

Introduction and Historical Overview

INTRODUCTION

Virtually every aspect of the North American economy has been affected by globalization. Design professionals—architects, engineers, planners, interior designers, and more than a dozen other design disciplines—are currently engaged in countries around the world. For a few, international projects are an essential part of their practice; but for most, such work is an interesting—but secondary—part of their workload. For many, international work has been both professionally challenging and profitable, but for others it has been a serious drain on their firm's human and financial resources.

This book is intended as an introduction to international practice. Because of the author's direct, personal experience, the primary focus is on the issues facing architects, planners, landscape architects, and interior designers, but much of the material applies to other design disciplines as well.

Specifically, this book was written primarily for six groups:

1. North American design professionals as well as students and interns who have no, or very limited, international experience but who are interested in exploring foreign work.
2. Architects and others who do not work overseas and who are looking to confirm their decision to stay near home.
3. Firms that have international experience and that are interested in

building overseas work into a significant part of their practice.

4. Firms with international experience in one or more regions that are looking for an introduction to the issues they will face in new countries or regions.
5. International firms looking to the experience and advice of other firms to strengthen their international practice.
6. Firms looking for an introduction to issues they should be considering on specific international practice issues: setting up an overseas office, managing an international practice, outsourcing, etc.

Of course, this book is not a comprehensive analysis of the issues facing design professionals in each country around the globe. Instead, with the help of experienced principals from dozens of firms, this book introduces interested professionals to the major issues most firms face in the international markets for design services.

The book is organized into six parts:

1. An introduction.
2. A second chapter that covers the issues that should be considered prior to seeking work outside of the United States.
3. A subsequent chapter that discusses issues related to running an international practice.
4. A chapter, which makes up the greater part of the book, that provides an introduction to over 190 countries and

overseas territories around the world—many of which have used North American design services. This section, Chapter 4, includes expanded descriptions of some countries to highlight issues that a North American design professional might face while working in the regions and countries that have most frequently employed international architects for significant projects.

5. A final chapter that discusses issues and trends that could impact international practice in the future.
6. Appendices with supplemental material.

While the majority of the fee volume earned on projects overseas is earned by the larger firms, many smaller firms are actively engaged in international projects. According to the *Business of Architecture: 2003 AIA Firm Summary*: “More than a quarter of the firms overall are currently working on international projects or are interested in doing so” (p. 44). Few firms are actively working in more than two or three countries at a time, and most of us who work internationally have experienced how quickly conditions can change. Thus, this book is intended as both a guide for firms contemplating international work as well as a current overview of the international market—as of 2007.

Some of the material in this book will, undoubtedly, be made obsolete by the rapid changes that are occurring in the world economy, but much of the material is as relevant today as it was at the beginning of my career thirty-eight years ago. Firms contemplating international work or expansion into new countries should find guidelines—many of which

have been provided by others as noted above—that are a useful starting point for their planning.

AN HISTORICAL OVERVIEW

When my grandfather’s firm designed the original campuses of two universities in China—Shandong and Nanjing—the required travel was a commitment of months. Years later, when I was growing up in the 1950s, I remember going with my father to the airport because it was a special event; he was flying to Germany to start Perkins & Will’s first international project—a school for the children of U.S. Army personnel in Frankfurt, Germany. Except for the architectural divisions of large engineering and design-build organizations, international practice was not a major part of most firms’ practice at that time. Today, my children and the children of hundreds of my contemporaries find nothing extraordinary about their parents taking another flight to another foreign project.

In the 1960s, the rapid expansion of international air travel, as well as many other factors, began to change design professionals’ view of international practice. A growing number of firms—such as The Architects Collaborative, which was retained to plan and design a new technical university in Baghdad—began seeking and receiving major commissions from clients other than the U.S. government and North American corporations with operations overseas.

It was the great U.S. recession, as well as the Organization of Petroleum Exporting Countries (OPEC)–related shift of wealth, in the mid-1970s that permanently changed things for the architectural profession in North America. During those years many sought internation-



Fig. 1-01: *Nanjing University, Nanjing, China. Perkins, Fellows & Hamilton, 1917.*

al work due to a sharp drop-off in domestic commissions (particularly in such major centers as New York City) and the availability of huge new commissions in countries with limited domestic architectural resources. In that period, many firms made major commitments to international practice, and large numbers of my contemporaries got a taste for both the rewards and the strains of working overseas.

The OPEC countries became a less important part of international practice when Europe, Hong Kong, Japan, and other countries opened up to North American architects in the 1980s. In addition, North American clients, such as Olympia & York, Disney, and IBM, as well as international clients imported many firms for their expertise in those most American of building types: high-rise of-

fice buildings, shopping centers, and mixed-use and corporate interiors. The draw of major projects in such glamorous places as London, Paris, and Madrid was irresistible, and many firms even committed to permanent offices overseas.

When the real estate boom of the 1980s hit the wall at the end of the decade, a large number of firms had developed the skills, organization, and need to continue to seek work overseas. Just as the European and Japanese firms finally caught up with us in our traditional areas of expertise, a new real estate boom took off in Asia.

The Asian boom—and the steep North American recession that lasted into the early 1990s—drew more firms overseas, this time to the overheated economies of Indonesia, Thailand, Korea, Taiwan, Malaysia, Singapore, and the

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emerging giant, China. North American firms continued to work in the Middle East and, if a firm had a local office or marketable design reputation or expertise, in Europe. A reduction in barriers to foreign design firms also opened markets in South America, Eastern Europe, and Russia.

Many of these markets crashed in the mid 1990s, just as the U.S. economy was recovering. Some firms reduced their commitments to work overseas; but the majority of the large firms, as well as many smaller firms, now regarded international practice as a basic part of their strategies for their firms' futures.

At the time this book was written, North American firms are engaged in projects in dozens of countries around the world. China is the hottest market, until their own domestic design capabilities grow to meet the demand; but the United Arab Emirates and several other regions

have also become big markets. Hundreds of firms now work in these as well as dozens of other countries around the world.

The *Engineering News Record* (ENR) annual "Top 500 Design Firms Sourcebook" records the steady increase in international practice. The 1965 version does not refer to international work even though many firms had started to work outside the U.S. and Canada. The 1975 issue, on the other hand, noted the rising importance of international work, particularly the emerging market in the Middle East. Reported projects there tripled from 1972 to 1974. Central and South America, in the 1970s, still accounted for the largest number of projects, followed by Africa and a growing number in Indonesia. By 1985 the top 500 had over \$1 billion in foreign billings and almost half of that came from the Middle East. Overall, 210 of the 500 firms were working

Table 1-1. International Practice at ENR's Top 10 "Pure" Designers

Firm	Total Revenue from International Practice (%)*	International Offices**
HOK	43	Hong Kong, London, Mexico City, Ottawa, Shanghai, Toronto
Gensler	12	Dubai, London, San Jose, Shanghai, Tokyo
SOM	36	Hong Kong, London, Shanghai
Leo Daly	1	Hong Kong
HKS	6	London, Mexico City
Perkins & Will	10	Shanghai, Vancouver, Victoria
Heery International	18	London, Scotland, Germany, Spain
NBBJ	23	London, Beijing, Shanghai, Dubai
EDAW	37	Beijing, Brisbane, Edinburgh, Hong Kong, London, Manchester, Melbourne, Shanghai, Shenzhen, Singapore, Suzhou, Sydney
RTKL	31	London, Madrid, Shanghai, Seoul, Tokyo

Source: **The Top 500 Design Firms," *Engineering News Record*, April 18, 2005. Firms listed in order of gross revenue.

**Firm web sites

abroad—89 of which had projects in Saudi Arabia. By 1995 Europe, which had been a busy market, was now according to some “a very mature market,” and Asia had become “the top attraction for international design firms.”

By 2005 over 20 percent (almost \$11 billion) of the revenue of the *ENR* “Top 500 Design Firms” came from international assignments. Even taking out the huge international design revenues of the larger engineer-architect-contractor firms, such as Fluor or Bechtel, it is clear that overseas work is a permanent and important part of many firms’ practices. This is particularly true for the largest architectural firms. Most of the 10 largest architect, architect-engineer, or architect-planner firms on the list derived a significant percentage of their revenue from international projects, many of which were managed out of overseas offices as illustrated in Table 1-1.

While many of the smaller firms on the list did not have overseas work in 2005, firms of all sizes are working internationally.

The 2006 American Institute of Architects (AIA) Firm Survey in “The Business of Architecture” noted that about 12 percent of the total respondents had been involved with international work in the last three years. For firms with 20 to 99 staff members, the figure was 24 percent and firms with more than 100 staff members, 59 percent had recent international work. Billings, for this work, while still a small percentage of the respondents’ total, doubled between the 2003 and 2006 surveys (p. 53).

Ten years from now the focus of international practice will undoubtedly have shifted again. The design professions in North America are now—and will continue to be—integrated into an increasingly globalized world economy.

