BUSINESS AND INNOVATION
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FUTURE LEADERS
2018

DELEGATE RESOURCE PACK

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Welcome to your interactive Delegate Resource Pack. We would like to take this opportunity to thank you for attending our Future Leaders Seminar: Business and Innovation. We hope you had an inspiring day. This document offers a summary of the insights shared throughout the afternoon and links to recordings of all presentations and Q&A sessions should you wish to watch them again.

Clicking the arrow icon on each session summary will take you to the recording.
Welcome Note
Ben Derbyshire, RIBA President and Chair, HTA

Ben is in his second year as President of the RIBA, refocussing the institute on quality, diversity and engagement.

Ben joined HTA over 40 years ago and has progressed from architect to co-owner, Managing Director to Managing Partner and since 2016 he has been Chair. Under his leadership, HTA has developed into one of the leading UK housing practices with a reputation for quality and innovation. He has built a practice with a pioneering diverse, inclusive and supportive employment culture – which earned HTA the AJ100 Employer of the Year Award last month.

The future of the profession

• The future of the profession is a critical issue, indeed of all professions.
• It is impossible to predict its future, yet the advice is clearly to take the path less travelled rather than the one well-trodden.
• The value perception of architects needs to increase to address the profession’s decline and make it viable again. For that we need to identify tangible evidence.
• Architects need to step up and take responsibility rather than withdraw and leave the field to project managers and others. If you manage your client’s risk you demonstrate value.
• Diversity and social purpose.
• Viability will also go a long way to address the issues of diversity in architecture. For those who do not come from money it needs to be an attractive proposition to enter the field.
• To meet the needs and dreams of a diverse society the profession itself needs to be diverse.
• We need to place the public interest at the heart of everything we do, and RIBA is reviewing its Code of Conduct with that in mind.
Keynote: Social Innovation and effecting change
*Cameron Sinclair, Social Innovation Lead, Airbnb*

Cameron Sinclair is Social Innovation Lead at Airbnb and Founder of Small Works, a for purpose design and development company that focuses on reconstruction and social impact projects. For the past 20 years, he has been engaged in humanitarian projects in more than 50 countries. He has responded to more than a dozen post-disaster and post-conflict reconstruction programmes.

The Co-founder of Architecture for Humanity (1999–2013), he was also Director and Project Manager at the Jolie Pitt Foundation (2013–15). He has won numerous awards for his work, including the 2006 Ted Prize.

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**On architecture**

- It does not matter so much if you are a licenced architect, what matters is if you practice architecture, if you get things built.
- It also does not matter if you are working for the architecture profession, there are many careers in ‘unprofessional practice’ (Airbnb founders are designers).
- If you cannot build yourself, become the bank or the developer.

**On social innovation**

- The social value of our work will be the defining value of architects in the future.
- Be vocal about your values.
- The architectural process itself can be used as a community building tool.
- If every architecture practice would dedicate a certain percentage of their time to community-oriented work, organisations like AfH would not be needed.

**Challenges of the future**

- The world population will continue to grow to reach 9 billion – how will they all be housed?
- Climate change is shrinking or severely impacting inhabited territory, with entire nations at threat of displacement and shrinking resources driving further conflict.
- This will increase the already large global refugee population to hundreds of millions, many of whom linger in not-so-temporary

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camps that should really be considered cities and made to be more liveable.

- Other regions are shrinking, which affects the social fabric and also needs to be carefully managed.
- With more people around we need to learn to share resources better.

The architectural entrepreneur

- Architects have much to offer to communities around the world, many of whom have never had any contact with one.
- Skills count: people need professional help, not voluntourism.
- Consider any tool available, from high-tech to handmade, as it suits the situation.
- Be mindful of locally available construction technologies and materials and the local employment they can create, even if they may not be the most advanced available.
- Sometimes you need to break the rules of your own funders to be effective.
- Refugees are not just people in need. They have many skills to draw from; look to build your team from within. They have the greatest incentive to succeed.

Three Leadership challenges:
1. Transform the architectural process as a community building tool vs. a tool for building.
2. There is no unbuilt work. If you do not build become the bank, or become the developer.
3. The social value of your work will be a differential factor for future business.

View Cameron Sinclair’s presentation slides here

commit to build
Finance in Practice
Neil Boyde, Chief Financial Officer, Grimshaw

Neil Boyde is a Principal and Chief Financial Officer at Grimshaw. He is responsible for overseeing the practice’s global finance operations and driving the financial aspects of business strategy. Since leaving accountants PricewaterhouseCoopers, where he was a Partner, he has accumulated many years of experience in CFO roles in international SMEs across a range of sectors. Neil graduated from the University of York with a first class degree in History and is a qualified Chartered Accountant.

Finance for practice leaders

- The basics of practice finance can be understood by non-finance people in leadership positions.
- Finance is the invisible supporting framework of a business. You need to be able to forecast financial performance with reasonable accuracy.
- You can only record the past, but you can change the future, based on accurate projections.
- Cash is king – without positive cashflow even a profitable business fails.

Architecture

- When you move into a leadership role, architecture becomes a business like others.
- As a professional service, managing financial performance is about managing time and the cost of time against revenue.
- The lag between paying staff and getting paid in architecture creates intrinsic cash flow issues.

How to measure performance

- Performance measures need to be simple, clean and consistent. If they are too complicated for the average person to understand, they are not working.
- It all comes back to revenue and costs, and understanding the cost of time. Don't worry too much about other indicators, you need to get the big picture above all else.
The 6 key metrics of Profit & Loss

• Turnover: no shared or stable definition exists. What you are invoicing out to clients is generally a good measure.
• Direct Costs: the costs associated with a project that would not be incurred otherwise.
• Net Revenue: the difference between turnover and direct costs.
• Staff costs, including salaries, benefits and healthcare.
• Other Operating Costs including rent, stationary and PI insurance.
• The ratio between staff costs and net revenue should be around 60%. Over 70% is unsustainable for a business, and at around 50% you are either ripping off your clients or working your staff too hard – both equally unsustainable.
• The ratio between Other Operating Costs and Net Revenue should be around 40%.

Estimating fees

• Front loaded fees are good.
• Be realistic and avoid understating the resources you put into a project.
• Include a contingency, then add your 30% profit on top of that.
• Be honest and transparent with the client.
• Be smart about the scope of works and any variations. If you go outside your scope of work make sure to get paid. Do not deliver upfront without agreed payment.

Three leadership challenges:
1. You need to understand the numbers - if you don’t, simplify until you do.
2. You need to be able to forecast - historic score-keeping is not enough.
3. Cash is King.

View Neil Boyde’s presentation slides here

Watch the Q&A with Cameron Sinclair and Neil Boyde, chaired by Lucy Carmichael here
Leading and managing teams for business performance and innovation

Jack Russell, Director of Jack Russell Coaching

Jack Russell is Director of Jack Russell Coaching. He has an aptitude for business, psychology and outdoor pursuits. Jack’s clients include: Foster + Partners, Royal Navy and Marine Officers, Government Office SW, BAR Honda Formula 1-Morgan Sindell, NHS, RDA, Police Forces and GMTV. Jack has skied to the North Pole, cycled over 12,000 miles in different countries, conducted a ‘Journey to Inspire Our Nation’ running, walking, kayaking and cycling from Shetland to the Scilly Isles. He is a Master NLP practitioner and the author of the inspirational Don’t Tell the Bumble Bee.

Difference between leading and managing

- As a leader you need to stretch yourself beyond your comfort zone.
- Leaders see things differently.
- Being able to connect with people is critical.

Three leadership needs

- Achieve tasks.
- Hold together a team.
- Coach and support individuals – coaching is very powerful and should be paid more attention.

Connecting

- Foster awareness of yourself and how you come across.
- The first few seconds are crucial – make eye contact, shake hands confidently.
- Treat people as they would like to be treated (not how you would like to be treated).

Our two minds

- The conscious mind is analytical and critical, and may hold us back. It can only process up to around 9 pieces of information at a time.
- The subconscious mind can receive millions of pieces of information at a time. Without realising it can have a huge impact on us.
- The RAS (Reticular activating system) in the brain helps us filter relevant information from among the flood of sensory input. It also filters the world through the beliefs about it that we carry within us. If your mindset is negative you will perceive the negative, if your mindset is positive you are more likely to perceive opportunities.
Use of language

- Words can have a great impact on subconscious behaviour, even if they mean the opposite in the context of a sentence.
- The last word you hear will stick in your mind. ‘...not bad’ (bad), ‘...won't fail’ (fail). By using more positive language others will receive more positive messages.
- It is very powerful telling people that they can do things. Look at your teams, identify the positive and focus on that.
- People express how they take in and process information through their choice of language. Visual people use words like ‘see’ or ‘perceive’; auditory people use words like ‘hear me’, and so on.

Changing habits

- It takes 21 days to change a habit.
- Look at your habits and your language, understand what makes other people tick, start to grow their potential, and quieten your negative conscious mind.
- Investigate where your strengths are within the leadership competencies:
  - Role model
  - Communicator
  - Emotional intelligence
  - Create vision
  - Align your team
  - Action in crisis
  - Agent of change
  - Motivator

Three leadership challenges:
1. Where does your focus need to be in the next year?
2. What Leadership skill do you need to work on?
3. Who can help you with this?

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Reading body language

- The eyes move according to what senses you access while speaking, and according to remembered or constructed information.
- The direction of eye movement is inverted for left-handed people.

View Jack Russell’s presentation slides here
The steps of winning work

- Procurement processes and success rates vary greatly by client type and sector.
- Success is therefore relative and measured in context.
- Key steps: identify opportunities; make the client aware you exist; more importantly, make them interested in you; then secure commissions.
- Analyse barriers to finding work in those markets, then work strategically on overcoming them.
- The biggest barrier is relevant experience, whether of type, scale, or location. Build on the success of one project to gradually move up into work you are interested in.

Identifying opportunities

- Before you start looking for work, ask yourself what kind of work you would like to do in order to access the right sources of information.
- Look beyond the trade press to identify opportunities. Personal and professional contacts are important, and deeper understanding of certain sectors will help you detect leading indicators early.
- Focus on bids you have a chance of winning to minimise the cost of looking for work.
- This will also allow you to spend more time and effort on those bids and again increase your chances.
Your value proposition

• The clients’ value perception of yourself is crucial. Consider the specific value you can bring to individuals clients along with the broader value of architects.
• Be relevant to the client, focussed on the commission and their problems, and express that with clarity. It is about the client, not you.
• Keep clients happy on a lot of grounds, e.g. client care, professionalism, commercial understanding.

Everyone has a part to play

• Do good work in your current job and develop strong working relationships.
• Build a good reputation with existing clients, the best recommendation is repeat work.

• Look at projects from a client’s perspective.
• Find out how your practice wins work and offer to help.
• Try and get experience on the hiring side to learn what works, on selection teams or juries.

Three leadership challenges:
1. Your work is your most important calling card
2. Everyone you work with and for is a potential link to future work
3. Develop a client perspective

View Helen Logan's presentation slides here
Leadership in innovation and research
Lars Hesselgren, Director of Research, PLP Architecture

Lars Hesselgren is Director of Research at PLP Architecture. His research focuses on the technologies that underpin design in the built environment – ranging from novel mobility systems to new sustainable materials in construction. He helps to lead PLP Labs, the practice’s in-house think tank that adapts ideas from outside architecture’s standard discourse into the daily life of the studio. He is a pioneer in novel design technologies from parametric design to computational techniques in the design process. As such, he is a founding director of the Smartgeometry group (sg) and a co-chair at events of the Advances in Architectural Design (AAG).

Why do we innovate?

- Because things do not work as well as we want them to.
- We need to adapt to become more sustainable and scarce resources be shared more equitably between nations.
- Big innovation challenge of working within existing cities and systems in addition to the global growth areas.

What does innovation mean for architecture?

- Most innovation starts outside of architecture – keep an eye on other sectors.
- The robots are coming. Don’t fight against them, use them to your advantage.
- Smart buildings and the integration of building services within the structural elements are key for the future.
- Entire building forms can be re-envisioned if lift technology changes.
- Cities are large because connectivity multiplies exponentially. The bigger the more opportunities, so cities will probably keep growing.
- Urban transport is a critical issue. Flexible on demand supply will win in the future.

Innovation in practice

- Innovation in practice is also a marketing tool to attract potential clients.
- Clients will recognise the value, not necessarily of specific solutions, but of the thinking that can be applied to their own problems.
• Hypothetical scenarios make people think about what they want from the future.
• Helen Logan: where clients resist innovation seek to understand the point of resistance. Sometimes it is about familiarity, sometimes it is about external barriers such as building regulations or insurance requirements.
• Helen Logan: build the rigour of design thinking into other aspects of your practice, including bidding.

Three leadership challenges:
1. Think BOLD
2. Think AHEAD
3. Think ORGANISE

View Lars Hesselgren’s presentation slides here

Watch the Q&A with Helen Logan and Neil Lars Hesselgren, chaired by Lucy Carmichael here

Thank you to our sponsor Forticrete and Taylor Maxwell and the speakers:

Neil Boyde
Grimshaw Architects

Ben Derbyshire
RIBA President and Chair, HTA

Lars Hesselgren
PLP Architecture

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Airbnb

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