

*To take advantage  
of booming global  
economies, domestic  
firms are opening offices  
around the world.*

*By David Whitemyer*

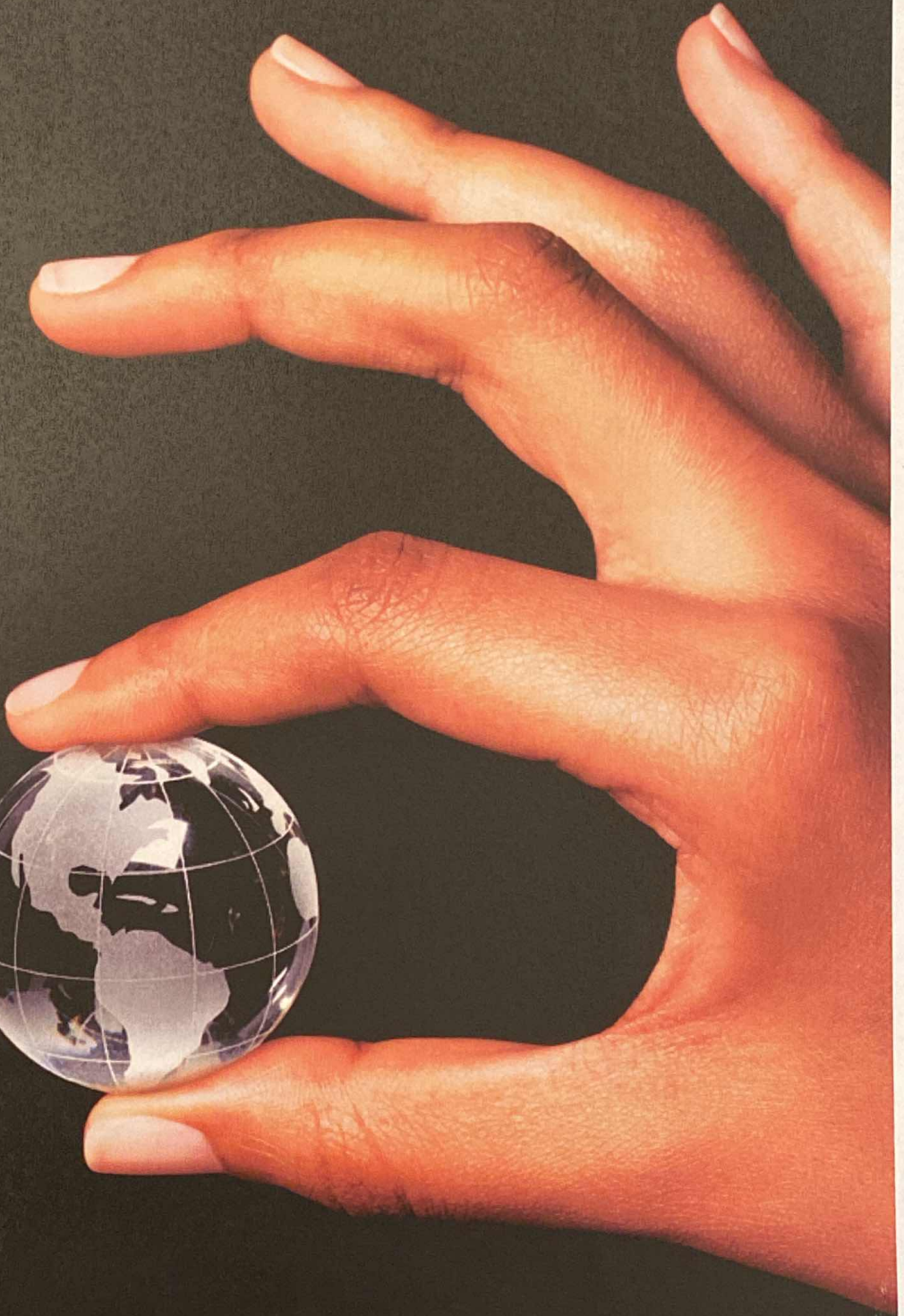
*The Incredible Shrinking*

**GIO**



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*t's time to renew your passport.* Around the globe, Western design firms are cashing in on international construction hotspots by opening foreign offices equipped to serve the local clientele. And thanks in part to the evolving globalization of economies and the advances in electronic communication, working overseas is more feasible for design professionals than ever before.

Of course, venturing beyond your familiar business circle to the global stage requires a somewhat intimidating investment. After all, hiring special consultants to educate you on the local practices, relocating and housing staff, and maneuvering through government bureaucracy are not without steep price tags. However, the move can pay off for those willing to think beyond today's dollars – and toward tomorrow's euros, rupees and yen.

"When we consider opening an [international] office, we know that the first few years will require more investment with less return," says Ray Hoover, AIA, Managing Principal of Atlanta-based Thompson, Ventulett, Stainback and Associates (TVS), a multi-disciplinary firm of more than 500 people. TVS has maintained an office in Dubai for the past four years and is now opening one in Shanghai, China.

Once your office proves viable and the local culture believes you understand its unique needs, business will grow. The key to achieving that staying power is having both a keen eye for the "why" of diversifying globally, and an investment in the "how" to get it done right.

#### **MONEY MAKES THE WORLD GO 'ROUND**

Looking at the world's hot construction markets, potential profit is a major draw for savvy design principals. Just a few decades ago, Dubai, United Arab Emirates, was nothing more than a small fishing village. Today, between 20 and 30 percent of the world's construction cranes are currently operating in Dubai, toiling away 24/7 on skyscrapers, hotels, malls and mansions, according to *segdDESIGN* magazine.

In China, some 3,000 miles away from UAE, the World Bank estimates that about half of the planet's new construction is expected to occur over the next eight years, reports *Environmental Design+Construction* magazine.

And in Eastern Europe, where construction stagnated under communist rule, cities are being redesigned and decrepit buildings are being replaced at a rapid pace. In Russia alone, construction was up 26 percent year on year in July, reports *Russia Today*.

But wise companies aren't just looking for profits – they're also looking for growth and stability. By spreading offices across different countries, a firm diversifies its cash

flow supply, says Cheryl Neumann, COO and Executive Vice President of Wilson Associates, a Dallas, Texas-based interior design firm.

"When one market is up and one is down, we've got coverage," she says. "There are times when not every office is going gangbusters, and the diversification helps us manage through." Wilson Associates is well diversified, with offices in three major U.S. cities, as well as in Singapore, South Africa, China and India.

Understandably, many companies opening branch offices aren't doing it with the sole hope of tapping a money stream, but to better serve existing clients. "There are two philosophies," says Charles Dalluge, Associate AIA, LEED AP, Executive Vice President of

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Dalluge takes pride in noting that Leo A. Daly was one of the first design companies to venture into China, opening there in 1967. "We wanted to be an international company," he says. It was part of the firm's strategic plan.

Leo A. Daly, a 1,200-person interiors, architecture and planning firm based in Omaha, Neb. "You can go to the hotspots and hope to do work, or you create relationships and let the clients tell you where they need you." Dalluge's firm takes the latter, more service-focused approach.

Neumann agrees that, first and foremost, having overseas offices is primarily about clients. "It gives our clients a perceived closeness," she says. With that closeness comes a stronger designer/client relationship, and as any business-savvy designer will attest, it is relationships that continue feeding work to a hungry company.

*"[Having overseas offices] gives our clients a perceived closeness."*

—Cheryl Neumann, COO and Executive Vice President, Wilson Associates

That said, one of the biggest pulls and payoffs to establishing foreign branches is the opportunity to create one-of-a-kind, world-class buildings that would probably never get built in a developed Western nation. In fact, many designers choose to become designers to test boundaries by creating

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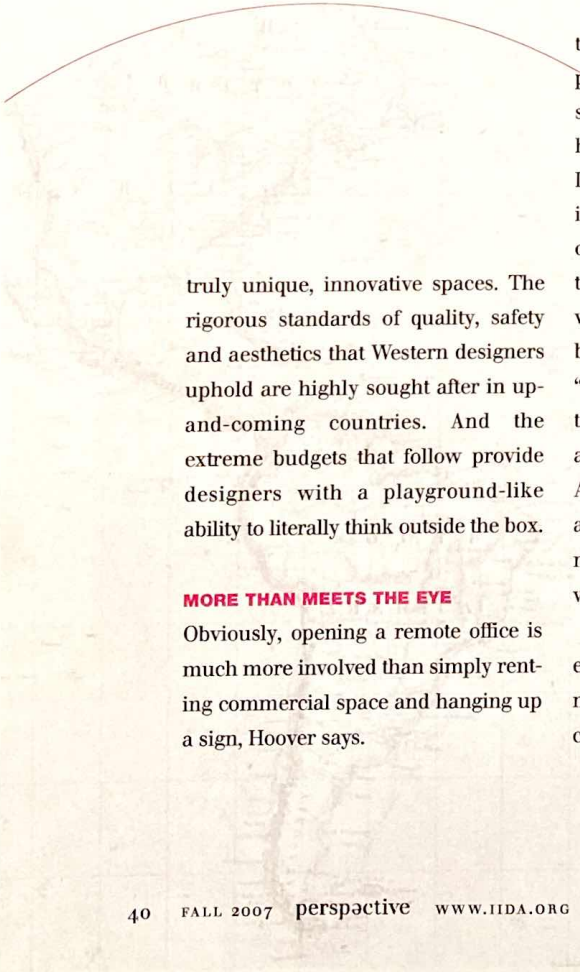
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# Advice from Abroad

Not every design firm wants to tap into the international market — many are quite content and successful with domestic clients and projects. But some of the challenges and lessons learned from operating offices overseas can be applied to the management and marketing of offices on the home front.

- *Don't assume all cultures are the same.* It goes without saying in the global market, but rings true at home as well. Government agencies differ from private developers. Residential clients differ from corporate and hospitality clients.
- *Watch market trends, and be adaptable.* To be successful at home or abroad, says Cheryl Neumann of Wilson Associates, “you must have the foresight to recognize opportunities in the market and be flexible enough to quickly pick up on them.”
- *Go where you can best serve your clients.* Most companies operating overseas are there not because of some gold rush, but because a move meant serving their clients more effectively. If your firm is in Boston, but the bulk of your work is in Chicago, consider opening another office.
- *Keep learning.* “Become familiar with what foreign firms are doing,” says RTKL’s Kim Heartwell. You’ll broaden your perspective and become a better designer, she says, by embracing the broad range of materials and techniques used in different countries.



truly unique, innovative spaces. The rigorous standards of quality, safety and aesthetics that Western designers uphold are highly sought after in up-and-coming countries. And the extreme budgets that follow provide designers with a playground-like ability to literally think outside the box.

#### **MORE THAN MEETS THE EYE**

Obviously, opening a remote office is much more involved than simply renting commercial space and hanging up a sign, Hoover says.

For starters, “you have to go through a formal registration process, which takes about five to seven months,” he says. Then you have to properly staff the office. International architecture, engineering and planning firm RTKL sends one or two senior staff people abroad to manage a new office and bring with them the organization’s culture, but it hires all additional staff locally. “As our firm grows, we want to meld the threads that are important to us as a company,” says Kim Heartwell, AIA, Co-director of RTKL’s interior architecture studio, “but we also need to grow new offices that meld with their locale and culture.”

The largest hurdle to running a foreign design office is understanding a new culture and language. Every country has different customs, each

of which influences spatial design (see “Sense and Sensitivity,” p. 6). For example, in Japan, it’s bad luck to place a mirror where it can be seen from a bed. In Saudi Arabia, public facilities are constructed with separate entrances for men and women. And in India, office workers are provided about 69 square feet of space, compared to the 225 typically given to U.S. employees, according to *Contract* magazine.

Business practices also vary from place to place. Heartwell says RTKL’s London office produces bid documents quite differently than in the U.S. “In the U.K., each trade is given a separate tender [bid] package,” she says, unlike in the U.S. where one general contractor manages the trades. Heartwell recommends hiring local experts who

understand the region's building codes and construction techniques. It's also worthwhile to employ someone who specializes in helping foreign firms establish offices – a legal and accounting professional to advise on tax issues, currency issues, contract requirements and other formalities.

#### JUST DO IT

It's no doubt that entering the international market can be a daunting task. But for designers looking to expand their portfolio overseas, there are a multitude of available resources to help ease the pain.

IIDA, for example, has 50 Chapters located around the world and uses its Web site to promote global networking for IIDA Members. There's much to learn from colleagues in the design community about how, why or where to open branch offices abroad.

The market is open to design firms of all sizes, "if you're smart and you want to capture another part of the world's economy," Neumann says. She admits that Wilson's foreign offices are the result of grabbing opportunities when they came along.

Dalluge of Leo A. Daly takes a more conservative approach by suggesting that a firm "truly look at the long-term prospects of a market." In order to stay viable, a customer base must be built. But he adds, "It's amazing, the work going on around the world today. And there's so much more work to be done."

Whether a firm takes the more spontaneous or moderate approach to branching out overseas, adventure awaits. "It's a great time to be in this profession," Dalluge says. ■



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