Summary of Points from Carlson School Report

Challenges faced by our profession over the past few decades:

- Owners reps, project managers and design/build leaders are often consulted first in line.

- Many services formerly performed by architects have become specialties provided by outside consultants (code review, cost estimating, project management, lighting design, façade engineering, etc.).

- Technology (CAD, BIM, the Internet, etc.) has transformed our work and reduced staff required to execute projects.

- Commoditization of some building types (hotels, retail, clinics, branch banks, etc.) has reduced fees through repetitive designs.

- Architects’ real value to clients is mostly in problem solving and creating operationally efficient building solutions.

- Economic bubbles in the late 1990’s (tech boom, data centers, financial services office buildings) and 2003 to 2007 (housing and commercial real estate leverage boom) have created an overbuilt environment that will limit demand for several years. Outside of these bubbles, total fees for the architectural profession generally grow in parallel with GDP growth.

A survey of our members was conducted with this summary of results:

- Architects believe they are adding high value to projects, but they are receiving disproportionately low fees.

- Architects should be prepared to provide some of the specialized services clients need – code review, construction admin, project management, planning/zoning approvals, cost estimating, green/LEED design, feasibility studies, FFE, acoustical analysis, energy analysis, interior design.

- Some of these services may be even more important in the future – financial analysis, energy analysis, cost estimating, strategic planning, post occupancy evaluation, asset management.

- Additional training in the specialty services described above would be valuable.

Other professions have gone through similar transformations that may provide insight:

- Print media companies (magazines, newspapers, etc.) have been challenged by abundant
and low cost competition through new technologies. Those companies that adapted quickly through innovation in new formats have survived.

- Accounting has been transformed from a bookkeeping function to a business strategy advising profession. New technologies automated routine functions. Accountants developed specialties in strategic areas (tax advising, investment advising, business analysis, etc.) and captured the value of their expertise by creating sub-certifications for various categories.

- Human Resource professionals formerly provided routine employment functions such as payroll, hiring/firing, recruitment, health insurance, etc. These more basic functions are now simplified through technology and generally outsourced to specialty firms while core functions such as employee training and development, and organizational effectiveness remain within larger companies.

**Recommendations to the profession and the AIA:**

- Survey and monitor key metrics about our profession – changing perceptions of architects, developing specialties, changes in work type needed by the industry, etc. Do this annually and create a database of key metrics.

- Recapture our role in some specialties that have migrated away. Use education and possibly sub-certification to develop and identify our value in these functional specialties.

- Strengthen cores services such as building design and technologies.

- Identify and develop new services and new client types to expand our range (asset management, energy analysis, 3D visualization, etc.).

- Maximize the strategic value of new technologies (BIM) for the benefit of our clients.

- Understand our customers and what drives their satisfaction with our services. Measure perceptions and changes.

- Improve relationships with collaborators in the overall construction process – contractors, consultants, vendors, etc.