choice to be exceptional. Supporting the choice are the systems, structures, skills, and activities that bring it to life. Good strategy makes your career worthwhile. Good strategy defines the generational legacy of a firm, and turns firm leaders into teachers to cap off their career achievements.

Creating a great firm, one that fulfills a dream, is well within the reach of every practice owner. What separates success from failure is whether firm leaders are willing to design the company or not. To be the executive designers of a firm is a high calling and a lifetime career challenge. Beyond willingness is the need to tap into the passion leaders have for the type of work they love to do. It is this blending of a sophisticated planning process with high levels of individual passion that make the best firms as great as they are.

Strategic planning is a disciplined process. Like good programming, it asks for a hard look at your needs and wishes for the future, with special attention to desired

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**Jack Reigle** is president of SPARKS: The Center for Strategic Planning, located in Alexandria, Virginia, and Palm Beach Gardens, Florida. The firm counsels architects on company growth and transition strategies. The original version of this topic in the 13th edition of the Handbook was written by Ellen Flynn-Heapes, founder of SPARKS.

projects and clients, marketing, positioning, design and delivery processes (including staffing), and internal structures of leadership and finance. The choices firm leaders make create a growth model—an infrastructure of decisions that launch the firm into a preferred future. The term “growth” is used here in the broadest sense. It refers to how a firm will move forward, not necessarily to how big it will get.

Building a successful enterprise takes thinking time. In our hectic fee-for-time industry, firms tend to be stingy with their hours and fail to make the investment in thinking first and then enjoying the return on working smart. As consultants, we are often surprised when a client calls and wants to buy “a day” of our time for a strategic plan, as if it were a product unit. Would Sergey Brin or Jeff Immelt allocate one day to planning the future of Google or GE? Not likely. They invest time, not just once a year but throughout the year, in setting audacious goals, focusing their identity, analyzing trade-offs, nurturing progress, and weaving in new information that fine-tunes the plan. Whether or not you use consultants, strategic planning is an ongoing commitment to the health of your firm.

To use the material in this topic most effectively, it may help to create a discussion group to talk through each of the decisions in sequence. Take your time and go at your own pace. When you have moved through each level, you will have inevitably upgraded the critical thinking, planning, and decision-making skills of the group. From this juncture, you may choose to attempt a full-scale strategic planning exercise, or perhaps increase your reading and discussion time in preparation for such an effort. In either case, the skills you acquire will pay dividends not only in your firm but in your personal life as well.

## THE CATALYTIC DECISIONS

The beauty of effective strategic planning is its elegant framework for helping firm leaders think through a worthwhile company direction and then make it real.

Although good strategic planning can be a very sophisticated process, this summary highlights five core decisions for design firms. Each decision represents a level of logic in the ongoing process of company design. Since these decisions are such strong catalysts for effectiveness, we call them “catalytic decisions.”

**Catalytic Decision 1—The Why** defines the issues, pinpointing the knowledge and motivation needed for decision making. It kindles a fire with pressing issues and attractive opportunities, ultimately forming a “hot list” for focused discussion. This energizes the process and gives the planning team a running start. Typical issues that cause firms to take up strategy planning include ownership transition, new competitors, or a realization that the firm has lost its edge with traditional clients.

**Catalytic Decision 2—The Who** determines what the firm represents. It establishes common ground with a purpose and shared values. It clearly formulates the culture the firm wants to create and the contribution it wants to make to the world. Seeing other firms choose a sharply defined identity creates discomfort. It causes firm leaders to say, “They know who they are, and we’re all over the map; we can’t leverage ourselves this way.”

**Catalytic Decision 3—The Where** identifies a bold target for the future, set in specific terms and with a long horizon. It is the “end state” that galvanizes every current action and puts each investment into perspective. Vivid descriptions expand on the bold target to create a reality-enhancing picture. Another aspect of *where* is clearly the geographic question, and too many firms build an “invisible fence” around themselves, believing they will be less successful going into a new region or state.

**Catalytic Decision 4—The How** builds on the firm’s images of success. The planning team chooses the most potent images as prime strategies. A companion scorecard anchors these, reflecting how things will unfold in specific, critical areas over a three-year period. This helps firms think through their intentions.

Catalytic Decision 5—The What relates to the actions the firm chooses to take. These flow directly from the four previous catalytic decisions. Investment-quality actions are the highest-leverage, current-year tasks that you implement in service to the future of the firm.

## Catalytic Decision 1—The Why

The reality is as Machiavelli once wrote, “All motivation stems from discomfort, be it fear or ambition.” No one ever achieved anything in comfortable conditions. In fact, most achievers were highly uncomfortable at some point in their lives, driving them to action. Problems and ambitions coalesce energy—they focus it like a laser.

On an organizational level, the top motivators of change (and thus planning) are leadership, succession, underperformance in a healthy economy, and the effects of too-rapid growth, usually a matter of culture clashes after acquisitions.

No amount of *shoulds* will ever motivate us. Our best successes derive from whatever is inside us, providing that motivating force. Do not be afraid to stir the pot.

**Creating the hot list.** Input can be gathered from many sources and in as much depth as interest and resources allow. Good vehicles for building the idea base are surveys and interviews with principals and staff as well as clients.

Sometimes firms get an overwhelming response to surveys and interviews. This reflects a great deal of pent-up energy, as well as a confidence that the leadership will hear and act on the ideas being offered.

Effective questions to be considered come from the simple and direct approach:

- “What’s working in this firm?”(and not working)
- “What expectations did you have about working here (or working with us as a service provider) that haven’t been met?” Follow up with additional questions with more depth.
- “What markets should we exit?”
- “What can be improved about our firm’s approach to a project?”

To synthesize the response to surveys and interviews into a clear, useful format, organize information into three strategic systems: *getting work* (markets, positioning, and marketing), *doing work* (projects, systems, and people), and *organizing work* (money, staff development,, and leadership). Allocate every comment to one of the three systems and, within these, to specific topics that coalesce from similar comments. The accompanying table provides five typical topics used to organize input within the overall strategic systems. Of course, each firm has its own specific issues and opportunities, and additional points should be generated to capture them.

In practice, a hot list usually contains many important themes. These must be prioritized, a job best accomplished through a small-group process in which consensus can be built. This step goes a long way toward focusing decisions, which results in more time for targeted creative effort and more rewarding initiatives.

**The feedback loop.** Everyone who has contributed ideas will be eager to see the final list of hot topics. Most firms present this material along with the finalized plan so that they can show they have both listened and committed to action.

### THE THREE STRATEGIC SYSTEMS

Getting Work	Doing Work	Organizing Work
Clients	Project types	Leadership
Image and message	Deep expertise	Ownership
Promotion	Project management	Structure
Pricing	Staffing/mix	Profitability
Geography	Learning	Information systems

## SAMPLE FIRM HOT LIST

Getting Work	Key issue	<b>No clear direction, mediocre projects.</b> "We lack a clear direction as to what we're about. Since we chase everything, we tend to win the low-budget projects for the most demanding clients. And it takes a lot of effort."
	Opportunity	"Let's focus on building a position in the recreation and entertainment markets. They're here for the long haul."
Doing Work	Key issue	<b>We've lost our cutting edge.</b> "We used to be cutting-edge—remember our award-winning work in new energy-saving technologies? Now we keep our heads down and focus on time and price."
	Opportunity	"Form a group just to spearhead new energy-oriented projects. Let's hire some experience and stake our claim."
Organizing Work	Key issue	<b>We're survivalists!</b> "Who will our future leader be when Bob retires? Everyone is jockeying for position, and it's hurting morale and productivity."
	Opportunity	"Begin to explore the options, and create a leadership succession plan."

## Catalytic Decision 2—The Who

Although we have been indoctrinated in recent years to be flexible, to serve and respond to the client, many firms have gone overboard and abrogated their own dreams. The best firms are driven first and foremost by a strong internal vision of distinction and contribution. With this clarity, they go into the marketplace well equipped to seek the right client base with whom to create productive and satisfying relationships.

**The purpose of the firm.** A powerful vision begins with what we have come to call the *dedication* and expands into a bold target. (Note that we have forsaken the word *mission*. The concept in its traditional sense is useful, but in business practice, it has been severely diluted. The purpose and bold target statements advance the usefulness of the original concept.)

Beliefs about what the organization stands for—its core values and its purpose or contribution to the world—are the foundation of the firm's identity. These beliefs drive the decisions, behaviors, and resource investments of the firm, even under conditions of adversity. They operate in the firm whether they are conscious or not, positive or negative, and whether they create energy or waste it. They also have a remarkable tendency to remain stable over the life of the firm.

**Values and what they really mean.** Values are inextricably linked to personal life experiences. For example, years ago you might have started a firm working alone in the basement. Today you have a strong drive for collaboration, fueled by that early experience. You might have spent time with people who did not always stand by their word, and today you have an overwhelming respect for honesty. Look closely at what is elevated by your firm's culture—it reflects strongly on the values of the leadership.

Values also identify the deepest expectations that members of an organization have of one another. It is essential to hold a frank and candid discussion of what each person's values mean and then to place them in perspective through the planning team. Using an assessment instrument such as the Myers-Briggs Type Indicator can shed light on values, giving new insight and adding to a meaningful discussion.

At least two kinds of values operate in a firm: cultural values and business values. Having the courage to productively and purposefully shift the culture of a firm is one of the hallmarks of great leaders. For example, in his leadership of GE, Jack Welch

focused on operational results; now Jeff Immelt is managing for thoughtful risk through innovation.

Through discussion, a firm's leaders can glean the most compelling values and build consensus on a few select choices. Debate uncovers discrepancies between desired values and actual (sometimes client-driven) values. The selection process helps a firm explore these deeper issues and determine what really matters.

**Cultural values.** About sixty cultural values are routinely discussed in society. The favorites of architects are these:

- Collaboration/teamwork
- Creativity/innovation
- Environmental stewardship
- Fun/adventure
- Prosperity
- Communication
- Integrity/honesty

When selecting such relationship-oriented values, be rigorous. Get good working definitions, along with examples and stories that weave a depth of meaning. Such backup material is important, not only to illustrate common ground but to give people a sanctioned vehicle for confronting transgressions. Most professionals avoid conflict and consequently will avoid straight talk to offenders unless there are previously determined and defined values to uphold. Clearly, it helps to be able to say, "Hey, Jim, remember that we're committed to communication around here. I understand that your team members feel like they don't have much information about the project. Can we talk about this?"

**Business values.** After the cultural values statement is complete, move to the business values of the firm. In industry, notable business values include radical customer service at Nordstrom, impeccable operations management at Disney, and the emergence as product innovators of LG.

Brainstorm a list of business values. Working from what will undoubtedly be a long list, have individuals select their favorites, debate the options for the firm, and agree on the most resonant choice. Most firms find it difficult to select their top business value, partially because clients demand everything. But the truth is that singular identity is the most potent force in value creation. Although it may seem counterintuitive, it is a disadvantage for a firm to be known for too many things. Here are the major reasons:

- *Split image.* From the client's viewpoint, it is confusing enough to sort out the many competing firms, much less one firm with multiple messages. If your firm is known for restaurants, clients will assume you cannot possibly do a courthouse. If the client cannot figure out what a firm does, the client cannot select it (unless the firm buys the job).
- *Culture.* Most firms build a culture that supports a key business value by emphasizing a message and by hiring certain types of staff. A hometown culture—even with the best intentions—is not going to attract or support niche specialists.
- *Split resources.* Most firms find they have neither the management infrastructure nor the resources to build strength in several areas simultaneously. Instead, they find that building depth increases their leverage and effectiveness.

To a reasonable degree, a firm must be competent in all areas of practice. Every firm requires a solid baseline of all the business values in its work. But the key to creating a respected, valuable firm is developing a special strength, a *distinction in the marketplace*.

The firm's top business value can be further developed into a *value proposition*. The value proposition answers the question, "What is the most valuable, most distinctive aspect of our work?" It is what clients buy from *your firm* rather than from your

competition. Try to cast the value proposition in the voice of the client. For example: “These guys really know how to design a facility for high-growth, high-change companies like ours, where technology plays a huge part in our success. They can organize a million complex elements into a clear picture, and then get it done like they were part of our in-house crew.”

**Purpose/contribution.** Purpose—or contribution, as we prefer to call it—is the very heartbeat of the enterprise. It answers the questions “What are we shooting for, ultimately?” “What would we continue to shoot for even if this business didn’t exist?” Purpose taps a firm’s deeper reasons for being, beyond the basic requirement of making money.

Management guru Peter F. Drucker pointed out that the best and most dedicated people are ultimately volunteers, for they have many lucrative opportunities from which to choose. So companies need to have a clear understanding of their contribution in order to attract, motivate, and retain outstanding people.

In an effort to be succinct, most firms have created mission statements that are watered-down committee-based nonsense. Trying to hit all the bases, they give little real direction. The following example is from an actual firm that doesn’t wish to make a stand; worse, it uses words dishonestly: “We work in an accurate and timely manner with government, corporate, institutional, and development clients. Our unique mix of disciplines, our innovative solutions, and our personal commitment to clients allow us to meet and exceed their expectations.” A “unique mix of disciplines” is a standard multidisciplinary firm. “Innovative solutions” means they do the best they can do. This is the direct route to being a jack-of-all-trades and master of none.

Some missions are so benign and generic that no one can possibly object: “XXX—solutions for the natural and built environments,” or “XXX is dedicated to creative, responsive, quality solutions for those we serve.” Some are almost self-delusional, based on a prevailing sense of what they think will please their staff: “XXX seeks to be the premier firm in our region, offering a full-service approach to our clients.”

When crafting your purpose, be conscious of the generalities you might be tempted to use. Get clear on what you stand for and what you want to see accomplished in the world by a strong and healthy organization like yours.

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### Catalytic Decision 3—The Where

The number one characteristic of leaders is the clear sense of destiny they enjoy. This sense of destiny energizes effort and brings groups above the realm of petty politics to real performance. The design profession is no different than other industries at its soul, yet the challenge for its leaders is to be free enough from all-consuming project work to make a real difference.

**The bold target.** Once a firm knows what it stands for, the next step is to design a powerful view of what its leaders want to accomplish over the long term. This is the end state, or “big hairy audacious goal” (BHAG)—a term coined by Jim Collins and Stan Porras in their landmark study of America’s most enduring companies, *Built to Last*. Perhaps the single most energizing element of strategic planning, the bold target translates gut-level values and purpose into the beginnings of focused, dynamic action.

Here is the classic BHAG: “By the end of the decade, put a man on the moon and bring him back safely.” Another real-life example: In recent years we’ve seen an increase in what we call the “52-year-old sprint.” Around this age, people begin to recognize their mortality. Taking stock of their careers and their firms, some decide to make a break. They seek to make their mark in a more creative way, without the baggage and bureaucracy of

#### WHAT IS OUR FIRM’S CONTRIBUTION?

Here are some real-life examples from the design profession:

- “We are advocates of the public good. We believe in the value of the American justice system and are committed to participating in its improvement.”
- “We design working and living places that inspire and strengthen the social connectivity of community.”
- “We create enriched environments that empower people to reach their educational objectives.”
- “We solve complex, challenging problems in the senior housing industry through the creative use of our talent and technology.”

the existing organization. One of our recent breakaway sprinters formulated his bold target this way: “I want to make an international contribution in what I know best [a certain niche], and I want to take home at least \$350,000 per year doing it.” His bold target forcefully shaped his entire new organization, and in just a few years it paid off handsomely.

A BHAG has three basic requirements:

- A clear finish line (so you can know when it has been achieved)
- A ten- to thirty-year time horizon
- Considerable effort and a lot of courage

By forcing a firm to think about the future, the bold target provides a structure to go beyond the mere mission statement. Because of its time horizon, it takes the heat off current constraints and commitments (and excuses) and allows an unfettered view. Because of its audacity, it releases energy, forging a vibrant esprit de corps. Because it creates a focal point, it streamlines decisions, investments, and progress.

**How to generate a bold target.** There are at least four ways to think about a BHAG:

1. Common enemy (e.g., “Beat Coke”)
2. Role model (e.g., “Be the Harvard of the West”)
3. Qualitative or quantitative (e.g., “Half a billion dollars in revenue by 2015”)
4. Transformational (e.g., “Be acknowledged as the best client service organization in our industry”)

Brainstorm your ideas in each of these dimensions, discussing and debating the merits of each. Find the commonalities, and then craft your bold target. So that everyone understands this succinct target, we suggest some annotation, including highlights from the discussion, following the statement itself. The accompanying table contains examples from firms in our profession; BHAGs should indeed be bold.

**Vivid descriptions.** Tangible images of the end state—the culture and actions the firm is aiming for—amplify the BHAG, gradually bringing it to life. Images of a time when the BHAG has been reached offer a preview of what a firm will look like if you actually fulfill the dream.

## SAMPLE BOLD TARGETS

### Qualitative/Quantitative

“Create a new model for the design of community.”

“Be a firm with the geographic presence, talent, and expertise to effectively compete on the best library projects anywhere in the United States.”

“Hit the front page of *USA Today* for our distinguished work in train station restorations.”

“Zero errors and omissions.”

### Common Enemy

“Run the big management consulting firms out of our industry.”

“By 2020, eclipse HOK Sport as the world leader in sports facilities.”

### Role Model

“Become the Google of the educational facility design market.”

“Be the Starbucks of prefabricated housing for the homeless.”

### Internal Transformation

“By 2010, be the first organization our clients think of for new info-tech generation services and products.”

“Move from our formative stages to being the AIA Firm of the Year.”

The more vividly a picture is painted, the more tangible, and thus the more possible, it becomes in people's imaginations. The more clearly firm leaders understand the BHAG, the more clearly they can communicate it. Staff, in turn, can make daily decisions with assurance they are pulling in the right direction, without the stifling bureaucracy of heavy management.

To envision what the future might be like once the firm has achieved its bold target, describe how things would be working from the perspective of the end state. For ideas, use the three strategic systems discussed earlier, as well as the energy-laden themes gleaned from the hot list input process.

For example, ask and answer questions such as these: "What kind of people and skills will make up the firm? How will we keep them motivated and productive? How will learning take place? What will communication be like?" Write a meaty paragraph on each answer, weaving in each topic and theme. Your most compelling answers will drive the prime strategies of the next decision.

### Catalytic Decision 4—The How

From the multiple images of success it has envisioned, the planning team selects the most potent as primary strategies. Then a scorecard is designed to reflect a common understanding of how things will be different in a few critical areas. This helps everyone think through their intentions.

**Prime strategies.** Prime strategies are major initiatives targeted to achieve the firm's bold target. They consist of the best ideas in each of the three strategic systems (getting work, doing work, organizing resources), chosen for their high-impact potential for meeting the future vision of the firm. Prime strategies are not a compendium of best practices; instead, they are the best of the best practices for the firm as it wishes to operate in the future. For example, the hypothetical firm Carter & Riggs had seventeen points in its vivid description. After discussion and prioritization, it agreed on the three prime strategies shown in the accompanying table.

**Keeping score.** It is hard to play a high-energy game without keeping some kind of score. The score is an expression of desired results. Far from being burdensome account-

#### SAMPLE PRIME STRATEGIES

##### CARTER & RIGGS 2020

System	Vivid Description	Prime Strategy
<b>Getting Work</b>	We're deeply involved in all the sports-related associations, volunteering 10 percent of each staff member's time to causes. Our network is closely connected, and we count the major owners, operators, politicians, and media among our closest friends.	Build unsurpassed network.
<b>Doing Work</b>	We offer a full complement of sports-related facility services, including a financing group and a construction group. Over the years, we've systematically hired sports figures and managers, and they've given us many insights into the performance of our projects. We're especially proud of our standing project teams for the various sports.	Hire sports figures and enthusiasts.
<b>Organizing Work</b>	Our work is well known throughout the world. We have key offices in five international cities and a web of local offices throughout the Western Hemisphere. Our ownership is broad because we value sportsmanlike teamwork. We're also well organized because we value and respect the rules of the game.	Consolidate through acquisitions.

abilities, the results help team members project their strategies into the future so they fully understand and agree upon the implications of their initiatives. It is not uncommon for planning team members to agree with a given direction in concept, but then to retrench when the targets and their metrics are put on the table. The realities of, say, leading a niche market may require more change than firm leaders are willing to back.

To take advantage of this reality check, look at whatever the firm considers essential from a scorecard perspective. For example:

- If you want to compete with the best firms in your area of expertise, create a measure for how many times your firm is short-listed with the best.
- If you want to be known for sustainability, create an indicator that assigns a percentage target to those kinds of jobs compared with your traditional jobs.
- If you seek high visibility, make targets for the speaking and writing efforts of firm leaders and other staff members.
- If you seek new niche markets, create a score that projects revenues for ideal niche and traditional markets.
- If you need larger projects, define target proportions in various fee ranges.
- If you want to improve staff quality, identify the number of A+ hires you need.

In choosing metrics for proposed targets, don't default to conventional financial measures just because they are easy to capture. Although sound fiscal management is indeed healthy, focusing the firm's planning effort around dry statistics will sap the creative energy that is at the root of making good things happen.

Select not more than three indicators that reflect how you want the firm to advance. Begin with a baseline of current-year performance and project desired performance levels three years out. Remember, almost anything can be put into this language. Be clever. Our hypothetical firm of Carter & Riggs developed the scorecard shown in the accompanying table.

### Catalytic Decision 5—The What

The entire strategic plan is made concrete through tasks we call *investments*. When clearly articulated, these directly link all prior levels of decision making with action. Like investments in a college education or a technology stock, they require an expenditure of resources, with the expectation of an increased future return.

#### SAMPLE SCORECARD

##### CARTER & RIGGS 2020

System	Prime Strategy	Scores
<b>Getting Work</b>	Build unsurpassed network.	Number of interdisciplinary alliances formed: Year 1 3 Year 2 4 Year 3 6 Year 4 3
<b>Doing Work</b>	Hire sports figures and enthusiasts.	Percentage of staff with sports background: Year 1 0% Year 2 20% Year 3 45% Year 4 65%
<b>Organizing Work</b>	Consolidate industry through acquisitions.	Target acquisitions—to build depth: Year 1 0 Year 2 3 Year 3 6 Year 4 3

## SAMPLE SELECTION OF INVESTMENTS

### CARTER & RIGGS 2020

System	Prime Strategy	Scores	Investments
<b>Getting Work</b>	Build unsurpassed network	Alliances formed: 2006 3 2007 4 2008 6 2009 3	Create a referral base. Organize network "war room."
<b>Doing Work</b>	Hire sports figures and enthusiasts	Sports figures hired: 2006 0% 2007 20% 2008 45% 2009 65%	Hire executive search firm. Create sports research institute to attract and recruit.
<b>Organizing Work</b>	Consolidate industry through acquisition	Firms acquired: 2006 0 2007 3 2008 6 2009 3	Build target scenarios. Make first acquisitions.

**Investments.** Most strategic planners use the term "action plans," and experienced retreat participants tend to dread this part of the planning process. In fact, compiling a long to-do list can actually discourage implementation. Practitioners today have overly full plates with their existing work. They do not need more time-consuming projects.

But calling these "investments" changes the paradigm. Because investments *require* diligent attention from the firm, the planning team critically appraises them for their costs and benefits. After reviewing all the options, the team pinpoints the investments offering the highest leverage—in other words, those that will have substantial impact on company success.

To fund investments in both time and money, use a simple pro forma outline. Investments are cast as distinct deliverables, including a sponsoring agent and a program description, as well as estimated timing, required resources of time and money, and expected returns. This discipline filters out all but the most worthy activities. Be rigorous in accepting investments, striving not for good housekeeping but for impact. Always link these important investments to the annual budget.

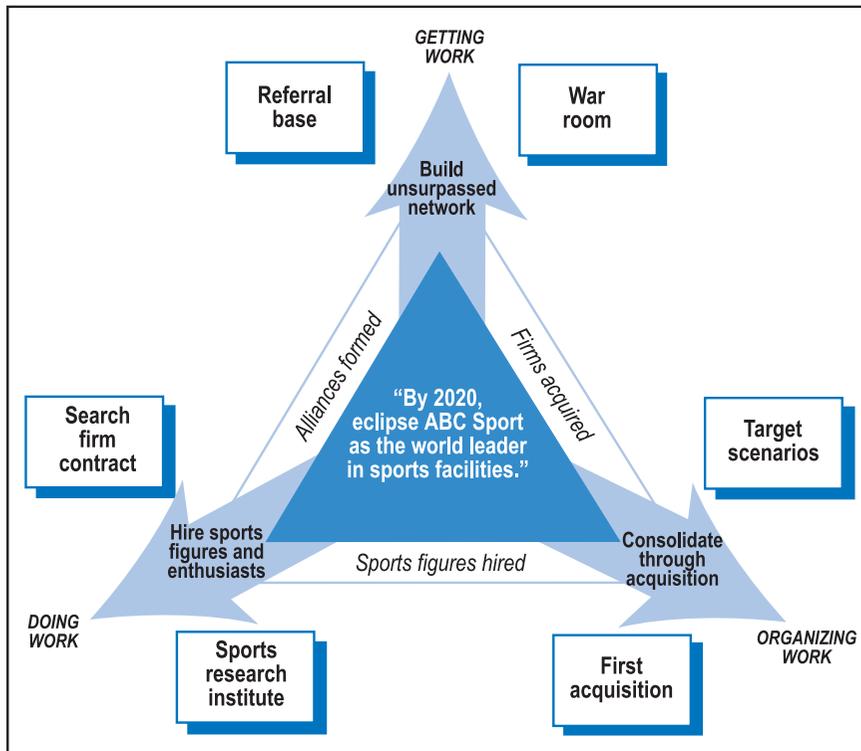
## THE GROWTH MODEL

The culmination of the five catalytic decisions is development of a growth model for the firm—a graphic depiction of its future vision linked to action. The model focuses the firm on the path to the future.

Because the best patterns are graphic, the growth model graphically depicts a shared mental model for how to achieve the firm's vision. In the process of mapping the strategic pieces, you identify the most important elements, view alignments, and weed out nonessentials. The growth model makes abundantly clear where the highest-leverage initiatives are and where investment is needed. It speeds communication and improves understanding among stakeholders.

The growth model, using graphic symbols, can depict a firm's strategic thinking:

- The *triangle* represents the firm's bold target.
- *Arrows* contain the firm's prime strategies for achieving its vision.
- *Diagonals* indicate metrics for tracking progress.
- *Boxes* show investment-quality projects.
- *Circles* can be added to identify who will champion each investment.



Sample Growth Model

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The growth model funnels the many possible actions of the firm into a few strategic essentials that must be accomplished.

## FOLLOW-THROUGH

In following the steps outlined so far, a firm uses time, spends money, and raises expectations. The rewards will be yours under one condition: that you follow through.

The rewards of successful strategic planning, proven time and again, are great clients, highly motivated staff, challenging work, and financial success. Penalties for inaction, on the other hand, include cynicism among your staff, waste of limited resources, and perhaps diminished self-esteem among firm leaders.

It is essential, then, to proactively design an implementation program. Like a gardener who has planted the best seeds, you must feed, water, and weed if you expect results. Any new initiative will die unless it continues to be nurtured. Although this chapter is devoted to the catalytic decisions of strategic planning, some discussion of follow-through techniques is in order.

**Progress-seeking plan.** Toward the close of planning, the team should design a process for reconvening to support action. A well-organized progress-seeking program offers a mechanism for enabling energetic execution, rewarding individual effort, and communicating results to staff. Elements to be decided include who will spearhead the effort, when meetings will occur, who will attend, how meetings will be organized, and what provisions will be made when some team members cannot attend.

**Communicating.** Staff members who have not participated in the planning process will be very eager to hear about decisions made in the firm's strategic planning retreat—decisions that will affect them personally. As a concluding element to the strategic planning effort, set aside thirty minutes to prepare a list of talking points to share with staff. Then continue to keep them informed of progress via a memo from the president, bulletin board notes, or newsletter.

**Documentation and summary materials.** One of the goals of strategic planning is to establish common ground. To this end, full documentation is essential so that everyone is clear at the outset about the decisions and agreements that have been made. This documentation will also be useful to remind staff of the goals agreed to when they begin to work on the next round of annual planning. No one can be expected to recall the

## SAMPLE SUMMARY OF DECISIONS

### CARTER & RIGGS 2020

Decision 1	Hot List	<p>Opportunity: "Maturing of the sports design market beyond a cool niche, but continued demographic demand."</p> <p>Threat: "We need to go well beyond conventional practice, and our best people might leave."</p>
Decision 2	Dedication	<p>Cultural Values: Relationships, communication, athletics.</p> <p>Value Proposition: "We're in the know about the world of recreation. We're our clients' most trusted partner, working closely to provide all the services they need for success."</p> <p>Contribution: "We believe the world of sports offers the perfect vehicle for healthy lives. We seek to bring more of this experience to people around the world."</p>
Decision 3	Bold Target (common enemy)	<p>Bold Target: "By 2020 we will eclipse HOK Sport as the world leader in sports facilities."</p> <p>Vivid Description: Getting work: "We're deeply involved in all the sports-related associations, volunteering 10% of each staff member's time to causes. Our network is closely connected, and we count the major owners, operators, politicians, and media among our closest friends." Doing work: "We now offer a full complement of sports-related facilities services, including a financing group and a construction group. Over the years, we've systematically hired sports figures and managers, and they've given us many insights into the performance of our projects. We're especially proud of our standing project teams for the various sports." Organizing work: "Our work is well known throughout the world. We now have key offices in five international cities and a web of local offices throughout the Western Hemisphere. Our ownership is broad because we value sportsmanlike teamwork. We're also well organized because we value and respect the rules of the game."</p>
Decision 4	Prime Strategies and Scorecard	<p>Getting Work: Build unsurpassed network.</p> <p>Doing Work: Hire sports figures and enthusiasts.</p> <p>Organizing Work: Consolidate through acquisition.</p> <p>Alliances Formed: Thirteen by 2008</p> <p>Staff with Sports Background: 65 percent by 2009</p> <p>Target Acquisitions: Six by 2010</p>
Decision 5	Investments	<p>Build a referral base. Organize network "war room." Hire executive search firm. Create sports research institute. Create scenarios. Make first acquisition.</p>

events of last year, nor can they be expected to reinterpret copied flip-chart notes. Also, a summary brochure for wider distribution can be an excellent way to convey your vision—without great detail—to key clients and alliance partners.

## IN SUMMARY: FIRST THINGS FIRST

Many firms neglect the most basic elements of long-term stability and growth: knowing one's identity and knowing what is most important to accomplish. They chase whatever opportunities arise, slavishly serve clients, and find themselves in a never-ending rat race. To create respectful partnerships with clients, firms must be worthy partners—strong players who know their stuff. The best clients respect firms that will listen but will then lead them to the desired outcome.

To achieve such relationships, firm leaders must compose their organization with care—and continue to nurture it—in order to attract clients and staff that allow the firm to offer distinctive value to its chosen clients. Strategic planning is the way to focus a firm on the path to making careers meaningful, worthwhile, and rewarding.

### For More Information

For a more detailed discussion of BHAGs, see *Built to Last: Successful Habits of Visionary Companies* by James C. Collins and Jerry I. Porras (1997). For more information on purpose statements, see *Say It and Live It* by Patricia Jones and Larry Kahaner (1995). Other recommended works on strategic planning are the classic text *Strategic Planning: What Every Manager Must Know* by George A. Steiner (1997) and *Making Strategy Work* by Lawrence G. Hrebiniak (2005), as well as *Creating Wealth: Principles and Practices for Design Firms* (SPARKS, 2000) and *The Sparks Framework: An Assessment Tool for Firm Identity* (SPARKS, 2000), both by Ellen Flynn-Heapes. ([www.forsparks.com](http://www.forsparks.com))

## 4.4 Firm Identity and Expertise

Jack Reigle

*Clients in all markets seek value from their architects. A firm's distinctive expertise should match what its ideal clients value most.*

When all is said and done, the rewards of the architecture profession accrue to value-producing experts. Rather than defining value in the traditional way—as low cost—a deeper look reveals that value is, of course, in the eye of the beholder. Some clients value Sir Norman Foster, while others value the firm that can get things done in town. Some value BSW International and its talent for rollouts, while others value Heery International for its program management expertise.

Large or small, experts build value. In fact, they are the only ones who build sustainable value rather than take advantage of lucky breaks. Just being a responsive and

Jack Reigle is president of SPARKS: The Center for Strategic Planning, located in Alexandria, Virginia, and Palm Beach Gardens, Florida. The firm counsels architects on company growth and transition strategies. The original version of this topic in the 13th edition of the Handbook was written by Ellen Flynn-Heapes, founder of SPARKS.