



# AIA Best Practices: How to be(come) a principal

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## Summary

Firm principals must adapt to a changing business and management environment. Here's how to become a better architecture firm leader.

## Introduction

Everyone knows what a Principal is: a strong performer in a firm leadership and stewardship role, and most likely a primary business development and client relations person. Typically, it refers to a stock ownership level, but not always. How we define "strong performer" and "leadership role," however, has evolved over the years.

Many architects who became principals 15 or more years ago are finding they have to prove themselves all over again, and, in some cases, are being passed up by younger up-and-comers for new opportunities.

What's different today? First, transparency is a leading trend in business. Our increasingly business-savvy employees and shareholders want to know the why's about everything. Why did the Board make that decision? Why are we opening a new office? Why is there no bonus pool for the third year in a row? And: Why is that person a principal (and not me)? Transparency requires clarification and communication about everything we do, including articulating specifically what a company expects of its principals and how it intends to gauge and reward their performance.

Second, the world at large, including the world of business, has undergone a sea change in just 15 years, and the pace of change is ever-increasing. What companies needed from their lead performers and stewards then has increased with the corporate need to stay current with and relevant to their stakeholders: employees, clients, consultants, and actual shareholders.

While every company has its own prioritized criteria, there are commonly recognizable hallmarks of "principalship," often considered synonymous with "leadership." Whether you're currently a principal, want to be a principal, or are not thinking about it at all, here are some suggestions worthy of pursuit by any professional wanting to be perceived as "principal material."

## Own the company line

It should go without saying that being a firm principal requires personal, even passionate, belief in the corporate core ideology: Mission (who we are and why we're in business), and Vision (what our business will

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look like in the future). While we'd like all employees to be passionate about our work together, it's a critical foundation for current or would-be principals. Being an effective leader in an environment with which you're at philosophical odds with other firm leaders is simply not possible.

## Embrace the business of the business

As one corporate buyer of AEC services remarked recently, "Architects were all trained and mentored the same way—as technical professionals. Lessons in business didn't seem to make it into the mix." That rap isn't entirely fair, given the significant rise in architecture/engineering professionals pursuing business-related instruction, and, in many cases, getting advanced degrees in business. Still, the image persists.

Architecture consulting is a business, and now more than ever, companies need smart business thinking around the big table. You don't have to have an MBA to understand and apply the metrics your firm uses to measure company performance, read and digest corporate financial statements, or to manage the heck out of a project. The most important factor—and what will differentiate you from (still) a majority of A/E professionals who'd rather keep their heads down—is actually being interested in and actively learning about best business practices.

Taking it a step further, we are more valuable and relevant as consultants if we understand how our clients' businesses work. If your clients believe you care about their business—not just the project at hand—and you can discuss business matters important to them, they're more likely to trust and return routinely to you.

## Marketing is a critical part of the business

Most mid-level and more seasoned professionals working today grew up with the time-honored Seller-Doer model. Early marketing in our industry referred to those super sellers making rain with their personal client contacts, supported by coordinators who churned out proposals in the marketing department. Staff at large was hardly involved. Small wonder we still dicker today over whether "technical staff" can or should be involved in marketing.

Since the 90s, however, our industry has come to understand marketing as a broad series of activities of which direct selling is only one component. We understand, as well, that we are consultants first and architects second. Marketing is an integral part of any business, not a backroom department and not a timesheet line item to add some time to when we have the time.

Any leadership role—CEO, Project Manager, Controller, HR Director—has a marketing component: internal/external communications, business partner relationship building, community involvement, and yes, sales. Whether to community groups, employees, recruits, or clients, when a consultant speaks, s/he is selling.

Honing and integrating your sales message into all professional conversations is an art worth learning, and it begins with tapping into the passions that brought you into the profession and your particular firm to begin with.

Ultimately, with few exceptions, a professional services consulting business needs most, if not all, leaders out there selling.

## Build sustainable relationships

"Networking" is an 80s word many of us loathe, so let's forget that term. Instead, consider your inventory of industry contacts—friends, college roommates, past co-workers, clients, consultants, and so forth. If you're just starting out in the industry, keep in mind that a good number of the people you know now will be key players down the road—heading consulting firms, working for Fortune 500 companies, heading public works departments, developing new projects. In other words, they'll be in positions of influence that could benefit you and your company.

If you've been around the career block a few times, do the same inventory, and ask yourself whether you've made the most of your personal database. Every time one of your contacts makes a career move, you have a new sphere of relationships to make. Business opportunities—new work, new hires, new partner relationships—come from showing interest in what your contacts are up to and updating them on your and your company's activities. Move from project marketing to relationship building. Become a regular fixture in your clients' lives, whether or not there's a project on the boards or in the pipeline.

## Be visible

Within large, multiple office organizations, it's not unusual for an employee, especially a new one, to be an unknown outside of his/her office. Whether your company has strong interoffice communication and work-sharing practices or not, go out of your way to have contact with your peers and superiors in other offices—even if it means chairing the annual party committee.

Having a positive internal reputation that is broad-based creates more opportunities to get on that huge project, be considered to open a new office, or get invited to join the principal group. Having a good reputation outside of the company is key to building professional credibility. This doesn't mean being everywhere all the time. For technical professionals, publishing articles and speaking/instructing on technical issues are excellent vehicles for showcasing your company's and your individual capabilities.

In this business, you're only as good as what people know about you—so, without bloviating, you need to be your own PR team. Good work simply doesn't speak for itself. For the more extroverted, being involved in client industry organizations—not just attending meetings, but participating meaningfully—is a good way to get and keep in front of clients and influencers.

## Represent!

While being visible, remembering that you're visible can be a challenge. People, especially clients, form opinions about a firm's culture and business practices based on the behaviors and personal presentation of the people who work there. What you say or do, even off-the-cuff, in-house in front of employees, or out in the world, can shift others' perceptions of the firm. Principals are lead firm representatives, and their words and deeds reflect immediately, and sometimes indelibly, on their companies.

## Get your E.Q. on

Emotional Intelligence (E.Q.) is the capacity to understand and manage your emotions, as well as to perceive and respond to others' emotions. Removing the science and scoring, "high E.Q." is just another phrase for "has superior interpersonal and relationship management skills." This is a critical characteristic, since, in the end, it is a popularity contest.

With the exception of the 'brilliant minority', most professionals can't get away with being unpleasant to work with routinely. People want to work with people who get along with other people. After accommodating prima donnas for decades, firms understand that dealing with difficult people yields a low return on the time and money investment. Removing barriers such as moodiness, rudeness, big ego syndrome, disrespect, and overriding self-interest allows people to see what you're really capable of accomplishing.

## Put the company first

Especially in difficult times like the recent recession, we have to make decisions that touch us personally, not just professionally: Who takes a cut in pay? Who do we let go? Which office should close? Even in good times, decisions regarding pay raises, promotions, market diversification, moving to new office locations, etc., are naturally viewed through the personal lens of the decision-maker. Taking the role of corporate steward seriously, however, means considering the decision through the company lens instead: Which decision most benefits the company, regardless of its effect on you or your team?

## Invent something

We splash the word "innovation" on our websites and throughout our proposals, yet how truly innovative are we? Some clients gloss right over that written information because, as a facilities director remarked recently, "You guys just write a bunch of BS about innovation." If you want to be a true innovator, create something new. For example, identify a new service line, production process, or product aimed at improving your business, and perhaps in turn, your clients' businesses. Or, make an existing service or practice better—whether it's how you structure your fees, coordinate project teams, track employee performance, or invoice clients. Innovation happens at every level.

## Be a great boss

"Supervising" employees has given way to "developing" employees, and companies are increasingly careful about who manages their valuable talent. (see E.Q.) Some professionals consider their responsibilities overseeing staff as an add-on to the "real job" of working with clients on projects. They proudly call themselves hands-off managers and hope their staff swims rather than sinks. Few firms today can afford this model. Most expect the company's bosses to be actively involved in their staffs' career goals, progress, and professional development. It means re-examining how you allocate your time and re-arranging to accommodate paying close attention to, and helping to plan the success curve of each person who reports to you. As years of employee surveys across all industries reveal, the number one reason for staff malaise and voluntary departure is "the bad boss."

## Don't get comfortable

"Grow or go," as one CEO likes to remind his staff. The accomplishments and contributions that got you to where you are today are important—but time to move on! The recent recession shone a bright light on less productive employees, including the "muddle in the middle," as another executive calls those folks who haven't moved up or over in years. Be mindful of your own career: does it expand every year? Are there new accomplishments and contributions you can add to your resume, or does it look pretty much the same way it did five years ago, give or take a few projects? Ask yourself, "If I had to apply for my job today, would I get it?"

## Stay relevant: What have you done for the company *lately*?

Or, "How to Remain a Principal." A downside of longevity with a single firm is the potential of going stale. Professionals who've spent most of their careers with the same company stay fresh by circulating in several arenas: professional associations, client and industry organizations, and ongoing technical and business refresher courses. Staying fresh is especially a challenge for Boomers, as we continue our careers well beyond the traditional retirement age—whether driven by passion or need. We're challenged to learn new technology, adapt to new project delivery methods, adopt best business practices, adjust to increasingly diverse workplace dynamics, and meet increasingly more sophisticated client demands. Sorry to say, no rest for the weary.

## Don't count on tenure.

Tenure is dead.

## About the contributor

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This article corresponds to:

*Architect's Handbook of Professional Practice, 15th edition* Unit 1 - The Profession

Chapter 05 – Organizational Development

Section 05 – Leader Effectiveness