



AIA Best Practices: Marketing plans spur new firm growth

Contributed by Peter Piven, FAIA, and Bradford Perkins, FAIA. Excerpted from *Essentials of Starting a Design Firm*

Summary

Well-developed marketing plans and analyses help new architecture firms complete the most important business task: getting work. Good business development programs contribute to a firm's success by identifying and analyzing a firm's markets, capabilities, message, processes, organizational structure, image, public relations, and sales and marketing strategies. A marketing plan outline and a sample market analysis are included.

The most important part

When asked what the most important thing is in architecture practice, H. H. Richardson is said to have responded, "Getting the first job." What's the most important thing after that? "Getting the next job," he reportedly said.

Whether or not this oft-told story is true, the point is well taken. Architecture is a business. The first step toward succeeding in business is creating a business development program, including an analysis of these factors:

- Markets: Where you will seek work—a client base that needs what you have to offer
- Capabilities: What you offer to the marketplace—the firm's qualifications to serve a market
- Message: What you tell prospective clients—your distinctive competence or distinguishing benefit
- Process and methods: How you will pursue the work
- Marketing organization: Roles and budget
- Image: How you are perceived in the marketplace
- Public relations and promotion: Information that describes and enhances your image
- Marketing plan: Documents, targets, desired and projected yields, responsibilities, and costs
- Marketing implementation: Process of seeking prospective clients
- Sales: Efforts focused on specific prospective clients

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The marketing plan

Focusing specifically on the marketing plan, you are looking for:

- Understanding of the market
- Analysis of the competition
- Objective view of your strengths
- Objective analysis of your weaknesses
- A plan to build strengths and minimize or eliminate weaknesses continually
- Market research and other techniques to identify and generate leads in your target market
- Outline of the materials you will need to support an effective sales process
- Image-building ideas
- Specific short-term (one-year) and long-term goals

Sample market analysis and plan

Market: Private residents—Forty-five custom homes were built in the county last year, and local realtors believe this number will increase this year and next. Most of these homes were built by five construction firms, and the land was purchased through four different real estate agents. The prevailing fees appear to fall in the 10 to 15 percent range, depending on the project size and complexity.

Lead Sources: Real estate agents and builders are the major sources of leads.

Competition: About half of the clients come with their own architects, but reportedly, because they are new to the area, the other half ask for advice. At this time, two architecture firms are viewed as offering little in the way of either design or service, and two others are generally respected but busy. Most people believe there is room for another strong design firm that offers high-quality design and good service.

Strengths and Weaknesses: We have designed three houses for family and friends, and have strong references from these and several other jobs. Our main weakness is that we are unknown to the key referral sources.

Plan: Over the next six months, we must meet all of the real estate agents and builders, and present our credentials. We have to get at least one of our first houses featured in a local or regional publication, or write one or more articles on home-design advice for the local newspaper. We also need to become involved in community activities supported by the real estate industry.

Goals: Year 1—One new house and two major house additions, with architecture fees totaling at least \$175,000. Year 2—Five new houses, with architecture fees totaling \$400,000.

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This article corresponds to:

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