Introduction to Starting a Design Firm

So you're thinking about starting your own design firm. You are not the first to have this desire, nor will you be the last. It is a common dream for many—if not most—design professionals. In fact, hundreds of design professionals start new firms each year for various reasons, and many others plan for the day when they can take the same initiative. Some start their own firms because they want to pursue their own ideas and interests, others because they see it as an opportunity to make a better living, and still others because they do not want to work for someone else. For each individual, there are different factors that lead to this common dream.

This book was written to help those who have this dream decide whether, and when, to start their firm, as well as to guide them through the steps necessary to achieve a successful launch and get them through the challenging first years of operation. As in any field, a significant number of new design firms never get off the ground or achieve the founders' major goals. But for many professionals, having their own firm is a satisfying, challenging, and rewarding experience.

There is no one formula to follow to guarantee success, but most founders of new firms who achieve their goals observe the basics of creating a successful practice. One of the most important basics is to have a plan. This book was written for design professionals (including architects, engineers, graphic designers, interior designers, landscape architects, and others involved in planning and designing the built environment) who are considering starting, or have already started, a new firm. Most of the material is also relevant to smaller design firms whose founders are interested in growing and/or changing their current practice. It focuses on the basic financial, marketing, and other necessary tools and puts them all within the framework of a plan for operating the new firm.

Most of the examples used in the book are drawn from firsthand experience and are relevant to the issues facing any design professional building a new or working in a small firm. Some of this material was first developed to support a course on the same topic given by the two of us each summer at the Harvard Graduate School of Design, but the bulk of the book is based on our personal experience as principals of architectural firms and as advisers to others in the field.

Part 1 of this book is organized into 12 chapters and 2 appendices:

> ► Chapter 2 discusses the motivations and analysis that often precede the start-up of a new firm. Most design professionals have some, but not all, of the skills, capabilities, and resources needed to start and build a successful practice. For some this means they should consider a career in an existing firm. For others, this initial analysis helps clarify why having their own firm

is important and identifies what steps—such as finding partners with complementary capabilities—they must take to have a realistic chance of success.

▶ Chapter 3 addresses the essential task of obtaining clients. Without a steady flow of new work, any design firm will fail. All successful firms find a way to achieve this essential goal, and most of the techniques they use can be learned. To that end, the first part of the chapter discusses the strategic techniques involved in establishing a marketing plan; the second part outlines some of the most important tactical aspects of a successful sales program.

▶ Chapter 4 explains the financial management of a design practice. It does not try to teach design professionals how to be accountants, but it does describe the basic tools and techniques used to plan, build, and guide the financial health of a young design firm.

▶ Chapter 5 investigates two of the most challenging tasks faced by even the most experienced heads of successful firms: setting fees and negotiating contracts.

▶ Chapter 6 introduces some of the central organizational and personnel management tools and options that a young firm should consider.

▶ Chapter 7 outlines some of the legal and ethical basics that should be considered.

▶ Chapter 8 lists a number of the available resources that will help a new firm both in its early years and once it has become established.

▶ Chapter 9 coordinates the material presented in Chapters 2–8 and describes how these

techniques can be used to create a comprehensive plan for your firm's future.

➤ Chapter 10 confronts one aspect that should be—but rarely is—included in the firm's plan: a structured approach to achieving design excellence.

➤ Chapter 11 provides some cautionary advice for avoiding pitfalls of starting a new firm.

➤ Chapter 12 outlines the major first steps in launching your firm.

➤ Appendices to Part 1 include a Study Guide that contains a number of supplemental projects intended for use by both readers and schools, the latter of which may choose to incorporate this material in their practice courses. Appendix B, "Charting Your Course," provides a widely recognized guide to understanding how firms can be organized and managed.

Even for someone with a great deal of self-confidence, starting a new design firm is a daunting task. Part 1 and the techniques and examples it contains are intended to make the task seem less overwhelming. As you read, keep in mind that the firms that you admire and consider successful today were once fragile start-ups. They launched, survived, and then prospered, and so can you.