

2018 Georgia Tech Course, Arch 4803, CRN 91217, Arch 8803, CRN 91239. Tuesday and Thursday 1:30 to 2:45, Room 356 Arch West, James P. Cramer, Hon AIA, Hon IIDA, CAE

Fees and Profits, Making Money in Architecture,

This course is focused on business and entrepreneurialism in the ever-changing profession of architecture. The lessons begin with learning strategic planning as a core competency designed to aid lifelong success in architecture practice. We will focus on new and relevant case studies about making money in the profession of architecture. There are three sections included: 1. Architects compensation (how much money do architects make today and how?) 2. Professional practice fees (how much are architects charging for services and why?), and 3. Profits and other critical business metrics to support the delivery of design excellence. All sizes of firms will be studied. This will include the sharing of new metrics on the most successful small practices in America. New research from Cramer's research: 10 Under 10, How the Smallest Architecture Firms are Thriving in an Age of Acceleration. In addition, there will be a focus on the successful mid-size practice and several case studies directly from the AIA's Large Firm Roundtable (LFRT).

The class will examine all issues dealing with money and will first focus on architect's compensation, bonus, and benefits. In addition, case studies will look at what architects and related professionals earn in compensation over a lifetime. There will be case studies based on life-cycle and the level of responsibility from entry level to project manager, vice president, managing partner, executive partner, president, and chairman. All research data shared will be current. Worldwide case studies will also be shared. Additionally, this class will look at case studies that focus on earnings of architects and how they are investing their income. The short view and the long view of compensation, fees and equity will be included.

Next, the course will explore what leadership is and will explore trends in the management and leadership of architecture and design. This will include Cramer's 25 trends that are transforming the profession which has been published in DesignIntelligence each year for the last twenty years. Where will future success most likely be achieved? Cramer's latest book, *Lessons from the Future*, will share stories on failure, and what leading architects would do differently if they were to start all over again. This will include interview data and insight from Foster & Partners, Gensler, Moshe Safdie, Fentress, Richard Rodgers plus those who have gone into alternative but related careers in congress, at Disney Imagineering, elsewhere.

This course will explore why management innovation matters in architecture practices along with sample action agendas for creating evolutionary advantage. New principles will be discussed that have relevance to a profession not wanting to take part in obsolescence. The course will explore finance, operations, technology, and professional services from a management and leadership perspective and will explore the new value propositions that are being brought forward by leading firms worldwide. We explore responses to the question: How can CHANGE be a friend to the enterprising architect?

Seldom does good design happen without a firm also being well-managed. For this reason a substantial part of the course will be focused on how to set professional fees in each building segment and with different types of clients. Today, architects fees range from 2.8% of construction to over 22%. Each consideration will be studied. What do leading architects charge today and why? How much profit is normal in average firms and what are the top 20% of firms earning? What can be learned? How can an architect sustain being in the top 20%? Why is it important for architecture firms to earn 16% profit or more in order to succeed? How is resiliency to be achieved? We will also study several actual contracts of leading firms in North America to show the establishment of fee policies and corresponding scope of work expectations.

Finally, this course will explore the expanding options for success. Where are the vulnerabilities? What are the new shifts? How are architects establishing resilience for the future?

Bottom line? How to make money as a professional and achieve personal satisfaction all at the same time in the profession of architecture. Actual case studies will be shared and students will write their own personal business plan. Students will develop a career play book, a poster of their strategic plan, and a personal communications plan as part of the course.