

ASID

ALASKA

Winter Newsletter

Letter From The President

By Abigale Kron

Dear ASID Alaska Members,

It's that time of the year again and our local ASID chapter is growing and expanding to include the new leadership board for the 2010-2011 year. We may still be playing outside on borrowed time but our new board is getting geared up to bring a great year of opportunities your way. I am extremely honored to be a part of our great organization and look forward to touching base with all of you in this New Year.

It's my pleasure to introduce everyone to some new and old faces that will make up the 2011 FY board: Valerie Rizzo, President-Elect; Tiffany Staples, Membership Director; Judie Bunkers, Professional Development Director; Kathleen Chamberlin, Finance Director; Aurora Kassube, Communications Director; Melissa Grieve, Director at Large; and Karen Bowen, Administrative Assistant. We have a very dynamic board this year that I am hoping will bring in some fresh ideas along with the experiences of past successes.

Our new board along with the help of our Past President, Janell Bullock, gathered for a mini-retreat this past July to outline and finalize our FY11



Abigale Kron
President 2011

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strategic plan and work plans. This year our main focus will be to put a greater emphasis on offering more continuing education classes for not only our members but the design community as a whole and to increase our community involvement. With both of those in mind we will also be continuing with the push to increase member involvement. We cannot have success with CEU's and community event without the help and support of all of you. So, whether you've been around block or are new to ASID we would love to see everyone involved in some way or another during this upcoming year. We are also open to any ideas you might have for increasing our community involvement.

Lastly, is you ever have any concerns, thoughts, or just want to chat please don't hesitate to contact me directly,

Hears to a great year!

Turn Mistakes into Positive Selling Opportunities

By Bryan Reiss

Kitchen & Bath Design News

July 2010

Steve Nicholls' article in the April issue of KBDN, "Tips for Avoiding Mistakes on the Jobsite," offered great advice about how to eliminate or reduce mistakes on our projects. This got me thinking about how we, as salespeople, deal with challenging issues when they develop.

Sometimes it really feels like we are just as much firefighters as we are salespeople – we're constantly putting out fires. Let's face it, we're in a profession that

2010 President Janell Bullock painting at the Habitat for Humanity house.



requires a large number of people outside of our control to do their jobs correctly to ensure our projects go smoothly.

Whether those people work for your company, work for a vendor you rely on for products or services or are a direct part of the construction process, they all have a direct impact on the success (or lack thereof) of your design projects.

And we, too, also make mistakes from time to time. So the question is: When that refrigerator opening is too small, or the cabinets come in with the wrong door style, or the plumbing fixture you forgot to order is on backorder and has a 12-week lead time, how can you turn that very negative experience into a possible selling point? The simple answer is visibility.

Providing a Presence

As sales professionals, we typically spend the majority of our time cultivating leads, working to close sales and completing all of the necessary processes to ensure the product is delivered correctly and on time. And, because of the time invested, we assume it will be flawless. But sometimes things simply don't happen as planned.

As salespeople, it's our primary role to represent our company in the best possible light. This role is never more important or more difficult than when an issue rears its ugly head.

Some salespeople will try to avoid the conflict and hide from the issues altogether. They may not be as visible as they could or should be. Frankly, they may disappear from contact and hope the issue will go away or resolve itself.

They are not proactive in addressing the issues and providing resolution for the client. They don't return phone calls or e-mails as fast as they should. It seems they just fall off the face of the earth...and there could not be a



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that you come prepared with a solution for them – or better yet, a choice of solutions – so that you can work with them to determine the best way to address the problem. It’s important to have formulated a plan before you speak with the client – even if it turns out not to be the ultimate solution. Not having a resolution or

more critical mistake for them to make than that.

When issues arrive, visibility is more important than ever with regard to the role of the salesperson. Simply put, this is the time we need to be our most responsive. Staying in the closest contact with our clients is crucial in times of distress – in fact, it is the most important time to ensure the process turns out positively.

Addressing Issues

When an issue first arises, the following actions are critical:

Acknowledgement – As soon as you hear of the issue, acknowledge it and figure out what went wrong. It is imperative to understand why it happened and make sure you learn from the mistake. Do this whether it was your fault or not.

Formulate – How is this issue going to impact the overall design and sales process? How will it affect the clients and their needs? The project and its progress? How do you rectify the issue and solve the problem or problems that this issue will create? When you do confront your clients with the news of the issue, it’s paramount

idea of how to resolve the issue will only add fuel to the fire in most cases.

Inform – When an issue arises, try to set up a face-to-face meeting whenever possible. People are typically less likely to respond aggressively in a face-to-face situation than, say, in a conversation over the phone or, even worse, by e-mail. Outline the issue and explain how it happened. If it was your fault, take responsibility right away. The client will respect you for accepting responsibility. Lying or making excuses will only make the issue worse. If it was someone else’s mistake, explain how there are systems for checks and balances, but unfortunately the mistake was made and is now adversely affecting the project.

Action plan – Outline the pre-formulated action plan (or choice of action plans) to the client. If the client is not agreeable, ask for input on how he or she would like to see the issue resolved. Carefully and honestly outline the timelines and/or lead times for the resolution to take effect and be completed. If possible, explain how or what work can continue so there is still progress on the project. Think outside the box and employ help from

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November 18, 2010

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staff members, if necessary, to expedite the solution.

Empathize – Clients need to vent and let you know how these issues will impact them. They need to be heard. Sometimes they just need to know you care and want to help. Be empathetic to them and let them know you care. Let them know you are there to help. Ask questions in a sensitive manner and understand how they are impacted and cater the response to what needs to be done to ease their individual burden.

Execute – After the determined plan is underway, it's important to execute the resolution effectively and efficiently. Don't overpromise and underdeliver, and certainly don't make promises you can't keep. Stick to the plan and see it through. During this process it's important to maintain constant contact and provide intermittent updates. Highlighting a milestone can be powerful as well, and projects a sense of progress. Updates are important in reinforcing that you are on top of correcting the error. Stay visible and accessible as the solution to the error is applied. Be available to answer the client's questions and manage expectations throughout the resolution.

The key to this process is being available and taking a negative and turning it into a positive. It is how you respond that will resonate in the client's mind. The goal is to have that client refer you, regardless of whether there was an issue on the project. It is how you service them

during their "time of crisis" that will determine whether that referral is coming.

Recognize that the client is going to tell friends about the issue. Your goal is have that client be able to say that you made good on your promises and that the issue was resolved adequately, effectively and with as little inconvenience to them as possible.

Remember, one of the most basic ideals in the sales process is to sell yourself first, your company second and your products and services next. A time of crisis is the most critical time to sell yourself and your company while backing it up by highlighting your products and services.

As challenging as errors can be, we want our clients to respect us as much in troublesome times as in good times. So be visible. Be available. Be responsible. Be responsive. Take a few hits. It is not fun, but it is important.

ASID: Lean 101 - How Lean Relates to Healthcare Design

Health Care Design Blog

Caroline Leemis, allied member ASID

I've been hearing the word "Lean" a lot lately. So what exactly is Lean and how does it relate to us as design-

ers? As a young designer, I wanted to explore the bare-boned basics of how the whole Lean concept can be applied to design in basic form.

Lean in regards to healthcare is based upon getting rid of waste and inefficiency. If a hospital wants to go “Lean”, they look at things such as ways to eliminate processes that are unnecessary in the overall quality and value-adding activities. The main categories Lean looks to improve upon are productivity, cost, quality, and timely delivery of services. There are at least three areas in design and design process that we can consider in order to achieve some of those areas of improvement: space planning, design in regards to the quality of the patient experience, and integrated project delivery.

Space-planning is one area to tackle the concept of Lean. With nurses clocking miles and miles of walking per shift, how can the floor layout be more efficient? In high patient turnover areas, how can we provide easy access to cleaning materials for quick cleaning and prep for a new patient? How close are our surgery prep areas to the operating room? What is the typical patient flow for transfers and procedures and how can it be improved? Those questions alone emphasize how important the steps of researching, observing, and programming are when beginning a design project. I once heard about a nurse that would walk up to 10 miles within the hospital just from the work in one shift. If we take extra time during programming to speak with staff about their workflow and operations, we can create adjacencies that drastically reduces the amount of time and energy staff spend walking, therefore improving the timely delivery of services and productivity.

In regards to value-added, we're viewing the value from the patient's eyes. From a design perspective, what design solutions are most important to the patient? Evidence has shown us that access to views not only results



**Greetings ASID AK
Thank you for volunteering your time with Habitat for Humanity Anchorage. We very much appreciate that you choose to spend your volunteer hours with us. You have made a positive difference in our community!**

in shorter hospital stays, but it also improves the patient’s level of satisfaction. The same thing goes for single-person rooms. So, although planning hospital rooms around windows and eliminating double rooms may be more expensive, they may actually be a better return on investment because of patient satisfaction.

And overall, we can Lean our design process by using Integrated Project Delivery (IPD). Involving nurses and other medical professionals in our design process helps us to understand how they can work more efficiently. Perhaps a rearrangement of some work stations could yield a drastic increase in efficiency and productivity – we would only find that out by learning about the staff’s



The Salvation Army

Adopt a Family

ASID Alaska will be adopting a family again this year! Make Christmas more joyful this year by adopting a family through The Salvation Army. The Adopt-A-Family program is designed to provide Christmas gifts and food certificates to needy families in the Anchorage area. We are looking for monetary donations and shoppers to help put together a great holiday package.

work processes. Lean solutions evolve from employees suggesting improvements to management, not the other way around. Several hospitals are now taking on the initiative to form Lean groups of professionals across multiple departments and levels in the hospital, and as designers I feel that we need to be involved as well. Everyone understanding each other's roles and processes can only lead to better solutions and a higher quality of healthcare,

which in turn can save time, cost, and improve productivity.

right-sizing your price

how architects are tweaking fee structures in a touch-and-go economy.

by: cheryl weber leed ap

august 9, 2010

Residential Architect

The optimists among us often talk about the recession's silver lining. That is, with their very survival in jeopardy, architecture firms were quickly forced to become more focused and resourceful, and their new habits will put them ahead as the economy rebounds. That's all good, but what's the next step? To sustain their businesses during what likely will be a long, slow recovery, some firms also are getting creative with their pricing, without cutting too deeply into their profit margins. Call it phase two in the survival of the fittest: When overhead is cut to the bone, the only thing left to flex is the fee.

"People aren't willing to put as much money into their

house because it's worth less, and they're taking longer to get on board," says Marcie Meditch, AIA, principal of Chevy Chase, Md.-based Meditch Murphey Architects. As a result, the work slowdown has prompted the firm to slightly reduce its fees based on a percentage of construction. "We're giving clients a range, depending on how big or complicated the house is," Meditch notes, adding: "We used to charge a flat rate, but now if we're just doing the interior, we'll offer a lower rate."

Instead of requiring clients to sign up for full services, as it did during the boom years, Meditch Murphey will work hourly and by phase, if asked. Design sketches can be turned over to a contractor (along with liability) so that clients don't feel locked in for the long haul. To make the overall numbers work, though, Meditch Murphey rebalanced its fee structure. The 15 percent of construction cost it used to charge for schematic design in a soup-to-nuts scenario has been raised to 25 percent. "Before, the design fee was spread throughout the project, and sometimes we were short," Meditch explains. "We always spent more time up front; now we're just charging for it. It's a way to get our fees at the front rather than at the end."

getting to yes



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In the past two years, firms have been more willing to meet clients in their comfort zone. On several recent commissions, Cambridge, Mass.–based Hammer Architects dropped its price 1 percentage point when the projects grew more expensive than anticipated. The clients raised the question in casual conversation, and principal Mark Hammer, AIA, agreed. But that means being more conscious of the hours devoted to such jobs. “We’re getting things done faster now, because it’s harder for people to spend money these days,” Hammer says. “Anyone hiring an architect for a custom home has funds available, but they try to be as wise about it as possible. People are voicing concerns about the cost of things more than they used to.”

From travel cruises to car purchases, people have come to expect a discount in this economy. What they may not realize is that, when it comes to residential design, pricing rollbacks usually compromise quality. That’s why Ted Lott, AIA, LEED AP, co-principal of Lott3Metz Architecture in Grand Rapids, Mich., tries to hold the

line. He’s turned down projects knowing that he couldn’t do his best work with the rate proposed, and he’s lost others because he would not negotiate. But when a plum commission comes along, he might rethink the amount of money he deserves up front, hoping to make up the difference later if the project comes through. Additionally, most of his clients ask for a price cap on the first run of drawings—basic ideas that they can test drive with builders. That way, without spending a fortune, they have enough information to decide whether to proceed.

“We’re not too ideological when it comes to fee structure,” Lott says. “We have pretty aggressive clients to begin with. I don’t know there’s been a day when we dropped a number on the table and had it accepted without question. But it’s difficult for us to understand how undercutting our prices will do a lot of good in the long run.”

Chicago architect Mark A. Cuellar, AIA, LEED AP,

agrees. A year and a half ago he slashed his billing rate by about 25 percent, which resulted in a lot of small projects that took as much time as larger ones. As a sole proprietor, “I was working more for less money and I couldn’t handle the workload,” explains Cuellar, principal of the firm mac D+A. “Now I’m back up to my old rates and I take what I can get.”

Others aren’t just holding the line, they’re raising the bar. Architect Erik Faulkner, principal of WishingRock Homes, a design/build firm in Boerne, Texas, upped his fees by 4 percent in the first quarter of 2010, after 2-percent-a-year increases from 2007 to 2009. The price hike was partly to cover rising operating costs, but also because clients are demanding more creative contracting and financing. “Clients want more flexibility to phase work in smaller pieces, and that changes the way I design and price work,” says Faulkner, who has eight projects in design and one in construction. “I will re-evaluate cost structure each quarter to decide if I maintain, increase, or reduce based on market and client activity, but I don’t anticipate reducing fees to compete for work in 2010.”

But at a time when many practices are operating in the red and capital for new projects is scarce, the reality that architecture is market-driven really hits home. In the short run, the right pricing strategy can mean the difference between folding and staying afloat. Working in the housing-bust hot spot of Scottsdale, Ariz., Circle West Architects occasionally is willing to lower the pricing

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during the schematics phase to attract the developers that form the mainstay of its work while, hopefully, recouping the difference in later phases. “We’ve never had no work, but we’re very sensitive to what’s going on economically, so we want to ensure that clients are treated fairly,” says firm principal Peter M. Koliopoulos, AIA. “Everyone is belt-tightening, even our biggest clients.”

To stay competitive in a precarious market, Circle West throws in other incentives, too. Like additional meetings at no charge during a project’s initial stages—whatever it takes to get prospects to sign. Once they do, the architects use the latest technology to help recoup some of the lost revenues. “Because of our advancement in Google SketchUp and Revit, we have been able to develop design concepts in three dimensions that clients can understand visually,” Koliopoulos explains. “We

can prepare schematic design presentations better and more cost-effectively than we could two years ago.”

time and materials

In lieu of lowering fees outright, more firms are offering à la carte services. And they’re taking extra time to help skittish clients find efficiencies. Some, like William Duff Architects, have even formalized the process. The San Francisco–based firm develops a binder of documents that map out each project, determining where clients get the best value from their firm and identifying services other vendors could provide for less. Clients looking to reduce costs, for example, can shop for interior finishes themselves, guided by the architects. Receiving meeting recaps by e-mail, rather than detailed in a binder, also lets them squeeze out some of the fee. It removes the formality, yet satisfies the legal requirements for documentation. The binder also covers feasibility studies, helping owners understand where the stopping points are, so they can work up to a decision.

“The line in the sand was Lehman Brothers’ collapse,” says principal William S. Duff Jr., AIA, LEED AP. “We had used some of this material before, but we really built it out and became more active at engaging clients early on.” It’s a lesson he learned during his first recession in business. “After the dot-com crash, I reduced all my fees, but when the recovery hit we were locked into those prices and had to finish the projects,” Duff explains. “That didn’t allow us to service our new clients as well. So this time, we focused on changing our structure and organization. Maybe that’s because we didn’t have inflated fees going into the recession. We were properly priced to deliver a high level of service.”

Borrowing a page from his years designing \$40 million commercial projects, Baltimore residential architect Thomas Clark will even write contracts that let owners buy roofing, windows, and siding. The contractor then

charges a 5 percent to 8 percent coordination fee, rather than the 25 percent to 40 percent markup taken if the items were run through the books. “It depends on whether we think the client is savvy enough to be able to buy those things,” explains Clark, principal of Thomas Clark Architects. “We backed into that out of necessity a couple of years ago.”

Invariably, even firms whose pricing is intact are giving away more of their time. Tucson, Ariz.–based architect Teresa Rosano, AIA, LEED AP, says she’s taking on smaller jobs—many of them remodels—that demand more work than new construction. With billings based on a percentage of construction, the net result is a smaller fee. “We are trying to work with clients and absorb some of those costs, but we’re also trying not to lower fees too much, because the danger is ending up with too many projects and not being able to spend the proper amount of time on them,” explains Rosano, a partner at Ibara Rosano Design Architects. “It’s a slippery slope on which we’ve tried to find a reasonable balance.”

It took four meetings—two with the client, two with an interior designer—for Santa Ana, Calif.–based architect Ruth Hasell, AIA, to land her most recent commission. Ordinarily, only the initial consult is free. “It turned into a good project; there are a lot of concessions I don’t mind giving now,” says Hasell, principal of Ruth Hasell AIA Architect, who lost all four employees when the economy went down.

To some extent, the architect-client courtship has been reprogrammed; love is no longer blind, if it ever was. Before committing, prospects want a more thorough exploration of all the costs involved—and a peek at the creative vision. Martha Yunker, AIA, principal of Yunker Associates Architecture in Minneapolis, hasn’t changed her hourly rate, but she is breaking the predes-



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ign phase into smaller and more palatable pieces. “In the past people would say, ‘I don’t need a precise estimate; I just don’t want to spend more than X amount,’” Yunker explains. “Now we’re spelling out each task needed to get an early estimate, and how long each will take, so people can plan for what they’re spending before taking the second step.”

In Grand Rapids, Lott is doing the same for developers, occasionally going so far as to offer free feasibility studies in hopes it will turn into a fee. “We’re very aggressive about working existing partnerships with developers and contractors, using everything in our toolkit,” he says. “My partner and I do a lot of this by feel because one thing we’ve learned is that every client is idiosyncratic.”

Indeed, in a time when commissions are extraordinarily hard to get, architects are equipping for combat duty, and invention replaces the tried and true. Todd Walker’s story about signing a recent client illustrates what it takes to close the deal these days, for better or worse. Walker, FAIA, principal of Memphis, Tenn.–based Archimania, met with an attorney who wanted to build a small house on a beautiful Ozarks property. After the first office consult, the client hesitated. So Walker got in the car and made the two-hour drive to the site, gratis, where he spent several hours sketching ideas.

“I began to paint a picture that was acceptable to him, and was able to reduce our fee based on the fact that the house would be simpler than I initially imagined,” Walker says, adding: “Our tendency as architects is to think about things in a more complex manner than may actually be necessary because we don’t have a deep understanding, early on, of what we’re designing.” That led to an unintended upside: The visit was a springboard to design, putting the project two weeks ahead of a typical timeline.

At some point in the future—perhaps several years from now—the coffers will be flush again. But some architects may never go back to business as usual. As Duff puts it, “The recession has honed our skills in some areas and helped us learn how to deliver greater value to clients going forward. It’s a painful transition, but you adapt or die.”

CEU Update: The power-point presentation from the August 2010 CEU presented by Dr. Congleton is available on the chapter website under ‘Up-Coming Events’. This presentation will remain available until the end of November. www.asid-alaska.org

Monte Carlo Night Success!

Thanks to your support ASID generated over \$6,000 for the chapter at this years Monte Carlo Night. Over 100 people attended the event, including ASID members, industry partners and many product representatives from out of state. This formal attire event featured dinner and dancing along with a silent auction, gambling and some great door prizes. Our fabulous MC Greg Porter was back again this year, and helped make the event a great success. With the help of our MC and many volunteers all silent auction items were sold! The grand prize give-away of the night was an Apple iPad. This prize was only available to our event volunteers, and was won by Aurora Kassube. The Sheraton Hotel & Roll-the-Dice also helped us make the evening a success. Our top sponsors this year were MRG/KI, Arctic Office Products, Capital Office Systems, Business Interiors Northwest, Bettisworth North & Tandus Flooring. Thanks again to all of our sponsors, volunteers, silent auction donors and everyone who worked to make it a wonderful night. We can only hope to repeat this great success again next year.

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