

*The credit belongs to those who, at the best, know the triumph of high achievement; and who, at the worst, if they fail, fail while daring greatly. Their place shall never be with those cold and timid souls who know neither victory nor defeat.*

Theodore Roosevelt

community knowledge strategy. However, the best choice is to be firmly anchored in one archetype and then cross-fertilize in a deliberately designed way.

## THE CHALLENGE

Any firm can go along with conventional growth and diversification tactics, but while the “numbers” side can provide a sense of success, it masks a deeper issue: The better clients with the best projects are seeking out the category experts. What is needed to achieve a spot as a category expert goes much deeper than differentiation—it is a full commitment to becoming identified in the market with a particular knowledge and skill set.

The expert firms delight in seeking mastery. Their work is challenging, and their businesses make meaningful contributions. To create firms of value, company leaders must be the executive designers of their firm’s distinctive enterprise. They must treat this responsibility with all the care and passion they bring to just one of their projects. In the age of the expert, the challenge is to look at a fresh reality approach to firm identity:

- Devote your firm to what you care most about achieving.
- Seize the needed resources to fully fund your business design.
- Decisively assert leadership of your market.

## For More Information

Recommended works on business strategy and design include the following:

*Built to Last: Successful Habits of Visionary Companies* (Random House, 1997), by James C. Collins and Jerry I. Porras, examines eighteen world-class companies and the reasons for their success.

In *Focus: The Future of Your Company Depends on It* (Collins, 1996), Al Ries uses the experiences of different companies to show that “focus” on core products or services is the key to success in today’s business environment.

In *Positioning: The Battle for Your Mind* (McGraw-Hill, 1993), Al Ries and Jack Trout posit that to become a market leader, a company must choose what kind of customers it wants to serve and design its operating model to fulfill the chosen customers’ values, at the same time maintaining appropriate standards in other customer values.

According to Michael Treacy and Fred Wiersema, authors of *The Discipline of Market Leaders* (Perseus Books Group, 1995), there are three kinds of customers, each with a particular idea of what constitutes value in a product or service: (1) high performance, (2) personalized service, or (3) overall cost of the product.

## BACKGROUND

### ESTABLISHING A NICHE PRACTICE

Jack Reigle

Some practitioners look for niche opportunities—ways to differentiate themselves and their practices from others in their marketplace. Drawing on a definition from NicheMarket.com, a niche market is “a narrowly defined group of potential customers.” Likewise, a niche practice is a business focused on

“addressing a need for a product or service that is not being addressed by mainstream providers.”

Most practices aren’t niche practices. Some have a niche market focus, though usually not well developed or far-reaching. Typically, firms pursuing a niche market engage in short-term, local opportunities that fade once the competition catches up. Firms that seriously pursue a niche practice, not just a market, find it both more rewarding and

more challenging than a general practice. Some of the reasons for this include the following:

- **The firm increases its expertise.** Expertise is highly valued in today's world, and the further away from a commodity a firm's services can be, the better. The challenge is to make a commitment and to staff that commitment in a way that causes your market audience to respond positively. Niche experts are educators and passionate believers who see a path that others learn from and are compelled to follow.
- **The firm invests time and money.** The benefits of operating as a niche practice accrue through investment, not dabbling. The decision to become a niche practice demands much investment in effort and money to reap the rewards.
- **Identity gives the firm credibility.** Once the world has been convinced the firm is serious about succeeding in its chosen niche market, the firm will be identified by what it does and its name will become synonymous with the best in that market, as has been the case with HOK Sport Venue Event.
- **Better projects find the firm.** When a firm's message is clear and consistent, the target audience feels more comfortable coming to it to meet their particular needs.
- **Firm profits are stronger.** Clients with highly specialized needs will pay more to have them met.

A niche practice is a powerful concept. It connotes commitment, depth of knowledge, singular focus, and market positioning as the "go-to" firm for a particular project type. Can a niche be a service? Yes—think Ayers Saint Gross for campus master planning. Can a niche be a technology applied to design? Yes—think CRB Consulting Engineers for clean rooms. Success in its niche will define *who the firm is* to most of the people in its target market or sector.

One element common to all niche practices is *focus*, accompanied by the ability to overcome fear that such focus is too narrow and will create too much risk in an economic downturn. Downturns do happen, but in today's world, who believes that the recognized specialists *will not* get their share of the remaining work when the next crash occurs? Sometimes an entire market segment grinds to a halt; but successful niche firms see it coming and adjust their plans to survive. In the corporate market crash of 2000, the only part of the market that crashed was the commodity side driven by developers. Niche practices were not affected.

Specialization and focus create clarity and help draw a firm's best clients and projects closer. To keep them, though, the firm must perform. A firm that wants to develop a niche practice should take the following actions:

- **Find a source of passion and energy.** You need about three leaders who all want the same thing, share a common vision, and have the verve to move things for-

ward. Any fewer and your efforts become an argument; too many more, and your leadership team becomes a committee.

- **Identify your target market.** Have a clear client set in mind—distinct populations within universities, cities, or corporate markets, or a specific class of end users who will demand recognized expertise from those whose services they engage.
- **Develop corporate autonomy.** A niche practice cannot survive within a general practice with other commitments. If you choose to transition to a niche practice from a general practice, consider creating a studio, division, or other separate entity to insulate the effort from the momentum of the generalist work. Provide staff members with clear direction, then set them free to create, teach, and take risks.
- **Establish point-of-entry services.** Niche experts are ahead of the curve—way ahead. They see the future, develop their own projects, and have an array of useful tools to open client doors well before an RFP is issued or a conceptual design sketch is drawn. Think economic development modeling or supply-chain analysis for an emerging industry. These specialized areas of knowledge can be translated to the needs of users and then to a specific design and feel for a facility.
- **Use research.** There is great power in research, especially when a firm owns it and has created it for others to use. Start small, and do it yourself instead of relying on traditional industry sources. Proprietary research is your first branding opportunity and will establish your identity more quickly than most other actions. Give your research away liberally, and it will turn to gold before your eyes.

Any way you cut it, being a niche practice, having a tightly organized set of focused services, or offering a specialized technology is demanding. A firm will need to continuously refresh its marketing messages, point-of-entry approaches, and client-oriented knowledge base to maintain its niche.

Learn to love travel. The niche world means airplanes, plain and simple. A small (but highly profitable) client base may be spread around the country, continent, and world. If current staff members don't like that lifestyle, you will have to find others who do or forego the niche practice.

Most clients who hire a niche firm don't come back every year or two for more, so the marketing game changes. While many generalist firms get 50 to 60 percent of their annual revenues from repeat clients, niche firms should forecast only about 10 to 15 percent. Adjust your marketing strategy appropriately.

A good niche opportunity can last about ten years before it becomes commoditized, copied, and otherwise diluted into the mainstream. This means a niche practice needs to create new ideas every five years or so to remain viable. A firm can accomplish this by seeking out or creat-

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ing new combinations of markets. A recent example is the interest of universities in building retirement communities within their campus complexes or on properties close to traditional campuses. If your firm's niche has been dorms, here's an opportunity to evolve your practice.

A niche practice may have more than one market. If it does, ensure those markets are closely related so as not to dilute the firm's positioning. Practically speaking, it is more effective to have multiple niches in related groups, such as medical complexes or higher education facilities, than to mix niches across unrelated markets. Multiple niches spread among diverse client groups are very difficult to establish or maintain.

One thing is clear: Trying to manage a hybrid firm—half niche, half generalist—is difficult. It can be done as a

transitional approach, but not on an ongoing basis. The marketing approaches, fee structures, travel demands, talent needs, and leadership demands, among other things, are too diverse for simultaneous success on both sides. If transitioning from a general practice to a niche practice seems right for your firm, be ready to replace many of your current staff members and begin letting go of the patron clients you have cultivated. Think about establishing a stand-alone firm, division, or studio for the niche practice.

The niche idea has a high threshold. Many firms yearn for such a place, and a small handful make it work over the long term. Is it right for you and for your firm? Many firms will take the chance, put the puzzle pieces together, and attempt to live their particular dream.

## 4.5 Team Building for Architects

William C. Ronco, Ph.D.

*Productive teamwork is an essential aspect of professional practice. Architects can improve their ability to work together by employing a set of basic team-building activities that can help architecture teams improve communication, creativity, and performance.*

**T**he work of most practicing architects is carried out in teams. Thus, effective teams and teamwork are vital to the success of nearly every architecture firm. Architects may form or work with a variety of teams, including:

- **Project teams.** The work of most projects is carried out in teams that include architects, engineers, contractors, subcontractors, owners, and users. Effective collaboration among teams contributes to project profitability and quality and helps achieve the original design intent.
- **Ownership and leadership teams.** Teams of principals and partners govern many architecture firms. Such teams contribute to achieving firm goals and objectives, producing positive organization cultures, improving information sharing between departments, and increasing productivity and financial performance.
- **Studios, departments, and markets.** Many firms are organized by studios, or departments, that specialize in a building type or serve a specific market or client group. Successful teamwork in these group settings contributes to more optimal personnel assignments, better professional development and mentoring, and higher employee job satisfaction.

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