CHAPTER 1

The Problem with Traditional Firms

George Hellmuth, Gyo Obata, and George Kassabaum wanted to design a world-class architecture firm. But before they could establish HOK, they needed to come together in the same city. George Kassabaum's family moved around a bit during his childhood, and he ended up going to college in St. Louis, because it was not far from their latest hometown. Gyo Obata was from far away, in Berkeley, California, and also came to St. Louis for college. Both Kassabaum and Obata would leave and come back, before finally meeting Hellmuth in St. Louis. Hellmuth was the only one of the founders to grow up in the River City, where he had the formative experience of watching his father and uncle struggle to keep their own small architecture firm afloat. St. Louis may seem like an improbable place for one of the world's largest design firms to form, yet it has a significant history.

Why St. Louis?

St. Louis was a bustling French trading settlement that became part of the United States with the Louisiana Purchase, negotiated between President Thomas Jefferson and Napoleon Bonaparte in 1803. During the winter of 1803–1804, the Lewis and Clark expedition assembled men and supplies at Camp Dubois a few miles upstream from St. Louis. That spring, Lewis and Clark crossed the Mississippi and began their epic journey up the Missouri to explore the West. As a boy, I played at Camp Dubois Historic Site just a few miles from my home.

As the nation grew west, the need to move goods and people across the Mississippi, and St. Louis's central geographic position, combined to bring the city to prominence. In late 1874, a team of visionaries, including bridge designer James B. Eads, and a young entrepreneur named Andrew Carnegie, opened a combined roadway and railway bridge across the Mississippi. Named the Eads Bridge for its creator, it was the world's first all-steel arch bridge, the first bridge to exclusively use cantilever support, and one of the first to make use of pneumatic caissons. John A. Roebling, designer of the more-famous

Brooklyn Bridge, visited the construction site in St. Louis to learn how Eads managed to sink the caissons so deep. St. Louis had long been a city dependent on the Mississippi river for transport north and south. Now railroads connected St. Louis to the east and west, making it a hub of American commerce.

By 1903, St. Louis had grown to become the fourth largest city in the country and hosted a World's Fair to celebrate the centennial of the Lewis and Clark Expedition and the city's role in the settlement of the West. Inventors introduced the ice cream cone at that fair, and a firm called Hellmuth & Hellmuth was practicing architecture in St. Louis at that time.

Hellmuth & Hellmuth

George Hellmuth—father of HOK's George Hellmuth—and his brother, Harry Hellmuth, were partners in the firm. Naturally, they called their company Hellmuth & Hellmuth, and it had its heyday in the early 1900s, when St. Louis was at its peak. The practice was typical of that time, with the two partners and some draftsmen. Hellmuth & Hellmuth specialized in designing commercial buildings, projects for the Catholic Church, and grand mansions for wealthy St. Louis business leaders.

Hellmuth & Hellmuth's best-known work was the International Fur Exchange Building, completed in 1919, with office spaces for buyers and a large room for fur auctions. At that time, trade in beaver hides and other pelts was still significant and would continue into the 1950s. However, by 1997 the building was vacant and set to be torn down. Hotel developer Charles Drury stepped in to halt demolition and save the building, which he renovated, along with two adjoining properties, to become a hotel and restaurants. The International Fur Exchange Building is now listed on the National Register of Historic Places.

When Hellmuth & Hellmuth secured a commission for a project, George and Harry hired draftsmen to help with the work. During the course of the project, the partners trained them to do the work properly, and gradually a more effective operation would emerge. When the project ended, often there was no new work to take its place, so Hellmuth & Hellmuth would lay those people off, with the firm effectively losing the positive effects of the training.

The partners would begin again to find new work, then hire another fresh team, often bringing in brand new people who they once again needed to train. The end of every project meant the firm was starting over again, and it lost good, seasoned people when the work ran out. Without knowing where the next project was coming from or who might be needed for the work, the firm was never able to plan its own future. Hellmuth & Hellmuth lurched from crisis to crisis.

The second—and fatal—flaw in a traditional practice like Hellmuth & Hellmuth became apparent when the partners wished to retire, and no provision had been made to buy them out. The firm had to close its doors and the partners were left with little to show for their work. Succession planning was overlooked and underappreciated in the world of architecture.

FIGURE 1.1 International Fur Exchange Building, St. Louis, Missouri, designed by Hellmuth & Hellmuth. Source: Photo courtesy of HOK.

George Francis Hellmuth

But years before that, in 1907, George and his wife had a son. They named him after his father, but with a different middle name. Young George Francis Hellmuth also grew up wanting to become an architect. I have noticed that architecture often runs in families, and the Hellmuths are just one example. However, young George didn't want to emulate his father in all ways. He was distressed by the ups and downs he observed at the

traditional firm run by his father and uncle. Architectural practice seemed like a roller coaster, and he wondered if the disheartening boom and bust cycles were inevitable.

The younger George Hellmuth graduated from Washington University with a Master of Architecture degree in 1931, then traveled to France for a year of touring and study at the École des Beaux-Arts in Fontainebleau. He returned to St. Louis in 1932, eager to begin work at Hellmuth & Hellmuth. However, the country, St. Louis, and the firm were in the grip of the Great Depression and his dad and uncle could not afford to hire him.

Instead, Hellmuth landed a job with the City of St. Louis as a junior architect designing bus stops and comfort stations. He worked for the city for seven years, then approached his father again about joining Hellmuth & Hellmuth. "No one in St. Louis knows how to practice architecture successfully," his father told him, "and that includes me. If you want to learn how, go to a big city, find a big office, and get them to take you on."[1] That's not bad advice for anyone following in a family member's footsteps.

Hellmuth took his father's suggestion and, in 1939, moved to Detroit, which was then flourishing as an auto manufacturing city and a rival to Chicago for dominance in the Midwest. He found work with Smith, Hinchman & Grylls (SHG), a regional firm with a reputation for good design and steady work serving the growing auto industry.

Hellmuth began as a junior designer at SHG, but his marketing skills soon became evident to the firm's leadership. They transferred him to the solicitation department to help SHG look for new projects. As Hellmuth served in this role, he began to understand how critical marketing for new work was for the long-term success of SHG—or any firm. On the strength of his marketing skills, he quickly rose to be an SHG vice president.

However, Hellmuth knew that no architecture firm could succeed on marketing alone. He was convinced that SHG could build an even stronger practice through better design. He persuaded the firm to hire Minoru Yamasaki, a talented young designer from the East Coast, for $10,000 a year—a good salary for that time.

The Depression-Proof Firm

Hellmuth continued to think about how to create the ideal architecture practice, one that didn't fall into crisis and lose most of its staff and knowledge every time a project ended. He developed a series of insights about how to design a world-class architecture firm and was determined to bring them to the attention of SHG leadership.

Hellmuth was a visionary and, over time, these revelations would have a major impact on his own fortunes—and on the design industry. Here they are:

FIGURE 1.2 George Hellmuth. Source: Photo courtesy of HOK.

Talented People. Hellmuth's first insight was that talented people are the key to a successful architecture

[1] Walter McQuade and Paul Grotz, *Architecture in the Real World: The Work of HOK*. New York: H.N. Abrams, 1985.

practice. Without talented people, no firm can plan for the future. Architecture firms should attract talented people, then keep them long-term to leverage their growing skills and abilities. Of course, keeping talented people long-term meant having steady work, and that led to the next key insight.

Hellmuth's first insight was that talented people are the key to a successful architecture practice. Without talented people, no firm can plan for the future.

Full-time Marketing. Hellmuth's second insight was that full-time marketing was essential to replace the current work before it was finished. Marketing to obtain a worthwhile new project took time—as much as five years. Hellmuth often described marketing as farming. "First you till the ground, then plant the seeds, then tend the fields. Only after that effort can you harvest the results," he liked to say. In addition, full-time marketing could be even more successful if supported by an effective, professional public relations program to cultivate awareness of the firm's abilities and build relationships with potential clients.

Diverse Work/Cities/Services. Hellmuth's third insight was to diversify the work of the firm to the maximum extent possible. He believed a diversified workload was superior to a focus on one type of building. For example, most architects kept busy during the post—World War II baby boom by designing schools. Hellmuth understood that abundant school projects would dry up one day soon, and that other work was necessary before the baby boom went bust. His diversity insight also extended to geographic diversity. If work in one city was slow, work in another city could well keep a talented staff busy. Finally, he understood that diversified professional services were important to bring more work from each project in-house, rather than farming out much of that work to other firms. Some clients need landscape architecture, or engineering services, or interior design. A diversified firm would develop the capacity to serve those needs, in addition to building design.

Specialized Leaders: Hellmuth's fourth insight concerned specialized leaders. He proposed that each partner focus on a separate responsibility—marketing, design, and production—for maximum efficiency. Partners in traditional firms did everything—sell, design, and produce the work. Hellmuth believed that, by specializing, each partner could become an expert in his area of responsibility. This would also help avoid power struggles, since the partners would oversee separate domains.

In summary, George Hellmuth reinvented the modern practice of architecture with four savvy ideas:

1. Attract and keep talented people.
2. Build a steady workload through full-time marketing and active public relations.
3. Strive for diversity of work, geography, and services for long-term workload stability.
4. Have specialized leaders run the firm, with separate focuses on marketing, design, and production.

In 1944, Hellmuth wrote "The Depression-Proof Firm,"[2] a 23-page paper detailing these ideas. He was determined to put it into action. He approached SHG leadership with his paper, but they only seemed interested in winning the next job—not his long-term firm-building strategy.

Chapter 1: To Design a World-Class Firm

1. Hire and keep talented people long term. Otherwise, the time and money you invest in training them is a waste. Service businesses, like architecture, are only as good as their people.
2. Consider carefully before you lay people off, because you lose not only staff members, but also their reservoir of knowledge.
3. Secure your next commission before your current project ends, so that you can plan your firm's future and stop the stressful boom and bust pattern.
4. Assign one leader to full-time marketing to win new work so other leaders can focus on designing and delivering the work.
5. Don't rely on marketing alone. Good design must be in place too and is the key that will sustain the practice.
6. Develop a professional public relations program to bolster your reputation—and your marketing.
7. Diversify your practice by expanding into multiple cities, developing multiple services, and embracing multiple building types to recession-proof your firm.
8. Organize your practice around specialized leaders—such as design, production, marketing, and management—because it's more efficient than if every leader does everything.

[2] "HOK's George Hellmuth 1987 Interview," YouTube, December 14, 2009. Accessed April 18, 2019. https://youtu.be/uXXAf0ujFL4.