Excerpts from: CASH Now Practice Now

Equity. Inclusion. Design. Technology. Environment. Resources. Innovation.

PANELISTS:
Elizabeth Christoforetti
design lead, Supernormal

Chris Grimley
principal, over,under

Gregory Minott AIA
principal, DREAM Collaborative

Jeanne Nutt
managing director and
principal, Gensler

David Saladik
co-founder and design director,
MASS Design Group

SESSION CHAIRS:
Gabriela Baierle AIA,
Jeffry Burchard AIA
& Jenny French

The following are excerpts from the Now Practice Now: CASH discussion held on Monday, April 23 at BSA Space:

VALUE
What are the mechanisms and criteria by which clients value your practice?

David Saladik:
Our long-term goal is to shift the value proposition of architecture from one that is about a brand, or a relationship of fee to cost of construction, to one valued in terms of social impact or social value to the client, to the communities in which we work, and to the places in which we build.

Each project has a direct mission that we set out to achieve, then there are indirect things that always go along with architecture whether it's economic impacts, or mental impacts, educational impacts, training impacts - and we want to work with clients that value those things and believe in those, and we want to report back and do real analysis in terms of how well we have done. We hope that will eventually be a new framework for evaluating architecture.

PROFIT
How does an architect defend their profits?

Elizabeth Christoforetti:
We don't write fee schedules in the way that I used to write when I worked in a more 'traditional' practice. [Our work] allows us to change things up a bit. We own IP (Intellectual Property) because we write software, and we license our technology, and we license our design. We come at things from a different perspective, I hope, and I think, that is a real value-add for our clients in terms of our perspective and the work that we generate as a result. But it also ends up, hopefully, generating a bit more for us as well.

Gregory Minott:
We evaluate the work that we take based on whether it will profitable - that is one of the categories that we go through in the list of things that we consider to determine whether this is going to be client, is it going to be a good project for us, and if it's not, we pass on it. Again this is keeping the central goals in mind, and the reason that we do that is not to become greedy, it's really because we have longer term views and values. We have goals that we want to achieve as a business - in terms of the type of work environment we want to have, the type of compensation we want to offer employees, the type of impact that we want to have in the community.

DEBT
How does individual debt affect the ability of the individual architect to take on riskier positions? How does corporate debt affect the ability of the firm to weather financial stress and maintain operations?

Chris Grimley:
For ten or twelve years now we have run the the Boston Design Biennial. When we started the Biennial we had a remarkable amount of young design practices, a few of whom have matured to fully

Chris Grimley cont'd:
fledged, legitimate companies. But as we have gone through those years, the number of firms who are applying that have actual, independent practices has dropped precipitously.

That kind of scrappy, upstart practice isn't available to people, and it isn't available to people for two reasons. The first one, obviously, is the amount of debt that schools are generating for design professionals. And it's not that there because clients are extremely risk-averse and don't want to engage with an upstart practice. Someone coming out of a grad school with over six figures in debt can't afford to do that, so what do they do? They go to the larger practices.... It's a real existential moment for the profession to think through.

Elizabeth Christoforetti:
From a corporate perspective, we really want to take on debt. We are very interested in growing, and because we are not growing only through job-by-job, incremental growth, we are growing something else, and are rapidly finding that our LLC is not quite up to snuff for what we are trying do. We are trying to figure out how much and how fast we want to take on debt so that we can facilitate growth by pushing design and product development into something that looks a little bit more like a regular old startup. But it is hard to know when, and how much to take on.

Jeanne Nutt:
If you don't have debt, what does that mean? Who gets the profits? Fortunately for us because we are an ESOP (Employee Stock Ownership Plan) company, all of the profits go back to the employees in the form of bonuses and profit-sharing. Every month we pay for the cost of running the business, and set aside some money for certain things to give back, and then the firm distributes the remaining money.

SUBSIDY
What is the subsidizing relationship of traditional and non-traditional services in your office?

Elizabeth Christoforetti:
I think this is a problem of definition. We think of architecture as such a narrow thing, I'm not convinced that we shouldn't be much broader about it. We're a bit grumpy about the fact that we aren't making enough money but maybe it's because we aren't taking enough scope.

Gregory Minott:
I'll talk about subsidy in the reverse. Because we are architects as well, a lot of clients, especially developers, come to us first because they need a concept, they need 'stuff', to have a project, to then find the money, to then build it. What we've found is helpful is that because we know how to do that stuff, that we're subsidizing the development - in terms of being able to test fit the idea, develop the concepts, to bring it to a bank, etc. We'll get paid when the project gets funded, but for now we are subsidizing that up-front work for ourselves. You don't really need the money to start. Folks think it's the money that's the problem and it's really not. It's just the opportunity. The money will find the deal, if it's a good deal.

ACQUISITION
How much does it cost to get work? What is the breaking point for the cost of getting work? In other words when does it cost too much?

David Saladik:
We have a very different approach. Last fiscal year we averaged 70-75% fees and 25-30% philanthropy, and that is by design, it's intentional. I think that split has shifted quite a lot over the years as we've gotten more paying work, it's probably reversed from where we started. That philanthropy is split into three categories: unrestricted dollars that we vote on as an organization we put towards this pre-design work; basically paying ourselves to support clients and projects we believe in, and track the return on investment. The second category is investing into fellowships and community engagement, allowing us to get deeper in the places we work. And lastly, investing in research, which allows us to track the impact of projects.

We are looking at companies like IDEO and others who have been doing this kind of consulting, pre-design work, and we think it's a real value for clients and we want to charge for it, and I think we would argue that other architects should too. Some clients are willing to pay for it, and some are unable to, and often it's a small risk contract that ends up leading to something bigger.

Chris Grimley:
The beauty of having your own shop is that you can reinvent yourself as needs, or hunger, arises.

We are start-up-y by necessity. We are always trying to figure out what channels we need to be in, and I don't think that is not untrue of anyone else up here.

TRANSPARENCY
How transparent are the cash dealings in your office? Do your employees know? Do they want to know? Do you want to tell them?

Jeanne Nutt:
As creative folks, we are all embracing the next shiny thing that is presented to us. Even with a very established practice, if someone came to you that you know from business or through other connections, and said: "hey, I've got this great new project. I know you don't do this, but what do you think?" You would do whatever you can to figure out how to somehow turn that into an opportunity, whether it's convincing your partners that it could be good to at least try it. Whether you're a small firm or a large firm, at our hearts we are all entrepreneurs because we are always looking for the next problem to solve.

For us to figure out what the investment is, some of it is very straightforward: do you have a connection? There are five things we ask ourselves for a go/no-go in an area of expertise that we already have. But opportunity to start something that is so spanking new that no one's ever thought that maybe we could go after, and that is one of the philosophical things that at some point you may come to the decision we don't want to do it. But you want to make sure you've given your all to do that before you say no to it.

David Saladik:
We don't have owners, so that's different. We do have a board of directors, and I think that our organization is pretty horizontal and therefore pretty transparent

about fees, because time is key for us. We track our time very closely. Everyone's bill rate is available, and on a daily basis, you can go see what your cost is to a project and the impact that spending more time of it has on the client. This has a very direct relationship to cost and fee and profit.

The responsibility for managing projects runs pretty deeply into the firm, so employees have access to how it works. A lot of young people really want to learn how a firm works and want more experience managing projects and budgets.

ELIZABETH CHRISTOFORETTI is a founding partner of Supernormal, a multidisciplinary design, development, and planning company. Elizabeth works broadly across scales as a strategic thinker and an architectural and urban designer. She received a Master's degree in Architecture with Distinction from the Harvard Graduate School of Design, where she received the Henry Adams Medal, the school's highest academic honor. Elizabeth also studied religion at Bowdoin College in Maine and grew up in Pittsburgh, Pennsylvania. In addition to her work at Supernormal, Elizabeth served as a researcher in the Social Computing Group at the MIT Media Lab, where her collaborative work on the Big Data for Small Places study recently won a Knight Foundation Prototype Grant. She currently teaches architecture at the Harvard Graduate School of Design.

CHRIS GRIMLEY is a principal of over,under, a Boston-based interdisciplinary practice with expertise in architecture, urban design, graphic identity, and publications. Chris has broad experience in architecture, graphic design, and visualization technology. He is leading the identity and environmental graphics projects at the deCordova Sculpture Park and Museum and the admissions identity for Wentworth Institute. Chris is active in the firm's recent work in the United Arab Emirates, developing publications and architectural guidelines for Sowwah Island, Abu Dhabi's new central business district. His architectural work includes the Hometta prototype and renovations to an early modernist house in Medfield, Massachusetts. Chris has designed books for Rockport Publications and Rizzoli Press. He is co-director of over,under's pinkcomma gallery, and his broad range of expertise enables a design coherence across complex projects involving everything from urbanism to architecture to branding. While employed at Machado and Silvetti Associates, Chris held leadership roles on major projects such as the Getty Villa and Museum in California and the Visual Art Center at Dartmouth College. Chris was born in London, England and received his education at Ryerson University and the University of British Columbia in Vancouver, Canada.

GREGORY MINOTT AIA is originally from Mandeville, Jamaica. He moved to the US in 1999 and earned dual Master's degrees in Architecture and Infrastructure Planning at the New Jersey Institute of Technology. Prior to founding DREAM Collaborative, Gregory was project architect for a number of award-winning building and urban renewal projects while working at the Boston-based firm Elkus Manfredi Architects. In 2010, Gregory received the AIA's National Young Architects Award. The AIA specifically recognized his significant contributions to more livable communities, better connected neighborhoods, and more durable and sustainable urban environments. Gregory is a registered architect in Massachusetts and Rhode Island and he is a LEED accredited professional. Gregory is the Boston Society of Architects Vice President for Practice and serves as Design Chair for Dudley Square Main Streets Merchant Association, a commercial revitalization organization located in Boston's historic Dudley Square Commercial District.

JEANNE M. NUTT IIDA, NCIDQ
As co-managing director of Gensler Boston, Jeanne sets strategic direction and ensures that its operations support this vision while cultivating a collaborative work environment. She focuses on creating high-performing spaces for services firms and recognizes the opportunity to leverage one industry's best practice in another arena. Jeanne's notable projects include the Boston Globe headquarters, PWC's New York expansion, The Boston Ballet, OneBeacon, and Putnam Investment's headquarters. While Jeanne sits on the Global Account Leadership Committee, she also frequently mentors junior staff. She is actively involved with CoreNet Global New England and serves on the Board and numerous committees. Jeanne has spoken at industry events for Colliers, CoreNet, and more. A lifelong ballet lover, Jeanne holds a seat on the Boston Ballet's Board of Overseers. She has an Associate of Applied Science in Interior Design from FIT and an Associate of Applied Science in Architectural Design from Dutchess Community College.

DAVID SALADIK was a co-founding member of MASS in 2008, working on the design of the Butaro hospital in Rwanda. Today, David serves as design director in Boston, overseeing projects both globally and at home in the US. After working on the Butaro hospital he spearheaded MASS's expansion into Haiti, establishing an office in Port-au-Prince in 2011 and leading the design and construction of Haiti's first permanent Cholera Treatment Center and MDR-TB hospital, both for GHESKIO. In 2013, David transitioned to West Africa to develop the Liberia Health Infrastructure Standards and Guidelines and now leads MASS's post-Ebola efforts for long term health systems strengthening in Liberia, including the design of a new campus for Redemption Hospital in Monrovia. David received his Bachelors of Arts from Boston University and his Master's degree in Architecture from Harvard Graduate School of Design.