

THE CASE FOR SPECIALIZATION



TERRY GUSCOTT

ABOVE Omicron has cultivated specializations in several building types, including community facilities such as the Gleneagles Public Safety Building in the District of West Vancouver.

TEXT Mark Busse

SPECIALIZATION OFFERS ADVANTAGES RANGING FROM MORE EFFICIENT PROJECT EXECUTION TO BETTER EMPLOYEE RETENTION, ARGUES MARK BUSSE.

Long heralded as heroes of innovation, architects and architectural firms are typically afraid to tackle a challenge that may well be the secret to their success—specialization.

I know what you're thinking. The idea of specialization has been bandied about for years. Many predicted the industry would break into two primary types of firms: big multidisciplinary generalists with sheer mass, momentum and horsepower; and smaller more nimble boutique firms specializing in particular market or building types. Those in the middle would struggle as the industry evolved.

Some will argue this prediction has come true in many ways. Even those mid-sized general practice firms that have remained busy and successful may not yet realize the limitations and challenges that lie ahead if they don't find a strategic advantage. As the industry continues to change, specialization may be the answer for firms of all types and sizes.

On an individual level, fear of specialization is almost visceral. Will we miss out on qualified employee applicants? Will we dry up creatively? Will we go out of business?

Over the past decade, my consultancy has gathered feedback from architectural leaders across Canada, giving us insight into challenges facing the industry. We've learned that increased competition and what many describe as the commodification of architecture is an insidious worry. We've seen how difficult expansion is. We've seen firms struggle to attract talent.

Plenty of industries have taken a leap into a new world of branding, business development,

positioning and marketing. But the architecture field seems paralyzed by fear of new approaches, including specialization. As leaders in architecture firms look to the future towards growth and profit, how can they move past these fears and thrive? There are plenty of reasons to consider specialization, from more well-defined audiences to more engaged staff, to elevated reputations and even higher fees and profits.

Let's talk about money. Specialization can make project execution more efficient. Knowing what questions to ask, what pitfalls to watch out for, and drawing from plenty of experience allows firms to be smarter about managing time and money. Specializing means quickly parsing and prioritizing the issues and recognizing opportunities others would miss.

Both potential clients and architectural teams realize cost savings on the business development side. Specialization typically means a firm can proactively market their services through content marketing, targeted advertising, and networking to a much more defined audience.

Specialization reduces the need to chase endless RFPs where differentiation among proposals can be challenging. While RFPs aren't going away in the public sector, firms with specializations can go into the process with added confidence because they are experts. In some cases, specialization can position a firm as the top choice for a project.

With increasing numbers of engineers and builders offering design services, commodification of architecture is a serious problem, but

specialization addresses it head on. What you know has value, but only if you know something the other firm doesn't. General-practice full-service firms face increasing competition and must compete on price, often attracting lower-quality clients who view them as replaceable vendors.

"All design-focused architecture firms with strong offerings should be able to give design sophistication comparable to their peers," says Bill Tucker, CEO of Omicron, a large firm that offers fully integrated design-build services. "But where the rubber hits the road with vertical specialization is the ability to offer expert guidance on inner mechanics, system integration and operations as buildings continue to get more complex."

It is difficult to design all building types well—particularly those that require in-depth research—and specialization gives you an elevated knowledge base, making your intelligence worth paying for. Discerning clients appreciate knowing their architect has an intricate understanding of their particular business and market. The time clients save not having to explain their operation and situational challenges is valuable to them. It also offers risk-averse customers peace of mind as they seek reduced uncertainty.

"We are in an era where clients are increasingly looking for specific expertise," says Darryl Condon, managing partner at HCMA. "There is a reluctance to try someone who hasn't already demonstrated expertise with a building typology. For instance, even a private-sector commercial office park developer would be reluctant to hire a firm that hasn't done a lot of that type of work. Part of that is due to comfort with ongoing relationships (a definite factor in the development of specialists) and partly it's risk aversion."

He adds, "We often hear things from our clients like 'I don't want to be a guinea pig' or 'I want our architects to have already made past mistakes and know how to avoid them.'"

While specialization is often a reference to building type, it can be understood in different ways in the AEC industry, including specialties by client type or location. "Some firms we've collaborated with place client type and delivery method as their focus, while others employ climate specialists for projects in northern, alpine or tropical climates," says Bruce Haden, principal at DIALOG.

Creatively, a solid awareness of the challenges a project presents gives firms the confidence and freedom to explore and innovate, putting forth superior work.

So why is specialization so terrifying? There are certainly naysayers who offer valid concerns, but even the most powerful arguments seem fear-driven, often fuelled by irrationality.

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We've heard a myriad of arguments: Specialization will evaporate inspiration and hinder creativity and innovation; staff will get bored and leave; talented young architects won't join for worry of limited career growth; building a firm on a specific speciality will be risky due to market volatility.

This is fearmongering based on a lot of what ifs, maybes, and conjectures. Our observation has been that many young professionals pursue passion projects and will choose to work for firms that have specializations in sectors they care about, creating dedicated and committed employees.

Lack of time, effort and money are often the roots of fear in specializing. This is understandable. Maintaining a specialization means constant learning, creating best practices, and being up to date on what makes a particular industry tick or building typology unique. But if being top of mind and benefiting from word of mouth referrals is what you seek, then specialization is worth the effort.

There is an inherent fear of risk with change, and hard realities when it comes to choosing a specialty. Plucking something from the air works no better than hoping you end up where you want to be by pointing blindly at a map. So be smart about choosing a speciality and use real data in your approach. Take an honest, unbiased look at your past projects.

Detect trends in what you're already delivering and what projects you feel most confident executing. Consider what types of projects are actually profitable and which are in growth sectors. If there is something you are passionate about that is not appearing on your list, build your portfolio strategically while continuing business as usual. Look for specializations that are not readily apparent or that may be untapped in the market.

Many firms we've consulted for feel staking a claim on a particular specialty might result in losing out on other revenue opportunities. But specialization isn't a word that negates exception. Even our clients who are thriving as specialty firms frequently take on new challenges and accept projects outside their specialty, but their reputation and marketing efforts are not based on these exceptions. And there's no reason a firm can't focus on multiple specialties as it grows.

Like many established firms, Calgary's S2 Architecture has a traditional full-service practice. But several of their principals are experienced specialists in areas like religious buildings and community safety structures—so they market to these sectors specifically. “I see specialization not as a method of achieving work in a project type to the exclusion of other building types. Rather, it's an added focus on top of other focuses in a firm which offers

other services as well,” says Linus Murphy, S2 Architecture principal.

This hybrid approach perhaps best addresses the greatest fear among firm owners: the bottom line. Architects struggle to fight the urge to take any and all projects that come their way, for fear of foregoing revenue. Smart firms layer in specialization, allowing them to seek opportunities in other markets. This ultimately helps flatten the peaks and dips in resources and cash flow, making their business more stable and sustainable.

Regardless of how a firm chooses to define specialization, it is a smart strategic choice to focus marketing and communications activities toward key audiences. Ultimately, specialization means saying the most feared word of all: no. At some point, you need to commit to your path and forsake all, or at least most, others. It might not always be easy, but it's nothing to be afraid of. ▲

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