



# Practice Resilience:

How architects survive and thrive during challenging times

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# Practice Resilience: Summary of research findings

## OVERVIEW

Following the UK's decision to leave the EU in June 2016, the RIBA initiated a significant programme of engagement and support to ensure that the views of RIBA members were reflected in the government's approach to Brexit, and to help members stay informed and adapt to economic uncertainty.

As part of its response, the RIBA commissioned NBS Research to carry out in depth qualitative research to understand and learn from how RIBA Chartered Practices known for resilience and innovation have adapted to major change in the past. The practices included in this research reveal a profession that is strong, sustainable and flexible – creative problem solvers used to responding to change. Following periods of economic, policy and technological change, Brexit is viewed as the latest challenge.

The research provided many examples of good practice and identified four common characteristics of resilient architectural practices:

- Business-focussed
- Innovative
- Adaptable
- Diverse and Inclusive

The lessons from this research will help ensure that all practices are well equipped to survive and thrive during the challenging time ahead.

## PAST CHALLENGES

Resilient practices have experienced periods of change in the past – not least the 'boom and bust' economic cycle of recent years; the last two recessions in the 1990s and 2008 hit particularly hard, with some businesses forced to cut their workforces drastically.

Government policy changes have also impacted on workloads and the role of the architect, particularly in education sector procurement. Practices have been affected by the digital disruption of architecture, with an increasing requirement for BIM – on government projects and more broadly.



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## FUTURE CONCERNS

**Brexit has already affected the profession, which has experienced fluctuating workloads since the referendum; whether domestic and international clients will continue to invest in the UK is a major source of uncertainty moving forward. Practices are also concerned about future restrictions on trade in goods and services that would affect both their UK workloads and ability to work in the EU.**

The availability and affordability of skilled labour, products and materials – the costs of which have already risen – is another area of concern. Products produced in the EU are highly valued – curtain walling systems from Germany, for instance. Practices hope that harmonisation of standards continues, and that tariffs and increased costs do not prevent them from being able to import EU products.

““ If we don't have a trade agreement we don't know how we'll be importing these things [products from the EU].””

Immediately post-referendum, EU staff already felt unwelcome. Looking ahead, practices feel that potential restriction to freedom of movement on the supply and diversity of skills will have the greatest impact, especially in London. The range of experience, knowledge and values non-UK EU (and other international) staff bring strengthens their practice and improves the quality of design delivered. If the overall pool of architects is reduced, it could affect practices across the UK, with reports of staff being drawn to London from the regions. Skills on site are expected to be even harder hit, again with London affected most.

““ ...it's going to create a skills shortage, which is going to be problematic both on site and in architecture practices as well.””

Practices are now questioning the longer term impact a skills shortage may have on their organisations, and on construction output and the quality of buildings more broadly. Will Brexit jeopardise the UK's international reputation as a global architectural hub?

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## BUSINESS-FOCUSED

““ You’ve got to think of it as a business, not just as a design led... studio. That is fundamental and it’s not as obvious as it seems. ””

**Architects are in practice to create great architecture. But those we spoke to recognise that having a ‘business-focused’ approach is the foundation for good design. Business strategy, planning, and structure are taken seriously. Resilient practices generally have a written plan and critically, many keep to their plans and continually review them.**

““ Everything emanates from our business plan. ””

Growth is not the main driver for resilient practices, who prioritise creating a strong, sustainable business by investing in the right team, improving how they operate and protecting their financial stability. Some practices spoke of protecting the core values, culture and processes that made the practice what it was during hard times such as a collaborative and innovative approach.

Senior teams provide strong leadership, direct strategy and make tough business-critical decisions quickly. Individual partners or directors have responsibility for business functions like finance, HR, and marketing, or for different sectors. In larger practices the leadership team is supported by specialists, such as marketing managers.

While leadership is decisive and a clear vision is communicated with staff, resilient practices are also transparent, sharing strategy, plans and financial performance. Structures are flat and staff are encouraged to provide feedback, take responsibility and come forward with ideas. Some practices consult on major decisions in challenging circumstances; whether to make staff redundant or whether everyone would take a reduction in salary during the last recession. Some practices involve staff in regular leadership team meetings to ‘demystify running a business’ or have staff councils, junior management groups, and task groups.

““ The key issue is always being open and honest with everyone in the practice. ””

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## INNOVATIVE

**Resilient practices are influencers in the future of architecture. They take a long term view and are investing in technology, research and skills to expand business opportunities.**

For some, BIM has opened the door to new, larger projects as well as increasing efficiency and improving co-ordination. Others are looking beyond BIM to virtual reality and the integration of the built environment with other infrastructure and services. Some are promoting modern methods of construction.



“ [The adoption of 3D design/BIM means]... we are now able to handle much bigger projects and being able to do that well has led to other bigger projects... which we would only have dreamed about four or five years ago. ”

Several are helping to address current issues – the housing crisis or skills shortages – by carrying out research, which also helped them to raise their profile among clients. Others use practice management software to resource effectively and assess profitability.

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## DIVERSE AND INCLUSIVE

**People are central to resilient architectural practices. Recruiting, developing and retaining the right staff who have a good fit with the organisational culture is seen as key to growing sustainably.**

“... we’ve got a really good team of people who work really well together... you really want to keep them together.”

Staff turnover is at odds with sustainable growth. Resilient practices retain staff by maintaining a positive culture – communicating openly and encouraging autonomy and ownership. Staff are rewarded and protected. Some businesses introduced generous pensions and profit share schemes during better times. Others provided support during hard times; free lunches for all staff in one case. Some practices also help their staff with visa applications. Valuing the workforce engenders loyalty – perhaps explaining why the staff in several practices were prepared to take collective salary reductions to get through the recession.

Succession planning is important. Practice leaders are passing on their knowledge and experience to others in the business, nurturing and supporting the next generation of leaders. They give them exposure to how the business is run and responsibility for bringing in new business.

“...you [have] to spread responsibility out widely and as soon as it’s possible in order to make the practice resilient.”

Resilient practices are passionate about the importance of staff from the EU and beyond, who help to create rich, interesting places to work, stronger businesses, and better architecture. Some felt that architects from particular countries brought certain valued skills or approaches.

“Our Spanish connections have always had a very strong design background... our Eastern European architects have brought a very rigorous and high level of technical skills.”

Having staff who knew a different language and culture also helped to open the door to working in those countries.

“I can’t imagine what sort of a workforce we would have if we didn’t have the EU... we benefit from the wider knowledge that people bring in from all over and we love our multi-cultural background.”

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## ADAPTABLE

While the outlook is uncertain and architectural practices don't underestimate the challenges Brexit may bring, they have demonstrated their ability to adapt and seek out new opportunities in the past: So, what do resilient practices do to prepare for change? Embedding approaches and processes that equip practices to adapt is central to business resilience. This is partly a mind-set.

“We set up in a recession in 1994, and worked through the one in 2008; we take the view ‘this is it, it’s always going to be tough.’”

**Resilient practices take a proactive approach to business strategy and scenario planning – during the good times and the hard times – preparing them to respond to unexpected change or opportunity. Maintaining reserves helps to ride out leaner periods. Light on their feet, resilient practices are able to act quickly and decisively when faced with challenge.**

Responding to the changing needs of current and potential clients is seen as core to a sustainable business. Resilient practices invest in building strong relationships with existing clients, develop links with potential joint venture partners and large client bodies (like universities), and actively market the services they provide. Engaging with the RIBA and other built environment organisations raises their profile and helps to develop their networks. Some practices take on a thought leadership role by holding their own events and debates.

Leadership teams and staff in all participating practices, make sure they stay informed of current economic conditions, policy and market trends by monitoring the mainstream and construction press, and industry newsletters. Business development strategies either focus on spreading risk across a broad range of sectors or targeting particular growth sectors or markets, often focusing on their core expertise. Some practices expect to refocus on the UK market.

In response to the potential skills shortage, some practices see potential to develop the UK workforce. One practice is planning to strengthen its links with universities and another already sponsors a higher apprenticeship programme; the RIBA supported apprenticeship standards for architecture will unlock access to a broader talent pool.



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## CONCLUSION

Despite the challenges of Brexit, and the unpredictable political and economic context, resilient architectural practices will adapt to change as they have done in the past.

Prioritising business, people and innovation has put them in a strong position to improve their opportunities even through the uncertain times ahead. But practices are also looking for a **Brexit deal and domestic policy that will enable their businesses to continue to thrive, secure continued access to diverse skills, and invest in innovation.**

The RIBA has developed a five point plan to advocate on behalf of the profession and ensure that the views of RIBA members are reflected in the government's approach to Brexit negotiations.

In **Global by Design**, we call for measures: to secure and expand open markets through trade agreements; to maintain access skills through mutual recognition of qualifications and freedom of movement; to strengthen the economy through infrastructure and research investment; and to support business through fiscal incentives, maintained product supply and standards, and procurement reform.

Since the referendum result, the RIBA has provided intelligence and support for members, through an updated events and CPD programme and by closely monitoring the economic impact for architects through the monthly Future Trends Survey.

## METHODOLOGY

Partners and directors from 21 practices took part in the research carried out by NBS Research to learn how they build 'resilience' into their organisations. The research ensured representation by gender, practice size, and location.

Most practices employed staff from the EU, including Spain, Italy, France, Germany, Ireland, Greece, Portugal and several eastern European countries. Some had experience of trading with the EU.

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