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BY DAVID
WHITEMYER

MMA



MATTER

PEN UP ANY INDUSTRY PUBLICATION OUT THERE, AND IT MAY

seem like the interior design industry is dominated by the big guns: Gensler, HOK and Leo A. Daly, to name a few. But that isn't stopping many smaller firms from showing that, while they may have less manpower, often times they have the right stuff. To prove that point, small firms, through well-planned, aggressive marketing and networking efforts, can chase and catch even the most enticing large-scale projects.

In fact, according to Hoover's, a business information company, only 10 percent of the annual revenue generated by interior design services is done through the 50 largest firms in the United States. The rest is tackled by small practices, many hovering in the one- to 20-employee range.

Apparently, it's not size that matters, it's what you do with it.

IT'S WHO YOU KNOW

At Polytech Associates Inc., a San Francisco-based interior design and architecture firm with about 20 employees, relationships are vital to securing big-time projects. In fact, Kaiser Permanente, one of the largest HMOs in the United States and one of Polytech's biggest clients, came to them via an existing connection. Back in 1986, two of the three founding Polytech principals came from Skidmore, Owings & Merrill LLP (SOM), where Kaiser was a client.

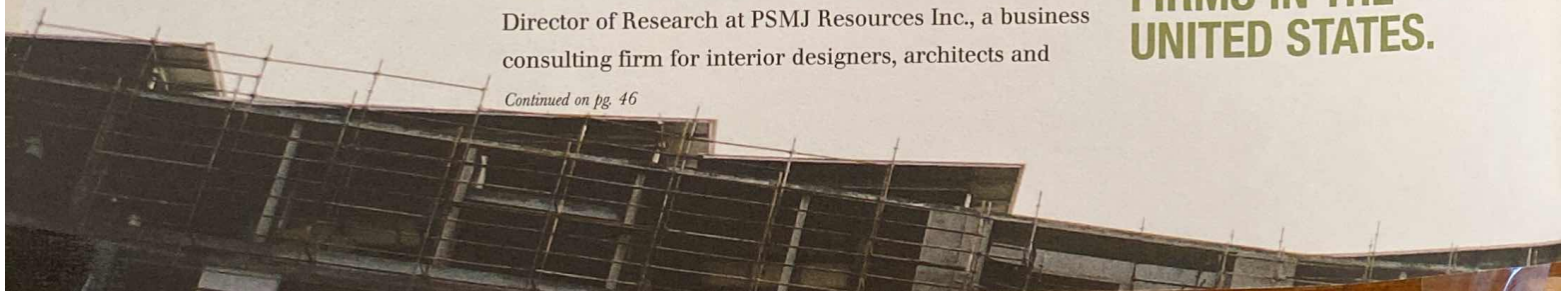
Since then, Polytech has designed numerous health centers and corporate office spaces for Kaiser. "They're looking to spend more than \$20 billion in the next 10 years," says Lloyd Bush, LEED AP, Interior Designer and Principal at Polytech. "And it's the interpersonal relationships with Kaiser's project managers that keep bringing us a stream of new work." For Kaiser, good rapport meant far more than providing good deliverables. The project managers at Kaiser had an ongoing relationship with specific folks at SOM that they wished to continue, regardless of where they were employed.


At many firms, these relationships grow via smaller projects. It's through little jobs – perhaps a residence or single office space – that connections are made with clients, suppliers and contractors. Those contacts are often the bridge to other leads, requests for proposals (RFPs) or slightly larger projects. This certainly hits home in the current business culture, where networking can take precedence over experience.

"If a firm wants to go for a huge project, they should start small and work their way up," says Bill Fanning, Director of Research at PSMJ Resources Inc., a business consulting firm for interior designers, architects and

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THE INEVITABLE DECISION

Following on the heels of many notable or sizeable projects will inevitably lead a design firm owner to ponder whether to grow the business. In his book, *Small Giants: Companies that Choose to Be Great Instead of Big* [Portfolio, 2005], author Bo Burlingham writes that the "notion that bigger — and more — is better has so pervaded our culture that most people assume all entrepreneurs want to capitalize on every business opportunity [and] grow their companies as fast as they can." For some, growing is not a desire. It is possible, and sometimes more enjoyable, to complete major design projects while retaining an intimate practice size.

"There are advantages when you're small," says Burlingham, who is also Editor at *Large of Inc.* magazine. Intimacy can benefit both the staff and the client. In a small design firm, employees are afforded opportunities to work on many aspects of a project, from detailing and material specs, to actual design and client contact. For clients, it's important to know that large firms may require more money for overhead and marketing, a percentage of which must get billed back through projects.

To the owner of a successful small firm, if the prospective workload looks so good that firm growth might be in the cards, Burlingham suggests it may be time for some soul searching. "[Interior] Design attracts people who are really in love with what they do," he says, "and there are things about the rules and systems of running a large business that are antithetical to the freedom and looseness in which creative people thrive." None of this is to say that small is good and big is bad, Burlingham cautions. It's all a matter of preference.

- **PRO: IN A SMALL BUSINESS, THE PRINCIPAL OR OWNER HAS THE ADVANTAGE OF KNOWING EVERY EMPLOYEE BY FACE AND NAME.**
- **PRO: THE PRINCIPAL OR OWNER CAN ALWAYS BE DIRECTLY CONNECTED WITH THE CLIENT.**
- **PRO: BIG COMPANIES MAY HAVE TO SATISFY THEIR BOARDS OR SHAREHOLDERS.**

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engineers based in Newton, Mass. Although he doesn't necessarily agree that design firms should go after projects that are out of their league, Fanning says that when they do, success is often "a result of the project producing further projects."

Through the grapevine, that success leads to even more projects. "Ninety percent of our work is from word of mouth and referrals," says Bush. While his partners came from SOM, Bush spent 10 years at Anshen + Allen, a firm with more than 500 employees. It's the long-fostered relationships from those existing contacts that have brought Polytech projects as varied as a California college baseball stadium and wedding chapels in Japan. The wedding chapel projects, specifically, were an outgrowth of a Bay Area restaurant project. Someone on the restaurant project team knew the owner of a construction company in Japan and suggested Polytech for the jobs. And Kaiser, the firm's bread-and-butter client, even once recommended Polytech for a 20,000-square-foot clinic design.

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—Bob Kraemer, Principal, Kraemer Design Group

FACE TIME

Bob Kraemer, Principal of Kraemer Design Group (KDG), a Detroit-area firm of 18 employees with a client roster that includes Google and former Detroit Pistons player-gone-developer Dave Bing, also credits good referrals for landing high-profile projects. But he knows word of mouth only goes so far. Instead, he attributes his firm's success to something some firms don't offer: one-on-one face time.

"When we get RFPs, they all say the same thing: 'Bring the team members to the interview,'" Kraemer says. Prospective clients seem eager to meet the project team members, not a firm's sales staff. "That seems to be our biggest strength: bringing along the people who are going to be the ones working on the project," he says.

It's not just the full set of team members either. With an interior design firm of a dozen or so employees, clients take comfort in the fact that the principal may be directly involved in the project. If customers or contractors need to get in touch with Kraemer, they can – and quickly. "I'm the guy that the client will talk with," he says.

High principal involvement, plus fewer projects in the office, means clients receive fast, personal treatment. "We pick up a lot of jobs because we're responsive," Kraemer says. "We won a project for the Ford family [of Ford Motor Co.], where we competed against very popular firms, because we followed up with phone calls and letters right away."

One-on-one time with the firm's leader is so important that Dan Menchions, IIDA, Partner of IJ BY IV Design Associates Inc. in Toronto, is sometimes asked to include

the requirement into contract clauses. He and II BY IV Partner and Co-owner Keith Rushbrook, IIDA, are both actively involved in every one of the projects at their 28-employee interior design firm.

Quality face time, in turn, creates those good references that keep major projects coming through the door, Menchions says. He credits their good fortune of working on the new Trump Toronto, a 57-story hotel and residence, with a good connection made with a contractor 19 years ago.

SMOKE AND MIRRORS

San Francisco design firm CCS Architecture, which has 28 employees, designed the 16,000-square-foot RM Seafood restaurant at the Las Vegas Mandalay Bay and, more recently, the high-profile Tesla automotive showroom in Los Angeles. The firm takes a more formal approach to marketing beyond networking and referrals, which Principal Lev Weisbach describes as a “three-pronged approach.”

First, the firm works with PR consultants to get its work published in a number of industry magazines. Second, CCS employees frequently volunteer for speaking engagements at conferences. “It gets our name in the right places and lets our expertise shine through,” says Weisbach. Lastly, the firm scours the trade journals of their niche markets – restaurants and other commercial projects – to discover the names of important players. Those prospective clients are then sent direct mailings of CCS’ elaborate brochure.

Once a small firm lands that high-profile or über project, managing it and getting it done may be tricky, though not impossible. A small firm owes it to its client to provide the same reliability and quality as a large one would. Weisbach, who worked for many years in a large firm, believes that more people are not necessary to complete a project better or faster. Most of the work at his firm, he says, has a speedy turnaround, and it’s the firm’s diminutive size that allows it the flexibility and personal attention to avoid getting bogged down in organizational procedure.

“The hardest part of being small is getting good staff,” Weisbach says. “That’s a 10 on our scale of difficulty, and everything else is five points behind that.”

Still, he says, “we’ve found a good balance between keeping our size and working on major projects. We don’t want to grow so big that we focus on the business rather than good design.” ■

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