

Considering Your Own Firm?

Contributed by the AIA Knowledge Resources staff

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SUMMARY

This Best Practice was developed from the comments of three AIA members about their experiences starting their own firms and the transition from employee to employer. Although each person's course is unique, some clear lessons learned can be gained from their experiences. (Our interviewees' individual responses to six questions are available at [Best Practices Chapter 6](#).)

OUR INTERVIEWEES

Leslie Fitzpatrick Tyrone, AIA, LEED AP, started her multidisciplinary firm, LeftArc, weeks after her 30th birthday. She was determined to become the type of architect she had always envisioned she would be even if that meant taking a leap of faith.

Stephen Oliver, AIA, LEED AP, president-elect of AIA Austin, very recently ventured out on his own to start his practice, OPA Design Studio. Two months into the process, he can see a different future for himself as an employer and can offer advice to those curious about firm ownership with a keen eye on the early stages of the process.

Linda Reeder, AIA, LEED AP, started her sole proprietorship, Linda Reeder Architecture, LLC, in 2005. She specializes in residential renovations and additions and acts as a consultant to architecture firms that focus on educational and institutional work.

YEARS OF EXPERIENCE NEEDED

Leslie Tyrone, Steve Oliver, and Linda Reeder had between five and nine years of experience under their belts before starting their firms. Determining when to venture out on your own is different for everyone, but it is safe to say that gaining some project management experience first is prudent.

WHEN TO GO OUT ON YOUR OWN

None of our interviewees had a defining, ah-ha moment that led to their immediate resignation as an employee. Instead, their professional goals pointed in the direction of firm ownership and over time, as

different circumstances played out, they realized the moment had come to start out on their own.

WHAT TO EXPECT AS A FIRM OWNER

The two most significant immediate changes for new firm owners cited by our interviewees were solitude and the amount of time spent on business administration tasks. For a sole proprietor, the job can be isolating unless you actively seek outside peer interaction. If you plan to hire interns and full-time staff after a few contracts are signed, the solitude can be short-lived, however.

As an employer, many hours of your day are consumed with administrative responsibilities that take you away from design. For owners with little project administration or business development experience, this can be overwhelming at first. Nonetheless, accomplishing these tasks is a large part of the job.

UPFRONT REQUIREMENTS

To set your practice on the right track, you'll need to have the following in place when you start your firm:

- A support system. The support of a spouse or significant other is really helpful, especially in the beginning. As well, since money will most likely be tight for awhile, a circle of friends or colleagues who can provide different types of professional advice is worthwhile.
- A plan. The term "business plan" may sound intimidating, but don't let that prevent you from putting your ideas about your firm on paper. A plan can vary in detail, but it should include the type of work you want to take on, the growth track or potential growth of the firm, marketing plans and methods for attracting work, and a breakdown of expected expenses for the first two years.
- A project. You need just one project to get started, along with the motivation to acquire further projects that will grow your firm.

- The tools to succeed. These include money, a place to work, and the ability to develop the type of work that interests you. People disagree about the amount of startup capital that is necessary, but enough money to buy hardware and software to design your first project should be your minimum. You need a place to work and build a routine around; this can be an extra bedroom or a small rented office. Identify what tools are necessary to perform your work and have them in place in the first few months.

ONE PIECE OF ADVICE

Linda Reeder advises, “Listen to your gut about whether this is the right choice and the right time. If you are hesitating because you are concerned about failing, evaluate your chances of failure and what impact that failure would have on your career and personal life. Weigh that possibility against the option of never taking the risk or deferring it for another time, recognizing that that time might not come.”

Leslie Tyrone suggests, “Know yourself. If you are risk-averse, this might not be the best use of your professional energies. Owning your own company has many benefits, but they come with great responsibility. Some people prefer structure; others can handle a little chaos. This basic understanding of what you can (and more importantly, cannot) handle will give you the courage to continue when you encounter obstacles.”

Steve Oliver cites the importance of choosing the right projects early on: “Not all work takes you closer to what you’re trying to achieve; some projects push your goals it further over the horizon. The temptation to take on any project when you get going is hard to ignore because most likely your cash flow is tight. But it is important to say no when a job is not right for you. Once you’ve identified your plan for growth, don’t bury it under drawings. Keep it close and revisit it often.”

RESOURCES

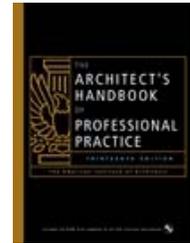
More Best Practices

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

- 04.01.01 Starting a Firm: Essential Resources
- 04.01.02 Starting a Firm: Lessons from Failure
- 04.01.03 Seven Tips for Emerging Firms

For More Information on This Topic

See “Starting an Architecture Firm” by Elena Marcheso Moreno in the 14th edition of *The Architect’s Handbook of Professional Practice*, Chapter 4, page 82. See also “Starting Out: New Design Firms That Succeed” by Elena Marcheso Moreno in the 2006 Update to the *AHPP*, page 19.



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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Key Terms

- Practice
- Business planning
- Firm start-up