RIBA Working Internationally A guide for practices





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Introduction

This booklet, published by the RIBA, aims to encourage RIBA architects to develop international business opportunities into long-term success by adopting a strategic approach to their ventures into overseas markets. Although produced by the RIBA in the UK, the guide will be equally valuable to all architects who wish to internationalise their practices, wherever they are located. Some of the support services listed here may be specific to the UK, but the principles are universal.

Our advice is for architects to take control of their international activities by, first, identifying which countries offer the best potential markets for their services and, second, approaching those countries in a way that offers the best chance of success. At this moment in time, we are faced with massive and rapidly accelerating forces such as global urbanisation and digital technology which will change things dramatically, whether we like it or not. We must adapt to this ever-changing world in order to meet the demands of sustainable city-making in the 21st century and in doing so prioritise the basic human need to live in, work in and enjoy great places which provide a quality of life for existing and future communities.' Terry Farrell, Architectural Review (2015)

As a nation, we are extremely well equipped to provide the kind of sustainable city-making skills that will be in greater demand around the world and our global reputation is something to be proud of.'

Terry Farrell, Architectural Review (2015)

'UK/RIBA architects are renowned worldwide for their training and expertise and are in demand across the globe.' Department for International Trade (DIT), Creative Industries sector

Why work internationally?

Seeking overseas business is a logical strategy for many firms, especially if they are successful in their domestic market and are looking to grow.

Working internationally may be harder than simply selling your services in your domestic market, but it will expand your potential market. It may also entail taking on additional risks, but by reducing your dependence on your domestic market you will spread your risks over a wider base – for example, risks of non-payment or company liquidation linked to cyclical problems in one market will be evened out by stronger performance in another. Additionally, working in a different country will expose you to new ideas and lead you to develop new partnerships, which can be beneficial to your practice in a whole host of ways, including in your domestic market.

Dr Catherine Raines, Chief Executive of the Department for International Trade (DIT), welcomes the rise in small businesses looking to export. She says, '*Exporters of all sizes are more productive, innovative and resilient to economic downturns than nonexporters; they achieve a stronger bottom line; boost their reputation and profile; and are more likely to stay in business.*'



Studies on the benefits of exporting include:

- Harris, R. and Q. Cher Li. Firm Level Empirical Study of the Contribution of Exporting to UK Productivity Growth (2007).
- Hart. M. et al. Impact of Trade Services on R&D. Aston University (2009).

The American Institute of Architects recognises in its best practice document that when its architects operate abroad they benefit from:

- **lower cost alternatives:** technical talent and facilities cost appreciably less in many areas of the world, and many foreign nations offer significant financial incentives for firms to relocate to their countries
- **foreign talent and drive:** highly talented researchers and technical workers are increasingly available throughout the world
- easier access to better markets: giving access to new customers, revenue and ideas
- **expanding modernised infrastructure:** foreign governments are investing in universities, research facilities, transportation systems and telecoms networks
- favourable business conditions: less bureaucracy, more business-friendly tax regimes.

While we were happy to be working in our home market, we were concerned that BDP was becoming overexposed in the UK – especially as during a recession architects are hit first – so when this came to the UK, BDP looked overseas. In 2008, with the recession upon us, BDP made the decision to look at opening international offices because: 1. it was good for our profile

2. this would smooth out the peaks and troughs.

In 2010, we opened offices in New Delhi and Abu Dhabi, and in 2011 Shanghai.'

David Cash, BDP



How do opportunities arise?

International business may very well come to you, perhaps after a recommendation from one of your domestic clients or existing overseas partners or as a result of enquiries you have been making in a certain region.

Sean Hatcher of MCM Architecture explains that their first international exposure came from UK clients introducing MCM to overseas opportunities. This was followed by overseas clients coming directly to MCM. They have recently been contacted regarding projects in Russia, Poland, Austria, Germany and Scandinavia.

However, you may have to look for opportunities yourself, by researching overseas markets and approaching potential partners or clients.

For each international enquiry you receive, always ask yourself 'Am I in charge?'. Any approach to your practice from abroad is likely be driven by the enquirer's desire to meet their own objectives, not yours. Develop all enquiries so that they meet your objectives and then drive the discussion to your own benefit.



Types of international businesses

Figure 1 BCC segmentation of exporters

Source: British Chambers of Commerce, Segmentation of Exporters (2004)

According to the British Chambers of Commerce, businesses trading overseas categorise themselves into one of four different types – passive, reactive, adaptive or strategic. They observed that strategic businesses reported the highest growth in international trade over the previous year (figure 1). Architectural practices are therefore encouraged to adopt a strategic approach to their international opportunities.



A plan for working internationally

This guide presents a six-step plan for working internationally in the field of architecture and related services. The plan is outlined here, and more detail on how to implement each of the steps is presented in the following sections.

The plan is relevant to all practices working internationally, from those embarking on overseas projects for the first time to experienced practices looking to improve their business performance. Following the plan will not only help you to maximise the returns on your investments, but should also ensure that you enjoy the experience of working with international partners.

Are you ready?

A consideration of your international readiness: You must assess whether you, your business and your services are ready for the international workplace and whether you can adopt a strategic approach to each market. A checklist is provided to help you to assess your practice's readiness.

Monitorina

Considering whether you are ready to do it again: The viability of continued investment of resources in international markets will depend upon your business succeeding. Measuring the achievement of predetermined business goals (projects, profits, profile etc.) and tracking your international website statistics will provide valuable evidence. The outcomes of your monitoring activities can be used to help you decide on your next steps: whether to build a stronger presence in the new market or to expand elsewhere.

Making it happen

Now get to work: With the benefit of the information collected in the research phase, and the advice of practitioners, you can start to make those decisions about your preferred approach to the chosen market. For example, how you will be represented in the market, what types of partner you will work with and what fee structure will you use. You can then begin to implement these decisions in the market, through finding partners, building a website, taking part in events and, ultimately, delivering projects.

Where to begin?

Focusing your efforts: Rather than fielding enquiries from all over the world, it may be better to concentrate your international efforts on a specific region of the world, or even a specific country. In this step, you are looking to generate a list of priority countries.

Towards a market entry strategy

A consideration of the target market: Thorough and comprehensive market research will enable you to devise a market entry strategy that will enable your practice to target lucrative sectors of the marketplace through appropriate representation and with your strongest offering promoted and priced effectively.

Research

How to approach a new overseas market: Through systematic and comprehensive research, information is collected that will help you to understand the structure, segmentation and working of the architectural business in the target market. The experiences of other UK and foreign firms working in that region, and of your competitors, together with their fees and an appreciation of the needs of the clients, need to be sought, along with information on the regulatory framework operating in the target market.



Step 1. Are you ready?

You are already competing successfully with international companies in your domestic market, but choosing to work internationally will mean facing your competitors on their home turf – a challenge for which you should be well prepared.

1.1 Business risks

There are many stated benefits to trading internationally, but there are also many barriers. The greatest barrier faced by small practices wishing to develop international business is the perceived increase in exposure to risks, both internal and external.

Internal risks include:

- lack of skills and expertise
- inadequate financial capacity
- lack of sufficient management commitment and confidence
- lack of appropriate service quality
- intellectual property exposure.

External risks include:

- insufficient information about the market and competition
- inadequate contacts and networks
- exposure to unfamiliar languages, culture and business environments, e.g. customs and regulation.

To mitigate these risks, practices should carefully consider whether they are ready to take on international work. In particular, they must assess the resources available to them and decide whether they have sufficient skills and capacity to work internationally.

1.2 Are you a strategic business?

The British Chambers of Commerce have found that businesses trading overseas can be divided into four categories:

Passive businesses: These do not have international trade as a part of their business plan – overseas enquiries come to them unsolicited. This type of company will service overseas enquiries, but only if they do not have to go out of their way to do so.

Reactive businesses: These develop their offering in response to overseas opportunities that arise. Their overseas trade is uncertain and their forecasts change rapidly.

Adaptive businesses: These are starting to formulate an international plan, but have no clear picture of which markets they will target. They are willing to adapt their marketing materials and services as required. 'To be honest, while representing additional business, overseas interest is more of a hassle, what with the bureaucracy it entails.'

'I cannot say what international business I will have in two years' time; it depends on whether some of the contacts I have made overseas come good or not. International activity is a little uncertain yet exciting – fun in a way.'

We are not fussy about where we work; we have heard horror stories so are cautious and want to make sure that we do everything correctly. We are not in a hurry; we very much enjoy the opportunity to learn about new cultures and countries.'

Are you ready?

Assess your practice's readiness for international work using the self-diagnostic checklist included at **appendix B**.



Strategic businesses: These see international trade as part of their business strategy. They are clear about where the business is going financially and have a definite plan of how to get there.

At the moment, international business is 10% of our turnover and in three years we are planning for this to grow to 30%. The business is on a steep growth curve, driven by the hunger for quality product, growth and profits. Market research plays a vital part in the development of overseas markets.'

Strategic businesses have been found to perform best in terms of growing their international trade (see page 5).

Case study: John Thompson & Partners

This case study describes how John Thompson & Partners (JTP), an award-winning practice of architects and community planners with studios in London, Edinburgh and Shanghai, approached working in China in a strategic way.

Joanna Allen, a partner at JTP, explained their situation:

'Working in China was very different to our other international projects, where we had only responded to opportunities that had been given to us. Instead, we would be actively promoting ourselves to entirely new contacts.'

Joanna realised they needed to understand the market better, to ensure that they could tailor their offer to the demand and that they had a clear idea of which regions to approach; they also wanted to know how to conduct business in China.

'Parts of China were unfamiliar to us so it was vital to talk to people and investigate the market potential of various different regions; otherwise, we would have concentrated our efforts solely on Shanghai and restricted our growth potential.'

Initially, the best places to target appeared to be the second-tier cities, where development was at its peak, but JTP's research revealed a different story. As Joanna explained:

We quickly discovered that many of these rapidly developing areas lacked the sophistication of the larger cities. They tended to be building large areas fast and at a very high density, without many social, cultural or environmental considerations. To succeed in these areas, we would have had to change our philosophy, which we weren't prepared to do.'

Instead, Joanna discovered JTP's approach was a very good fit with the areas around Shanghai, Hangzhou, Suzhou and Shenzhen. The research also clearly showed that a face-to-face approach was essential for doing business in China.

As a consequence, JTP teamed up with a local partner in Hangzhou and opened a small office in Shanghai, focusing initially on the major conurbations. The office was invaluable for being able to visit clients regularly and for building strong relationships. Within two years of the research visit, JTP had won 20 projects in China, accounting for 15% of its turnover.

What type of business are you?

2

Determine which category your practice falls into by using the flow chart at **appendix C**.



Step 2. Where to begin?

It is likely that opportunities will come to you from abroad, so where you trade internationally may well be determined by where these opportunities originate. However, by targeting specific countries or regions, you can ensure that enquiries come from more lucrative markets. The market selection process described below can help you take control of where the international interest arises.

Before thinking about overseas markets, be very clear about and describe your practice's position in the domestic/home market. Recognise your strengths and define them carefully. For example, you may have a particular strength in education, infrastructure projects, hotels or health, or have expertise in low-carbon buildings. You would want to play to these strengths when you market your practice abroad.

2.1 The market selection process

For many years, government international trade organisations (such as the Department for International Trade (DIT) in the UK (formerly UKTI)) have promoted the use of systematic and objective processes for selecting and prioritising international markets. The use of such an approach will help an exporter to focus their resources on the more productive markets and to set long- and medium-term plans for growth.

One way of appraising markets is to consider two dimensions of doing business. For each potential market, the following questions are asked:

- How much demand is there for your services?
- How easy would it be for your firm to operate there?

To answer these questions, it would be necessary to identify criteria that reflect demand and ease of doing business in your particular sector.

The countries under consideration can then be plotted on the two dimensions: demand and ease (figure 2.1). Countries will fall into one of the four quadrants illustrated, enabling you to identify which markets warrant further investigation.



Figure 2.1 Plotting ease of business against demand for services

As demand for your services is likely to arise in those markets that have a high level of activity in your specific target sector (e.g. infrastructure, retail) or in markets with high growth in your end-user sector (e.g. leisure, universities), the size of the construction sector may be your demand criterion.



Criteria for ease might include whether English is spoken, levels of personal security threat, similarity of regulatory environment, corruption index scores or, simply, whether other British/RIBA architecture firms already operate there.

Useful sources of information for comparing countries are listed in **section A.1** (page 25), and the top construction markets worldwide are tabulated by value in figure 2.2.



Figure 2.2 Top construction markets, by value Source: United Nations data (2014).

A typical analysis is illustrated in figure 2.3.



Figure 2.3 European markets compared by value of construction activities (as share of GDP) versus whether English spoken and cultural similarity

?

Where will you begin?

Using the simple procedure in **appendix D**, carry out a market appraisal to help you identify the most promising target markets for your practice.



Step 3. Towards a market entry strategy

When considering entry into a selected international market, you will be faced with a number of business decisions which, when made, will form your market entry strategy. These decisions can only be made once relevant information has been carefully gathered from reputable and reliable sources.

Market research has repeatedly been shown to save both time and money in the development of a strategy for accessing overseas markets. Thorough and comprehensive market research will enable you to target the more lucrative sectors of the marketplace through appropriate representation, with your strongest offering promoted and priced effectively.

A market entry strategy will address the following issues:

- How will you be represented?
- Which sector of the market should you target?
- How will you price your services?
- How will you promote your services?
- How can you adapt your offering and approach?
- How should you position the practice?
- How can you prepare for this market?
- How will you measure success?

3.1 How will you be represented?

Deciding how to deliver your services to an overseas market will be crucial to your business and will determine many other elements of your market entry strategy. The most likely possibilities are:

- develop a partnership with a local firm in the target country or with a firm based in your local market that is already operating there
- set up your own overseas office, or
- service the market from your home base.

This decision will require an understanding of the **workings of the architectural business** in the target market, knowledge of the **experiences of other UK or foreign firms** working there and a careful consideration of the **pros and cons** of each possibility. We were asked by one of our Swedish developer clients to look at some potential projects in China. After a while and meeting local people, enquiries started to come direct from China. Then Peter Goldsmith (director) made a strategic decision to make more of the China opportunity; for the first four years, business was conducted from our London office and in 2009 it was decided to open an office in Beijing.'

John Geeson, Haskoll

Your market entry strategy may change over time as business develops.

3.2 Which sector of the market should you target?

As well as confirming which specific end-user (e.g. retail, leisure) you will target, you may also need to consider whether to target urban or rural customers, or whether to prioritise specific geographical locations. This requires an understanding of the **structure and segmentation** of the market.



3.3 How will you price your services?

Developing a fee structure requires an understanding of the **competitive climate**, including the range of fees and disbursements clients are used to paying and the methods they use to pay. An understanding of **competitors' fees**, together with the value placed on RIBA architecture in your target market, will also be important factors. For example, in some countries, developers may be prepared to pay more to secure the benefits of employing a British or RIBA-accredited architect over a local practice.

3.4 How will you promote your services?

As part of developing your strategy, you need to generate a message that positions your company and its services in the overseas market and identify how to deliver that message effectively. This requires an understanding of **client behaviour**.

3.5 How can you adapt your offering and approach?

To determine which weapons in your armoury are the most effective for a particular market requires an understanding of the **competitive environment** and the **needs of potential clients** in that market.

3.6 How should you position the practice?

Can you sustain the same position that you hold among your clients in your home market? This requires an understanding of the **competitive environment** and the experiences and **needs/wants of potential clients**.

3.7 How can you prepare for this market?

To ensure you can meet anything the new market may throw at you, you must have in place the necessary:

- intellectual property rights protection
- qualifications
- accreditations
- currency fluctuation insurances
- regulatory compliance, and
- sources of funding.

You may also need to consider what skills development needs you may have, such as language knowledge and cultural capacity. This requires an understanding of the **architectural business** in the market and the sharing of **experiences of similar architectural practices** operating in the country.

3.8 How will you measure success?

It is important to identify what would represent success in the new market and to agree the methods that you will use to measure it.



What decisions do you have to make?

Use the space provided at **appendix E** to compile a list of decisions that will form the basis of your next market entry strategy.



Step 4. Research

Once you have prepared your offer, identified your target market and devised your market entry strategy, now is the time to ensure you have all the information you will need to make your new venture a success.

Your research should be structured to ensure you have a good understanding of the key characteristics and requirements of the target market or country, including:

- the construction business
- market segmentation, structure and trends
- the architectural business
- the role of the architect
- clients' needs, experiences and behaviour
- competitors' strategies
- experiences of similar architectural practices operating in the country
- funding for projects
- regulation and legislation
- climatic conditions
- culture.

Sources of information for this research are listed in section A.2.

4.1 The construction business

Seek to understand construction methods used in the target market and any laws regulating the building construction process. Assess the capabilities of the domestic construction industry and determine the feasibility of using international contractors. Similarly, assess the use and availability of building materials (would any premium be attached to the use of a UK specification or, say, UK products?). Identify the government departments that control the process (planning departments, environmental protection agencies, regional authorities etc.).

4.2 Market segmentation, structure and trends

Study the size and growth of your potential market and the segments within it, looking out for trends which might reveal opportunities.

4.3 The architectural business

Your research should help you to understand: the typical scope of a contractor's services, the process for soliciting bids for public-private projects, whether it is usual for construction managers to be used, whether the use of general contractors is typical, the usual breakdown of subcontractor trades, and the relationships between the owner and contractor and the architect and contractor.

Identify the typical scope of professional services, including planning, design, construction administration and expectations regarding on-site presence and supervision. Also find out what form of contract, professional indemnity insurance requirements and fee schedule (hourly, lump sum, percentage of construction cost or statutory) are most commonly used.

Develop an understanding of clients' expectations relating to duty of care, copyright protection in the region (and whether a particular country is a signatory to the Berne Convention on copyright), how procurement procedures work, the process for project approvals and typical relationships between architects, owners and the design team.



4.4 The role of the architect

Issues to be researched include the scope and nature of professional liability, the typical scope of professional services, the role of consultants and the nature of contracts. Try to obtain a copy of the relevant legislation governing the right to practise architecture in the target market and determine whether registration is required for foreign professionals (and, if so, ascertain the requirements for education, experience and professional examinations) and whether nationality and residency status will be an issue for foreign nationals.

4.5 Clients' needs, experiences and behaviour

Aim to understand where clients in the target market usually turn to find an architect and the processes they go through, and what experiences they have of working with local and international architects.

4.6 Competitors' strategies

Seek an understanding of key players, competitors and influencers in this market. Getting in touch with these networks will provide valuable information about the competitive climate.

4.7 Experiences of similar architectural practices operating in the country

Speak with British and international practices who have set up in the target market to gain an insight into their experiences.

4.8 Funding for projects

Projects are funded by various methods, some publicly and some privately. Local government and architectural bodies and other architects in the target market can advise you on this issue.

4.9 Regulation and legislation

Lawyers can provide a proper assessment of the legal factors relating to the conduct of business in the country in which you propose to practise or establish an office. Issues such as licensing, taxation, the corporate/legal structure of your practice, fee scales and immigration should be covered. Also, it will be helpful to know the type of legal system used (civil/codified law or common law), the availability of dispute resolution mechanisms (mediation, arbitration etc.) and whether the country has signed an arbitration agreement, such as the New York Convention.

It is also important to understand any restrictions on whether (and how) one party may be indemnified by another and if there is any requirement for architects to maintain specific types of insurance.

Ascertain whether any general business licences are required at national or regional level and whether the requirements are the same for domestic and international businesses. You will also need to comply with all aspects of company law, employment law and taxation (personal, business and VAT). Financial considerations that may affect payment include receipt of payment and

'BDP Holdings have local offices in many countries, which they find is very helpful for the administration associated with compliance with local regulations and taxation.'

David Cash, Director, BDP

banking procedures, convertibility of currency and restrictions on repatriation of funds.

Bear in mind that using a local partner will help with most of the necessary work in this area.



4.10 Climatic conditions

Consultants are used to designing for the climatic conditions and social criteria prevalent in their home market. Almost invariably, these conditions and criteria will not apply when working abroad. Make a careful study of the conditions that affect buildings in your target market and how they differ from those in your home market. For example, consider differences in solar radiation and sky conditions, air temperature, rainfall, relative humidity, wind speeds and directions, seismic action and soil conditions, and the need to design for lightning, sandstorms, termites, etc.

4.11 Culture

Understanding social and business customs is essential to establishing successful business relationships in other countries. Each country or region will have its own very specific customs, including forms of greeting, social/professional expectations, attitude to exchange of gifts, attire and taboos.

In addition to obvious issues relating to religion and gender, attitudes to time and punctuality (both socially and professionally) differ enormously and can have a significant impact on project planning, scheduling and decision-making. In many cultures, people are less forthright than is often the case in home markets, direct criticism can be less acceptable and great importance may be attached to 'saving face'. As for business relationships, some cultures attach great importance to introductions and personal recommendations. In some countries, marketing brochures may be less effective than using a local partner to transact business.

The prevailing culture regarding contracts needs to be clearly understood, especially in relation to oral agreements. Moreover, there may be underlying assumptions or expectations; for example, it may be common to provide additional services which are

'Having some understanding of the local culture is critical.'

Sean Hatcher, MCM Architecture

not specifically mentioned in the contract. However, where written contracts are necessary, it is important to know how these are negotiated and enforced. Social customs (e.g. holidays) might impact on your ability to deliver services or meet your obligations where they interrupt construction of a project.

More detailed information is given in the *Researching International Markets* guide, which can be found in the members' area of the RIBA website.



Use the space provided at **appendix F** to plan your research activities.



Step 5. Making it happen

Once the research is complete and you have consolidated the relevant information, you can now make decisions about your entry into the new target market. Your decisions will determine how you intend to respond to a range of important questions related to your strategy:

- How will you be represented?
- How will you choose a potential partner?
- Do you have the requisite management expertise?
- Which sector of the market should you target?
- How will you price your services?
- How will you promote your services?
- How can you adapt the offering and approach?
- How should you position the practice?
- How can you prepare for the market?

Here are some tips and experiences about each area of the strategy.

5.1 How will you be represented?

In order to practise in an overseas market, you may decide on one of the following options:

- Set up a joint venture or partnership with a local practice.
- Establish a branch office of your firm.
- Establish a separate local office.
- Work from your home country, making visits to clients in the target countries.

For long-term projects, or where there are prospects of repeat business, setting up a local office that conforms to the professional regulations in the host country may be a sensible option. For a one-off project, a joint venture is probably more appropriate.

If you choose to set up a partnership or open a branch office, it is strongly recommended that any inter-firm agreements are set up before any work commences, and that all insurances and taxation agreements are in place.

It can be really useful to work with a local practice, which can help with matters such as building regulations, planning, materials, building techniques, tendering and contractual procedures. The relationship could be established for a specific project or as an ongoing arrangement. UK practices offering a specific specialism can find this a particularly effective way to work. 'HOK follows the opportunities around the world; we set up an office in Dubai to service Middle Eastern projects we were working on. Initially it acted largely as a construction administration office. Where London has a client project in Dubai, HOK would typically design it in London and then the team in Dubai would administer the contract. Similarly, if it were a Washington-based client, it would be designed in Washington but administered locally by the Dubai office.' David King, HOK

'A major multinational oil corporation in the States identified a project in Nigeria and approached HOK in the US. Design was done in the US but a partner was found locally for code compliance and admin to ensure we get it right locally.'

'Outside of the Gulf States, HOK would typically do the design in London and then hand over to a local consultant or subconsultant who will know the local taxes, culture, benefits and code compliance.' David King, HOK



Case study: Brock Carmichael

This case study describes how Liverpool-based Brock Carmichael Architects developed a joint venture with a Chinese partner.

Brock Carmichael is a RIBA Chartered Practice that provides architecture, planning, urban design and building conservation services and has an award-winning track record of cultural, leisure, education, commercial and residential projects. Michael Cosser, one of the firm's six partners, explains the background to the recent move into developing international work.

'The increasing demand for British goods and services in overseas markets is a great export opportunity. We provide British architectural services that have a worldwide reputation for innovation, creative design and high-quality professional standards.'

'Like all property-related businesses, we were impacted by the economic downturn [of 2008] and saw the need to expand and grow our market reach. China was an obvious choice because it is by far the largest of the emerging markets for new buildings, which by 2020 will account for 55% of global construction value.'

Brock Carmichael formed a 50:50 joint venture business called the Octagon Partnership, with offices in London, Liverpool, Hong Kong, Beijing and Chengdu. Michael says:

'This arrangement enables us to share locations, skills, knowledge and resources. It allows us to bid for larger projects where we can offer clients a more personalised and costeffective service compared to the global architectural practices.'

'We have been successful with two large-scale mixed-use projects, a competition-winning proposal for a 52-acre waterfront development and a regeneration project in the Wuli district of Kunming.'



5.2 How will you choose a potential partner?

Choosing the right agent or partner can be challenging: it requires both good judgement and a degree of luck.

'Local design institutes are a possible route to market in China. They will take a design from an overseas architect, then deal with local regulations and local industrial requirements, as well as making the most of their local contacts.'

David Cash, BDP

'BDP Holdings chose not to set up an office from scratch in Abu Dhabi; instead we searched for and acquired a small existing practice whose culture fitted ours. This avoided a complex registration process and provided ready-made premises and staff (amongst other things).'

David Cash, BDP

Directories of architects are listed in **section A.3** (page 26).

Carry out due diligence and health checks on potential partners, using information obtained from the British Embassy in the country, the local Chambers of Commerce or the RIBA, for example. We form alliances with like-minded organisations with formal agreements to share the fees and the work, as well as introductions.'

Sean Hatcher, MCM Architecture

More detailed information is given in the *Working in Partnership* guide, which can be found in the members' area of the RIBA website.

5.3 Do you have the requisite management expertise?

Working in a new country is likely to require you to become familiar with forms of professional appointment and building contracts, regulatory regimes and standards, and accounting and legal frameworks that differ from those used in your home market.

It is important that you understand at a very early stage the terms under which you are likely to be working, in order to avoid any legal or contractual problems – thus avoiding the conflict and delays that can quickly eat away the profit margin built into your fees.

For example, you may be required to use the International Federation of Consulting Engineers (FIDIC) standard form of contract for engineering and building work, rather than one with which you may be more familiar. Similarly, you may be appointed using the client agreement produced by the American Institute of Architects for use on overseas projects, rather than your usual RIBA agreement.

It is vital, therefore, that you seek professional advice from an accountant and a lawyer who have experience of your target market. The British Standards Institution (BSI, the UK national standards body), which forms part of the international standards community, also provides a range of services of value to practices looking to expand into new markets.

Finally, it is necessary to identify the processes for obtaining permits for zoning, planning, building construction and occupancy. Again, it will be important to have a source of local advice, to help you get to grips with these issues before you embark on working in a new country.

See section A.4 (page 26) for details of organisations that can help with contractual issues.



5.4 Which sector of the market should you target?

The research will help you to decide where to focus your efforts. For example, in the case study on page 8, John Thompson & Partners chose to avoid the second-tier cities in China, where they would have had to compromise their philosophy, and instead concentrated on the larger cities.

'BDP Holdings chose Shanghai as a base for China because it is the country's commercial centre (as opposed to Beijing which is the political heart) – we were specifically targeting commercial projects (retail and office led) at that time. Also, it has excellent transport accessibility, both within China and internationally.'

David Cash, BDP

5.5 How will you price your services?

This will be determined following your research into your potential clients and competitors.

Be aware that some niches within the market may buck the trend. In certain markets, where British architecture is held in high regard, a higher fee structure can be developed. High-profile projects may even specify an international architect, anticipating the payment of a higher fee. If you feel that the offer of a high fee seems too good to be true, you can lower the risks by demanding an up-front payment.

'In India, Sean was introduced with great pride as their "British" Architect – his charges are as much as tenfold those of a local architect. Having this positioning, he was asked to undertake only so much of the project and then asked to pass it over.' Sean Hatcher, MCM Architecture 'In Athens, despite the depth of recession, MCM took on a pricey project in a posh suburb. They were concerned, but they charged the normal fee and they did get paid.' Sean Hatcher, MCM Architecture

5.6 How will you promote your services?

Having an understanding of your potential clients' needs, experiences and behaviour will help you to determine where they gather information. A large element of your promotional activities will relate to your firm's web presence, which can back up the messages you deliver on the ground. Competitions, events, embassy-organised promotions and trade shows may also play a part in your promotional strategy – you will need to decide which ones to target.

Your research may show that your target sector places a value on a particular specialism, such as green/eco credentials. If this is an area of expertise for your practice, this needs to be emphasised in your message.

Awards

Architectural bodies and the international press frequently award prizes and accolades to exemplary projects (see **section A.5**, page 26). You should consider whether entering one of your projects for an award could raise your practice's profile in your new target market.

World Architectural News (WAN) in association with World Architectural Festival (WAF) runs a competition where projects are put forward for consideration. Some enquiries have arisen from our participation in this.' Sean Hatcher, MCM Architecture



Events

Events in the market can be a useful way of promoting your services. Having face-to-face contact with potential clients and partners is invaluable for developing a network for future business development. Events may be organised by a sector group or a trade association. For UK-based practices, British embassies organise Expos with groups of interested architects.

We have built an association with the International Council of Shopping Centres who represent our main clientele. Our success in Europe is through involvement with trade organisations such as the International Council of Shopping Centres; we have been cultivating the network there for 20 years which has led to opportunities in Denmark.'

John Geeson, Haskoll

See **section A.6** (page 27) for websites that list marketing events.

Web presence

Maximising the potential of the web in promoting your practice to international businesses involves much more than simply translating your website into another language; there are many other aspects to consider.

The first step is to document your overall marketing strategy. Having your strategy in place will allow you to clarify the role of your website. You can then decide what domain structure will best support your international trade objectives. The possibilities include:

- an international section on the website, written in English (the world's most widely used second language)
- different sections for each country, region or language, or
- a series of localised websites hosted on local domains in your target countries.

Redesign your website so that it is suitable for viewing by international contacts; this includes elements such as clear navigation and suitable branding. Your international website should:

- be set up so that multilingual content can be added easily in the future
- include international content, written in International English or another language, with an international audience in mind
- have plenty of images (both photos and diagrams), including work undertaken in a particular geographical region, and
- have contact details that make it easy for international visitors to reach you.

Optimise your website to make it visible to overseas customers and prospective clients; they need to be able to find it easily when searching online using relevant keywords in their local language. It is all too easy to put a lot of effort into a website, but for it not to be visible to potential customers from overseas due to poor search engine optimisation (e.g. the wrong choice or underuse of keywords for a particular market).

'The reducing pound is making MCM more affordable. So the website should be adapted to capitalise upon this opportunity; for example, in attracting customers from Russia to MCM using the Gazprom Export Headquarters project we have just completed.'

Sean Hatcher, MCM Architecture

You also need to have a plan in place for handling any enquiries generated by your web presence (e.g. by phone or email) in an appropriate manner.

More detailed information is given in the *Internationalising your Website* guide, which can be found in the members' area of the RIBA website.



5.7 How can you adapt the offering and approach?

Your research into your potential clients and competitors will reveal openings where you could deliver a service. For example, in a particular market you may only be able to deliver basic concepts, while in others you could provide a full-service offer, or something in between – be prepared to be flexible. Keep the range of potential opportunities under review. If you are not able to provide services that the market is looking for now, you may be able to once you have more experience or have developed better contacts.

5.8 How should you position the practice?

Can you maintain the positioning you hold in your home market or will you have to make changes?

The JTP case study (page 8) shows that it is possible to maintain your current business ethos in a new market – you won't always have to change your philosophy to meet the demands of new clients. However, the best market position for your practice might not be the one you first imagined. This is where your market research will help you to tailor your offer.

5.9 How can you prepare for this market?

Having a sound understanding of the architectural profession in a new overseas market will give you a significant advantage when approaching clients and partners there. However, it is even more important that your practice is sufficiently well prepared to deliver your services when you do receive a commission.

Building up resources and skills

If you opt to set up an overseas operation, whether as a branch of your practice or a separate local office, you should bear in mind the following key factors:

- experienced staff are highly regarded
- staff health and fitness is important
- housing, schooling and social conditions should be of a reasonable standard
- head office support must be strong and uncompromised
- dual language capability is a bonus
- good communications and equipment are essential.

The primary consideration when choosing staff is, of course, their professional and technical know-how, but who they know and how well connected they are are also important as they could bring additional benefits for your operation. Therefore, selection of staff requires very careful consideration.

'Local staff are essential because they understand local culture.'

David Cash, BDP

As well as recruiting staff, you will be responsible for ensuring your overseas staff have the correct training, in terms of health and safety, quality control, corporate standards and

cultural awareness. All of these factors will be important for successful business development. You should take responsibility for setting the standards, with overseas employees being trained locally.

'BDP Holdings lay down the quality standards they expect their local offices to uphold.' David Cash, Director BDP



Insurance

Professional indemnity insurance is potentially a complex issue as requirements will vary between different countries. Advice from insurance brokers should be sought in advance of accepting any overseas work.

Personal risks, such as those arising from travel overseas, should be taken into consideration and advice on suitable cover for employees sought.

Architect's qualifications

Most UK architectural qualifications are recognised in other EU/EEA states, under Directive 2005/36/EC on the Recognition of Professional Qualifications. Holders of listed diplomas may benefit from the automatic recognition afforded by this directive, and are eligible to register as architects in all other EU/EEA states. Brexit notwithstanding, if anyone experiences difficulties registering in another Member State – and if the RIBA/ARB has been unable to help – they should contact SOLVIT, which can assist in cases where a Member State is not applying EU law correctly (http://ec.europa.eu/solvit/index.htm).

In order to practise in another country, it is likely you will have to complete a formal registration locally; in most cases, a UK practice will partner with a registered local architect.

Setting up export finance

If you are looking to grow your business overseas and need finance, e.g. extra investment for research, advertising, developing partnerships and other essentials, talk to your accountant and bank manager as soon as you can to explore your options. It is important to take a long-term view which recognises the time it will take you to get established and make a profit. The challenge of late or even non-payment is a risk whichever market you are working in; there are some steps you can take to protect yourself, such as hedging exposure to currency fluctuations. Always agree acceptable payment terms and methods and protect your business with credit insurance.

See **section A.7** (page 27), for details of UK Export Finance which can help with specialist support and advice about export finance.

More detailed guidance on financing international work can be found in the members' area of the RIBA website.

Intellectual property

Remember that your intellectual property (IP) is one of the most valuable assets that you own. It is therefore critical that you understand how IP rights operate in your target markets. Basic support, information and business tools are available from the Intellectual Property Office (IPO) (see **section A.8**, page 27).

'Let everyone in the room know that it's your IP.'

David King, HOK



Step 6. Monitoring

As with any business activity, it is important to record the results of any international work your practice takes on, to see whether it is achieving the objectives set out during the development of the international strategy. You need to check that you have achieved your goals for revenue and profit, and also in terms of the time spent on development, new client visits, enquiries, contracts, proposals and contacts.

Your web activity can be carefully monitored using an analytics program, such as Google Analytics. These programs can provide a host of statistics on activity levels on your website, who visits your website and how it is used. Google Analytics is especially good at analysing international traffic. The information can be represented in map form, and data on visitors can be disaggregated by language and by country. You can also find out some of the specific keywords visitors used to find the website, the sources of traffic (including international search engines and referral sites), where traffic accesses the website and users' engagement with the website.

As well as monitoring your own web presence, it is useful to look at how your industry is represented on the web in general. See **section A.9** (page 27), where relevant social media sites are listed. Identify sector- and country-specific groups where you can join in conversations, make enquiries regarding market trends, regulations, import barriers etc. and develop contacts. The advanced search facility in LinkedIn can be used to identify sector players by country or by city.

It is important to use the information gained from any monitoring activity to review what you have done – to identify what went well and what did not – and then to apply what you have learned to adjusting and developing your international activity. Not only will this help you to improve your performance within your new market, it will inform the decisions you make as you look to move into your next target market.

Working internationally should be viewed as an iterative process, were lessons learned are fed back into the plans and actions for the next project. Following a structured approach will ensure continued success.



Conclusion

To make the most of the worldwide opportunities available to RIBA architects, you need to stay in control of your strategy. By doing so, you will give yourself every chance of long-term international success.

Here are some final words of advice from RIBA members who are successfully working in international markets:

'Dive in, enjoy and develop a network ... but keep your eyes open (be aware of the risks of no payment and of tax).'

Sean Hatcher, MCM Architecture

'Research carefully, don't underestimate how complicated it can be, seek out the best fit for your firm, and don't necessarily follow the crowd.'

David Cash, BDP

Working internationally is challenging and not always easy, but it is also exciting and rewarding, and often fun. Good luck!



Appendix A Sources of information and web links

A.1 Useful sources for information for comparing countries of the world (Step 2: Where to begin?)

- **marketselection.net** provides a market selection service for UK-based practices. The Market Selection Tool is supported by research consultants, under licence from the Department for International Trade (their details are published on the website).
- The **Central Intelligence Agency** publishes a *World Factbook* which contains over 100 criteria.
- The **United Nations** and its agencies (e.g. UNCTAD, ILO, UNESCO, UNICEF) publish comprehensive sets of comparable statistics.
- The **Organisation for Economic Co-operation and Development** (OECD) provides a wide range of data on its website. Browse by topic within the data and then select 'table' within the desired indicator.
- The **World Bank** provides data for 250 indicators, which can be configured to produce your own reports (under the data tag).
- The Official Website of the EU lists many statistics by topic.
- The **World Economic Forum**'s *Global Competitiveness Report 2016-2017* includes countries' competitiveness among 100 rankings, including intellectual property protection.
- The International Labour Organization provides labour statistics for over 200 countries.
- You may find a regional or global report on the industry or end-user sector you are investigating at **www.marketresearch.com** or **www.researchandmarkets.com**.
- The International Trade Commission (of the US Department of Commerce) 2016 Top Markets Report gives information on building products and sustainable construction.

A.2 Sources of market research information (Step 4: Research)

- National professional bodies/registration bodies (search by country at www.uia-architectes.org).
- International architects' organisations:
 - the Architects' Council of Europe (ACE): www.ace-cae.eu
 - the Commonwealth Association of Architects (CAA): www.comarchitect.org/
 - the International Union of Architects (UIA): www.uia-architectes.org/ (useful sections on the website include 'A global network' and 'Practice overseas').
- The RIBA website lists all institutional and academic links: https://www.architecture. com/RIBA/Working%20internationally/Registration/Registration.aspx
- The National Council of Architectural Registration Boards (NCARB) (the US counterpart to the RIBA) website has useful explanations of how a UK architect could practise in North America: www.ncarb.org/
- The Col·legi d'Arquitectes de Catalunya (COAC) website links to information about architectural practice in different countries around the world: www.coac.net/internacional



- Professional architects' journals and construction press: The RIBA Library collects periodicals from all over the world, which are available for consultation.
- Newsfeed www.worldarchitecturenews.com
- General country information and cultural considerations can be found at www.gov.uk/ government/collections/exporting-country-guides.

A.3 Directories of architects (section 5.2)

- National institutes: Can provide directories of architects in particular cities, regions or countries.
- **RIBA Client Services:** The RIBA provides access to lists of members in other countries who may be approached with joint veture proposals. These directories have details of over 3,500 practices and more than 24,000 chartered architects based in the UK and around the globe.
- Architects' Registration Board www.arb.org.uk: The ARB has a list of registered architects in the UK and other countries around the world (Europe and Middle East primarily).
- LinkedIn http://www.linkedin.com: Provides access to 380 million global professionals (1.6 million 'architects').
- **RIBA International Chapters:** The RIBA has established three Chapters around the world; RIBA-USA (with State Chapters in New York, New England and California), the Gulf and Hong Kong. Details are available on the international pages of the RIBA website: https://www.architecture.com/RIBA/Working%20internationally/Workinginternationally.aspx

A.4 Organisations which can help with contractual issues (section 5.3)

- The **British Standards Institution** (BSI), which works with clients in 172 countries, can help you with certification, guidebooks, training and much, much more: www.bsigroup.com
- The International Federation of Consulting Engineers (FIDIC) has developed standard forms of contract for use between employers and contractors on international construction projects: http://www.fidic.org or email fidic@fidic.org
- The **American Institute of Architects** (AIA) has produced various agreements for international work: http://www.aia.org

A.5 Lists of published awards (section 5.6)

- Lists of international awards and competitions can be found on the following websites:
 - http://competitions.archi
 - http://www.coac.net/internacional/
 - http://www.archdaily.com/search/competitions



A.6 Websites that identify exhibitions and trade shows (section 5.6)

- www.eventseye.com: A key site for finding out about potential marketing events. Search by theme, then choose 'real estate', or search by keyword and enter 'architecture'. Examples are Cityscape, MIPIM and Architect@Work.
- www.tsnn.com: An alternative source of information.

A.7 UK Export Finance (UKEF) (section 5.9)

UKEF can help with specialist support and advice about export finance. UKEF provides insurance to exporters, guarantees to banks (to share the risks of supplying export finance) and, in certain cases, loans to overseas buyers of goods and services from the UK.

You can find out more at: www.gov.uk/uk-export-finance

A.8 Intellectual Property Office (IPO) (section 5.9)

The IPO is the government body responsible for intellectual property (IP) rights, including patents, designs, trademarks and copyright. It operates and maintains a clear and accessible IP system in the UK. The IPO can help you to protect and benefit from your ideas or inventions at home and abroad. This includes access to a range of IP events, guidance, tools and case studies to support your export ambitions, which are freely available at www.gov.uk/guidance/seeking-intellectual-property-advice

For further information, visit: www.gov.uk/ipo

A.9 Social media sources of information (Step 6: Monitoring)

- www.twitter.com: #tags use advanced search to select tweets (select by location, date, positive/negative). Can be used to identify influencers within key target companies.
- www.buzzsumo.com: requires an account. Search by keyword for topics being shared across key social media networks. Use to identify influencers.
- www.klout.com: requires account. Linked to Twitter. Use to identify influencers.
- www.tweetreach.com: provides Twitter, Facebook and Instagram analytics.
- https://webcertain.com: *Webcertain Global Search and Social Report* (quarterly). Free access. Provides social media country profiles.

A.10 Department for International Trade (DIT)

The DIT is responsible for promoting UK trade throughout the world and ensuring that the UK is able to take advantage of the huge opportunities open to businesses. The department was set up in 2016 as a specialised body with significant new trade negotiating capacity, specifically designed to drive forward trade and investment policy. RIBA members looking to take advantage of the global appetite for their skills and services should visit www.exportingisgreat.gov.uk to search and apply for opportunities and to access expert advice, trade services, training and events. The Exporting is GREAT programme partners with major UK businesses, to enable companies to seize thousands of current export opportunities available around the world.



Appendix B Are you ready for international work? A self-diagnostic checklist

Completing this checklist honestly will help you understand your level of readiness to embark on international working. It will help you to identify your practice's strengths and weaknesses, and any areas you may wish to develop before moving forward. The list is not a test to pass or fail – it is simply a mechanism to promote discussion and support decision-making.

Strategic behaviour

- \Box Is international trade part of the broader plan to grow business?
- \Box Is there a well-developed sales and marketing plan for existing markets?
- \Box Have the cash flow implications of international trade been evaluated?

Resources

- \Box Is a senior manager able to dedicate time to implementing an international plan?
- \Box Is the financial position sufficiently robust to implement an international plan?
- □ Is there the operational capacity people, premises and equipment to support expansion into overseas markets?

Export orientation

- \Box Is there the knowledge needed to implement an international strategy?
- \Box Is there an understanding of how to identify and develop appropriate routes to market?
- \Box Do staff have the skills they need to process overseas enquiries and handle orders?
- □ Will information systems support international trade?
- \Box Is the web developer sufficiently experienced to develop an international web presence?

Your offering

- □ Is competitive advantage clearly identified for the overseas markets?
- \Box Do services meet the standards required in international markets?
- □ Can local technical and service support be provided in international markets?
- □ Is intellectual property in the services protected in overseas markets?



Appendix C What type of business are you?

Which category best describes your practice?





Appendix D Where will you begin?

- Step 1. Write down half a dozen countries where you are thinking about or are already doing business.
- Step 2. Put them in order of demand for your services, from the largest market to the smallest.
- Step 3. Write down all the criteria you considered to determine demand.
- Step 4. Which of these criteria is the most important?
- Step 5. Put the same countries in order of ease of doing business, with the easiest first.
- Step 6. Write down all the criteria you considered to determine ease of doing business.
- Step 7. Which of these criteria is the most important?
- Step 8. Which countries fall into each quadrant?
 - 1. Easy and high demand
 - 2. Easy and low demand
 - 3. Not easy and high demand
 - 4. Not easy and low demand



Appendix E Towards a marketing strategy

List the decisions you will have to make when approaching your next new overseas market.



Appendix F What research will you do?

List the people, websites and literature you will reference in order to research the market, and the questions to which you need answers.

Detailed guidance is given in the *Researching International Markets* guide, which can be found in the members' area of the RIBA website.



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