

**A FRAMEWORK FOR ENTREPRENEURSHIP EDUCATION,  
TRAINING AND SUPPORT FOR SOUTH AFRICAN  
ARCHITECTS**

**PART 2  
ADDENDUMS**

by

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## TABLE OF CONTENT

### Page no.

<b>Addendum A: SACAP and CAA validation criteria.....</b>	<b>1</b>
<b>Addendum B : Questionnaires.....</b>	<b>14</b>
<b>Addendum C: Results of the qualitative study.....</b>	<b>38</b>
A Topic: Entrepreneurial Orientation.....	38
A1    How would you describe your firm's entrepreneurial orientation?.....	46
A2    How would you describe the firm's attitude to risk?.....	57
A3    How would you describe the entrepreneurial posture of your founder(s)?.....	64
A4    Which of the personal traits sometimes ascribed to entrepreneurs applies to your firm's founders?.....	70
A5    Would you describe the firm's founders as pro-active individuals?.....	80
A6    Were they highly competitive?.....	85
A7    Did the founders of your firm attend any entrepreneurial education and training programmes?.....	90
A8    Was the firm started due to 'push' or 'pull' factors?.....	96
A9    What form did the opportunity that you recognised and pursued comprise?.....	101
A10   How important a contribution did this attitude play in your firm enduring?.....	108
A11   In your opinion, what is the nature and type of opportunities that South African architects should look out for?.....	110
B Topic: Creativity .....	118
B1    Describe the role that creativity plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology?.....	121
B2    Can you list some examples?.....	129
B3    Did any of the examples listed contribute to your competitive advantage?.....	136
B4    How important a contribution did this attitude play in your firm enduring?.....	142
B5    Do you believe that creativity acts as moderator between entrepreneurial orientation and entrepreneurial performance?.....	143

C Topic: Innovation.....	144
C1    Describe the role that innovation plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology?.....	148
C2    Have your firm develop any new processes or procedures?.....	156
C3    Can you list some examples?.....	162
C4    Did any of the examples listed contribute to your competitive advantage?.....	177
C5    How important a contribution did this attitude play in your firm enduring?.....	195
C6    Do you believe that innovation acts as moderator between entrepreneurial orientation and entrepreneurial performance?.....	197
 D Topic: Organisational learning.....	 170
D1    What is your firm's attitude to organisational learning?.....	204
D2    Have you or any of your founders attended any entrepreneurial education programmes?.....	213
D3    Have you or any of your founders attended any business management programmes?.....	213
D4    How important is learning about and employing the latest software to the firm?.....	213
D5    Do you stay abreast of developments in Architectural Design theory?.....	218
D6    Do you subscribe to and read professional journals?.....	220
D7    Do you subscribe to and read business journals?.....	223
D8    Do you believe that organisational learning capacity acts as moderator between entrepreneurial orientation and entrepreneurial performance?.....	228
D9    How important a contribution did this attitude play in your firm enduring?.....	229
 E Topic: Firm structures.....	 231
E1    How is your firm structured?.....	234
E2    What lead to the firm adopting this structure?.....	237
E3    Is this structure a form of innovation?.....	241
E4    Do you make use of outside contractors?.....	241
E5    How important a contribution did this structure play in your firm enduring?.....	241

F Topic: Firm values.....	242
F1    Does your firm have an articulated set of values that it subscribes to?.....	247
F2    Would you describe yourself as a 'practice-centred business' or a 'business centred practice'?.....	253
F3    What are your firm's business centred aims?.....	258
F4    What are your firm's person-centred aims?.....	263
F5    How important a contribution did these values play in your firm enduring?.....	268
G Topic: Competitive positioning.....	271
G1    Did you/ the founders engage in detailed strategic or operational planning before starting-out?.....	278
G2    Do you have articulated vision and mission statements?.....	281
G3    Did you position your firm as a strong delivery/ strong experience/ strong ideas or anything that comes through the door firm?.....	284
G4    Is your firm competing on the basis of being cost-leaders or have you managed to differentiate your product offering?.....	288
G5    Have your firm managed to become specialists in one or more building types?.....	290
G6    Did the 'contacts' or personality of the founder play a role in the firm's enduring?.....	296
G7    What do you regard as your competitive advantage?.....	299
G8    Are you aware of who your biggest competitors are and what their strengths and weaknesses are?.....	305
G9    In your opinion, what other attributes can South African architects' firms develop into a competitive advantage?.....	310
G10   Do you do regular strategic planning?.....	312
G11   Can you cite examples of initiatives/ changes resulting from your strategic planning activities?.....	316
G12   Is your firm aggressively pursuing specific quantitative or qualitative goals and objectives?.....	317
G13   How did your competitive stance play a role in the firm's enduring?.....	318

H Topic: Business Management style and policies.....	319
H1    Do you believe architects' firms present a unique managerial challenge?.....	326
H2    What are the aspects that contribute to this challenge?.....	331
H3    Which of these challenges are common to architects' firms internationally and which are South African (SA) specific?.....	341
H4    How does your firm deal with the SA specific challenges?.....	345
H5    How will this challenge vary between smaller and bigger firms?.....	349
H6    How would you describe your management style?.....	353
H7    Does your firm have any set policies?.....	361
H8    What do they cover?.....	366
H9    Why do you believe these are necessary?.....	366
H10   How did your management style contribute to your firm's enduring?.....	366
J Topic: Financial Management.....	367
J1    Do you employ a full-time financial manager or do you use an outside agent/ consultant?.....	375
J2    Do you prepare a yearly/ monthly/ project budget?.....	379
J3    If so, what do you use as basis?.....	385
J4    How regularly do you monitor adherence?.....	387
J5    Do you have monthly statements prepared?.....	391
J6    Do you apply the normal tests to monitor costs and profitability?.....	394
J7    Do you use outside auditors?.....	396
J8    Do you actively manage your cash-flow?.....	398
J9    How regularly do you invoice clients?.....	403
J10   How regularly do you follow-up on outstanding invoices?.....	408
J11   On average, how long do you have to wait before receiving payment?.....	410
J12   Is non-payment a major problem?.....	413
J13   What measures do you use to ensure payment?.....	417
J14   How did your financial management style contribute to your firm's enduring?.....	421
K Topic: Operations Management.....	423
K1    How are your operations managed (by project or work stage)?.....	427
K2    Do you operate on the basis of work-teams?.....	431

K3	Do you plan and manage your operations using ‘Management by objectives’ principles?.....	434
K4	How tightly are these schedules enforced?.....	439
K5	How do you allow for the fact that design inspiration cannot be time managed?.....	442
K6	Who accepts responsibility for ‘quality’?.....	445
K7	How important is meeting deadlines to the firm?.....	448
K8	Do you have any views on punctuality?.....	450
K9	Do you make use of independent contractors?.....	452
K10	How did your operations management style contribute to your firm’s enduring?.....	456
L Topic: Risk Management.....		458
L1	Do you make use of standard (PROCSA or SAIA) Client –Architect Agreements?.....	461
L2	What modifications to you include (if any) to limit the firm’s liability?.....	467
L3	What basis do you use to determine the Professional Indemnity (PI) cover that you take-out?.....	470
L4	How do you allow for the risk of unpaid fees?.....	472
L5	How did your risk management efforts contribute to your firm’s enduring?.....	473
M Topic: Marketing management.....		474
M1	Who is responsible for marketing in your firm?.....	480
M2	How do you market your services?.....	483
M3	What do you believe constitute the most effective means of marketing for SA architects’ firms?.....	495
M4	In your experience what does not work?.....	501
M5	How did your marketing management efforts contribute to your firm’s enduring?.....	504
N Topic: Client bases and relationships.....		505
N1	What is the firm’s major source of work?.....	510
N2	How do you build and maintain client relationships?.....	518
N3	Do you seek and perform government work?.....	524
N4	Have you attempted to secure overseas work?.....	527

N5	Do you do work on a contract basis?.....	531
N6	How did your client management efforts contribute to your firm's enduring?.....	534
O Topic: Fee determination and policy.....		536
O1	What constitutes your fee policy?.....	542
O2	If pushed for discounts, how do you determine what you can work to?.....	553
O3	Do you have figures relating to your costs?.....	559
O4	Do you 'tender' or 'bid' for projects?.....	562
O5	If so, on what basis do you prepare your offer?.....	565
O6	Do you do 'risk work'?.....	568
O7	How did your fee policy contribute to your firm's enduring?.....	571
P Topic: Entrepreneurial support.....		573
P1	What advice would you give to young architects thinking of starting a new firm?.....	579
P2	What form of support is needed by 'young' architects' firms?.....	603
P3	Would you be willing to act as a mentor to a 'young firm'?.....	621
Addendum D		
Letter of approval from Ethics Committee.....		626

## ADDENDUM A: SACAP and CAA VALIDATION CRITERIA

### SACAP and CAA Validation requirements as published in SACAP (2012)

#### SACAP's competencies for validation

This appendix (updated 28 July 2012) describes the competencies required for each of the categories of architectural professionals as defined in terms of the Architectural Profession Act (Act 44 of 2000). It was compiled by the Stands Generating Body (SGB) for Architecture, and is intended as the interface between academia and practice. The document was informed by four interdependent considerations.

**First:** the essential skills and knowledge required to practise architecture in a sustainable, socially responsible and financially viable way are clustered into a range of ten specific outcomes. It would make the work of the Visiting Board significantly easier if the ALS under validation could indicate in a matrix how the competencies are integrated into curriculum.

		OUTCOMES FIELD										
CAA classification	Qualification(s) SAQA Levels	Year of study with Subjects / courses	1	2	3	4	5	6	7	8	9	10
			Architectural design	Environmental relationships	Construction technology	The structure of building	Contextual & urban relationships	Architectural history, theory & precedent	Building services & related technologies	Contract documentation & administration	Computer applications	Office practice, legal aspects & ethics
PART 1		1										
		2										
		3										
PART 2		4										
		5										

**Second:** the competencies were aligned with the envisaged Identification of Work Matrix. That matrix is based on the complexity of the project, and the sensitivity of the context and site, whether natural or constructed.



		SITE SENSITIVITY		
		LOW	MEDIUM	HIGH
PROJECT COMPLEXITY	LOW	PrArchDraught		
		PrArchT		
		PrSArchT		
		PrArch		
	MEDIUM	PrArchT		
		PrSArchT		
		PrArch		
	HIGH	PrSArchT		
		PrArch		

**Third:** the competencies attempt to establish a consistent framework, aligning and matching registration in one of the four categories of architectural professionals with the relevant qualifications. Higher education in South Africa is currently in the process of converting to the 'new' Higher Education Qualifications Framework (HEQF) that was published in 2007 (Government Gazette No. 928 of 5 October 2007). The table below sets out the qualifications and National Qualifications Framework (NQF) level required for a learner to be allowed to register as a candidate in one of the four categories. Note that some qualifications require a year of work integrated learning before an applicant can be registered as a candidate.

The 'old' and 'new' HEQF are integrated in the table. The 'old' NQF levels remain application for the moment. The 'new' NQF dispensation is included for orientation and familiarisation. Qualification nomenclatures that will become obsolete with the implementation of the new HEQF are presented in italics.

### Qualifications in relation to categories of registration

Category Candidate Professional	Degree stream	Diploma strength	Credits (1 credit =10 hrs)	'Old' NQF Level	'New' NQF Level
Architect	M Arch (Prof) B Arch (5-year) M Tech (Prof)	-	660 cumulative minimum	8	9
Snr Technologist	B Arch (Prof) BAS Honours B Tech (4-yr) BAS + 1 yr WIL	Postgraduate Diploma	4080 cumulative minimum	7	8
Technologist	-	Advanced Dip	360 cumulative minimum	6	7
	BAS BSc Arch	Higher Dip			
	-	Diploma National Dip	+ 1 yr WIL 240 cum. Min.	5	6
		Advanced Cert			
Draughtsperson	-	Higher Cert National Cert	120 + 1yr WIL		5

The **fourth** consideration is that the competencies must allow an architectural professional to compete and operate internationally. This required considerable benchmarking with competencies set out by other international validation agencies.

**The terminologies used for describing learning levels.**

<b>LEVEL</b>	<b>LEARNING LEVEL</b>	<b>DESCRIPTION</b>
<b>A</b>	<b>Awareness</b>	Acquaintance with relevant concepts and methods, without necessary being skilled to paraphrase information.
<b>B</b>	<b>Knowledge</b>	Familiarity with relevant information, without necessary being skilled to see its fullest implication or application.
<b>C</b>	<b>Understanding</b>	Full assimilation and comprehension of information, and the skill to correctly paraphrase it and relate it to other situations, including its practical application.
<b>D</b>	<b>Ability</b>	Skill in analysing problems, identifying appropriate information for the accomplishment of tasks and to apply it to the solution of specific problems.

Another, perhaps more legible, way of representing the required learning levels is to categorise the competencies and skills in relationship to the body of knowledge and expertise available and simply rate them from minimal, low and medium through to advanced.

**SACAP summary matrix of competencies**

PROFESSIONAL CATEGORY			OUTCOMES FIELD & NO										
			1 Architectural design	2 Environmental relationships	3 Construction technology	4 The structure of building	5 Contextual & urban relationships	6 Architectural history, theory & precedent	7 Building services & related technologies	8 Contract documentation & administration	9 Computer applications	10 Office practice, legal aspects & ethics	
Professional Architect	Advanced	A											
	Medium	B											
	Low	C											
	Minimal	D											
Prof Senior Arch. Technologist	Advanced	A											
	Medium	B											
	Low	C											
	Minimal	D											
Prof Arch. Technologist	Advanced	A											
	Medium	B											
	Low	C											
	Minimal	D											
Prof Arch. Draughts-person	Advanced	A											
	Medium	B											
	Low	C											
	Minimal	D											

## Competencies for the architectural profession

	CANDIDATE PROFESSIONAL ARCHITECTURAL SENIOR TECHNOLOGIST		CANDIDATE PROFESSIONAL ARCHITECT	
	CAA Part 1	√	CAA Part 2	√
1. Architectural design	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to do a competent design of a simple multi story building as well as long span structures, based on parameters and constraints developed through independent scientific research, which are sensitive to issues of environment and sustainability, as well as cultural issues in a responsible, appropriate and economic manner in an urban, a suburban or rural context.</li> <li>• <u>Ability</u> to appraise and define the above mentioned architectural problem.</li> <li>• <u>Ability</u> to prepare an appropriate concept.</li> <li>• <u>Ability</u> to develop the design to an ultimate and rational conclusion.</li> <li>• <u>Ability</u> to present the design synthesis in a logical manner.</li> </ul>		<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to do a competent building design of a complex nature, based on parameters and constraints developed through independent scientific research, which is sensitive to issues of environment and sustainability, as well as cultural issues in a responsible, appropriate and economical manner in an urban, a sub-urban or rural context.</li> <li>• <u>Ability</u> to appraise and define a complex architectural problem.</li> <li>• <u>Ability</u> to prepare an appropriate concept.</li> <li>• <u>Ability</u> to develop the design to an ultimate and rational conclusion.</li> <li>• <u>Ability</u> to present the design synthesis in a logical manner.</li> </ul>	
2. Environmental relationships	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the relationship between the natural and the built environment.</li> <li>• <u>Understanding</u> of landscapes and environmental structures in basic terms in an analytical, constructive and critical manner.</li> <li>• <u>Knowledge</u> of the basic spatial, functional and aesthetical aspects appropriate to landscape architecture.</li> </ul>		<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the relationship between the natural and the built environment.</li> <li>• <u>Ability</u> to evaluate landscapes and environmental structures in basic terms in an analytical, constructive and critical manner.</li> <li>• <u>Knowledge</u> of the basic spatial, functional and aesthetical aspects appropriate to landscape architecture.</li> </ul>	

3. Construction technology	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of construction methods and uses for materials related to simple multi story building.</li> <li>• <u>Understanding</u> of the demands of context, local resources and appropriate technologies that harmonise with the environment, which influence the construction of a building.</li> <li>• <u>Ability</u> to develop durable, cost-effective, climate responsive construction details.</li> <li>• <u>Ability</u> to conduct limited relevant research into construction methods and materials and the appropriate applications.</li> </ul>		<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to implement innovative application of construction methods and uses for materials related to multi-storey, multi-functional, complex building types.</li> <li>• <u>Ability</u> to recognise the demands of context, local resources and appropriate technologies that harmonise with the environment, which influence the construction of a building.</li> <li>• <u>Ability</u> to develop durable, cost-effective, climate responsive construction details.</li> <li>• <u>Ability</u> to conduct advanced research into construction methods and materials and the appropriate applications.</li> </ul>	
	<b>CANDIDATE PROFESSIONAL ARCHITECTURAL SENIOR TECHNOLOGIST</b>		<b>CANDIDATE PROFESSIONAL ARCHITECT</b>	
	CAA Part 1	√	CAA Part 2	√
4. Building structures	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the basic structural concepts pertaining to buildings.</li> <li>• <u>Ability</u> to integrate structure and building design.</li> </ul>		<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of structural concepts pertaining to buildings.</li> <li>• <u>Ability</u> to integrate structures and buildings design.</li> <li>• <u>Understanding</u> of calculations on the structural aspects of buildings.</li> </ul>	
5. Contextual & urban relationships	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Knowledge</u> of critical urban issues.</li> <li>• <u>Awareness</u> of and sensitivity to urban aspects when designing individual buildings.</li> </ul>		<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the basic spatial, functional and aesthetical aspects appropriate to urban design.</li> <li>• <u>Ability</u> to evaluate urban environments in very basic terms in an analytical, constructive and critical manner.</li> <li>• <u>Understanding</u> of and sensitivity to urban aspects when designing individual buildings.</li> </ul>	

6. Architectural hashish, theory & precedent	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of architectural history and theory.</li> <li>• <u>Understanding</u> of the principles of learning from historical precedent.</li> <li>• <u>Awareness</u> of the built environment and <u>understanding</u> of structures an analytical and constructive, critical manner.</li> <li>• <u>Knowledge</u> of the basic spatial and aesthetical aspects appropriate to architecture.</li> <li>• <u>Understanding</u> of research processes in architectural theories.</li> </ul>	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of architectural history and theory as part of a wider natural, social, technological and cultural system.</li> <li>• <u>Ability</u> to evaluate and analyse the built form critically in complex terms.</li> <li>• <u>Understanding</u> of the principles of learning from historical precedent.</li> <li>• <u>Understanding</u> of social, ethical, spatial and aesthetical aspects of the environment.</li> <li>• <u>Ability</u> to conduct relevant research in architectural theories.</li> </ul>	
7. Building services & related technologies	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the integration of the various technological aspects relating to services in one cohesive design.</li> <li>• <u>Understanding</u> of the building regulations pertaining to all building services.</li> <li>• <u>Understanding</u> of the following technological aspects and building services –</li> </ul> <p>Drainage and water reticulation.  Electrical and electronic services and lighting.  Communications.  Air and gas supply.  Heating and cooling.  Elevators and escalators.  Fire protection and control.  Acoustics and sound systems.</p>	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to integrate the various technological aspects relating to services in one cohesive design and find technological solutions.</li> <li>• <u>Understanding</u> of the building regulations pertaining to all building services.</li> <li>• <u>Understanding</u> of the following technological aspects and building services –</li> </ul> <p>Drainage and water reticulation.  Electrical and electronic services and lighting.  Communications.  Air and gas supply.  Heating and cooling.  Elevators and escalators.  Fire protection and control.  Acoustics and sound systems.</p>	
	<b>CANDIDATE PROFESSIONAL ARCHITECTURAL SENIOR TECHNOLOGIST</b>	<b>CANDIDATE PROFESSIONAL ARCHITECT</b>	
CAA Part 1	√	CAA Part 2	√

8. Contract documentation & administration	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <b>Ability</b> to produces a set of working drawings as part of a set of contract documents of a complex building to acceptable practice standards.</li> <li>• <b>Ability</b> to develop durable, cost-effective, climate-responsive construction systems and details sensitive to the contextual language of the design concept.</li> <li>• <b>Ability</b> to do component and material specification.</li> <li>• <b>Understanding</b> of the relevance of applicable appropriate National Building Regulations (NBR) as well as the requirements of the NHBC</li> <li>• <b>Ability</b> to respond to local authority approval requirements and procedures.</li> </ul>	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <b>Ability</b> to produce a comprehensive set of contract documents of a complex building to acceptable practice standards.</li> <li>• <b>Ability</b> to develop durable, cost-effective, climate-responsive construction systems and details.</li> <li>• <b>Ability</b> to recognise the demands of context and local resources and appropriate technologies that harmonise with the environment.</li> <li>• <b>Understanding</b> of issues of sustainability of the built environment and ability to be able to evaluate materials in an ethical and socially responsible manner.</li> <li>• <b>Ability</b> to do component and material specification</li> <li>• <b>Ability</b> to implement appropriate National Building Regulations (NBR) as well as the requirements of the NHBC.</li> <li>• <b>Ability</b> to respond to local authority approval requirements and procedures.</li> </ul>	
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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">9. Computer applications</p>	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the range of computer technology presently in use in architectural practice and <u>ability</u> to apply it in the execution of work. Computer software to include web browsers and communication programs, word processing, spreadsheets, data bases, architectural drawing, 3 dimensional modelling, graphic and image editing programs.</li> <li>• <u>Ability</u> to design, publish and maintain a website.</li> <li>• <u>Knowledge</u> of different computer hardware solutions for networking.</li> <li>• <u>Ability</u> to make informed decisions in the acquisition of networking hardware.</li> <li>• <u>Ability</u> to troubleshoot network problems on a basic level.</li> <li>• <u>Knowledge</u> of operating systems for networked machines, and, in particular, setting up work groups, setting permissions and data security.</li> <li>• <u>Ability</u> to troubleshoot, upgrade and maintain PCs at a basic level.</li> </ul>	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understanding</u> of the ranges of computer technology presently in use in architectural practice and .....</li> </ul> <p><b>FORMAL/WORK INTEGRATED LEARNING</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to apply it in the execution of work. Computer software to include web browsers and communication programs, work processing, spreadsheet, databases, architectural drawing, 3 dimensional modelling, graphic and image editing programs.</li> </ul>	
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	CANDIDATE PROFESSIONAL ARCHITECTURAL SENIOR TECHNOLOGIST		CANDIDATE PROFESSIONAL ARCHITECT	
	CAA Part 1	√	CAA Part 2	√
10. Office practice, legal aspects and ethics	<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Understand</u> the terminology and basic concepts and principles of architectural practice.</li> <li>• <u>Understand</u> all the regulatory and legal aspects of the profession.</li> <li>• <u>Knowledge</u> of the contents of the various building contracts and the SAIA practice manual.</li> </ul> <p><b>FORMAL/WORK INTEGRATED LEARNING</b></p> <ul style="list-style-type: none"> <li>• <u>Understand</u> the terminology and basic concepts and principles of business practice.</li> <li>• <u>Understand</u> the administration and logistical support systems in a practice.</li> <li>• <u>Understand</u> the basic concepts of business structures and principles, pertaining to architectural profession.</li> <li>• <u>Ability</u> to design feasible information access and retrieval system.</li> <li>• <u>Ability</u> to design a functional and integrated management system.</li> <li>• <u>Ability</u> to participate meaningfully in the management and administration of a building project.</li> <li>• <u>Ability</u> to set up and run a building project successfully.</li> </ul>		<p><b>FORMAL</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to apply all the regulatory and legal aspects of the profession.</li> <li>• <u>Ability</u> to implement the contents of the various building contracts and the SAIA practice manual.</li> </ul> <p><b>FORMAL/WORK INTEGRATED LEARNING</b></p> <ul style="list-style-type: none"> <li>• <u>Ability</u> to apply the basic concepts of business structures and principles, pertaining to architectural profession.</li> <li>• <u>Ability</u> to design a feasible information access and retrieval system.</li> <li>• <u>Ability</u> to design a functional and integrated management system.</li> <li>• <u>Ability</u> to implement administrative and logistical support systems in a practice.</li> <li>• <u>Ability</u> to design marketing strategy.</li> <li>• <u>Ability</u> to participate meaningfully in the management and administration of a building project.</li> <li>• <u>Ability</u> to set up and run a building project successfully.</li> </ul>	

## CAA Validation Criteria

Qualifications in Architecture Recommended for Recognition by CAA: [Validation]  
Procedures and Criteria

A.1	CHARACTERISTICS REQUIRED OF SCHOOLS WITH VALIDATED COURSES	√
A.1.1	Normally the school should be in or associated with an institution of high academic level, preferably of university standard which can provide the wide range of studies required for the education and training of an architect.	
A.1.2	The organisation of the school should allow for flexibility in the development of the course to meet the changing needs of architectural education. The school should have an identifiable management structure that ensures highly qualified architectural expertise is central in leadership and decision making.	
A.1.3	The school should have the necessary facilities and financial support to achieve the physical, library and computing context in which it can attain its objectives.	
A.1.4	There should be evidence that the school is involved in understanding the environmental problems of its community and that it is endeavouring to make contributions to their solutions through the study of real problems.	
A.1.5	The staff profile should be of a high level of academic attainment and teaching ability and provide the necessary range of specialist skills and academic and practice experience. A school should encourage continuing research by staff or involvement in appropriate practice. Research should be regarded as an inherent activity of architectural teachers. Research may be founded on practice project work or relate to building construction. It may be integrated with teaching or it may relate to academic disciplines.	
A.1.6	In general a school should have an entrance level which should not be below university entry or its equivalent.	
A.1.7	The school should support gender and racial equity of opportunity for access to architectural education.	
A.1.8	Students should have the opportunity to make positive contributions to the manner in which the schools functions and there should be evidence of the method of ensuring good student/staff contact, not only in the teaching but in the general administration of the informal activities of the school.	
A.1.9	The school needs to have systems for self-evaluation and peer review conducted at regular intervals, including in the review panel, teachers from other schools and practising architects.	
A.1.10	Where appropriate, the school should facilitate staff and student exchanges with other schools, study visits, exhibitions of work and taking part in international competitions.	

<b>A.2</b>	<b>VALIDATED COURSES</b>	√
A.2.1	Validated courses of study must be balanced between the theoretical and practical aspects of architectural training and shall ensure the acquisition of:	
A.2.1.1	an ability to create comprehensive architectural designs that satisfy aesthetic, cultural, functional and technical requirements and are sustainable, and the ability to translate such designs into construction documents;	
A.2.1.2	adequate personal and professional skills including communication (written, oral, aural, graphic, electronic, etc), information technology, personal effectiveness, problem-solving, and teamwork (including working with other disciplines and non-professionals);	
A.2.1.3	an adequate knowledge of the history and theories of architecture and the related arts, technologies and human sciences;	
A.2.1.4	a knowledge of the fine arts as an influence on the quality of architectural design;	
A.2.1.5	an adequate knowledge of urban design, planning and the skills involved in the planning process;	
A.2.1.6	An understanding of the relationship between people and buildings, and between buildings and their environment, and of the need to relate buildings and the spaces between them to human needs and scale with adequate knowledge of the means to produce safe environments accessible to people of varying physical and mental abilities;	
A.2.1.7	an adequate knowledge of the means of achieving environmentally sustainable design;	
A.2.1.8	an understanding of the profession of architecture and the role of the architect in society, in particular, in preparing briefs that take account of social factors;	
A.2.1.9	an understanding of the methods of investigation and preparation of the brief for a design project;	
A.2.1.10	An understanding of the structural design, constructional and engineering problems associated with building design;	
A.2.1.11	an adequate knowledge of physical problems and technologies and of the function of buildings so as to provide them with internal conditions of comfort and protection against the climate;	
A.2.1.12	the necessary design skills to meet the requirements of clients and building users within the constraints imposed by cost factors and building regulations;	
A.2.1.13	an adequate knowledge of the industries, organisations, regulations and procedures involved in translating design concepts into buildings and integrating plan into overall planning;	
A.2.1.14	an adequate knowledge of project financing and cost control;	
A.2.1.15	An adequate knowledge of procurement processes in the construction industry including building contracts and documentation.	
A.2.2	Architectural students should be made critically aware of the political and financial motivations behind clients' briefs and building regulations in order to foster an ethical framework for decision-making within the building environment. Graduates in architecture should be sensitive to differences in gender, culture and customs, and be encouraged to assume responsibility as professionals in society.	
A.2.3	Educational programmes should promote architectural design which considers the cost of future maintenance, also taking into account that, unlike traditional construction methods with low maintenance materials,	

	some contemporary, experimental and unproved industrial systems and materials require constant and expensive maintenance.	
A.2.4	Design project work is the basic means of architectural education and projects, including teacher/student dialogue, must form a substantial part of the learning period and occupy at least half of the curriculum. Design project work is normally undertaken in a studio setting conducive to peer and tutor support.	
A.2.5	The education should be formalised by an examination at the end of the programme of studies, the principal part being an individual presentation and defence of an architectural project demonstrating the acquired knowledge and concomitant skills. For this purpose, review panels (i.e. 'crits' or 'juries') should include practising architects and teachers from other schools and, if possible, from other countries.	
A.2.6	The balanced acquisition of the necessary design capabilities, knowledge and skills requires maturation; the period of academic studies in architecture should be normally not less than the equivalent of five years of full-time studies in a university or an equivalent institution, plus two years' experience in an architectural practice of which one may be obtained prior to the conclusion of academic studies.	
A.2.7	The CAA encourages diversity through support for programmes of related studies which, for example, link architecture with other subjects, e.g. planning, management, engineering, etc, in a combined course; emphasise research; encourage particular teaching methods; develop specialisations within architecture; and promote advanced degrees. The CAA is keen to foster variety in architecture programmes which embrace breadth and depth of studies and have local/regional/global relevance. Schools are also encouraged to allow students to participate in a range of option studies outside the architectural programme, for example, establishing proficiency in another language.	
A.2.8	The CAA considers that a research-teaching nexus will help strengthen graduate capabilities and thereby the profession's future relevance and standards. Encouragement is given for research and teaching to be linked in architectural design. Students undertaking research under staff guidance may contribute to generating a clearer understanding of knowledge that underpins design decisions. Explicit criteria that guide development and evaluation can assist communication of better design. In a research-teaching nexus academics can share their own disciplinary research with students, thereby teaching research methods, and academics can actively involve students in carrying out research of relevance to the discipline.	
A.2.9	Encouragement is given to include opportunity for 'live' and community development projects in validated courses. Such project focus is seen as appropriate to achieve user oriented cultural and social sensitivity and understanding of the architect's role and responsibilities to their community.	

## **ADDENDUM B: QUESTIONNAIRES**

### **A FRAMEWORK FOR ENTREPRENEURSHIP EDUCATION, TRAINING AND SUPPORT FOR SOUTH AFRICAN ARCHITECTS.**

04.06.2015

## **QUESTIONNAIRES**

Three questionnaires (A, B and C) will be used for the mixed method study. Questionnaire A for the qualitative study (refer to page 2) and Questionnaires B & C for the quantitative study (refer to page 11).

### **ETHICS**

**The researcher acknowledges that he has familiarised himself with the University of Pretoria's "CODE OF ETHICS FOR RESEARCH" and subscribes to this code.**

Furthermore it is submitted that the researcher's paramount responsibility will be towards those studied. There should not be any conflict of interest because the study will not be sponsored by any entity that has a vested interest in its outcome. Nonetheless, where there is a conflict of interest, those studied will be prioritised. The researcher will do everything within his power to protect their physical, social, and psychological welfare and to honour their dignity and privacy.

The aims of the investigation will be communicated as well as possible to informants. Informants will have the right to remain anonymous. Questions asked will not be insulting or embarrassing. The use of monitoring devices such as tape recorders and cameras will be open, and fully understood by the people concerned. These will not be used without their permission. The recordings made and any photographs taken will not be used in a way that is in violation of an informant's right to welfare, dignity and privacy. There will be no exploitation of informants for personal gain. It is understood that there is an obligation to reflect on the foreseeable repercussions of research and publication on those studied. The privacy and wishes of informants will at all times be respected.

Those studied will be provided with a covering letter written in language understandable to the subject detailing what the subject will be told. This will include the following:

- participation is voluntary
- the subject may discontinue participation at any time
- a brief description of the research

The letter will include an informed consent form where those studied must consent to the use of the information given by them<sup>1</sup>.

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<sup>1</sup> Based on the Ethics requirements of the Faculty of Art, Design & Architecture at the University of Johannesburg

## QUALITATIVE STUDY

**Questionnaire A** will be used to guide Semi-structured interviews that will form part of the qualitative phase (Phase 2 of the study) to deal with Research Question 5.

**Covering letters:**

1. **To confirm eligibility and willingness to take part in Qualitative Study (to be sent to the founding partner of potential ‘enduring architects firms’ identified by the Regional Presidents of the four largest regional chapters of the South African Institute of Architects by e-mail).**

Dear Colleague

### **CONSENT TO INCLUSION IN SAMPLING POOL FOR PhD(ARCHITECTURE) STUDY ON ENTREPRENEURSHIP EDUCATION AND TRAINING FOR ARCHITECTS’ FIRMS**

I am currently studying towards my PhD(Architecture) at the University of Pretoria. Prof. P. Vosloo (no relation) is my Supervisor and Dr Alex Antonites from The Department of Business Management at U.P. is my Co-supervisor. My topic is *A framework for Entrepreneurship Education, Training and Support for South African architects.*

As part of my study, I need to conduct a structured interview with the founding or most senior partner/ director of selected architects’ firms. Your firm was placed on a list of “Enduring Architects’ Firms”<sup>2</sup> suggested by the Presidents of the the four largest regional chapters of The South African Institute of Architects (SAIA). Should your firm not comply with the definition of an enduring firm, please let me know so that the list of firms to be interviewed can be adjusted accordingly.

The interviews will set-out to establish how some of the most enduring South African architects’ firms were established and the entrepreneurial orientations, attitudes, strategies and practices the firms followed that resulted in their survival and entrepreneurial performance. The information gathered will be used to interpret the results of the quantitative processes that form part of my study and to identify additional aspects that should be included into the proposed framework.

I hope that you will agree to this interview which should not take longer than 90 minutes. Please note that you and your firm will not be mentioned by name anywhere in the draft or final documentation. Also note that your participation is voluntary and that you will be able to withdraw at any time during the interview. I will record the interview and you will be provided with a transcript as soon as the recording has been transcribed.

Your participation will not only allow me to complete my studies, but more importantly, in the possible introduction of a framework that can be of huge benefit to colleagues before and during the process of starting their own firms. I undertake to circulate the results of the

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<sup>2</sup> **Architects’ firms that are older than 15 years, whose current ratio is at least 1.5:1<sup>2</sup> and have architectural practice as the main source of income of the owner(s).**

interviews to all the firms which took part in this qualitative process. I also intend to publish an academic article on my findings in Architecture South Africa.

If your firm meets the criteria set for an 'Enduring Architects' Firm' and you are willing to be interviewed on behalf of the firm, please confirm this by completing the table below and sending it by return message to [cvosloo@uj.ac.za](mailto:cvosloo@uj.ac.za)

Please include the total number of persons in the firm in your reply. Once I receive your reply you will be included in the population of firms from which a stratified randomly selected sample will be drawn. Only firms included in the sample will be interviewed.

Yours sincerely

Prof. Christo Vosloo. PrArch

Name of firm:		
Name of Founding/ Senior Partner or Director:		
Size of firm (total number of people working in the firm on a full-time basis):		
Contact detail:	Telephone:	e-mail:
Physical address:		
By completing and returning this table you agree that we can add your firm to the pool from which the stratified random sample will be drawn. Thank you very much. Your willingness to participate is appreciated.		

2. **To re-confirm willingness to be interviewed as part in Qualitative Study (to be sent to the founding partner of ‘enduring architects firms selected by stratified random sampling from the pool of “enduring architects’ firms”).**

Dear Colleague

**CONSENT TO INTERVIEW AS PART OF PhD(ARCHITECTURE) STUDY ON ENTREPRENEURSHIP EDUCATION AND TRAINING FOR ARCHITECT’S FIRMS**

Your firm has been drawn by stratified random selection for an interview as part of my PhD(Architecture) study at the University of Pretoria. My topic is *A framework for Entrepreneurship Education, Training and Support for South African architects.*

The interviews will set-out to establish how some of the most enduring South African architects’ firms were established and the entrepreneurial orientations, attitudes, strategies and practices the firms followed that resulted in their survival and entrepreneurial performance. The information gathered will be used to interpret the results of the quantitative processes that form part of my study and to identify additional aspects that should be included into the proposed framework.

I trust that you are still willing to be interviewed. The interview should not take longer than 90 minutes. Please note that you and your firm will not be mentioned by name anywhere in the draft or final documentation. Also note that your participation is voluntary and that you will be able to withdraw at any time during the interview. You will be required to complete the attached “Informed Consent Form” before the start of the interview. I will record the interview and you will be provided with a transcript as soon as the recording has been transcribed.

Your participation will not only allow me to complete my studies, but more importantly, in the possible introduction of a framework that can be of huge benefit to colleagues before and during the process of starting their own firms. I undertake to circulate the results of the interviews to all the firms which took part in this qualitative process. I also intend to publish an academic article on my findings in Architecture South Africa.

Should you prefer to no longer form part of the interview process please indicate this by return e-mail to [cvosloo@uj.ac.za](mailto:cvosloo@uj.ac.za)

Yours sincerely

Prof. Christo Vosloo. PrArch



**INFORMED CONSENT FORM**

(To be signed by each research subject. Signed forms will be kept on record by the researcher)

- 1 **Title of research project:**  
**A FRAMEWORK FOR ENTREPRENEURSHIP EDUCATION, TRAINING AND SUPPORT FOR SOUTH AFRICAN ARCHITECTS.**
- 2 I .....in my capacity as Senior Partner/ Director of the firm..... hereby voluntarily grant my permission for participation in the project as explained to me by the researcher Christo Vosloo
- 3 The nature, objective, possible safety and health implications have been explained to me and I understand them.
- 4 I understand my right to choose whether to participate in the project and that the information furnished will be handled confidentially. I am aware that the results of the investigation may be used for the purposes of publication.
- 6 Upon signature of this form, you will be provided with a copy of this form for your records.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Witness: \_\_\_\_\_ Date: \_\_\_\_\_

Researcher: \_\_\_\_\_ Date: \_\_\_\_\_

## **QUESTIONNAIRE A - Semi-structured qualitative interview.**

### **RESEARCH QUESTION:**

Which entrepreneurial attitudes, actions and practices enabled enduring South African Architects firms to achieve this status?

#### Entrepreneurial orientation:

- How would you describe your firm's entrepreneurial orientation?
- How would you describe the firm's attitude to risk?
- How would you describe the entrepreneurial posture of your founder(s)?
- Which of the personal traits sometimes ascribed to entrepreneurs applies to your firm's founders?
- Would you describe the firm's founders as pro-active individuals?
- Were they highly competitive?
- Did the founders of your firm attend any entrepreneurial education and training programmes?
- Was the firm started due to 'push' or 'pull' factors?
- What form did the opportunity that you recognised and pursued comprise?
- How important a contribution did this attitude play in your firm enduring?
- In your opinion, what is the nature and type of opportunities that South African architects should look out for?

#### Creativity

- Describe the role that creativity plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology?
- Can you list some examples?
- Did any of the examples listed contribute to your competitive advantage?
- How important a contribution did this attitude play in your firm enduring?
- Do you believe that creativity acts as moderator between entrepreneurial orientation and entrepreneurial performance?

#### Innovation:

- Describe the role that innovation plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology?

- Have your firm develop any new processes or procedures?
- Can you list some examples?
- Did any of the examples listed contribute to your competitive advantage?
- How important a contribution did this attitude play in your firm enduring?
- Do you believe that innovation acts as moderator between entrepreneurial orientation and entrepreneurial performance?

#### Organisational learning

- What is your firm's attitude to organisational learning?
- Have you or any of your founders attended any entrepreneurial education programmes?
- Have you or any of your founders attended any business management programmes?
- How important is learning about and employing the latest software to the firm?
- Do you stay abreast of developments in Architectural Design theory?
- Do you subscribe to and read professional journals?
- Do you subscribe to and read business journals?
- Do you believe that organisational learning capacity acts as moderator between entrepreneurial orientation and entrepreneurial performance?
- How important a contribution did this attitude play in your firm enduring?

#### Firm structures

- How is your firm structured?
- What lead to the firm adopting this structure?
- Is this structure a form of innovation?
- Do you make use of outside contractors?
- How important a contribution did this structure play in your firm enduring?

#### Firm values:

- Does your firm have an articulated set of values that it subscribes to?
- Would you describe yourself as a 'practice-centred business' or a 'business centred practice'?
- What are your firm's business centred aims?
- What are your firm's person-centred aims?
- How important a contribution did these values play in your firm enduring?

#### Competitive positioning

- Did you/ the founders engage in detailed strategic or operational planning before starting-out?

- Do you have articulated vision and mission statements?
- Did you position your firm as a strong delivery/ strong experience/ strong ideas or anything that comes through the door firm?
- Is your firm competing on the basis of being cost-leaders or have you managed to differentiate your product offering?
- Have your firm managed to become specialists in one or more building types?
- Did the 'contacts' or personality of the founder play a role in the firm's enduring?
- What do you regard as your competitive advantage?
- Are you aware of who your biggest competitors are and what their strengths and weaknesses are?
- In your opinion, what other attributes can South African architects' firms develop into a competitive advantage?
- Do you do regular strategic planning?
- Can you cite examples of initiatives/ changes resulting from your strategic planning activities?
- Is your firm aggressively pursuing specific quantitative or qualitative goals and objectives?
- How did your competitive stance play a role in the firm's enduring?

#### Business Management style and policies:

- Do you believe architects' firms present a unique managerial challenge?
- What are the aspects that contribute to this challenge?
- Which of these challenges are common to architects' firms internationally and which are South African (SA) specific?
- How does your firm deal with the SA specific challenges?
- How will this challenge vary between smaller and bigger firms?
- How would you describe your management style?
- Does your firm have any set policies?
- What do they cover?
- Why do you believe these are necessary?
- How did your management style contribute to your firm's enduring?

#### Financial Management

- Do you employ a full-time financial manager or do you use an outside agent/ consultant?
- Do you prepare a yearly/ monthly/ project budget?
- If so, what do you use as basis?
- How regularly do you monitor adherence?

- Do you have monthly statements prepared?
- Do you apply the normal tests to monitor costs and profitability?
- Do you use outside auditors?
- Do you actively manage your cash-flow?
- How regularly do you invoice clients?
- How regularly do you follow-up on outstanding invoices?
- On average, how long do you have to wait before receiving payment?
- Is non-payment a major problem?
- What measures do you use to ensure payment?
- How did your financial management style contribute to your firm's enduring?

#### Operations Management

- How are your operations managed (by project or work stage)?
- Do you operate on the basis of work-teams?
- Do you plan and manage your operations using 'Management by objectives' principles?
- How tightly are these schedules enforced?
- How do you allow for the fact that design inspiration cannot be time managed?
- Who accepts responsibility for 'quality'?
- How important is meeting deadlines to the firm?
- Do you have any views on punctuality?
- Do you make use of independent contractors?
- How did your operations management style contribute to your firm's enduring?

#### Risk Management

- Do you make use of standard (PROCSA or SAIA) Client –Architect Agreements?
- What modifications to you include (if any) to limit the firm's liability?
- What basis do you use to determine the Professional Indemnity (PI) cover that you take-out?
- How do you allow for the risk of unpaid fees?
- How did your risk management efforts contribute to your firm's enduring?

#### Marketing management

- Who is responsible for marketing in your firm?
- How do you market your services?

- What do you believe constitute the most effective means of marketing for SA architects' firms?
- In your experience what does not work?
- How did your marketing management efforts contribute to your firm's enduring?

#### Client bases and relationships

- What is the firm's major source of work?
- How do you build and maintain client relationships?
- Do you seek and perform government work?
- Have you attempted to secure overseas work?
- Do you do work on a contract basis?
- How did your client management efforts contribute to your firm's enduring?

#### Fee determination and policy

- What constitutes your fee policy?
- If pushed for discounts, how do you determine what you can work to?
- Do you have figures relating to your costs?
- Do you 'tender' or 'bid' for projects?
- If so, on what basis do you prepare your offer?
- Do you do 'risk work'?
- How did your fee policy contribute to your firm's enduring?

#### Entrepreneurial support

- What advice would you give to young architects thinking of starting a new firm?
- What form of support is needed by 'young' architects' firms?
- Would you be willing to act as a mentor to a 'young firm'?

## QUANTITATIVE STUDY

**Questionnaires B and C** will be completed *via* on-line using software such as 'Qualtrics'. An e-mail containing a link to the questionnaires will be sent to all Candidate Architects and Professional Architects registered with SACAP. This will be done as part of Phase 3 of the investigation. A pilot study was conducted with members of the Gauteng Institute for Architecture. Completion of the biographical section will allow for selection into the appropriate groups. Selection will be based on their registration and employment status.

**Questionnaire B** will be sent to the most senior partner or director of all architects firms. Their responses will be used to establish the current Entrepreneurial Performance levels of firms, the Entrepreneurial Orientation of firms and the level of business management in firms

**Questionnaire C** will be completed by all Candidate Architects and Professional Architects. Responses received will be recorded according to the groups listed hereunder. This will be done to allow comparison across groups:

All Professional Architects and Candidate Architects will receive Questionnaire C. Firms that are seven years and older will be regarded as "Established Firms"<sup>3</sup> while "Enduring" firms will be selected based on the following definition: *Architects' firms that are older than 15 years, whose current ratio is at least 1.5:1<sup>4</sup> and whose owners have architectural practice as their main source of income.*

Groups:

- Employed Candidate Architects
- Employed Professional Architects registered for less than a year
- Employed Professional Architects registered for one year and more but less than five years
- Employed Professional Architects registered for five years and more
- Partners or Directors who are not the most Senior Partner or Director in the firm.
- Respondents who are the most Senior Partner or Director in an architects' firm younger than seven years
- Respondents who are the most Senior Partner or Director of an established<sup>5</sup> architects' firms.
- Respondents who are the most Senior Partner or Director of an enduring architects' firms.
- Respondents who are Professional Architects but not working in an architectural firm.

This will be done in order to answer Research Question 6

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<sup>3</sup> Piven and Perkins (2003: 8) hold that it takes between seven and 10 years for an architects' firm to become established.

<sup>4</sup> Current ratio = current assets/current liabilities. As a rule of thumb the current ratio should be in the region of 2:1

<sup>5</sup> Based on the above assertion by Piven and Perkins, firms older than seven years.

## **Covering letter for Quantitative Study.**

Dear Colleague

I am currently studying towards my PhD: Architecture at the University of Pretoria. Prof. P. Vosloo (no relation) is my Supervisor and Dr Alex Antonites from The Department of Business Management at U.P. is my Co-supervisor. My topic is *A framework for Entrepreneurship Education, Training and Support for South African architects.*

As part of my study, I need Candidate Architects and Professional Architects to complete the attached questionnaire relating to Entrepreneurial Performance and/ or Entrepreneurial Education and Training. One lucky respondent will win a 16GB iPhone 6 Plus.

Once you complete the Biographical section of the questionnaire, you will, based on your status and experience, receive the appropriate sections of the questionnaire to complete and submit online. My Statistical Consultant will randomly select the lucky respondent who will win the iPhone.

The time needed to complete the questionnaire depends on the sections you receive. However, it should not take longer than 15-20 minutes to complete. To start the survey, simply click on the link hereunder.

The purposes of the questionnaires are firstly to establish the current Entrepreneurial Performance levels of firms, the Entrepreneurial Orientation of firms and the level of business management in firms. Secondly, the aim is to find out from Candidate Architects and Professional Architects, who recently passed major architectural education and training as well as career milestones, to reflect on the education and/ or training they had received during the previous developmental stage or recent past and to identify the shortcomings thereof regarding entrepreneurial education and training. This will be done in order to identify aspects that are not currently covered by education and training programmes and which aspects should be retained or included in the framework that will be proposed.

I sincerely hope that you will assist me by completing the relevant sections of the questionnaire. Please note that the questionnaire is anonymous. Also note that your participation is voluntary and that you will be able to withdraw at any time before the completed questionnaire is submitted.

I undertake to send the results of my study via SACAP to all South African Architects firms. Your participation will not only allow me to complete my studies, but more importantly, in the possible introduction of a framework that can in future be of huge benefit to colleagues before and during the process of starting their own firms.

Yours sincerely

Christo Vosloo PrArch



Please answer the following questions by selecting the appropriate option from the range provided.

**SECTION A: BIOGRAPHICAL INFORMATION**

This section requires an indication of your position within the profession or your place of employment. This section will let the programme determine which sections of the questionnaire you should receive. It will also allow us to compare the feedback from different groups of respondents. We are aware that some people might regard questions about ethnicity, gender, etc. as sensitive but it will allow for further analysis. Your cooperation is appreciated.

**Individuals:**

<b>AGE</b>	
20-29	
30-39	
40-49	
50=59	
60-69	
70+	
<b>QUALIFICATIONS</b>	
BArch	
MArch (Prof)	
Dip.Arch	
MTech(Prof)	
MBA	
MArch (Research)	
PhD	
Other	
<b>CATEGORY:</b>	
Candidate Architect.	
Professional Architect registered for less than a year.	
Professional Architect registered for more than one but less than five years.	
Professional Architect registered for more than five years	
Professional Architect not working in an architectural firm.	
<b>EMPLOYMENT STATUS:</b>	
Salaried Employee	
A Partner or Director but not the most Senior Partner or Director in architects' firm	
The most Senior Partner or Director in the firm	

**Firms** (This section to be completed by Partners or Directors only):

<b>Age of firm in which you are a Partner/ Director (years):</b>	
Less than seven years.	
Seven years and older but less than 15 years.	
Older than 15 years	

**Size of firm:**

	<b>1</b>	<b>2-3</b>	<b>4-9</b>	<b>10-20</b>	<b>20+</b>
<b>Number of Partners or Directors</b>					
<b>Number of full-time architectural staff employed</b>					

	<b>Lower than 2:1</b>	<b>2:1</b>	<b>Higher than 2:1</b>
<b>Your firm's Current Ratio at the end of the last financial year*</b>			

\*Current Ratio = Current Assets: Current liabilities

	<b>Yes</b>	<b>No</b>
<b>Is architectural practice the firms owners' main source of income?</b>		

	<b>Gauteng</b>	<b>Western Cape</b>	<b>Eastern Cape</b>	<b>Northern Cape</b>	<b>Northwest Province</b>	<b>Free State</b>	<b>Mpumalanga</b>	<b>Kwazulu-Natal</b>	<b>Limpopo</b>
<b>Location</b>									

	<b>Metropolitan Area</b>	<b>Rural</b>
<b>Area</b>		

## QUESTIONNAIRE B

### Entrepreneurial Performance

#### Definition:

A reflection of a firm's performance that combines a variety of quantitative and qualitative criteria in a comparison between the firm's financial and other achievements and the aims and objectives of its owners.

Reflecting on your firm's current Entrepreneurial Performance, indicate your level of agreement with the following statements

Indicator	Item	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Firm objectives	The firm met its initial objectives over the last 3 years	1	2	3	4	5
	The firm has been able to meet its founding objectives over the longer term	1	2	3	4	5
	The firm met its founding objectives the last financial year	1	2	3	4	5
Profitability	The firm's profit margin is too low under present circumstances.	1	2	3	4	5
	The firm's profit margin is acceptable under present circumstances.	1	2	3	4	5
	The firm's profit margin compares well with that of comparable architects' firms.	1	2	3	4	5
	The firm can compensate its owners at an acceptable level.	1	2	3	4	5
	The firm is struggling to meet its financial obligations.	1	2	3	4	5
	The firm has managed to build up substantial financial reserves	1	2	3	4	5
	The firm's financial liquidity is better than its competitors	1	2	3	4	5

Growth	The firm has managed to grow as planned.	1	2	3	4	5
	The firm has gained market share relative to its competitors	1	2	3	4	5
	Our income has grown satisfactorily	1	2	3	4	5
	We have grown faster than our competitors	1	2	3	4	5
	Growth is constrained by economic conditions in the profession.	1	2	3	4	5
Stakeholder satisfaction	Most stakeholders are satisfied with the firm's performance.	1	2	3	4	5
	Most stakeholders are satisfied with the return on investment	1	2	3	4	5
	Most stakeholders are satisfied with the firm's growth	1	2	3	4	5
	Most stakeholders are satisfied with the firm's public image	1	2	3	4	5
	Most stakeholders are satisfied with the firm's market share	1	2	3	4	5
	Stake holders are confident about the firm's future prospects.	1	2	3	4	5

## Construct: Entrepreneurial Orientation

### Definition:

The strategic posture or attitude and actions, used by organisations or individual entrepreneurs to enact their firm's organisational purpose, sustain its vision and create competitive advantage in the creation and nurturing of a new venture.

Reflecting on your firm's current Entrepreneurial Orientation, indicate your level of agreement with the following statements.

Indicator	Item					
		Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Innovativeness	The firm continuously strives to improve its processes.	1	2	3	4	5
	The firm continuously strives to improve its product quality.	1	2	3	4	5
	The firm continuously strives to improve its service to clientele.	1	2	3	4	5
	The firm continuously strives to use the latest technology.	1	2	3	4	5
	The firm continuously strive to improve its profitability.	1	2	3	4	5
Risk taking	The firm is highly risk averse	1	2	3	4	5
	Our operations can generally be characterized as high-risk	1	2	3	4	5
	We have a tendency to support projects where expected returns are certain	1	2	3	4	5
	Operations have generally followed a "tried and tested" route	1	2	3	4	5
	The firm don't mind spending money on aspects that might improve its services or profitability	1	2	3	4	5
	The firm often does work "at risk"	1	2	3	4	5
	The firm has a risk management policy.	1	2	3	4	5

Indicator	Item	Very unlike us	Unlike us	Sometimes but infrequently	Somewhat like us	Very like us
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<b>Proactiveness</b>	The firm was established after identifying a viable opportunity.	1	2	3	4	5
	The firm continuously looks for new opportunities.	1	2	3	4	5
	The firm holds regular project planning meetings	1	2	3	4	5
	Competitors generally pre-empt us by expanding capacity ahead of time	1	2	3	4	5
	The firm places great importance on staff development	1	2	3	4	5
	The firm holds regular strategic planning meetings	1	2	3	4	5
<b>Competitive aggressiveness</b>	The firm has developed a distinct competitive advantage	1	2	3	4	5
	We have sacrificed profitability to gain market share	1	2	3	4	5
	We have cut fees to gain market share	1	2	3	4	5
	The firm markets itself aggressively.	1	2	3	4	5
	The firm is acutely aware of who its strongest competitors are and what their strengths and weaknesses are.	1	2	3	4	5
	The firm markets itself to clients who currently use other architects.	1	2	3	4	5

**Construct: Firm Management**

**Definition:** The day to day management of an architects' firm in order that it may achieve its objectives by performing the functions of planning, organising, leading and control of its resources, processes, finances and marketing.

Reflecting on business management in your firm indicate your level of agreement with the following statements.

Planning	Planning meetings take place on a weekly basis	1	2	3	4	5
	Strategic Planning/ review meetings are held at least once a year	1	2	3	4	5
	Budget planning meetings are held at least once a year	1	2	3	4	5
	The firm's budget responds to decisions taken during strategic and other planning meetings	1	2	3	4	5
	Project planning is done before the start of a project	1	2	3	4	5
	Project planning includes a project budget	1	2	3	4	5
Organising	Resources are allocated on a project basis	1	2	3	4	5
	Resource allocation is based decisions taken during planning meetings.	1	2	3	4	5
	Projects are performed by project teams under the direction of a Project Architect.	1	2	3	4	5
	The Partners/ Directors of the firm each has specific responsibilities	1	2	3	4	5
	The firm employs support staff who deals with a variety of administrative and support functions	1	2	3	4	5
Leading          Control	Partners/ Directors have to account for their performance on a regular basis	1	2	3	4	5
	Project Architects have to account for the project team's performance.	1	2	3	4	5
	Organisational learning and development receives its due responsibility	1	2	3	4	5
	The firm's culture includes aspects like experimentation, open exchange of ideas and accepting responsibility	1	2	3	4	5
	Actions aimed at developing team spirit and loyalty are organised from time to time	1	2	3	4	5
	Planning meetings include project progress review	1	2	3	4	5
	Progress review include a comparison between project budget and project expenses	1	2	3	4	5
	All staff completes time sheets	1	2	3	4	5
	Specialist software is used to record and track project expenses	1	2	3	4	5
	At completion project costs are analysed and reviewed with the view of cost planning and future fee estimates	1	2	3	4	5

## QUESTIONNAIRE C

### RESEARCH QUESTION

What do South African Architects and Candidate Architects, in retrospect, regard as the shortcomings of the entrepreneurial education training and support offered during the respective, preceding, phases of their careers and which aspects should be included into the envisaged educational, training and support framework?

This section of the questionnaire refers to the entrepreneurial education and training you received to date through your professional studies at University or since then through SACAP/ SAIA/ SAIAT CPD offerings. Please consider the following questions:

**A. Did the education, training and/ or support offered to you during your studies or during your Candidacy period or since registration as a Professional Architect (as applicable), include the following topics extracted from current theory and generic entrepreneurial education programmes?**

- 1 = Not at all
- 2 = Very limited
- 3 = Limited but Inadequately
- 4 = Adequately
- 5 = Extensively

**B. Do you believe that the topic is relevant and thus should be included in architectural education and training?**

Y = Yes N = No

Aspect	To what extent was it covered in the architectural education and training you received.					Do you consider this as relevant?	
	Not at all	Very limited	Limited but inadequately	Adequately	Extensively	Yes	No
<b>ENTREPRENEURIAL AWARENESS</b>							
Value of entrepreneurship	1	2	3	4	5	y	n
The need for an entrepreneurial awareness	1	2	3	4	5	y	n
Advantages of an enhanced entrepreneurial Posture	1	2	3	4	5	y	n



<b>ENTREPRENEURIAL ORIENTATION/ INTENT</b>							
Entrepreneurial postures/ traits	1	2	3	4	5	y	n
The need for creativity	1	2	3	4	5	y	n
The importance of innovation	1	2	3	4	5	y	n
The advantage of being pro-active	1	2	3	4	5	y	n
The need for risk-taking	1	2	3	4	5	y	n
Competitive behaviour	1	2	3	4	5	y	n
Venture creation	1	2	3	4	5	y	n
Reasons for starting a new firm	1	2	3	4	5	y	n
Advantages of owning a firm	1	2	3	4	5	y	n
<b>ENTREPRENEURIAL SKILLS</b>	1	2	3	4	5	y	n
Opportunity recognition	1	2	3	4	5	y	n
Innovation and creativity	1	2	3	4	5	y	n
Finding resources (capital, HR, equipment)	1	2	3	4	5	y	n
Creating and growing a venture	1	2	3	4	5	y	n
Risk	1	2	3	4	5	y	n
Rewards	1	2	3	4	5	y	n
Business Management	1	2	3	4	5	y	n
<b>ENTREPRENEURIAL PERFORMANCE</b>							
Aims and objectives of entrepreneurs	1	2	3	4	5	y	n
Moderators for entrepreneurial performance	1	2	3	4	5	y	n
Measuring entrepreneurial performance	1	2	3	4	5	y	n
Performance criteria	1	2	3	4	5	y	n

<b>STARTING AN ARCHITECTURAL FIRM</b>							
The entrepreneurial process	1	2	3	4	5	y	n
Formulating firm vision, mission and goals	1	2	3	4	5	y	n
The competitive context	1	2	3	4	5	y	n
Market research and feasibility	1	2	3	4	5	y	n
<b>FIRM DESIGN</b>							
Styles of practice	1	2	3	4	5	y	n
Firm archetypes	1	2	3	4	5	y	n
Competitive approaches	1	2	3	4	5	y	n
Positioning the firm	1	2	3	4	5	y	n
Firm size and values	1	2	3	4	5	y	n
<b>FORMALISING YOUR PLANS</b>							
Business Modelling	1	2	3	4	5	y	n
Strategic planning	1	2	3	4	5	y	n
Entry strategies	1	2	3	4	5	y	n
Preparing a business plan	1	2	3	4	5	y	n
Gathering resources	1	2	3	4	5	y	n
<b>DEVELOPING BUSINESS MANAGEMENT SKILLS</b>							
General Managerial activities (Planning, organising, control, leading)	1	2	3	4	5	y	n
Opportunity recognition	1	2	3	4	5	y	n
Leadership and management styles	1	2	3	4	5	y	n
Managing a knowledge based practice	1	2	3	4	5	y	n
Strategic Management	1	2	3	4	5	y	n

Risk Management	1	2	3	4	5	y	n
Financial Management	1	2	3	4	5	y	n
Marketing Management	1	2	3	4	5	y	n
Operations Management	1	2	3	4	5	y	n
Human Resource Management	1	2	3	4	5	y	n
Technology Management	1	2	3	4	5	y	n
<b>SUPPORT</b>							
Mentorship	1	2	3	4	5	y	n
Experiential learning	1	2	3	4	5	y	n
Ongoing training courses	1	2	3	4	5	y	n
<b>OTHER TOPICS</b>							
Available programmes to stimulate entrepreneurship and SMMEs in South Africa	1	2	3	4	5	y	n
Available financial support for South African	1	2	3	4	5	y	n
Legislation and initiatives aimed at supporting South African SMMEs	1	2	3	4	5	y	n
Economic transformation and BEE	1	2	3	4	5	y	n
Governmental entrepreneurial support agencies	1	2	3	4	5	y	n
Statutes that effect managing a South African Architects' firms	1	2	3	4	5	y	n
Business opportunity for South African Architects' firms.	1	2	3	4	5	y	n
The complete context of South African Architects' firms	1	2	3	4	5	y	n
Financial parameters for endurance	1	2	3	4	5	y	n
Surviving economic recessions	1	2	3	4	5	y	n

<b>BUSINESS MANAGEMENT</b>							
Competitive positioning	1	2	3	4	5	y	n
Business Management style and policies	1	2	3	4	5	y	n
Financial Management	1	2	3	4	5	y	n
Operations Management	1	2	3	4	5	y	n
Risk Management	1	2	3	4	5	y	n
Marketing management	1	2	3	4	5	y	n
Client bases and relationships	1	2	3	4	5	y	n
Fee determination and policy	1	2	3	4	5	y	n

## **ADDENDUM C: RESULTS OF QUALITATIVE STUDY**

### **A TOPIC: ENTREPRENEURIAL ORIENTATION (EO)**

The first question asked 'how would you describe your firm's entrepreneurial orientation?'. Twenty five of the 26 enduring architects' firms interviewed directly responded to this question. Responses indicate a range of entrepreneurial orientations (refer to A1 in Addendum C).

Sixty eight percent of respondents indicated that their original intention was to stay small. One firm (4%) indicated that they did not have any plans regarding the size to which they wished to grow. Two firms (8%) indicated that they intended to grow into medium-large firms while five firms (20%) indicated that they planned to grow into large firms.

The reasons offered for starting a firm were:

- Retrenchment (8%)
- Could not find employment (4%)
- Lifestyle sought (16%)
- Altruistic reasons (8%)
- Spirit of adventure/ need for independence (8%)
- Negative experience with previous employer (8%)
- Family reasons (4%)
- To exploit available opportunity (16%)
- Entrepreneurial ambition (20%)
- To do good architecture (8%)

The majority of the enduring architects' firms that directly responded to this question (72%) were started without a specific growth intention while the remaining 28% of firms were started with the intention of becoming medium or large firms. The firms that were started specifically to grow were started in order to create greater wealth for the founders, because the firms intended to do bigger projects or because the firm intended to operate internationally. This group displays a degree of entrepreneurial orientation or intention. However, some of those who deliberately chose to stay small might also have a degree of entrepreneurial orientation.

The responses received regarding the reasons for starting a firm indicate that the firms that 56% were started for a variety of personal reasons, 36% because of entrepreneurial aspirations and 8% were started to give expression to creative aspirations. The responses received also indicated that the type of projects envisaged influenced this decision. It is noteworthy that only 16% indicated that they were started as a result of identifying an opportunity. The foregoing indicates that the entrepreneurial orientation of the founders of these enduring architects firms were at low levels.

The second question asked 'how would you describe the firm's attitude to risk?'. Twenty Five out of 26 enduring architects' firms provided a direct response to this question. From their responses it is apparent that 24% of the firms are 'risk-takers', 32% are 'risk-averse', 24% are moderately risk-averse while 20% will only take calculated risks (refer to A2 in Addendum C).

From the above it can be assumed that almost 75% of the respondents were not risk takers but tended to be risk averse. Furthermore, the different risk attitudes are distributed relatively evenly across respondents with the only spike noticeable in the 'risk-averse' category. This could indicate that architectural entrepreneurs need not be risk takers to start their own firms as the majority of the founders of enduring firms are not 'risk takers'.

The third question asked 'how would you describe the entrepreneurial posture (or entrepreneurial orientation) of your founder(s)?'. Based on the direct responses received from the 12 of the 26 respondents who answered this question (refer to A3 in Addendum C), their entrepreneurial postures can, for the sake of description, be classified as adventurous (8,3%), coincidental (8,3%), adventurous but cautious (8,3%), highly entrepreneurial (17%), specialist (8,3%), skills based (8,3%), talent based, family driven but cautious. (8,3%), survivalist (8,3%), entrepreneurial but strongly practice based and quality focussed (25%) and drawn by the lifestyle (8,3%).

From the responses received it can be deduced that a total of 25% drifted into starting their own firms by circumstances (hence weak entrepreneurial attitudes or orientations) while 33% were drawn to it for a variety of reasons (medium entrepreneurial attitudes or orientations) with the remaining 42% displaying relatively strong entrepreneurial attitudes or orientations.

The results indicate that, regardless of entrepreneurial attitude, well managed architects' firms can survive for 15 years or longer. However, the fact that the biggest single grouping was the 42% of founders of enduring architects' firms who displayed relatively strong entrepreneurial orientations or attitude is significant. This could indicate that having such an entrepreneurial attitude is beneficial if the firm is to survive for 15 years or more. Thus an EET framework for architects should set out to create and develop an entrepreneurial orientation or posture in participants.

The fourth question asked 'which of the personal traits sometimes ascribed to entrepreneurs applies to your firm's founders?'. Twenty four of the 26 enduring architects' firms provided a direct response (refer to A4 in Addendum C). Eighty three percent agreed that most, if not all the traits applied to them. Only 10% were not sure if they applied to them while, even fewer,

5% felt that they didn't apply to the founder of the firm. Five percent saw the traits as a prerequisite for endurance in an architects' firm.

From this it seems that the traits often associated with entrepreneurs were present (or have been developed) in many of the founders of enduring architects' firms regardless of firm size. This is an indication that, for architectural entrepreneurs to succeed, they should have or develop, through an EET programme, the traits often associated with entrepreneurs, as suggested by some of the respondents.

Twenty-one out of 26 (81%) enduring architects' firms provided a direct response to the fifth question which asked 'would you describe the firm's founders as pro-active individuals?' (Refer to A5 in Addendum C). From the answers provided by the vast majority of respondents (85,5%), it appears that their founders were proactive individuals, however, 9,5% of respondents indicated it is not apparent that their founders were pro-active when starting their firms, while only 5% indicated that their founders were not proactive individuals.

The fact that most of the enduring firms in the sample were started by proactive individuals indicates that having this trait could be advantageous for the founders of architects' firms. A profession-specific EET framework should thus develop this aspect in attendees.

The fifth question asked 'would you describe the firm's founders as pro-active individuals?'. Twenty-one firms (81%) enduring architects' firms provided a direct response to this question. From the answers provided by nine comma five percent of respondents it is not apparent to them that their founders were pro-active when starting the firms. The vast majority of respondents, 85.5%, indicated that the founders were proactive individuals while only 5% indicated that their founders were not proactive individuals.

The sixth question asked 'were they (your founders) highly competitive?'. Twenty four out of 26 (92%) enduring architects firms provided a direct response to the question (refer to A6 in Addendum C). The majority (54%) indicated that their founders were competitive persons. A further 21% indicated that their founders were competitive but in a more subtle way. This brings the total of positive responses to 75%. However, 25% of respondents indicated that their founders were or are not competitive.

The fact that 25% of respondents have indicated that they were not competitive indicate that It could be advantageous, but not essential, for the founders of an architects' firm to be competitive. Thus, competitive behaviour should form part of a profession-specific EET framework.

Question seven asked 'did the founders of your firm attend any entrepreneurial education and training or business management programmes?'. Twenty five out of 26 (96%) enduring architects' firms directly responded to the question. The majority of respondents (84%) indicated that their founders did not attend any EET or business management programmes while 16% indicated that their founders did. Six of the firms who did not attend any formal education and training indicated that they learnt from others while three firms indicated that they learnt from books (refer to A7 in Addendum C). While relatively few firms attended formal EET or business education and training, 52% acknowledged that they received some form of training or guidance. This confirms that there exists a need for a profession-specific EET programme.

The eighth question asked 'was the firm started due to 'push' or 'pull' factors?'. Twenty two out of a possible 26 enduring architects' firms (85%) provided direct responses to the question (refer to A8 in Addendum C). Twenty three percent indicated that their firms were started because they were pushed to do so while the majority (77%) indicated that their firm was started because the founders were drawn to the idea of starting their own firms.

Thus, it can be assumed that enduring architects firms can be started for both 'push' and 'pull' type reasons, but because most enduring architects firms were started for 'pull'-type reasons, the profession-specific EET framework should include steps to develop the entrepreneurial orientation of the participants, particularly when considered with the findings of the first question reported earlier.

The ninth question asked 'what form did the opportunity that you recognised and pursued comprise?'. From the sample of 26 enduring architects' firms, 18 firms (69%) provided direct responses to the question (refer to A9 in Addendum C).

The responses were varied (as can be expected of viable opportunities) and comprised the following:

- Multi-disciplinary background/ skills (5,6%).
- Changes in socio-economic/ political environment (11%).
- Exceptional client service coupled to socio-economic change (5,6%).
- Family relationships (5,6%).
- Competition wins (5,6%).
- Development of new building types/ new uses for existing building stock (11%).
- Specialist knowledge and experience (16,7%).
- Political connections (5,6%).
- Project on offer (11%).
- Technical innovation (11%).
- New/ existing niche market ignored by others (5,6%).



- Combination of family connections and technical innovation (5,6%).

If these responses are aggregated the following four generic opportunity types can be identified:

- Using specialist knowledge and new building uses to operate in niche markets.
- Technical and/ or socio-economic/ political change.
- Family or political connections.
- Being offered a project(s) and performing it in a commendable manner.

However, by their very nature, opportunities often can be found in unexpected places. Hence the previous list of areas cannot be comprehensive.

The tenth question asked 'how important a contribution did this (entrepreneurial orientation) attitude play in the firm's enduring?' (Refer to A10 in Addendum C). Only five out of a possible 26 respondents from enduring architects firms provided direct answers to this question. However, it would appear that the respondents did not quite understand what entrepreneurial orientation means: Twenty percent indicated that two entrepreneurial traits, confidence and self-efficacy, played an important role. A further 20% indicated that group support played an important role in their firm's endurance. An entrepreneurial orientation is regarded as a prerequisite by 20% of firms while 40% indicated that having some entrepreneurial traits is a definite requirement.

Hence, it can be accepted that, a profession-specific EET framework should, inter-alia, address all three of these aspects, namely building an entrepreneurial orientation (as indicated earlier), developing entrepreneurial traits (as found before) whilst providing some form of group support.

The eleventh question asked 'in your opinion, what is the nature and type of opportunity that South African architects should look out for?'. Nineteen out of the 26 enduring firms interviewed (73%) responded to the question (refer to A11 in Addendum C). Some offered more than one suggestion resulting in a total of 21 suggestions. The suggestions vary greatly and some suggestions are even contradictory (for instance: specialise and more general work).

The following were each suggested by one firm only:

- Social Development.
- Education sector.
- Retail sector.
- Government work.
- Depends on past experience.
- Inside established firms.
- Where their passion is-know the playing field.
- More general and not specialized work.
- Develop networks-that will guide you to your opportunity.

- Overseas work-even as an independent contractor.
- Specialisation.
- Taking clients from the firm you are working for.

The following were each suggested by two firms:

- Commercial sector.
- Be vigilant-you will gravitate towards your opportunity.
- Niche markets.

The following were suggested by three firms:

- Opportunities exist if architects can develop entrepreneurial skills

If these suggestions are aggregated the following mega themes can be identified:

- Opportunities can be found by developing networks, being vigilant and entrepreneurial.
- Follow one's passions.
- Use past experience (specialisation) or consider intrapreneurship (inside an established firm).

It is significant that three firms believed that opportunities exist if architects can develop entrepreneurship skills. This underscored the advantage that a profession-specific EET can have for architects' firms.

## **Findings**

The foregoing indicates that:

- The entrepreneurial orientation of most of the founders of these enduring architects' firms seems to have been at low levels.
- Almost 75% of the respondents are not risk takers but tend to be a degree of risk averse.
- Architectural entrepreneurs can be risk averse as the majority of the founders of enduring firms are not 'risk takers'.
- Regardless of entrepreneurial disposition, well managed architects' firms can survive for 15 years or longer. However, having such an entrepreneurial orientation or posture could be beneficial if the firm is to survive for 15 years or more.
- The traits often associated with entrepreneurs are present (or have been developed) in many of the founders of enduring architects' firms regardless of firm size.
- Most of the enduring firms in the sample were started by proactive individuals. This indicates that having this trait could be advantageous for the founders of architects' firms.
- That It could be advantageous, but not essential, for the founders of an architects' firm to be competitive.

- That enduring architects firms can be started for 'push' or 'pull' type reasons but that most enduring architects' firms were started for 'pull'-type reasons.
- Opportunities for architects can be found by developing networks, being vigilant and entrepreneurial, by following one's passions or by using past experience (specialisation).
- A profession-specific EET framework should, inter-alia, address all three of these aspects, namely building an entrepreneurial orientation (as indicated earlier), developing entrepreneurial traits (as found before) whilst providing some form of group support.
- Architects should also consider intrapreneurship.
- Opportunities exist if architects can develop entrepreneurship skills.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

- The entrepreneurial orientation of the founders of the majority of these enduring architects' firms seems to have been at low levels.
- Only twenty five percent of respondents indicated that their founders were or are not competitive (however, their actions don't always support this perception-see analysis of other aspects).
- The majority of respondents (84%) indicated that their founders did not attend any EET or business management programmes while 16% indicated that their founders did. Six of the firms who did not attend any formal education and training indicated that they learnt from others while three firms indicated that they learnt from books

Business Management:

- Regardless of entrepreneurial disposition, well managed architects' firms can survive for 15 years or longer.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

- That almost 75% of the respondents are not risk takers but tend to be a degree of risk averse.
- Regardless of entrepreneurial disposition, well managed architects' firms can survive for 15 years or longer. However, having such an entrepreneurial disposition could be beneficial if the firm is to survive for 15 years or more.

- The traits often associated with entrepreneurs are present (or have been developed) in many of the founders of enduring architects' firms regardless of firm size
- Architectural entrepreneurs can be risk averse as the majority of the founders of enduring firms are not 'risk takers'.
- The majority (54%) indicated that their founders were competitive persons while a further 21% indicated that their founders were competitive but in a more subtle way. This brings the total of positive responses to 75%.
- Most of the enduring firms in the sample were started by proactive individuals. This indicates that having this trait could be advantageous for the founders of architects' firms.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

The implications of the above for an EET framework for architects are:

- Architectural entrepreneurs can be risk averse as the majority of the founders of enduring firms are not 'risk takers'.
- An EET framework for architects should set out to create and grow an entrepreneurial disposition in participants.
- It should develop the traits often associated with entrepreneurs, including proactiveness.
- Stimulation of competitive behaviour should form part of a profession-specific EET framework.
- Provide some form of group support.
- That enduring architects firms can be started for 'push' or 'pull' type reasons but that most enduring architects' firms were started for 'pull'-type reasons.
- Opportunities for architects can be found by developing networks, being vigilant and entrepreneurial, by following one's passions or by using past experience (specialisation).
- Architects should also consider intrapreneurship.
- Opportunities exist if architects can develop entrepreneurship skills.

**Sub-Topic: A1 How would you describe your firm's entrepreneurial orientation?**

**A6S**

To building a worthwhile society, that I have to associate myself to projects that enhance myself. Not abattoirs. Other things that shaded like fertilizers I have built but insecticides. I do not want to be associate with it.

I have survived I do other big jobs. That's also why I resonate to build schools, there I can choose how to create/design the environment for young children [A1-1](#)

I still remember how I felt out of place there, working for somebody else

. First of all necessity to find a job. And third time, I was fired.

Profit orientation? Not been major issue for me. You have to make a living. But it's not been as prominent in my mind

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**A4M**

Never a large I am big on systems. For me that is the key to been to develop a system where you can find anything you want within 15 seconds.

. I have never had the desire to be big, [A1-2](#)

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**A5M**

I don't think so, I mean I am not conventional, my office is not conventional. We started off in a time when our practices were completely non-racial, also being a woman I think we fall outside the normal category of the way that we run ourselves. So I don't think I run myself very differently to other people and it's fine; but I think '94 for us was a time when it was just that mindset that you could do anything, you didn't have to follow your role models, anything was possible. [A1-3](#)

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**A1L**

. I was driven by that so whatever went into that, I was aware of that but whether I was in a big firm, I did feel that I wanted to be in a biggish firm and so when I graduated I started with a bigger firm but a small branch office. So it was really a combination of big and small and I felt that the small office was just too small for me. Then I joined a large national firm and I have come back to a medium sized firm. I think it is particularly tapered to the Durban market;

I have no empire driven expectation, I have 20 people in the office and for Durban that is a reasonable sized office. So from the outset mine was to be an architect and not to be a manager

and I still believe that that is where the architect should be otherwise they should become a manager.

. I wasn't a one man band, I have never had a one man band expectations. I was always expecting to be a part of a team and to collaborate to produce what I wanted to produce.

, I want to be part of a bigger office and not only a one man band. I actually before I joined A1L Architects 30 years ago, I had my own little practice and it is quite lonely and it is a quite cold breeze blowing out there. That wasn't for me. [A1-4](#)

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## **A7L**

No it was not my intention. We always knew we will be successful.

You need to be vicious enough to

then I realize they won't ask University guy to help me out. I realize all of a sudden I always doubled my income. But then got a graduate from Technicon, to help me out and I realize all of a sudden I also most doubled my salary. I was working he was working. I've got intellectual work someone else did my plans. I could understand staff and Architect. I could understand the fact if I keep my staff happy this with multiply. Like a factory situation. We understand human resources. We pushed work. What happens architects got stuck in a rut. During the day you run around doing site work. [A1-5](#)

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## **A3C**

Well I think basically I always wanted to be out on my own without necessarily working for a boss. I based my sort of approach to going into practice on what I had experienced in the private sector when I worked in the private sector in different countries. What had been implemented in those practices in terms of profitability and that sort of thing is what I kind of implemented, it was literally an experiential situation. I had experienced those in the past and that is what I actually simply perpetuated in my own practice when I started it.

journals about the size of practices and people from large practices were very scathing of this one man show, one man band, but at the end of the day the one man band has actually played a very important role.

Because of fluctuation [[finances 47.59.0](#)] and fortunes; so I think the one man band is actually a vital entity within the whole architectural fraternity and I think that if you are a one man band you are actually [[lucky 48.09.5](#)] as I am [[lucky](#)] in certain aspects [A1-6](#)

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## **B7S**

. I found myself writing but I imagined this guy operating this small practice with say 2 of his good friends in a beautiful environment, there would be classical music playing and there would be

silverware and there would be a terrace outside with a [unclear with stone 11.52.1]. I saw what was coming out on this paper was completely the opposite of what I was doing. It was very interesting and do you know that happened that turnabout happened within four years of me writing that down. That actual thing turned around and then I was sitting under a [unclear 12.12.7] listening to classical music.

Not only the lifestyle, the interaction with architecture I wanted. I wanted to be an architect on all these different levels because that is what I really love, the energy of all the different personalities and the different levels of life that you deal with. That was very important to me, the complexity of it. When you become big you get into the academia, you get into the administrative thing, it's a totally different thing. So that was the one thing the second thing was the lifestyle yes; and then of course the other two

. I am not going to pander to anybody's partnerships [unclear 13.00.8], I've done the partnership thing, I have been there and I'm not going again. I know what personality [unclear 13.05.0], I don't need to be

Also you see I keep out of the developer world, as I say when you are after money you tend to deal with people that you wouldn't naturally.. you start mixing with different people for different reasons and you move out of your comfort zone because then profit becomes your object.

But there is no money involved, you see money comes, as I say money comes, don't worry about it.

Yes.

I don't know Christo, I mean I was asked by other practices if I didn't want to come and join them and I thought no I want to live my own life. [A1-7](#)

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## **B1S**

The plans were not even to go out on my own. What got me out on my own was a retrenchment from a large Architectural practice, who were having cashflow problems, at a time when I wasn't expecting it, so that just motivated me to start my own practice. I had some work at the time, and the idea was never to be big, the idea was to remain relatively small, so that I could be hands on about work. [A1-8](#)

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## **B4G**

No, no. Founders did not set out to grow a large firm [A1-5](#)

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## **B6G**

The reason why I started was that I had a vision of being a larger firm, quite the size I had not envisaged, but certainly I had looked around in Cape Town and didn't want to be a one, two, three man band. For me it just didn't resonate with me, I wanted to eventually do larger and more meaningful work not just houses. I did a lot of houses and I do homes again but in the context of this country, it is just strange doing a R10 million house when you have such a shortage of.. I think all houses should be no larger than 250m<sup>2</sup> no matter how many billions you own, anyway.. [A1-9](#)

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## **B5C**

I think we came out of a big firm so size wasn't really very important; I think size needs to be determined by the market that you work in. Size is always very difficult to really determine upfront; we've never really had that. We were going to go as much as needed or be as small as one could handle the work, so we are basically still the same. We don't grow out of proportion, we need to keep a balance as to where you go and you also need to [\[unclear 04.47.9\]](#) yourself as to what you are doing, are you specializing in one thing, how much other work will you want to do and I think that is very important. What are you going to say no to and what are you going to say yes to. [A1-10](#)

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## **B2M**

No I always wanted to stay small so that was not even.. we once went up to 15 and it was a disaster because when some projects were cancelled you then sit with 7 architects and you have got to find them work and you are responsible for the team.

So if I understand you correctly, you are driven not by ambitions and plans and strategies, but you are actually driven by values and by your commitment to people and improving the quality of their lives?

xxx

Yes. [A1-11](#)

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## **B3M**

It started because he loved doing architecture and he started an architectural firm.

? Ek dink die firma het nooit met voorbedagte rade so groot geword as 16 nie. Dis maar soos die werk inkom en nie kan byhou nie, dan kry jy maar nog 'n persoon in. Hy het maar op daardie wyse, ek dink nie dit was ooit beplan nie. Wat wel besluit was, was dat 16 was te veel. Dit was nie vir my 'n plesier nie, toe het ek bewustelik net nie meer mense aangestel nie. Dit het toe jare geneem, want ek het nooit iemand in die pad gesteeek nie, om nou weer af te kom na wat ons nou is. [A1-12](#)



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**C2S**

To be honest with you when I started I started on a resentment; I worked for a company and I was shown the door because we had lost a large contract and I was negotiating at that stage to go and work for Osglow in the Vaal and because of the way I was fired I said I will open in competition with you. So I actually had no plans I just had my resentment.

Yes [A1-13](#)

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**C3S**

Yes, being a housewife, raising children and so on, I knew I had limitations so specializing in residential, children's' homes, schools and that sort of thing was much easier than doing corporate, because you know, for corporate work you have to complete change your setup. Clients are more demanding, you need a proper infrastructure which you can't do the way we handling it now, the way I use to do it.

So one doesn't really have a business plan, we have done very well for ourselves, but we are at the stage where we can retire if we want to but we don't want to. [A1-14](#)

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**D4S**

Ok, so your orientation intent has always been to be a small firm?

xxxxx

Yes. [A1-5](#)

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**D3S**

No, my intention was to stay a small firm, small firm meaning less than 5 people. For the simple reason that I was a big firm and I've decided that that is not what I wanted to do and entrepreneurial as a business, I had already realized by that time, around 2002 in other words about 14 years ago, I already realized that the technology that is to our disposal makes it quite possible to be a small firm and small firm doesn't necessarily mean small in numbers. Well inherently it means less space, I could work from home, I have access to highly qualified technical people that doesn't have to be employed in the same space that I am in, the physical space. By that time I've already mastered some software programs that make it possible to work as a team on the same project, at the same time, but not necessarily at the same place, so it was fairly easy for me to tackle any size project that I was capable of, technically by employing staff who were not necessarily in the same town as me. And for that reason I can describe myself from that time as being a small firm. We were never more than 4 physical people in the same office. [A1-15](#)

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**C5M**

When I started the practice the idea has always been to keep the practice small, not to expand, not to get too large, I am not particularly fond of the political corridors that come with bigger firms, and also that we probably have more movement to find niches even for shorter periods of time than I would if I had a very big firm. [A1-16](#)

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**C6M**

Okay so when I graduated I wanted to work in my own practice.

which I saw as being a small practice because I worked in a big practice and saw that you basically become just an engine, you know you have got to shovel coal into that engine every month to keep that moving for our salaries and stuff; and because I graduated in '91 when the economy was very poor, sort of my [\[unclear 01.05.8\]](#) into working for myself was almost kind of forced because there wasn't..

No, no. I mean it was just a matter of finding enough work to sort of kick it off and then yes it was almost [\[by osmosis 02.31.2\]](#) because as I said I had always done my own work; I mean I started doing my own work as a student, doing private.. PJs as they were called. So you know I have always actually done that, so it was a matter of sort of continuing to get work and then getting work where we could actually sort of formally kind of have a practice. I mean it was like an incremental thing really. [A1-17](#)

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**D1M**

Never any aspirations to become a big firm.

It's lifestyle yes. [A1-5](#)

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**D2M**

. So we came from a background of a bigger firm and I think it was always in the back of your mind to maybe not grow that big but I never envisaged being a one man show. That is why I immediately joined up with a partner,

. So I guess I had the feeling of having a bigger firm than a one man show. But there wasn't much planning in it although we strive for doing more commercial work than the residential work because I think when you are a smaller firm, especially a one man firm initially, you tend to get stuck in doing houses and even alterations and additions, and I think it is very easy to start having the image of

being a house and small alternations and additions company. So we immediately started off going for larger projects and I think that probably made the difference. [A1-18](#)

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#### **C4G**

. It was a considered intent to grow the practice into an international practice and I can explain to you how or why.

we didn't go out there looking for it. So it was ok, this is what we should do.

We've got a taste for it now, and we now literally work all over the world. And I mean all over the world. We've done projects in Chili, in Cuba, we are currently doing a Casino project in Saipan, which is a little island in the middle of the Pacific next to Guam, we've done concept work in China, the Dubai office is currently working on major projects in Aisa Bhajan, Jordan, Ajman. The Lisbon office is working in St. Petersburg in Russia, Majorca, they finished a project in St. Kitts near Bermuda, Mexico. So we are working everywhere. Whatever comes up, we are ready. [A1-19](#)

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#### **C1G**

So there was never a real plan, I always knew I was not going to just sit around and faff on my own and just try to make a living for myself, I wanted to build something that I could make some real money and make a real difference in what we do. I guess the ambition was always there but there was no real pre-planning for that. [A1-20](#)

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#### **D5G**

. His intentions were to grow a firm with personal, rather than to build his own business and the name of the company is therefore quite a generic name as oppose to Wassenaar Architects, which it could've been. So he named it Arca Unlimited Architects to be exact because he wanted to expand and become something more than just a one-man-show. [A1-20](#)

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#### **D6G**

So then we realized there was a way of growing a practice but it actually just happened all on its own.

, we would be two young entrepreneurial guys and we would be stifled by the old men. They would fear that we would start pushing them up from the bottom and we would create havoc for them and we would create misery for ourselves.

and learnt most probably ten years work of how to run a practice in a couple of weeks' time. We used that information to start putting our practice together and to start branch offices. Eventually we went to Johannesburg and eventually we went to Durban because we had a partner friend there and he needed us, his partner died and he asked us to join in, then the last firm we started was Cape Town and we left it at that.

was if you set yourself up you must always set yourself up for growth, because if you are wanting to grow, if you think it is a good idea to grow, you have to grow otherwise you will stagnate. So any firm that doesn't grow will stagnate and that was like a message of doom and gloom to us, so in our way we just said well it's going well, it's going better and so it's going better so let's go bigger, let's start more practices, let's add more partners to the business. That is how it happened, so it was never planned, it sort of started on its own, it got its own momentum and then we started planning and then [A1-20](#)

So that is basically the two things that happened, an entrepreneurial spirit driven by maybe a bit of luck here and there, although I don't really believe in luck, and then driven by knowledge that we got from older people in the industry that we respected and then fourthly the technology drive. That took the firm on for the next 35 years and then the thing that really made us different from other firms is we made sure that we employed the best talent that we could find.

No, we had no work, so we didn't start off by saying there is a job let's start a firm. We said let's start a firm we will find the work. I think that is a different attitude and that is maybe the basis of your question is that is what an entrepreneur would do.

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### **Themes:**

[A1-1](#)

**Pushed** into becoming entrepreneur by retrenchment E.O. altruistic; **Driven by the desire to do projects that will benefit mankind.** Not profit oriented but does other projects as a means of making a living. **Not growth oriented.** (1)

[A1-2](#)

Responding to efficiency related opportunity. **Growth not important.** **Independence and lifestyle attraction** main driver. (1)

A1-3

**Adventerous dispensation.** Responding to opportunities resulting from socio-political and socio –economic change. **Growth not main objective.** (1)

A1-4

EO- moderately entrepreneurial: **wanted to create bigger firm** but restricted by geographical limitations and **practice focused orientation.** (1)

A1-5

At outset **not growth orientated** but EO changed over time to become more growth and **business focussed.** (4)

A1-6

**Need for independence main motivation.** **Strong emphasis on staying 'single-person'** firm and appreciation for the associated values. (1)

A1-7

**Idealised lifestyle related** **views associated with small firm** coupled to **disenchantment** with larger firms. (1)

A1-8

**Pushed into becoming an entrepreneur** by retrenchment. **Intention to stay small** (1)

A1-9

**Growth oriented EO.** **Motivated by intention to perform bigger projects.** Strong E.O apparent (1)

A1-10

**Pragmatig EO:** Size or growth determined by inflow of projects. (1)

A1-11

**Motivated by values and commitment to improvement in the life of the general population** (social entrepreneur). **Not growth oriented.** (1)

A1-12

**Motivated by love of architecture.** **No intention to grow.** (1)

A1-13

Started out of **resentment** and to go into competition with employer. **No planning or growth focus involved.** (1)

#### A1-14

Lifestyle motivated (raising children). No strategic planning or growth intended. Strong 'practice' focus. (1)

#### A1-15

Technology induced. Intention to stay small and flexible - utilise technology to do bigger projects. (1)

#### A1-16

Started planning to remain small and agile with a view to moving quickly in order to exploit new opportunities- the fox according to Clem Sunter. (1)

#### A1-17

Intended to start own firm since graduation. Forced to do so because of lack of employment opportunities. No intention to grow. (1)

#### A1-18

Ambition to become a medium sized firm. No pre-planning. Focus on commercial work from the outset because of growth related goals. (1)

#### A1-19

Intended to grow into large international firm from the outset. Original EO strengthened over time. (1)

#### A1-20

Intended to start a sizeable firm in order to create wealth. This goal was achieved without any specific pre-planning but due to circumstances and exploitation of strategic advantage (family relations and related industry contacts) (3)

#### General observations:

1. Interviews found that some architects are extremely entrepreneurial. Some of the interviewees related examples of entrepreneurial initiatives inside and outside the profession.
2. However, some interviewees were found to be operating in a completely entrepreneurially naïve paradigm where, based on their exceptional design skills, specialised knowledge and reputation they operate without paying much attention to financial management related manners.
3. Many firms are not driven by financial or lifestyle related aims *per se*: their ambitions or goals are based on humanistic and social concerns.
4. Only one interviewee mentioned that the process started with some form of pre-planning such as drawing up of a business plan or strategic planning

## ANALYSIS

Twenty five enduring architects' firms directly responded to this question. Responses indicate a range of entrepreneurial orientations.

Sixty eight percent of respondents indicated that their original intention was to stay small. One firm (4%) indicated that they did not have any plans regarding the size they wish to grow to. Two firms (8%) indicated that they intended to grow into medium- large firm while five firms (20%) indicated that they planned to grow into large firms.

The reasons offered for starting a firm are:

- Retrenchment (8%)
- Could not find employment (4%)
- Lifestyle sought (16%)
- Altruistic reasons (8%)
- Spirit of adventure/ need for independence (8%)
- Negative experience with previous employer (8%)
- Family reasons (4%)
- To exploit available opportunity (16%)
- Entrepreneurial ambition (20%)
- To do good architecture (8%)

## **DEDUCTION**

The majority of the enduring architects' firms that directly responded to this question (72%) were started without a specific growth intention while the remaining 28% of firms were started with the intention of becoming medium or large firms. The firms that were started specifically to grow were started in order to create greater wealth for the founders, because the firms intended to do bigger projects or because the firm intended to operate internationally

The responses received regarding the reasons for starting a firm indicate that the firms that 56% were started for a variety of personal reasons, 36% because of entrepreneurial aspirations and 8% were started to give expression to creative aspirations. The responses received also indicated that the type of projects envisaged influenced this decision. It is noteworthy that only 16% indicated that they were started as a result of identifying an opportunity. The foregoing indicates that the entrepreneurial orientation of the founders of these enduring architects firms seem to have been at low levels.

## **A2 How would you describe the firm's attitude to risk?**

### **A6S**

I could see my family and all the off spring how they live their lives the unadventurous life. I wanted more risk. More adventure and be exposed **A2-1**

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### **A2S**

. I was living in a converted turkey run working in a building, paying R80-00 per month for 20 years. No major overheads. With Karney he and I shared the cost of that office. I did not have any risk. And no staff for first 10 years. I've always been able to live in my means. If I didn't you just eat less bread. **A2-2**

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### **A4M**

. I know that I borrowed money from my dad. I didn't take out a loan to start the business

I'm not risk adverse; I have a number of properties that I am a shareholder in, I have always taken risks but almost always with clients. One has to in order to give yourself a comfortable retirement. **A2-3**

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### **A5M**

Absolutely, we had nothing, we had no office, we had no money to pay for rent, we had no partnership agreement, no professional indemnity, we had all of those things to do and we didn't even have a bank account at the time when we were appointed for that project.

We didn't want to, we were heading into very new territory, very unknown; '95 was around the time computers were out as well so a colleague of ours had moved to Cape Town and he gave us his computer and his plotter so we started with that one computer. Most of the money we earned in our first five years was spent on resources, furniture, computers, just stuff. So we didn't want to get involved in any financial risk. **A2-3**

We are different, A5M architects are very different, we always were different, we challenge stuff you know. A lot of people thought we wouldn't survive, even our families, parents and families and spouses thought we wouldn't make it, but we did. It was just like aah what is going to happen! Very few people that started practices at that stage endured, that's your word, very few of us did.

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### **A1L**

Very sensitive; most of my clients are the ones who actually [unclear 04.06.9] because they are corporates so they are really risk averse so they put the fear of God into you so you think about your



own situation. But I am probably not obsessed with risk but I try and mitigate against the risk by using my experience and knowing where risk is going to be. Risky clients I am very suspicious about. We have mechanisms to manage that and if I feel that the client is risky then I work in credit and not in debit.

I had to buy into the practice ja. [A2-2](#)

Yes which when I became Managing Director I changed that because I couldn't get good young guys who weren't prepared to take that risk so we have developed a naked in naked out approach here. You are allocated shares you don't buy shares purely because I felt I wanted to be part of as I said in the first question of something,

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### **A7L**

You need to be vicious enough to

All done on cash basis. Basically we start under my dad. There was an opportunity. Incremental to make sure our foundations is good. What we had ultimately if we have to go back to cross board we can do it. You started off with something very small.

I very resistant to change. [A2-2](#)

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### **A3L**

Would you say you took a big risk when you decided to go on your own?

**Interviewee:** [A2-1](#)

Absolutely

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### **B7S**

No. Look I had a history of running that big practice so I knew how to administer and it was really casting fate to the wind. I just thought I am quite prepared and arrogant enough to go and work in a restaurant if necessary. I mean I was independent enough so that if this doesn't work I will do risk, financial risk?

### **B7S:**

I don't think about it, I just don't think about it. [A2-3](#)

The big thing is I drew R40k out of my house bond to pay my [unclear 15.43.1], that was the act of faith, to actually go into debt because I wasn't terrified of debt.

I'm not risk.. why would one take risks because one wants financial gain, no, never thought of it. Money will just come. I never do anything on risk; I never go into competition with any another architect

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### **B1S**

I would say I'm slightly risk averse but I'm not overly risk averse. If I wasn't somewhat risk averse, I would never have decided to open my own practice. A2-3

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### **B4G**

We are highly risk averse. A2-2

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### **B6G**

. I try to teach my sons that as well, I think the world is about looking after yourself and being entrepreneurial about your future. You know if you just want to go and work for someone that is also okay but I think we are South Africans, we have to fight for our little patch.

Yes very much so. A2-2

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### **B5C**

I don't do it.

I think if you back it up with enough work then the risk becomes more bearable; but certainly you can get caught out. It is very difficult to plan in our field, how much risk you are going to take and how much not. So the best is to have a partner that is more conservative than you are.

Yes we did, R100 thousand.

Okay, have you subsequently taken out more loans to buy equipment or just to make sure that you..?

No, no. A2-3

We've got PI insurance so that covers the one risk because we are not big... risk can be managed. We would not spend money if we don't have it kind of thing, we have a facility at the bank but that is mostly just to cover the ups and downs; but we were very fortunate after the first five or six years we decided to go without debt and make do with what we have. We would finance for instance small little machines and small monies.

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## B2M

. With architecture you know you don't get paid in the beginning, you've got to take the risk of doing the job and then you get paid once the sketch plans have been approved; so that period was often where we would rely on a bank loan.

No, no, no not at all. [A2-1](#)

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## B3M

I don't think that it ever occurred to me that it was a risk. I've never been worried.

So eintlik is jy nie bang om 'n risiko te vat nie, want ek meen jy het geld geleen vir die vliegtuig.

Miskien was ek te dom om dit as 'n risiko te beskou. Ek weet nie. [A2-1](#)

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## C2S

No, to be honest with you I think I was naïve when I started on my own; I started not in the 1991 date but the 1984 date it was difficult financially, the country was [\[unclear 02.45.2\]](#) it was a recession and I counted on marketing myself. I think I was naïve and maybe enthusiastic; there was no thought in it really, it was literally a reaction. I was fortunate that I had well I suppose wealthy parents and my father supported, he supported me with my studies and he supported me when I went on my own. I don't want to call it a stipend but he paid me a stipend in the first while until I got up and running. I had a little bit of money left from a property that I had sold.

Nope. It didn't stop Trust Bank giving me an overdraft and a credit card and vehicle finance; it was very easy to find finance. I don't think I was financially disciplined but from that side I was well helped by Trust Bank, by the financial institution.

No, if we are talking risk, I don't think I would take blind risks, I don't know if that makes sense; I will assess a risk but I am not afraid, I have taken risks. [A2-4](#)

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## C3S

No, I was lucky because I had a husband who also had a partnership in a practice so it was easy for me to move and think, well let's see what happens. Fortunately I was lucky.

I think I am, yes investment wise definitely, yes. So I like to leave it to the experts and then still worry whether they are doing the right thing. [A2-2](#)

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**D4S**

No, otherwise I wouldn't have had my own firm. I would've worked for someone else.

I held a full time job, did private work on a part time basis and then started on my own when I had enough work (phased in to my own practice) [A2-1](#)

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**D3S**

I did, I'm not averse to risk at all, but there is a condition, I call it, risk shouldn't be mindless. Risk is something that you share.

No, I'm not at all averse to that I think it is part of life, you take risks all the time and having grown up in a Calvinist environment going bankrupt is a sin, and in other cultures going bankrupt is just a tool. It's the way you've looked at it and it's the way that you have internalized these issues. Because everybody is always afraid of failure, and I don't know, but I think failure is maybe an indication of a missed opportunity or a misinterpretation rather than a personal weakness

[A2-4](#)

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**C5M**

We've never done that, none. We still haven't. [A2-2](#)

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**C6M**

No, no; well at that point you needed a drawing board and you already had a drawing board, a drawing board and a phone and a ruler and that was it. [A2-2](#)

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**D1M**

Yes the first office we built in [Waterkloofrus](#) and later this office in Waterkloof as part of the property. In this case [\[unclear 01.08.0\]](#).

No if it is limited and I know there is a fair outcome I will take risks. [A2-4](#)

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**D2M**

. So I am not averse to taking risks [A2-1](#)

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**C1G**

Yes look basically at heart I am a businessman and what was his name said if you are not in business for fun or profit what the hell are you doing there. I am the same, if I am not in business for fun and profit what the hell am I doing there. I don't want just one of the two. So look design is quite a passion of mine, I start suffering withdrawal symptoms if I don't design for a few days, but at the same time I value my own time and my own input so I want to be paid for it that's for sure.

Not really, no. If something looks kosher to me I will invest in it and I will go for it; that is why we started the interior design business and the shop is because in both fields I saw that we could with our talents make money in those fields.

So you clearly define yourself as an entrepreneur?

[A2-4](#)

Yes

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**D5G**

No, think the income is a secondary purpose for the company and it still is. The first purpose is to create designs and to create buildings. That is the first intention or the first purpose of this firm and it still is and we often concentrate more on getting the job done then getting the invoices out.

I think I take more risks than my partner and I think between the 2 of us it is a good combination. I'm a little bit more adventurous at times and he is there to pull me back but I think we do take risks. We did take a big risk, which was our most profitable project. Which was a 1 turn key project last year.

[A2-3](#)

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**D6G**

No it's quite simple, we didn't have a clue what would happen; we just said we want to work for ourselves

I have never been risk averse but I have been very much risk analytic; in other words sometimes you take blind risk but not often. Risk in the South African architectural scene to us was always an investment in future work, so if a developer or a client would ask us to do work on a risk basis, or as we called it no duck no dinner, we would often take that risk on the basis that the least risk is if the owner owned the land.

[A2-4](#)

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Themes:

A2-1

Risk taker (6)

A2-2

Risk-averse (8)

A2-3

Moderately risk-averse (6)

A2-4

Will take calculated risks (5)

**General observations:**

1. Some architects funded their firms by working part-time.
2. Some architects were supported by family members until their firms became profitable.
3. At the time when most of the firms interviewed started, starting a firm did not necessarily require a large sum of money (before computers).

## **ANALYSIS**

Twenty Five enduring architects' firms provided a direct response to this question. From their responses it would seem that 24% of the firms are 'risk-takers', 32% are 'risk-averse', 24% are moderately risk-averse while 20% will only take calculated risks.

## **DEDUCTION**

From the above it can be deduced that almost 75% of the respondents are not risk takers but are some degree of risk averse. Furthermore the different risk attitudes are distributed relatively evenly across respondents with the only spike noticeable in the 'risk-averse' category. This could indicate that architectural entrepreneurs need not be risk takers to start their own firms as the majority of the founders of enduring firms are not 'risk takers'.

**A3 How would you describe the entrepreneurial posture of your founder(s)?**

**A6S**

So really that is what I could foresee I would be bored stiff in Holland. In those days in in adventurousness. I could see that I would be bored stiff in Holland. I needed more space, physically and psychologically. [A3-1](#)

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**A2S**

I never set about specifically to become a heritage architect or corporate practitioner. I came into this niche as a result of experiences within the architectural profession most of them very negative but one particularly very good. Background

[A3-2](#)

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**A5M**

But you just run with it you know, we had this job and we had a responsibility so the things just snowballed. You just start dealing with things on a day to day basis. We were still involved with other work, I was lecturing at the time and my two other partners at the time were running smaller practices at home and we didn't leave those jobs so that allowed us the opportunity of earning an income from our other jobs for about five years.

We don't come from families that had lots of money so we also had families to look after. I was a lecturer at the time earning a full time salary and we didn't want to get involved in anything that would be unsuccessful or would be a burden on us financially if it didn't work out.

[A3-3](#)

Yes, yes it always was. You know sitting at home and doing boundary walls and garages.. at that point in time black architects were not popular people, there were not a lot of us around and there was not a lot of work around. We couldn't access the private sector as well and obviously we didn't have work from the public sector. . So there wasn't a lot of work, so it was difficult, we took chances but we thought as a group of three that we would stand a better opportunity and we did. So we marketed ourselves as a practice of three and we got jobs from everybody; within three to five years we had jobs from everybody, the province, national government, we just got work, we got a lot of work because we were three as opposed to one.

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**B6G**

It was purely because I felt that if you are a larger design firm, a design driven commercial firm, you need to diversify, you need to not just focus on certain one or two categories as it is so easy for

architects to do that, but to keep an open mind. So we did a lot of urban regeneration work and through that we got residential work, we got hospitality work, we got offices and then we also did quite a bit of industrial work.

### **A3-4**

So we always had our options open, if something would be a little dormant then.. and that is how we have stayed alive for 32 years, we are a diverse group of designers and we are comfortable in all areas, except for hospitals, but everything else we know. I did all of this as well, Noah's Arch. So we have actually over the years spread that net even wider, I started doing interior design in 1988 already, retail interiors, shops and restaurants and things, and that today we have a team of 28 interior designers with the group and that has really also been very lucrative. It was purely because I was driven to create that because the people that we were working with were useless, we were just fixing it up all the time so we said well why the hell don't we just get our own interior design team, there is a gap there in the market place. Then over the last 8 to 9 years we have really driven the urban design side as well and we are busy there. We have got as you can see here, this is a thing in the city which we are doing now in Cape Town, that's the harbor.

I took an overdraft facility just to make sure that I could cover my costs, but I didn't take a loan no, I saved up a little bit and my wife worked so there was no immediate pressure. I probably spent the first four years in my profession not earning any money, I was fortunate to have a wife, but then when our first child was born she retired from her job and said now it is over to you.

, I do a few other little hobbies that keep me involved – so I run this business but I also have a wine business and I produce some wine as well. That started off as a hobby and now it still is a hobby but I don't know if you know about our wine, B6G wine?

**Christo Vosloo:**

No.

**B6G:**

We just got four stars in the John Platter Wine Guide.

**Christo Vosloo:**

Excellent. Where can I buy some, a sample?

**B6G:**

There is a wine shop here in the Bluebird, it's the only shop in Jo'burg where you can buy it and it is called Black Block; the reason why is because our logo is a black block, we always fondly call it the black block B6G – so we just thought we would call the wine Black Block. So it has no B6G on it but yes you can buy it there.

**Christo Vosloo:**

I will certainly get a bottle to try out; I am always very fond of trying out new wines. Is it red or white or the whole range?



**B6G:**

No I just do red, pinot noir – that shop that you will be going to, that is my shop as well. It is called Wine Menu, it is also a black block, you will recognize it. So confidence and my wife calls me a Duracell bunny, I do have a lot of energy, I keep going, I'm not a slave driver but I lead from the front, I am 64 and some of the younger 'lighties' say geez I don't know where you get your energy from, we struggle to keep up with you.

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**B5C**

Absolutely, absolutely. My specific interest is heritage work and in the Boland area, Paarl area specifically that is a skill that you can use very well because most of the architecture in this area is historical or contextual work and that's what we were aiming for. [A3-5](#)

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**C3S**

I did yes, initially. Initially I worked for the hospital architects who were busy on the Joburg Gen which was a consortium of [xxxxxxxxxxxx] and it was chaos. We were like in prefab buildings, 40 people from all over the world helping to do the drawings for this hospital and nothing was digital yet. I'm speaking about the year 1973. And we all sat in these prefab buildings and I was doing door schedules for about 3 months. I nearly went off my mind, I thought I studied for 5 years to do this, and then I started, well Johan said I must go and work for them, which was great, so after 5 months, we had to do a minimum of 5 months at a practice to register, a 2 year registration. I don't know, you probably also did that? Yes, I left and then went to work for them and they were a slightly larger firm at that stage and grew to a much larger one where they had a lot of problems. I saw all of this happen. And I think that more or less made up my mind to keep it small and keep it in control and do what you can do. [A3-6](#)

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**D4S**

Ok, so your orientation intent has always been to be a small firm?

**D4S:**

Yes.

**Christo Vosloo:**

And you do consider yourself as competitive?

**D4S:**

Yes.

You are also driven entrepreneurially to survive?

Of course. [A3-7](#)

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## C5M

No, no, I didn't want to be a big commercial firm I wanted to be a small practice focusing on specific kinds of work.

we focus on, today still, is very well made buildings. [A3-8](#)

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## D1M

I was in a big firm and I decided we should start a smaller firm with an office at our property.

, I would limit myself to some of those let's call it vibrant traits of an architect. We try to have a lifestyle of a comfortable firm between me and my wife, and also be near our children while they grow up. Also being at one's house you tend to have a bit of a more laid back attitude. [A3-9](#)

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## D2M

Oh I think so definitely. I think more so than an architect; personally I am probably more of a businessman entrepreneur than an architect. Not really an architect, the answer is yes I think so.

. Success for me is not only the financial income but it is the success of doing a good property development and the financial income that goes with that. [A3-4](#)

. I just thought to myself I must start my own company and it was not easy for the first number of years until probably the ten year mark and then you start **doing** well like the Jewish people talk about the first thousand days of a business is the most difficult. In that book from Malcolm Gladwell, I I'm not sure if you have read that book?

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## C1G

Yes, obviously, we are never happy with where we are, I always want to go further, try the next thing and see whether I can improve on it. [A3-8](#)

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## D5G

I think we need to be more, but we are entrepreneurs in that we have started to dabble in other related industries

. I think the need to be architects is stronger than the need to be a businessman. [A3-8](#)

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## Themes:

- A3-1 Adventurous (1)
- A3-2 Coincidental (1)
- A3-3 Adventurous but cautious (1)
- A3-4 Highly entrepreneurial (2)
- A3-5 Specialist (1)
- A3-6 Talent based, family driven but cautious. (1)
- A3-7 Survivalist (1)
- A3-8 Entrepreneurial but strongly practice based and quality focussed (3)
- A3-9 Lifestyle drawn. (1)

## General observations:

1. All firms insisted the architectural quality of their work remains their top priority.

## ANALYSIS

Based on the direct responses received from the 12 respondents who answered this question their entrepreneurial postures can, for the sake of description, be classified as:

- adventurous (8,3%).
- coincidental (8,3%).
- adventurous but cautious (8,3%).
- highly entrepreneurial (17%).
- specialist (8,3%).
- skills based (8,3%).
- Talent based, family driven but cautious. (8,3%).
- survivalist (8,3%).
- entrepreneurial, but strongly practice based and quality focussed (25%).
- drawn by the lifestyle (8,3%).

## DEDUCTION

From the responses received a total of 25% drifted into starting their own firms by circumstances (hence weak entrepreneurial postures) while 33% were drawn to it for a variety of reasons (medium entrepreneurial postures) while the remaining 42% display relatively strong entrepreneurial intentions.

The results indicate that regardless of entrepreneurial attitude, well managed architects' firms can survive for 15 years or longer. However, the 42% of founders of enduring architects' firms who displayed relatively strong entrepreneurial attitudes is significant and indicates that having such an entrepreneurial attitude is beneficial if the firm is to survive for

15 years or more. Thus an EET framework for architects should set out to create and grow an entrepreneurial posture in participants.

**A4 Which of the personal traits sometimes ascribed to entrepreneurs applies to your firm's founders?**

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**A6S**

Confidence yes

Perseverance and determination.

Thoughtfulness, Willingness to change directions.

Take calculated risks.

Creativity prime important

Other side of leadership. I worked 14-16 hours a day  
you got to be able to decide how you motivate offices.

Need for Independence:

Positive response to challenges: I probably invented it.

I find internal focus of control.

Motivate/leadership in such a way

Love challenges not fearing it

Responsibility? Certainly. **A4-1**

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**A2S**

Whether I was self-driven I do not know. Find it difficult to stand around when other people are working. I do believe if you going to be your own master you need to do allot more than sitting in air-conditioned office. **A4-2**

I set high standards but humanely. I think.....I've never had do sack an employee

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**A4M**

Hard working no doubt. Cautious though with money. **A4-2**

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**A5M**

Yes a lot of them, some of them don't – I still battle with some of these. Profit orientation probably not you know. Shoo, most of them, do you want to go through each one?

Some of them we still battle with as architects, like profit orientation, we don't always sit and work out that when we get a job, well I don't anyway, I am not big enough to do that I think the larger practices do that because they need to be more profitable and they deal with larger fee incomes than the fee incomes that I am used to; but yes most of them. [A4-1](#)

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### **A1L**

They don't apply to me no but I am definitely aware that some people are successful as an architectural practice but then many of them have to rely on their team to produce the goods. I take a different view; we have been successful, we have been going since 1887 so we have to be doing something right. I put it down to the quality of the work; it's the profession recognition of clients and recognition of contractors and within that context producing good architecture. Good architecture and easy people to work with are the ones that really to me have been our marketing sort of front page. [A4-3](#)

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### **A3C**

Some of them, I think my particular problem is I am too honest, I am too straight down the line and I don't duck and dive, I don't entertain, the work I get is as far as I am concerned divine intervention because I have never advertised, I have never gone out, I am not a sociable kind of person so I don't mix with people and the work has just kept coming in for the last 18 years. So I don't think I have those skills, you know having worked briefly in Johannesburg and seeing the characteristics of the guys there, I don't fit into that mold at all. [A4-1](#)

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### **B7S**

It's a good list, yes. [A4-1](#)

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### **B1S**

Confidence, yes, but it varies. [A4-1](#)

Perseverance and determination, big big plus. You have to because you have to be able to go through patches that are quiet and hang in there because things do change.

High energy level, I have got a high energy level.

Resourcefulness, yes I can pull in people when I need to.

People person, yes.

Ability to take calculated risks, absolutely in running any business I think.

Creativity and innovation, big plus, but creative people can also be contracted in if needed, but it is a big plus I mean we are in architecture and it is a creative field.

Dynamism leadership, difficult to say, I think as long as you get on with people and you understand how to manage then its ok.

Commitment, absolutely 120%.

Need for independence, I think it depends on the company, I quite like retaining my name as my business, so when I've had offers to join other companies, I have thought about it, but declined.

Yes, it was appealing but it was very concerning not to have a regular monthly salary. You are free, but you are kind of tied because of needing an income. So there are pro's and cons.

Positive response to challenges, yes, I think that that would be obvious, because if you have a negative response you are not going to take the challenge and it's all about the challenge. You have to be able to grow a little bit and do something that you haven't done before if you want to make a success of it otherwise it is going to stagnate. Internal locus of control, I'm not sure what that means.

Well I'm quite sure there is a portion of that. It's convenient to blame other people when things go wrong, but ultimately you have to take the responsibility. At the end of the day it is your name and you need to build up a good reputation.

Orientation to clear goals - personally I'm not a goal orientated person. I didn't set out to start my own practice, so I'm a kind of "take the challenge and make the best of every opportunity" person. I did consult with a business coach who helped me a lot in getting clarity of direction I wanted the firm to take, when times were quiet. Based on that input, our whole system of management has changed over the last 5 years because the work that came in is mostly government and our private work side shut down a little bit, so you just have to be able to take whatever the challenges are.

Now we are in a very different situation, we contract in excellent people on a project by project basis under the xxxxxx Architects umbrella.

Positive attitude, absolutely, it helps in every single thing.

Responsibility, I think we covered that. If your company is your name and you don't hide behind an ABC name. I also have a big responsibility to the people whom I work with and the salaries that need to be paid, they need to be competitive and I want to keep the people with whom I work, happy and responsible in their own roles.

Cooperativeness, I am a bit of a control freak, but cooperativeness is essential.

Profit orientation, not necessarily. I mean when I think you just have to make sure that you have enough to pay the staff every month.

Not majorly but I'm also not not money driven. In order for the company to progress, you need to have a proper income and make a profit.

Need for achievement, not necessarily but it is great when it happens.

Ability to influence others, not necessarily important but it helps to respect all whom you work with and teaching is useful, so I do a bit of that.

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#### **B4G**

Every single one of those is extremely accurate, yes. [A4-1](#)

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#### **B6G**

Yes, yes. I am confident as you can probably see. [A4-1](#)

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#### **B5C**

Yip, those are the ones. I wouldn't say the last three. [A4-1](#)

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#### **B2M**

Yes – ja I think that is very good. All of them are good. [A4-1](#)

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#### **B3M**

Confidence. Ek dink jy het dit seker nodig. Perseverance. Determination, seker ook maar. Ek weet nie van die high energy level nie

Off course we had high energy levels. Me and the kids especially.

Resourcefulness, het jy seker maar altyd nodig. [A4-1](#)

Ability to take calculated risks. Ja.

Yes, we had that as well, yes.

Creativity and innovation, hoop ek ja. [Dynamism 0.16.50.9] and leadership, ek weet nie of dit nodig is nie Leierskap. As jy op jou eie is het jy seker nou nie eintlik leierskap nodig nie?

Nee, ek dink nie dis van toepassing as 'n mens op jou eie is nie. Nou, commitment. Committed om wat te doen?

Ja, dit het jy wel nodig anders gaan dit nie lank hou nie. A need for independence.

Ja seker maar.

You always wanted to be independent. You didn't want to work for anybody.



Positive response to challenges. Ja, ek dink vanselfsprekend anders gaan jy nie die paal haal nie. Internal locus of control. Wat bedoel jy daardeur?

Met ander woorde dat 'n mens self verantwoordelikheid aanvaar vir jou besluite en nie altyd iemand anders blameer as goed verkeerd gaan nie.

Ja nee, jy het nie 'n keuse daar nie, né. Orientation to clear goals. Wel ek neem aan jy bedoel clear, om hulle te bereik?

Ja, to have goals and to set goals for yourself and to work accordingly.

Ja en hulle te probeer bereik. Ja, ek dink dit is nodig. Positive attitude.

Yes.

Ja by tye, partykeer verdwyn dit 'n bietjie. Responsibility.

You were always very positive, B3M1.

Need for achievement.

I think yes, I would say definitely. There was always a need to make your project as good as you could possibly do it and you would like that project to be the best that you could do it and to be positive in its execution.

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## **C2S**

In general I would say more than two thirds, maybe.. yes. It is obvious when you look at me that I am not very well disciplined and from the state of my desk, I know what is happening here.

### **A4-1**

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## **C3S**

### **C3S**

Ok, confidence definitely. I was an exchange student in the States, and the decision to be that, I always wondered why I did it. Well yes, I was self assured and I wanted to know about the world. It was a crazy thing to do at that stage, you know, I'm talking about, the decision was made in 1964 and politically we were totally isolated and wanting to know about it, I think is quite unusual. Perseverance and determination, yes, I will grind to the utmost. I do not give up. High energy levels, yes I like being busy. Resourcefulness, yes I love researching things and finding out how it works. I had to. Being on my own for 32 years and trying to cover all the facets of being an architect. From the technical to the creative, and being a woman and standing on your own feet on a building site not wanting to be caught out, you are almost over compensated to know about everything

construction, etc. So yes, resourceful, definitely. Calculated risks, no not really. It was a side job, in other words I had to have a letter of appointment signed and sealed before I went on. I wouldn't just start working and then hoping that the client will then appoint me, I would rather play with my children because I had a backup, more or less.

#### A4-1

**Christo Vosloo:**

It does change things.

#### **C3S**

Well that to people in the [sub 0.08.49.0] profession is again another risk. Creativity and innovation, yes. Leadership, well I didn't actually have a team to lead, but I had contractors who I had to motivate to get the job done and that sort of thing. Commitment, yes I wouldn't drop a client I would make sure the thing works. A need for independence, yes definitely and now that I have a partner, it has been an adjustment. We have been working together now for almost 5 years but you know after being independent for 32 years, it definitely is an adjustment to suddenly be in a partnership. Positive response to challenges, yes because if you go into a depression when you are challenged you just won't get ahead, you won't get the job done. Maybe to a point where I maybe was stubborn because I wanted to move forward and now life has taken it's toll on me and I'm older and I think I'm hopefully wiser and hear that inner voice of people more, which you don't when your younger, you are so on the go and you just want to get ahead of the game. Internal locus of control, yes. Orientation to clear goals. In architecture it's difficult to have goals because you don't know what the market is going to do, so we've gone through many recessions where you are actually so thankful to just get a job again, so you just try and do each one, you can't actually say like a [unclear 0.10.55.6] I'm going to be there in 10 years or I'm going to retire at 40 or that sort of thing, no. But what's positive about our profession is you can work until you are very old it's not like a medical profession or other jobs where you have a cut off date or a sell by date, so as the profession goes. I suppose you agree. But you are a lot younger.

#### **C3S**

Ok, orientation to have a positive attitude, you have to be positive. Responsible, yes unfortunately one has loss of sleep about things that aren't going right. Then you just try again. Profit orientation, not so much, because we can't determine how much jobs we will have in a year. You know what I'm talking about so you are just thankful for every job. Ability to learn from mistakes, yes you have to. On a building site, I always try to find a patient contractor who is willing to teach you. Also on the phone, quickly phone him, Johan, quickly help me with this. What do you think about this? It's nice to have that sort of contact. Toleration of ambiguity, yes you have to but you have to make decisions, unfortunately in a building project, because what you have drawn and what you specify, that's what you want. For instance at the moment I have a situation of a contractor who did not read the side strip and the specification on the roof installation which is two-fold. It is foam cement and it's the gravel on the isotherm on the bidden because it's a concrete slab and the concrete slabs as you know with EE calculations and it is a difficult one to win. You miss all of that and I didn't do

regular supervision just on a monthly basis, really every 4, 5, 6 weeks for the bank. Suddenly I was a principle architect again to do it and didn't realize that he missed it, and now we know after the first summer. He hasn't quite completed the job but it is very hot up there and what are you going to do now. You have to find out what it costs to do it and you have to deduct it from his final account because the client needs to put it in, I'm sure he will refuse to do it but it's got to be done. So sorry, where were we, ability to learn from mistakes. So yes you have to maybe go over every point when you are on site. Asking if they saw it and when they are putting it in instead of trusting the guy. Need for achievement that is a difficult question. I always say that women, like your daughter who decide to do a more difficult course, are different because they have additional goals, apart from having a family they want a career. So that need for achievement you have from a young age or you don't. So there is a distinct difference in women on that. I wouldn't want to stick my head out too far, but I have realized that there is a difference. I mean the worst thing is to tell a woman who now has a professional career, scale down you can't work, you have to take care of your children, you have to find a way to do both. Ability to influence others, well you have to try and influence people but you can't be too forceful with a client. Psychology is the one subject that we didn't have. We had industrial psychology at Varsity, I don't know about you.

**Christo Vosloo:**

I think we had something like that.

**C3S**

Yes, Business Psychology. But that wasn't psychology, and learning to think between the lines to hear a client, that is so important. It is one of the most important things in our job I think and then knowing how to influence them, so yes, one learns the hard way when you are young and then later on you learn how to pick up the threads and how you are actually going to influence the client. Creative problem solving, yes that it a given for architecture, you have got to be like that, because that is what clients are buying. I think the main thing that they are buying is design, something special, because the rest they can get from a draftsman or draftswoman so the creative input, you have to somehow sell it and people must know that you are creative and that's how you are going to get the job. Flexibility, I suppose you also have to be flexible, because things never run the way they should. When you are designing you might think you have a solution and the client might say, no think again and you have to go back and sharpen your pencil and in the end, we have one job now where we had to work with environment. The department of Environmental affairs, have you experienced that?

**Christo Vosloo:**

No. Fortunately not.

**C3S**

If you are on a sensitive site, for instance on the coastline, those last sensitive site, the leftover ones, are all sensitive and you have to get an environmental agent to help you push this application through and that is going to take 8 months, additional to your council stuff to get it through and the costs is unbelievable. So it's just another agent that you have to work with. Where are we now?

**Christo Vosloo:**

I think passion and drive.

**C3S**

Yes, you have to love your work otherwise you wouldn't do it and that is what carries you through your career and that is what makes us want to still work until we can't. That's why XXX is still working at 90. We have lots of disadvantages in our profession. It's not made for everyone.

**Christo Vosloo:**

No.

**C3S**

But you have that chance to work as long as you want to. Yes, you have to think on your feet on a building site or working with a client or with a draftsman or a contractor. You can't sit and hmm and haa there and yes you have to have good [unclear 0.19.29.9].

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**D4S**

Undoubtedly. There is no way that you can run your own business if you don't have that ability. You won't survive. [A4-4](#)

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**D3S**

I think so. Most of it would. [A4-1](#)

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**C5M**

Yes, yes – that's very good. [A4-1](#)

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**C6M**

Yes I think so, yes. I think so, yes. [A4-1](#)

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**D1M**

I would probably like to call myself that but being a fairly small firm and not aspiring to be the top architect in Pretoria, [A4-1](#)

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**D2M**

Yes. I think I realized early on, [A4-1](#)

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**C4G**

Yes, I've always been opportunistic. [A4-1](#)

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**D5G**

Humility isn't a typical architect's trait so that wasn't listed there. But I can confidently say that we tick all of those boxes. [A4-1](#)

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**D6G**

So in that sense yes, entrepreneurial, take risks, try and take calculated risks and try and make money. It is nice to have money because you can do things with money, you can help other people, you can help yourself, you can help your family, there is always people needing money. So having money that you can share with other people is a great thing but I have never had the challenge of being the richest man in the graveyard that has never been a motivation for me to make money.

one of the richest men that lived, and when somebody asked him that question he taught me this listen, he said I don't know when to jump so I keep on jumping. So I do think I jumped at opportunities, I often saw opportunities that others didn't see

and pursued them with the trust, hope and belief that we could make something of those opportunities. [A4-1](#)

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**Themes:**

- A4-1 Broadly agrees (20)
- A4-2 Unsure (2)
- A4-3 Don't apply (1)
- A4-4 Agrees and regard traits as a pre-requisite (1)

**Observation:**

1. The answer in case that responded in the negative does not correspond with the fact that this is a large firm as well as other aspects such as the interviewee's general attitude, apparent self-confidence etc.

**ANALYSIS**

Twenty four enduring architects' firms provided a direct response to the question 'Which of the personal traits sometimes ascribed to entrepreneurs applies to your firm's founders?' Eighty three percent agreed that most if not all the traits applied to them. Only 10% were not sure if they applied to them while even less, 5% feel that they don't apply to the founder of the firm. Five percent regarded the traits as a pre-requisite for endurance in an architects' firm.

**DEDUCTION**

The traits often associated with entrepreneurs are present (or have been developed) in many of the founders of enduring architects' firms regardless of firm size

This is an indication that for architectural entrepreneurs to succeed they should have or acquire, through an EET programme, the traits often associated with entrepreneurs.

**A5      Would you describe the firm's founders as pro-active individuals?**

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**A5M**

I was unemployed; I mean I was lecturing because I couldn't work. So we were in a recession at the end of the 80s early 90s and I was working for quite a large white practice and he just decided one day to fire most of the black architects in the practice for whatever reason; I think because we were not able to bring in work or something. So one of my partners, Rodney and myself, worked for that particular practice and we vowed never to work for anybody after that whether it was a white person or whoever. But it just left a bad taste in my mouth so we battled to get work in the early 90s and we were not doing well at all, I was living off my family for a while, we really battled. [A5-1](#)

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**A7L**

Yes I'm ADD I cannot keep still. It's important. I wish that I did manufacture! Yes I am. Entrepreneurs.....all the energy I spent in Architecture. I'm highly competitive. YES!!!

[A5-1](#)

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**A3C**

what.. and that's why I just felt it was important to actually perhaps move on and do something which was more I wouldn't say stimulating because my job at the University was very very stimulating. [A5-2](#)

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**B7S**

No. Look I had a history of running that big practice so I knew how to administer and it was really casting fate to the wind. I just thought I am quite prepared and arrogant enough to go and work in a restaurant if necessary. I mean I was independent enough so that if this doesn't work I will do

and I have always found that if you just work money comes, money comes, don't worry money comes in sufficient quantity. If you are driven by money you will choose different people to operate with and a different path for your life. If you don't worry about money what comes to you is what comes to you naturally [[the law of attraction / with all the traction 15.05.3](#)].

I don't know, I suppose so. [A5-2](#)

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Ok, would you describe yourself as a proactive individual?

**B1S**

Yes [A5-2](#)

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**B4G**

Yes, by nature we have to be because if we aren't we will go out of business. [A5-2](#)

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**B6G**

Very proactive, that is how we get our work you know, you always think outside the box. [A5-2](#)

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**B5C**

I certainly am. [A5-2](#)

Yes, all our contracts. Go to an expert if you want to do something that you don't know anything about.

**Christo Vosloo:**

And the articles agreement within the firm and all those sort of things?

Ja, yes.

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**B2M**

Ja because if you raise money you have got to be proactive [A5-2](#)

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**B3M**

Met ander woorde, probeer julle die probleem voorsien en stappe neem om die probleem te voorkom, voordat die probleem daar is? Met ander woorde, om vooruit te dink en vooruit te beplan.

Ek dink, ja, tog wel. As ons sien daar gaan probleme wees, byvoorbeeld, dan tree ons op daarteen. I think so, ja. [A5-2](#)

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## C2S

I frequently say I am so busy drying the floor I don't have time to close the tap so not anymore, I used to be proactive or I used to be quite a generator of projects but that was when I had a large practice and a large commitment, not so much anymore. The projects I do generate now it is sometimes just to help someone over the hump, I don't go and find something and find a client and put the thing together and carry on like that, it is not like that anymore; so yes not so proactive anymore.

### A5-2

**Christo Vosloo:**

Competitive?

**C2S:**

No.

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## C3S

Yes. A5-2

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## D4S

The other side of the coin is **that** I always did the necessary planning not to be in a position to do that. A5-2

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## D3S

Yes. Very much so. A5-2

We already have the vendors, the software and the hardware guys charged and sorted and quotes were given and everything was just ready to go. Because I knew that by the time they say let's go, there is no time to waist, then you must perform. You must get your things in place, test it, because there is going to be bugger ups in the beginning and make sure that you can deliver.

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## C5M

Yes, definitely. A5-2

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**C6M**

Yes. [A5-2](#)

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**D1M**

I don't think I am a particularly proactive person no. [A5-3](#)

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**C4G**

I would like to think so. [A5-2](#)

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**C1G**

Yes very much so. What we have learnt over the years is that put the systems together and every time something goes wrong add that item to the system, and that is why we run fairly efficiently and profitably, is because we have systems in place for just about everything. If something goes wrong I am very fast to jump in and get it fixed up and make sure it doesn't happen again on the next project. [A5-2](#)

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**D5G**

Yes we are. [A5-2](#)

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**D6G**

Yes very proactive, [A5-2](#)

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**Themes:**

[A5-1](#) Not apparent (2)

[A5-2](#) Definitely pro-active (18)

[A5-3](#) Not pro-active (1)

Observations:

1. Considering the responses in A1 which did not give an indication that starting new firms resulted from significant pre-planning, it could be anticipated that this question would have resulted in more negative responses.
2. Considering that design is by nature a pro-active process it could be anticipated that all responses would have been in the positive.

### **ANALYSIS**

Twenty-one firms (81%) enduring architects' firms provided a direct response to the question 'Would you describe the firm's founders as pro-active individuals?' from the answers provided by 9,5% of respondents it is not apparent that their founders were pro-active when starting the firms.

The vast majority of respondents, 85.5%, indicated that the founders were proactive individuals while only 5% indicated that their founders were not proactive individuals.

### **DEDUCTION**

The majority of the founders of enduring architects' firms are proactive individuals. A profession specific EET framework should develop this aspect in attendees.

**A6 Were they highly competitive?**

**A2S**

Competitive?

**A2S:**

I will not go out as matter of principle does not take part in tendering for Architectural services. If some wishes to use me and saw my work, or they have heart, then I'm a nice guy and very I'm happy to work for them. Once subjected doing a proposal for restoration of municipality. I had to go through whole the tender process. I thought this is the first time, ended up on site with 38 other draftsmen, every single architect etc. one around, making immaine comments, I was thinking what am I doing here. It's much my own principle, if a client says I want to use you, but can you compete with the rest. I say this is what I do and do not change my standards.

**A6-3**

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**A4M**

I am a very competitive person, **A6-1**

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**A5M**

Inadvertently I think I am but no I think women are a little bit different, we don't promote ourselves in that sort of way. I know when I was practicing with my two male partners we were more competitive in those days than we are now, now it is a little bit settled, but I suppose I am competitive in an indirect way. I think after a while you develop skills and people come to you because they want you as opposed to anybody else. So you are competitive in that kind of way.

**A6-2**

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**A1L**

Absolutely yes. **A6-1**

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**A7L**

You need to be vicious enough to. I think our opportunity lends itself to what we do. In that when we started off we did lots of little work, peoples ads and new house in the township areas you never foresee you never foresee yourself grow as we have grown. **A6-1**

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**A3C**

No, no I don't even like sport, no. [A6-3](#)

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**B7S**

I never go into competition with any another architect. If I hear I am being put up against another architect I will withdraw immediately. I am too arrogant. If they want me they can have me if they don't want me they can bugger off.

No.

I don't consider them competitors I consider them colleagues, really. And I also learnt there is no competition in architecture. Architecture is so personality related; I know a lot of my clients would never go anywhere else because they just wouldn't have that personal interaction with them. It's all personality based. [A6-3](#)

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**B1S**

Yes [A6-1](#)

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**B4G**

Yes.

Yes, yes I am competitive. [A6-1](#)

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**B6G**

Yes [A6-1](#)

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**B2M**

I think yes but again the kind of work we do is in a specific field, we only do public work we don't do any private work, so it's a very different sector – I think if you are in private sector doing just private work it is much more competitive. [A6-1](#)

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**B3M**

No. We've never been competitive, ever. [A6-3](#)

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**C2S**

I don't care, it doesn't matter to me, I think what has helped me is my ego hasn't recently, or maybe it is a testosterone thing I don't know, but my ego doesn't drive me so much anymore. I don't really care where I fit in to.. you know the fact that I am in here is more because XXXXXXXX was in there so it is not about me.

A6-3

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**C3S**

Yes I am, I have been from a very young age. Unfortunately. A6-1

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**D4S**

Yes. A6-1

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**D3S**

Not really. Well I am competitive but not to the detriment of other people, I would say, and I'm not quite sure if I'm saying it right. A6-2

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**C5M**

Extremely. A6-1

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**C6M**

Yes I think I am competitive. A6-1

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**D1M**

Not at all; A6-3

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**D2M**

In some ways I am but I have never been competitive I think in a negative sense, and what I am saying is I think our profession is very competitive, we have got very big egos in our profession and winning awards is one of the ways of establishing your credibility with our peers. For me it is also important, we have one being framed now which will be our third award which I am incredibly

proud of. So being competitive in a sense that I like our company name being published every now and again, I like us winning awards, but not to that extent that I don't recognize some of my best friends are still architects who also win awards. Like just recently Anton de Jong studied with us, he has won one or two awards, and Jeremie Malan and those guys.. and I found that we as a profession we don't do it easily to walk up to the other guy and tell him congratulations [A6-2](#)

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#### **C4G**

Yes, I think we are would be the answer [A6-1](#)

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#### **C1G**

I am going to get back to that just now because I think there is a lot of innovation involved there. Do you consider yourself as being competitive?

Yes.

Hmm ja not really competing with particular firms but competing worldwide to be one of the well-known architectural firms in the world, that is our goal which we have achieved over the last 10 years or so. An interesting example is the glass house I designed just about 15 years ago and it was on the internet for the first time in 2008, in 2013 it was the most viewed residential property in the world, for a small guy out of Johannesburg. [A6-1](#)

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#### **D5G**

We are definitely competitive but less so than proactive. I don't think we are competitive in a sense that we compete against other architects. I don't think, in a sense architects like to be a community and there is a code of conduct and a sense of professionalism and often in the business world competitiveness means competing against other architects and as you know in our code of conduct you are obliged to, well let me say in our code of conduct, the one I remember best is the RIBA code of conduct, you are obliged to notify other architects if you start working on a project where other work has been done in the past or whether you are busy doing it and from that point of view I suppose our professionalism leads to competitiveness. [A6-2](#)

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#### **D6G**

Everybody else says so but I don't necessarily think so; I was always in the pursuit of excellence and I like my job, I love my job, and I always wanted to be good at my job. I suppose there is an element of wanting to win in any entrepreneur's life but not win at all costs [A6-2](#)

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**Themes:**

- A6-1 Definitely (13)
- A6-2 Yes, but in a subtle way (5)
- A6-3 No (6)

**ANALYSIS**

Twenty four out of 26 (92%) enduring architects firms provided a direct response to the question 'were they (your founders) highly competitive?'

The majority (54%) indicated that their founders were competitive persons. A further 21% indicated that their founders were competitive but in a more subtle way. This brings the total of positive responses to 75%. However, 25% of respondents indicated that they were not competitive.

**DEDUCTION**

While 54% of firms indicated that they are competitive, the fact that 25% of respondents have indicated that they are not competitive while another 21% indicating that they are not openly competitive, indicate that It might be advantageous but not essential for an architects firm to be competitive.



**A7 Did the founders of your firm attend any entrepreneurial education and training programmes?**

**(INCLUDES D2 AND D3)**

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**A2S**

I've working in space as Ivor Daniel; although he was my junior in qualifications he showed me a side of running a practice. He was the one that said you must have a bank account, do letterhead for yourself. In those days it was wonderful

We paid a person to guide me. [A7-1](#)

No it's purely been trial & error experience.

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**A6S**

No. I had training at technical college and very hard.

. I had to build myself and find my own way doing what I have done, not so much by training, but finding my way. [A7-1](#)

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**A4M**

I have read leadership mystic, which I probably read the first 5 pages of, I am not big on that stuff. Which I'm sure is a weakness. I read the papers and follow the news. I read the financial section, [A7-1](#)

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**A5M**

I am member now of the Chamber of Commerce, we have a women business forum and they do offer programs. I attend some of them, they are workshops you know, one day workshops, so I do that but not through my Institute or anything, [A7-2](#)

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**A1L**

No. We did Mercantile law and we did a professional practice course I think it was in our fourth or fifth year, I can't remember, but those courses were different. Mercantile law was law and then we did the contract which in those days was just the contract, how do you administer the contract. We had the SAIA practice manual and that was the Bible to us, it still is the Bible, everything is there actually.

No not really, there is just no time for it. There is also no time to go back to study those things you know because once you are out there and running a practice the wheels just start turning and before you know it it is ten years down the line. [A7-1](#)

I have yes but I have a philosophy that I base my philosophy on a sports team. This is Nick Mallet's philosophy of a winning team, you get together with a common vision, and a passion to win and exercise the ability to bring the best out of your team mates that is how I practice.

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## **A7L**

Did you attend? [A7-1](#)

**A7L:**

Not I did not. My wife who runs business with me did MBA while she was doing it, it was a good sounding board. Those lessons that she brought home opened my mind. How and like Clem Sunter books, I started reading. Those were important. I feel reading entrepreneurial books. I found that those really those just opened my mind. I think if she did not do it we were not where we are, it opens my mind.

---

## **A3C**

No, no

, you got into a fairly senior project leader position and therefore you were responsible for literally costing jobs, seeing how profitable they were going to be and maintaining that profitability or that margin that was actually allocated to the project. So yes that was basically my background.

[A7-1](#)

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## **B1S**

No.

Well, I'm please to hear that. [Unclear 0.28.58.8] I've never had any use for any specific training that is just what works. [A7-1](#)

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## **B7S**

**Christo Vosloo:**

Do you think if you attended a general managerial course somewhere that would have prepared you for managing an architectural practice?

**B7S:**

No, I learnt it by osmosis. [A7-1](#)

**Christo Vosloo:**

So you didn't attend anything specifically but you also in other words if I hear you correctly a general diploma at the technikon or the university of technology is not going to prepare you to be able to manage an architectural practice?

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**B4G**

No. The founding firm members also not because that was 1912 and in those days it was a gentleman's club profession so it was who you knew that brought in the work. We've grown with the market that we serve but we have not got formal training. [A7-1](#)

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**B5C**

No - the hard way. [A7-1](#)

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**B2M** [A7-1](#)

No, it's all self-taught

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**B3M** [A7-1](#)

Nee, want ek is glad nie besigheids-georiënteerd nie. So dit is nie iets wat my sou interesseer nie.

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**C2S** [A7-2](#)

Yes I did a Damelin course for small business management when I was between getting my degree and starting my business; until you asked that question I totally forgot about that. Then you know just little things that interest me but not so much work related as what to do with your money, it is not about where I am going to get my money it is about what to do with my money once I have it.

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**C3S**

No, not really [A7-1](#)

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**D3S**

**Christo Vosloo:**

I want to ask you 2 questions in response to that. You clearly are an entrepreneur, but did you attend any entrepreneurial training or business management training, no short courses or anything?

**D3S:** [A7-1](#)

No.

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**D4S**

Yes I have. [A7-2](#)

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**C5M**

And any business management?

**C5M:** [A7-1](#)

Unfortunately not, there was talk at one point about the Gordon Institute doing an MBA tailored for architects and I would have been on it; I am very interested in that and I have investigated the MBA thing, it just seems very cumbersome and not particularly focused on the architecture as such.

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**C6M**

No, not really, no. [A7-1](#)

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**D1M**

Nah, no. [A7-1](#)

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**D2M**

You mentioned certain books that you have read, have you done any business or entrepreneurship training specifically or read books, specific books? [A7-1](#)

I didn't do any training but I like reading about that, I like for instance that book of Malcolm Gladwell, The Outliers, it is a very good book; but I like reading, for instance the Google story, how they built up Google, I like reading about those things. Otherwise no I didn't do any training

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**C4G**

No, not particularly, [A7-1](#)

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**C1G**

No very little, I did one course in economics at Varsity, a semester course, and I did a semester course in Marketing but that was it. Then my real business training was with the project management company I was working for. [A7-2](#)

Definitely part of it yes; I was taught to some extent, especially at the project management company, how to run a business and I wasn't just there to work for them I wanted to learn what they were doing, if they were making good money and in tough times and I learnt a lot from them.

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## **D5G**

No. [A7-1](#)

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## **D6G**

So I phoned him up and I took up his offer that he gave to me when I was still at university when he said if you ever need some help and you need to come and chat to me about business in architecture come and see me. So I went to have a cup of tea with him and we started talking about how to grow a firm and he gave us some excellent advice by saying don't open a firm in every little town, go for the four big towns in South Africa, he said if you can have an office in Pretoria, Johannesburg, Cape Town and Durban you will be fine don't go anywhere else. He said go to Cape Town last and he said go to Jo'burg second and we took that advice [A7-1](#)

We went there just to listen how to do it, we asked him all the questions we wanted to ask, how to run a practice, how to run a big practice, how to manage the partners, how everything works in a big practice and we actually had an ulterior motive, we never wanted to be partners because we knew we would get sucked into a big firm

; no we just picked that up as we sort of went along and it's a great pity because I do think one needs a little bit of business training. You need to know what the difference between a creditor and a debtor is and how to sort out VAT as a basic and you would be surprised how many people don't have a clue. So no we didn't, we should have. We did lots of in-house training though but also architectural training, we had lots of people coming into the office to train staff on various aspects especially computer aided design, the building contract, materials and products.

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Themes:

A7-1: No (21)

A7-2: Yes (4)

### **ANALYSIS**

Twenty five out of 26 (96%) enduring architects' firms directly responded to the question 'did the founders of your firm attend any entrepreneurial education and training or business management programmes?'

The majority of respondents (84%) indicated that their founders did not attend any EET or business management programmes while 16% indicated that their founders did. Six of the firms who did not attend any formal education and training indicated that they learnt from others while three firms indicated that they learnt from books.

### **DEDUCTION**

While relatively few firms attended formal EET or business education and training, 52% acknowledged that they received some form of training or guidance. This confirms that there exists a need for an EET programme.

## **A8 Was the firm started due to 'push' or 'pull' factors?**

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### **A6S**

. First of all necessity to find a job. And third time, I was fired. [A8-1](#)

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### **A2S**

After 18 months I asked put me on another project. They said look if you do not like it, here is your cheque and fuck off☺

They made sure to create a fight and through me out of the office without paying me a cent. Injustice to that made me consider leaving Architecture. Made it very clear as he had a limited amount of work. And so he was good in quietly mothering me into my own practice. You did what you do best. I actually decided to my own practice. [A8-1](#)

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### **A4M**

I clashed with one of the directors. Because he was a very arrogant man and so I left, I resigned, I was very disappointed about it. And started my own practice. [A8-1](#)

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### **A5M**

Yes, yes it always was. You know sitting at home and doing boundary walls and garages.. at that point in time black architects were not popular people, there were not a lot of us around and there was not a lot of work around. We couldn't access the private sector as well and obviously we didn't have work from the public sector. . So there wasn't a lot of work, so it was difficult, we took chances but we thought as a group of three that we would stand a better opportunity and we did. So we marketed ourselves as a practice of three and we got jobs from everybody; within three to five years we had jobs from everybody, the province, national government, we just got work, we got a lot of work because we were three as opposed to one. [A8-2](#)

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### **A1L**

I wasn't driven by that I was driven by design and producing quality architecture.

Neither; it is probably more pull because a guy called [\[Street Wilson\]](#) came out from England in the 1887 to design all the railway facilities from Durban to Pietermaritzburg, the whole Natal railway, it was the first railway in the country and that is how the practice started. So I am not too sure how he came out, there obviously was linkages and that it's it, so it was more pull. So clients probably pulled him here and they started and on we went. [A8-2](#)

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### **A3C**

No it was by choice.

was that I think the challenge had actually run out. Previously one used to work 12, 14 hours a day and then it got down to 8 hours a day so therefore there was no edge and I felt that was really missing. I was very fortunate in that as at the time when I took early retirement from the University I landed a very very good private job at the north coast for a sugar association industry which was re-planning the whole research facility [A8-2](#)

No, it was just time to move on.

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### **B7S**

At that stage I didn't know if anybody was going to bring me a [\[garage incorporation 04.46.0\]](#), I just knew I could not operate in that sort of environment. So it was an act of faith in a way just casting one's fate to the wind. [A8-2](#)

I never intended to do it although something else did happen.

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### **B1S**

. What got me out on my own was a retrenchment from a large Architectural practice, who were having cashflow problems, at a time when I wasn't expecting it, so that just motivated me to start my own practice. [A8-1](#)

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### **B4G**

I can't speak for them but if you look at them historically they didn't part company so I think they had to get resources to do the job and they kept them and they looked for other work in order to keep those people employed and that's how the firm grew. [A8-2](#)

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### **B6G**

So we worked for the smaller developers who bought up lovely old warehouses and old buildings and we converted them into residential opportunities or offices or hospitality; because Cape Town is a destination we very soon got into hospitality work. So I started on my own and within 6 months I had quite a number of people working for me, about 6, and 2 years later I must have employed about 20 people. [A8-2](#)

Right from when I had started university, in my fourth year when I had worked for Revel Fox as an intern for 6 months, then I went to Holland and I worked there for a while and I just knew that I wanted my own business, I wanted to try and have a go on my own. I don't think I would have made a great employee; I would have been too restless for that.

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**B5C**

. The breakaway was to get away from that but to be able to determine our own lifestyle, working style. I felt that I wanted to work in a specific area which I knew very well and which I grew up in, and develop skills specifically in that area.

I don't think any of them; it was a decision, a conscious decision not to carry on where we were and start here. [A8-2](#)

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**B2M**

just rather go on our own.

Yes, yes. [A8-2](#)

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**B3M**

He was used to working on his own and so he just hired a room up in the Vxxx building and sat there and waited for the work to come in and then [xxxxxx] came along with him, who is an old friend of his, and he joined him and the 2 of them use to sit and talk there all day long waiting for work to come in. [A8-2](#)

Nee, ek het maar lus gevoel om op my eie te wees

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**C2S**

To be honest with you when I started I started on a resentment; I worked for a company and I was shown the door because we had lost a large contract and I was negotiating at that stage to go and work for Osglow in the Vaal and because of the way I was fired I said I will open in competition with you. So I actually had no plans I just had my resentment.

**Christo Vosloo:**

It is interesting, they talk about firms that get started because of push, in other words you were pushed into it and you were not attracted by the allure of having your own practice.

**C2S:**

No, looking back I don't think I would have followed the same route. [A8-1](#)

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**C3S****Christo Vosloo:**

OK, so you weren't pushed out, you weren't retrenched or anything? [A8-2](#)

**C3S**

No. Let's give it a go and see and slowly but surely we started doing additions and it leads to the next thing and suddenly you start doing more work.

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**D4S**

No, only because I wanted to. [A8-2](#)

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**C5M**

I got retrenched from a very big firm of architects, I couldn't really find another position, the market was terrible in 1993 I think [\[unclear 06.49.8\]](#) had just been shot and there was big political upheaval, so I could find some employment with a draughting company but that didn't suit me very well so I was pushed, I would say I was pushed into starting my practice because I couldn't find anything satisfying. [A8-2](#)

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**C6M**

Then when work came up I was able to work with them for about two years and then I decided I wanted to do a Masters and work for myself; doing my Masters wasn't compatible with working for them so I decided to work by myself. [A8-2](#)

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**D2M**

Oh yes definitely, I think the younger rebels, we were all young directors in our early 30s and that is another thing that I learnt, that is a very important philosophy that I have but I will get to that just now, but just by illustration what happened there is a saw that old [\[Directors 29.44.5\]](#) firm and there were a lot of them at that stage, very few of them actually survived because they couldn't adapt to the new South Africa which is very difficult. [A8-2](#)

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**C4G**

and it made sense to me to amalgamate the 3 offices under the Dubai banner, the DSA banner because it was getting such good exposure [A8-2](#)

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**C1G**

No I decided to leave, I could make much more money on my own than working for a boss, and at that stage I was busy with the [\[unclear 08.40.2\]](#) Industrial Park where I worked four years; I designed and built it, it was 160 000m<sup>2</sup> of warehousing, about 16000m<sup>2</sup> of offices with our own four lane highway, our own railway side line and massive tunnel through the middle of the property where you could walk in and access all the services which also acted as our storm water drain and a huge retention pond. Yes I looked at what I had achieved there and I decided I can do much better for myself. [A8-2](#)

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**D5G**

started it because of the attractiveness of the independence and being his own boss because he worked for someone for a brief period after completing his studies and very soon realized that that doesn't really work for him [A8-2](#)

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Themes:

**A8-1:** Firm started due to 'push' type reasons. (5)

**A8-2:** Firm started due to "pull" type reasons (17)

**ANALYSIS**

Twenty two out of a possible 26 (85%) enduring architects' firms provided direct responses to the question 'was the firm started due to 'push' or 'pull' factors'?

Twenty three percent indicated that their firms were started because they were pushed to do so while the majority (77%) indicated that their firm was started because the founders were drawn to the idea of starting their own firms.

**DEDUCTION**

Enduring architects firms have been started for 'push' and 'pull' type reasons but most enduring architects firms were started for 'pull'-type reasons.

**A9 What form did the opportunity that you recognised and pursued comprise?**

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**A6S**

They said sure as they needed extra skills

All things combined. There as a certain necessity in what happened. I could choose my career. **Dual training available**. Other option to do both much heavier. **A9-1**

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**A2S**

He gave me work to do, brought .me in doing the doing assessment cathedral. Looking at a building, before you decide to fix, what is the potential or problems... What I need, physically, spiritually, culturally aesthetically and as a memory for a society. Every building becomes an anchor. That opens **A9-7**

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**A5M**

We would have been the generation of firms that started up **after work opportunities were made available to us in our new democracy**. The pilot roster from National Public Works is how A5M started so I think we would have all been unemployed, we would have all been sitting on our own and sort of battling around trying to find work **A9-2**

so I think that period in South Africa's history opened up some opportunities for practices and we took them. It's not the same now, it's been new clients, we didn't have role models as well. A lot of the black practices didn't have role models, we had experience in working for other

Yes, which afforded us appointments with government departments so we could build practices on those. So at the end of '95 three of us got together and we received an appointment from the Department of Public Works, it was quite a big appointment and we formed an office around that project and then we grew

We are different, A5M architects are very different, we always were different, we challenge stuff you know. A lot of people thought we wouldn't survive, even our families, parents and families and spouses thought we wouldn't make it, but we did. It was just like aah what is going to happen! Very few people that started practices at that stage endured, that's your word, very few of us did.

Then you realize how different your office is compared to other offices, would have partnered her off with somebody else, but here we would just go. Some people are just not comfortable working in some environments in South Africa still and I think we manage to do sort of.. we are okay with it you know.

these sorts of projects we find very few people get, they are not architectural projects they are more about how you.. there was a whole training program on how to train a community to run this resource which they had which was amazing. They did not realize the value of that so part of that exercise was to get a trust created in the community and get them involved in it, get them trained to run it, we would have built the building. We phased it and did the pools first and then we did the residential component and basically handed it over to them, but it fell outside the normal scope of what an architect does.

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#### **A7L**

And all we basically do we were busy all the time we put the job first put the job first and money second we also realize that in the building industry never ever let your client down. Because when your client is out there and he is busy building he do not have allot of money so when he comes to your with a problem the worst thing you can do is push him away and tell him to settle his account and settle your account get on with your service. We have found out that if that is the attitude professionals have when .....if your client is in need they if That is the attitude when clients are in need those clients will never come back, when the client is in need this is when they need that is when they need the professional architects services the most. When he has problems and disputes with contractors. I have a client that only have enough money to pay for his sufficient rooms and for his working drawings and then we started he runs into trouble that is when the client needs our service the most.

- . Clients fully understood that we are there to help. That started to endear our services to the client. In our community our clients come to the builder and he will get engineers. We started to turn the culture around. That was a big for us ..... Big shipment that we saw. We see clients that build us
- . Mediation aspect is important. To talk to contractor and breach the gap. To understand entrepreneurship to grow a small practice. [A9-3](#)

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#### **B1S**

No, I had some private work that had come in via [family contacts](#), a friend of my brother's. I had a house that I was working on and the firm that retrenched me also passed on some of the smaller projects that they did not want to undertake. Eventually, with word of mouth, we slowly built up a good reputation.

I understood that my retrenchment was based on economic circumstances, but it still motivated me enough not to want to work for anyone again. [A9-4](#)

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#### **B4G**

Yes, they formed after xxxxx had **won the competition.** [A9-5](#)

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### **B6G**

; I felt that in Cape Town there was a lot of lovely old stock that I **saw a trend where old buildings were being recycled and** I got a lot of that work That is the reason why I went off, I saw the gap, if one calls it entrepreneurial I just called it 'I needed to eat'; and so it was clear that I was not going to on my little 'ownsomes' get great government work, I was at UCT and I was a 'communist jyt' so that was for the more older established **[unclear 03.58.5]** bought firms. [A9-6](#)

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### **B5C**

Okay, but did you see an opportunity here in this area, particularly in the type of work that you are doing, heritage stock work?

Yes, absolutely.

Yes, I **knew that very well. I was involved with heritage organizations** here and I could easily see that there was a monster gap. [A9-7](#)

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### **B2M**

You mentioned and maybe you can just confirm that you realized that there is an opportunity in doing community projects which was available to you at that time?

Yes. [A9-6](#)

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### **C2S**

I think what has kept me here or what has helped me here or what has built my practice here has been **my connection with the local council.** [A9-8](#)

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### **D4S**

**Christo Vosloo:**

Ok, so there was a **project that came along** and then you took that opportunity.

**D4S:** [A9-9](#)

Yes.

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### **D3S**

After we broke up I had about a year and a half that I stayed on the premises where our original office was running from and in that time I was basically operating on my own with 2 or 3 support staff at that point that I inherited and at that time I started to realize that I don't need the office or the overheads and that I can capture a bigger slice of profit or financial gain from the same income that I was making and I slowly started to restructure the practice by investing in higher quality and capability software, highly capability hardware, and then there is that certain point in time, look it's always a combination of you are in the time that you are in and you have to make due with what you have and projects are running, but in the background there was always this wish to loosen myself from the physical office because my office at that time was in a building that we developed ourselves and it was a pain in the but and it wasn't quite finished, it was a nightmare maintaining it, parking was absolutely irritating so it all sounds like small things but all of that worked together and contributed towards my decision [A9-10](#)

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#### **C5M**

It was also at that point a factor of what was available; when I started the practice residential work was our main focus which was not very popular with other architects in the 90s. So it was a good space to move in and we got a lot of work from other residential things and at that point residential work started getting very profitable because the whole thing of cluster homes started jumping up. There was a big demand for security homes and security estates, so we already had the name as a residential specialist and that took us into much bigger residential work which formed for many years the basis for most of our work - larger scale residential work or multiple units in security estates and so on. [A9-11](#)

Yes, yes.

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#### **C6M**

Yes, well that was specifically one of the things that we wanted to focus on. You know we felt, well I felt that there would be great opportunity sort of from '94 onwards to focus on housing, and [A9-2](#) specifically new kinds of housing like social housing which was a completely new field here. So I did a lot of work to try and position ourselves into that field, you know I used to go to housing conferences, we actually started our own NGO at one point with some other architects to try and get focus on designing housing that was SHIFT. So we did kind of focus on that in particular.

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#### **C4G**

So we specialized in leisure and hotels. [A9-7](#)

The answer is very definitely yes, there is no question about that and the reason for that is that my previous field of specialty was hospitals and healthcare and I saw the analogy between hospitals and hospitality, leisure, and the complexity of those buildings are very similar. In fact, I will go so far as to say a big complex hotel is more complex than a hospital. Hospitals are kind of cookie cutter and they have lots of services, but it works this way or not at all, whereas hotels can work in a number of ways but they are very complex and the proof of the pudding is that it is a specialized field, there is no question about it, so we were lucky. I joined the practice that already had a good head start into the hospitality field and I just picked it up from there.

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### **C1G**

I had **10 years project management experience** at that stage which made me far more qualified than 90% of the building contractors around, and I worked for a very reputable very well-known company as a project manager. So I realized that I had the experience to do it properly and at the same time I knew enough about design to realize that there is a lot of guys who didn't have a clue what they were doing and that I could do far better designs than they could. That is how I landed there in the end. [A9-7](#)

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### **D5G**

. They had a house project and then they [grafted 0.11.14.8] a low cost base, they started doing this house and then it basically grew from there. [A9-9](#)

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### **D6G**

Secondly than name D6G was **very well known in the industry and fortunately my father left me a very good name as a legacy.** So whenever I pitched up anywhere, everybody thought it was D6G senior coming, but D6G junior arrived and maybe they felt a bit sorry for me and in the end we got work.

them our capabilities and invited them to our **offices to see our modern technology offices, we were the only offices in town** that had this ability. That gave us a great great push forward because most of the corporate clients thought that we were good designers, delivered great quality buildings and were technically advanced above the older practices, and then started selecting us in preference to some of the older practices. [A9-12](#)



Yes **contacts in the sense of not people giving us work but knowing people that are in the industry** so that my name was known, because I have an odd surname called xxxxxx, there are only three of those people currently in South Africa left. So it usually was the first connotation, oh are you xxx son, and in that case that would give us opportunity to speak to people to try and solicit work, and they would give it to us on the basis that I come from a background which they could trust. But it was never a question of I could go to somebody and say can you give us a job, it never happened like that, we had to go and actually fight hard and work hard to get people to give us work.

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Themes:

- A9-1: Multi-disciplinary background/ skills (1)
- A9-2: Changes in socio-economic/ political environment (2)
- A9-3: Exceptional client service coupled to socio-economic change (1)
- A9-4: Family relationships (1)
- A9-5: Competition wins (1)
- A9-6: Development of new building types/ new uses for existing building stock (2)
- A9-7: Specialist knowledge and experience (3)
- A9-8: Political connections (1)
- A9-9: Project on offer (2)
- A9-10: Technical innovation (2)
- A9-10: New/ existing niche market ignored by others (1)
- A9-11: Combination of family connections and technical innovation. (1)

Personal observations:

Most interviewees could not cite what the opportunity that the firm responded to was. The opportunities listed were extracted by the researcher from the answers obtained from other questions. This situation correlates with other observations and findings that most of the founders did not engage in strategic or other planning processes when starting out.

## ANALYSIS

From the sample of 26 enduring architects' firms, 18 firms (69%) provided direct responses to the question 'what form did the opportunity that you recognised and pursued comprise?'. The responses were varied (as can be expected of viable opportunities) and comprised the following:

- Multi-disciplinary background/ skills ((5,5%)
- Changes in socio-economic/ political environment (11%)
- Exceptional client service coupled to socio-economic change (5,5%)
- Family relationships (5,5%)
- Competition wins (5,5%)
- Development of new building types/ new uses for existing building stock (11%)
- Specialist knowledge and experience (16,7%)
- Political connections (5,5%)

- Project on offer (11%)
- Technical innovation (11%)
- New/ existing niche market ignored by others (5,5%)
- Combination of family connections and technical innovation. (5,5%)

If these responses are aggregated the following four generic opportunity types can be identified:

- Using specialist knowledge and new building uses to operate in niche markets.
- Technical and/ or socio-economic/ political change
- Family or political connections
- Being offered a project(s) and performing it in a commendable manner.

### **DEDUCTION**

Opportunities that architects firms can exploit can often be found in one of the following four generic areas:

- Using specialist knowledge and new building uses to operate in niche markets.
- Technical and/ or socio-economic/ political change
- Family or political connections
- Being offered a project(s) and performing it in a commendable manner.

However, by their very nature, opportunities often can be found in unaccepted places. Hence the previous list of areas cannot be comprehensive.

**A10 How important a contribution did this (EO) attitude play in your firm enduring?**

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**A6S**

Confidence have to be based on a certain on the fact that you have overcome challenges before and maybe set some kind of emotions and kind of energy to go outside the boundary of your presumed limitations. [A10-1](#)

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**A5M**

. It was very empowering working with other people, we also supported each other. We all had skills, one had financial skills, could go to a bank, open a bank account, get an overdraft facility; Rodney had design skills and he would just put things together and I think I had probably the business practice type of skills to just get the stuff, systems in the office going etc. So we did all of that ourselves. [A10-2](#)

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**A3C**

Do you think that is important for any firm in terms of survival and success, to have ambitions and to still have things that they are striving towards?

**Interviewee:** [A10-3](#)

I think it is absolutely vital, without that you might as well close the shop.

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**B6G**

Eventually I had to move out and then move in there and that's how it worked. So there was a very conscious, I couldn't see clients at home, I also needed to drive a decent car and now that sounds very materialistic but you needed to look fairly, not obscenely successful don't go buy a Porsche or a silly sports car, I needed just a decent motorcar and a decent office so that when people come and see you that you looked professional and you looked like you knew what you were doing. So I was very conscious of that and the way one dressed in those days as well, people like to have long hair, I always had long hair but we needed to be professional and not like all my colleagues out there, sort of no I'll work from home – I was never like that. I was "op en wakker".

**Christo Vosloo:**

And do you think that was part of your success?

**B6G:**

Absolutely, absolutely yes. I like engaging with people and being straight and open. I like to talk about things, I am not shy or withdrawn, I am pretty sort of forward.

Oh absolutely, yes. I have always been positive, we have had some serious downward spirals in that 32 year period as you will know and that's the biggest challenge is to stay alive and to be able to create work in the downtimes; times are not great at the moment either, we are in a hell of a recession really as far as I am concerned. [A10-4](#)

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## **B5C**

I think we specialized quick enough because we were small, we could do anything that we really wanted; we specialized quick enough, soon enough, we zoomed in to the gap very quickly and this firm's work started there and it's always hinged on that very solid backing. All of our work is contextual always related, we do new work as well, but we don't really work in gated estates. We do houses here and there for people that we know, forcefully, we would go there and do it. [A10-4](#)

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### **Themes:**

[A10-1: Confidence and self-efficacy](#) played an important role. (1) 20%

[A10-2: Support from and knowledge of partners](#) played an important role (1) 20%

[A10-3: An EO is](#) needed if firm is to survive and grow. (1) 20%

[A10-4: Some entrepreneurial traits](#) are vital. (2) 40%

### **ANALYSIS**

Only five out of a possible 26 respondents from enduring architects firms provided direct answers to the question 'how important a contribution did this (EO) attitude play in your firm's enduring'? However, it would appear that the respondents did not quite understand what entrepreneurial orientation means: Twenty percent indicated that two entrepreneurial traits, confidence and self-efficacy, played an important role. A further 20% indicated that group support played an important role in their firm's endurance. An entrepreneurial orientation is regarded as a prerequisite by 20% of firms while 40% indicated that having some entrepreneurial traits is a definite requirement.

### **DEDUCTION**

Sixty percent of respondents indicated that they believe having some entrepreneurial traits are of great importance while 20% indicating that an entrepreneurial orientation is a requirement while the remaining 20% indicating that peer support is of value. Hence, it can be accepted that, a profession-specific EET framework should, inter-alia, address all three of these aspects, namely building an entrepreneurial orientation (as indicated earlier), developing entrepreneurial traits (as found before) whilst providing some form of group support.

**A11 In your opinion, what is the nature and type of opportunities that South African architects should look out for?**

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**A2S**

I think this is a country with huge needs and run by idiots.

that is sad this country with its needs there can be nothing more rewarding to do **socializing development** that creates an environment with people going into. **A11-1**

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**A4M**

My one client is in **education** and the other two are in **retail**, but both of those are fast growing components of our Country. With the transfer of power in 1994, there is a huge demand for schooling, private in particular white people were drawing into more expensive forms of education, I have never done a single project for the government, **A11-2 A11-3**

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**A5M**

. The environment is a little bit more stable in South Africa than it was a few decades ago even though things appear to be unstable if you read the newspapers and whatever, but I think the environment is conducive to people practicing on their own now of whatever race group. I talk from a black architectural point of view because in those days we didn't have access to the profession; but people have access to the profession now, they can join councils and institutes and they can get **work and it is just do you have the entrepreneurial skills to go with it. A11-4**

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**A1L**

**Understand the business environment that we are working in, not try and just do it like we have always done it, is to look at where our clients are and not be so Eurocentric in our approach to doing things. A11-4**

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**A7L**

. Make an environment where they want to stay. Have lunch, canteen create nice environment. I suggest a University graduate must **look where he can form associations and contacts in the industry. It only by contacting and networking to grow as individual** A7L has this Architect Mr. X. Form practice point of view. Example we grow as practice. One hand competition is completion. The guy is talented he is going to draw clients. Make him as happy as possible and make sure as practice you are covered. We give staff to interact. I want those staff. If staff go to Johannesburg I will say good opportunity. What we do I'm not

fearful of staff and they must grow. As practices we must be covered legality. In service student, that architect must look where he can grow. [A11-4](#)

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### **A3C**

I think it depends on how philanthropic you actually are, you know if so many people think I am going to design houses well to me that is a pain in the butt, ironically I am designing one upstairs. I think the thing is to try and get into a more commercial and when I say commercial I am talking about [seeking out clients who are developing commercially](#). [A11-5](#)

so if you actually start small you are going to be [\[seen to 13.07.3\]](#) domestic architecture unless you are [\[unclear 13.11.7\]](#) down in Cape Town but that architecture is not viable, there is a lot of hard work in it as I am sure you know and very little worth because people always want to negotiate your fees which I have great difficulty with.

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### **B7S**

Christo I can only talk about myself. You gravitate, I never asked that question, [I just say life and society is full of opportunities and as long as you can provide a service there is going to be somebody who needs that service](#). I don't know how you start looking at a market and then identifying a market, my experience of life is you just be what you are and things come to you [A11-6](#)

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### **B1S**

I'm afraid to say, the only people at the moment [beside big developers](#) that have money, are [government](#). So, I would say try and get government work if you can. Unless you can find yourself a mentor who's a developer that you create a good relationship with from the very beginning or unless you are the kind of person who is willing to take the risks of doing your own development involved, which is I think every architects possible dream, but I'm too risk averse to take that root.

[A11-5](#) [A11-7](#)

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### **B4G**

– it depends what [sectors of the economy a young architect would feel best skilled to enter](#). It's unlikely that a new graduate would be able to easily access the commercial market, but, [it would depend on where they were employed during their education](#). So there are vocation and year out employed opportunities and we find that those who take commercial firm placements are more easily able to understand the commercial environment which means there is a wider opportunity for them. Why that is important is because in the residential market the high end people like well-known architects, famous architects because they are spending lots of money and they want the

glamour that comes with that. It's unlikely that a new graduate would get a premium commission at the outset of their practice. [A11-8](#)

because it is a niche question, the wider economy doesn't easily create gaps for recent graduates.

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## **B6G**

, I started doing interior design in 1988 already, retail interiors, shops and restaurants and things, and that today we have a team of 28 interior designers with the group and that has really also been very lucrative. It was purely because I was driven to create that because the people that we were working with were useless, we were just fixing it up all the time so we said well why the hell don't we just get our own interior design team, there is a gap there in the market place

. So a lot of this work is now also part of our repertoire and that I thought was a clever thing to do because the amount of architecture that spins out of that is..

It is difficult now, I think we are in a more favorable more entrepreneurial phase, I think everything is quite regulated now and as a young person to try and win the work, the kind of work that we do now, is impossible. A young person would have to start off with alterations on houses and things like that, it just seems that it is more of an uphill battle. In those days we had a drawing board, tracing paper and our overhead costs were very low. Now you have got to compete with the world and you have to be on Revit immediately and you have to have the finest hardware. It is not about just a drawing board and pens. It is a lot more capital intensive and the world has become much more sophisticated and regulated which is a good thing. So I think it is pretty hard for a young man; **I think the way I see it is young men and women rising would have to be joining as established team and working themselves up into a strong position within that team.** But to start off.. I was the only guy in my whole class who started off on my own and the other guy was [\[Stephan unclear 1.31.09.5\]](#) but he was a few years below me but very few people over the years. [A11-9](#)

## **Christo Vosloo:**

Out of the urban design?

## **B6G:**

Yes. So we have created a bit of a market out of that; first of all they like us as urban designers and secondly we just landed a big thing in Sandton with Growthpoint as well, a big urban design proposal and now we are doing their architecture.

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## **B5C**

I think you cannot only look at the opportunities; you must also balance the opportunity and your **passion** because to identify an opportunity is not too difficult, but if you are not passionate about it

then it's going to go nowhere. You know like say there is a great opportunity to design RDP housing, which there is, but if you don't have a passion for that then you are going to go nowhere.

Yes I think if it's for general work and not specialized work, I think the opportunity here is to be able to see clearly which way you want to go and to know your playing field very well, that is very very important because you can botch up a job by not knowing how to work with municipalities, or how not to work with government, how the systems work – if you don't know those things and if you make it your business to know how these things go, then you will immediately put yourself in a niche market where you can do something quicker and smoother than your competitor and that puts you in a different bracket totally. We can do a heritage application like nobody can and we know that; and we can also slightly reduce our fees if necessary to be able to get those things more affordable where other people would just charge extra but we know what it costs us to lodge an application so we can really be very competitive price wise. [A11-10](#) [A11-11](#)

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## **B2M**

. So I think a lot of the young people build up networks and I think that is one of the most important things is to teach people how important it is to build up networks. Nobody offers anybody a job, not in the private sector and not in the public sector, nobody. So there is a standard joke in Cape Town is if you find out how xxx gets all her work that will be very interesting, I won't comment on that.

[A11-12](#)

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## **D4S**

At the moment they are very limited because we are so tightly connected to the economic situation.

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## **D3S**

So apparently they had a directors meeting and he made a suggestion that maybe they should look at outsourcing instead of doing it themselves because in Australia, their local situation or rather their drafts people, become expensive, they have medical costs and all sorts of overheads, and I think they have also come to the realization that we've got these tools to our disposal, where can we go and look so we don't have to fire everybody in the drawing office but we can take a portion of the work that we do and we can outsource it off shore. So I said to him, he must bring that stuff here because I would be able to do 140 or 150 houses [A11-13](#)

. So looking back, without going into too much detail, there is an opportunity that needs to be investigated, which we did, it needs to be mined, which we are busy with. It's just a slow process at the moment because Australia is slow, because we are waiting for feedback at this point, it's a year later. Whether it's going to happen or not, I don't know but what I have discovered in the meantime



and what I have benefited from is from setting up a system like this and knowing what is involved, so we are sitting in South Africa with the Rand, I can now basically sell this knowledge to whomever is interested, whomever can get work from overseas because it will be very beneficial for anybody overseas to make use of our incredible expertise that we have over here, we have very good trained architect and technicians in this country and they are happy with the Rand because those guys are paying Pounds, Euro's, Dollars, it's a moth. When I did my first calculations and sent them to Australia abo

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### **C5M**

I think people should look for niches rather than all running after the same big huge projects. I often have this image in my head of 65 people chasing one elephant while there are 25 smaller antelopes standing around grazing. I think people should look for [parts 08.11.1] where they can get into a niche rather than every big project. Those include the huge office buildings, the huge projects – architecture is a very wide field with many many parts of buildings I think. So the challenge is always to build up a reputation for having done the first three, but I think it doesn't mean that people shouldn't look at that. So if you do warehousing what kind of warehousing, if you do office building what type of size, what type of client base do you appeal to. [A11-14](#)

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### **C6M**

I don't know, I mean.. I'm not sure you know things change all the time. There has been a big boom in kind of offices in Sandton and stuff but that is coming to an end, so you know I think one has to always reposition. It is hard to know, people have to find their niche. I mean there is a huge unserved communities and townships and stuff, I mean there have got to be opportunities in townships if you can unlock them. I mean there are obviously big infrastructural projects but you are not going to do that if you are starting out. [A11-14](#)

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### **C4G**

Ok, I will tell you what, I still think, let's go back half a step. I do believe that a lot of architects try to be too generalist, so you try to be all things to all people, and architects really believe that they can design anything. They do, and that's fine, but the answer is they can't and until such a time when the majority of architects accept that they can't do a hospital or a magistrates court or a [legislative 0.19.51.1] of assembly or a this or a that, college or University, just because you have been to University doesn't mean to say that you can design one. And that was the one thing that at Osmond Lange I sort of picked up the sense that they specialize in education and they rolled out more schools and colleges in their Homelands than you can think of good breakfast so they had a field of specialty

## A11-15

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### D5G

Stay with your parents and if you get a job, do the **job and see if something can grow from that but what** A11-6

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### D6G

We didn't have the privilege, which happens many many times, most practices I believe, small practices start off where an individual **gets offered a project either by one of the firm's existing clients, which everybody** hates to happen but it does happen often - we had that happen often in our practice, some of the younger guys would convince the clients that they should rather go with them and then they would do the job cheaper and that is how they would start - so most firms start with a job which of course

## A11-16

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Themes:

- A11-1: Social Development (1) (4,8%)
- A11-2: Education sector (1) (4,8%)
- A11-3: Retail sector (1) (4,8%)
- A11-4: **Opportunities exist if architects can develop entrepreneurial skills** (3) (14%)
- A11-5: Commercial sector (2) (9,5%)
- A11-6: **Be vigilant-you will gravitate towards your opportunity** (2) (9,5%)
- A11-7: Government work (1) (4,8%)
- A11-8: **Depends on past experience** (1) (4,8%)
- A11-9: **Inside established firms** (1) (4,8%)
- A11-10: Where their passion is-know the playing field (1) (4,8%)
- A11-11: More general and not specialized work (1) (4,8%)
- A11-12: **Develop networks-that will guide you to your opportunity** (1) (4,8%)
- A11-13: Overseas work-even as an independent contractor. (1) (4,8%)
- A11-14: Niche markets (2) (9,5%)
- A11-15: Specialization (1) (4,8%)
- A11-16: Taking clients from the firm you are working for. (1) (4,8%)

General observations:

1. The range captured includes all existing options; from commercial to social and government work. Some suggest niche markets others generalisation. Most of these cannot be useful.

## **ANALYSIS**

Nineteen out of the 26 (73%) enduring firms interviewed responded to the question 'in your opinion, what is the nature and type of opportunities that South African architects should look out for'? Some offered more than one suggestion resulting in a total of 21 suggestions. The suggestions vary greatly and some suggestions are even contradictory (for instance: specialise and more general work).

The following were each suggested by one firm only:

- Social Development
- Education sector
- Retail sector
- Government work
- Depends on past experience
- Inside established firms
- Where their passion is-know the playing field
- More general and not specialized work
- Develop networks-that will guide you to your opportunity
- Overseas work-even as an independent contractor.
- Specialisation
- Taking clients from the firm you are working for.

The following were each suggested by two firms:

- Commercial sector
- Be vigilant-you will gravitate towards your opportunity.
- Niche markets

The following were each suggested by three firms:

- Opportunities exist if architects can develop entrepreneurial skills

## **DEDUCTION**

If these suggestions are aggregated the following mega themes can be identified:

**MA11-1:** Opportunities can be found by developing networks, being vigilant and entrepreneurial

**MA11-2:** Follow your passions

**MA11-3:** Use past experience (specialization) or consider Intrapreneurship-inside an established firm

It is significant that three firms believe that opportunities exist if architects can develop entrepreneurship skills. This underscores the advantage that profession specific EET can have for architects' firms.

## **B TOPIC: CREATIVITY**

The first question asked respondents to 'describe the role that creativity plays within their firm- both in terms of positioning the firm and in the way the firm and operations are managed and are employing technology?' (refer to B1 in Addendum C).

Seventeen out of a possible 26 enduring architects' firms (65%) provided a direct response to this question.

- One firm (5,8%) regards that it is a matter of principle in all they do.
- One firm (5,8%) believes that creativity should not be restricted to design only.
- One firm (5,8%) used it in diversifying the business.
- One firm (5,8%) applied it in the way in which they present projects
- Two firms (11,7%) indicated that they employ it to stay abreast of changes.
- Three firms (17,6%) indicated that they use it in finding solutions.
- Four firms (23,4%) believe that creativity lies at the core of architectural businesses.
- Four firms (23,4%) believe that it is a critical part of generating work.

This indicate that creativity is used by firms to generate work (23,4%), plays a key role in the functioning of the firm (58,5%), as part of business strategy (5,8%) and to sell their designs (5,8%). Thus, it could be assumed that, creativity is core to the operation of architectural firms.

The second question asked respondents to list some examples that could illustrate how they applied creativity in their firms (refer to B2 in Addendum C). Sixteen out of 26 enduring architects' firms provided examples of creative behaviour in their firms. One firm provided two examples thus a total of 17 examples. The examples cited cover construction methods (11,8%), knowledge management (5,8%), solutions that benefit communities (5,8%), project saving solutions (5,8%), work procurement (23,5%), operations (17,6%), project types undertaken (5,8%), geographic areas of operation (5,8%), firm management structure (5,8%) and business diversification (5,8%).

The examples cited are of a varying nature. When aggregated, the examples can be grouped as creativity related to:

- Construction methods (11,8%).
- Operations (52,9%).
- Business strategy (23,5%).
- Project related (11,8%).

The above indicate that creativity can play a role in various aspects of an architectural firm's operations and for the benefit of many of the firm's stakeholders. If it is accepted that architects are creative by nature, transferring this ability to all spheres of the firm's activities should be encouraged by a profession-specific EET framework.

The third question asked 'did any of the examples listed contribute to your competitive advantage?' (refer to B3 in Addendum C). The direct responses provided from the 17 (out of 26 -65%) enduring architects firms to B2, G7 and B3 were included in the analysis to get answers for question B3. The responses from the majority of firms (76,5%) indicated that there were links between the examples of creativity cited and the firm's competitive advantage. The responses of the remaining 23,5% of firms could not confirm that there were links between the examples of creativity cited and the firm's competitive advantage.

The fact that links could be established between the creative actions and competitive advantage of more than 75% of firms indicate that there is a link between creativity in the firm and building a competitive advantage: A profession specific EET framework should include components that encourage creative behaviour in all aspects of firm establishment and management.

The fourth question asked 'how important a contribution did this attitude play in your firm enduring?' (refer to B4 in Addendum C). Unfortunately only two direct responses were received which meant results were inconclusive.

The fifth question asked 'do you believe that creativity acts as a moderator between entrepreneurial orientation and entrepreneurial performance?' (refer to B5 in Addendum C). Once again only two direct responses were received which meant results were inconclusive.

## **FINDINGS**

The investigation found that:

- Creativity is used by enduring architects' firms to generate work that it plays a key role in the functioning of the firm, is a part of business strategy and is employed to sell design proposals.
- Creativity is core to the operation of enduring architectural firms.
- Creativity can play a role in various aspects of an architectural firm's operations and for the benefit of many of a firm's stakeholders.
- If it is accepted that architects are creative by nature, transferring this ability to all spheres of the firm's activities should be encouraged by a profession-specific EET framework.

- The fact that links could be established between the creative actions and competitive advantage of more than 75% of firms indicates that there is a link between creativity in the firm and building a competitive advantage.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Links could be established between the creative actions and competitive advantage of more than 75% of firms indicates that there is a link between creativity in the firm and building a competitive advantage.

**Of relevance to Research Question 3:**

(Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status? )

Creativity is used by enduring architects' firms to generate work (23,4%), that it plays a key role in the functioning of the firm (58,5%), is a part of business strategy (5,8%) and is employed to sell design proposals (5,8%). Thus it can be deduced that creativity is indeed core to the operation of architectural firms.

Furthermore, it was found that creativity can play a role in various aspects of an architectural firm's operations and for the benefit of many of a firm's stakeholders. If it is accepted that architects are creative by nature, transferring this ability to all spheres of the firm's activities should be encouraged by a profession-specific EET framework.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

The foregoing indicates that a profession-specific EET framework for architects should include components that encourage creative behaviour in all aspects of firm establishment and management.

**B1 Describe the role that creativity plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology?**

**A6S**

architects I have analysed been involved in art. I've always painted and sculptured.

tried to think beyond the box, as a matter of principle **B1-1**

That part always fascinated me how can we use minimum materials doing this great amount work and have useful space underneath it. That I suppose is philosophical principle in my mind that happened to my mind.

My architectural interest was so intense that I could not help to go into that shape

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**A2S**

I believe that creativity for just the sake of the aesthetics is not sufficiently good, it cannot be supported enough ultimately what we create needs to fulfill a purpose, which purpose may vary hugely. **B1-2**

As far as creativity is concerned, we need to be open to seeing the potential of applying creativity to every work place solutions; it is not good enough to just punch out the time that's tested, experienced on the past **B1-1**

Problem solving yes, creativity in the sense of. I don't think what I do comes across as being creative some of my projects have been unbelievably creative. We have actually taken a church apart, holding the roof up and numbering all the stands and blocks, making it twice as wide, it's like a big Lego set

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**A5M**

From the time we started we entered competitions, so architecture just wasn't the sort of thing you came to work and did every day. So we entered competitions and we did good quality work; we won an award when we were about 5 years old I think for one of the buildings that we did. So that side of the practice we placed a lot of emphasis on.

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**A7L**

. It comes back to fundamental if you not creative it's not good enough, it's the end and not good enough. **B1-3**

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**B7S**

Creative problem solving, isn't that way architecture is all about



I think it's critical to be a creative thinker in this field. You do need to be able to think on your feet often and anything is creative. As you said creativity is not only about design, you need to be able to change and to think of solutions. I'm very solution driven. **B1-3**

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#### **B4G**

you mentioned very accurately thinking on your feet and it's actually all about that, but most importantly that needs to happen in a structured environment. So this practice of ours is highly structured in how it does business from a business point of view; so we follow very strictly the tried and tested six work stage principle of a project which has been enshrined in the SA Institute of Architects Practice Manual for a very long time. **B1-3**

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#### **B5C**

Somebody needs to make the Rand somewhere, you cannot have the best office and just leave the door open, you must actively go and get those jobs. Sometimes they do come, but I am not scared to go and get them. I pick up the phone if I hear somebody bought a farm and I will phone him. My reasoning is if he doesn't know about you then he is never going to call you and that is so, but if he has your name and he knows who you are, then at least he has got a phone number – and invariable our strike rate is about I would say 90% plus [unclear 17.45.1]. **B1-4**

Knowledge gives you a bit of creativity, it's actually that you are much more assertive and assured of yourself when you know what that is, you must know what you are dealing with and heritage work you must know all the permutations; but if you have that library in the back of your mind then you are okay I think.

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#### **B3M**

Ek dink dit geld seker maar vir enige argitek, né? **B1-3**

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#### **C2S**

I would say creativity in the beginning and even now plays a significant role; initially because I couldn't really afford staff I used to train the technician staff, they used to do their year or six months at that stage practical cycle with me. I would use them as office staff as I would use a qualified person, so that is kind of creative to have a student that you pay not so much and they are getting something out of it and I am getting something out of it. As far as clients creatively, not so much, the creative thing I think has been in seeing the opportunities – that is where I have been I would say most creative, see an opportunity, find a developer, find the finance, put the deal

together, carry on from there.

**B1-5**

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### **C3S**

Absolutely, because times change, needs change and your staff changes. Developing different capabilities and that is why I feel it is absolutely essential that you should actually have someone managing your practice who would be a profit sharing partner in some way otherwise you don't have that motivation. **B1-6**

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### **D3S**

. You will always have some overheads. But it was the capability of operating and at that time I didn't realize it but nowadays I'm starting to realize that, I can operate from where my laptop is. The only thing I can't do is to have a physical meeting with a client. I don't even need an office because there are lots of office space that you can rent for an hour or an hour and a half or even half a day for having meetings. And you can have those meetings at any place where it suits you and your clients it doesn't have to be anywhere specific. If my office is based in Pretoria then my clients need to come to my office to have a meeting or I have to go to their office, now we can have an office anywhere where it's more conducive to business neutral ground because I don't like having meetings in someone else's office necessarily, not if I can help it. The mobility that it gives you and the size of the firm is really determined by its network and the network is the connectedness to your resources, which is mainly your staff. And for an architect to have access to the resources without having the physical or acquiring the physical space to house the resources, is a huge bonus, a huge benefit, financially and business wise. Because a lot of time goes to waste when people work together in one space. There is obviously the studio atmosphere, you know which we all grew up in at Universities, there is conversation and all sorts of things, but that can be had in that same environment, you don't necessarily need a fixed office for that.

Maybe, and not at that specific time but in the years that followed, I started to realize that I had to turn my architectural practice into a business to eventually get rid of it by selling it, to someone else who finds the value in it to carry on with the business and I can make something out of it except just fees, because that is mainly what most architects are up against. The only income that they can generate is the fee that they earn which is already viewed, in today's world, as being too high and must be cut to pieces and you might decide to fight it or you might decide to use that as a catalyst to rethink your business by. What are you doing, what are you keeping yourself busy with, what do you know and what can you do? You know with all the knowledge gathered over the years as an architect, surely there is more, there is some value that you can create in it by creating a business.

and I regard myself to being reasonably awake to what is going on around me. I'm always questioning if what we are doing at the moment is effective, should we do it, is there an alternative, why are we doing it? And in that process you tend to get to a point where you start to rethink the whole environment that architects are practicing in. That only came some years later and one of the downsides of being alone is you can't always spend all the time required to make a switch. You always have to have one half of your being to be busy making the living while the other half tries to make the change.

### **B1-6**

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### **C5M**

. So when people start with me they have to for the first few weeks send me photographs of something they hadn't noticed before in terms of architectural detail, and then by the point you can see that they are becoming aware of it.

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### **D1M**

Yes **we do developments, I like the development part of it – getting and designing nice places and then other people make money out of it.** We also try to invest; we sometimes put some or other fees into the building and have a share in the property there. I always believe that you cannot just by being professional really generate enough money to live comfortably without doing something else; now the only thing that I know, the areas of expertise that I have is buildings, so I won't invest in anything else than property and we do, not commercial but mostly domestic and offices. So we have got a dual approach to our finances between me and my wife. Obviously **[unclear 07.17.6]** being a husband and wife partnership is slightly different maybe from others. **B1-5**

We are very conventional; we work according to the ProCap system of work. Our guys sit and do drawings, I don't think we are particularly.. **?**

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### **D2M**

. I can tell you that it has happened over the last number of years that a lot of the times my income from property has actually supported the cash flow of xxxxxxxxxx which I was very grateful for. I think I did it for that reason, for the financial stability but I think also for the challenge that the property development gives you because I think I am more entrepreneurial thinking and taking risks. I must say 90% of the property development did go well, 10% we struck the market just at the wrong time so it didn't always go well, but at least over a 25 year period I have had an upward curve in let's say success. **B1-5**

. I said there is nothing for South Africa like that so why don't we, for that segment of the market, do a full range of standard house designs, do proper plans and we sell it on the internet. We started off with a website and you sell it at less than what they would pay **an architect to do a custom design** and just remember we started doing that before you have to provide your SACAP registration number to approve plans and all that, and all of that and **[SANS 10400 40.44.4]** actually made this business quite a challenge but we started off doing that. Putting up a website we had quite a selection of house plans, there were one or two that jumped up, I think they saw what we were doing but they died down because unless you have quite a range and you provide a good back up service, your price is right and your delivery is right – when they get the product which is a set of plans from the courier, they must be impressed and they must tell their friends about it. So it worked well and eventually we thought well, this is the second book, we must actually bring out a book which is a bit of a catalogue and amazingly we are getting royalties from this book, even today. The last one was published in 2010 and the first one is already I think in its tenth year. So it was very much like a catalogue but people like buying books with house plans in it.

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### **C1G**

That is **why I think we are successful is because we try to find those solutions**, I run a fairly tight ship and we again follow the MacDonalld's example, we hire very young people, lots of fresh ideas and then make sure it can be built. To do that you need to be able to check every nut and bolt that you design and by setting those systems up we are doing very well. I also don't like people that are set in a groove, they only see one solution to a problem, I like the young guys with their scatter brained approach. **B1-4**

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### **D5G**

. So once we did that we found that it was extremely profitable compared to doing architecture so we've decided to pursue that as a line in our business. So our business now is not only architecture it is also interior construction. We try to stay away from exterior construction work. **B1-7**

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### **D6G**

So the big thing was not to put the lid on growth, there were many architects of the day that had no succession planning concept at all; I remember one architect, his name was **xxxxxxx** actually when we asked him **xxxxxx** what would you do for succession planning and he said that is a load of bull\*\*\*\*. He said I don't do that,

when I die whoever stays behind can take it further if they wish and if nobody stays behind then the firm will close.

I have never been risk averse but I have been very much risk analytic; in other words sometimes you take blind risk but not often. Risk in the South African architectural scene to us was always an investment in future work, so if a developer or a client would ask us to do work on a risk basis, or as we called it no duck no dinner, we would often take that risk on the basis that the least risk is if the owner owned the land.

. The third thing that was very important for us is we had to start working internationally and when we analyzed the risk of work internationally both in Africa and in the islands around South Africa like Seychelles and Mauritius, we always went with a developer and a project. We never went into another country on our own, establishing a practice or a presence with no work.

I think there are two aspects of it, there is creativity in your presentation technique and your presentation capabilities because that's an architect shop window. **B1-8**

They need selling material when they want to do a development to the market and to their financial institutions, and the quality of the presentation material is paramount, and that he thought that architects did not produce quality buildings in colour and in 3 dimensional quality. So we started putting a lot of effort into that part of our creativity, the way we did our brochures, the way we did our marketing material, the way we helped clients do marketing material even the simple things like their marketing boards that they put on their sites, had to be of very high quality graphics.

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Themes:

**B1-1** to think beyond the box, **as a matter of principle** (1) 5,8%

**B1-2** I believe that **creativity for just the sake of the aesthetics is not sufficiently good**, (1) 5,8%

**B1-3** It comes back to fundamental if you not creative it's not good enough, it's the end and not good enough. (4) 23,5%

I think it's critical to be a creative thinker in this field. You do need to be able to think on your feet often and anything is creative. As you said creativity is not only about design, you need to be able to change and to think of solutions. I'm very solution driven.

**B1-4** Finding solutions (3) 17,6%

**B1-5** Generating work. (4) 23,5%

**B1-6** Absolutely, because times change, needs change and your staff changes (2) 11,7%

**B1-7** Diversifying the business (1) 5,8%

**B1-8** Presenting projects (1) 5,8%

Observations:

1. Interviewees found it difficult to distinguish between creativity as in artistic endeavour and finding new ways of doing.

## ANALYSIS

Seventeen out of a possible 26 enduring architects' firms (65%) provided a direct response to the question 'describe the role that creativity plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology'?

- One firm (5,8%) regard it is a matter of principle in all they do.
- One firm (5,8%) sees creativity just the sake of the aesthetics is not enough.
- One firm (5,8%) used it in diversifying the business.
- One firm (5,8%) applied it in the way in which we present projects
- Two firms (11,7%) indicated that they employ it to stay adjust to changes.
- Three firms (17,6%) indicated that they use it in finding solutions.
- Four firms (23,4%) believe that creativity lies at the core of architectural businesses.
- Four firms (23,4%) believe that it is a critical part of generating work.

## DEDUCTION

Creativity is used by firms to generate work (23,4%), plays a key role in the functioning of the firm (58,5%), as part of business strategy (5,8%) and to sell their designs (5,8%).

Thus it can be accepted that creativity is indeed core to the operation of architectural firms.

## **B2 Can you list some examples?**

### **A6S**

I decided the kind of roofing is not the usual corrugated aluminium steel, I decided a hyperbolic..... Why not prefabricated this with little stabilising. You got the big square. It's like 8m square 8x8m.....only that thick in concrete. Minimal reinforcement. And it expands that much. Aesthetic and structural, this fascinated me so much with so little material. When I was offered to do and design. I decided to use whole series hanging from each other, and see what happened. You got this wall openings between them to admit light and ventilations. Type of structure that fascinated me is folded plates, you must try and get a footprint, to pick up the centre you have a pyramid and you connect this also this little material enormously hard work. Got this compression. That for a long time fascinated me

### **B2-1**

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### **A4M**

The golden rule is that we never do anything twice in this office. That is the expectation, because when I ran the office and did a lot of the drawing myself it was easy, now it is a bit more difficult. I always say to the staff on a regular basis get a new project in see how much projects we have done before. See how many projects done before are complementary to that project. And pull them in, pull the details in, pull the schedules in. we can knock out a R35 Mil building in a week. It is about keeping the discipline and making those things readily available. **B2-2**

### **A5M**

So like this project here, this one you can't see around the corner but this is actually a hot spring just outside Greytown and we built this, we just rerouted the water coming, the hot spring into these pools, set up a whole community trust around the project and basically left it to the community to run. **B2-3**

Yes. It is a lovely place to visit! There are a few places to go and stay, so they run it, we taught them how to run it, we did this in KZN. We did a lot of work with KZN tourism a few decades ago, one decade ago..

### **B4G**

### **B2-4**



. So suddenly the budget comes in and that dreaded phrase value engineering starts; that's the first acid test of creativity because it's not that you stop being creative you almost have to be more creative to hang on to your design which you have presumably had signed off, but to realize it. That then has a further test on site in stage five when other things come into play like the potential sub-contractor you have been using because he has got a good heart and he is helping you, suddenly finds he has gone out of business

So creativity appears again but wearing a different cloak. So creativity is in all five of the six stages, the sixth one is closing out the project. Creativity there is pretty much done and dusted, the building is there and perhaps creativity might rear its head in guiding your client as you hand him his info pack at the end, how he looks after his building and how he can alter it one day if he can, but other than that it's probably done and dusted.

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## **B5C**

Somebody needs to make the Rand somewhere, you cannot have the best office and just leave the door open, you must actively go and get those jobs. Sometimes they do come, but I am not scared to go and get them. I pick up the phone if I hear somebody bought a farm and I will phone him. My reasoning is if he doesn't know about you then he is never going to call you and that is so, but if he has your name and he knows who you are, then at least he has got a phone number – and invariable our strike rate is about I would say 90% plus [\[unclear 17.45.1\]](#). [B2-5](#)

Yes – [The Oaks in Greyton](#); we were called to build them a new house against the mountain then. The bulldozer was ready and we flattened that lot. That house stood empty for 60 years and nobody lived there and there it is; that is where they are living. So we immediately, well I could immediately convey a picture of what it can be like to them, enough so that they decided to go this way. So I think that is pretty creative!

## [B2-5](#)

### **Christo Vosloo:**

Yes that certainly is, and that was clearly because of your competitive advantage, your knowledge and your experience in heritage work.

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## **B2M**

I think what you described the way you started your firm is actually also very creative in that at the point in time I don't know, you might know, no one else was doing similar things where you would actually go to the community to actually get the money and do the job.

## **B2-5**

### **B2M:**

Yes

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### **B3M**

to problems which are apparently unsolvable and which the, for instance, gables that were leaning over badly in Tulbagh after the earthquake **B2-1**

And B3M1 refused. And we rebuilt that Drostdy exactly as it had been designed the first time.

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### **D3S**

Ek is 'n klein praktyk en ek maak gebruik van tegniese ouens maar nie in my kantoor nie. Dit gaan alles deur die gebruikmaking van die tegnologie wat bestaan. Dis nie nodig dat iemand by jou moet wees nie. **B2-6**

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### **C5M**

. There is a lot of interaction between us, meetings, models, meetings, models until we have gelled very quickly with one another and then the drawing is a separate issue. We often move from design drawings to working drawings without too much of the design, repeated design, repeated design – we seem to move into working mode very quickly. **B2-6**

Yes, I also think what stood me in very good stead through my career is that I did three years of psychology and I've also done things like [unclear 12.21.3] programming which focuses on building rapport with people quickly and easily.

Not particularly no, no, and some of our houses and some of our work is still produced by hand, when we do a very organic design, working drawings are done by hand.

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### **C6M**

, we actually started our own NGO at one point with some other architects to try and get focus on designing housing that was SHIFT. So we did kind of focus on that in particular.

We identified at the beginning when only a few of us were involved in social housing and it is still only a few of us really, that we needed to kind of raise the level of awareness of design in social housing amongst clients and municipalities and so on. So we founded with a Dutch colleague who was a technical advisor and another colleague who was one of the English technical advisors, we founded SHIFT and tried to put that on the agenda. We also for instance volunteered our time and

we prepared that first social housing foundation design guide manual, also those project evaluation documents and so on, so we did all that. So there was kind of a trying to get people to understand that you need to employ architects, you need to employ good design because if you don't you don't get what you want. [B2-7](#)

We have a calendar system that we have developed over the years which comes from Durban, I had an old client of mine that specifically oriented on it, and we then regularly on an annual basis kind of renew that calendar.

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### **D1M**

Yes we do; we have been also in the area.. my comfort zone is probably through the years I don't work in Jo'burg anymore, we have got an office in [Hoedspruit](#) as well so we travel there if necessary and that is about as far as we go [B2-8](#)

we have also been involved with a professional team to set up, you know we have identified properties and we then set up the whole thing and we then virtually put our fees in, or a portion of it because we are really sort of also driving it with the other guys. It is not as though we are like okay Mr Client we will do a sketch plan, we do much more, we are involved with the whole development and with selecting the properties and you know more from a property development side. So at that point we can more easily cut ourselves a share into the whole building. [B2-5](#)

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### **D2M**

thing, I have been starting to bring in the younger guys as directors and shareholders, and I like the energy that comes from the younger guys and I like their attitude as well. Sometimes they say things to clients that I can't believe, I would never have said that to a client but I like their ideas so I feed off the energy from the younger people and I think I am a very adaptable person to new ideas.

[B2-9](#)

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### **C4G**

we have the ability to offset work from one office to another, so you can actually bolster one office when somebody else is overworked or underworked. So it works out quite well. So currently for example, we are doing a project for the Dubai office as is our Lisbon office doing a project for the Dubai office. [B2-6](#)

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### **C1G**

Yes we import top end Italian furniture, [unclear Italia and unclear 04.42.8], and then about 30 other Italian manufacturers but those are [unclear 04.49.0] so we have got that going as well.

Not really no, my international business is registered overseas, so the international business is registered as a separate business; but okay as part of our architectural business and the interior design business we have got two companies – we do off the shelf plans so we would take existing plans, adapt **B2-10**

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## **D5G**

. We have done a few turnkey projects. We do interior design, so in a way we have become contractors for some more corporate clients

I can be seen as a brand designer expert because a lot of my previous work experience was with a brand designer agency, so I did not work for architects for a, well they were registered as architects but the company was [unclear 0.15.00.7] as a brand designer agency and we designed environments that needs to represent brands such as take away food shops, banks, petrol stations and that was in South Africa and in Nigeria at that stage. So I think that is a line of design that architects often look at. **B2-10**

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## **D6G**

I think there are two aspects of it, there is creativity in your presentation technique and your presentation capabilities because that's an architect shop window. If you want to go and buy a pair of shoes you want to see the shoes displayed in the shop window. I was introduced to a developer by the name of xxxxxxxx many years ago whom my ex-boss used to work for but later he employed us, and he said to me in his view developers don't get good quality presentations. They need selling material when they want to do a development to the market and to their financial institutions, and the quality of the presentation material is paramount, and that he thought that architects did not produce quality buildings in colour and in 3 dimensional quality. So we started putting a lot of effort into that part of our creativity, the way we did our brochures, the way we did our marketing material, the way we helped clients do marketing material even the simple things like their

marketing boards that they put on their sites, had to be of very high quality graphics. So we were the first architects to employ graphic designers to work in our presentation department. So that is quite a creative way of showing your clients beautiful buildings and especially the corporate clients are very particular that they want to show the world that they are using the best architects and they are producing the highest quality architecture. They might not say it but they mean it. So the quality of your presentations has always been to us absolutely key, paramount and we were rated in the industry, and I think even to this day as guys that did the best presentations ever. **B2-5**

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Themes:

- B2-1 Construction methods (2)
- B2-2 Knowledge management system (1)
- B2-3 Solutions that benefit communities (1)
- B2-4 Project saving solutions (1)
- B2-5 Work procurement (4)
- B2-6 Operations (3)
- B2-7 Project types (1)
- B2-8 Geographic regions (1)
- B2-9 Management structure(1)
- B2-10 Business diversification (2)

## ANALYSIS

Sixteen out of 26 enduring architects firms provided examples of creative behaviour in their firms. One firm provided two examples thus 17 examples. The examples cited relate to construction methods (11,8%), knowledge management (5,8%), solutions that benefit communities (5,8%), project saving solutions (5,8%), work procurement (23,5%), operations (17,6%), project types undertaken (5,8%), geographic areas operated in (5,8%), firm management structure (5,8%) and business diversification (5,8%).

## DEDUCTIONS

The examples cited are of a varying nature. When aggregated, the examples can be grouped as creativity related to:

- Construction methods (11,8%).
- Operations (52,9%)

- Business strategy (23,5%)
- Project related (11,8%)

The above indicate that creativity can play a role in various aspects of an architectural firm's operations and for the benefit of many of a firm's stakeholders.. If it is accepted that architects are creative by nature, transferring this ability to all spheres of the firm's activities should be encouraged by a profession specific EET framework.

**B3 Did any of the examples listed contribute to your competitive advantage?**

**A6S**

The whole process of architectural engineering combined. My training in Holland was as I explained. When I was employed in Amsterdam, My architectural interest was so intense that I could not help to go into that shape

All my work is like that. I do have architectural when they have this problem. They have engineers. xxxxx. I invented xxx Long before it was patented in Australia. I think it's a good thing to use half portal frames, you cast it on concrete, reaching oil, you cast another one, [B3-1](#)

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**A4M**

. And pull them in, pull the details in, pull the schedules in. we can knock out a R35 Mil building in a week. It is about keeping the discipline and making those things readily available. For me that is why my fees are half the tariff, [B3-1](#)

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**A5M**

Then we did work in St Lucia as well, similar community based tourism stuff. It is sort of different type of work, we are not doing too much of that now but at the time we were one of the few practices that could actually just get in a car and spend a whole week with whoever driving around KwaZulu putting things together. It is that feel you have working with groups of people.

**Christo Vosloo:**

And do you think that is part of the reason why you managed to survive or endure this long?

**A5M:**

Ja you know.. we are 20 years old now, the work I am doing now is quite different to that type of work. We were younger then and we had a lot more energy, we were all over the place and I had three partners, now I am by myself so I can't just like go off for a week somewhere. So work now is a little bit more stream lined, a few clients, a few jobs as opposed to like a lot. The environment in South Africa has changed as well so it's not the same. [B3-1](#)

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**B4G**

Okay thank you. Do you think the way in which you are creative in your firm has contributed to your competitive advantage?

**B4G:**

Yes in certain ways. On our flagship projects like Cape Town Airport creativity was all about what you see and what the passenger sees as a landmark building and what you leave behind as a legacy

### **B3-1**

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#### **B5C**

**Christo Vosloo:**

Yes that certainly is, and that was clearly because of your competitive advantage, your knowledge and your experience in heritage work.

**B5C:** **B3-1**

Yes.

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#### **B2M**

**Christo Vosloo:**

What would you say is your competitive advantage?

**B2M:**

I think maybe that we like a challenge, I think in everything you do in architecture whether its designing the building or the details or whatever, there is a certain challenge in it and I think that is just to keep on trying to discover new ways of doing things.

**Christo Vosloo:**

What about the experience that you have built up in doing community type projects, and I know community projects I've used the term loosely, do you think that is a competitive advantage in that other people don't know what you know about that? **B3-1**

**B2M:**

You know it's very interesting but the skills that we have developed doing that kind of work I can use when I do a University building, I can use it when I am teaching in France and I teach these methods that I have learnt through working with communities in Sweden, anywhere, any place. It is methods that allow people to come up with their own ideas and I think ultimately that's what we are trying to push, I think it is a bit like being a conductor in an orchestra. You get the people to play along and the better the music becomes, so I think that is where with a lot of architects it's just about them and what little box they are building. So it's a slightly back to front process.

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#### **B3M**

So daar is eintlik baie innovasie ook in die proses met ander woorde om planne te kry om dinge gered te kry, want dis eintlik 'n baie innoverende proses wat julle nou net vir my verduidelik het.

**B3M**



Ja, en ons het dit alles presies ge rekord in 'n boek wat ons gepubliseer het. So elke huis het ons presies beduie, hoekom, waarom, wat. So daar is 'n rekord van alles wat ons gedoen het.

**B3M1 :**

Dit het aanleiding gegee, dink ek xxx, na die Graaf Reinette. **B3-1**

**B3M**

Ja, ou xxxxxxx het toe opgevolg met Graaf Reinette, ja.

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**D3S**

I think that is definitely an innovation. What would you consider as your competitive advantage? In other words what can your practice do that the next practice will find difficult to actually copy you in doing? **B3-2**

**D3S:**

I don't think I can say that with certainty but probably providing an equal or better design set of working drawings if this is about architecture. I can add value by making sure that there is a huge emphasis on life cycle costs and I point it out to the owner that this might cost you x or y instead of z, but it will cost you less over the life cycle that you will be staying in the house if you are not speculating. I don't think that there is a lot of practices that will do that and I can also probably provide them with the proof drawings quicker than most practices can because I am very much involved in getting plans approved at the local council myself.

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**C5M**

Okay you say very handy but do you think it contributed to your endurance and survival for so long?

(Note: the foregoing refers to his psychological training)

**C5M:**

Yes, yes. **B3-1**

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**C6M**

What do you regard as your competitive advantage, in other words what have you got that other firms would find difficult to copy?

**C6M**

I don't know, I think on some things we can be quite quick and we know the kind of landscape. You also know systems and you know how things are done and I think that at the end of projects we deliver good quality and we finish projects well. [B3-2](#)

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**D1M**

Do you think you have got a competitive advantage, in other words something that you do which another firm would find very difficult to actually copy?

:

I think most good architects are supposed to be able to do what we do, and that is to produce a full service of architecture from giving guys firstly a good creative design from the concept down to producing that in a presentable drawing and then to actually build it. I think the edge might be on the practicality in that I am very practically orientated and I know the building contract and I can [\[add a lot of that 28.45.7\]](#) and that is what we tell our clients that we actually have a warped system. That is why we spend a lot of our money.. less of our money, we never invoice 75% of our work upfront because I know that I am going to spend much more time within that nine months, typical year program, the first three months you do design and working drawings and then you are on site for nine months. [B3-2](#)

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**D2M**

So to cut a long story short I identified those areas as being short comings in our profession and I structured the company slightly different and it works very well, but you must have the competent people like Anneke who is not involved in the first design meeting but by the time the project lands on her desk she is up to speed with the design, she is up to speed with all the technical issues, she often takes the technical guys with her to meetings just to give her support and so forth but I think that is something that we are doing slightly different. [B3-1](#)

**Christo Vosloo:**

Do you think that is your competitive advantage; that is why clients come to you and that is what competing firms might not be able to deliver to your clients?

**D2M:**

I don't think it necessarily brings new clients, in some cases it happens but it retains the old clients, especially if they have had other experiences in the past. They are satisfied with the service that

they are getting with us but the problem is that new clients don't know about the way we are doing it, it is only once you have gone through a project

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#### **C4G**

we have the ability to offset work from one office to another, so you can actually bolster one office when somebody else is overworked or underworked. So it works out quite well. So currently for example, we are doing a project for the Dubai office as is our Lisbon office doing a project for the Dubai office. [B3-1](#)

What would you consider as your competitive advantage? In other words, what do you do that others will find difficult to compete with?

#### **C4G:**

I suspect, if one can use the expression big match experience. We have done some huge projects and I mean huge. I will show you some pictures now. We have worked internationally, that is another advantage, we have worked internationally in collaboration which a lot of practices don't understand. I mean, I have spoken to some architects and they say they can't understand how we can share a project with say ABC from America or from England or this or that, and the answer is you can and you do and you get on with it and it's fine, you get better for it. So I believe our competitive advantage is, we have done really big projects, very complex projects, in often very confined and constrained time periods, and we understand working internationally. I think not too many practices have that.

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#### **C1G**

What would you consider as your competitive advantage; in other words what other people would find difficult to do that?

#### **C1G:** [B3-2](#)

I think basically my engineering experience, we can do things that nobody else really attempted and quite often I have to teach the engineers how to do the stuff I do. So that is a big advantage and then furthermore my understanding of luxury, and because we travel a lot I spend a lot of time in luxury hotels and place like that and stay up to date with what is currently regarded as luxury.

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#### **D5G**

Do you think what you've just described, the fact that you do construction work and you do interior design and brand design and so on, do you think that is part of your competitive advantage? In other words, that sort of range of work that you do is what sets you apart from other people and that you are unique in that sense?

**D5G:** B3-1

I think the special knowledge about brands and I have specific knowledge about décor dealership design so that is definitely an advantage. I'm known in the industry as a dealership design specialist so that has definitely given me the advantage on a number of projects so in terms of profitability, getting this construction or turnkey work was certainly extremely valuable to our company from a financial point of view.

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**D6G**

**Christo Vosloo:**

What would you say was your competitive advantage; in other words what could you do that other firms couldn't or struggled to?

**D6G:**

Design and technology and marketing; those were the three areas that we really worked hard at.

B3-1

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Few firms responded directly to the question 'did any of the examples listed contribute to your competitive advantage'? To get a more accurate picture the responses to question G7 which asks 'what do you regard as your competitive advantage'? were compared to the responses to B2 to establish if there were links between the responses provided. Where appropriate the responses to B3 were included in the synthesis.

Themes:

**B3-1** Creativity employed contributed towards our competitive advantage. (13) 76,5%

**B3-2** Creativity employed did not contribute towards our competitive advantage (4) 23,5%

**ANALYSIS**

The direct responses provided by the 17 (out of 26 -65%) enduring architects firms to B2, G7 and B3 were compared to get answers for question B3. The responses from the majority of firms (76,5%) indicated that there were links between the examples of creativity cited and the firm's competitive advantage. The responses of the remaining 23,5% of firms did not confirm that there were links between the examples of creativity cited and the firm's competitive advantage.

**DEDUCTIONS**

The fact that links could be established between the creative actions and competitive advantage of more than 75% of firms indicate that there is a link between creativity in the firm and building a competitive advantage. A profession specific EET framework should include components that encourage creative behaviour in all aspects of firm establishment and management.

**B4 How important a contribution did this attitude play in your firm enduring?**

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so from an innovation point of view, you have to stay abreast of what is happening but my honest advice is don't be a leader in it because you will just burn your fingers and rather lay just a little bit behind, but don't fall behind and in terms of innovation, the other changes that I've seen is how practices are structured internally in terms of specializing in segments within your field of specialty, for example here we've got people that are interested in and highly specialized in designing what we call the backup house of hotels because they are very complex and they are very specific and it doesn't press everyone's buttons but if you can create a nucleus of people that are interested in that it just helps you get that edge and you can see the difference.

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. That was another lesson in risk, you never do a project on risk for an [intermediary 13.31.5], you have to do it for the client itself; so you have to be able to analyze the quality of the client or the project or the property, but for us the best risk work was always clients who own property. We like developers that would buy a piece of land, come to us and say I would like you to do a speculative design on this erf and then eventually build it because if they fail with the first or second or even third attempt, eventually they would be successful and we would get the job. So we regarded risk work as an investment rather than a risk.

**ONLY TWO DIRECT RESPONSES RECEIVED.**

**INCONCLUSIVE**

**B5 Do you believe that creativity acts as moderator between entrepreneurial orientation and entrepreneurial performance?**

think you don't really need to question this anymore, and actually you do, you need to do this all the time, will I still be able to think to think this way at 80?,

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Okay you say very handy but do you think it contributed to your endurance and survival for so long?

**ONLY TWO DIRECT RESPONSES RECEIVED.**

**INCONCLUSIVE**

## **C TOPIC: INNOVATION**

The first question asked the 26 enduring architects' firms to 'describe the role that innovation plays within their firm- both in terms of positioning your firm and in the way that the firm and operations are managed and are employing technology?' (refer to C1 in Addendum C).

Thirteen of 26 enduring architects' firms (50%) directly responded to the question. Two firms cited two examples resulting in a total of 15 examples. The examples cited cover a broad spectrum of activities and can be grouped into 10 themes. These are:

- Resolving problems central to [the] service offered (6,7%).
- Expanding beyond architecture (6,7%).
- Human Resources strategy (6,7%).
- Communication (between international offices) (6,7%).
- Diversification of services (6,7%).
- Procurement of work (13,3%).
- Policies and procedures (19,9%).
- Organisational design (19,9%).
- Project structure (6,7%).
- Use of technology (6,7%).

Accordingly, respondents provided examples of innovations introduced into their firms that cover ten different themes which represent various fields in firm management. If the ten themes are aggregated they can be grouped into two mega-themes namely:

- Innovations relating to firm operations.
- Innovations relating to business strategy.

The responses indicate that innovation is part and parcel of starting and managing an enduring architects' firm and hence should be encouraged during a profession-specific EET framework.

The second question asked enduring architects' firms 'has your firm developed any new processes or procedures?' (refer to C2 in Addendum C).

Eleven out of 26 enduring architects' firms (42%) provided direct responses to the question. Four firms provided more than one example of new processes or procedures developed resulting in a total of 13 examples. The examples provided covered a wide range of applications. The examples were combined with the examples provided to the following question.

The third question asked 'can you list some examples?' (refer to C3 in Addendum C). Twenty-five of the 26 (96,2%) enduring architects' firms surveyed provided direct responses to this question. Sixty three examples were provided. The examples cited relate to eleven aspects of architectural business namely:

- Innovation relating to the way the firm communicates with contractors or communities were cited four times (6,3%).
- Innovations pertaining to operations were cited 23 times (36,5%).
- Innovations relating to financial management were cited seven times (11,1%).
- Innovations regarding to the way firms get projects off the ground was mentioned once (1,6%).
- Innovations pertaining to operative and managerial systems were mentioned nine times (14,3%).
- Innovations relating to the firm's service offering was mentioned once (1,6%).
- Innovations regarding marketing and client relationships were mentioned five times (7,9%).
- Innovations relating to construction methods and processes were mentioned four times (6,3%).
- Innovations regarding human resources management were mentioned five times (7,9%).
- One innovation regarding strategic management was mentioned (1,6%).
- Innovations pertaining to risk management were mentioned three times (4,8%).

The innovations cited cover a wide array of architectural business. The large number of examples cited is in keeping with the creative nature of architects. This indicates that the importance of innovative behaviour should be stressed in a profession-specific EET framework.

The fourth question asked 'did any of the examples listed contribute to your competitive advantage?' (refer to C4 in Addendum C). The responses provided by 21 out of 26 of enduring architects' firms (81%) were compared with their competitive advantages as per their responses to question G7 (refer to G7 in Addendum C). In the majority of instances (48%) no conclusive link between the cited innovations and the firm's competitive advantages were evident. In 38% of the cases the link was probable while in the remaining 14% of cases it was evident that there was no direct link between the cited example of innovation and the firm's competitive behaviour.

This seems to imply that the link between innovation and competitive advantage among enduring architects' firms is relatively weak and not as strong as the link between creativity and competitive behaviour. However, innovative actions could result in other significant



advantages for the firm and should not be disregarded. Therefore a profession-specific EET framework should encourage innovation in firms.

The fifth question asked 'how important a contribution did this attitude play in your firm enduring?' (refer to C5 in Addendum C). Five out of a possible 26 enduring architects' firms (19%) provided direct responses to the question. All respondents indicated that it did contribute to the firm's survival. From the above it can be assumed that innovation can contribute to the endurance of an architects' firm.

The sixth question asked 'do you believe that innovation acts as a moderator between entrepreneurial orientation and entrepreneurial performance?' (refer to C6 in Addendum C) Only three out of 26 enduring architects' firms (11,5%) provided a direct response to the question. All three firms agreed that it does. However, the low response rate negatively impacts on the validity of any findings in this regard. Thus it will be regarded that innovation can possibly act as a moderator between entrepreneurial orientation and entrepreneurial performance.

### **Findings**

The responses indicate that:

- Innovation is part and parcel of starting and managing an enduring architects' firm.
- Many enduring architects' firms are innovative in the way they conduct their business.
- Innovation should be encouraged by a profession-specific EET framework: Participants must be made aware that innovations can be implemented in the way firms are managed (76,2%), the product or service they deliver (9,5%) and the ways the firms communicate with their stakeholders (14.3%).
- In spite of the relatively weak link between innovation and competitive advantage among enduring architects' firms, innovative actions could result in other significant advantages for the firm.
- Innovation could possibly contribute to the endurance of an architects' firm and could act as a moderator between entrepreneurial orientation and entrepreneurial performance and hence should not be disregarded.

Therefore a profession-specific EET framework should encourage innovation in firms' operations and procedures.

The findings can be linked to the relevant research questions as follows:

### **Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

*nil*

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

The responses indicate that innovation is part and parcel of starting and managing an enduring architects' firm: many enduring architects' firms are innovative in the way they conduct their business. In spite of the relatively weak link between innovation and competitive advantage among enduring architects' firms, innovative actions could result in other significant advantages for the firm. They could possibly contribute to the endurance of an architects' firm and could act as a moderator between entrepreneurial orientation and entrepreneurial performance. Thus it should not be disregarded.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

Innovation should be encouraged by a profession-specific EET framework. Participants must be made aware that innovations can result in:

- New and unique Human Resource management systems and operational processes.
- New and unique managerial structures and practices.
- New construction methods and operational processes.
- New ways of dealing with clients.
- New ways of communicating with contractors.

**C1 Describe the role that innovation plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology?**

**A2S**

I do believe we try and be innovative the client is not asking us for our draughting skills, the client is asking for us to resolve problems, and we have to respect the material which we are working with but beyond that if there is opportunity to improve on this to give a better service as a result then I believe we have an obligation to do so it's not a question of its nice to do it, but we have to do that. **C1-1**

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**A5M**

these sorts of projects we find very few people get, they are not architectural projects they are more about how you.. there was a whole training program on how to train a community to run this resource which they had which was amazing. They did not realize the value of that so part of that exercise was to get a trust created in the community and get them involved in it, get them trained to run it, we would have built the building. We phased it and did the pools first and then we did the residential component and basically handed it over to them, but it fell outside the normal scope of what an architect does.

but at the time we were one of the few practices that could actually just get in a car and spend a whole week with whoever driving around KwaZulu putting things together. It is that feel you have working with groups of people. **C1-2**

. It fell a bit outside of normal architecture. I also do work that is a little bit broader than just a building, I like working in the urban designs sort of work. Everything I do always goes out of just the building itself and I think for me it's not just urban design it's whatever you do affect the people around you. The KwaMashu town center project, I've done stuff in Inanda a long time ago, mid '90s, I've done some social housing work, one project that got built. Otherwise they don't like working with architects. The urban design stuff is quite nice, you know a lot of town centers when they were being re-planned and revitalized we were doing a lot of that type of work as architects but also as urban designers as well working with town planners.

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being re-planned and revitalized we were doing a lot of that type of work as architects but also as urban designers as well working with town planners.

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## **A1L**

Yes I have and it has been to my detriment, as I say I came into a very institutional situation and when they asked me to be a director I said well are you ready for change. They weren't in position to change because it was the only way they knew and I took it away from institution to more of a team, as I mentioned to you, a family, we are quite careful who we employ here. I like strong personalities but they need to be part of a team so we have done that and it's a family culture here so I have broken a lot of the, or got rid of a lot of the red tape, to my detriment as many things do they slip under the carpet and I have brought on a whole lot of young guys now as associates. They are starting to take and what is current and I am starting to just watch them and how they do things now, they have got a different way of networking, a different way of running things and to the extent they are almost going back to a bit more accurate than I was approach. I am not too sure that they are all leaders, and the leader will formulate his/her own way of doing things and a good leader does wing it a bit because a good leader will build on their inner heart. They don't have to be so precise because they know they have a confidence of leading that will eventually get them where they want to go. So they are still young and they are becoming a bit more precise than I was. But they come in here any time, have coffee, when I lead a meeting I never sit at the head of the table because I don't like the sort of top structure; the guys know I say the head of table is arrogant so I am very much part of the team and that is my brain. **C1-3**

.. I try and get everybody to create their own brand, not necessarily A1L's brand but they need to have their unique brand and then once they as individuals are recognized obviously they are wrapped in the A1L wrapping but each one develops their own brand. They become personalities in their own rights and that is [unclear 20.30.4] business all these things are spoken before **C1-7**

One thing I detest is territories, when people mark out their territories and then become protective of territories and then there is war. So if you are on my team you have no territory. The team has the [unclear 21.54.1] not the individual. I'm not [unclear 22.01.6] either.

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## **B4G**

I think we are not unique and we are certainly not the only firm that has a national footprint, but firms that are trying to have a global footprint increasingly need to be innovative in how they work because they have got to talk to each other. When you are not in the same room innovation is

paramount. Innovation in technical support but also innovation in how you think because your words become much more important, so it's not just about the picture, you've got to defend your picture and you have got to take other people with you who are not in the room with you but are in the same business with you, and sometimes your client is also not in the same room as any of you. So innovation is not only software, geography, it's about how you communicate. So communication is everything, it's how you work together and it's what you leave behind. [C1-4](#)

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## **B6G**

, I started doing interior design in 1988 already, retail interiors, shops and restaurants and things, and that today we have a team of 28 interior designers with the group and that has really also been very lucrative. It was purely because I was driven to create that because the people that we were working with were useless, we were just fixing it up all the time so we said well why the hell don't we just get our own interior design team, there is a gap there in the market place [C1-5](#)

Yes I think so, I think that is what we are known for. I am kind of known in our industry as one of the biggest they call it marketing men, I hate the word marketing I think it is a misused or abused terminology in architecture. "[Bemarking](#)", market, it's more procurement, it is getting the work, finding the work – so I think we have been creative in how we go about finding the work and being proactive. We certainly love and are driven by design so I think it is more passion and enthusiasm that has helped us and I think that is a creative process that has helped us find the work, or that has attracted potential clients. [C1-6](#)

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## **B5C**

Has your firm developed any new procedures or processes or policies?

Yes we have. [C1-7](#)

### **Christo Vosloo:**

Do you think they are unique to your firm and might contribute to your competitive advantage?

### **B5C:**

On the job we have two very distinct advantages that of the personal service that we have, if you are a client and we are the ones that make the contact, I am the only one that you will ever see. So we are very loyal towards clients and then our project administration is twice what it needs to be and we find that is incredibly successful. Then after that we have a very strong follow up, even years after, we would go and visit our projects and make sure everything is fine. So I think clients feel very comfortable with that and it's just like normal things; I mean people like being attended to and we

just hammer that, we do that every time. We almost pamper our clients that they feel they are our only ones. That's very successful, especially in the Boland. I think the city people do understand that but they are not so needful of that I don't think; but here in the Boland it's a farming community, it's more [unclear 21.39.6]. So I think those three specific qualities discern us from all the others, definitely.

**Christo Vosloo:**

When you say project admin do you mean your filing systems and information?

**B5C:**

No no, attention on site, site visits. There is not a project that we have under construction that we will not be there once a week.

**Christo Vosloo:**

And comprehensive minutes?

**B5C:**

Sometimes, sometimes not, comprehensive site books but a nice track record of where we are. On some of the formal jobs that need formal minutes we would do the formal minutes, government jobs, big clients, we'll do that but on normal jobs we will just use the little project books.

**Christo Vosloo:**

In terms of maybe procedures that you use to measure up buildings or to ascertain the value of an existing building etc., is there anything there that you might have developed?

**B5C:**

Well historical buildings after measurement we would be very sure of what the buildings development was, thicknesses of walls and the way things are set in the walls; so we have got a very good knowledge of what structures are historical specifically.

**Christo Vosloo:**

But yet you don't do things differently because there are many other firms also working in that field?

**B5C:**

No we would just measure it properly at once.

**Christo Vosloo:**

Yes but anything that you think, innovation that you brought in?

**B5C:**

No.

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**D4S**

So you have organized your business in an innovative way, do you think that has been a part of your firm's success?

## **C1-8**

### **D4S:**

Undoubtedly.

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### **C5M**

It is flexible, I mean there are people that know in the practice... what is actually happening at the moment is when I talk to you as C5M Associates, I have just started another partnership and the one practice is feeding the other one work. So the one is becoming more of the work producer and the other one the work generator, in that there are skills, but as an architect I think you have to keep your eye open to who can do what and you also have to be very creative about allotting resources at different times. So it is very unusual in a small practice to have somebody that is specialized in only one section of the work. **C1-6**

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### **D2M**

, in some cases it happens but it retains the old clients, especially if they have had other experiences in the past. They are satisfied with the service that they are getting with us but the problem is that new clients don't know about the way we are doing it, it is only once you have gone through a project.

Inside the firm not really although I think that the structure that I have built into it and it is a collective thing, I have been starting to bring in the younger guys as directors and shareholders, and I like the energy that comes from the younger guys and I like their attitude as well. Sometimes they say things to clients that I can't believe, I would never have said that to a client but I like their ideas so I feed off the energy from the younger people and I think I am a very adaptable person to new ideas. In fact I probably get bored with the old way of doing things so I appreciate the young guys and that is why I like to bring them in and feed off their energy and we do look at constantly ways of doing things differently. I think the structure of our company is different if I compare it to **[unclear 19.27.0] C1-8**

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### **C4G**

I will give you an example, in our Dubai office, because the nature of the business there is so different to the architecture that we do here, it's still architecture but what the clients are asking for in the Middle East is effectively lead consultancy, so they appoint you as a lead consultant, rather as an architect and that means that you have to assemble the whole professional team, and that may

or may not be as many as 15 sub-consultancies underneath you as the lead consultant and again coming back to deficiencies of being an architect, my experience is that architects can't manage that many people in that complex structure, they can interface but they can't manage it. So what we've done is we have brought professional project managers into our business who act as what we call design managers. So they are not project managers per se, but they understand how to manage the big picture and so we offer a design management service which is our lead consultancy service, and it's headed up by project managers, guys who come from that background and the architects report to them, so our MD in Dubai, Steve Kelshaw, has a BSC building background, he is not an architect. But our design principle there is Floris Smith, so Floris is our designer and all our designs are lettered and everything by Floris before they go out. He has a very strong team under him. But I wouldn't for a minute think that Floris could manage that process and I don't think he wants to by the way. So there is the difference, that where we make the difference.

Yes, you know here is the interesting thing, we are probably one of the few practices that works internationally with other architectural practices. On many of our projects, and I mean many, we have collaborated with architects from the UK, the States, the Middle East, so that was collaboration, but we have not, for a lack of a better word, outsourced anything or asked them to bring it in to us, we have just done collaborative work. But to answer your question, we do encourage the guys, I will give you an example, we have a couple of guys who are really keen on bringing in sustainability, we are champions of that, but you need somebody to take ownership of it and not everybody, a) understands it and b) is passionate about it, they pay lip service to it and move on. So we have a nucleus of guys and they sit on the Green Building Council, we encourage them to get involved in assisting in writing the codes and that sort of stuff. So that is outside of the business but it helps us and it probably helps other practices too, once it is all done. [C1-7](#)

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## **C1G**

Well I don't think any other architectural firm is being run like ours, as I had never worked for architects I just set up my own firm, my own way of running it and if I look at the Institute's manual I think huh? But also the other thing obviously is I do not get involved in huge projects which make a difference. Then you might have to follow that manual more religiously. [C1-8](#)

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## **D5G**

The beauty of those projects is if you structure it correctly you can get more of a, as you get royalties with music for instance. If you structure those projects correctly you design one thing and you repeat that design, often we repeat components of that design, you create a kit of parts which you reassemble in different ways and that makes it a lot more profitable than the design because of the



repetition in it and that is not, you can't for instance on a brand design if you design the blue print you can maybe ask an hourly fee based on a typical project it can also be, you know based on the architectural fee scales if you want to prepare that, but then when it comes to the roll out there is a lot of opportunity for repetition. One of the more profitable projects that we had was a roll out of, this was for a vehicle manufacturer where they rolled out a specific vehicle display module which we designed and had to be localized on different sites throughout South Africa so we spent 2 months working really hard and that is the key. There are no time wastage, clients don't have time to change their minds and change the briefs, because it is part of a roll out and you have to do it quickly and we got, the dealers ordered the shop fitting and the shop fitter paid us a portion of that so, quite often people don't like paying design fees, people like to pay for a product. So in that instance the dealer bought the product and there was a design component of 10% from the entity for the designing fee and we got that money. That was one of the more profitable things that we did. From a design point of view that was definitely profitable and from a construction point of view, we have done a couple of projects and if you structure those correctly and yes you carry risk but the profitability is also quite good because as an architect or an interior designer if we act as interior designers, we are always there to coordinate the projects in any case. You get the opportunity to provide a discount on the normal project management fee to the clients but in effect you are doing what you are doing as an architect in any case, just one or two more things and you maybe carry some financial risk while you carry it. But you basically get paid double for the same amount of time. So that to me is 2 of the more profitable things. When it comes to architects and architectural projects it's quite simple. **C1-9**

Yes, they do it all themselves. No they don't contract out. I believe the technical drawings is part of the design component and I think there is a lot of efficiency and time wasted in people trying to explain to someone else how to do it.

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## D6G

but the major growth generator of our firm was technology. **C1-10**

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Themes:

- C1-1** Resolving problems central to service offered (1)
- C1-2** Expanding beyond architecture (1)
- C1-3** HR strategy (1)
- C1-4** Communication (between international offices). (1)
- C1-5** Diversification of services (1)
- C1-6** Procurement of work (2)

- C1-7 Policies and procedures (3)
- C1-8 Organisational design (3)
- C1-9 Project structure (1)
- C1-10 Use of technology (1)

## ANALYSIS

Thirteen out of 26 enduring architects' firms (50%) directly responded to the question 'describe the role that innovation plays within your firm- both in terms of positioning your firm and in the way the firm and operations are managed and employing technology'? Two firms cited two examples resulting in a total of 15 examples. The examples cited cover a broad spectrum of activities and can be grouped into 10 themes. These are:

- Resolving problems central to service offered (6,7%)
- Expanding beyond architecture (6,7%)
- HR strategy (6,7%)
- Communication (between international offices). (6,7%)
- Diversification of services (6,7%)
- Procurement of work (13,3%)
- Policies and procedures (19,9%)
- Organisational design (19,9%)
- Project structure (6,7%)
- Use of technology (6,7%)

## DEDUCTION

Respondents provided examples of innovations introduced into their firms that covers 10 different themes which represent various fields in firm management. If the 10 themes are aggregated they can be grouped into two mega-themes namely:

- Innovations relating to firm operations
- Innovations relating to business strategy.

The responses indicate that innovation is part and parcel of starting and managing an enduring architects' firm and hence should be encouraged during a profession specific EET framework.

## **C2 Have your firm develop any new processes or procedures?**

### **A2S**

In terms of documentation we have had to adapt to the different levels, of technical skill on the building site between builders who can read drawings, to working on a mission station where the guys actually build a team and there is no point in doing any actual drawings because no one could read and understand the 3 dimensional language that architects use, and you may have at some point suddenly adapt because of what has happened on site [C2-1](#)

a plinth of the concrete blocks to keep the stuff out of the reach of termites Instead of putting the building on the soil where it was prone to termites, we were actually putting the foundations on the ground and the building slightly above that, we get on looks fantastic you have the struts and the framework get the frame work up a

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### **A4M**

I'm a big systems man on every level. [C2-2](#)

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### **A3C**

end of the day in terms of creativity what I do is I design [\[unclear 14.44.1\]](#) and I employ a lady who lives in Pietermaritzburg who does all my CAD work. So I produce the sketches, discuss things with the client and just email the sketches through to her and she then produces the documentation and the clever things like specifications and what not I actually do myself. [C2-3](#)

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### **B4G**

. So how we are doing that is by intensive design interrogation in the office where a wider platform between our Jo'burg and Cape Town offices, we design digitally together between our two boardrooms, so that's how we are doing it. [C2-4](#)

No we input that because we know what those are – so the software works on real people, real time, real projects; so in our business we categorize projects into three types of projects and they are the cap value - so it's up to a million, a million to five million and five million and above. They each have a different financial weighting in terms of how we see our overheads. So we have three calculators and that's what we are doing with the software now. So an A, B and C and then we put the real people into whichever project it is, you then have to do a production program with all your six work stages, obviously five and six which is when the contractor is involved will be a thumb suck to an extent and we will apply a principle view on how long a building will take to be built. Then we look at our cost, we put that in and the profit margin we need to earn in order to finance software

and positions and the development of the business, and that will generate the fee that we can charge. Then you know if you charge any less than that then you have to start fiddling with the service that you offer. So instead of looking inwards you look outwards. [C2-5](#)

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## **B2M**

But I think if I understand you correctly how you work is innovative because it's not the standard way in which architects do projects in that you get the funding, you are involved with the actual construction but that's how you make your living, that is the niche that you have developed for yourself. [C2-6](#)

## **B2M:**

Yes. [C2-7](#)

You know it's very interesting but the skills that we have developed doing that kind of work I can use when I do a University building, I can use it when I am teaching in France and I teach these methods that I have learnt through working with communities in Sweden, anywhere, any place. It is methods that allow people to come up with their own ideas and I think ultimately that's what we are trying to push, I think it is a bit like being a conductor in an orchestra. You get the people to play along and the better the music becomes, so I think that is where with a lot of architects it's just about them and what little box they are building. So it's a slightly back to front process.

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## **C3S**

I think so, yes, because if you think back the trend of working from home, has just snow balled. With problems of traffic and stuff, did you study J and Jacobs?

of that and get people that you trust and they know what they are doing, and get them to work from home in this digital era, fantastic, why not, why have a huge office space? You know I think its psychology too. Architects use to like walking into their drawing office and see people huddled over their boards, you know. In the old days where they still had the T-square and they were sliding it over [unclear 0.29.40.0] office. That's not important, having a big office. [C2-3](#)

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## **C5M**

It is a very interesting question because I also decided very early on in my life that because I am small I can tackle each project differently. I do not have to develop a library of solutions that I can

fall back on and in some way develop a very clear design aesthetic that would be related to this practice.

It is flexible, I mean there are people that know in the practice... what is actually happening at the moment is when I talk to you as C5M Associates, I have just started another partnership and the one practice is feeding the other one work. So the one is becoming more of the work producer and the other one the work generator, in that there are skills, but as an architect I think you have to keep your eye open to who can do what and you also have to be very creative about allotting resources at different times. So it is very unusual in a small practice to have somebody that is specialized in only one section of the work. **C2-8**

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## **C6M**

Not custom made, no, I mean we have got an email package for instance that **[Arab 11.14.3]** developed which files our emails and we put them in project folders and they are searchable and all of that kind of stuff; because you can no longer file project administration in paper format, We use an i-pad and an app we bought for on site now which has just made everything much quicker and easier in doing our site reports and our quality management reports and so on, so that is great. We are always on the lookout for stuff that can help us to do things more efficiently and more professionally. **C2-9**

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## **D2M**

what I forgot to mention is that we always have an interior architect and I know a lot of firms started doing that. **C2-10**

but it is mostly our own projects that we do that and we try to convince the clients and on the bigger clients we actually do that and that is very satisfying; we convince the clients that we want to get involved in not only the fixed design items like bulkheads and light fittings and shop fitting and all that, let us be involved in your selection of your drapes and blinds and tables and chairs and couches and artwork especially. That is the worst thing that can happen to an architect is if you designed a fantastic building with all the finishes and you walk in there and they have put their Victorian couch there in a building that just doesn't fit, and they get their wives to do the curtains and you know.. we like to convince clients and once they see that we actually have the expertise in the office and we have a holistic approach to the building which includes right up to the furniture, they go for it and that gives you a much better end product as well. Sometimes we get paid for it and sometimes not.

Fortunately on the large projects there is a cash flow projection done by the QS and the client knows exactly that at the end of every month we are going to invoice, we do a PPS, a project payment schedule, well the QS does that and he puts all the professionals invoices and the JBCC payment certificate for the contractor together, gives it to the client and payment goes through on the 30th of the month which is fantastic. But with the smaller clients yes we do that, I usually contact the client and I give him a heads up and tell him look we are going to do an invoice. I like to do that instead of just dropping the bomb, over the years I have learnt that, speak to your client, even at the beginning of the project. Like with this company I believe in under ~~problems~~ **promise** and over deliver, I warn him that I am going to give you invoices at those specific stages and I keep to that but I rather skip a month and they feel more comfortable with it if you do that. So usually I give them a heads up yes.

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## **C1G**

. A simple thing, I told this girl whose sister had a very popular café in San Diego, she had a TV **[unclear 13.18.5]** and I said to her now you go and offer your sister \$100 a month and you put all your projects on the screen. She said why, I said go and do it and put your name on every photograph and your telephone number. Within three months she had to hire five more people, she was a one man show before that, with the amount of work that started coming in. People just don't think about things like that. **C2-11**

Look we have got very definite systems about the amount of time that can be spent on actual design and that gets monitored on a weekly basis, that we know exactly what it is costing us to design anything. The moment it goes over 20% your direct cost on design is over 20% we see red lights, we are heading for a loss on that particular project. So that is very important and end of the year when we do bonuses for the staff those things are brought up; have you completed your projects in time and were we happy with the projects, were they good enough that we were happy with them, that sort of stuff. So there is a definite system for that, we have paid bonuses for 30 years straight out in a line, this is the 31<sup>st</sup> year we will still be paying a bonus but we expect you to perform for it and we are paying fairly top salaries in the industry and not necessarily for all the staff in the industry, but if we find a guy that lasts and is prepared to learn, we nurture him along, we push him, we put the golden handcuffs on, we keep him as simple as that. Then also the whole office, it is run like a business, you do your business hours and the only time they work overtime is when they realize they are in the red, generally we don't encourage **C2-12**

No we work totally on a square meter rate and we look at the value of the work and we set a square meter rate beginning of every year. We have got a very definite system again, on marketing we get 10 enquiries, I see three people and I sign one. If that ratio goes up I sign two out of three, fee is too

low; if that ratio goes down, I only sign one out of five our fee is too high so we have to keep it steady for a while. It's as simple as that and that is how we do it. The one thing you have to avoid is typically what you see with a lot of builders, that they quote on the one project too low and then they are in trouble; then the next five they quote way too high and then they don't get anything and then they have to quote too low again to get a project to keep it going and that we try to avoid. We try to make sure we are steadily in that line where we want to be, that one out of ten enquiries is signed up but that means you have got a steady pipeline of enquiries otherwise you immediately start dropping your prices to try and stay alive. So you have to do the marketing to do that.

Yes you see with me engineering background I can put our work together, new ideas, new ways of working – for instance flat roofs, we do not do any concrete flat roofs, we are doing a lightweight systems with [unclear 24.30.4] and shutter board and insulation.

That depends I usually try to be on my sites once in three months and normally the architect who worked with me on the project will do the site visit every second week; but we don't do project administration at all, we use project managers to do that; we just do quality and design issues on site and we charge for that per hour. **C2-13**

, but what we use a lot with the rest of the world is i-pads with Skype. The guys go to site with the i-pad and they ask me because I can see exactly what they see and they show me details and say is that correct, what do we do here, how do we solve this etc. and so we do a site meeting on Skype. But even our foreign projects we try to visit at least once in three months.

Yes for instance the briefs with foreign clients, we quite often sit and do it on the internet on Skype and using Skype like I showed them that picture on their screen, so I show them projects and we discuss and we find what they like and we start doing a brief and start discussing the size of rooms and stuff like that and we do it all on Skype and it costs you nothing.

we do three mornings a week we will Skype from Italy and they all come in and show their projects, put them on the screen so I can see them and check it and discuss it with them, discuss any problems on the building sites and so forth. They also take the i-pads to site and Skype from the site to show me what is going on from there if I can't make it.

Yes to some extent but as I say I have got my son that controls quality of aesthetics, he is basically the Director of Aesthetics; then I have got two people that check the actual technical aspects of the plans, so once all of that is sorted out your quality is basically there, then it is just site [unclear 1.11.47.7] make sure you get good builders and that is why we are always cautioning our clients against using builders that you don't know from anywhere, these fly-by-nights at very cheap prices then you get a product that is actually worth half of what he charged you.

Yes definitely

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## D6G

. I was very interested in design and buildings, and the combination of design and good quality design, presentations and buildings went hand in hand with great technology back up. **C2-13**

. So we were the first architects to employ graphic designers to work in our presentation department.

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Themes:

- C2-1 **Communicating** with unskilled labour (1)
- C2-2 Developing systems to **improve efficiency and productivity** (1)
- C2-3 Developing a **'lean' operation** (2)
- C2-4 **Doing design projects between offices** (1)
- C2-5 Developing **fee calculators** (1)
- C2-6 Developing **funding for projects** (1)
- C2-7 Developing ways to **work with communities** (1)
- C2-8 Developing **appropriate organisational structures** (1)
- C2-9 Developing **administrative systems** (1)
- C2-10 Incorporating additional **service offerings** (1)
- C2-11 Developing unique systems for **marketing** (1)
- C2-12 Developing **profitability standards** (1)
- C2-13 Using **new technology** and graphic designers to do presentations (2)

## ANALYSIS

Eleven out of 26 enduring architects' firms (42%) provided direct responses to the question 'have your firm developed any new processes or procedures'?

Examples were provided. These examples were combined with the examples offered to C3

## DEDUCTION

The above indicates that many (42%) enduring architects' firms have developed new procedures or processes they conduct their business.



**C3 Can you list some examples? READ WITH C2**

**A6S**

I invented xxx. Long before it was patented in Australia. xxx people often come to me for that very reason that yet they can do one design. They have competed against steel and timber C3-1

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**A2S**

as a result we took down a wooden iron church and went on site, a beautiful little building every timber strut on its ray or so had a roman numeral to add in which point came with which, it couldn't be more simple than that 100 years old some was termite eaten, but the whole where we can replace those pieces, here is how it was before, this is how you cut the pieces C3-1

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**A4M**

The golden rule is that we never do anything twice in this office. That is the expectation, because when I ran the office and did a lot of the drawing myself it was easy, now it is a bit more difficult. I always say to the staff on a regular basis get a new project in see how much projects we have done before. See how many projects done before are complementary to that project. And pull them in, pull the details in, pull the schedules in. we can knock out a R35 Mil building in a week. It is about keeping the discipline and making those things readily available. C3-4

Now I'm looking at cash flow I am looking at the whole management angle and how to give your best structure for the invoicing system

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**A1L**

I like strong personalities but they need to be part of a team so we have done that and it's a family culture here so I have broken a lot of the, or got rid of a lot of the red tape, to my detriment as many things do they slip under the carpet and I have brought on a whole lot of young guys now as associates C3-2

. I must admit I love designing buildings that is why I became an architect but I spend more time now growing the team that are actually going to continue. Like sitting now with the guys on a project and just going through it with them and saying you know make it your own building, you have the photographs in front of the building when it is finished.

Yes we are using it yes. We fortunately have two projects which we are working with American consultants so we are doing the whole Revit and BIM.

We haven't got to that, we are toying with that but the software has produced so much more than what we need. What we are doing and it is not unique just to us but because as clients are reducing our fees we are trying to identify the services that we offer and price them separately. So we do interiors and that is priced separately, we do project management and that is priced separately and so forth; we are still getting a similar fee and I am looking at environment at the moment, not because I want to become a conglomerate because when I became Director we had something like ten different practices under one roof and it was called the A1L group

if you price so many hours this and that you are like a doctor and you can only bill accordingly to the number of hours in a day. But when you sell added value you are selling more than what you can actually produce because you actually have quality and experience and knowledge that they need. We have to tell them what you can offer them. So the whole thing of environmental; my son is involved in that so I am bringing him in, but on those packages you know maybe on day because I know

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## **A7L**

, I usually tell students, your optimum practice is about 10 people. You can control 10 people include tea maker. You can keep control once it beyond 10 it's difficult to get people you can trust. About 9-10 years ago I was fortunate to get Human resources to help out. I've employed senior guys. In 2000 I went to America and at that stage what used to happen we take guys from University I knew what we pass at 60% we made a decision with aggregate of 60% and above. I knew what we pass above 60. Only students 60 and above. When I went to America I realized how many times Americans sent people to space before the scientists arrived. And you they become to arrive. . At that stage it was crucial and he came to practice to R 5 -6 thousand and then I realize yet that individual can paid a salary. We lose valuable staff members. Then I said we stop. You know what I think I'm losing bigger figurers. I do not have staff capacity. I will take that money into staff. "Guys I've been offered 10 000". It was a change of mentality to say look if a guys has come so far let me have a deduction in my salary. And I pay them extra. That is the guys who are working for me 15 – 16 years. This is also because I do not have any debt or study debt. Take the risk of paying them additional salary and keeping them as staff member. I then starting getting bigger work **C3-2**

I could understand technology and programs. I remember sitting the UJ of Natal introduced us to DATA Pact and have the package on other side. I sat there about 19 my mother told me to do ..... First job I got in those days were self-taught AutoCAD. Technology is crucial. We have top op technology bandwagon to best of our ability. Technology a must to us. Everything is the latest stuff and what we can afford. What actually happens you find it

reduces your times, attitudes and mistakes? Latest architecture staff we need to be competitive. **C3-13**

No 3d printer yet. Because it's still too small and it takes a long time to come out. About two weeks ago we decided to buy a 3d printer. The way to go.

I decided to open a PTY Ltd you need to find out to retain staff. So we got PTY Ltd and that then allowed us to get some of our senior guys we have 3 directors so from that point to give directorship to staff. **C3-2**

. I just found from a marketing environment cc always a small company. That is what is important. We have our cars. We used to do space and we understand the concept of a brand and how crucial it is. Lot of Arch do not see them as ..... You look at Standard Bank the brand is worth allot. Brand becomes an important role. Look at an advertising company their brand, .....the product that comes out must be good enough to make sure that the brand is excellent and uphold. It could be a marketing scheme. Nothing leaves this office without being checked. If a client takes it and no signature this is not checked. Product that goes out, it's difficult to build. **C3-8**

Very important part of business. Big market for stores. We do work for allot of stores. In terms of the brand how perfect it must be. You do store, the flooring, signage, graphics, if restaurant, menu, chairs. Yu do the whole thing as one package. Employ interior, graphic designers. We understood, but again you need to see where to stop off. **C3-10**

. If guys willing to pay we will do it. We have tried it and decided we do not do interior design of houses at all. You tried without making money sent it home. You talk about technology, we have a thing called teamwork. Teamwork hours you spent. When we realize it's not making money, same by doing a house or factory we download an American program. By simply doing numbers. Numbers do not lie. But if you running a business cut it out. A7L Logo a guy was asked it took him 3 days, he designed, not something you pick up. Five days to do one logo. How can you invoice the client? It's a unique logo. Like Nike sign – the curve the proportion, that is allot of work. Again it's nice to have but not good for business. That's also what is making money and what not.

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### **A3C**

in terms of these guys in town who actually have got CAD operators working for them, I mean they are paying UIF, they are paying salaries, they are paying bonuses and all those things which really to me tend to be lost costs. Whereas I think the way that we work means we have got both parties actually benefit from the sort of experience, I benefit from Julie's expertise and her skills and the fact that if you need to get stuff out urgently she will work day and night as well. That means that she

can work from home because of her kids being at school and that sort of thing so it has definitely worked for me.

I think we are basically strong experience. [C3-2](#)

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### **B7S**

, I immediately went and sold my house, I set up a family trust, I sold it to myself, lent the trust the money to buy it, starting paying the trust back in a donation way. So a few years later when Colin Wilson came in he asked me your private house in this trust who is the beneficiary, I said not me it is my god-children, he said who told you to do this this is the most full proof thing. I said nobody told me. He said the fact that you sold, you paid transfer duty, that you are not the beneficiary, he said that is magnificent. So my personal house isn't owned by me, so they can take all this away it doesn't matter. [C3-3](#)

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### **B1S**

I think we have a great ability to work well with people. That includes those whom we work with, those who employ us and those who work on the construction sites. We are also proud of our design work and have a strong team of multi talented architects to work with. We are a bit like a web that grows bigger as we need or reduces down as we don't need, so I can match whatever competition I need to by bringing the people whom I feel would compliment our firm, so that we can be completely competitive with anybody out there, whether it's a massive firm or a small firm. I think it's just good to have a network out there of people whom you like working with and then you pull them in as you need them. [C3-2](#)

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### **B4G**

So I have just come back from the UK where I've had platform meetings to roll out projects, so to create a network - that is a further answer to your question –so innovation is also how we do business. We were local, then we became national and now we are looking at becoming international which is our next logical step. [C3-2](#)

. We have a weekly session now, both in our Jo'burg and Cape Town office, where we learn together. So we choose a subject, be it waterproofing details ~~for want just to snatch something out of the (unclear)the blue~~, and we will work on what is bad detailing what is good detailing and then we create a template. So what we are doing is out of our learning we are trying to create a platform of details to use in our practice. Then those will evolve with the manufacturing industry as new technologies emerge. They invest in technology to make things and we invest in technology to design things and we try and bring all of that together. [C3-4](#)

I think we are pioneering it from two points of view – we have been actively involved in the committee and I am the person this firm has allocated to that committee, because it is a complimentary committee presence to something else that I am doing with the city.

They appointed this firm and it was the first fast track project in South Africa created as a way of designing and building a complex building in this impossibly short space of time. It had never been done before. But we did it on time and on budget. And it stands today. So I'm not saying that we are constantly innovative but when we are faced with a new hill to climb we climb it.

and it is still in business today and it has developed the same brand, and to this day it is a level one company. The other two owners of it have wobbled around a little bit with the rise and fall of the economy and in staff complement and you know what the Universities are producing in terms of the black graduates or white graduates; you know the pool that we get every year to choose from, that varies hugely and that oddly enough directly affects how we [\[are rated / rate it 37.48.7\]](#). So it is a bit of a wave that you have to constantly surf. [C3-5](#)

Yes, the business model is that the partners are custodial partners for their ten year and then their obligation is to train up the next successor generational partners to buy out the loan account; and in that you have always got to make sure that you are looking ahead of you but you have got a huge financial commitment behind you. So you cannot, you are not entitled to devalue the loan account because you make a bad decision about how you run your business. [C3-6](#)

It's hanging up, there is a light fitting there which has all of our values, we made it ourselves and everybody made it and there is one in our Johannesburg office. Each of those little.. it's all done on the origami principle and the values are enshrined, so every single staff member, their own personal and group values are negotiated and enshrined in those light fittings. [C3-7](#)

Part of that is by keeping that alive; one of the things of keeping it alive is every day we see that and every year we review it. So everyone has a sheet that has all of those statements on it and who wrote it and why, and out of all of those people two are still here and that's been there for four years. So that's what we've learnt is instead of getting a stranger in the room every year to tell us what we already know, we should have no strangers in the room and we should get to know each other better.

interior designer but she works in a wider sphere, so she works in the commercial projects, she will do a [peer](#) review on what the architects have chosen and say no not that tile rather that, so that's how we use it. So we can offer the service but it won't be the cushions etc. that's what it won't be.

[C3-10](#)

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**B6G**

, I started doing interior design in 1988 already, retail interiors, shops and restaurants and things, and that today we have a team of 28 interior designers with the group and that has really also been very lucrative. It was purely because I was driven to create that because the people that we were working with were useless, we were just fixing it up all the time so we said well why the hell don't we just get our own interior design team, there is a gap there in the market place **C3-10**  
We have devised our own way of working and it is a very simple way and up until now it has been immensely successful. I will quickly outline it because I note now just looking through websites and doing lots of reading and journals that foster work in a very similar way.

### **C3-2**

So what we do is we don't have 8 partners who have their own little practices like [unclear 23.39.8] works, and certainly that has the benefit or the advantage of a client will have a director and that is the man that they deal with. So the client is then reliant on him just managing to find the right director of the 17 that work for him; we don't work that way. We have 8 directors and 6 associate directors and 6 associates. We work in teams and we try not to have 17 or 8 different little practices. We are B6G, we are one team but it is broken into 5 design groups and each group is led by a person; not necessarily a director, it could also be an associate director; and each of those teams has a number of highly creative designers, a very strong technical component and people who can implement and run the project on site. So I am now beginning to sound like I contradict myself because that is like a little practice but we have two design principles, one sits here and the other one is me, and we float in and out of all those. So we do all the concept work together, we are the studio masters, we are like a university actually. **C3-3**

### **C3-10**

We have one group which is the urban design group, then we have two teams here in Jo'burg, we have four teams in Cape Town, and then of course the interior design team is completely separate. I am very involved in the design there as well, so I am a design director and so is xxxx. But people move between those design groups on a yearly or six monthly basis; we shuffle resources around as we need them and so on. So a client will have the benefit of working with xxxx on a project because we have got national and international clients, and then the same crowd like xxxx for example will be working with xxx, we also have a xxx on another project; so he will see two different teams, but I will always be involved or xxxr, **C3-8**

so that is how we ["ryg" 26.34.5] the whole thing together. So clients love it; they are forever getting fresh blood and we have got to a stage where we have big national clients who are working with three different groups and sometimes it is quite competitive and they say yes but the guys at [unclear 26.58.0] they are giving us.. so it is all a bit tongue and cheek, and we manage the whole

thing quite carefully but we are one cemented team. We are not the little practices and [unclear 27.13.4] and his team just do [unclear 27.16.6] work, so I watch everybody by the way.

Yes yes we have got a BIM manager, yes. C3-13

**Christo Vosloo:**

3D printing, do you do that?

**B6G:**

On the 3D printer, no not yet, no no no, not yet but we are everything short of that. We have got printing machines and stuff that “skrik for nix”, we can do our own brochures and books, that’s mainly in Cape Town; although we have a fairly big set up here as well, we can basically do the same but not maybe the volume that we can do in Cape Town. Laser cutters and 3D printers is something that my son is really pushing us hard on, he is doing his Masters at Tsinghua University in Beijing at the moment.

I think first of all there was a tax advantage but it was all to do with creating a wall between your private ownership and the world out there. So it was another hurdle that you would have to get over to sue the partners kind of thing, but it is also just cleaner, more professional, people prefer dealing with a PTY, that was one of the reasons right in the beginning I said I don’t want to be a practice I want to be a company and it has stood us in good stead. The bigger guys felt more comfortable, you have to be audited obviously so there is a greater deal of transparency. I saw all these private okes [unclear 37.09.6] and I said why do we need that, if we want to become a big transparent company then we must play the game. So nobody has company cars, we have got a financial director, one of the 8 partners is not an architect, she is a CA and she is the financial director. We have a technical director, a guy who just looks after all our technology, technology not as in computers and that but as in buildings. Then we have an MD who together with the FD manage and control the company; we have an HR manager, with 130 people you need that and they report to me I am the Executive Chairman, the CEO or whatever, but I am focused on the product and how we get the work and how we do the work.

We do both; we have got a very good system of how we determine what it is going to cost us. We have developed that whole software, the whole system and then we see what the fee scale is – we often just compare and very often we take the middle row and we say we can make so much profit out of it if we run this thing properly so we can afford to fix our fee on that particular amount of percentage. C3-5

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**B5C**

On the job we have two very distinct advantages that of the personal service that we have, if you are a client and we are the ones that make the contact, I am the only one that you will ever see. So we

are very loyal towards clients and then our project administration is twice what it needs to be and we find that is incredibly successful. Then after that we have a very strong follow up, even years after, we would go and visit our projects and make sure everything is fine. So I think clients feel very comfortable with that and it's just like normal things; I mean people like being attended to and we just hammer that, we do that every time. We almost pamper our clients that they feel they are our only ones. That's very successful, especially in the Boland. I think the city people do understand that but they are not so needful of that I don't think; but here in the Boland it's a farming community, it's more [unclear 21.39.6]. So I think those three specific qualities discern us from all the others, definitely. **C3-8**

government jobs, big clients, we'll do that but on normal jobs we will just use the little project books.

Well historical buildings after measurement we would be very sure of what the buildings development was, thicknesses of walls and the way things are set in the walls; so we have got a very good knowledge of what structures are historical specifically.

We've actually got an office WhatsApp group where I can speak to the whole office in one go and everybody knows exactly what's going on. Problems on site, who's working on this, email a drawing – we use the telephone to maximum effect, well I do. **C3-2**

Yes, the electronics and all of those, we would use to their fullest potential but the computer mustn't drive you, you must drive the computer, always that. I always have that in my mind.

I think office planning and the way we work together, I think that is innovative, you know there is an No, it's a graphic designer because they can look from the outside in and they design our new image because we had one image for 25 years and then we decided okay we are going to change that and freshen it up. We listened to them and we are extremely excited about it; the whole letterhead, the way things look are very important to people.

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## **B2M**

which is a PTY Ltd and I have a lawyer and a business manager who is in it, one of my best friends, and I have one of my staff who is currently doing his masters at UCT. So he has been here for ten years with me. **C3-2**

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## **C2S**

Financially in the sense of at risk for a client but I won't do pie in the sky work, I won't do somebody just walk in here and says he wants to build a Disneyworld out here. I am not in the market for that,



but to assist someone to put something together to look for finance, to get the thing going, I have done that. [C3-8](#)

In my personal I do, I have a family trust that owns everything, in my personal name I don't really own much.

[C3-3](#)

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### **C3S**

I find it strangely so rapidly, because at the moment we are doing 3 jobs in the Cape and for that we just send digitals to the contractor and to the engineer. They have their own printers, wherever and they do it. It's seldom, you know it's more with councils where we would have to prepare a parcel and send it to the council, hard copies. [C3-9](#)

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### **D3S**

With the fee scale, but I charge them 15% and they tend to smile and it's because of 2 things. I package my services, in other words I give them benefits so it's not only employing the best architect you can get your hands on but you are also getting benefits out of it, all sorts of additional benefits that you as a home owner builder or new home owner will find precious, and I know that because I've been through them all so many times, so I know that. If you want to make a guy happy, give him something for free. It depends on what it is, but instead of trying to confuse the client by throwing all sorts of calculations on the table, give him a fixed fee. What does it matter? Rather round it up to a higher figure and say look, I can do this for x amount fixed fee. You are not going to call about, we know you're house is going to cost more and it's your problem to find the money but I'm not going to charge you more. In the meantime if I were speaking plain Afrikaans I would say, look, I'm already overcharging you anyway, but you don't know it and it's not as if I'm doing you in because I'm going to give you that service. He is going to get the fees paid, this is a particular fee scheme where there are fees paid for considerations of drawings and ecological approval and council fees, so it's all included [C3-10](#)

the package and if you know how to use that software then you gain that benefit and whether you use somebody to do it for you or you do it yourself, that is beside the point. But just mastering the tools that provide me with my income and with my edge, I call it my edge. For example, there are very very few architectural firms that use ArchiCad or REVIT to Bim level 2 in this country and I know because I've delivered a couple of workshops on Bim and what is Bim and in fact government should know about Bim because they will be saving themselves millions if they implement some of it not even all of it. But at [C3-2](#)

. If you look up a buyers agent in South Africa you will find my name because I'm starting to market myself as one even though nobody knows what it is. I'm just keeping a low profile because I don't have a lot of time at this stage. [C3-2](#)

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#### **C4G**

, my experience is that architects can't manage that many people in that complex structure, they can interface but they can't manage it. So what we've done is we have brought professional project managers into our business who act as what we call design managers. So they are not project managers per se, but they understand how to manage the big picture and so we offer a design management service which is our lead consultancy service, and it's headed up by project managers, guys who come from that background and the architects report to them, so our MD in Dubai, Steve Kelshaw, has a BSC building background, he is not an architect. But our design principle there is Floris Smith, so Floris is our designer and all our designs are lettered and everything by Floris before they go out. He has a very strong team under him. But I wouldn't for a minute think that Floris could manage that process and I don't think he wants to by the way. So there is the difference, that where we make the difference. [C3-11](#)

we encourage, particular our younger guys our sort of mid tier guys, to take ownership of aspects of our business and that can be anything from the CADD technology to presentation techniques to drafting techniques you know, so we encourage a sort of sub-culture within the office which gives people a sort of degree of ownership of what they are doing and influencing how other people do things in a better way.

we had a sit down and asked them what they have done and what their protocols are how they do their North points, section lines, all those sorts of things. We had to get our technical guys to sit together, not to mention our designer guys that was a separate exercise all together. So you learn from them and say that's a good way of doing something and then you borrow it and they will do the same. [C3-2](#)

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#### **C1G**

Yes we are using BIM [[unclear 21.29.0](#)] but I will show you one that we completed that was basically designed about 5 years ago, we just completed it now with the photographs; this was a redesign of an old place that we took there, that was the before and it now looks like this, that was the existing house that we converted into that. [C3-2](#)

Yes, a lot of the time, just a typical thing, I at the moment spend six weeks three times a year in Italy in our house there and just communicate via Google with the staff here. One of the things that came up whilst we were there last time was that I suddenly started checking on the South African

website [register / registry 35.13.8] advice whether basic stuff like South African architect, Johannesburg architect, Pretoria architect has ever been registered by anybody, and they registered 25 websites like that which now all link back to my website. So if you Google architect in Africa they are going to give you a website with a few photos of our stuff but a link back to our website. Such a simple concept but I didn't think about it for 15 years myself and nobody else has thought about it otherwise all of those websites wouldn't be available. Cost me R150 a website to register and R100 a year to keep it registered and suddenly I am sitting with 25 websites that sends work to my website. **C3-13**

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### **D1M**

; but we then put in our expertise, our fees, so in a lot of cases we don't get fees because we put our fees into the project and we do all the preemptive work and all the feasibilities and put the whole thing together **C3-10**

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### **D2M**

got a specialized design division who does all the design and I am involved in all of those steps, I am very much involved in the design although I don't work on Revit software; I did the course but because I have never had the opportunity to sit down and work anymore on a project so I never really got up to speed with the software, but I am involved in every project in the concept design and in the design **C3-2**

. Then the other division in the company is the technical division, all the projects go through them and I think everyone in this company is handpicked, almost literally, the technical guys are also the best, some of the best in the business; so our documentation is from the best and I see that especially from new clients we get to deal with is that their experience with architects is not very good. We love doing the design but we never pull it through to a proper detailed design, the technical documentation is not done as accurately as it should be and then we are mostly, as architects, terrible administrators. I picked up those shortcomings in our profession generally the service that other guys give and I am not shooting them down, it is just something that I detected and I can see that in clients that they don't expect what they are getting from us. **C3-2**

project 100% as far as the time allows by the time that drawing is issued to the contractor. Then with myself I have got an absolute specialist in an architect who loves admin work, Anneke, she is also a young architect qualified a couple of years ago, she loves the admin work. She creates emails that you can't believe, she chairs meetings of 15 people where there are some [very experienced guys? 22.56.5] sitting around the table in the construction industry and she is the Chairman. I am sitting by her side but I know I don't need to chair the meeting and our admin is spot on. We never

miss, if there is an RFQ from a contractor they get the information the next day – so that is something that I discovered that as architects sometimes we drop the ball on some of those things.

### **C3-2**

So to cut a long story short I identified those areas as being short comings in our profession and I structured the company slightly different and it works very well, but you must have the competent people like Anneke who is not involved in the first design meeting but by the time the project lands on her desk she is up to speed with the design, she is up to speed with all the technical issues, she often takes the technical guys with her to meetings just to give her support and so forth but I think that is something that we are doing slightly different.

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### **D5G**

We only employ architects, we've got very few people who are not qualified interior architects but every person does everything on his projects. From beginning to end. So we invest in quality people. A number of our people were either number 1, 2 or 3 at their Universities when they completed their studies. I don't know about Gerrit in school but I was second. We try to get people that are better than us. So we invest in people definitely and then in terms of software we are fully licensed with REVIT and we could spend more on training I suppose. **C3-2**

that I will investigate the project manager status. Well we will need to establish what exactly is required to register as a project manager. I've worked on too many projects were as an architect I keep on reminding the project manager what his job is, so I want to find out how to register as a project manager and get that 1½ % additional fees on some projects and then my partner Gerrit, who works more on the residential side, he wants to look at becoming a property agent

I think many architects try to do it, but what we have done is to put developers into contact with potential clients so we work with developers in Johannesburg, [unclear 0.29.33.2] I don't know if you've heard of them? So we would know that there is a need for a dealership somewhere and then we will be a link, if you like. **C3-8**

We bought a property and we are renting this house and this is part of that Hotel development that we are doing so we are going to have to move out at some stage, so we bought a property and we've started the sketch plans but we need to bring in other investors maybe quantity surveyors and

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### **D6G**

. We were the first architects in South Africa to have small computers, we started with very small Apple computer and then we generated very quickly new interest in

computers as the one partner Xxxxx was very technologically driven and very interested in technology. **C3-13**

But essentially we tried to have as little overheads as possible that were done on a cash flow impact basis; we tried to buy as many things cash as what we could.

. So the quality of your presentations has always been to us absolutely key,

The other one was in production of drawings; **C3-2**

how to produce drawings quickly, efficiently and cost effectively so that at least you can make a profit, because that is where architects lose the second amount of their profit. You make the most profit in your design, you lose a little bit more or you make a little bit less not lose, on the production, and invariably your site control and building the building is where you lose the most money. It is simply the most time for the least reward; whereas design is the most money for the least time. So we had to work in the office in different ways to try and understand how to produce buildings quickly and efficiently, and we went through different work stages where certain teams did certain work continuously, in other words if you do one dealership and you do another five you do them faster and you do them better

**C3-12**

so the creativity of running that machine needed quite a bit of innovation and a lot of interesting management. I would say that is about where the creativity comes in.

. So even the quality of the office space that you provided for your staff had to be creative in the way it is put together, in the way it feels how to work there, we put a lot of emphasis on our work space environment. **C3-12**

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Themes:

**C2-1** Communicating with unskilled labour (1)

**C2-2** Developing systems to improve efficiency and productivity (1)

**C2-3** Developing a 'lean' operation (2)

**C2-4** Doing design projects between offices (1)

**C2-5** Developing fee calculators (1)

- C2-6 Developing funding for projects (1)
- C2-7 Developing ways to work with communities (1)
- C2-8 Developing appropriate organisational structures (1)
- C2-9 Developing administrative systems (1)
- C2-10 Incorporating additional service offerings (1)
- C2-11 Developing unique systems for marketing (1)
- C2-12 Developing profitability standards (1)
- C2-13 Using new technology and graphic designers to do presentations (2)
  
- C3-1 Developing new construction methods (2)
- C3-2 New H.R. and operational practices (18)
- C3-3 Protection against liability claims (3)
- C3-4 Knowledge management systems (2)
- C3-5 New construction processes (2)
- C3-6 Succession planning (2)
- C3-7 Enshrining values (1)
- C3-8 Client relations (4)
- C3-9 Communicating with contractors (2)
- C3-10 Fee structures (5)
- C3-11 Encouraging intrapreneurship (1)
- C3-12 Working environment. (2)
- C3-13 Use of technology (4)

## ANALYSIS

Twenty-five of the 26 (96,2%) enduring architects' firms surveyed provided direct responses to the question 'can you list some examples of innovative practices (in your firm)?' Sixty three examples were mentioned. The examples cited relate to thirteen aspects of architectural business.

- Innovation relating to the way the firm communicates with contractors or communities were cited four times (6,3%).
- Innovations pertaining to operations were cited 23 times (36,5%).
- Innovations relating to financial management were cited seven times (11,1%)
- Innovations regarding to the way firms get projects off the ground was mentioned once. (1,6%).
- Innovations pertaining to operative and managerial systems were mentioned nine times (14,3%).
- Innovations relating to the firm's service offering was mentioned once (1,6%).
- Innovations regarding marketing and client relationships were mentioned five times (7,9%).

- Innovations relating to construction methods and processes were mentioned four times (6,3%).
- Innovations regarding human resources management were mentioned five times (7,9%).
- One innovation regarding strategic management was mentioned. (1,6%).
- Innovations pertaining to risk management were mentioned three times. (4,8%)

## DEDUCTIONS

The innovations cited cover a wide array of architectural business. The large number of examples cited confirms with the creative nature of architects. If the examples cited are aggregated they can be reduced to innovations regarding the way the firms are managed (76,2%) , innovations regarding the product or service they deliver (9,5%) and the ways the firms communicate with their stakeholders (14.3%):

- New and unique HR management systems and operational processes. (44%)
- New and unique managerial structures and practices (27%)
- New construction methods and operational processes. (17%)
- New ways of dealing with clients. (8%)
- New ways of communicating with contractors (4%)

This indicates that the importance of innovative behaviour should be stressed in a profession specific EET framework.

**C4 Did any of the examples listed contribute to your competitive advantage?**

When the responses to C3 are compared to the responses to G7 (Competitive advantage) the following conclusions can be made:

**A6S**

Innovation:

I invented Tilta. Long before it was patented in Australia. Tilta people often come to me for that very reason that yet they can do one design. They have competed against steel and timber

**Innovation:** Developing new construction methods

**Competitive advantage:** The whole process of architectural engineering combined

**C4-1**

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**A2S**

as a result we took down a wooden iron church and went on site, a beautiful little building every timber strut on its ray or so had a roman numeral to add in which point came with which, it couldn't be more simple than that 100 years old some was termite eaten, but the whole where we can replace those pieces, here is how it was before, this is how you cut the pieces

**Innovation:** Developing new construction methods

Competitive advantage: Over 40 years I had experience on old buildings, that a number of things that was not done in SA

**C4-1**

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**A4M**

The golden rule is that we never do anything twice in this office. That is the expectation, because when I ran the office and did a lot of the drawing myself it was easy, now it is a bit more difficult. I always say to the staff on a regular basis get a new project in see how much projects we have done before. See how many projects done before are complementary to that project. And pull them in, pull the details in, pull the schedules in. we can knock out a R35 Mil building in a week. It is about keeping the discipline and making those things readily available.

**Innovation:** Knowledge management systems

Competitive advantage: I am big on systems. For me that is the key to been to develop a system where you can find anything you want within 15 seconds. I'm a hell of a good designer, in terms of running a business and doing systems.



## C4-1

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### **A1L**

I like strong personalities but they need to be part of a team so we have done that and it's a family culture here so I have broken a lot of the, or got rid of a lot of the red tape, to my detriment as many things do they slip under the carpet and I have brought on a whole lot of young guys now as associates

. I must admit I love designing buildings that is why I became an architect but I spend more time now growing the team that are actually going to continue. Like sitting now with the guys on a project and just going through it with them and saying you know make it your own building, you have the photographs in front of the building when it is finished.

Yes we are using it yes. We fortunately have two projects which we are working with American consultants so we are doing the whole Revit and BIM.

We haven't got to that, we are toying with that but the software has produced so much more than what we need. What we are doing and it is not unique just to us but because as clients are reducing our fees we are trying to identify the services that we offer and price them separately. So we do interiors and that is priced separately, we do project management and that is priced separately and so forth; we are still getting a similar fee and I am looking at environment at the moment, not because I want to become a conglomerate because when I became Director we had something like ten different practices under one roof and it was called the A1L group

if you price so many hours this and that you are like a doctor and you can only bill accordingly to the number of hours in a day. But when you sell added value you are selling more than what you can actually produce because you actually have quality and experience and knowledge that they need. We have to tell them what you can offer them. So the whole thing of environmental; my son is involved in that so I am bringing him in, but on those packages you know maybe on day because I know

Innovation: New H.R. and operational practices

Competitive advantage: it is to adapt to what is in front of you and looking at new ways of doing things. .

## C4-2

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### **A7L**

, I usually tell students, your optimum practice is about 10 people. You can control 10 people include tea maker. You can keep control once it beyond 10 it's difficult to get people you can trust. About 9-10 years ago I was fortunate to get Human resources to help out. I've employed senior guys. In 2000 I went to America and at that stage what used to happen we take guys from University I knew what we pass at 60% we made a decision with aggregate of 60% and above. I knew what we pass above 60. Only students 60 and above. When I went to America I realized how many times Americans sent people to space before the scientists arrived. And you they become to arrive. . At that stage it was crucial and he came to practice to R 5 -6 thousand and then I realize yet that individual can paid a salary. We lose valuable staff members. Then I said we stop. You know what I think I'm losing bigger figurers. I do not have staff capacity. I will take that money into staff. "Guys I've been offered 10 000". It was a change of mentality to say look if a guys has come so far let me have a deduction in my salary. And I pay them extra. That is the guys who are working for me 15 – 16 years. This is also because I do not have any debt or study debt. Take the risk of paying them additional salary and keeping them as staff member. I then starting getting bigger work

I could understand technology and programs. I remember sitting the UJ of Natal introduced us to DATA Pact and have the package on other side. I sat there about 19 my mother told me to do ..... First job I got in those days were self-taught AutoCAD. Technology is crucial. We have top op technology bandwagon to best of our ability. Technology a must to us. Everything is the latest stuff and what we can afford. What actually happens you find it reduces your times, attitudes and mistakes? Latest architecture staff we need to be competitive.

No 3d printer yet. Because it's still too small and it takes a long time to come out. About two weeks ago we decided to buy a 3d printer. The way to go.

I decided to open a PTY Ltd you need to find out to retain staff. So we got PTY ltd and that then allowed us to get some of our senior guys we have 3 directors so from that point to give directorship to staff.

. I just found from a marketing environment cc always a small company. That is what is important. We have our cars. We used to do space and we understand the concept of a brand and how crucial it is. Lot of Arch do not see them as ..... You look at Standard Bank the brand is worth allot. Brand becomes an important role. Look at an advertising company their brand, .....the product that comes out must be good enough to make sure that the brand is excellent and uphold. It could be a marketing scheme. Nothing leaves this office without being checked. If a client takes it and no signature this is not checked. Product that goes out, it's difficult to build.

Very important part of business. Big market for stores. We do work for allot of stores. In terms of the brand how perfect it must be. You do store, the flooring, signage, graphics, if restaurant, menu, chairs. Yu do the whole thing as one package. Employ interior, graphic designers. We understood, but again you need to see where to stop off.

. If guys willing to pay we will do it. We have tried it and decided we do not do interior design of houses at all. You tried without making money sent it home. You talk about technology, we have a thing called teamwork. Teamwork hours you spent. When we realize it's not making money, same by doing a house or factory we download an American program. By simply doing numbers. Numbers do not lie. But if you running a business cut it out. A7L Logo a guy was asked it took him 3 days, he designed, not something you pick up. Five days to do one logo. How can you invoice the client? It's a unique logo. Like Nike sign – the curve the proportion, that is allot of work. Again it's nice to have but not good for business. That's also what is making money and what not.

**Innovations cited:**

New H.R. and operational practices

Use of technology

Client relations

Fee structures

Competitive advantage: Not provided

**C4-2**

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**A3C**

in terms of these guys in town who actually have got CAD operators working for them, I mean they are paying UIF, they are paying salaries, they are paying bonuses and all those things which really to me tend to be lost costs. Whereas I think the way that we work means we have got both parties actually benefit from the sort of experience, I benefit from Julie's expertise and her skills and the fact that if you need to get stuff out urgently she will work day and night as well. That means that she can work from home because of her kids being at school and that sort of thing so it has definitely worked for me.

**Innovation:** New H.R. and operational practices

/ lean firm structure

Competitive advantage: Not stated (Researchers interpretation: Specialist knowledge)

**C4-2**

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**B7S**

, I immediately went and sold my house, I set up a family trust, I sold it to myself, lent the trust the money to buy it, starting paying the trust back in a donation way. So a few years later when Colin Wilson came in he asked me your private house in this trust who is the beneficiary, I said not me it is my god-children, he said who told you to do this this is the most full proof thing. I said nobody told me. He said the fact that you sold, you paid transfer duty, that you are not the beneficiary, he said that is magnificent. So my personal house isn't owned by me, so they can take all this away it doesn't matter.

**Innovation:**

Security against liability claims

Competitive advantage: Not stated

**C4-2**

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**B1S**

I think we have a great ability to work well with people. That includes those whom we work with, those who employ us and those who work on the construction sites. We are also proud of our design work and have a strong team of multi talented architects to work with. We are a bit like a web that grows bigger as we need or reduces down as we don't need, so I can match whatever competition I need to by bringing the people whom I feel would compliment our firm, so that we can be completely competitive with anybody out there, whether it's a massive firm or a small firm. I think it's just good to have a network out there of people whom you like working with and then you pull them in as you need them.

**Innovation:**

New H.R. and operational practices

Competitive advantage: I think we have a great ability to work well with people. That includes those whom we work with, those who employ us and those who work on the construction sites. We are also proud of our design work and have a strong team of multi talented architects to work with

**C4-1**

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**B4G**

So I have just come back from the UK where I've had platform meetings to roll out projects, so to create a network - that is a further answer to your question –so innovation is also how we do business. We were local, then we became national and now we are looking at becoming international which is our next logical step.

. We have a weekly session now, both in our Jo'burg and Cape Town office, where we learn together. So we choose a subject, be it waterproofing details ~~for want just to snatch something out~~

of the ~~(unclear)the blue~~, and we will work on what is bad detailing what is good detailing and then we create a template. So what we are doing is out of our learning we are trying to create a platform of details to use in our practice. Then those will evolve with the manufacturing industry as new technologies emerge. They invest in technology to make things and we invest in technology to design things and we try and bring all of that together.

I think we are pioneering it from two points of view – we have been actively involved in the committee and I am the person this firm has allocated to that committee, because it is a complimentary committee presence to something else that I am doing with the city.

They appointed this firm and it was the first fast track project in South Africa created as a way of designing and building a complex building in this impossibly short space of time. It had never been done before. But we did it on time and on budget. And it stands today. So I'm not saying that we are constantly innovative but when we are faced with a new hill to climb we climb it.

and it is still in business today and it has developed the same brand, and to this day it is a level one company. The other two owners of it have wobbled around a little bit with the rise and fall of the economy and in staff complement and you know what the Universities are producing in terms of the black graduates or white graduates; you know the pool that we get every year to choose from, that varies hugely and that oddly enough directly affects how we ~~[are rated / rate it 37.48.7]~~. So it is a bit of a wave that you have to constantly surf.

Yes, the business model is that the partners are custodial partners for their ten year and then their obligation is to train up the next successor generational partners to buy out the loan account; and in that you have always got to make sure that you are looking ahead of you but you have got a huge financial commitment behind you. So you cannot, you are not entitled to devalue the loan account because you make a bad decision about how you run your business.

It's hanging up, there is a light fitting there which has all of our values, we made it ourselves and everybody made it and there is one in our Johannesburg office. Each of those little.. it's all done on the origami principle and the values are enshrined, so every single staff member, their own personal and group values are negotiated and enshrined in those light fittings.

Part of that is by keeping that alive; one of the things of keeping it alive is every day we see that and every year we review it. So everyone has a sheet that has all of those statements on it and who wrote it and why, and out of all of those people two are still here and that's been there for four years. So that's what we've learnt is instead of getting a stranger in the room every year to tell us what we already know, we should have no strangers in the room and we should get to know each other better.

interior designer but she works in a wider sphere, so she works in the commercial projects, she will do a peer review on what the architects have chosen and say no not that tile rather that, so that's how we use it. So we can offer the service but it won't be the cushions etc. that's what it won't be.

### Innovations:

Fee structures

Knowledge management systems

New construction processes

Succession planning

Enshrining values

New H.R. and operational practices

Competitive advantage: In an order of one to three; number one that we are best known for is delivering a project on time and under budget and the firm has a very good name for that.

### C4-1

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#### **B6G**

, I started doing interior design in 1988 already, retail interiors, shops and restaurants and things, and that today we have a team of 28 interior designers with the group and that has really also been very lucrative. It was purely because I was driven to create that because the people that we were working with were useless, we were just fixing it up all the time so we said well why the hell don't we just get our own interior design team, there is a gap there in the market place

We have devised our own way of working and it is a very simple way and up until now it has been immensely successful. I will quickly outline it because I note now just looking through websites and doing lots of reading and journals that foster work in a very similar way.

So what we do is we don't have 8 partners who have their own little practices like [unclear 23.39.8] works, and certainly that has the benefit or the advantage of a client will have a director and that is the man that they deal with. So the client is then reliant on him just managing to find the right director of the 17 that work for him; we don't work that way. We have 8 directors and 6 associate directors and 6 associates. We work in teams and we try not to have 17 or 8 different little practices. We are B6G, we are one team but it is broken into 5 design groups and each group is led by a person; not necessarily a director, it could also be an associate director; and each of those teams has a number of highly creative designers, a very strong technical component and people who can implement and run the project on site. So I am now beginning to sound like I contradict myself

because that is like a little practice but we have two design principles, one sits here and the other one is me, and we float in and out of all those. So we do all the concept work together, we are the studio masters, we are like a university actually.

We have one group which is the urban design group, then we have two teams here in Jo'burg, we have four teams in Cape Town, and then of course the interior design team is completely separate. I am very involved in the design there as well, so I am a design director and so is xxxx. But people move between those design groups on a yearly or six monthly basis; we shuffle resources around as we need them and so on. So a client will have the benefit of working with xxxx on a project because we have got national and international clients, and then the same crowd like xxxx for example will be working with xxx, we also have a xxx on another project; so he will see two different teams, but I will always be involved or xxxr, so that is how we ["ryg" 26.34.5] the whole thing together. So clients love it; they are forever getting fresh blood and we have got to a stage where we have big national clients who are working with three different groups and sometimes it is quite competitive and they say yes but the guys at [unclear 26.58.0] they are giving us.. so it is all a bit tongue and cheek, and we manage the whole thing quite carefully but we are one cemented team. We are not the little practices and [unclear 27.13.4] and his team just do [unclear 27.16.6] work, so I watch everybody by the way.

Yes yes we have got a BIM manager, yes.

**Christo Vosloo:**

3D printing, do you do that?

**B6G:**

On the 3D printer, no not yet, no no no, not yet but we are everything short of that. We have got printing machines and stuff that "skrik for nix", we can do our own brochures and books, that's mainly in Cape Town; although we have a fairly big set up here as well, we can basically do the same but not maybe the volume that we can do in Cape Town. Laser cutters and 3D printers is something that my son is really pushing us hard on, he is doing his Masters at Tsinghua University in Beijing at the moment.

I think first of all there was a tax advantage but it was all to do with creating a wall between your private ownership and the world out there. So it was another hurdle that you would have to get over to sue the partners kind of thing, but it is also just cleaner, more professional, people prefer dealing with a PTY, that was one of the reasons right in the beginning I said I don't want to be a practice I want to be a company and it has stood us in good stead. The bigger guys felt more comfortable, you have to be audited obviously so there is a greater deal of transparency. I saw all these private okes [unclear 37.09.6] and I said why do we need that, if we want to become a big

transparent company then we must play the game. So nobody has company cars, we have got a financial director, one of the 8 partners is not an architect, she is a CA and she is the financial director. We have a technical director, a guy who just looks after all our technology, technology not as in computers and that but as in buildings. Then we have an MD who together with the FD manage and control the company; we have an HR manager, with 130 people you need that and they report to me I am the Executive Chairman, the CEO or whatever, but I am focused on the product and how we get the work and how we do the work.

We do both; we have got a very good system of how we determine what it is going to cost us. We have developed that whole software, the whole system and then we see what the fee scale is – we often just compare and very often we take the middle row and we say we can make so much profit out of it if we run this thing properly so we can afford to fix our fee on that particular amount of percentage.

### **Innovations:**

Fee structures

Security against liability claims

Use of technology

Client relations

New construction processes

New H.R. and operational practices

Competitive advantage: – I think the combination of urban design and architecture. I think our architecture is stronger by the fact that we are urbanists, so contextually we are always very aware of what the building needs to do within its environment and within its context and we preach that. Clients are really beginning to understand that more and more **C4-2**

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### **B5C**

On the job we have two very distinct advantages that of the personal service that we have, if you are a client and we are the ones that make the contact, I am the only one that you will ever see. So we are very loyal towards clients and then our project administration is twice what it needs to be and we find that is incredibly successful. Then after that we have a very strong follow up, even years after, we would go and visit our projects and make sure everything is fine. So I think clients feel very comfortable with that and it's just like normal things; I mean people like being attended to and we just hammer that, we do that every time. We almost pamper our clients that they feel they are our only ones. That's very successful, especially in the Boland. I think the city people do understand that but they are not so needful of that I don't think; but here in the Boland it's a farming



community, it's more [unclear 21.39.6]. So I think those three specific qualities discern us from all the others, definitely.

government jobs, big clients, we'll do that but on normal jobs we will just use the little project books.

Well historical buildings after measurement we would be very sure of what the buildings development was, thicknesses of walls and the way things are set in the walls; so we have got a very good knowledge of what structures are historical specifically.

We've actually got an office WhatsApp group where I can speak to the whole office in one go and everybody knows exactly what's going on. Problems on site, who's working on this, email a drawing – we use the telephone to maximum effect, well I do.

Yes, the electronics and all of those, we would use to their fullest potential but the computer mustn't drive you, you must drive the computer, always that. I always have that in my mind.

I think office planning and the way we work together, I think that is innovative, you know there is an No, it's a graphic designer because they can look from the outside in and they design our new image because we had one image for 25 years and then we decided okay we are going to change that and freshen it up. We listened to them and we are extremely excited about it; the whole letterhead, the way things look are very important to people.

**Innovations:**

Client relations

New H.R. and operational practices

Competitive advantage:

So your competitive advantage is your ability to do heritage related work?

Absolutely. **C4-3**

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**B2M**

which is a PTY Ltd and I have a lawyer and a business manager who is in it, one of my best friends, and I have one of my staff who is currently doing his masters at UCT. So he has been here for ten years with me.

**Innovation:**

New H.R. and operational practices

Client relations

Competitive advantage:

I think maybe that we like a challenge, I think in everything you do in architecture whether its designing the building or the details or whatever, there is a certain challenge in it and I think that is just to keep on trying to discover new ways of doing things.

#### **C4-1**

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#### **C2S**

Financially in the sense of at risk for a client but I won't do pie in the sky work, I won't do somebody just walk in here and says he wants to build a Disneyworld out here. I am not in the market for that, but to assist someone to put something together to look for finance, to get the thing going, I have done that.

In my personal I do, I have a family trust that owns everything, in my personal name I don't really own much.

#### **Innovations:**

Client relations

Security against liability claims.

Competitive advantage:

I think I am flexible because I am small I am flexible. I can change direction easily.

#### **C4-2**

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#### **C3S**

I find it strangely so rapidly, because at the moment we are doing 3 jobs in the Cape and for that we just send digitals to the contractor and to the engineer. They have their own printers, wherever and they do it. It's seldom, you know it's more with councils where we would have to prepare a parcel and send it to the council, hard copies.

#### **Innovation**

Communicating with contractors

Competitive advantage: Not stated

#### **C4-2**

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#### **D3S**

With the fee scale, but I charge them 15% and they tend to smile and it's because of 2 things. I package my services, in other words I give them benefits so it's not only employing the best architect you can get your hands on but you are also getting benefits out of it, all sorts of additional benefits that you as a home owner builder or new home owner will find precious, and I know that because I've been through them all so many times, so I know that. If you want to make a guy happy, give him

something for free. It depends on what it is, but instead of trying to confuse the client by throwing all sorts of calculations on the table, give him a fixed fee. What does it matter? Rather round it up to a higher figure and say look, I can do this for x amount fixed fee. You are not going to call about, we know you're house is going to cost more and it's your problem to find the money but I'm not going to charge you more. In the meantime if I were speaking plain Afrikaans I would say, look, I'm already overcharging you anyway, but you don't know it and it's not as if I'm doing you in because I'm going to give you that service. He is going to get the fees paid, this is a particular fee scheme where there are fees paid for considerations of drawings and ecological approval and council fees, so it's all included

the package and if you know how to use that software then you gain that benefit and whether you use somebody to do it for you or you do it yourself, that is beside the point. But just mastering the tools that provide me with my income and with my edge, I call it my edge. For example, there are very very few architectural firms that use ArchiCad or REVIT to Bim level 2 in this country and I know because I've delivered a couple of workshops on Bim and what is Bim and in fact government should know about Bim because they will be saving themselves millions if they implement some of it not even all of it. But at

. If you look up a buyers agent in South Africa you will find my name because I'm starting to market myself as one even though nobody knows what it is. I'm just keeping a low profile because I don't have a lot of time at this stage.

### **Innovations:**

New H.R. and operational practices

Fee structures

Competitive advantage:

I don't think I can say that with certainty but probably providing an equal or better design set of working drawings if this is about architecture. I can add value by making sure that there is a huge emphasis on life cycle costs and I point it out to the owner that this might cost you x or y instead of z, but it will cost you less over the life cycle that you will be staying in the house if you are not speculating. I don't think that there is a lot of practices that will do that and I can also probably provide them with the proof drawings quicker than most practices can because I am very much involved in getting plans approved at the local council myself.

### **C4-2**

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**C4G**

, my experience is that architects can't manage that many people in that complex structure, they can interface but they can't manage it. So what we've done is we have brought professional project managers into our business who act as what we call design managers. So they are not project managers per se, but they understand how to manage the big picture and so we offer a design management service which is our lead consultancy service, and it's headed up by project managers, guys who come from that background and the architects report to them, so our MD in Dubai, Steve Kelshaw, has a BSC building background, he is not an architect. But our design principle there is Floris Smith, so Floris is our designer and all our designs are lettered and everything by Floris before they go out. He has a very strong team under him. But I wouldn't for a minute think that Floris could manage that process and I don't think he wants to by the way. So there is the difference, that where we make the difference.

we encourage, particular our younger guys our sort of mid tier guys, to take ownership of aspects of our business and that can be anything from the CADD technology to presentation techniques to drafting techniques you know, so we encourage a sort of sub-culture within the office which gives people a sort of degree of ownership of what they are doing and influencing how other people do things in a better way.

we had a sit down and asked them what they have done and what their protocols are how they do their North points, section lines, all those sorts of things. We had to get our technical guys to sit together, not to mention our designer guys that was a separate exercise all together. So you learn from them and say that's a good way of doing something and then you borrow it and they will do the same.

I suspect, if one can use the expression big match experience. We have done some huge projects and I mean huge. I will show you some pictures now. We have worked internationally, that is another advantage, we have worked internationally in collaboration which a lot of practices don't understand. I mean, I have spoken to some architects and they say they can't understand how we can share a project with say ABC from America or from England or this or that, and the answer is you can and you do and you get on with it and it's fine, you get better for it. So I believe our competitive advantage is, we have done really big projects, very complex projects, in often very confined and constrained time periods, and we understand working internationally. I think not too many practices have that.

### **Innovation:**

New H.R. and operational practices

Encouraging intrapreneurship

Competitive advantage:

### **C4-1**

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## C1G

Yes we are using BIM [unclear 21.29.0] but I will show you one that we completed that was basically designed about 5 years ago, we just completed it now with the photographs; this was a redesign of an old place that we took there, that was the before and it now looks like this, that was the existing house that we converted into that.

Yes, a lot of the time, just a typical thing, I at the moment spend six weeks three times a year in Italy in our house there and just communicate via Google with the staff here. One of the things that came up whilst we were there last time was that I suddenly started checking on the South African website [register / registry 35.13.8] advice whether basic stuff like South African architect, Johannesburg architect, Pretoria architect has ever been registered by anybody, and they registered 25 websites like that which now all link back to my website. So if you Google architect in Africa they are going to give you a website with a few photos of our stuff but a link back to our website. Such a simple concept but I didn't think about it for 15 years myself and nobody else has thought about it otherwise all of those websites wouldn't be available. Cost me R150 a website to register and R100 a year to keep it registered and suddenly I am sitting with 25 websites that sends work to my website.

### Innovation:

New H.R. and operational practices

Use of technology

Competitive advantage:

I think basically my engineering experience, we can do things that nobody else really attempted and quite often I have to teach the engineers how to do the stuff I do. So that is a big advantage and then furthermore my understanding of luxury, and because we travel a lot I spend a lot of time in luxury hotels and place like that and stay up to date with what is currently regarded as luxury.

Yes look the thing is to develop a.. it has to be something that takes years and years and you have to work at it very definitely. We worked creating a brand that is a little bit industrial I guess because of my industrial background and the fact that I know how to work with steel and concrete, we established that brand, but unless you can establish a brand you are just another one of thousands out there.

### C4-3

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## D1M

; but we then put in our expertise, our fees, so in a lot of cases we don't get fees because we put our fees into the project and we do all the preemptive work and all the feasibilities and put the whole thing together

### Innovations:

Fee structures

Competitive advantage:

I think most good architects are supposed to be able to do what we do, and that is to produce a full service of architecture from giving guys firstly a good creative design from the concept down to producing that in a presentable drawing and then to actually build it. I think the edge might be on the practicality in that I am very practically orientated

### C4-2

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#### **D2M**

got a specialized design division who does all the design and I am involved in all of those steps, I am very much involved in the design although I don't work on Revit software; I did the course but because I have never had the opportunity to sit down and work anymore on a project so I never really got up to speed with the software, but I am involved in every project in the concept design and in the design

. Then the other division in the company is the technical division, all the projects go through them and I think everyone in this company is handpicked, almost literally, the technical guys are also the best, some of the best in the business; so our documentation is from the best and I see that especially from new clients we get to deal with is that their experience with architects is not very good. We love doing the design but we never pull it through to a proper detailed design, the technical documentation is not done as accurately as it should be and then we are mostly, as architects, terrible administrators. I picked up those shortcomings in our profession generally the service that other guys give and I am not shooting them down, it is just something that I detected and I can see that in clients that they don't expect what they are getting from us.

project 100% as far as the time allows by the time that drawing is issued to the contractor. Then with myself I have got an absolute specialist in an architect who loves admin work, Anneke, she is also a young architect qualified a couple of years ago, she loves the admin work. She creates emails that you can't believe, she chairs meetings of 15 people where there are some [very experienced guys? 22.56.5] sitting around the table in the construction industry and she is the Chairman. I am sitting by her side but I know I don't need to chair the meeting and our admin is spot on. We never miss, if there is an RFQ from a contractor they get the information the next day – so that is something that I discovered that as architects sometimes we drop the ball on some of those things.

So to cut a long story short I identified those areas as being short comings in our profession and I structured the company slightly different and it works very well, but you must have the competent people like Anneke who is not involved in the first design meeting but by the time the project lands on her desk she is up to speed with the design, she is up to speed with all the technical issues, she often takes the technical guys with her to meetings just to give her support and so forth but I think that is something that we are doing slightly different.

**Innovations:**

New H.R. and operational practices

Competitive advantage: Not stated

**C4-2**

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**D5G**

We only employ architects, we've got very few people who are not qualified interior architects but every person does everything on his projects. From beginning to end. So we invest in quality people. A number of our people were either number 1, 2 or 3 at their Universities when they completed their studies. I don't know about Gerrit in school but I was second. We try to get people that are better than us. So we invest in people definitely and then in terms of software we are fully licensed with REVIT and we could spend more on training I suppose.

that I will investigate the project manager status. Well we will need to establish what exactly is required to register as a project manager. I've worked on too many projects were as an architect I keep on reminding the project manager what his job is, so I want to find out how to register as a project manager and get that 1½ % additional fees on some projects and then my partner Gerrit, who works more on the residential side, he wants to look at becoming a property agent

I think many architects try to do it, but what we have done is to put developers into contact with potential clients so we work with developers in Johannesburg, [unclear 0.29.33.2] I don't know if you've heard of them? So we would know that there is a need for a dealership somewhere and then we will be a link, if you like.

We bought a property and we are renting this house and this is part of that Hotel development that we are doing so we are going to have to move out at some stage, so we bought a property and we've started the sketch plans but we need to bring in other investors maybe quantity surveyors and

**Innovations:**

New H.R. and operational practices

Client relations

**Competitive advantage:** I think the special knowledge about brands and I have specific knowledge about décor dealership design so that is definitely an advantage. I'm known in the industry as a dealership design specialist so that has definitely given me the advantage on a number of projects so in terms of profitability, getting this construction or turn key work was certainly extremely valuable to our company from a financial point of view. C4-3

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## D6G

. We were the first architects in South Africa to have small computers, we started with very small Apple computer and then we generated very quickly new interest in computers as the one partner Xxxxx was very technologically driven and very interested in technology.

But essentially we tried to have as little overheads as possible that were done on a cash flow impact basis; we tried to buy as many things cash as what we could.

. So the quality of your presentations has always been to us absolutely key, The other one was in production of drawings; how to produce drawings quickly, efficiently and cost effectively so that at least you can make a profit, because that is where architects lose the second amount of their profit. You make the most profit in your design, you lose a little bit more or you make a little bit less not lose, on the production, and invariably your site control and building the building is where you lose the most money. It is simply the most time for the least reward; whereas design is the most money for the least time. So we had to work in the office in different ways to try and understand how to produce buildings quickly and efficiently, and we went through different work stages where certain teams did certain work continuously, in other words if you do one dealership and you do another five you do them faster and you do them better so the creativity of running that machine needed quite a bit of innovation and a lot of interesting management. I would say that is about where the creativity comes in.



. So even the quality of the office space that you provided for your staff had to be creative in the way it is put together, in the way it feels how to work there, we put a lot of emphasis on our work space environment.

**Innovation:**

Use of technology

New H.R. and operational practices

Working environment.

**Competitive advantage:** I was very interested in design and buildings, and the combination of design and good quality design, presentations and buildings went hand in hand with great technology back up. Design and technology and marketing; those were the three areas that we really worked hard at.

**C4-1**

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Themes:

**C4-1** Innovation probably contributed to competitive advantage (8) 38%

**C4-2** Inconclusive (10) 48%

**C4-3** Innovation probably didn't contribute to competitive advantage (3) 14%

**SYNTHESIS**

The responses provided by 21 (out of 26= 81%) of enduring architects' firms were compared with their competitive advantages as per their responses to G7. In the majority of instances (48%) no conclusive link between the cited innovations and the firm's competitive advantages were evident. In 38% of the cases the link was probable while in the remaining 14% of cases it was evident that there was no direct link between the cited example of innovation and the firm's competitive behaviour.

**DEDUCTIONS**

The link between innovation and competitive advantage among enduring architects' firms is relatively weak and not as strong as the link between creativity and competitive behaviour. However, innovative actions could result in other significant advantages for the firm and should not be disregarded. Therefore a profession specific EET framework should encourage innovation in firms.

**C5 How important a contribution did this attitude play in your firm enduring?**

**A6S**

Deep down everybody enjoys it. Is it an urge for everybody to explore angles and I think people get too predictable in their designs. I do not know how they enjoy it. Except for money. I can only talk for myself.

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**A4M**

Come to me because they want answers and guidance and I give it to them. Because I know retail and education like the back of my hand. I made a study of both of those sorts of slices of the architectural pie.

Move it forward every day we have to move forward otherwise if stagnate we are going to go down the drain in two months **C5-1**

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**B5C**

Absolutely not; look survival also teaches innovation, you become very innovative when you don't have money in the bank. We have done ridiculous things, we didn't have any work I think it was in year two or three and we actually placed adverts in the local newspaper and advertised our services. That ran for about a year, every week a different advert, and it actually paid off and we started, well we saved this practice by doing garage additions and really just doing a bread and butter kind of thing. So you can be quite innovative if there is a bit of a hunger, but if everything falls in your lap I don't think there is anything that spurs you on. I don't know. **C5-1**

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**C5M**

A confirmation to me that this is what we do and this is how we work, because I also work with a lot of what we would call subliminal cues in architecture, subliminal ways of communication between the building and the user, and one of my clients phoned me on a Monday and said I went on the weekend to a house you designed; because our attitude is that we do things differently I know that there is no [unclear 18.58.2] reason for her to have picked up that it was a design that we did. I challenged her and said maybe it was maybe it wasn't but how would you have come to the decision that it is ours, she said your houses have a different feel that is the subconscious. She was absolutely accurate, and she said it had something to do with light or something but I think it really has to do with the relationship between the building and the body and investigating that relationship. So its nice confirmation that we are doing it differently, it's not just we have purple walls in stone but there is something more unconscious about that relationship. **C5-1**

They've experienced something [unclear 20.07.6], they can't tell me what, they don't say it's your glass doors or your cantilever balconies, they just say we like what you do without being able to pinpoint a particular feature.

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## **D6G**

them our capabilities and invited them to our offices to see our modern technology offices, we were the only offices in town that had this ability. That gave us a great great push forward because most of the corporate clients thought that we were good designers, delivered great quality buildings and were technically advanced above the older practices, and then started selecting us in preference to some of the older practices. C5-1

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Themes:

C5-1 Did contribute

## **ANALYSIS**

Five out of a possible 26 enduring architects' firms provided direct responses to the question 'how important a contribution did this attitude (being innovative) play in your firm enduring'? All respondents indicated that it did contribute to the firm's survival.

## **DEDUCTION**

From the above it can be regarded that innovation can contribute to the endurance of an architects' firm.

**C6 Do you believe that innovation acts as moderator between entrepreneurial orientation and entrepreneurial performance?**

**A4M**

Without a doubt. [C6-1](#)

Without a doubt. Most of the guys in Durban if you have a professional problem go and talk to them about it. They don't say I'm a good designer, they say I'm a hell of a good designer, in terms of running a business and doing systems. Because most of the guys don't and they do the same drawing, they take the same door and they draw it again on a new schedule. They say are you crazy. They just pull it in and change the numbers of. I recon I spend 15 min a day tweaking systems, and it never stops there is always a better way. I just switched to apple about two years ago and there computer system compared to windows is just on a completely different level it has taken me about two years to get my old computer system onto the new system. It's easier to access, to find things. I'm very happy with that, it's an ongoing process. Now I'm looking at cash flow I am looking at the whole management angle and how to give your best structure for the invoicing system. Your depositary cords and all that sort of thing. It's also fundamental because they need to be accurate and they need to be quick and they need have been gotten out of the way so that you. I tell these guys every day, get the Job done don't Fidel around. Move it forward every day we have to move forward otherwise if stagnate we are going to go down the drain in two months

I think it does. For example where you have had a bad run or something doesn't go smoothly. In the last 6 months another client engaged in the services of another architect and after three months they came back to me and said. Let's carry on because the guy just didn't perform, I like to spend a lot of time in the office because I do most of the management to keep the correspondence and so forth for me it's the same day operation. Query comes in goes out the same day otherwise clients are going to get frustrated [C6-1](#)

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**A3C**

Yes I quite agree with you I think it is. I keep harping on about profitability but it's not only about profitability it's also about being fulfilled as an architect that is the other thing which is quite important not to lose sight of. You just take [\[unclear 24.20.4\]](#) for instance, he to some extent works on his own as well and I think that we have both probably suffered from the same particular problem; he still totally works long hand by the way, but I think we both lost out on something which would have been gained had we had other partners or other people working in the office, that sort of feedback is actually quite important. [C6-1](#)

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**C1G**

Definitely yes, otherwise things are just blowing around in the wind and I hate that. I want to know, you will see the girl who sits here this morning is my daughter-in-law, and she is a qualified architect and all she does all day long is she checks plans and she checks progress. At any moment I can ask her, at the moment we are busy [unclear 18.24.3] five projects, and I can ask her what is happening with this project where is it at; and she can immediately say it is there or there or we are waiting for this or that or this guy is busy with it and he is still within his 20%. Control, it is not just a system; a system leads to control so you can control what you are doing. **C6-1**

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Themes:

**C6-1** Affirmative

### **ANALYSIS**

Only three out of 26 enduring architects' firms (11,5%) provided a direct response to the question 'do you believe that innovation acts as moderator between entrepreneurial orientation and entrepreneurial performance'?

All three firms agreed that it is.

### **DEDUCTION**

The foregoing indicates that innovation can act as a moderator between entrepreneurial orientation and entrepreneurial performance.

## **D TOPIC: ORGANISATIONAL LEARNING**

The first question asked 'what is your firm's attitude to organisational learning?' (refer to D1 in Addendum C). A total of 25 out of a possible 26 enduring architects' firms (96%) provided direct responses to this question.

The following responses were each received from single firms (4% each).

- We learn from our mistakes.
- Travel is important.
- Only when essential.
- Courses on offer are a waste of time.

Two firms indicated that they regard it as important but prefer to do self-reading (8%). Four firms indicated that they regard it as important but that self-training (books/ travel) or in-house training of staff is preferred (16%). Six firms regard organisational learning as important (24%) while nine firms (36%) believe there is a need for ongoing education.

While the quality of learning offerings available was criticised and many firms took a more holistic view of organisational learning, the vast majority (92%) of respondents recognised the need for and importance of dedicated organisational learning.

Since everyone working in a firm learns from doing, it must be recognised that experiential learning is valuable but cannot be sufficient in present day practice while simply criticising what is on offer is not sufficient. Thus a profession-specific EET framework should include ongoing training programmes.

The second question asked 'have you or any of your founders attended any entrepreneurial education programmes?' (refer to D2 in Addendum C). Because this question was a duplicate of Question A7 the responses were conflated with the responses received for A7.

The third question asked 'have you or any of your founders attended any business management programmes?' (refer to D3 in Addendum C). Because of the similarity of this question to the previous question, the responses received were also included in the analysis of question A7.

Fifteen out of 26 enduring architects' firms (57,6%) provided direct responses to the fourth question which asked 'how important is learning about and employing the latest software to the firm?' (refer to D4 in Addendum C). While not asked as part of the interview, three firms (A1S; A3C and C3S) indicated that they do not use Computer Aided Draughting themselves but rather have this done by outside contractors.

- Two firms (13%) indicated that learning about and using the latest software is not important to them.

- Four firms (27%) believe that learning about and using the latest software is somewhat important to them.
- Four firms (27%) believe that learning about and using the latest software is important to them.
- Five firms (33%) believe that learning about and using the latest software is very important to them.

Thus, a few (13%) small or medium sized firms do not think learning about and using the latest software is important. (Some firms outsource all their Computer Aided Draughting (CAD) work. However the majority (87%) think it is somewhat important, important or very important. As will be reported further on (refer to G7) some firms used the employment of the latest software as a strategic and competitive advantage in growing their firms.

The fifth question asked 'do you stay abreast of developments in Architectural Design theory?'. Seven out of possible 26 enduring architects firms (28%) provided direct responses to this question. Forty three percent of respondents indicated that they do not endeavour to stay abreast of the latest developments in Architectural Design Theory while 57% indicated that they do. While slightly more than half the respondents indicated that they do consider it important to stay abreast of the latest developments in Architectural Design Theory. This percentage is concerning low.

The sixth question asked 'do you subscribe to and read professional journals?' (refer to D6 in Addendum C). Fourteen out of a possible 26 enduring architects' firms (54%) provided a direct response to this question. Three firms (21%) indicated that they never or very seldom read professional journals while the majority (79%) or 11 firms indicated that they regularly read professional journals. Noteworthy is the fact that all three firms who don't read professional journals on a regular basis are small firms. The above indicates that the reading of professional journals is advisable as it is often associated with firms that have grown beyond the small firm category.

The seventh question asked 'do you subscribe to and read business journals?' (refer to D7 in Addendum C). A total of 18 out of a possible 26 enduring architects' firms (69%) provided direct responses to this question. Their responses are as follows:

- Six firms (33%) indicated that the firm's founders do not read business journals but the financial section of newspapers
- Four firms (22%) indicated that the firm's founders do read business journals.

- Three firms (17%) indicated that the firm's founders read business books and the financial sections of newspapers.
- Three firms indicated that the firm's founders did not read any business journals or books (17%).
- Two firms (11%) indicated that the firm's founders had read a business related book.

Only three respondents indicated that the founders of their firms did not read any form of business related literature at all. It is again noteworthy that these responses are from two small firms and one medium sized firm. A further two firms could only point to a single business related book that their founders had read. The remaining 72% do read business/ financial related literature on a regular basis. Thus it appears that there is value for architects in regularly reading business/ finance related literature.

This indicates that an EET programme for architects should point out the advantage of keeping abreast of business/ financial affairs and theory while encouraging participants to regularly read all types of business/ managerial or financial literature.

Question eight asked 'do you believe that organisational learning capacity acts as a moderator between entrepreneurial orientation and entrepreneurial performance?' (refer to D8 in Addendum C). Only four out of a possible 26 enduring architects' firms (15%) provided direct responses to this question. While the response rate is low the respondents were unanimous in confirming that organisational learning capacity acts as a moderator between entrepreneurial orientation and entrepreneurial performance.

Thus it was accepted that the founders of enduring architects firms believe that organisational learning capacity acts as a moderator between entrepreneurial orientation and entrepreneurial performance. A profession-specific EET framework should thus encourage participants to accept the principle of life-long learning and the learning organisation as postulated by Senge (1997).

Question Nine sought to establish 'how important a contribution this attitude played in your firm enduring?' (refer to D9 in Addendum C). Only four out of a possible 26 enduring architects' firms (15%) provided direct responses to this question. While the response rate was low, the respondents were unanimous in confirming that organisational learning made an important contribution to their firm's enduring.

Thus it is apparent that the founders of enduring architects firms believe that organisational learning capacity supports a firm's survival and endurance.

### **Findings**

When the foregoing is synthesised, the following findings can be made from the answers obtained:



- The vast majority (92%) of respondents recognised the need for and importance of dedicated organisational learning.
- Experiential learning is valuable but cannot be sufficient in present day practice.
- The majority of enduring architects' firms (87%) think it is somewhat important, important or very important to employ the latest software.
- The reading of professional journals is advisable as it is often associated with firms that have grown beyond the small firm category.

This indicates that an EET programme for architects should accept the principle of life-long learning and the learning organisation, point out the advantage of keeping abreast of business/ financial affairs and theory while encouraging participants to regularly read business/ managerial or financial literature. It should also include ongoing training programmes. This is underscored by the finding that the founders of enduring architects firms believe that organisational learning capacity acts as a moderator between entrepreneurial orientation and entrepreneurial performance while supporting a firm's survival and endurance.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

The founders of enduring architects firms believe that organisational learning capacity acts as a moderator between entrepreneurial orientation and entrepreneurial performance.

**Of relevance to Research Question 3:**

(Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?)

- The vast majority (92%) of respondents recognised the need for and importance of dedicated organisational learning.
- Experiential learning is valuable but cannot be sufficient in present day practice.
- The majority of enduring architects' firms (87%) think it is somewhat important, important or very important to employ the latest software.
- The reading of professional journals is advisable as it is often associated with firms that have grown beyond the small firm category.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

An EET programme for architects should accept the principle of life-long learning and the learning operation, point out the advantage of keeping abreast of business/ financial affairs and theory while encouraging participants to regularly read all types of business/ managerial or financial literature. It should also include ongoing training programmes.

**D1 What is your firm's attitude to organisational learning?**

**A6S**

I've learned from mistakes. [D1-1](#)

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**A2S**

I've learned that architects are thick skinned. If you have your B Degree in Architecture you think you know all, you can tackle restoration, a supreme court, a hospital. I think that is bullshit. There are a number of refined skills that needs require/training. 30-40 years of trial and error.

I do believe there is a need for ongoing education/training. [D1-2](#)

For myself I think it's hugely important

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**A4M**

I do think it's important. I leave the courses they want to attend, to their discretion. I don't really have a structured system for that [D1-3](#)

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**A5M**

Yes I do, I mean I am always looking to learn new things and if I don't go to courses I read. I remember when we started A5M architects I would like go to the business section of the bookshop and read all those books that you find there because you can get quite a bit of knowledge from reading if you don't have courses.

They do CPD courses yes, the way we work is that I try and do the CPD courses that are going to benefit me, which is generally the level 1s or whatever and they do all the [\[unclear 38.41.5\]](#) stuff and a lot of the technical CPD courses I make sure that one person attends each of those, so we share the CPD load in the office.

but I know a lot of students go back to do the BTech. Sometimes I wonder why, you know how much actually are they going to learn from it, is it just a degree, is it just a piece of paper, how much more are they going to earn with that piece of paper, because they battle. They go in the evenings, I think we have got about 30 part timers doing the BTech course at DUT. It is a very popular course and it must be popular for a reason you know, I don't know what the reason is.

. I think CPD is very technical. I read, I am on websites, social media, I still buy books, I still look at books in my office for inspiration. We try and keep abreast yes. I also teach.. well I don't teach, I am an external examiner at [DT](#) in KZN so I sort of get to see student work and that is actually the only thing that really keeps me.. it's the energy you get from students you know because they are usually the ones that are more relevant than me.

actually felt that I spent so much time training her that I could have actually have done it myself. So I am thinking maybe that is where I am now in my life in this practice is I just train the people that.. I am a little bit short in design staff in my office, but I just train people to try and fill in the gaps.

#### **D1-4**

Apparently not because everyone now in other countries, the issuing around tendering is about competitive pricing, anything you do should be competitive and I think some countries have the same challenges that we do. But I think in South Africa it is a little bit more about corruption and all sorts of other things that creep in. Contract admin is a challenge and it only gets easier as the years go by, so like 10 to 20 years later it is a piece of cake, administering a contract is so easy, but then your challenge is not there anymore, your challenge is actually your client because you are now not doing what you are supposed to have done, what you are trained to do. I don't know if it is making us bad architects going forward or not, I have to train my staff to be aware of things you know. If I am not at a meeting or if I send somebody to site the person has to be aware and my staff are very aware, I have taught them what they should be doing and what they should not be doing. If you are not sure about anything don't make any decision and come back, because often they don't realize the implication of something that might happen in a meeting that may end up being my problem later on.

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#### **A1L**

But I try and get my guys to travel, go and get inspired somewhere, go and see [some of these glasses 32.59.6] in a different way that you have never seen before and then suddenly you realize you understand the palette that you have and once you understand the palette you can start to experiment a lot more and you are going to be more expressive, you know how that matures in work and you can play with it. **D1-5**

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#### **A7L**

Over you need two people. Starting benefit. Started seeing benefiting of further development and studies. We realize not only is that important staff is developing themselves in terms of recognition of prior learning. The guy who is a draftsman who is competent it means nothing without a piece of paper. We got staff to further their studies. You leave work to study. Guy who further himself we need to support it. We have constantly, all our manuals are for staff. Given to new staff to read about our styles, and procedures. How the process works. We have a whole process. As a result of that we got to answer to a quality management documentation. It's going to be done. We

worst regarding documentation. I know Western Cape and Pretoria it's a preferred document. D1-3

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### **A3C**

No, I see them but I actually haven't. It is something which I suppose one should actually do but I haven't actually at all. D1-6

Very much so; I do also think that we need to think wider than just plain architecture. I think architects have become too introspective, all we see is bricks and walls. I think there are much more social issues and I am not only talking about this country because I studied through [unclear 26.45.6] through the RIBA and all my exams were British exams, and we had a lot more social studies than what people have here. I think that is very important, I mean there is all this [unclear 27.04.3] political.. you have got to forgive me I am not a liberal, but I think there are far greater issues which we are missing completely and I think that our involvement and our voices need to be more vocal in terms of the sort of urban issues and I would necessarily say low cost housing but affordable housing. I think there are far greater adjuncts to those particular things. I mean if you took concentric circles and each circle actually really had a particular social element to it we would have a totally different picture of what we are designing for. A friend of mine [xxxxx] used to be a professor at UCT..

Yes, very much so. So I make sure that she goes to all the courses that are offering this that and the next thing so that she can do the calculations and submit them to the municipalities and things like that. Clearly I have got an understanding of what is happening so it is just the legwork because those calculations take forever, but she does all that lot as part of her responsibility. Obviously she gets paid for it.

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### **B1S**

I think is critical to keep on learning in your field. Whether we like it or not, in order to continue in practice, we need to attend lectures and courses for which we receive Continued Development Points. These need to be annually reviewed by the Practice Institutes to ensure that we stay on top of our field. I think this occurs with any profession. D1-3

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### **B4G**

It is very important; it is not structured enough and in a sense the CPD point program which has been introduced and with which we must comply as to all professionals, be they lawyers or accountants or doctors, that creates a platform that compels you to do that. D1-3

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## **B6G**

And I lecture and I examine but I get all the journals, I get the British Reader Journal, I get Asia, I get Architectural Review, Architectural Record and many more. I don't read architectural books, I find them boring, I like to read about what other architects are doing elsewhere in the world and what competitions have run and why they are being judged. I love it, it is my hobby, it is my number one interest. So I consider myself very up to speed with what the world of architecture is doing and educational trends, academic trends in architecture. [D1-4](#)

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## **B5C**

. I think professionals are not skilled enough, they think they know everything and [\[unclear 26.41.0\]](#) but I think continued professional development is good. I think you also need to sharpen your pencil to be the sharpest one in the packet i.e. belong to organizations like we would belong to a heritage organization, we would be registered with the right people; but I think you need to know more about your subject than others that helps a lot. [D1-2](#)

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## **B2M**

The only course I went on was a straw bale construction course and a JBCC course 20 years ago but I don't go to courses. I think most of them are a waste of time, especially the CPD ones, I don't know what they are like in Jo'burg but here they are just generated by sort of capitalism. You want to sell me another board then you run a course and they are so boring, and unfortunately I think a lot of the stuff has no real value for architects. People just go to get their CPD points so it's quite sad.

## [D1-8](#)

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## **B3M**

Ja, maar ons het nooit 'n kursus bygewoon nie.

### **Christo Vosloo:**

Maar julle doen baie navorsing?

Ja, geweldig baie navorsing. Ek het elke week uitgegaan en in die [Institute 0.53.12.2] navorsing gedoen en in tussen het ek ook al die ander argivale navorsing gedoen en persoonlike onderhoude met families en so aan.

B3Mis baie beter daarmee as wat iemand soos XXXXXXXX wat eintlik Engels sprekend is, ooit kan hoop om te wees. B3Mpraat gemaklik met mense en kry inligting van mense, ens.

### **Christo Vosloo:**

Maar as 'n mens nou kyk na julle nuwer werk, met ander woorde, nie restourasie werk nie, nuwe geboue wat julle ontwerp, gebruik julle nuwe tegnologie in die kantoor, rekenaar, CAD pakkette?

## D1-7

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### **C2S**

Yes, yes, attending mid-career courses. D1-2

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### **C3S**

Yes we have to, we have to try and keep up. So like I have all the new SABS stuff, went there and bought the new stuff, attended some courses to become a competent architect for the EE stuff and so on but the CADD contractors have to prepare their drawings to be approved at the council, so in the end the responsibility falls on them to know the regulations and to make the EE calculations work, thank goodness and sometimes when it's a difficult job we get xxxxxxxx in. Do you know about them? D1-2

I think so; you have to have an enquiring mind. That is one of the basics of that personality analysis I think. You always have to ask questions. Like why am I doing what I'm doing? Is it right? Am I putting this thing together correctly? So yes, you are learning all the time, you never stop learning.

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### **D4S**

It's ongoing. D1-2

I think so, yes I do. I serve on the Pretoria Institute for architecture and I believe one has to be out there. I serve on the committee I mean.

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### **D3S**

the package and if you know how to use that software then you gain that benefit and whether you use somebody to do it for you or you do it yourself, that is beside the point. But just mastering the tools that provide me with my income and with my edge, I call it my edge. For example, there are very very few architectural firms that use ArchiCad or REVIT to Bim level 2 in this country and I know because I've delivered a couple of workshops on Bim and what is Bim and in fact government should know about Bim because they will be saving themselves millions if they implement some of it not even all of it. But at

I read a lot of articles in related magazines that has to do with the AEC (Architecture, Engineering and Construction). I read every magazine I get my hands on, steel, construction, project management, facilities management, all these things. D1-7

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## C5M

Then afterwards I ask them to do what they have seen in sketches so that they not only just look with a camera eye but get involved in the fact that that can be detailed. I think for me organizational learning values the process of continued self-education is very important, but the first thing you have to do is make architects aware that the world is already full of architectural solutions. You don't have to reinvent the wheel, just become aware of what has already been done and that will already set you apart. Does it make sense what I am saying? **D1-4**

After I finished my degree in architecture I did about two years of law through both UNISA and The University of Johannesburg and I also did three years of psychology through UNISA.

I would say traveling for me is almost more important than reading. I mean I do read on other things and what is particularly interesting for me now is that I am now studying the **[unclear 25.56.2]**, everything about the fossils and that because I have been asked to get involved in that project, and when I did the **[unclear 26.04.7]** I read the novel. So architecture provides us with a unique opportunity to keep on learning about new things, new productions – you know if you do a factory, what do they do, what do they produce, how does it work. Another project could be about something different so in that way I think I would read a lot about that.

And other than that we have trigs, architecture unfortunately at some level remains tied to the word new and trends or fashionable. So you can't stay current if you never do the reading.

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## C6M

travel regularly, we go and see new things, I read a lot, do a lot of research myself in the fields that we are interested in to see how things can be done better. I mean it depends on how much time and what there is available for courses and so on. **D1-4**

Oh yes quite a number of years ago I went on a course overseas to Sweden, housing development – I do a lot of things like I was on the panel for developing the Green Building Council, the tool for multiunit residential and the public building tool. So you know I use those as opportunities to learn and engage with other professionals, so that it is a volunteered thing but it is kind of a really great learning experience. So we have done quite a lot in the sustainability field in recent years

Absolutely yes otherwise you are going to be left behind; I mean green building and sustainability is kind of absolutely key now and there is just more and more and more to learn. So whilst we have never done a certified building our buildings that we are doing is just that they haven't chosen to certify them, the buildings themselves, not the inner city stuff but like the stuff we are doing in



Kimberly – I mean it is a super green building so all of that kind of knowing how all of that stuff works. Then trying to engage with it on a smaller level into the inner city stuff, so you know we will develop maybe a way of doing it or a small tool for some other developers and so on.

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## **D1M**

, if I didn't go to the Institute of Architect's or the PIA's courses, now it is compulsory with the points system but previously it wasn't compulsory and I for the life of me don't know how the guys could operate and run practices without going to those courses because those courses used to be very intensive, even sort of two days out and you learn such a lot. [D1-2](#)

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## **D2M**

. I just thought to myself I must start my own company and it was not easy for the first number of years until probably the ten year mark and then you start **doing** well like the Jewish people talk about the first thousand days of a business is the most difficult. In that book from Malcolm Gladwell, I I'm not sure if you have read that book?

The Outliers that is very interesting. I love that book because it tells you a lot about how people get to being successful and where they come from and all the influences in that. So I have completely lost the point now.. oh yes

### **Christo Vosloo:**

In terms of organizational learning, that relates to being innovative and using the latest technology and so on, you mentioned that you read books and have read books on business management, but I mean we all have to do CPD but is there any sort of training that you do beyond CPD? In other words what is required to stay practicing, do you send people off on other types of courses, Revit courses, business type courses or green building design etc.?

### [D1-2](#)

### **D2M:**

Yes, definitely; I have just attended the green building conference in Cape Town which is much nicer than doing the one in Sandton because you are in the Cape and can take a weeks' leave. So yes we do that and we identify in the office, like Anneke would attend all the JBCC or PROCSA or all those workshops. I try to get involved in all of those because I did mention it earlier but every project in the office, and we probably have about 20 to 25 projects of different sizes in the office at any specific time, every email that goes out on that specific project I must be CCd in so I keep track on all the conversations and if need be I butt in, sometimes I shouldn't but I do. So I try to do also for CPD but covering the broad spectrum

. I could see the change in the production and the quality of the work that came out, so I think that is very important and we do that from time to time.

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#### **C4G**

Yes, you know here is the interesting thing, we are probably one of the few practices that works internationally with other architectural practices. On many of our projects, and I mean many, we have collaborated with architects from the UK, the States, the Middle East, so that was collaboration, but we have not, for a lack of a better word, outsourced anything or asked them to bring it in to us, we have just done collaborative work. But to answer your question, we do encourage the guys, I will give you an example, we have a couple of guys who are really keen on bringing in sustainability, we are champions of that, but you need somebody to take ownership of it and not everybody, a) understands it and b) is passionate about it, they pay lip service to it and move on. So we have a nucleus of guys and they sit on the Green Building Council, we encourage them to get involved in assisting in writing the codes and that sort of stuff. So that is outside of the business but it helps us and it probably helps other practices too, once it is all done. [D1-2](#) of the bigger practices and to a certain extent share common protocols and things but a lot of the work that we do is so collaborative that you actually have to share your protocols with the guys. Not regularly but we do from time to time, yes.

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#### **C1G**

Very important, I spent, I must say at least 10 to 20 days a year in lecturers and courses and stuff. Yes, I send them very regularly, we send them out to do courses and keep up to date with what's happening in the industry and we also invite a lot of the manufacturers to come and do lectures here for them and explain how the materials work and so forth. [D1-3](#)

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#### **D5G**

Yes, I did. I consulted the directors at xxxxxx because I knew them, and also because they were a profitable business at that stage. At that stage they had an architect and interior designer as a partner but that whole process have changed, they are only focusing on the interior side because it is more profitable. But that is where I've picked up some of the habits that we have and which relates to communication, [D1-2](#)

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#### **D6G**

but the major growth generator of our firm was technology.

Never business management courses, lots of courses on architecture and things like green buildings and shopping center conferences and things like that and conferences on the building contract, almost like post-learning skills that are related to architecture and so on. **D1-3**

Absolutely. What we did which I thought always worked very well is I was always keen to have reps coming into the office, we usually did it on a Friday afternoon, we said to the reps when they wanted to come and see a specific person about a specific product, let's use an example of waterproofing or roofing materials or whatever it may be, I would also always encourage those reps to say don't see the individual, we will give you a Friday afternoon slot, usually around 3pm or 4pm and you are welcome to then come and give a lecture in our office to all the staff that want to hear and want to listen and are available and you are allowed to if you wish add a few drinks and snacks.

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Themes:

- D1-1** We learn from our mistakes (1)
- D1-2** A need for ongoing s education to acquire refined skills (9)
- D1-3** It is important (6)
- D1-4** Important but self-training (books/ travel) or in-house training of staff preferred (4)
- D1-5** Travel important (1)
- D1-6** Only when essential (1)
- D1-7** It is important-I do a lot of reading (2)
- D1-8** Courses on offer a waste of time (1)

### **ANALYSIS**

A total of 25 out of a possible 26 (96%) enduring architects' firms provided direct responses to the question 'what is your firm's attitude to organisational learning'?

The following responses were each received from single firms (4% each).

- We learn from our mistakes.
- Travel important.
- Only when essential.
- Courses on offer a waste of time.

Two firms indicated that they regard it as important but prefer to do self-reading (8%). Four firms indicated that they regard it as important but that self-training (books/ travel) or in-house training of staff is preferred (16%). Six firms regard organisational training as important (24%) while nine firms (36%) believe there is a need for ongoing education.

## **DEDUCTION**

While the quality of learning offerings available was criticised and many firms took a more holistic view of organisational learning, the vast majority (92%) of respondents recognised the need for and importance of dedicated organisational learning.

Experiential learning is valuable but cannot be sufficient in present day practice while simply criticising what is on offer is not sufficient. A profession specific EET framework should include ongoing training programmes.

**D2 Have you or any of your founders attended any entrepreneurial education programmes?**

**INCORPORATED INTO QUESTION A7**

**D3 Have you or any of your founders attended any business management programmes?**

**INCORPORATED INTO QUESTION A7**

**D4 How important is learning about and employing the latest software to the firm?**

**A6S**

But often have to make them draw horizontal draw and they had to write by hand. I still do not use a computer for design. I have my drawing board. I tell you something I still out design anybody on their computer [D4-1](#)

So far I do all the drawings on drawing board, they get what they want. All accurately done. I found no reason at this stage in my career to start to get computer literate in my work.

---

**A4M**

It's an ongoing process that we try and keep up with. We graduated from the drawing board to Caddy then from Caddy to AutoCAD and now although it is expensive we are starting to graduate to Revit. I have a staff member who is a Revit expert he does quit a lot of computer modelling everywhere. I have a computer modeller in Cape town out of all places he does all my other modelling for me but he uses sketch up so we try and stay abreast with what is in the market it [D4-2](#)

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**A5M**

. Not yet, I haven't found the need to yet. Maybe it is just the type of work I am doing now.

[D4-1](#)

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**A1L**

Yes we are using it yes. We fortunately have two projects which we are working with American consultants so we are doing the whole Revit and BIM. [D4-3](#)

I wouldn't say I don't sit and read a thick book like that but if there is a paper or something like that or somebody has recommended it, I will read it but I think right now I'm actually quite clear on where I want to go for the rest of my career. I did read in the past but I think we are on the cusp of an incredible new release in architecture with all the software that we have got now because it ruins our communication and it is about taking what is in here, putting it on to a piece of paper or on a screen that the client can understand and communicating that all the way through to construction without any hiccups.

---

**A7L**

I could understand technology and programs. I remember sitting the UJ of Natal introduced us to DATA Pact and have the package on other side. I sat there about 19 my mother told me to do ..... First job I got in those days were self-taught AutoCAD. Technology is

crucial. We have top op technology bandwagon to best of our ability. Technology a must to us. Everything is the latest stuff and what we can afford. What actually happens you find it reduces your times, attitudes and mistakes? Latest architecture staff we need to be competitive. [D4-3](#)

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**B7S**

No, no, oh new equipment – yes. Firstly we are technologically based. My guys have the latest [D4-4](#) equipment that they can possibly have. The only thing we haven't gotten into is the 3D stuff; look we do the 3D stuff, I know there are some practices that are working entirely on Revit, my boys are so busy, we've got all the stuff, we've got all the software we just haven't got to it but certainly the AutoCAD we've got the state of the art stuff

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**B4G**

Yes we do. [D4-4](#)

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**B6G**

amount as everyone should and I am sure they do, we are fully on Revit, we run 3D software that is coming out of our ears, we do all our own 3D work and you name it we've got it but yes I think the revelation has been Revit. We are all forced to; it is the universal language I think.

Yes yes we have got a BIM manager, yes. [D4-4](#)

**Christo Vosloo:**

3D printing, do you do that?

**B6G:**

On the 3D printer, no not yet, no no no, not yet but we are everything short of that. We have got printing machines and stuff that "skrik for nix", we can do our own brochures and books, that's mainly in Cape Town; although we have a fairly big set up here as well, we can basically do the same but not maybe the volume that we can do in Cape Town. Laser cutters and 3D printers is something that my son is really pushing us hard on, he is doing his Masters at Tsinghua University in Beijing at the moment.

but to answer your question yes we attach a huge amount of importance and spend a huge amount of money on software, also on hardware. After salaries it is your biggest expense, it's scary, every time you want to take a dividend you can't because it has got to go back into hardware and software.

---

**B5C**

Not so much; software is a drawing tool, we can do everything, sometimes we subcontract if it gets too heavy, you know like 3Ds and all that, but we do our 3Ds. A car that does the job, that gets you from point A to point B within the legal speed limit, you don't have to have a Ferrari [unclear 28.02.0]. It looks flashy and nice. [D4-2](#)

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**B3M**

Nee, daar gebruik ons nuwe, totale moderne tegnologie. Klaarblyklik sal dit stupid wees om dit nie te doen nie. [D4-3](#)

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**D3S**

. I use ArchiCAD, not because the one is necessarily better than the other but I'm use to using it and I know it, I regard myself as an expert user. I've spent many hours and lots of money purchasing expert knowledge, it's a little bit like the human brain, which is generally accepted [D4-2](#)

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**C5M**

We have Revit which still is not fully employed by everyone, when I heard of Revit I thought this is the way of the future, so we do have Revit, we do have Sketch Up, but I wouldn't say we are tied to the latest technology for anything. [D4-4](#)

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**D1M**

, and we then switched to Revit and we have recently been doing Revit training so now all the projects are done on Revit, it just works much easier. [D4-3](#)

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**D2M**

Yes. [D4-4](#)

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**C1G**

Yes a little bit but not massively, but what I like to keep up to date with is new materials, new techniques, that is the important stuff nowadays because it moves so fast, and also your computer programs. We have moved to Revit just after it was released in South Africa, we were one of the first 10 companies that went onto Revit and that made a huge difference that we can do parametric

design and we are doing quite a bit of it. At the moment that is our strong marketing point is the sort of off the beaten track sort of designs, very creative stuff that we do. [D4-2](#)

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## D6G

but the major growth generator of our firm was technology. [D4-4](#)

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Themes:

- [D4-1](#) Not important (2) (13%)
- [D4-2](#) Somewhat important (4) (27%)
- [D4-3](#) Important (4) (27%)
- [D4-4](#) Very important (5) (33%)

## ANALYSIS

Fifteen out of 26 enduring architects' firms (57,6%) provided direct responses to the question 'how important is learning about and employing the latest software to the firm?'. While not asked as part of the interview, three firms (A1S; A3C and C3S) indicated that they do not use Computer Aided Draughting themselves but rather have this done by outside contractors.

- Two firms (13%) indicated that learning about and using the latest software is not important to them.
- Four firms (27%) believe that learning about and using the latest software is somewhat important to them.
- Four firms (27%) believe that learning about and using the latest software is important to them.
- Five firms (27%) believe that learning about and using the latest software is very important to them.

## DEDUCTIONS

A few (13%) of small or medium firms, do not think learning about and using the latest software is important. (Some firms outsource all their Computer Aided Draughting [CAD] work. However the majority (87%) think it is somewhat important, important or very important. As will be reported further on (refer to G7) some firms used employing the latest software as a strategic and competitive advantage in growing their firms.



**D5 Do you stay abreast of developments in Architectural Design theory?**

**A6S**

. But I get journals. I feel maybe its good enough. They do not tell my anything significant.

[D5-1](#)

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**B1S**

I'm not a great one for that kind of thing. I don't mind doing a quick page through but not generally and I'm not a great magazine reader. I find that there is enough to do during the day and what happens after 5 or 6 in the evenings and weekends is completely different. I'm not one who hangs out with architects or dream, sleeps, breathes my profession. I actually have lots of other interests that I enjoy. [D5-1](#)

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**C2S**

No I wouldn't say so, the closest I get is basically I would look through that and read what interests me. I get emails that I scan but no.

[D5-1](#)

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**C3S**

Yes, we get a lot of publications online and we are subscribed to architectural review and I find that that is more than enough and we buy publications. [D5-2](#)

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**C6M**

That is very important, I mean we read a lot, I mean we have got a subscription to Architectural Review, to a green building magazine from the States, an Australian housing magazine for instance, so that's three, and then obviously all the other stuff that comes. I read a lot online, specifically in urban regeneration and stuff, there is a lot of stuff, like on the Guardian City Section. [D5-2](#)

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**D1M**

We read the magazines and articles, usually the nice articles, so we do that, SA Architecture the back pages, so I read fairly thoroughly the architectural magazines in that sense, whatever there is to offer; but not in particular books. My interest is more in politics that sphere which is not really to do

with architecture but in terms of the architectural magazines I really read them as far as they are talking about the theory of architecture or the politics of architecture for that matter [D5-2](#)

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## **D2M**

Yes, I do, I just love books, in my house as well I just love books; but we stopped actually buying books, I don't think we have bought a book in ages although sometimes we get some as a gift but you read on the internet now. I do try to keep up to date especially with architecture, what is happening in the world. I read a lot of websites and magazines and I am starting to get used to reading magazines online instead of paging although I still like paging through a book. I read a lot on the internet, all the different publications and websites. [D5-2](#)

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Themes:

**D5-1** We do not endeavour to stay abreast of the latest developments in Architectural Design Theory. (3)

**D5-2** We do endeavour to stay abreast of the latest developments in Architectural Design Theory. (4)

## **ANALYSIS**

Seven out of possible 26 enduring architects firms (28%) provided direct responses to the question 'do you stay abreast of developments in Architectural Design theory'?

Forty three percent of respondents indicated that they do not endeavour to stay abreast of the latest developments in Architectural Design Theory while 57% indicated that they do.

## **DEDUCTION**

While slightly more than half the respondents indicated that they do consider it important to stay abreast of the latest developments in Architectural Design Theory. This percentage is concerning low.

**D6 Do you subscribe to and read professional journals?**

**A6S**

No I don't. I do get them. But although I'm a member of Professional Arch institutes, I don't subscribe to technical journals

They do not tell my anything significant. [D6-1](#)

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**A2S**

Ever since I was at university I have tried to stay away from glossies [D6-1](#)

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**A1L**

Yes I do, yes. When I have got time, if I am sitting at home or something like that. I will look at it,

[D6-2](#)

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**A3C**

Yes we use the internet a lot, I also subscribe to magazines. I read a lot of architectural magazines or design magazines and that sort of thing. So for me that is one of my areas of inspiration is to actually see what is happening out there and also like we have just been travelling in the Cape, to actually literally go from one building site to the next to see what is actually happening there, the outcome of certain architect's offices. So that is something which I really do, I suppose not everyone enjoys it but for me the biggest learning curve probably comes from reading magazines. [D6-2](#)

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**B7S**

Very seldom except on things I really love like [unclear 42.50.6] but I don't sit and read magazines because depending on the project we are doing, like now we've got this gin distillery, a whole new world is opening up. Next week I am going on a tour with the client, don't just read magazines for the sake of reading magazines and of course we don't tend to do high rise buildings and that so it's not important to me. [D6-1](#)

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**B1S**

Yes. So I'm not a great one for the reading but I like to browse sometimes and see if anything catches my interest or if there is information that may be relevant to our current work. [D6-2](#)

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**B5C**

Yes. [\[Unclear 31.11.3\]](#) unfortunately that is discontinuing in two months I think or at the end of the year, unfortunately. There is a lot of online stuff like Design Boom and all of that. [D6-2](#)

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**B2M**

Yes, you can see, we read masses. I have probably got a better library than most architects. So yes we read a lot and we do a lot of material risk search and experimenting and trying to you know see what new stuff is on the market. [D6-2](#)

Yes, more like Mark or you know there are some very good international ones and we get some from Germany that's got some details and things in it yes.

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**B3M**

Ja. Ek lees die tydskrifte maar so vir wat die werd is. [D6-2](#)

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**D4S**

Yes, the standard stuff that we all get. [D6-2](#)

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**C3S**

Yes, we get a lot of publications online and we are subscribed to architectural review and I find that that is more than enough and we buy publications. [D6-2](#)

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**C6M**

That is very important, I mean we read a lot, I mean we have got a subscription to Architectural Review, to a green building magazine from the States, an Australian housing magazine for instance, so that's three, and then obviously all the other stuff that comes. I read a lot online, specifically in urban regeneration and stuff, there is a lot of stuff, like on the Guardian City Section. [D6-2](#)

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**D2M**

Yes, I do, I just love books, in my house as well I just love books; but we stopped actually buying books, I don't think we have bought a book in ages although sometimes we get some as a gift but you read on the internet now. I do try to keep up to date especially with architecture, what is happening in the world. I read a lot of websites and magazines and I am starting to get used to reading magazines online instead of paging although I still like paging through a book. I read a lot on the internet, all the different publications and websites. [D6-2](#)

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**C1G**

Yes I read a lot and I subscribe to it must 100 different websites that I skim through if there is anything important. **D6-2**

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Themes:

**D6-1** Never or very seldom (3)

**D6-2** Regularly (11)

### **ANALYSIS**

Fourteen out a possible 26 enduring architects' firms (54%) provided a direct response to the question 'do you subscribe to and read professional journals'?

Three firms (21%) indicated that they never or very seldomly read professional journals while the majority (79%) or 11 firms indicated that the regularly read professional journals. Noteworthy is the fact that all three firms who don't read journals on a regular basis are small firms.

### **DEDUCTION**

Reading of professional journals is advisable as it is often associated with firms that have grown beyond the small firm category.

## **D7 Do you subscribe to and read business journals?**

### **A2S**

No not journals. [D7-1](#)  
Newspaper yes,

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### **A6S**

No business type magazines. Newspaper I read the financial section. [D7-1](#)

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### **A4M**

. I read the papers and follow the news. I read the financial section, [D7-1](#)  
There is so much stuff on television these

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### **A1L**

Yes I read; that is what I actually do is read, when I can't do anything else I do read but I do research on a particular thing. I am not a great academic, I think academics is sometimes avoiding the reality, applied academics is what I am all about which is really making added value to what I am doing but to get intellectual about things that aren't going to result in real things I fall asleep. [D7-2](#)

I do; I think that is one aspect that architects are too idealistic about because really we work in the business sector and we have to understand the movements and reasons and energies and influences of business because really we are working in that.

, I do read financial journals like normal I will see the headline and read a bit more. Fortunately I have got a son-in-law who is an accountant so I ask him. I'll say such and such is talking about something won't you just tell me about that.

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### **A7L**

Not I did not. My wife who runs business with me did MBA while she was doing it, it was a good sounding board. Those lessons that she brought home opened my mind. How and like Clem Sunter books, I started reading. Those were important. I feel reading entrepreneurial books. I found that those really those just opened my mind. I think if she did not do it we were not where we are, it opens my mind. Bottom of economy with all spaza shop that is the next level until you get to stock exchange. Then I realize if I'm stuck at this economy I'm stuck...if I have to grow how it work. In early 2000 you live comfortable. This guy tells me if you reduce your tax you cannot get a loan [D7-3](#)

Me personally I read business day every day. For me it's important to understand economy where it goes to we work in Mozambique and Nigeria, to understand markets and industry. I

have to see fluctuations in housing market. It's not even I have to, it's a case it's become an important part of my life. Case of me doing breakfast, not option. I need to know. We working for allot of companies. It's not an option.

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### **A3C**

I started reading Stephen Covey's book on the ten important things... [D7-5](#)

No.

Yes just to see how my pension money is doing.

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### **B7S**

No. [D7-2](#)

I am obsessed with the news. No, I don't read newspapers, news comes to you. Every time I get in my car I make sure I listen to SAFM. I know there are only two subjects they talk about on SAFM or basically lack of transformation and non-redistributed wealth, but in between you get all sorts of other stuff. I get things on my computer cropping up every day, [\[unclear 44.41.3\]](#), Money Web and that, so I am constantly keeping up to date

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### **B1S**

I get the Daily Maverick on my phone every day and I do a very quick whiz through it, I don't actually understand too many of the financial terms. I don't have a great understanding of that. I'm great believer in property. So financially that would always be where my interest would be. Whether it's for my own purchase, or whether it's to improve for other owners. So in finance, property is what I understand and work with.

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### **B6G**

Jip, you know what, this is my Bible every morning and that is unusual for a creative man with long hair who is a designer that I read this. This is the only thing I read because it tells me Growthpoint are venturing into Africa, I have already put a call through to [\[unclear 30.01.3\]](#) so I am a bit of a crazy animal but yes. I don't read Financial Times and I don't even pretend to understand how the stock exchange [D7-2](#)

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### **B2M**

Not really but I will read the Saturday economic section in the paper, every Saturday, so that's just a thing I always do and I watch the property market very closely. [D7-1](#)

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**C2S**

No. [D7-4](#)

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**C3S**

Completely not part of architecture, you know the back business pages. Yes, I do, because I have an investment advisor so I try not to look stupid when I visit them but they set up my investments fortunately. I wouldn't do it myself, definitely not. [D7-1](#)

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**D4S**

Yes, I do the CPD courses [and read business literature and magazines and papers](#)

Yes. [D7-2](#)

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**D3S**

Invariably. [D7-2](#)

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**D1M**

Not at all, no, no. [D7-4](#)

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**C4G**

No, I'm not too much into that no. [D7-4](#)

I do, yes. I read the middle page, I get the Beeldt newspaper every morning and before anything I read through my newspaper and I keep out all the recent politics and items that I then do on Saturdays and I read well especially the commercial or property development areas of investment; because I don't care so much about investing in shares other than in buildings, I would like to be on trend with building trends and building investment trends. [D7-1](#)

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**D4G**

business books and I've got, I don't want to say 100's but I've got dozens and dozens of them and I have read a lot of them and I do get a lot of ideas from that reading, yes. [D7-3](#)

For sure. I think a lot of my approach is influenced by the reading. There is an enormous number of really good business books out there. My first book ever was the RIBA practice handbook when I was in Botswana, I don't know if you have ever read that?

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## D6G

I only read one business book that I thought was particularly good and I know it even to this day, I still recommend it to any architect if you can get it; it's a book by McCormack, he was the owner of IMG which was the company that took Gary Player, Arnold Palmer and Jack Nicklaus and he was the first guy to be an investment advisor for high earning athletes. Today IMG is a massive company all over the world that represents singers and all sorts of people, involved with the Olympics and marketing and so forth. He wrote a book which is called "What they didn't teach you at the Harvard Business School". It's a sort of an anecdotal book and it teaches you seat of the pants kind of management skills, how to make an appointment, how to understand what the opposition is, how to do a deal, how to put your fee **D7-5** proposal across, I think I mentioned it when I did that one course with you once with the students and I said never deal in round numbers when you talk fees.

Themes:

- D7-1** Not journals but financial section of newspapers (6) (33%)
- D7-2** Yes I do (4) (22%)
- D7-3** Not journals but books and newspapers (3) (17%)
- D7-4** No, I don't (3) (17%)
- D7-5** I have read a book. (2) (11%)

## ANALYSIS

A total of 18 out of a possible 26 enduring architects' firms (69%) provided direct responses to the question 'do you subscribe to and read business journals'? Their responses indicate that

- Six firms (33%) indicated that the firm's founders do not read journals but the financial section of newspapers
- Four firms (22%) indicated that the firm's founders do read business journals.
- Three firms (17%) indicated that the firm's founders read business books and the financial sections of newspapers.
- Three firms indicated that the firm's founders did not read any business journals or books.(17%)
- Two firms (11%) indicated that the firm's founders read a business related book.

## DEDUCTION

Only three respondents indicated that the founders of their firms did not read any form of business related literature at all. It is again noteworthy that these are two small and one medium sized firms. A further two firms could only point to a single business related book that their founders read. The remaining 72% do read business/ financial related literature on

a regular basis. Thus it appears that there is value for architects in regularly reading business/ finance related literature.

An EET programme for architects should point out the apparent advantage of keeping abreast with business/ financial affairs and theory while encouraging participants to regularly read all types of business/ managerial or financial literature.

**D8 Do you believe that organisational learning capacity acts as moderator between entrepreneurial orientation and entrepreneurial performance?**

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**A1L**

Oh absolutely, absolutely yes. There is no doubt about that yes [D8-1](#)

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**A7L**

I read continuously. Travelling is very important for architects. We are going to Russia and Dubai important for us to see. Always do not stop. [D8-1](#)

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**C6M**

Yes I think so, yes. [D8-1](#)

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**D6G**

and I believe you should read and I believe you should read books and I believe it shouldn't just be architectural books, you should read technical books on architecture, whether it is green building or waterproofing or materials or timber, there is so much to read about. [D8-1](#)

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Themes:

[D8-1](#) Affirmative

**ANALYSIS**

Only four out of a possible 26 (15%) enduring architects' firms provided direct responses to this question. While the response rate is low the respondents were unanimous in confirming that organisational learning capacity acts as moderator between entrepreneurial orientation and entrepreneurial performance.

**DEDUCTION**

The founders of enduring architects firms believe that organisational learning capacity acts as moderator between entrepreneurial orientation and entrepreneurial performance. A profession specific EET framework should encourage participants to accept the principle of life-long learning and the learning organisation.

**D9 How important a contribution did this attitude play in your firm enduring?**

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**A5M**

True. So I still enjoy the Robert [unclear 37.50.8] and whatever for leadership and there are lots of books that I have read over the years which have helped me. I battled with being a woman though; I battled with being able to deal with that and I still battle with it but it gets easier now than before, because you are still not sure, we still have some problems in the profession. [D9-1](#)

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**A1L**

Absolutely because I mean for me innovation design was what I started off with and I love travelling and I am inspired by the opportunities, not by talent and innovation abilities but by opportunities elsewhere and to bring those back. My role as an architect is collating expertise of the consultants around me in a creative way and that is the architecture. So whilst my team here, I try and work on a team base [D9-1](#)

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**B5C**

Absolutely, absolutely. [D9-1](#)

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**B7S**

. I looked at this lot and looked at the graphs and thought wow man, I took all the notes and went back to the practice and started applying it and was amazed at looking now at our own practice through the filter of that two day course. On the strength of that I managed to save the practice from disaster as I have described. I tell you it came in the nick of time and it was a two day course that set me on to running XXXXXXXX. So yes, seminar yes, if I had to look at my own history it was a two day course that changed the whole course of everything that practice, my whole life, everything. So yes! Oh and we had a set of programs, it was done by the Institute called the mid-career courses where we go for a weekend away, [D9-1](#)

---

**C3S**

Yes, I think so, I don't think we are really niche architects, if you look at our website you will see each building solution has a different character although you can easily track our style if you have a look at it. We have a way of solving a design problem and working with for instance openings in facades

and stuff and working with volume, space and so on, but definitely not putting clients in boxes, no.

### D9-1

---

Themes:

D9-1 Affirmative

#### **ANALYSIS**

Only four out of a possible 26 (15%) enduring architects' firms provided direct responses to this question. While the response rate is low the respondents were unanimous in confirming that organisational learning made an important contribution to their firm's enduring.

#### **DEDUCTION**

The founders of enduring architects firms believe that organisational learning capacity supports a firm's survival and endurance. Thus, a profession specific EET framework should encourage participants to accept the principle of life-long learning and the learning operation.

## **E TOPIC: FIRM STRUCTURE**

The first question asked 'how is your firm structured?' (refer to E1 in Addendum C). Twenty out of 26 enduring architects' firms (77%) provided direct responses to this question.

Closed Corporations are the most popular choice with eight firms (40%) having adopted this format. Private Companies and Sole Proprietorships are the second most popular format with five firms (25%) each. Partnerships and Incorporated Companies are the least popular formats with one firm (5%) each.

This indicates that all the formats or styles of practice available to South African architect's firms are used by enduring architects' firms.

The second question asked 'what lead to the firm adopting this structure?' (refer to E2 in Addendum C). Fourteen of the 26 founders of enduring architects' firms (54%) interviewed provided direct responses to this question.

Four firms each provided different reasons as listed below:

- Distrust of others (7%).
- A partnership's implication of trust (7%).
- The Audit requirements and status inherent in a private company (7%).
- A Private Company allows you to manage your firm like a business (7%).

Two firms (14%) indicated that their choice was based on advice from Financial Advisors. Five firms (36%) indicated that the (perceived) protection of their personal estates against professional liability claims was the deciding factor while three firms (22%) indicated that their choice was based on the simplicity the option offered.

Thus, it shows that enduring architects' firms choose the style or format of their firm based on a variety of considerations. These are:

- For financial reasons.
- For personal reasons.
- As a form of protection.
- For the sake of simplicity.
- Because of the values it espouses.

The third question asked 'is this structure a form of innovation?' (refer to E3 in Addendum C). Unfortunately only 7,6% of firms provided direct responses which meant that no conclusive findings could be made.

The fourth question asked 'do you make use of outside contractors?' (refer to E4 in Addendum C). Question set K9 asked the same question from an operations management perspective. Since that is a more appropriate angle for this aspect the responses to this question was combined with the results of K9 (refer to Addendum C).

The fifth question asked 'how important a contribution did this structure play in your firm enduring?' (refer to E5 in Addendum C). Unfortunately only 7,6% of firms provided direct responses which meant that no conclusive findings could be made.

## **Findings**

The investigation into the topic of firm structure found that:

- All the formats or styles of practice available to South African architect's firms are used by enduring architects' firms and that firms choose the style or format of their firm based on a variety of considerations.
- The choice is based on financial reasons, personal reasons, to provide a form of protection, for the sake of simplicity or because of the values it espouses.
- That firm structure or style, by itself, is not a critical factor affecting the endurance of a firm, provided that measures are put in place to protect assets as far as possible against claims from outside the firm.

The various options and the reasons for the choices made should be included in a dedicated EET framework for architects.

The findings can be linked to the relevant research questions as follows:

### **Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

nil

### **Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

The investigation into the topic of firm structure found that all the formats or styles of practice available to South African architect's firms are used by enduring architects' firms and that firms choose the style or format of their firm based on a variety of considerations. These are:

- For financial reasons.
- For personal reasons.
- As a form of protection.
- For the sake of simplicity.
- Because of the values it espouses.

Thus it can be taken that firm structure or style, by itself, is not a critical factor affecting the endurance of a firm, provided that measures are put in place to protect assets as far as possible against claims from outside the firm.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

The various options and the reasons for the choices made should be included in a dedicated EET framework for architects.



**E1            How is your firm structured?**

**A4M**

It's always been quite top down because I have always adopted an attitude of training people I get them in when they are young and useless and I train them up, and then they move on because it's just a financial consideration. I can't afford to have someone earning R40 000 a month. Their output has to be good to make that sort of money at that level and the sort of fees and the work that I do. It is hard to make it profitable [E1-1](#)

**NOTE:** The firm's website indicates that they are an Incorporated Company (Inc.)

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**B7S**

you remain as sole proprietor, [E1-2](#)

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**B1S**

Sole Proprietor. [E1-2](#)

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**B4G**

We are a close corporation in KMH Architects and we are a (Pty) Ltd in Blueprint Architects - which KMH own 50% [E1-3](#)

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**B6G**

A PTY yes. [E1-4](#)

---

**B5C**

CC. [E1-3](#)

---

**B2M**

No it's a sole proprietorship. [E1-2](#)

---

**B3M**

Eenman. [E1-2](#)

---

**C2S:**

Okay so you are a CC?

**C2S:**

Yes. [E1-3](#)

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**C3S**

It is, yes, we are a full partnership. Yes. [E1-5](#)

---

**D4S**

Sole Proprietor [E1-2](#)

---

**D3S**

It is a CC. [E1-3](#)

---

**C5M**

What style of practice has your firm adopted, a partnership etc. I noticed that you filled in a PTY Ltd. Is there a particular reason why you did that? [E1-4](#)

---

**C6M**

It's a CC. [E1-3](#)

---

**D1M**

Me and my wife are just partners, well we are a closed.. a CC. [E1-3](#)

---

**D2M**

We have actually been a CC for the lifespan of xxxx but I have started the process almost two years ago, and we founded the company xxx International (Pty) Ltd because the CC is just xxxx Architects CC. So we are actually in the process of transforming into a PTY Ltd because that is where I want to bring in a BEE partner and get the younger guys shares in that. So we will be operating in the future as a PTY Ltd, eventually the CC will either be closed or just be dormant or I'm not too sure what we want to do with that. [E1-3](#)

---

**C4G**

It is a limited liability company, a PTY limited [E1-4](#)

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**C1G**

We are still a CC, we never changed yet - there is actually another one I want to show you.. this one we are also doing here in Bedfordview at the moment. [E1-3](#)

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**D5G**

we are now a Private Company [E1-4](#)

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## D6G

Yes we started off as just an ordinary partnership and eventually we converted to a PTY Ltd company [E1-4](#)

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Themes:

[E1-1](#) Incorporated Company (1)

[E1-2](#) Sole proprietor (5)

[E1-3](#) CC (8)

[E1-4](#) Private Co (5)

[E1-5](#) Partnership (1)

### ANALYSIS

Twenty out of 26 (77%) enduring architects' firms provided direct responses to the question 'how is your firm structured?'.

Closed Corporations are the most popular choice with eight firms (40%) having adopted this format. Private Companies and Sole Proprietorships are the second most popular format with five firms (25%) each. Partnerships and Incorporated Companies are the least popular formats with 1 firm (5%) each.

### DEDUCTION

All the formats or styles of practice available to South African architect's firms are used by enduring architects firms.

Mega themes:

Firm Style/ structure

[ME1-1](#) Enduring architects firms exist across the range of firm styles with Private Companies and Closed Corporations standing out as the favourite choice.

## **E2           What lead to the firm adopting this structure?**

### **B7S**

A Jewish accountant.

. I would rather have my own name, I would rather take the responsibility myself and I would rather make sure, like via doing arbitration, that I don't make errors that would get me into big trouble, or make sure that there is a cushion of some nature financially to cover for any disaster. I have professional indemnity insurance so I don't see practicing as a sole proprietor it as a major disadvantage, and I have at least 4 architects that I'm constantly in practice with or in touch with.

#### **E2-1**

to cover for any disaster. I have professional indemnity insurance so I don't see practicing as a sole proprietor it as a major disadvantage,

---

### **B5C**

The auditor told us to do that. Architects don't know anything about financial planning and structuring their practices financially, should it be an incorporated, should it be a partnership, should it be a CC, should it be a PTY – I mean these things are all determined by the Act but we don't know what the implications are. I mean you are young, how would you know; so we need to trust the auditor very very well, so we did and he set up the whole thing. He set up all the family trusts and everything. **E2-3**

---

### **B2M**

Yes I think it is just much simpler and if you can send me one person who will take responsibility I will form a partnership with them; I haven't met those people yet. When the \*\*\* hits the fan everybody runs away, so I have learnt after 28 years how to do it. You don't have to blame anybody if you are a sole proprietor that's why it works for me. **E2-2**

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### **C2S**

it was more of a decision to protect myself during an acrimonious divorce than it was a business decision. **E2-3**

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### **C3S**

The Partnership is actually quite a kind connection. It's not as formal as a business thing. I think that is the only way to go, really, I can't really answer your question? **E2-4**

Yes, I actually haven't thought of the connection. Of whether that is the factor. I just thought that being an architect, you are a professional person and you have a practice and if you have an additional person in your practice you are in a partnership. So I can't actually tell you.

---

#### **D4S**

It is the business **model** that suites me. That is what I've discussed with my auditor. [E2-1](#)

---

#### **D3S**

The CC was registered in 1992 when my previous firm was established as a CC because it was an easy vehicle. We were only 2 partners and at that stage CC's were just a simple way of getting business done legitimately. I know in the meantime that CC's has gone out the window and you can't get a new one [E2-5](#)

Do you think it offers you any protection against liability claims?

It would I think.

---

#### **C5M**

We both preferred the higher audit requirements for the PTY Ltd and also apparently the status difference between a PTY Ltd and a CC at that time. So we opted for a PTY Ltd and it's been a PTY ever since. [E2-6](#)

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#### **C6M**

I think it was the easiest thing to set up at that time; a PTY Ltd has got quite a lot of other quite onerous things that you have to do. So a CC was the easiest.

we needed to become more formalized and that was the easiest vehicle.

You have to have a formal business structure. [E2-5](#)

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#### **D1M**

It was advised from our auditors when we started out 20 years ago [E2-3](#)

but it was just to confine your risk, that you keep your risk in your company and not into your private affairs, especially because it was me and my wife being partners, it was important for us to keep our company apart from our own affairs.

---

#### **C4G**

We are one man one vote in terms of directors and so what we have is, Johannesburg is the head office, Dubai is a branch office and Lisbon is a branch office and the reason for Dubai being a branch

office is it is the only way that we could get a trading license there. To get a trading license in Dubai you have to demonstrate that you have been registered as a business for more than 20 years. So we prefer to have it separate but the Receiver here won't let us do that. [E2-7](#)

Not at all. You now, what it does is it enables you to manage your business as a business and rather as individuals. It's really to do with tax and managing the Receiver of Revenue and how you pay your tax. It's not about creating a firewall in the event of something going pear-shaped. We carry massive PI insurance. When I say massive, it is huge. I think we are at \$5 million per individual claim and \$20 million cover per [alum 0.33.16.9].

---

### **C1G**

No it was just initially when we set up we set up a CC so that my wife and sons are all partners in the CC or members of the CC, and it is just easier for continuation. [E2-5](#)

It does to some extent but your problem is most places where you go for credit in any case wants you to sign yourself and you still have to do personal surety; but yes we just kept it and it is just easier if the [\[unclear 26.12.1\]](#), they can replace me and my wife with their wives and keep going. The boys, the oldest one is 40.

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### **D5G**

We get advise from an accountant who does our books and he ask us questions later and so we created different companies. [E2-3](#)

Yes and that is essentially the reason for that.

, I think sometimes we over estimate how liable we are, because we do have indemnity insurance but I think it's more a case of from a law suite point of view, it is safer

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### **D6G**

but we felt limited liability was important because there was a time, I'm not sure if it is like that anymore, [E2-3](#)

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Themes:

- [E2-1](#) Advice from Financial Advisor (2)
- [E2-2](#) Distrust of others (1)
- [E2-3](#) Protect estates against claims (5)
- [E2-4](#) A partnership's implication of trust (1)
- [E2-5](#) Due to the simplicity of the option (3)

**E2-6** The Audit requirements and status inherent in a private company (1)

**E2-7** A Pty allows you to manage your firm like a business (1)

## **ANALYSIS**

Fourteen of the 26 (54%) founders of enduring architects' firms interviewed provided direct responses to this question.

Four firms each provided different reasons as listed below:

- Distrust of others (7%)
- A partnership's implication of trust (7%)
- The Audit requirements and status inherent in a private company (7%)
- A Private Company allows you to manage your firm like a business (7%)

Two firms (14%) indicated that their choice was based on advice from a Financial Advisor. Five firms (36%) indicated that the (perceived) protection of their estates against professional liability claims was the deciding factor while three firms (22%) indicated that their choice was based on the simplicity the option offered.

## **DEDUCTION**

Enduring architects firm choose the style or format of their firm based on a variety of considerations. These are:

- For financial reasons.
- For personal reasons.
- As a form of protection.
- For the sake of simplicity.
- Because of the values it espouses.

E3 Is this structure a form of innovation?

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**C2S**

In my personal I do, I have a family trust that owns everything, in my personal name I don't really own much.

---

**D4S**

**Christo Vosloo:**

So have you taken similar steps to safeguard your possessions?

**D4S:**

Yes.

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**INCONCLUSIVE- 2 out of 26 responses = 7,6%**

**E4 Do you make use of outside contractors?**

**INCORPORATED INTO K9**

**E5** How important a contribution did this structure play in your firm enduring?

. They don't tell me I'm the best designer on the planet and tell me I'm very good at admin and systems, people know that so maybe they do.

---

It might be important but financial control would be more important – doesn't matter which one you run, if you are not doing that properly then your chances are.. I think financial knowledge is better. I'm not saying I do have any, you know it is one of the things I think I have great regrets about is that I do not have a clearer business skill, understanding accounting. We also tend as architects to be very fearful of losing clients because we hit them with interest for outstanding amounts or that we are insistent on getting paid the last R2000 seems to make us look small. There is absolutely no reason why you

**INCONCLUSIVE- only two out of 26 direct responses (7,6%)**



## **F TOPIC: FIRM VALUES**

The first question asked 'does your firm have an articulated set of values that it subscribes to?' (refer to F1 in Addendum C).

Nineteen out of 26 (73%) enduring architects firms provided direct responses to the question

- Two firms (11%) indicated that they did not have an articulated set of values.
- Only four firms (21%) indicated that their firm values had been put in writing.
- The remaining 13 firms (68%) indicated that they have values that are brought to the attention of staff but that these are not in writing.

The above indicates that the vast majority (89%) of respondents subscribed to specific values but only four firms had these in written format.

Considering the strategic and organisational importance of values, in any type of business but even more so in the case of a professional firm, architects' firms must be made aware of the importance of clearly articulating the firm's values in written format because of the role such an articulated values statement can play as part of their communication with clients, potential clients and staff.

The second question asked 'would you describe yourself as a 'practice-centred business' or a 'business-centred practice?' (refer to F2 in Addendum C). From the sample of 26 enduring architects firms interviewed, 17 firms (65%) provided direct responses to this question.

Twelve of the 17 firms (70,5%) indicated that they considered themselves as 'practice-centred businesses' while only two firms (11,7%) described themselves as 'business-centred practices'. Three firms (17,6%) believed that they were a combination of the two types. This indicates that most of the enduring architects' firms surveyed regard themselves as a pure 'practice-centred business' with some enduring architects' firms regarding themselves as a bit of both a practice-centred and a business-centred firm while few enduring architects' firms regard themselves as business-centred practices.

The fact that the majority of respondents consider themselves to be 'practice-centred businesses' or a variation thereof suggests that 'practice-centred businesses' might have an increased likelihood of achieving enduring firm status.

The third question asked 'what are your firm's business-centred aims?' (refer to F3 in Addendum C). Fifty percent of the 26 enduring architects' firms surveyed provided direct responses to this question. Two firms (15%) indicated that they don't have any specific aims.

A further two firms indicated that their aim was to increase their international footprints (15%)

The following aims were each listed by one firm:

- To contribute to society (7,7%).
- To perform good work in order to sustain the business for the benefit of the people involved (7,7%).
- To produce the best we can for our clients (7,7%).
- To produce humane and sustainable environments (7,7%).
- To pay the bond (7,7%).
- To do quality work (7,7%).
- To keep the project running (7,7%).
- To hand over to the next generation to grow the firm further (7,7%).
- To use what we have as a foundation for further growth (7,7%).

The aims are of a varying nature. However, if the varying aims listed are aggregated, they can be reduced to the following:

- To grow from the current base
- To produce good quality work
- To do work that improves the human experience
- To keep going.

Most of the aggregated aims are worthy but with the exception of the first, do not indicate a strong entrepreneurial orientation confirming the findings in A1 (refer to Addendum C). This again highlights the need for steps to enhance the entrepreneurial orientation of architects.

The fourth question asked 'what are your firm's person-centred aims?' (refer to F4 in Addendum C). Fifteen of the 26 founders of enduring architects' firms (57,6%) interviewed provided direct responses to the question. Each respondent provided a unique aim. The aims provided are:

- To give effect to my humanistic values.
- To help staff achieve their potential.
- To create career paths for members of staff.
- To give the country my services as an architect.
- To give recognition to staff.
- To keep going.

- To leave a legacy of well-designed buildings and reasonably happy clients.
- To have an enjoyable lifestyle.
- To create a positive environment for staff to work in.
- To set-up a satellite school of architecture.
- To find enough free-time to do sculpture.
- To travel extensively.
- Do more environmentally sensitive buildings.
- To be able to take 3-4 months leave annually.
- Having a strong succession plan.

The aims listed are of a widely varying nature but can be aggregated to the following mega-themes:

- Personal aims of some of the founders of enduring architects' firms relate to lifestyle (26,6%).
- Personal aims of some of the founders of enduring architects' firms relate to their staff (33,4%).
- Personal aims of some of the founders of enduring architects' firms relate to society and the environment (33,4%).
- Personal aims of a few of the founders of enduring architects' firms are simply to keep going (6,7%).

With the exception of the last aggregated aim, all the aims are worthy. Interestingly the two most popular aggregated aims relate to staff and the environment while personal aims and lifestyle related aims are less common.

The fifth question asked 'how important a contribution did these values play in your firm enduring?' (refer to F5 in Addendum C). Nine out of the 26 founders of enduring architects' firms surveyed (34,6%) provided direct responses to the question. Three respondents (33,4%) believe that values are very important because architects work with their client's money. Two respondents (22,2%) believe values are very important because they give expression to the firm's goals and philosophy while four respondents (44,4%) simply regard them as very important.

Therefore it would seem that values played a very important role in the survival of enduring architects firms.

## **Findings**

Considering the strategic and organisational importance of values, in any type of business, but even more so in the case of a professional firm, architects' firms must be made aware of the importance of clearly articulating the firm's values in written format because of the role such an articulated value statement can play as part of their communication with clients, potential clients and staff.

The fact that the majority of respondents consider themselves to be 'practice-centred businesses' of sorts suggests that 'practice-centred businesses' might have an increased likelihood of achieving enduring firm status.

The aims espoused by many respondents do not indicate a strong entrepreneurial orientation confirming some of the findings of topic theme A. This again highlights the need for steps to enhance the entrepreneurial disposition of architects.

Hence a profession-specific EET programme must:

- Emphasise the importance of clearly articulated value statements and the role that they can play in communicating with all stakeholders.
- Highlight the advantage of 'practice-centred businesses' over 'business-centred practices'
- Include outcomes related to enhancing the entrepreneurial orientation of architects.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

The aims espoused by many respondents do not indicate a strong entrepreneurial orientation confirming some of the findings of topic theme A. This again highlights the need for steps to enhance the entrepreneurial disposition of architects.

The majority (89%) of respondents subscribed to specific values but only four firms had these in written format. This, while all the respondents to the specific questions, indicated that they believe that values play a very important role in the survival of enduring architects' firms.

Considering the strategic and organisational importance of values, in any type of business but even more so in the case of a professional firm, architects' firms must be made aware of the importance of clearly articulating the firm's values in written format because of the role such an articulated values statement can play as part of their communication with clients, potential clients and staff.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

- The fact that the majority of respondents consider themselves to be 'practice-centred businesses' or a variation thereof suggests that 'practice-centred businesses' might have an increased likelihood of achieving enduring firm status.
- Values played a very important role in the survival of enduring architects firms.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

A profession-specific EET programme must:

- Emphasise the importance of clearly articulated value statements and the role that they can play in communicating with all stakeholders.
- Highlight the advantage of 'practice-centred businesses' over 'business-centred practices'
- Include outcomes related to enhancing the entrepreneurial orientation of architects.

**F1 Does your firm have an articulated set of values that it subscribes to?**

**A4M**

Yes it does, when I employee people I have a brochure of ideas of who, what we are, what we try to achieve and some descriptions of how the office works and the systems.

**F1-1**

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**A1L**

We do; probably not written down but I do reinforce them. Morally right. **F1-2**

Ethically yes; many of us here are fairly strong Christian people and that sets the tone. I am one and that sets the tone. If it is not right I don't do it and sometimes we waiver to the boundary and then I say no, but we have people from all different [exposures 47.48.8] but it particularly comes from the man at the top, the person at the top generally sets the tone and that is what I have felt, I rely a lot on my checks and balances in terms of using my accountants and attorney to just say am I right or wrong, but first of all coming from my colleagues here and vice versa.

Well you see that is the focus of our staff yes, absolutely, the team. Without this team we are all snookered.

---

**A3C**

I think rather than actually being written down in black and white it is just passions within me and which obviously come out in the work that I do and how I sort of approach [unclear 30.22.7].

**F1-2**

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**B1S**

We don't really. **F1-3**

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**B4G**

Completely. **F1-2**

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**B6G**

Yes, humanity, I think that is more to do with firstly within the organization we are a very humane society, we respect each other, we create a pleasant working environment and we have a very strong feeling about every person's personal need in terms of family, family commitment, children and home life, children and education and so we make time for that. We absorb a lot of that and it is purely **F1-2**

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### **B5C**

Yes, we've got one and that is we work to live and not live to work. That is one of our, I would say, biggest ones; and then hard on the work and soft on the person. We are friendly towards each other but we don't have to go on holiday together. So there is a formal relationship but we are all well acquainted to each other. We share hardships and things like that, maybe yes, but we are not "into" each other. [F1-2](#)

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### **B2M**

Yes I think particularly in line with training young architects, we've done that, I've probably had about 40 people who have worked here which is very interesting because a lot of them back and had a huge impact at the Technikon – one year I had two guys, they were the weaker students, they came here, they landed up being the strongest students, they organized a computer lab at the Bellville campus because there wasn't one. So they were incredibly proactive; they also organized an exhibition at the [F1-1](#)

No, no, no, I think our website reflects the values in the philosophy section of our website, I think it more depicts that values.

---

### **B3M**

Oh, definitief ja. [F1-2](#)

B3M1 is pynlik eerlik en hy doen geensins enige werk wat lyk of dit nie 100% eerlik is nie. As dit jou antwoord is?

Niks ooit geskrewe nie, dis maar net vooraf 'n gedragspatroon.

---

### **C3S**

Yes we wouldn't. Yes, we have to uphold a certain standard of design and to be able to produce it takes time, so you might get a client who starts negotiating with you and who wants to actually negotiate you under the table and you just can't do it. Then you say no, get someone else like a draftsman.

And other values that is important to you, like environmental values?

### **C3S**

Well, I think esthetic values are the most important of producing a space for people to live in that really works on both levels. Functionality and esthetics.

**Christo Vosloo:**

Do you ever discuss between yourselves?

**C3S**

Yes, all the time.

**Christo Vosloo:**

Or do you maybe have it written down somewhere?

**C3S**

No, you know, we are too informal

No, but read our website and you will see what we say there. **F1-1**

“Architecture should speak of its time and place but yearn for timelessness”

---

**D3S**

Well I have made a conscious decision a couple of years ago that I wasn't going to get involved in a particular problem which was going to be harmful to the environment for various reasons.

Yes, and it is something that everybody should be doing and it's not something shameful or underhand it is just basic common sense. Do you go to your lawyer for advice and you don't pay?

Come on. And that is accepted by everybody so what is the difference? There is a lot of mind shifting that has to take place and it has a lot to do with where we came from I think. Because at University level there are no business acumen, there are no business input and there are no practicing architects that goes to University's and tell the students that if they want to start their own businesses you do the [unclear 2.54.49.5] if you do it, just know about these things. Know the difference between cash flow and capital. Know the difference between promising the client something and actually doing the work without pay. Know what it is about risk that you don't have to take. Know about these tips and trick sort of things. You know in the old days you couldn't become an electrician or a brick layer without are particular clients that I don't work for and those are clients who are particularly greed driven which is a personally opinion that I form quite early on in our contact but I just don't need that sort of project in my life. Because over the years I've done just about anything that you can think of and I have had experiences where you can get caught up in particular circumstances and then it becomes very difficult to get out of it **F1-2**

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**C5M**

in terms of that one value that we do have and it may not be on a poster or something but it is on our website, our design philosophy, and that is that we are constantly looking at the relationship



between the human body and the architectural form. The two cannot be disconnected from one another; there's always a hand on the door or something, there is always interaction between the body and the architectural form and we believe that the form can either deny the body or work with it and that one has a different emotional impact on the user than the other one. This is why we are constantly saying revise the solution, we are not paying enough attention to the way that the body occupies and uses space. Go back, go back, revise, revise the design. I think that is a very high value and a unique attitude that we have. **F1-1**

Yes. The architect's role is always that of interacting between the client who has a site; so in marrying these two things to one another it isn't just a physical site with fall and contours, that site has historical value, it may have existing buildings on it that are of value, it may be in an untouched natural landscape, it may be in a desert, on the beach etc. It is very important for me that the architect understands clearly his role as an agent for the environment also, not just of site and owner and matching these two with one another with six meter high red walls you know that has some graphics on it and makes a big statement; but there is a third element, the environment in which this happens, the architect is an agent for the environment although not paid by the environment, he is an agent for the environment. That makes our profession very unique, that we have to stand up for something that cannot stand up for itself and has no other agent than me to stand up for it. I think that is also very important.

Yes, we are very clear about the fact that we would like to do more commercial and industrial work or residential work like we have done before. We just find that in changing environment that the demands that come with individual residential design is just too high to be profitable; the expectations of the clients at the moment make residential architecture of single nature virtually impossible to be profitable. So we are very clear that we would like to move away from that.

Yes I have, absolutely, I think that at the age of 52ish when I started this **[unclear 38.32.7]** building I ventured into something that neither I nor anybody else had done - there is no model predecessor for it; and now I feel a great sense of having tasted something really wonderful so I would like to make more buildings that are, not like that, but a total response to its environment and the subdued needs of the client. So my biggest yearning at the moment is to do very environmentally challenging projects, projects where the environment is to be protected, where the buildings have to be very sensitive, and it doesn't have to be totally invisible but that attitude.

Definitely.

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## **C6M**

Well not kind of overtly, I mean not as in stated that we would write them down, but I think you know our strategies have always to.. I mean there are a certain kind of ethics that hopefully we do

subscribe to in the work that we do, and you know we have a standard that we expect to adhere to, we want to do good design work, our documentation is of a high standard, I guess those are the kinds of things but not as in written down necessarily. [F1-2](#)

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#### **D1M**

. We like to be honest about everything that we do, be creative but not a particular set of values that we can call as our main way of.. [F1-2](#)

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#### **D2M**

and no we don't have something like that but I think it is a good thing to have it we have just never got on to a good slogan. [F1-3](#)

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#### **C4G**

The answer is yes and no and when I say that it's a backhanded answer. We've endeavored to articulate a set of values and in fact we've kind of stopped that [F1-2](#)

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#### **C1G**

They get told the first day; the other thing we are very very conscientious of is good design. You design ecologically, you design green even if you are not using all the green materials and go through all the bull\*\*\*\* you make sure your [\[unclear 27.21.8\]](#) is properly designed, your buildings face north, you look at what you do for the particular area. You study, when we are building a new place we go and study the climate, we know what our sun angles are and all these things before we start designing it. We look at climate charts for temperatures during the year, rainfall during the year and all these things, before we start designing so you don't just design blinding what you design in South Africa, in Russia or Canada or Switzerland. It just doesn't work that way, or on the equator, you design the same thing you design on the equator for Switzerland you know.. you have to be conscientious with what you design. So that is a very important part of what we do.

[F1-2](#)

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#### **D5G**

So that is the one value that whatever we do we try and do it well [F1-2](#)

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#### **D6G**

I have never had a money making motive. The reason is I have always believed that if you do your job properly the money will look after itself and that is one of the

sorts of mottos of my life, is first look after the job, first look after the client and the money will look after itself. **F1-2**

No not clearly identified and clearly articulated other than a very high work ethic was required and obviously integrity was the only name of the game

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Themes:

**F1-1** We have- in writing (4)

**F1-2** We have but not in writing (13)

**F1-3** We don't have (2)

## **ANALYSIS**

Nineteen out of 26 (73%) enduring architects firms provided direct responses to the question 'does your firm have an articulated set of values that it subscribes to?'

- Two firms (11%) indicated that they didn't have an articulated set of values.
- Only four firms (21%) indicated that they their firm values have been put in writing.
- The remaining 13 firms (68%) indicated that they have values that are brought to the attention of staff but that these are not in writing.

## **DEDUCTION**

The vast majority (89%) of firms had articulated value statements but only four firms had these in written format.

Considering the strategic and organisational importance of values, in any type of business but even more so in the case of a professional firm, architects' firms must be made aware of the importance of clearly articulating the firm's values in written format.

**F2 Would you describe yourself as a ‘practice-centred business’ or a ‘business centred practice’?**

**A2S**

I have absolutely no hesitation saying that we are a practice firm. [F2-1](#)

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**A5M**

I think the former; a balance of the two but probably more the former because I think you can't just not think about the realities. I mean my size practice doesn't have a lot of money floating around so you do have to be careful about the work you take on, but I am a practice more than a business.

[F2-3](#)

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**A1L**

I would say playing towards my peers – too many architects market themselves to architects and that's wrong. We market ourselves to our clients because they are the ones who are going to use it and they are going to pay for it. A lot of guys spend a lot of money on articles in glossies [\[unclear 51.00.9\]](#); we would rather spend it towards the people who are going to use the buildings and also to develop the buildings. So probably a bit leading towards business, that is my understanding of your question. [F2-1](#)

No no we are definitely here, I am an architect because I want to be; I could have made a lot more money out of architecture, could have and as some of the questions preceding I could've driven to the wining and dining and just using everybody else as a result. I haven't – I have a great lifestyle, a great family but I want to produce great architecture. When I see opportunities that I haven't had I get quite agitated, when I see people settling for a second best art building I [\[unclear 52.06.5\]](#) to produce the best; every building we do must be approached as though we were going to win a design award. Regardless if we must get them but that is the approach.

it, it is to have respect by the business world so our clients, respect by our peers and recognition respect and value by the industry. The industry is more the contractors, I put a big emphasis on that – good guys to work for, they speak, secondly they price well, they know they can work well with us and then on site they are producing a team result that you know they understand where we want to go and it doesn't become so clinical and territorial and business. It is important for us to have recognition from our peers because they speak, they don't run you down; I mean there are some around

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**A7L**

first philosophy we want to do a good piece of work [F2-1](#)

As business aspect money making is second. I think your client is always first priority. Money second. Product before money. It comes back when a client is in trouble you must attend to it and then invoice. I found if you put that money first your long term commitment or relationship with client does not exist anymore. Money comes and goes. If a client can pay afterwards. We have attorneys to collect money. In my entire life I have carried 2 or 3 clients who did not pay their fees

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### **A3C**

Definitely the first one. [F2-1](#)

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### **B7S**

Never, never, never, never – the business side is just followed in the wait. [F2-1](#)

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### **B1S**

I think the second option as in good design is important to the office.

[F2-1](#)

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### **B4G**

For our style of business most definitely because we have got to limit liability because if you are a partnership you've got to undo the partnership every time there are new partners and you never lose risk. That means that your retirement is at risk so the answer is we would never be a partnership. [F2-3](#)

I would say they are equally weighted, so I wouldn't answer either question with a yes, I would combine it into one question – the business is as important as the design, both for the client and for us. We've got to keep in business, we have almost no staff turnover either in Johannesburg or Cape Town because we run it as a constructive happy environment.

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### **B6G**

. It is the urban response that is so important, the environmental urban response and the human scale. Those are our core drivers. [F2-1](#)

Yes we are a design driven commercial firm, that is a mission statement in itself; we are passionate about design. We don't do bad cheap buildings, we don't compromise, and if that's what the client wants or if he wants something that we.. we turn away lots of work, work that we just cannot sleep at night if we did it. For example in 2001/2002 a Joburg developer came down to Cape Town and we had designed a very nice office complex near Durbanville,

So we don't do things for money only and we have walked away from a lot of things where we think it's either from African countries where we just see things going wrong and we're not in it for the money only. That is an absolute fact here, we don't compromise; we walk away from it because it has to go onto that website and it has to go into that book and you can't hide it.

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### **B5C**

I think it's a bit of both; you need to make some money to be able to be practice orientated you know, there is not many who cannot be practice orientated and just do it for the cause – that was our initial thing, when you are young you feel that and that's your drive, I am going to make the difference now, but the auditors quickly get you back on track – you need to make profit.

The quality of work that you do. [F2-3](#)

Absolutely.

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### **B2M**

The practice is the most important thing?

Yes. [F2-1](#)

Yes I think the other value we have is that we don't support corruption and we don't support bribes and paybacks and things like that; I mean these days when you want to survive in the architectural world you go into a meeting with province and the guy will say to you what's in it for me. So I think that value is probably why we don't have so much work because it is very well known at the moment that you have to contribute either to somebody's child or to their grandmother or to something before you come number one on the roster etc. so

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### **C2S**

, I am not his boss. If we can make more money doing it his way we will do it his way. [F2-2](#)

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### **C5M**

**Christo Vosloo:**

Would you describe yourself as a practice centered business or a business centered practice; the difference being a business centered practice is someone who does architecture merely as a means of making a living, in other words it is just a business, they could have had a garage on the corner or whatever the case might be. Whereas a practice centered business practices out the quality of architecture that they produce.

C5M:

Yes that one [F2-2](#)

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**C6M**

A practice centred business I would say. [F2-1](#)

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**C4G**

Absolutely. We work with the principle that you are only as good as your last project. And we try and maintain a very high standard. [F2-1](#)  
, that we are a product centric practice, the business side of it has got to be the added bonus. So design and delivery for us are absolutely paramount. We will do that at the expense of profit.

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**D5G**[F2-1](#)

So that is the one value that whatever we do we try and do it well  
less and we are also not that focused on profitability. I think we will often go open eyes into a project that won't make money, just because it looks like fun.

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**D6G**

For me the job was much more important than the money, I have never rushed in anywhere to make money, [F2-1](#)

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Themes:

- [F2-1](#) Practice centred business (12)
- [F2-2](#) Business centred practice (2)
- [F2-3](#) A bit of both (3)

**ANALYSIS**

From the sample of 26 enduring architects firms interviewed, 17 firms (65%) provided direct responses to the question 'would you describe yourself as a 'practice-centred business' or a 'business centred practice'?'.

Twelve of the 17 firms (70,5%) indicated that they considered themselves as 'practice centred businesses' while only two firms (11,7%) described themselves as 'business centred practices'. Three firms (17,6%) believed that they were a combination of the two types.

**DEDUCTION**

Most enduring architects' firms regard themselves as a pure 'practice centred business while

some enduring architects' firms regard themselves as a bit of both a practice centred and a business centred firm while few enduring architects' firms regard themselves as business centred practices.

Thus the clear majority of respondents consider themselves to be 'practice centred businesses' of sorts. This suggests that 'practice centred businesses' have an increased likelihood of achieving enduring firm status.



### **F3 What are your firm's business centred aims?**

#### **A6S**

No always been very lose to allow me where circumstances take me. [F3-1](#)

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#### **A2S**

You as architect can contribute. If you have to compromise yourself you have to step back.

[F3-2](#)

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#### **A5M**

Yes, it was like a new sphere. In the architectural practice you get people who do competitions and you get people who just don't want to; we did, we did a lot of competitions and we won a lot of competitions as well. So we were not your normal practice that you just came to and that we did because we wanted to break out of this thing of being BEE thing, you know everybody says you are black it's almost like.. you know in the architectural profession your good quality is determined by the quality of work that you put out, the stuff that your peers give you awards for. So that was always important for us even though we were black and we were getting work through economic empowerment in the country and whatever as blacks, we also felt the need that we needed to break away from the stereotype [\[unclear 22.44.8\]](#). It is still the stereotype currently now as well.

Ooh, good quality architecture and to be able to sustain ourselves. Those two things, that's it. Good architecture, good service, you know just being a good professional. [F3-3](#)

we had responsibilities and whatever so yes just being a good architect all round, being responsible and whatever.

Does that include let's say humanistic..? Oh absolutely but it always must, yes it always must. That side I did not get taught that at University but I think my involvement in other things in South Africa bring those values to my office. It is just the way that I relate to people and the work that I do.

.. and I do as well sometimes you know, all the work we do in South Africa should benefit everybody. So I don't think we should stand up and say well my work develops communities more than others. I think some people work in those fields but I think everyone, we all build schools and clinics and hospitals and we all add value to the overall environment. But I think our profession now has more of a responsibility to work with certain groups than they did before; and it's around housing. I have done work in housing and studied housing as well. Unfortunately architects are not involved in housing in South Africa.

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#### **A3C**

Just to basically produce the best we can possibly for our clients and to make sure that the jobs actually work functionally as well as effectively. [F3-4](#)

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### **B7S**

No, never have. [F3-1](#)

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### **B4G**

Absolutely, absolutely. [F3-5](#)

The other aspect to it is currency security, so a European or UK theatre is quite compelling so that's where we are looking at at the moment as our first step out.

. So the only way we can do that is we have to look abroad for growth otherwise we will have a negative growth

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### **B6G**

. We should always analyze what we do and be very careful how we do it with regard to environmental sustainability, what materials we use, how we control the energy usage of a building, you know the things that everyone talks about. We have been doing that for quite a while already. So environmental response shouldn't even be mentioned, it should be second nature. But also what we feel very strongly about, it goes back to the humane thing, is [\[contextualizing 44.48.7\]](#). I see a lot of really bold horrific architecture up here in Gauteng, it has got very little scale, it is just awful show.

[F3-6](#)

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### **B5C**

What are your firm's business centered aims; in other words, do you have business centered aims?

Pay the bond [F3-7](#)

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### **C5M**

Do you have any business centered aims?

C5M:

At the moment currently?

**Christo Vosloo:**

Yes.

C5M: [F3-5](#)

Yes, we are very clear about the fact that we would like to do more commercial and industrial work or residential work like we have done before. We just find that in changing environment that the

demands that come with individual residential design is just too high to be profitable; the expectations of the clients at the moment make residential architecture of single nature virtually impossible to be profitable. So we are very clear that we would like to move away from that.

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### **C6M**

No not really,

No, no. We've got a spatial limit in our envelope of how many people we can employ and we don't really want to employ too many more otherwise even as it is you spend a large amount of time managing stuff, then you just become a manager and a person worrying about how to get money to pay people. [F3-8](#)

Yes I mean we want to do good quality work that we can enter into competitions and maybe win prizes but that is not our be all and end all because we found it very difficult.. we found that the alignment of our aims with what we are doing and the aims that have usually been set up by GIFA and whatever have never really been aligned in terms of the work that we have been doing.

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### **D1M**

At this stage we are happy with the size of our firm, we like to keep the projects running, [F3-9](#)

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### **D2M**

– so my idea is to start giving over the shares of the company and bringing in the younger guys, making them the directors, making them take the responsibility, and I will withdraw to a certain extent. [F3-10](#)

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### **C4G**

. Not particularly. It's more opportunistic than consciously saying, ok let's go there and open an office, so it has to be project driven. [F3-11](#)

Yes, I do and the ambitions really are to create a really strong foundation for this practice. What I want to do is, I sort of set myself a 5 year goal and in that period I've enumerated to my partners, it's recorded, various things that I want to get in place and the guys have agreed with it and it is getting to a position that the 3 offices, whether it's 3 or more, are really at a strong position to then grow from there.

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Themes:

- F3-1 We don't have specific aims (2)
- F3-2 To contribute to society (1)
- F3-3 To good work in order to sustain the business for the benefit of the people involved.  
(1)
- F3-4 To produce the best we can for our clients (1)
- F3-5 To increase our international footprint (2)
- F3-6 To produce humane and sustainable environments (1)
- F3-7 To pay the bond (1)
- F3-8 To do quality work (1)
- F3-9 To keep the project running(1)
- F3-10 To hand over to the next generation (1)
- F3-11 To use what we have as a foundation for further growth. (1)

## ANALYSIS

Fifty percent of the 26 enduring architects' firms surveyed provided direct responses to the question 'what are your firm's business centred aims?'

Two firms (15%) indicated that they don't have any specific aims.

A further two firms indicated that their aim was to increase their international footprints (15%)

The following aims were each listed by one firm:

- To contribute to society (7,7%)
- To good work in order to sustain the business for the benefit of the people involved.  
(7,7%)
- To produce the best we can for our clients (7,7%)
- To produce humane and sustainable environments (7,7%)
- To pay the bond (7,7%)
- To do quality work (7,7%)
- To keep the project running(7,7%)
- To hand over to the next generation to grow the firm further (7,7%)
- To use what we have as a foundation for further growth. (7,7%)

The aims are of a varying nature.

## DEDUCTION

If the varying aims listed are aggregated they can be reduced to the following:

- To **grow** from the current base
- To produce **good quality** work
- To do work that **improves the** human experience
- To **keep** going.

All the aggregated aims are worthy but with the exception of the first, does not indicate a strong entrepreneurial disposition as found in question set A.

#### **F4 What are your firm's person-centred aims?**

##### **A6S**

Like I explained my driving force becoming an architect engineer was to be constructive rather than destructive in re-establishing communities which were destroyed during the war.

I choose projects in which I like to be involved **F4-1**

I am interested in introducing a quality of education. I do a lot of schools. Secondary and Tertiary as well. I feel as young minds through architecture and the way buildings work you can do allot to add another dimension as architecture to build a psychological the same time.

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##### **A2S**

I think as architects we carry a huge responsibility. In a world where resources are constantly reducing, we have a moral obligation to make sure every resource we use is used to the best of our ability.

I think that my clients know me to be ruthlessly honest and I have only one client where I have said seriously don't think we will get on in the job, I make a certain point of before we get the client appoints me or we approach the client and so forth we meet where I can tell them this is the services I can give you and where I've come from, one is honesty

I said sorry I'm not to be bought, she says no, no no, this is not buying you this is your fees upfront,

as a result of the absolute honesty between us, **F4-2**

I don't think that I am looking at expanding wildly. If the projects in the pipeline come off, I am going to be looking at the end of this year for another pencil coolly, but quite clearly on a basis of you have to get experience I know you know nothing at this stage hopefully by the time he leave he will know something & go back to tertiary education.

He's 35, he's at the beginning of his career he actually needs to get himself sorted out if after that it might be fun to follow him out of his masters, at DUT there are a whole lot of projects that you would like to write up

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##### **A4M**

Guys by creating shares for them a 5 year plan or a 3 year plan where on my exit there will be an exchange of shares each year until the end of the 5<sup>th</sup> year. That will hopefully help them to cement there relationships with these clients. **F4-3**

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##### **A5M**

It is very sad; I always thought when I was younger that is what I would do, after my degree I wanted to do town planning but I never got the opportunity to give the country my services as an architect

to help the housing situation. So it is a problem, it is another issue, but a lot of architects would like to be involved in some things in South Africa but they are just not able to for whatever reason. [F4-4](#)

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#### **A1L**

I am a heart person; I love people to be recognized. I will compliment people where there is a compliment due and I like to build people up. [F4-5](#)

Yes.

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#### **B7S**

so there is a list of boys who have gone through me who are all top practitioners now; very useful when they are positioned overseas because I can go and stay with them and I don't pay anything. But they have all picked up that I think, learnt the traditional ethical way of doing things.

and I thought Gawie's succession plan is to put his hat on the peg. I said that's nice, I like it.

I don't know if I will be able to give my clients warning but they don't seem to be going away. I don't know what I am going to achieve, another nice building, I don't know. [F4-6](#)

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#### **B1S**

I'd like to retire at 65. Other than that, no. I just want to make sure that we can leave a legacy of well designed buildings and clients who have been 80% happy. That would really be what I would aim for [F4-7](#)

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#### **B6G**

That then extends further, I think our design, our work, our ethos is centered round the human being and the scale and the comfort and a great working or a great living environment. It is a very call it humane architecture [F4-9](#)

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#### **B5C**

In other words to be content was one of your aims, to have a lifestyle that you are happy with?

[F4-8](#)

**B5C:**

Yes.

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#### **B2M**

Well I think at the moment I am very involved with setting up this satellite school of architecture linked to that school in France; so that for me is probably the most interesting thing at the moment

## **F4-10**

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### **C2S**

For myself to be honest with you I would like to generate enough free time to, what shall we say, pursue a second career in sculpting, especially wood and steel and things like that, **F4-11**

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### **C3S**

Yes, we love traveling, and we do at a regular basis to Europe or United States or wherever and we have a house in the Cape as well, which works very well for our work down there as a second office or you can't really call it an office, and yes, that is our life.

**Christo Vosloo:** **F4-12**

And this is not a value driven decision it is an infrastructure, lifestyle driven decision.

### **C3S**

Absolutely.

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### **C5M**

Yes I have, absolutely, I think that at the age of 52ish when I started this **[unclear 38.32.7]** building I ventured into something that neither I nor anybody else had done - there is no model predecessor for it; and now I feel a great sense of having tasted something really wonderful so I would like to make more buildings that are, not like that, but a total response to its environment and the subdued needs of the client. So my biggest yearning at the moment is to do very environmentally challenging projects, projects where the environment is to be protected, where the buildings have to be very sensitive, and it doesn't have to be totally invisible but that attitude. **F4-13**

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### **D2M**

Tell them that I will be working only 8 to 9 months a year; I won't take 3 or 4 months leave every year at one stage but I will take more leave, I will go on trips, do some study tours on my own and therefore I can reduce my income so I as a senior guy don't gobble up all the income and they don't get their share of the profit, because they work hard. I am fortunate enough to have good enough income from property that I can retire if I want to at any stage but I don't want to; so for me it is a good way of making the firm more financially viable without them losing my experience over many years by withdrawing to a certain extent. **F4-14**

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### **C4G**



Yes, you know here is the interesting thing, we are probably one of the few practices that works internationally with other architectural practices. On many of our projects, and I mean many, we have collaborated with architects from the UK, the States, the Middle East, so that was collaboration, but we have not, for a lack of a better word, outsourced anything or asked them to bring it in to us, we have just done collaborative work. But to answer your question, we do encourage the guys, I will give you an example, we have a couple of guys who are really keen on bringing in sustainability, we are champions of that, but you need somebody to take ownership of it and not everybody, a) understands it and b) is passionate about it, they pay lip service to it and move on. So we have a nucleus of guys and they sit on the Green Building Council, we encourage them to get involved in assisting in writing the codes and that sort of stuff. So that is outside of the business but it helps us and it probably helps other practices too, once it is all done. **F4-15**

But what I'm driving towards is having a strong succession plan, in each office that is transparent so that it is not a secret society and that there is a logic to it and a junior guy can look at it and say, oh ok I can get to that position and this is how I get there. So you have to create a transparency in the hierarchy and you have to create, let's call it a ladder that the person can climb. If they want it they will go and get it. Some people are quite happy where they are, you know. So that is what we are currently working on at the moment and that is creating a clear succession plan for the 3 offices and for the practice as well.

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Themes:

- F4-1 To give effect to my humanistic values
- F4-2 To help staff achieve their potential
- F4-3 To create career paths for staffs
- F4-4 To give the country my services as architect
- F4-5 To give recognition to staff
- F4-6 To keep going
- F4-7 To leave a legacy of well-designed buildings and reasonably happy clients
- F4-8 To have an enjoyable lifestyle
- F4-9 To create a positive environment for staff to work in
- F4-10 To set-up a satellite school of architecture
- F4-11 To find enough free-time to do sculpture
- F4-12 To travel extensively
- F4-13 Do more environmentally sensitive buildings
- F4-14 To be able to take 3-4 months leave annually
- F4-15 Having a strong succession plan.

## ANALYSIS

Fifteen of the 26 (57,6%) founders of enduring architects' firms interviewed provided direct responses to the question 'what are your firm's person-centred aims?'.

Each respondent provided a unique aim. The aims provided are:

- To give effect to my humanistic values
- To help staff achieve their potential
- To create career paths for staffs
- To give the country my services as architect
- To give recognition to staff
- To keep going
- To leave a legacy of well-designed buildings and reasonably happy clients
- To have an enjoyable lifestyle
- To create a positive environment for staff to work in
- To set-up a satellite school of architecture
- To find enough free-time to do sculpture
- To travel extensively
- Do more environmentally sensitive buildings
- To be able to take 3-4 months leave annually
- Having a strong succession plan.

## DEDUCTION

The aims listed are of a widely varying nature but can be aggregated to the following mega-themes:

- Personal aims of some of the founders of enduring architects' firms relate to **lifestyle.** (26,6%)
- Personal aims of some of the founders of enduring architects' firms relate to **their staff.** (33,4%)
- Personal aims of some of the founders of enduring architects' firms relate to **society and the environment** (33,4%)
- Personal aims of a few of the founders of enduring architects' firms are simply **to keep going** (6,7%)

With the exception of the last aggregated aim, all the aims are honourable and worthy. Interestingly the two most popular aggregated aims relate to staff and the environment while personal aims forming a minority.

**F5 How important a contribution did these values play in your firm enduring?**

**A1L**

I have yes but I have a philosophy that I base my philosophy on a sports team. This is Nick Mallet's philosophy of a winning team, you get together with a common vision, and a passion to win and exercise the ability to bring the best out of your team mates that is how I practice. [F5-1](#)

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**B7S**

No they just happen to be there you know.

Do you think architects can practice without such values?

. Once you get involved as an architect for a developer forget about ethics and looking after your builder, the whole relationship is different, you are no longer a team, you are presiding over competitive.. it is contractor versus client. That is a whole different world. It's a whole different world and that is not the way I was brought up and I can't do it, I am not comfortable with it.

**B7S:**

They certainly do

**Christo Vosloo:**

Do you think architects learn enough about values?

**B7S:**

No.

[F5-1](#)

**Christo Vosloo:**

The importance of values?

**B7S:**

No

are saying is the fact that you have this responsibility to deal with your clients money means you have to be very ethical and value based?

---

**B1S**

I think you need to have all, I think you need to have design values and business values but sometimes you don't get that in one person and that's why it's important for some people to be in combinations with people who have different skills and interests. So one person can't always have both, but I think in an architectural practice, you absolutely need both. You are dealing with people's money and usually the biggest thing that they would probably spend their money on. So

yes, you need to have a very good sense of business or profit and what works and what doesn't financially, besides having a good design sense. [F5-1](#)

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### **B6G**

I think so, oh yes, it is our common goal, our common vision and common philosophy. We stick with that. If it is not important to you then you probably won't work here for very long because you would probably then get bored or something. You have got to like what we stand for and be part of that team. We are a team, it's not about just one man. [F5-2](#)

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### **B5C**

Absolutely. [F5-3](#)

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### **B3M**

Ons hoop so. [F5-3](#)

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### **C2S**

I have never thought about it, I suppose to a certain degree it karma plays a role, you reap what you sow. [F5-3](#)

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### **C5M**

Definitely. [F5-3](#)

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### **CIG**

Yes for clients we have explained to them why their houses are designed like that, they might tell their friends or potential clients this is why you should go to this guy. It definitely makes a difference that people know, many of our clients who live in another house, they come to us, we design their house and if they ever do anything again they come back to us. We have got clients that we have done 7 to 8 houses for because they know we really put our hearts into it to make it as livable as possible. [F5-2](#)

Well first of all it was survival, it was to create an income and stay alive. But even then because of the background that I had, you see when I was at Varsity the CSIR brought out a study about facing buildings north and one of our lecturers in [\[unclear 29.13.9\]](#) in Engineering went through that with us in detail. I learnt more there I think in that class than I learnt in any other class, about actually designing buildings that function properly. Then I have got an engineer's sensitivity for [\[unclear](#)

29.34.5] work; you don't put the kitchen this side and the dining room that side [unclear 29.39.8] sealed. Stick the kitchen in the south west corner, freeze in winter and fry in summer, and by the food is done she is also cooked that sort of thing. So I study the climate, I want to know when it is nice to be where and when people are where, and the typical thing, for breakfast you want some nice morning light, in the evening you want it cool there you don't want it hot there, so you stay on the east side of the building with your kitchen and your breakfast area / dining area. Those sorts of things are very important to us and by staff say I am [unclear 30.14.8] but that is part of the day.

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Themes:

F5-1 Values are very important because architects work with their client's money.(3)

F5-2 Very important because they give expression to the firm's goals and philosophy.(2)

F5-3 Very important.(4)

### **ANALYSIS**

Nine out of the 26 (34,6%) founders of enduring architects' firms surveyed provided direct responses to the question 'how important a contribution did these values play in your firm enduring?'.  
Three respondents (33.4%) believe that values are very important because architects work with their client's money.

Two respondents (22,2%) believe values are very important because they give expression to the firm's goals and philosophy while four respondents (44,4%) regard them as very important.

### **DEDUCTION**

All respondents who are the founders of enduring architects' firms believe that values played a very important role in the survival of their firms

## **G TOPIC: COMPETITIVE POSITIONING**

The first question asked 'did you or the founders of your firm engage in detailed strategic or operational planning before starting-out?' (refer to G1 in Addendum C).

Only eight out of the possible 26 respondents (30,7%) from enduring architects' firms interviewed provided direct responses to this question. Four of these respondents (50%) indicated that they did not do any form of strategic planning before starting out and an equal proportion indicated that they did.

More respondents provided information related to this question but their responses did not respond directly to the question. As such the question established that only about 50% of responding enduring architects' firms did some form of strategic or business planning before starting out. This could be as a result of the absence of some form of entrepreneurship education or training uncovered in A7 (refer to Addendum C) and/ or the low levels of entrepreneurial orientation uncovered in A1 (refer to Addendum C).

The second question asked 'do you have articulated vision and mission statements?' (refer to G2 in Addendum C). The respondents of 17 out of a possible 26 enduring architects' firms (65%) provided direct responses to this question. Only four of the respondents (23,5%) indicated that they have articulated vision and mission statements while the majority (76,4%) of respondents indicated that they do not have articulated vision and mission statements.

The third question asked 'did you position your firm as a strong delivery, strong experience, strong ideas or anything that comes through the door firm?' (refer to G3 in Addendum C).

The founders of 15 of the 26 of the enduring architects' firms (58%) interviewed provided direct responses to this question. Their responses are as follow:

- Two firms indicated that they are strong ideas firms (13%).
- Two firms indicated that they see themselves as strong delivery firms (13%).
- Four firms indicated that they consider themselves to be strong experience type firms (27%).
- Seven firms consider that they are a combination of all three types (47%).

So it was found that many (47%) of the surveyed enduring architects' firms regard themselves as firms that are strong on ideas, delivery, and experience while some enduring architects' firms regard themselves as strong experience firms (27%) and two smaller groupings see themselves as strong ideas and strong delivery types firms (13% each).

This begs the question if the fact that the biggest group see themselves as a mixture of the three types is a result of a lack of strategy or because of the nature of the South African contextual situation.

The fourth question asked 'is your firm competing as cost-leaders or have you managed to differentiate your product offering?' (refer to G4 in Addendum C). Only five of the 26 founders of enduring architects' firms (19%) provided direct responses to this question. Their responses can be categorised as follows:

- One firm (20%) indicated that they compete on the basis of cost.
- Two firms indicated that they competed on the basis of a differentiated offering (40%).
- Two firms indicated that they did not compete in terms of either of the above (40%).

Thus, it was established that 20 % of responding enduring architects' firms compete on the basis of cost while 40% compete on the basis of a differentiated offering and 40% do not compete on the basis of either price or a differentiated offering. This shows that at least 60% of the firms who have responded developed some form competitive strategy.

The fifth question investigated the question 'has your firm managed to become specialists in one or more building types?' (refer to G5 in Addendum C). Twenty of the possible 26 (77%) of the founders of enduring architects' firms provided direct responses to this question.

- Four (20%) of respondents indicated that they did not.
- Twelve (60%) of respondents indicated that they did.
- Four (20%) of respondents indicated that they have become multi building type specialists.

In total, 80% of responding enduring architects' firms have developed some form of speciality. This could indicate that it is advantageous for a firm to develop either a single building type or multi-building type speciality.

The sixth question asked "did the 'contacts' or personality of the founder play a role in the firm's enduring?" (refer to G6 in Addendum ?). Only six out of 26 (23%) respondents of enduring architects' firms gave a direct response to this question which constitute a low response rate. However, five respondents (83%) agreed that their founder's 'contacts' did play a role in the firm's survival with one respondent (17%) indicating the opposite.

The relatively low response rate means that conclusive deductions could not be made. Thus it would seem that there might be a link between the founders' connections and a firm's endurance.

The seventh question asked "what do you regard as your competitive advantage?" (refer to G7 in Addendum C). Nineteen of the 26 (73%) founders of enduring architects' firms interviewed provided direct answers to this question.

Nine firms each provided one of the following responses:

- My systems (5%).
- Being politically connected (5%).
- People skills (5%).
- Completing projects on-time and within budget (5%).
- High levels of care (5%).
- Big match experience (5%).
- Marketing coupled to design and project management skills (5%).
- Design backed-up by technology and marketing (5%).
- Flexibility (5%).

Two firms provided each of the following responses:

- Being 'multi-professional' (11%).
- Being able to produce innovative solutions (11%).

Three firms provided each of the following responses:

- Experience with specific building types (16%).
- Delivery (16%).

Aggregating the results indicated that some responding enduring firms have built up a competitive advantage based on specific skills and knowledge or experience, use of technology, marketing, delivery and connections.

The eighth question asked 'are you aware of who your biggest competitors are and what their strengths and weaknesses are?' (refer to G8 in Addendum C). Fifteen of the 26 (58%) enduring architects' firms interviewed provided direct responses to this question. Their responses were as follows:

- Five of the respondents indicated that they do know who their competitors are and what their strengths and weaknesses are (33,4%).
- Four respondents indicated that they did not know (26,7%).
- Two respondents indicated that they know who they are but that they don't know what their strengths and weaknesses are (13%).
- One firm indicated they know who their competitors are in some of the types of work they do (6,7%).



- One respondent indicated that he doesn't view them as competitors but as colleagues (6,7%).
- One respondent believes that all small practices are in competition with each other and that it thus is impossible to know their individual strengths and weaknesses (6,7%).
- One respondent believes that all architects' firms are in competition with each other (6,7%).

Fifty four percent of respondents to Question A6 (refer to A Topic theme Addendum C) indicated that they regard themselves as 'competitive'. The responses listed above confirm the previous indicators with 53,1% of respondents indicating that they know who some of their competitors are. However, some of the attitudes expressed are not what would be expected from persons with high levels of entrepreneurial orientation.

The ninth question asked 'in your opinion, what other attributes can South African architects' firms develop into a competitive advantage?' (refer to G9 in Addendum C). Only five out of 26 (19%) enduring architects' firms interviewed provided direct responses to this question.

Two of the respondents (40%) indicated that they believe that it can be developed by being able to deliver buildings more efficiently and more cost effectively.

The remaining three respondents each provided one of the following suggestions (20% each):

- Specialise in specific building types.
- Providing excellent service.
- Rapid service delivery.

Accordingly, it was found that ways in which firms can develop a competitive advantage include learning to provide superior service, deliver buildings more speedily, efficiently and more cost effectively or by specialising in certain building types.

The tenth question asked 'do you do regular strategic planning?' (refer to G10 in Addendum C). Fifteen out of 26 (57,6%) respondents from enduring architects' firms provided direct answers to this question. The responses can be summarised as follows:

- Three firms (20%) indicated that they do it on an informal basis.
- Four firms (26,6%) indicated that they don't do it.
- Eight firms (53,4%) indicated that they do it formally.

Thus, it was established that most (73,4%) of the responding enduring architects' firms surveyed do regular strategic planning, either formally or informally. However, a number of the responding enduring architects' firms don't do any strategic planning.

The eleventh question asked 'can you cite examples of initiatives or changes resulting from your strategic planning activities? (refer to G11 in Addendum C), the twelfth 'is your firm aggressively pursuing specific quantitative or qualitative goals and objectives?' (refer to G12 in Addendum C) and the thirteenth 'how did your competitive stance play a role in the firm's enduring? (refer to G13 in Addendum C). Unfortunately insufficient direct responses were received to all three questions, Hence, no deductions could be made regarding these three questions.

## **Findings**

The foregoing questions established that:

- Only about 50% of responding enduring architects' firms did some form of strategic or business planning before starting out.
- Very few of the surveyed enduring architects' firms have articulated mission and vision statements.
- Many surveyed enduring architects' firms regard themselves as firms that are strong on ideas, delivery, and experience while some enduring architects' firms regard themselves as strong experience firms and two smaller groupings see themselves as strong ideas and strong delivery types firms.
- Twenty percent of enduring architects' firms surveyed compete on the basis of cost while 40% compete on the basis of a differentiated offering and 40% do not compete on the basis of either.
- At least 60% of the firms who responded developed some form of competitive strategy.
- In total 80% of responding enduring architects' firms have developed some form of speciality. This could indicate that it is advantageous for a firm to develop either a single building type or multi-building type speciality.
- It would seem that there might be a link between the founders' connections and the firm's endurance.
- Responding enduring firms have built up a competitive advantage based on specific skills and knowledge/ experience, use of technology, marketing delivery and connections.

- Ways in which firms can develop a competitive advantage include learning to provide superior service, deliver buildings more speedily, efficiently and more cost effectively and/ or by specialising in certain building types.
- Most of the responding enduring architects' firms surveyed do regular strategic planning, either formally or informally. However, a number of the responding enduring architects' firms don't do any strategic planning.

Competitive positioning and competitive attitudes amongst some (but not all) enduring architects' firms are at low levels. Firms were started, and some continue, without any strategy or articulated vision or business plan in place. Some firms continue without any specific competitive advantage or without having developed specialities. This contradicts some of the answers obtained under Topic A where the majority indicated that they considered themselves to be competitive. However, it does confirm earlier findings that the entrepreneurial orientation of enduring architects' firms is an aspect that is lacking. This could possibly be because so few of the respondents attended some form of business/ entrepreneurial education and training. While the result cannot be generalised, a profession-specific EET programme that includes strategic management could ensure that this situation is not repeated in future firms.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

- Only about 50% of responding enduring architects' firms did some form of strategic or business planning before starting out.
- Very few of the surveyed enduring architects' firms have articulated mission and vision statements.
- Many surveyed enduring architects' firms regard themselves as firms that are strong on ideas, delivery, and experience while some enduring architects' firms regard themselves as strong experience firms and two smaller groupings see themselves as strong ideas and strong delivery types firms.
- Twenty percent of enduring architects' firms surveyed compete on the basis of cost while 40% compete on the basis of a differentiated offering and 40% do not compete on the basis of either.
- At least 60% of the firms who responded developed some form of competitive strategy.

The above confirms earlier findings that the entrepreneurial orientation of enduring architects' firms is an aspect that is lacking. This could possibly be because so few of the respondents attended some form of business/ entrepreneurial education and training.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

- In total 80% of responding enduring architects' firms have developed some form of speciality. This could indicate that it is advantageous for a firm to develop either a single building type or multi-building type speciality.
- It would seem that there might be a link between the founders' connections and the firm's endurance.
- Responding enduring firms have built up a competitive advantage based on specific skills and knowledge/ experience, use of technology, marketing delivery and connections.
- Ways in which firms can develop a competitive advantage include learning to provide superior service, deliver buildings more speedily, efficiently and more cost effectively and/ or by specialising in certain building types.
- Most of the responding enduring architects' firms surveyed do regular strategic planning, either formally or informally. However, a number of the responding enduring architects' firms don't do any strategic planning.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

A profession- specific EET programme should include strategic management.

**G1 Did you/ the founders engage in detailed strategic or operational planning before starting-out?**

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**A5M**

By myself, every day. Well I don't have partners now but when I had two other partners we used to be able to do that but you do review yourself as you go along. I don't do it formally no; my office is downsized now compared to a few years ago when I had a larger office than I have now. I think you need that critical mass to do strategic planning, if I had another partner or another professional architect working with me right now I would probably do it; but I always adjust my view of anything as I go along. I am used to doing that, I do it informally but not on a formal basis no.

We did one year, probably about 10 years ago we did one; it was quite useful but I don't like doing things for the sake of doing it.

Yes, I am not embarrassed to talk about money to anybody, to a client who wants a discount. Often architects think that I am such an amazing architect I don't need to talk about money. Our practice never learnt like that, we always brought the issue about fees and payment and all of that, we just talk about it very openly. I think in our profession people need to and it comes from what you are taught. You are not taught the things like money and sustainability, like that word sustainability for us from the time we started A5M was that word we used. People asked so what do you want to do and we said we want to be around 10 years from now and we want to be around 20 years from now and we want to be the most successful practice in KZN [G1-1](#)

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**A3C**

No not at all. [G1-1](#)

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**B7S**

What's that? [G1-1](#)

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**B1S**

No, we take things absolutely as they come. I mean, I'm constantly thinking a few months ahead but not years ahead. [G1-1](#)

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**B5C**

Yes we do, sort of twice a year. [G1-2](#)

Yes absolutely, sure. We started this firm on the basis of a job list, jobs that we had, could get and were going to get. We had those three categories, and we started like that and "by Joe" it worked.

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**B2M**

Yes we've always sort of planned in a very realistic way, so we would draw up a cash flow projection, you know, I still did it – every February I draw up a cash flow projection for the next year and see what we have, what we might get, what are expenses will be – so I've just always done it by hand, it's not a sophisticated thing it's just a thing I do. [G1-2](#)

Yes that's what I said earlier on, I always do that in about February and just set some goals but you know you have to be flexible. Things don't always happen the way you want them to happen.

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**D4S**

Yes, just by starting small and then it got to a point where the critical mass was in a way that one could actually go on your own. [G1-2](#)

Yes

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**D3S**

No, my intention was to stay a small firm, small firm meaning less than 5 people. For the simple reason that I was a big firm and I've decided that that is not what I wanted to do and entrepreneurial as a business, I had already realized by that time, around 2002 in other words about 14 years ago, I already realized that the technology that is to our disposal makes it quite possible to be a small firm and small firm doesn't necessarily mean small in numbers. Well inherently it means less space, I could work from home, I have access to highly qualified technical people that doesn't have to be employed in the same space that I am in, the physical space. By that time I've already mastered some software programs that make it possible to work as a team on the same project, at the same time, but not necessarily at the same place, so it was fairly easy for me to tackle any size project that I was capable of, technically by employing staff who were not necessarily in the same town as me. And for that reason I can describe myself from that time as being a small firm. We were never more than 4 physical people in the same office. [G1-2](#)

Yes there was quite a bit of strategic consideration going on at that particular point in time

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Themes:

[G1-1](#) No we didn't (4)

[G1-2](#) Yes we did (4)

## **ANALYSIS**

Only 8 out of a possible 26 founders (30,7%) of enduring architects' firms interviewed provided direct responses to the question 'did you/ the founders engage in detailed strategic or operational planning before starting-out?'.

Four of these respondents (50%) indicated that they did not do any form of strategic planning before starting out and an equal proportion indicated that they did.

More respondents provided responses to the question but their responses did not directly respond to the question.

## **DEDUCTION**

Only about 50% of responding enduring architects' firms did some form strategic or business planning before starting out. This could be indicative of the absence of some form of entrepreneurship education or training uncovered in A7 and/ or the low levels of entrepreneurial orientation uncovered in A1.

**G2 Do you have articulated vision and mission statements?**

**A6S**

Do you have vision and Mission? No [G2-1](#)

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**A4M**

I used to have one, on the website. But I don't do that anymore. [G2-1](#)

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**A5M**

Do I, yes I do I suppose, it's on my website. I mean it's not like a formal thing. I know of practices that go and review that and they do that together with their strategic planning and whatever. Ours has pretty much stayed the same, I adjusted it when I took over the practice, when I was running the practice on my own because I did change things then. [G2-2](#)

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**A1L**

I don't believe in those, it's in the heart, produce good architecture that's all it is and everything that goes with it. We've tried mission statements but people know, my staff know what it's about, produce great architecture, don't settle for second best. [G2-1](#)

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**A7L**

We used to have one. It used to be. But now we are going to have one. I think it is very important to understand. To deliver a product. [G2-2](#)

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**A3C**

No. [G2-1](#)

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**B7S**

Yes, we had to do it because the British government [G2-2](#)

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**B4G**

Not really, I mean just the values are far more important. I think the firms longevity is its own mission, it's how it is and what it is that is its mission statement. It's about creating a platform for people to own it, that's what we are about. So everyone here has the potential to own the business and they just have to aspire to that or not to aspire to that, it's their choice. Everyone chooses their own horizons, so that's how we do it, so I think mission statements frankly are you know, what's the point of having something that you... you know, if you were selling a can of beans, it's easier to have a value statement about my product is excellent and it's this and it tastes good; but really our



mission statement is about doing the best buildings we can on time and under budget. I mean I suppose that is our mission statement. [G2-1](#)

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**B6G**

[G2-2](#) Yes, yes, you know it's amazing we have never actually written down that mission statement and we keep on saying we have got to; but it is sometimes a little bit corny as well because every time you open.. we stand for this and we do this and it is our vision to do this and that and that.. our vision is just to do very responsible environmentally friendly humane friendly architecture. That is our business, that is what we want to do and we are all disciples of that vision but it is not necessarily a mission statement that we have written on the wall. We have somehow still got to verbalize it sometime around the table we just never have the time to do that, we all know what we are doing but I mean to write it..

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**B5C**

No because in all the business plans we [G2-1](#)

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**D4S**

No [G2-1](#)

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**C2S**

No. [G2-1](#)

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**C5M**

No [G2-1](#)

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**C6M**

Not really [G2-1](#)

No.

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**D1M**

No; we've done those - I've been at the school board and we sat through all these sessions and it was an utter waste of time. [G2-1](#)

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**C4G**

No and as I said we did write stuff down and then it just didn't seem tight so we haven't articulated that, no. [G2-1](#)

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**D5G**

Ja, we haven't formalized it and I suppose the one reason for it is that I suppose we don't want to put ourselves in a box as we are not sure what we are going to become and we are not sure what we want to become so I suppose agility is the only thing in there at the moment [G2-1](#)

. And I've read up about companies and trends and design trends and I believe that you can get tunnel vision and I don't think we can afford to have tunnel vision. I suppose the one value that we have and that we regularly talk about in the office is that we try and do things better than others.

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**D6G**

No I don't believe in those things at all, but we did have a slogan which is still used to this day where we say D6G& Partners, Excellence by Design – meaning that you can achieve nothing in excellence no matter what it is, not just architecture but in anything, without designing it, thinking about it, planning it, even the way you just conduct a meeting, you have got to do it in an excellent way. [G2-1](#)

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Themes:

- [G2-1](#)            No we don't (13)
- [G2-2](#)            Yes, we do (4)

**ANALYSIS**

The founders of 17 out of a possible 26 (65%) enduring architects' firms provided direct responses to the question 'do you have articulated vision and mission statements?'

Only four of the respondents (23,5%) indicated that they have articulated vision and mission statements while the majority (76,4%) of respondents indicated that the do not.

**DEDUCTION**

Very few enduring architects' firms have articulated mission and vision statements.

**G3 Did you position your firm as a strong delivery/ strong experience/ strong ideas or anything that comes through the door firm?**

**A6S**

It is the ideas because doing schools. It is the ideas because doing schools. [G3-1](#)

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**A4M**

I'm a big systems man on every level. [G3-2](#)

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**A5M**

All of those three things. [G3-4](#)

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**B4G**

**Christo Vosloo:**

You did mention that you are able to deliver on time and within budget, so that would be a strong delivery but that could also indicate strong experience because it's based on years of practice?

Absolutely, absolutely. [G3-2](#)

Getting better, at it as I mentioned earlier in terms of those three points about time, money and design; design is good, landmark buildings, it's very good but we need to develop a way of designing – how can I put this – almost that you design instinctively that the flair is always there but that you are confident that the materials that you have chosen to create that flair are affordable. That's where we come unstuck sometimes; so we are working on that to try and develop an almost innate understanding of how you make things with flair that are on time and under budget. So it's to bring those three things together.

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**B5C**

Is your firm ever competing on the basis of being cost leaders or do you think your knowledge and the fact that you have differentiated yourself as a heritage based firm means you don't have to compete in terms of price?

Definitely that. [G3-3](#)

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**B2M**

. I think probably all three and I think that is probably how people know us [G3-4](#)

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**B3M**

Ek sou dink al 3. [G3-4](#)

So daar is nie een wat uitstaan nie? Ek kan dink, ja, ondervinding, idees definitief. Ek het nou net terwyl ek gestaan en wag het, gekyk na die details daarbo. Daar is regtig, daar is definitief baie sterk idees in al die werk.

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### **C2S**

I would say I am strong on experience; you get a feel, especially it's the part where I feel architects fall down the most is the actual construction part, on that side I have got a lot of experience. Maybe it's not a lot but for something my size I think it is a lot, I have done more than 600 projects so when I see something I know what it is. I can anticipate problems. Then as far as delivery is concerned as I said earlier I try and give people value for money. [G3-3](#)

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### **C3S**

So your clients come to you based on your experience, not because you are the cheapest but because they admire your experience? [G3-3](#)

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### **D4S**

I think it is a combination. [G3-4](#)

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### **C5M**

I think the third one is the most important one.

So you see yourself as a strong ideas firm? [G3-1](#)

Yes.

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### **C6M**

I think both. [G3-4](#)

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### **D1M**

Well experience [G3-3](#)

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### **D2M**

I think it must be a combination of that, if you are a good architect you have to be on top of all of those. Design award winning buildings within the budget that you are given, because staying with

the budget I think is the second very important thing and the program; but also delivering a good service because that is what the client basically pays you to do and that is a whole different topic.

G3-4

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**C1G**

I think it's that too, it's a whole combination of things, it is also originality that we come up with original ideas and concepts and do things that other people haven't thought about yet. G3-4

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Themes:

G3-1 Strong ideas (2)

G3-2 Strong delivery (2)

G3-3 Strong experience (4)

G3-4 All three (7)

## **ANALYSIS**

The founders of 15 of the 26 (58%) of the enduring architects' firms interviewed provided direct responses to the question 'did you position your firm as a strong delivery/ strong experience/ strong ideas or anything that comes through the door firm?'. Their responses are as follow:

- Two firms indicated that they are strong ideas firms (13%)
- Two firms indicated that they see themselves as strong delivery firms (13%)
- Four firms indicated that they consider themselves to be strong experience type firms (27%)
- Seven firms consider that they are a combination of all types (47%)

## **DEDUCTION**

Many (47%) enduring architects' firms regard themselves as firms that are strong on ideas, delivery, and experience while some enduring architects' firms regard themselves as strong experience firms (27%) and two smaller groupings see themselves as strong ideas and strong delivery types firms (13% each).

This begs the question if the fact that the biggest group see themselves as a mixture of the three types is a result of a lack of strategy or because of the nature of the South African contextual situation.

**G4 Is your firm competing on the basis of being cost-leaders or have you managed to differentiate your product offering?**

**A4M**

For me that is why my fees are half the tariff, and I make really good money. I know have really good expertise in the whole industry of retail and what retail is and what it is trying to do. I advise. In terms of design my customers who are usually developers and have been developers for a very long time. **G4-1**

I'm a hell of a good designer, in terms of running a business and doing systems.

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**A5M**

Yes, it was like a new sphere. In the architectural practice you get people who do competitions and you get people who just don't want to; we did, we did a lot of competitions and we won a lot of competitions as well. So we were not your normal practice that you just came to and that we did because we wanted to break out of this thing of being BEE thing, you know everybody says you are black it's almost like.. you know in the architectural profession your good quality is determined by the quality of work that you put out, the stuff that your peers give you awards for. So that was always important for us even though we were black and we were getting work through economic empowerment in the country and whatever as blacks, we also felt the need that we needed to break away from the stereotype [unclear 22.44.8]. It is still the stereotype currently now as well.

Ja, so don't think you are just going to go into this thing and everything will just fall into place because I mean I have got colleagues that have got more experience than me and every time we meet they are like what on earth are we doing. We laugh about it now because we are a little bit older but they have to be certain about the fact that they want to practice and they must have a sort of plan of action. **G4-3**

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**C5M**

Quality; I can't compete to people who are doing half the work that I do.

So you have differentiated your service based on the quality to work that you produce?

Yes. **G4-2**

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**C6M**

At the moment things like house alternations and things we are not too keen on. We are not really too keen on individual residential projects, those kinds of things, but if there is no work around then we consider them or if they are favours for people that we do other work for then yes, but those can be very problematic and we have found that you can't really run a practice on them. **G4-3**

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## C1G

No look I don't compete with anybody on cost, I can't care a damn what other people charge, I charge my fees and then I make money on it and that's it. I also don't want to create a totally elitist sort of thing that you can only come and talk to me if you have got R100k to spend. We do things, I will show you a typical one, [unclear 39.43.3], that is what he had and that is what we designed for him. We actually built it; it is just about complete they are busy painting it. That's how [unclear 39.54.8] and there is no reason why 80m<sup>2</sup> should look like a [unclear 39.59.6]. **G4-2**

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Themes:

- G4-1 Cost leaders (1)
- G4-2 Differentiated offering (2)
- G4-3 Neither (2)

## ANALYSIS

Only five of the 26 (19%) founders of enduring architects' firms provided direct responses to the question 'is your firm competing on the basis of being cost-leaders or have you managed to differentiate your product offering?'. Their responses can be categorised as follows:

- One firm (20%) indicated that they compete on the basis of cost.
- Two firms indicated that they competed on the basis of a differentiated offering (40%)
- Two firms indicated that they did not compete in terms of either of the above (40%)

## DEDUCTION

Twenty percent of enduring architects' firms compete on the basis of cost while 40% compete on the basis of a differentiated offering and 40% do not compete on the basis of either price or a differentiated offering. Thus at least 60% of the firms who have responded developed some form competitive strategy.



**G5 Has your firm managed to become specialists in one or more building types?**

**A6S**

That was fantastic training I had with him. That was the beginning as an engineer, I was trained as civil instruction engineer. I had to make a choice to specialise in a certain point. that encourage me and I was distant to go and choose those two disciplines. And see where it was taking. It did from the beginning even in this country.

Fertiliser factories to agricultural projects. And schools but I do gravitated more and more to facilities which I think are support of ethical side of society. I refused to build and abattoir and chicken farm. I do not want to be associated with this. [G5-1](#)

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**A2S**

I never set about specifically to become a heritage architect or corporate practitioner. [G5-2](#)

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**A4M**

My one client is in education and the other two are in retail, but both of those are fast growing components of our Country. With the transfer of power in 1994, there is a huge demand for schooling, private in particular white people were drawing into more expensive forms of education, I have never done a single project for the government, [G5-2](#)

Because not everybody wants to practice, with practice there is nothing that happens immediately. You have got to understand that it is a process and find a niche in whatever way would be great. With us our generation used the fact that we were black, I use the fact that I am a woman and therefore I want work, so therefore I use that as my marketing tool. Also the other thing that we used was joining up as three for example. You have got to find tricks and also you have got to be committed about what you are doing because practice is not for the faint hearted.

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**A1L**

No, our clients select us for that if do it well. Durban is too small to specialize. Look you get one practice that does hospitals but they do it all around the country. [G5-1](#)

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**A3C**

I try and avoid domestic work, but we seem to somehow get domestic work. I far prefer as I said earlier the commercial type of work and something quite challenging, I have also in my years I've actually done a lot of hospital work in xxxxx in those days and I did a very good course on hospital planning and what have you. So that is the sort of work I would like, I am doing clinics for the government at the moment but they are not hospitals, hospitals are just very interesting in terms of

the dynamics and sort of the flow and that sort of thing, so that for me is really the kind of work I like – and laboratories, huge amount of laboratories, obviously from my University . It is associated services [unclear 38.03.7] and that kind of thing so that is the sort of work which I prefer which challenges you immensely as opposed to an emotional challenge which you get with Mrs Blogs about her dear house and she doesn't know what she wants, you know what it's like. [G5-2](#)  
I would say very definitely in terms of laboratories and I would like to think hospitals as well.

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### **B7S**

Would you regard yourself as a specialist in any building type? You do a lot of heritage but it comes my way..

### **[G5-3](#)**

#### **B7S:**

It comes my way yes, interestingly this [unclear 1.14.22.4] that we are doing at the moment; okay there is this interesting project that we are doing at the moment, this [unclear 1.14.26.9] is xxxx he's got a big development in Johannesburg calledxxxx.

That happens to be a heritage site; the xxxx that we did at [unclear 1.18.03.5] Heritage, I mean xxx Wine Cellars is brand new out of the ground, we have done a number of factories on Marconi Beam, they are industrial buildings, I don't know what we do, I don't know what we do – each job is a fun thing.

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### **B1S**

We did, but then it changed, so it's interesting We had mostly residential projects and alterations for a long time and now it have been mostly government projects including schools and clinics. So, yes, things change. You can get a niche and it can be very good and lucrative for a patch of time but it may change, and sometimes you need to be able to be open for complete change in direction. So we've had that. [G5-1](#)

Yes, if I've spent 15 or 20 years in it, yes and then similarly with the other work that we have been doing and moving towards, I would put a specialty on as well. So relatively generally spread but there are probably 3 areas: residential, educational and health.

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### **B6G**

No, people consider us as big hotel and office commercial building architects; we've done a good deal of educational buildings, not enough, there is just not enough going around for everyone. Then we've always been big in residential, but I am talking about town housing and housing developments and apartment buildings and so on. So those are our core.. we have surprised many people with our

retail stuff. Our first retail project was this one; our tenant coordinator here was [Bill unclear 55.33.5], they didn't trust us still, the developer, but we've done well and we have surprised a lot of people. We are now I think one of the leading retail architects and that was never an intention. We just do it our way, we did xxx, we did xxx, we did xxxxx, we've done a hell of a lot of retail work. xxx was one of our nice ones, I don't know if you know about it? [G5-3](#)

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### **B5C**

Yes – you have managed to become specialist in one or more building types. You did mention that you had contacts in the area?

Incredibly so. [G5-2](#)

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### **B2M**

kind of work we do is that we also raise the money for the communities that we work with; so even in the beginning I had to work with funders and I had to do fund raising basically for our own income.

So you are specialists in public work? [G5-2](#)

Yes definitely

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### **B3M**

Julle is definitief spesialiste in die restourasie en heritage. [G5-3](#)

Om heel eerlik te wees, ek is nie so angstig om restourasie werk te doen nie, ek verkies nuwe werk, want restourasie werk is minder opwinding, want jy weet wat die eindproduk gaan wees en jy werk maar tot jy die eindproduk bereik het, terwyl nuwe werk is baie meer opwindend. Iets uit niks uitskep. So daar is 'n groot verskil daarso.

Ja, heelwat huise, van die museums,

Ons het baie museums gedoen. Baie. Ons het xxx museum, die xxx bier museum, ons het baie museums gedoen

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### **C3S**

Upmarket residential and now and then a niche gym for someone, you know we are still involved at [unclear 1.20.45.6] and that sort of thing but we like individual residential appointments.

[G5-2](#)

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### **C5M**

What has not been easy in terms of that is the marketing; it is very difficult to market a chameleon attitude because people cannot find the central theme to it. So that is the downside of it, it is not that easy to say I am so versatile look I have done 41 different buildings, because very often people are looking for that one image or an architect that has done things in a group which they would be happy to do and therefore they find that architect because he produces the esthetics that they are looking for. Our attitude is more come to us with any esthetic and we will produce it well; so I am very proud of the fact that we have done from minimalist architecture to classic work to crazy steel buildings because we have that attitude to different design.

Fortunately still residential specialists, also residential grouping or mass residential or multiple units together, we are also good at yes. [G5-2](#)

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### **C6M**

No then we would just say look we are not the right people we are a little bit busy at the moment maybe you can go and talk to so and so and maybe refer them to a friend. Having said that we have done smaller work in order to have continuity with a client, so like we have done bigger projects with the client but we have also done alterations to buildings for them because we need to keep that continuity going and so on. We have always seen that the smaller work feeds into the bigger work. [G5-1](#)

I don't know, I think on some things we can be quite quick and we know the kind of landscape. You also know systems and you know how things are done and I think that at the end of projects we deliver good quality and we finish projects well.

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### **D1M**

.. at the moment we specialize in blocks of flats and the luxury housing and office development.

[G5-2](#)

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### **D2M**

We also at the moment, and it also developed naturally, we are very heavy into high density residential especially student housing, because one of my own developments is very close to the campus, just behind xxx Boulevard, some student residences long before it started to become a hype. Now all the major **developers** are doing student housing, so I don't do it anymore, I still have a couple of properties there but we just seem to have evolved into student housing and I think we are probably the most specialized or have the most knowledge in student housing because we work for the University. [G5-2](#)

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#### **C4G**

So we specialized in leisure and hotels.

Yes, in all honesty, if you take the top line of it, it's hospitality but then we do an enormous amount of residential, apartments, estates, high end housing, [doc 0.47.40.8] loading housing, and we have done quite a few mixed used developments, so that is an area that we are targeting quite strongly and then obviously we are looking at the possibility of getting back into health care, because it is quite strongly in line with the hospitality and that is the area that I'm interested in, so. It is part of our strategic thing, to expand the base of it and we find that because of our office in Dubai, it does get that kind of exposure. [G5-3](#)

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#### **C1G**

Yes most probably luxury housing, that is where we specialize in. My background is actually commercial and industrial but I became a total specialist in luxury housing. That is what we are known for around the world. [G5-2](#)

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#### **D5G**

I think the special knowledge about brands and I have specific knowledge about décor dealership design so that is definitely an advantage. I'm known in the industry as a dealership design specialist so that has definitely given me the advantage on a number of projects so in terms of profitability, getting this construction or turn key work was certainly extremely valuable to our company from a financial point of view. [G5-2](#)

Yes we are definitely luxury residential specialists and we are definitely automotive dealership architectural specialist but we don't want to limit ourselves to that

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#### **D6G**

I would say we were highly commercialized architects, so we did anything from a golf estate to a shopping center, industrial buildings, commercial buildings [G5-3](#) essentially. But we did do a few special buildings like a church here and there, a retirement home here and there, but essentially our buildings I always used to say, we specialize in buildings that make money for clients, they have to give a return

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I think we specialized quick enough because we were small, we could do anything that we really wanted; we specialized quick enough, soon enough, we zoomed in to the gap very quickly and this firm's work started there and it's always hinged on that very solid backing. All of our work is

contextual always related, we do new work as well, but we don't really work in gated estates. We do houses here and there for people that we know, forcefully, we would go there and do it.

### **G5-3**

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Themes:

**G5-1** No we have not (4) 20%

**G5-2** Yes we have (12) 60%

**G5-3** We have become multi building type specialists (4) 20%

### **ANALYSIS**

Twenty of the possible 26 (77%) of the founders of enduring architects' firms provided direct responses to the question 'has your firm managed to become specialists in one or more building types?'.  
• Four (20%) of respondents indicated that they did not.  
• Twelve (60%) of respondents indicated that they did.  
• Four (20%) of respondents indicated that they have become multi building type specialists

### **DEDUCTION**

In total 80% of responding enduring architects' firms have developed some form of speciality. This could indicate that it is advantageous for a firm to develop either a single building type or multi-building type speciality.

**G6 Did the 'contacts' or personality of the founder play a role in the firm's enduring?**

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**A4M**

Whenxxxfirst hired me he gave me more commercial work, more retail work. He was very close to xxxx and xxx where his two main clients. In the shopping centres and Volkswagen he was doing show rooms but sometimes it was service stations attached. I started doing those for him and then a Family friend who was an engineer came to me and said: you know do you want to start making some buildings? Some factories and that sort of thing he was just starting out as a developer, and I said ye sure thing. That's how it's been. It's just gotten bigger and bigger and now I sit with basically 3 clients, two retail property developers and working extensively in the Eastern Cape, Northern Kwa-Zulu Natal.

**G6-1**

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**B7S**

Did your contacts any role in your firm's survival?

**B7S:**

What contacts?

**Christo Vosloo:**

People you knew from before the time, before you started the firm or at that point in time?

**B7S:**

No but don't forget my contacts go back from xxxxxx days when I was a young guy and contacts.. it could be your builder, it could be a past client, it could be the friend you had coffee with, it could be your friend's friend who you had a dinner party with; I mean it's.. **G6-2**

**Christo Vosloo:**

Yes, it's a network.

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**B5C**

Yes – you have managed to become specialist in one or more building types. You did mention that you had contacts in the area?

**B5C:**

Incredibly so.

**Christo Vosloo:**

And that played a big role in your success. **G6-1**

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## C5M

I think so, I think so. Also staying current you know, I think architects like everybody else have a limited memory. So you have to remind people and be in the right places, so I would go to a lot of art exhibitions and I go to a lot of cultural events. That is the sort of people that I would like to work with, the sort of work I would like to get, the sort of client I would like to have, so I think you have to hang around where you would likely find the people that you want to work with.

## G6-1

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## D6G

. They needed two architects to certify the work so we decided we needed to open up another practice; so then we went to one of my dad's friends who was a QS, **xxxxxxxxxx**. He was a friend of my fathers and was a very successful quantity surveyor. So I phoned him up and I took up his offer that he gave to me when I was still at university when he said if you ever need some help and you need to come and chat to me about business in architecture come and see me. So I went to have a cup of tea with him and we started talking about how to grow a firm and he gave us some excellent advice by saying don't open a firm in every little town, go for the four big towns in South Africa, he said if you can have an office in Pretoria, Johannesburg, Cape Town and Durban you will be fine don't go anywhere else. He said go to Cape Town last and he said go to Jo'burg second and we took that advice and then decided let's open an office but we did still open the office in Mafikeng which had its days but it never grew, it didn't have the opportunity to grow. So then we realized there was a way of growing a practice but it actually just happened all on its own. G6-1

Secondly than name D6G was very well known in the industry and fortunately my father left me a very good name as a legacy. So whenever I pitched up anywhere, everybody thought it was D6G senior coming, but D6G junior

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## A3C



early retirement from the University I landed a very very good private job at the north coast for a sugar association industry which was re-planning the whole research facility which was very large. That was a 3 year project so it was literally walking from almost one academic environment into another semi-academic which was a [unclear 07.12.6] kind of environment and I was actually able to use my skills in laboratory design planning and all that sort of thing. So that was a sort of natural progression if I can put it that way.

Did you have any idea that the commission from the sugar association might come up?

**Interviewee:** G6-1

Not at all, it came out of the blue. It came about from a guy who had been a professor at the University when I was there and he had gone to the sugar industry as a consultant and then they had all these particular problems in terms of space allocation and buildings not being the right sort of configuration or having the right facilities and he said to them well why don't they talk to me which they did. After talking to me they said right well come on board so it was my first private job that came about after I left the University but there were quite a few months between the two.

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## **ANALYSIS**

Only six out of 26 (23%) founders of enduring architects' firms gave a direct response to the question 'did the 'contacts' or personality of the founder play a role in the firm's enduring?'. This represents a low response rate.

Five respondents (83%) agreed that their founder's 'contacts' did play a role in the firms survival with one respondent (17%) indicated the opposite.

## **DEDUCTION**

The lowish response rate means that conclusive deductions cannot be made. Thus it would seem that there might be a link between the founders' connections and the firm's endurance.

**G7 What do you regard as your competitive advantage?**

**A6S**

The whole process of architectural engineering combined [G7-1](#)

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**A2S**

Over 40 years I had experience on old buildings, that a number of things that was not done in SA [G7-2](#)

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**A4M**

Never a large I am big on systems. For me that is the key to been to develop a system where you can find anything you want within 15 seconds. [G7-3](#)

I'm a hell of a good designer, in terms of running a business and doing systems.

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**A5M**

Me and my office, we can work anywhere; a lot of people still find it difficult to work in certain contexts and with certain clients for example. I mean if you dropped us in the middle of KZN for example we would be able to get back to Durban. Our first jobs, a lot of our jobs were rural projects and we didn't even know some parts of KZN existed. A lot of architects would not have ventured into those sorts of areas. I work quite well with communities because I was an activist, I was an ANC activist in the 1980s, so I have organizational background and I have done a lot of time, spent a lot of hours working with communities and structures and stuff like that. So I work quite well in those sorts of projects which involves that type of work. In the early 2000s we were doing a lot of community based tourism projects and we did them quite well; we did them because we just had a better sense of being able to communicate community's ideas and put them down into projects, conceptualizing them into projects. [G7-4](#)

Then you realize how different your office is compared to other offices, would have partnered her off with somebody else, but here we would just go. Some people are just not comfortable working in some environments in South Africa still and I think we manage to do sort of.. we are okay with it you know.

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**A1L**

Yes I think so yes, it is to adapt to what is in front of you and looking at new ways of doing things. I think it is yes. [G7-5](#)

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**B7S**

What do you regard as your competitive advantage?

**B7S:**

I think if I now talk about my clients and why they pass us on, I think it is empathy.

I think we have a great ability to work well with people. That includes those whom we work with, those who employ us and those who work on the construction sites. We are also proud of our design work and have a strong team of multi talented architects to work with. We are a bit like a web that grows bigger as we need or reduces down as we don't need, so I can match whatever competition I need to by bringing the people whom I feel would compliment our firm, so that we can be completely competitive with anybody out there, whether it's a massive firm or a small firm. I think it's just good to have a network out there of people whom you like working with and then you pull them in as you need them. [G7-6](#)

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**B4G**

In an order of one to three; number one that we are best known for is delivering a project on time and under budget and the firm has a very good name for that. I'm not saying that is the only reason that we get repeat business. We are trying to create more impact in our design that we leave behind in the sense of I think glamour is a horrible word, but designs that would more easily make the architectural press where design is almost more important than any of the other criteria. So there is a balance but to answer your question, number one is cost, number two is time and number three is design. We try to make them equitable so that all three is what we deliver equally.

They appointed this firm and it was the first fast track project in South Africa created as a way of designing and building a complex building in this impossibly short space of time. It had never been done before. But we did it on time and on budget. And it stands today. So I'm not saying that we are constantly innovative but when we are faced with a new hill to climb we climb it.

but it's why we are in business for so long. So what I think we are trying to do is the resting periods now are shorter and shorter because technology and social media and other things are just doing that for you. So that creates a different time - there is no time window anymore, so you evolve on the command of another level of social and economic interaction and you do it almost without even thinking. [G7-7](#)

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**B6G**

Our competitive advantage – I think the combination of urban design and architecture. I think our architecture is stronger by the fact that we are urbanists, so contextually we are always very aware of what the building needs to do within its environment and within its context and we preach that. Clients are really beginning to understand that more and more. [G7-1](#)

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**B5C**

So your competitive advantage is your ability to do heritage related work?

Absolutely. [G7-2](#)

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**B2M**

I think maybe that we like a challenge, I think in everything you do in architecture whether its designing the building or the details or whatever, there is a certain challenge in it and I think that is just to keep on trying to discover new ways of doing things. [G7-5](#)

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**C25**

Is there anything that you would regard as your competitive advantage? [G7-13](#)

I think I am flexible because I am small I am flexible. I can change direction easily.

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**D4S**

Delivery. [G7-8](#)

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**D3S**

I don't think I can say that with certainty but probably providing an equal or better design set of working drawings if this is about architecture. I can add value by making sure that there is a huge emphasis on life cycle costs and I point it out to the owner that this might cost you x or y instead of z, but it will cost you less over the life cycle that you will be staying in the house if you are not speculating. I don't think that there is a lot of practices that will do that and I can also probably provide them with the proof drawings quicker than most practices can because I am very much involved in getting plans approved at the local council myself. [G7-8](#)

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**C5M**

I think our level of care is very high. Our involvement in our work is of a very very very high level – we are known to churn things out. We really overwork in terms of detail or in terms of what it will be like. Not all projects that I have done I would want to make a big thing about it, and yet all of them I would be happy to have anybody inspect for detail and care. [G7-9](#)

Personally I think I have one strength that not many of the others in that group would have and that is some maybe delusory but the idea that I can deal with things very strongly in terms of contracts. I can deal very strongly with my client architect agreement or my JDCC. I am very familiar with the content of these documents; I am very familiar with the onuses and obligations that come from

them and therefore I am not very often bullied into something in terms of those, either by a contract or the employer or anybody else. I think that gives me an advantage. At the moment we have got a slightly wider scope of work which I think is also interesting now to other people.

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#### **D1M**

Do you think you have got a competitive advantage, in other words something that you do which another firm would find very difficult to actually copy? [G7-8](#)

I think most good architects are supposed to be able to do what we do, and that is to produce a full service of architecture from giving guys firstly a good creative design from the concept down to producing that in a presentable drawing and then to actually build it. I think the edge might be on the practicality in that I am very practically orientated and I know the building contract and I can [\[add a lot of that 28.45.7\]](#) and that is what we tell our clients that we actually have a warped system

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#### **C4G**

I suspect, if one can use the expression big match experience. We have done some huge projects and I mean huge. I will show you some pictures now. We have worked internationally, that is another advantage, we have worked internationally in collaboration which a lot of practices don't understand. I mean, I have spoken to some architects and they say they can't understand how we can share a project with say ABC from America or from England or this or that, and the answer is you can and you do and you get on with it and it's fine, you get better for it. So I believe our competitive advantage is, we have done really big projects, very complex projects, in often very confined and constrained time periods, and we understand working internationally. I think not too many practices have that. [G7-10](#)

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#### **C1G**

You are very strong on marketing.

Yes. [G7-11](#)

Definitely yes, otherwise things are just blowing around in the wind and I hate that. I want to know, you will see the girl who sits here this morning is my daughter-in-law, and she is a qualified architect and all she does all day long is she checks plans and she checks progress. At any moment I can ask her, at the moment we are busy [\[unclear 18.24.3\]](#) five projects, and I can ask her what is happening with this project where is it at; and she can immediately say it is there or there or we are waiting for this or that or this guy is busy with it and he is still within his 20%. Control, it is not just a system; a system leads to control so you can control what you are doing.

I think basically my engineering experience, we can do things that nobody else really attempted and quite often I have to teach the engineers how to do the stuff I do. So that is a big advantage and then furthermore my understanding of luxury, and because we travel a lot I spend a lot of time in luxury hotels and place like that and stay up to date with what is currently regarded as luxury.

I had these little contacts with builders and especially sub-contractors that we used for the project management side, guys doing brick work and finishes and so forth, so at least I had those contacts that I could start off with.

Yes look the thing is to develop a.. it has to be something that takes years and years and you have to work at it very definitely. We worked creating a brand that is a little bit industrial I guess because of my industrial background and the fact that I know how to work with steel and concrete, we established that brand, but unless you can establish a brand you are just another one of thousands out there. I mean how many registered architects are there at the moment in South Africa, something like ten thousand.

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#### **D5G**

I think the special knowledge about brands and I have specific knowledge about décor dealership design so that is definitely an advantage. I'm known in the industry as a dealership design specialist so that has definitely given me the advantage on a number of projects so in terms of profitability, getting this construction or turnkey work was certainly extremely valuable to our company from a financial point of view. [G7-2](#)

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#### **D6G**

. I was very interested in design and buildings, and the combination of design and good quality design, presentations and buildings went hand in hand with great technology back up. [G7-12](#)

Design and technology and marketing; those were the three areas that we really worked hard at.

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Themes:

- [G7-1](#) Being 'multi-professional' (2)
- [G7-2](#) Experience with specific building types (3)
- [G7-3](#) My systems (1)
- [G7-4](#) Being graphically and politically connected (1)

- G7-5 Being able to produce innovative solutions (2)
- G7-6 People skills (1)
- G7-7 Completing projects on-time and within budget. (1)
- G7-8 Delivery (3)
- G7-9 High levels of care (1)
- G7-10 Big match experience (1)
- G7-11 Marketing coupled to design and project management skills (1)
- G7-12 Design backed-up by technology and marketing. (1)
- G7-13 Flexibility (1)

## ANALYSIS

Nineteen of the 26 (73%) founders of enduring architects' firms interviewed provided direct answers to the question 'what do you regard as your competitive advantage?'

One firm provided each of the following nine responses:

- My systems (5%)
- Being graphically and politically connected (5%)
- People skills (5%)
- Completing projects on-time and within budget. (5%)
- High levels of care (5%)
- Big match experience (5%)
- Marketing coupled to design and project management skills (5%)
- Design backed-up by technology and marketing. (5%)
- Flexibility (5%)

Two firms provided each of the following two responses:

- Being 'multi-professional' (11%)
- Being able to produce innovative solutions (11%)

Three firms provided each of the following two responses:

- Experience with specific building types (16%)
- Delivery (16%)

## DEDUCTION

Responding enduring firms have built up a competitive advantage based on specific skills and knowledge/ experience, use of technology, marketing delivery and connections.

**G8 Are you aware of who your biggest competitors are and what their strengths and weaknesses are?**

**A4M**

No I absolutely don't know who they are I have heard of a few youngsters who have tried but only through my clients. I have so much work from my clients during the year that I don't have time to check the competition, occasionally, completion will come to my clients and say we have a site and they say go to A4M and ask him to do the sketch. [G8-1](#)

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**A5M**

You know my competitors are still the black practices; I still feel that we are slightly a separate group of people in South Africa. So in KwaZulu Natal there are very few of us actually that are as old as I am, the senior architects, so we still have a head start in terms of the amount of work that we have done. [G8-2](#)

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**A1L**

Yes. [G8-3](#)

Yes, yes. That is why we win competitions – I don't go for national competitions [\[unclear 1.02.43.4\]](#). I know their weaknesses and we make that our strengths.

No, it's just when we are [\[up against them 1.03.04.6\]](#); and our biggest competitor we win every time if we do come in against them, if we go head to head against them.

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**A3C**

Not really I mean things have actually got so diverse these days I am not quite sure. In the housing sector yes I know who my competitors are there whereas the other stuff I haven't even looked at the sort of threats if I can put it that way by other practices. [G8-4](#)

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**B7S**

They're all friends. They are all my friends and they are all doing different work for different guys and many of those clients I wouldn't want to touch with a bargepole. I am very happy that they are dealing with them. [G8-5](#)

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**B1S**

I think every small practice is in competition to a certain extend with each other. You know, quite often we have to go off to tender with other firms, so yes, most of the firms of around the same size,



would be my competitors. But I don't necessarily see them as the enemy because one can actually learn quite a bit from them and we do liaise a lot with each other.

Generally, yes. [G8-6](#)

I don't really know their weaknesses; I know what our strengths are. I think generally speaking we are comparable and competitive in the field of similar practices.

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### **B6G**

Yes.

No, that's true! No I do, I am like that, it is just an interest, I am competitive but it is not just in architecture, I just like competition. I am very competitive when I think about our national rugby team, I get very worked up and so on; but it's good energy. I am very friendly with my competitors, especially up here, I find the community of architects, of architecture is a lot more convivial. Yesterday I was at a breakfast with xxxxx and xxxx and a guy from xxx, and we all very sort of friendly. We are quite competitive but Cape Town is terrible [G8-3](#)

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### **B5C**

We are. We know the competition well. [G8-3](#)

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### **C2S**

In this area? I don't know who the other two people are on the Council's roster to be honest with you, I don't care. [G8-1](#)

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### **C3S**

No, I wouldn't say that. Let's ask xxx. I think of the guys who do a lot of the residential design who are in the upper end of the market but we don't compete with them, per se, because each one has their own client base and sometimes you find that the client will choose someone else, that was when I was still on my own. Then maybe they chose xxx to do the job for them and then a couple of years later the client has another house and xxxx got the job again. It doesn't worry you. [G8-1](#)

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### **D4S**

No, not at all. [G8-1](#)

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### **C5M**

I think there are some people who operate in the same environment, they are other residential designer firms, there are other people who have built up names and that as residential designers

and yes I would consider them as something else. Not that I would mind if they have work that I am not given, but yes I think there is very often an interview of one or two or three of us that is sort of a repeat group that gets interviewed multiple times for work. So yes I would consider some of them competitors. [G8-2](#)

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### **C6M**

Yes there are I guess in different types of work, yes. [G8-3](#)

Yes and specifically if we are in competition with them directly then we do that, yes.

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### **D2M**

I think all architects are our competitors because some have very good CVs and experience like the xxx s and the bigger companies; but our other competitors are these small firms, these one man shows that undercut our fees and they get into projects like that which I don't think they have the skills for, they just go for price. So I think basically all other firms of architects are our competitors.

[G8-7](#)

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### **D6G**

Oh absolutely [G8-3](#)

. We were all in a competitive environment because of the commercial world. Many of our clients had to compete for tenants and in the process you get drawn into that competitive environment and so you have to know who your competitors were. We would never participate in a presentation competition for clients for a specific tenant or anything like that if we didn't know who our competitors were, because we knew what our competitors could do and where their strong points and weak points are, and then we would know where our strong and weak points are. Of course it was vice versa, everybody always knew, if you compete again D6G you better do a sh\*\* hot presentation otherwise you are just not going to get anywhere and it was like that. So yes everybody knows who's everybody's competition and it's fierce.

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Themes:

[G8-1](#) No I don't (4)

- G8-2 Yes, I do know who they are but I don't know what their strengths and weaknesses are. (2)
- G8-3 Yes, I do know who they are and I do know what their strengths and weaknesses are. (5)
- G8-4 In some types of work (1)
- G8-5 I don't view them as competitors but as colleagues (1)
- G8-6 All small practices are in competition with each other-impossible to know strengths and weaknesses (1)
- G8-7 All architects firms are in competition with each other (1)

## **ANALYSIS**

Fifteen of the 26 (58%) enduring architects' firms interviewed provided direct responses to the question 'are you aware of who your biggest competitors are and what their strengths and weaknesses are?'. Their responses were as follows:

- Five of the respondents indicated that they do know who they are what their strengths and weaknesses are. (33.4%).
- Four respondents indicated that they did not know (26.7%).
- Two respondents indicated that they know who they are but that they don't know what their strengths and weaknesses are (13%).
- One firm indicated they know who their competitors are in some of the types of work they do (6,7%)
- One respondent indicated that he don't view them as competitors but as colleagues (6,7%)
- One respondent believes that all small practices are in competition with each other and that it is impossible to know strengths and weaknesses (6,7%)
- One respondent believes that all architects firms are in competition with each other (6,7%)

## **DEDUCTION**

Fifty four percent of respondents to Question A6 indicated that they regard themselves as 'competitive'. The responses listed confirms the previous indicators with 53,1% of respondents indicating that they know who some of their competitors are. However, some of the attitudes expressed are not what would be expected from persons with high levels of entrepreneurial orientation.

Mega-themes:

**MG8-1** The number of enduring architects' firms who believe they are in competition with other architects firms and those who don't are roughly equal

**MG8-2** Many (but not most) enduring architects practices know exactly who their main competitors are and what their strengths and weaknesses are.

**MG8-3** Some enduring architects' firms consider other architects firms as colleagues and not competitors.

**G9 In your opinion, what other attributes can South African architects' firms develop into a competitive advantage?**

**A1L**

. But I think we need to be able to deliver our buildings more efficiently and more cost effectively because our economy is tight at the moment [G9-1](#)

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**A3C** I think one should actually take the whole finance out of the equation completely, I think at the end of the day we've got to be good at what you are actually doing and it's not about making money it's about providing a good service to a client. I think that way you will sustain your business.

**Christo Vosloo:**

So the money will follow the service? [G9-3](#)

**Interviewee:**

I believe that, yes I do believe that.

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**B5C**

I think speed is quite important; I don't know why I say that but speed. How quickly you can respond is very important. People don't like to wait so I think we will fit in quite easily; we are right up on the mails, we are right up response wise, we are right up quoting the correct fees, we know what we are doing. I think we will fit in, it's just the network that will sort, things like that, we would be a bit out of touch there but if you put us into a fixed network or a known network there that we can just plug into then we will fly quickly. This is quite an effective outfit at the moment. [G9-4](#)

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**C4G**

, but if you look outside of the borders, it is incredibly competitive. It's fiercely competitive. So for example on some of the projects that we are working on up North, the total architectural fee doesn't get much beyond 3.2% and the only way that we can stay competitive is because of the Rand/Dollar exchange rate. Because we are paying salaries in Rands we can say, ok fine, if we were to build this project in South Africa we can get a decent fee, a decent margin out of it, and that then reduces the fee because it is being built in Dollars. And that gives us a competitive advantage but if you go head to head, like at our Dubai practice with another Dubai practice, it is hugely competitive, fiercely competitive. We often turn projects away because the client will come back and say they really want us to do it but this is the quote I got from XYZ practice, then we say they must let them do it. [G9-1](#)

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**D6G**

Yes, specialize in something. [G9-2](#)

. If you want to build a big firm you have got to have a lot of specialties, that is why people talk about our hotel division, our leisure division, our sports division, our this division etc. whatever it may be.

. So as your firm grows you need to have a bit more specialization in different areas, you mustn't just become a hospital architect because sooner or later people won't need you anymore.

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Themes:

**G9-1** To be able to deliver our buildings more efficiently and more cost effectively.

**G9-2** Specialise in specific building types.

**G9-3** Providing excellent service

**G9-4** Rapid service delivery

### **ANALYSIS**

Only five out of 26 enduring architects' firms interviewed provided direct responses to the question 'in your opinion, what other attributes can South African architects' firms develop into a competitive advantage?'.

Two of the respondents (40%) indicated that they believe that it can be developed by being able to deliver our buildings more efficiently and more cost effectively.

The remaining three respondents each provided one of the following suggestions (20% each):

- Specialise in specific building types.
- Providing excellent service
- Rapid service delivery

### **DEDUCTION**

Ways in which firms can develop a competitive advantage include learning to provide superior service, deliver buildings more speedily, efficiently and more cost effectively and/ or by specialising in certain building types.

## **G10 Do you do regular strategic planning?**

### **A4M**

No we did that in a previous firm I worked for I was a partner in briefly,

We talk about these things in our Monday morning meetings, [G10-1](#)

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### **A5M**

By myself, every day. Well I don't have partners now but when I had two other partners we used to be able to do that but you do review yourself as you go along. I don't do it formally no; my office is downsized now compared to a few years ago when I had a larger office than I have now. I think you need that critical mass to do strategic planning, if I had another partner or another professional architect working with me right now I would probably do it; but I always adjust my view of anything as I go along. I am used to doing that, I do it informally but not on a formal basis no. [G10-1](#)

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### **A3C**

, I think at the end of the day we've got to be good at what you are actually doing and it's not about making money it's about providing a good service to a client. I think that way you will sustain your business.

So the money will follow the service?

### **[G10-2](#)**

#### **Interviewee:**

I believe that, yes I do believe that.

No from that point of view no because I am not a very good people person but there are sort of areas where I feel I could actually be developing a far greater interest in certain things like looking at a particular site and developing a scheme in one's head that sort of thing. We recently were involved in a specialized [\[birds 42.33.1\]](#) unit and that became an embracing or encompassing sort of pet of mine, so I have spent a hell of a lot of time on the computer looking at [\[birds\]](#) units around the world and what have you and seeing just how different our [\[birds\]](#) units could be in this part of the world. But you know that sort of thing is to look at the new [\[unclear 42.59.6\]](#).

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### **C2S**

Very very little, very little; I am sure I do but it is not like I have a meeting. I have these little books that I do write out little to do lists more than strategic planning but goals I want to reach, yes.

### **[G10-1](#)**

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### **C3S**

No. We wait and see. Whenever the phone rings and you get a job, great. [G10-2](#)

No, we go and check out the Clifton Market or Game Lodge market and who is in it, no we haven't and that's why I say, maybe we are stupid but we just felt that it's the wrong way to go about it.

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#### **D4S**

Yes, definitely. [G10-3](#)

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#### **D3S**

Yes I do. I'm wrecking my brains these days as to where it is that I want to go from here onwards because you know, you come to a point where you say, ok, I've achieved this, but is this really what you want in life with the architectural background that I have and the knowledge that I've gained. I had to go through all of this to get to the point where you start to internalize and start to realize what else you can do with it except to serve clients, listen to them, define their problems, solve their problems, [G10-3](#)

there are other things that I spend a lot of time thinking about, specifically divorcing myself from my immediate environment and just going somewhere to think about this.

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#### **C5M**

No, no. [G10-2](#)

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#### **C6M**

Yes we do, we see what we are going to do and what things we are aiming for; I mean we have always got like a hit list up of stuff that we are trying to get or we are working on or is a possibility. So we have always got that. [G10-3](#)

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#### **D1M**

No; obviously at our age [G10-2](#)

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#### **D2M**

We've done that, we did strategic planning last year when we went out into the bush and got a facilitator, a guy who specializes in that and life coaching and all that. Then we sit down for a day in the bush away from cellphones, we have a place in Rooiberg right in the "bosveld" so you are away from everything. There we did some analyzing personalities and that sort of thing and then we do a bit of strategic planning, but we probably don't do it often enough but I think because we are a small



firm and if you do that once every two or three years. We have a very low staff turnover which makes a difference, so those discussions and that planning and the values and principles that are being discussed there and laid down stays with the guys. I can see up the level of the guys' commitment and loyalty. [G10-3](#)

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#### **C4G**

Yes we do. Each office sits down and say, ok where are we now and where do we want to be, which client base do we want to target, you know we have our clients here to look after, and which are the other potential clients that we want to target. So the answer is, from a strategic point of view, we do that quite often. [G10-3](#)

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#### **C1G**

To some extent yes, we look at where we are going, what we are doing and because we have got a reasonable amount of funds to invest we decide usually at the beginning of the year what we want to invest in this year, are we taking the money out of the country, are we investing here or what are we [G10-3](#)

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#### **D5G**

xxxx and myself, we've got set meetings, supposedly once a month where we go to a location outside of the office where we talk through the personal each person at a time, to identify if there might be any issues and to discuss any future projects, because I don't always know what is in the pipeline on his side and he doesn't always what is in the pipeline on my side and what we can do when we see an issue in the future. There is definitely strategic planning sessions but very informal in nature. xxxis more structured. [G10-3](#)

what we do try and do on a yearly basis is we try and look at what our turnover was and we like to grow, so we set targets, if it was R500 000 per month we know next year we need R600 000 per month in order to grow.

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#### **D6G**

In other words something like should we go and open up a practice in Dubai or not, maybe Mauritius, should we just go and work there, should we form a partnership there, should we form a company there – those sort of strategic decisions were made at a board level. You need to do that. [G10-3](#)

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Themes:

G10-1 Not formally but informally (3)

G10-2 No we don't (4)

G10-3 Yes (8)

### **ANALYSIS**

Fifteen out of 26 (57,6%) respondents from enduring architects' firms provided direct answers to the question 'do you do regular strategic planning?'. The responses can be summarised as follows:

- Three firms (20%) indicated that they do it on an informal basis.
- Four firms (26,6%) indicated that they don't do it.
- Eight firms (53,4%) indicated that they do it formally.

### **DEDUCTION**

Most (73,4%) of the responding enduring architects' firms surveyed do regular strategic planning, either formally or informally. However, a number of the responding enduring architects' firms don't do any strategic planning.

**G11 Can you cite examples of initiatives/ changes resulting from your strategic planning activities?**

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**D4S**

Can you cite examples of projects or changes that resulted from such planning?

**D4S:**

In a conjunction shopping mall, Conservation Management plan for the SA Army's HQ, the [unclear 0.17.13.0] of the new settlement project. Yes.

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**C6M**

Well for instance we are now working with Joshco which is a housing company. They run a roster and we unfortunately missed the opportunity on their last round of getting on to their roster, although we had done work indirectly for them through contractors. So when they put out their round last year we were very very specifically targeted getting on to their roster, and we are now getting a second project with them. The second project they asked us to help go and look at the building, we did a bit of feasibility on it and then they decided to open it up to their whole roster and we very specifically did something very very nice for that. We look at the list of attendance at the site meeting, we always do that, see who the competition is, think what they will do, who are they etc.

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**2 OUT OF 26 DIRECT RESPONSES = 7,6% RESPONSE RATE**

**INCONCLUSIVE**

**G12 Is your firm aggressively pursuing specific quantitative or qualitative goals and objectives?**

**B5C**

Yes sure.

we've got little projects; I think it's more, we don't have a major practice goal you know, we are now going to make R5 million of profit this year.

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**D4S**

No

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**2 OUT OF 26 DIRECT RESPONSES = 7,6% RESPONSE RATE**

**INCONCLUSIVE**

**G13 How did your competitive stance play a role in the firm's enduring?**

**A5M**

It was interesting but we are different, I can't explain it, it is just the way we run ourselves. It's also where we get work from, the type of work we do, how we do the work and how we run the whole environment here is different.

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**B6G**

Yes, I am afraid that is what they all say.

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**2 OUT OF 26 DIRECT RESPONSES = 7,6% RESPONSE RATE**

**INCONCLUSIVE**

## **H TOPIC THEME: BUSINESS MANAGEMENT STYLE AND POLICIES**

The first question asked 'do you believe architects' firms present a unique managerial challenge?' (refer to H1 in Addendum C). Nineteen out of 26 firms (73%) responded directly to this question. Seventeen of the respondents agreed that architects' firms present a unique managerial challenge. Two firms (10.5%) indicated that they can't say. Six firms (31,5%) did not give any reasons why they hold this position. Various reasons why it is considered to be challenging were offered (read with the next question H2). Ten point five percent of respondents attributed this to the nature of the service which architects offer. Another 10,5% attributed this to attitudes and personalities of people in the profession, while the remaining seven firms attributed this to:

- The complexity of the architect's function.
- Because architects sell time and not products.
- Because they are dealing with different people with different skills levels all the time.
- Because of the cost of performing this service.
- Because it is a fickle business
- Because of its relation to economic cycles coupled to a lack of business skills training.
- Because it is considered to be very difficult to make money in this profession.

Thus, it was found that architects' firms present a unique managerial challenge because of the complexity of the role of an architect, the personalities and persons involved the low skills levels in the building industry, the nature of the service demanded and for economic and financial environmental reasons.

The second question asked 'what are the aspects that contribute to this challenge?' (refer to H2 in Addendum C). Fifteen enduring architects' firms provided direct responses to this question. Eight firms (53%) offered more than one reason while the remaining 47% offered single explanations. The explanations offered can be grouped into three mega themes namely:

- People Management: Dealing with people, both staff and clients (mentioned by 60% of respondents).
- Operating or operational managerial problems (mentioned by 73.3% of respondents).
- Client relations (mentioned by 40% of respondents).

The previous question also gave indications in this regard (see above). While it is difficult to compare the percentages because firms offered more than one answer in this question, the reasons offered still fall into the same three groups. Thus, if the results are synthesised, it can be concluded that the challenges identified fall into two broad areas namely operational

and business related problems as the first group and people or human relationships related problems as the second group. Thus, it is suggested that entrepreneurship education and training for architects, should include personal relations and people skills training, in order to cover one aspect that impacts on the potential survival of the firm.

The third question asked 'which of these challenges are common to architects' firms internationally and which are South Africa specific?' (refer to H3 in Addendum C).

Of the 10 (38,5%) enduring architects' firms that provided a direct response to this question approximately 10% believe that it is actually easier to manage a firm in South Africa. As far as the nature of the differences is concerned, approximately 50% of the respondents identified BEE as the major challenge while approximately 10% identified bureaucratic impediments as the major challenge. Another 10% believe it is because architects are not taken seriously while 20% believed it is due to South Africa's developing world situation.

Thus, it was found that 90% of the responding enduring architects' firms surveyed believe that managing an architects' firm in South Africa to be significantly different from managing one in other countries. Black Economic Empowerment requirements are regarded as the major unique challenge. However, it is interesting to note that diversity and demographics features strongly in the latest (15<sup>th</sup>) edition of the AIAs *The Architect's Handbook of Professional Practice* (AIA 2014:27) giving credence to the view that managing a South African architects' firm is different, but not entirely so. Other reasons are the country's developing world scenario, because architects are not taken seriously and because of bureaucratic impediments .

The fourth question asked 'how does your firm deal with the SA specific challenges?' (refer to H4 in Addendum C). Seven enduring architects' firms directly responded to this question. Of the seven firms only two firms (28,5%) dealt with the challenges in the same way by insisting on contract documentation that is of a very high standard. The other five firms (71,4%) responded in different ways:

- One firm withdraws from the project as soon as anything untoward comes up. They provide in-house staff training to sensitise staff regarding ethical risks while lobbying for change via SACAP (it is not clear why the interviewee connects ethics and BEE).
- The second firm, responded to the challenge of dealing with different people with different skills levels all the time, by adopting their procedures to local culture and the ways of doing things.
- The third firm responded to this challenge by selecting and appointing staff carefully.
- The fourth firm indicated that they prefer forming joint-ventures that will have a favourable BEE rating and ensuring that all the basic agreements are in place before

starting a new project. Thereafter, they accept the identified challenges as business challenges and deal with them as such; there are challenges in all countries.

- The fifth firm started identifying and employing high potential graduates and developing (through mentorship) these to meet their BEE requirements.

Thus it was found that the enduring architects' firms surveyed have responded in various different ways to the perceived unique challenges facing South African architects' firms. Some responses relate to the way they operate or the way they are structured while others relate to staff selection, appointment and development.

The fifth question asked 'how will this challenge vary between smaller and bigger firms?' (refer to H5 in Addendum C). Six enduring architects' firms directly responded to this question. All agreed that the managerial challenges faced by larger and smaller firms are different. However each respondent (16,7%) offered a different point of view. These are:

- Managing a bigger firm is more demanding but in a predictable or standardised way while managing a small one is more unpredictable: In a small firm each problem tends to be unique.
- Procedurally managing a small firm is less cumbersome.
- It is better to be either very small or very big. Managing a large firm (as opposed to a biggish firm) you have increased capacity to absorb fluctuations in workload, and directors and others can develop specialist roles such as HR or finance. Also in large firms, the pool of suggestions on how to solve a problem is bigger and hence the level of decisions taken is one or more notches higher.
- Bigger firms are more assertive than smaller ones and there are times when 'size counts'.
- Bigger firms can have specialist departments taking responsibility for various functions. Small firms rely on 'jacks of all trades'.
- The output of staff in bigger firms is considered to be lower than output in small firms.

Thus, it was found that the respondents believe that managing a small firm has definite advantages over managing a bigger firm for instance that managing a small firm is regarded as simpler from a procedural point of view. Respondents also believe that managing a big firm can be more demanding than managing a smaller one. However, they also believe that large firms have certain advantages such as increased capacity to absorb fluctuating workloads and other demands made on the firm, they offer the chance to develop specialist



managerial skills and a wider range of proposed solutions when problems are encountered. Furthermore, the stature of bigger firms could be an advantage.

The sixth question asked 'how would you describe your management style?' (refer to H in Addendum C). Twenty two firms responded directly to this question (85%). In doing so the founders of the firms indicated their own understanding of their management style (their employees might have different perceptions). The responses received from the respondents were, for the sake of convenience, cursorily classified<sup>6</sup> into the management styles as described by Cram (2010) and Tutorialspoint.com ([sa]).

From the responses, it seems that 18% practice an 'autocratic' management style, 18% a 'consultative' style, 55% a 'participative' style and 9% practice the 'laissez-faire' style of management.

It was found that the 22 out of 26 enduring architects' firms, who responded directly to this question, practice a wide range of management styles and that the 'participative' style is used by most of the respondents. The 'consultative' and 'autocratic' styles are practiced by equal portions of the sample while a small group use the laissez-faire style.

Considering that architects' firms are staffed by professionals who operate in teams (refer to Operations Management further on and K2 in Addendum C), the participative or consultative styles of management would be the best suited styles to employ, as is done by 73% of the interviewees. However, the fact that 27% of respondents use other styles is of concern, particularly the 18% who use the autocratic style. Considering responses to earlier questions regarding challenges faced and the indication that staff relations is a major problem for some firms, it is revealing that a number of firms practice the autocratic management style. It is proposed that an EET programme for architects include leadership development.

The seventh question asked 'does your firm have any set policies?'(refer to H7 in Addendum C). Twenty one firms directly responded to this question. Approximately 41% of respondents indicated that they don't have any policies of any sort in place. These are mostly small or medium firms. Two firms indicated that they don't have any policies (9,5%) but that they do have set parameters regarding aspects such as working hours, project performance and performance management. However, 11 firms (50%) indicated that they have policies and/or practice manuals in place. These policies covered mostly Human Resources related matters, ethics, procedures and quality standards. These firms fall in the medium and large categories.

Therefore, it was found that 41% of the enduring architects' firms that directly responded to this question do not have any form of policy on any topic in place. This could result in

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6 Proper classification would require deeper analysis. Also, according to the Situational Leadership Model management styles are not static (Blanchard, Zigarmi, and Zigarmi 2000).

inconsistent behaviour and treatment of staff or services offered. Considering earlier indications that client and staff relations often are a problematic aspect in firms, this aspect could be a contributing factor. In addition, considering the uniquely South African challenges indicated, the absence of clear policies to guide operations is a glaring omission.

The eighth question, was 'what do these policies cover?'. This was dealt with in question seven. The responses to the ninth and 10<sup>th</sup> questions were inconclusive because less than three firms responded to these questions.

## **Findings**

From the above it is apparent that:

- The respondents believe that South African architects' firms present a unique managerial challenge.
- That the major challenges identified fall into two broad areas namely operational and business related problems as the first group, and people or human relationship related problems as the second group.
- The respondents believe the situation is caused by the complexity of the role of an architect, the personalities and persons involved the low skills levels in the building industry, the nature of the service demanded and for economic and financial environmental reasons.
- Black Economic Empowerment regulation is regarded as the major unique challenge.
- The firms surveyed have responded in various different ways to the perceived unique challenges facing South African architects' firms: Some responses relate to the way they operate or the way they are structured while others relate to staff selection, appointment and development.
- Managing a small firm has definite advantages over managing a bigger firm and that managing a big firm can be more demanding than managing a smaller one.
- Managing a small firm is regarded as simpler from a procedural point of view.
- Large firms have certain advantages such as increased capacity to absorb fluctuating workloads and other demands made on the firm, the chance to develop specialist managerial skills and a wider range of input when problems are encountered.
- The stature of bigger firms could be an advantage.

Thus, an EET offering for architects should emphasise the advantages associated with big and small firms.

It was also found that:

- The respondents practice a wide range of management styles and the 'participative' style is used by most of the respondents.

- The 'consultative' and 'autocratic' styles are practiced by two smaller but significant portions of the sample while an even smaller group use the laissez-faire style.
- The fact that a significant number of respondents use the autocratic style indicates that an EET programme for architects must include leadership development.

Considering indications that staff relations often is a problematic aspect in firms, the absence of policies regarding a number of managerial aspects, including human resources could be a contributing factor. Policies ensure consistent and predictable reactions to crises, requests, proposals and even-handed treatment of all staff. In addition, considering the uniquely South African challenges indicated, particularly BEE, the absence of clear policies to guide operations needs attention and this aspect should feature in an architecture-specific EET framework.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation: nil

Business Management:

- The respondents believe that South African architects' firms present a unique managerial challenge, that the major challenges identified fall into two broad areas namely operational and business related problems as the first group, and people or human relationship related problems as the second group. The respondents believe the situation is caused by the complexity of the role of an architect, the personalities and persons involved, the low skills levels in the building industry, the nature of the service demanded and for economic and financial environmental reasons.
- Black Economic Empowerment regulation is regarded as the major unique challenge. In addition it was found that the firms surveyed have responded in various different ways to the perceived unique challenges facing South African architects' firms. Some responses relate to the way they operate or the way they are structured while others relate to staff selection, appointment and development.
- Managing a small firm has definite advantages over managing a bigger firm and that managing a big firm can be more demanding than managing a smaller one.
- Respondents believe that large firms have certain advantages such as increased capacity to absorb fluctuating workloads and other demands made on the firm, the chance to develop specialist managerial skills and a wider range of input when problems are encountered.

- Managing a small firm is regarded as simpler from a procedural point of view.
- The stature of bigger firms could be an advantage.
- The respondents practice a wide range of management styles and the 'participative' style is used by most of the respondents. The 'consultative' and 'autocratic' styles are practiced by two smaller but significant portions of the sample while an even smaller group use the laissez-faire style.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

nil

**Of relevance to Research Question 7:**

- An EET offering for architects should emphasise the advantages associated with big and small firms.
- Considering indications that staff relations often is a problematic aspect in firms, the absence of policies regarding a number of managerial aspects, including human resources could be a contributing factor: Policies ensure consistent and predictable reactions to crises, requests, proposals and even-handed treatment of all staff. In addition, considering the uniquely South African challenges indicated, particularly BEE, the absence of clear policies to guide operations needs attention and this aspect should feature in an architecture-specific EET framework.
- An EET programme for architects must include leadership development.

**H1 Do you believe architects' firms present a unique managerial challenge?**

**A6G**

Because you selling products a design. It unlike other products, like car or furniture to sell. People go shopping for a car, they just go to another shop. We start in the vacuum as designers, they come to us with a need. If we can fulfil their need. [H1-1](#)

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**A4M**

I often say I just wish we could sell a product. But we don't we are service providers and although we produce a product in the end, each one is unique. In terms of a brewery will launch a new product in terms of taste and style and everything and they will run it for 5 years, we never do that every product is a new one. We treat it like that to. Every job is never the same because every job is different. I always go to the rural places and see what the guys are doing there. Is this a good idea? Should I do this? [H1-1](#)

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**A5M**

Do you believe architect firms present a unique managerial challenge?

**A5M:**

Yes.

**Christo Vosloo:**

Unlike running the average small business?

**A5M:**

Yes absolutely we do [H1-2](#)

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**A1L**

Yes! We are hot heads. Creativity people are like this, musicians as well hey, I think you just go with it. I am one of those, I hopefully don't throw my toys out of the cot but yes we are unpredictable.

[H1-3](#)

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**A7L**

. Going back to books to read, how to manage creative human beings. Human beings you need to understand them. Everyone is different. Its important part. [H1-3](#)

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**A3C**

I mean you have had a long career, do you think there are certain aspects about managing an architectural practice that is unique to architecture? Or maybe I should aspects but also problems and challenges?

## H1-2

### Interviewee:

Oh yes very much so.

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### **B7S**

what I love about architecture is the complexity of it. Whatever your personality is, whatever your bent in life is, there is a place for you, even within the course of the day you can start a day by sorting out a problem on site and then sorting out a marriage problem with your clients at 10am and then having to go and consult on a legal issue, then be back doing a cost plan, then in the afternoon you run to site to show [a class 09.40.3] how to put a brick on top of the other brick and how to mix the [unclear 09.43.3]. You are mixing with every level of society and within the course of the day I don't know any other profession that is as complex, not only that but every job you do is a complete new thing; we've done Medi clinics, we've done wine cellars, I now have to do a gin distillery, I have already done another [unclear for xxxx 10.01.8], we are doing a spa, I mean every job you go into you are forced into completing different aspects of life, different sorts of people. I don't know any other job that comes close to it for satisfaction. What I like best is that the architect is involved with all of these things H1-4

Architecture is always unsettled; it is unsettled right until you dissolve. Ability to influence others, I think you do just by being, you influence others.

. So if you are competitive, sorry if your object is money, it all goes back to money, money is related to competition. I have never considered that I am competing with anybody. That is why I won't go into a competition architecturally. If they want me they will come to me because of the interaction we have been having; in architecture you are creating something together. It is very intimate; I think short of your family doctor and your dentist your architect is the only person who knows what your toilet habits are in the middle of the night, what your marriage relationship is like because you have to design around it. You will become like.. friends [are literally your past 29.57.1] clients.

Yes,

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### **B5C**

Definitely. H1-5

You see we don't sell products we sell time you see, that is difficult to market. The pros come out of it but no, I don't think it can be done easily.

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### **B2M**

I think it does because you are dealing with people the whole time and personalities and levels of skill, so from that point of view it is very different. You need a lot of people skills.

[H1-6](#)

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**C6M**

I don't know, I mean I haven't managed anything else so I don't know. I don't know. [H1-9](#)

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**C3S**

Absolutely because it has to do with production and that is where most of them fail. Some firms have these wonderful fancy offices that is costing them a fortune and nobody checks their production and in the end the job doesn't pay so where do you go now? [H1-7](#)

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**D4S**

Undoubtedly yes. [H1-2](#)

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**D3S**

It was an opportunity. You know the business of architect is a very fickle business [H1-8](#)

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**C5M**

**C5M:**

Yes.

**Christo Vosloo:**

More difficult than managing a garage for example?

**C5M:**

Yes. [H1-2](#)

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**C6M**

I don't know, I mean I haven't managed anything else so I don't know. I don't know. [H1-9](#)

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**D2M**

So even then I started noticing that as business architecture can be very much affected by the cycles in the economy. We have some serious lows and sometimes it is always feast or famine [H1-10](#)

No but I think all the consultant firms, whether you are an architect or a QS or an engineer you are facing basically the same challenges. A total other type of business, I think every business has its own challenges, you have to face it, and the difference is most guys that own businesses from a small business to the bigger corporations or bigger companies or chain stores or national companies, is that the guys in charge there have a proper business administration or leadership training as architects you don't have that. You are trained as an architect so if you don't pick up those skills by experience or by reading or studying it is a challenge to be a good architect which I think is a very challenging profession; to focus on that as well as running a company financially and managing your day to day HR and financial management and all that, I think it is difficult.

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#### **C4G**

I think it is H1-2

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#### **C1G**

Yes to some extent, H1-2

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#### **D6G**

It's the greatest job in the world and the hardest business to run. It is very very difficult to make money in architecture, it is very difficult. I know of very few architects that have done financially well. H1-11

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Themes:

- H1-1 Yes-because of the nature of the service we offer- every job is different.(2)
- H1-2 Yes (6)
- H1-3 Yes- because of the attitudes and personalities of people in the profession.(2)
- H1-4 Yes-because of the complexity of the job of being an architect.(1)
- H1-5 Yes-because we don't sell products but time (1)
- H1-6 Yes-because you are dealing with people with different personalities and skills all the time. (1)
- H1-7 Yes-because it has to do with production and the cost of doing so.(1)
- H1-8 Yes-because it is a very fickle business.(1)
- H1-9 I don't know; I have never managed any other type of business.(2)
- H1-10 Yes-because of the effect of economic cycles coupled to a lack of business management training .(1)
- H1-11 Yes-It is very difficult to make money in architecture.(1)



## **ANALYSIS**

Nineteen firms responded directly to this question. Seventeen (89%) of the respondents agreed that architects' firms present a unique managerial challenge. Two firms (10.5%) indicated that they can't say. Six firms (31,5%) did not give any reasons. Various reasons why it is considered to be challenging were offered (read with the next question [H2]). Ten point five percent of respondents attributed this to the nature of the service architects offer. Another 10,5% attributed this to attitudes and personalities of people in the profession, while the remaining seven firms (37%), in equal portions, attributed this to the complexity of the architect's function, because architects sell time and not products, because they are dealing with different people with different skills levels all the time, because of the cost of performing this service, because it is a fickle business, because of its relation with economic cycles coupled to a lack of business skills training and because it is considered to be very difficult to make money in this profession.

## **DEDUCTION**

Architects' firms present a unique managerial challenge because of the complexity of the role of an architect, the personalities and persons involved, the low skills levels in the building industry, the nature of the service demanded and for economic and financial environmental reasons.

## **H2 What are the aspects that contribute to this challenge?**

### **A5M**

Yes absolutely we do. We are creative people, we are technical people and we need to be managed, we need three of those skills to run ourselves properly and they are always challenging. [H2-1](#)

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### **A3C**

Yes very much so, I think you are dealing with premadonnas, a lot of them both as clients and also within the actual business itself. I find that South Africa, because I wasn't educated here it is difficult for me to really criticize with any assurance, but I think a lot of aspects of the South African architectural education, and bear in mind at the University I was very involved with the architectural department in Durban, I think that there are a lot of issues here which are actually sidelined unintentionally which really should actually [\[unclear 47.27.1\]](#) more detailed development of what you are talking about here. [H2-2](#)

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### **B7S**

One thing about being an architect every job you get is another job interview; some people have one or two job interviews in their life. [H2-3](#)

And we don't have time to think about the money, the money will come, but you don't actually have time to think about it when you are sorting these things out. So ethics yes, I think I have always tried to operate in an old fashioned way which causes ructions in this sort of situation that we are in now. You see an architect often handles.. what a client is doing to an architect is he is bringing the biggest amount of money that he has got and putting it in your hands and saying convert my lifetime savings into product. Now that is an incredible responsibility. If you mess up on his money, if you sleep with his wife he will be less unhappy with you than if you mess up with his money. If a young architect understood that he wouldn't go into the profession, he would be daunted, he would be absolutely.. he would not go into it. The responsibility of taking a client's money and converting it through a trade that the client understands nothing about is the most unbelievable agency that you can ever get from any other human being; especially if the average human being is giving his whole life savings to that. It is a daunting responsibility and if you had to stop and think about it you would never take it on.

Yes, but wonderful in the old fashioned way. If you can get the blady project manager out; they are only interested in two things, they are interested in time and money and all other values go. All other values go for pot. Whereas the architect has to safeguard all of those from the history to the social factors to the interpersonal human factors to the money factors to the national buildings regs

to the town planning; there are so many things that go into one building and the project manager knows nothing about any of those things. He knows only about money and time.

Definitely; they are all full of sh\*\*.

I think particularly there are a lot of egotists in the profession I think, why do you think I am unfit for human consumption, why do you think I am a one man show after having had nine partners.

Yes that could be part of it but there are other things too. People go into architecture for different reasons. Some go into it for money [unclear 1.25.01.4] of the world is different. The creative thing certainly does come into it [unclear 1.25.11.5]. I think because they have this creative streak and they have to be quite bright, and they have to be quite multifaceted, as a crowd I think they are a very interesting crowd of people. They have got a lot of interests.

Just that because architecture cannot be weighed and felt, people sometimes don't realize that time, we are actually in the process of selling time and once that time is gone you can't regain it. When you sit with a client and talk with them, that is your time. Now a doctor charges on a 15 minute cycle and a lawyer charges on a 5 minute phone call, we don't. We can run up lots of time and you can do sketch plans

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## **B16**

Sure, absolutely, architects are on the cusp of that you know and that's why as I say what I've found is that the only sort of stable client during those booms and busts probably would be government.

But I think sometimes it is harder to justify your income or fees to a client because they don't always understand what goes into making good design. But as I've said, mostly in the private sector and I've been lucky, I haven't had many. **H2-4**

I suppose the most difficult is trying to maintain a standard of quality when the skills training in the construction business is bad. So I'm constantly knocking my head against people who have been appointed for jobs that they aren't skilled to do properly in the building field.

Yes, workmanship, understanding of the contract, understanding of how things are built. So we are often spending a lot of time at that level trying to almost educate people how to do things properly. That is a problem. I mean the construction business just seems to be getting less and less skilled

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## **B4G**

but I think obviously the economy is a risk as it is to any business. **H2-5**

It's a huge risk if you are only in one type of economy, and by that I mean in the commercial economy or the retail economy and I use the word economy because each one is slightly different, they operate on their own rules and their own operatives. So a commercial guy may take a five to fifteen year view and a retail guy will take a one year view and he needs turnover; so those little

economies are little micro-economies which you have to react to, it's how you design. If you are only in a few of them then you are at huge risk, but as I mentioned earlier we are four partners and we counter cyclical with each other complimentary so we smooth the risk that way.

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## **B6G**

Our industry, our profession is I think a lot more difficult to control, to run because we tend to over-work things because we suffer from one of two problems; find generally architects can't make up their minds themselves, they are unsure and they are not confident. That is our biggest killer and that gobbles time and it also just dilutes confidence, people are just not confident enough to make a statement and stick with that and be head strong about it and make sure that that rightly or wrongly is the direction. They say well we can do it this way or we can do it that way and two days later the guys have still not really taken a stance, a direction, they are quite directionless. So to manage that is one of the biggest difficulties in our profession, so that was the one thing. The other thing is I just wish that marketing develop more of an interest in this genre anyway, in commercial architecture, more of an interest in what makes things tick and not turn their back on it and say well I don't understand what the rate of return is and what it means and why do we have these budgets that we have to comply with – that sort of total disregard for reality and not being up to speed with what is happening around them in the world in terms of the state of our economy, the state of our political scenario, they just live in their own little dream worlds. So I think we have to manage that; and I am an artist, through necessity but I had to develop those interests to make sure that we stay relevant and alive. And they all say oh well we are artists, we don't need to.. that's complete nonsense, that is a loser attitude – you have got to be in touch with what the world is all about. So I think that is difficult, I think that is difficult to manage, I think it is more difficult to manage an architectural practice than many other businesses because it is not an exact science, it can go any way and the sense of commercial reality is not always there.

so on; do you think that architectural practices have got unique financial challenges?

## **B6G:**

Yes. **H2-6**

You know the very reason that I said just now is that it is difficult managing creative people and the time that is spent on work. You just don't get enough fees to cover that and so the challenge of managing the time spent and time wasted and time cost is the biggest challenge. The variance is too big; engineers are more cut and dry and it is more scientific, it is right or wrong; law as well and accountancy, it is all generated by.. you know accountants they've got retainers man, they do B6G and they do **[unclear 1.07.13.3]** and they do **Andeck** and they do Murray & Roberts and every year

they must make sure that everyone sticks to their time and it cost so much money to do an audit and we've got a week and a half and that's it. This thing is like a cart with six seven wild horses and you have to hold the reigns all the time, hell of a tricky.

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## **B5C**

We are all arty people and that's difficult to manage. We are very sensitive people. That's difficult, I find it quite difficult. Perceptions and nuances and things like that.

It's a bit of an attitude thing, you know in the olden days the principles would have determined everything; the style, the architecture, the way you do things, but now it's not like that anymore. It's more respect your ideas when they differ from mine I'm not necessarily wrong but that's more the leader in the pack that needs to get that [\[through his own mind 56.16.8\]](#), to be able to make peace with your way is not the only way.

Yes; we are quite assertive as to what our rights are and when the public sector needs to perform, and if they don't we know we have made it our business to know how they should treat our applications and we stand very firmly on that, very firmly. So we don't take any nonsense from non-approval of plans.

Yes I think so, I think on average if you land a job the first payment you'll get is probably in four months' time. So if you would start afresh that becomes a big problem because you've got nothing to work with; but once you have a practice that sort of rolls over a bit and the one cross-subsidizes the other one then you don't have a big problem because that gap is now filled with more than one job. [H2-7](#)

Unique ones – yes I think the execution of the work is a unique managerial problem everywhere because the builders don't employ quality control people, it's not like what it used to be 20 years ago, and the clients are really leaning heavily on you. We've never done that but you could probably charge extra for that, you know being on site more than once a month, every day, every week, but we work it in. It is interesting if you are there once a week it's actually less time spent on site than once a month,

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## **B2M**

I don't think so, I think that if you treat people with respect.. I always think that everybody has got something to offer so I think that makes it slightly easier. [H2-8](#)

It could be personalities, maybe I think sometimes you explain something to somebody and they don't understand it and you explain it again and you explain it again. By the tenth time you lose it and I think that is probably the most difficult.

Yes I do because I think that the skill level on site is so incredibly low and the management is only about making money, so it is very seldom that you find a contractor that is actually about loving building a building. So things are much more stressful once the building goes to site because you are dealing with a really low skill level and just a businessman and all he is doing is seeing who he can screw to get money. He doesn't understand building at all so there is nothing here in the middle.

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#### **D4S**

I think it is an extremely complex process to be involved in. It involves marketing, creativity, and then from the creative process to go into a very deep practical, sort of mechanically the nuts and bolts scenario and then from there to get on site to actually deliver the project. I think it is an extremely complex process to be involved in. And I think it takes a very specific and unique set of qualities to actually be able to do it. [H2-9](#)

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#### **D3S**

and it is very difficult to beat your own overheads especially if you are not comfortable with sacrificing some clients. Because a lot of architects that I know of or dealt with over time, has a huge fear of losing the project, without ever asking the question is it really worth having this project. And if you need to have the project at all cost it will be at all cost. Those costs are your costs and to make a financial success or even just to make a living out of an architectural practice means that you need enough income, you need to be able to generate an income, but you also need to keep in mind that you should keep your overheads as low as possible or as effective as possible

#### **[H2-10](#)**

It also made me realize that since I couldn't view my practice, at that point in time I didn't think of it like that but an architectural practice is a practice, it's not a business and with a business I mean that it has a value that you can sell to someone else.

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#### **C5M**

I think we are not really relying on the units of value moving in a controllable way like 300 cans of fish is being moved from here to B to the shelf to being sold. Our whole basis of doing anything is work produced by the staff and staff has no average, there is no average among humans, so there is no measure. It is very difficult to measure productivity, productivity with the same staff member may vary from day to day week to week, it may vary with things that you are not aware of outside the practice, it is very complicated I think in terms of predicting something in that production way. How long will he take or how long do they have to do this work.

Hmm... in a way yes thinking about it. I think that one of the difficult things in architecture is the over emphasizing of design as the ultimate function of an architectural company. [H2-11](#)

. But I think generally I find that people in an architectural field all aspire to be designers and there is so much else to look at. Technical drawings, understanding technical things and avoiding building failure, the good specification of simple systems like insulation or waterproofing, storm water control, those are all design, they are not necessarily a making an object of a certain something. I think that should be emphasized more.

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## **D2M**

it is not because the architects are not capable, I think most of the architects are very capable at being good designers but it's the clients that force them into.. clients and in some way quantity surveyors as well, that force architects in building bad buildings or designing bad buildings.

, this whole thing of working on risk and working at a discount, and that is one of the reasons why architects service is not as good as it should be because we are probably the only profession that needs to work for free for most of the time and when we start getting money we must do it for discounts of 30%, 40% and sometimes I believe even up to 50% discount. You can't deliver a good service on that. [H2-12](#)

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## **C4G**

and I will tell you where I think it is really interesting is that you are dealing with creative people and creative people is right up there with trying to herd cats. Put 3 architects together and you have 4 opinions every time. To get consensus out of architects is very difficult, well maybe not difficult but the training that architects have is to have the passion to get things right to do it in a particular way, particular design style, color, shape, whatever, and so I think it is quite difficult to manage architects because we are an ego driven business. I'm constantly having to stroke people to make them feel good.

I think it is much the same. We've got architects in our Dubai office from all over the world. I really mean it, ok they are not all architects but out of 100 people their must be 20 nationalities and they are all the same. The architects are all the same. They are all passionate and really want to get the best out of everything and you have to manage them and find the space for them. [H2-13](#)

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## **C1G**

you are working on a much closer basis with people, you are working with their aspirations and their ambitions and their view of life. You have to be able to stand in their shoes nearly and do that, if

[H2-14](#)

you are just servicing a car they bring you the car, you service it and they go off; but if you are designing a house for them, or an office where they are going to work in every day, it's a very different situation. Even a doctor I think is an easier job than ours because you go in, he treats you and you go off, he is not involved with how you want to live, what you see, where you see yourself, what you regard as beautiful and what you regard as rubbish and the way you work in your kitchen, the way you use your bedroom – they are not involved in that sort of thing which we have to understand when you design a house. For instance just a typical example I always use for people is you have got two types of bedrooms, you have a bedroom where you come into the bedroom and you have got the bathroom on the other side. So people get up, they go to the bathroom, they come back to bed – you get my type of bedroom where the bedroom sits here, my dressing room sits here and my bathroom sits here. So I go in I sleep, I wake up 4am to catch my flight, I sneak out, I go and bath, I go and dress, I sneak back in and give her a kiss and I go out without really waking her; whereas if my bathroom and my dressing room was on the other side I would have woken her all the time, so it was designed for my lifestyle and it is not necessarily that other people live like that. So it is all those sort of things that you need to pull out of people and understand, you really have to understand how they live. Like studies, do you want your study next to the bedroom as you like to sit and work there next to your wife at night while she is sleeping or do you want your study like [by and near 1.35.48.0] where people can come in and go out without disturbing the household. So it is those sort of things that you have to establish which a doctor or a mechanic never has to establish, or even a lawyer.

No I don't think so, I think what you need is people that will take responsibility for what they do and that has a certain amount of creativity; but what you have to accept is that if they come and work for you they are not really going to be the top creatives otherwise they would be on their own. So you have to establish that you have to manage them, you have to teach them, you have to guide them and show them how to do it.

No it's easy here, number one is our salaries are lower than the rest of the world because we pay them banana money and secondly is South Africa has got a good work ethic even if I should move the practice somewhere else I would rather try to get South Africans to come and work for me because we have got a very high standard of work ethic that you don't find everywhere in the world. So I think South Africa still works for me.

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## D6G

You know when you are designing a building in your mind you should be dealing with about 30 items while you are designing. Every line you draw, every space you



develop, every aesthetic quality of how the roof and the windows sit, you should be thinking of climate, temperate, air conditioning, visual quality, space quality, how things are going to work, where are you going to put what, where does is the plant room going to go. You can do planning and then hope you are going to start adding all these things later, it doesn't work, it has got to be all in your thinking, the flow, the design, the aesthetics but also the services that go with it and even the structure.

Just the way architects think, they want freedom, they all think they work for themselves and they want to be the boss. H2-15

it is one of the hardest businesses to get the money in and to get the money out, and the reason is of course the accounts are large. You know when you are dealing with, even an auditor or maybe some of the other professions, let's say a dentist, you are doing operations at R1k to R15k / R20k. Architects fees sometimes obviously run into millions, much more difficult. So if you have one client that owes you R1 million or R2 million and doesn't pay you then you are in dire straits so it is a very difficult business to run from a cash flow point of view. Extremely.

I would say workload management is the hardest because one day you have got a multibillion Rand project and the next day it's finished and you don't have another one. So to manage the demand for staff and staff production is very difficult. So if you keep your staff, you've had a great run, now all of a sudden you don't have such a great run so while you are trying to sort yourself out you get another great run and you lose the profit you've made. So I would say resource management in terms of the demands of architecture, the building trade, has always been and will most probably never change, very cyclical. So you have great cycles and low cycles and

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Themes:

- H2-1 We are creative people (1)
- H2-2 You are dealing with prima-donnas (both clients and staff) (1)
- H2-3 The nature and expectations of our clients and staff coupled to the responsibility of dealing with someone else's money within an environment characterised by restricted resources particularly time and hence money. (1)
- H2-4 Clients don't understand what goes into good design and low-level skills in the building industry(1)
- H2-5 Sensitivity to economic fluctuations and objectives (1)
- H2-6 The challenge of managing creative people who because of their nature keep looking for better solutions thereby not committing to decisions made without concern for economic realities (1)
- H2-7 Managing creative and sensitive staff in an industry where public organisations are not performing well, clients are demanding and workmanship is at low levels. (1)
- H2-8 Getting the best out of people who often suffer from very low skills levels (1)
- H2-9 It is an extremely complex profession to be involved in – it involves marketing, creativity, practicality, mechanics, etc. (1)
- H2-10 Cost pressures due to low fee-levels (1)
- H2-11 We are not relying on units of value moving in a controllable way. Our basis of operation is work produced by design oriented staff and staff doesn't have an average because everyone is different making it difficult to measure. (1)
- H2-12 Pressures to do work on risk or at a discount. (1)
- H2-13 Architects are passionate people who want to get the best out of everything- you have to manage them and find space for them. (1)
- H2-14 We are working on a much closer basis with people, their aspirations, ambitions, view of life and their lifestyles while your mind is dealing with about 30 different items at a particular point in time. (1)
- H2-15 Managing workload in a fluctuating environment where your staff largely comprise architects who want freedom to design freedom and independence in a profession where it is difficult to get money in and out of the firm because we are dealing with large amounts. (1)

## ANALYSIS

Fifteen enduring architects firms provided direct responses to this question. Eight firms (53%) offered more than one reason while the remaining 47% offered single explanations. The explanations offered can be grouped into three mega themes namely:

**MH2-1** People Management: Dealing with people, both staff and clients.

(60% of firms)

MH2-2 Operating or operational managerial problems. (73.3% of firms)

MH2-3 Client relations (40% Of firms)

The previous question found that 10.5% of respondents attributed this to the nature of the service architects offer. Another 10,5% attributed this to attitudes and personalities of people in the profession, while the remaining seven firms attributed this to the complexity of the architect's function, because architects sell time and not products, because they are dealing with different people with different skills levels all the time, because of the cost of performing this service, because it is a fickle business, because of its relation with economic cycles coupled to a lack of business skills training and because it is considered to be very difficult to make money in this profession.

While it is difficult to reconcile the percentages because firms offered more than one answer in this question, the reasons offered still fall into three groups

### **DEDUCTION**

The challenges of managing a South African architects' firm, identified falls into two broad areas namely operational and business related problems as the first group and people or human relationships related problems as the second group. Thus, entrepreneurship education and training for architects should as part of responding to the entrepreneurial challenges faced by architects, also include personal relations and people skills training as one of the managerial challenges that could have a negative impact on the entrepreneurial performance of a firm.

### **H3 Which of these challenges are common to architects' firms internationally and which are South African (SA) specific?**

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#### **D4S**

I've studied in the UK and I've worked a bit there and I think that a first world scenario does give you more security. [H3-1](#)

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#### **D3S**

That to me is the death of architecture because that whole BEE thing, the way that it is implemented, never mind the fact if it is politically acceptable or not which is an opinion all on its own. But it doesn't work for the architectural profession we are not contractors. The way that it is set up, it doesn't fit out purpose. Architects have to contort their business to tender and to make sure that their BEE credentials are right. [H3-2](#)

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#### **C5M**

They would be the same yes. [H3-1](#)

position in South Africa where a lot of our aspirations still refer to the Western first world. There is nothing wrong with that but I do not think historically we have the depth of architecture in this country; I think if I am an architect in London or Germany then I will find a lot more support from my fellow colleagues, QSs, engineers, my client will support me more as a visionary and contractors will support me more because they are looking to work with me because they know their next project is coming from there. Unfortunately in South Africa at the moment there is very little of that and we are quickly falling into an environment where architectures [unclear 1.00.08.0] of engineering.

Do you think our legal environment, the statutory environment regulations etc. is making starting at running an architectural practice particularly difficult?

#### **C5M:**

Yes absolutely

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#### **C6M**

Yes, and having said and maybe this is not on the topic, but I think that is one of the problems that we have in the alignment of the architectural practice model transformation and BEE; I think that BEE's design on a kind of a business model that is about growth like capitalist growth and equity and growth, and architectural practices are not like that. [H3-2](#)

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#### **D2M**

Absolutely I think so, it's like our sporting teams, it is also a bigger challenge to come third in a world cup rugby with that cloud hanging over your head. I think so yes but it will only be a disadvantage if you don't tackle it correctly. If you plan for it properly it could be an asset, if you get the right person in and you **are prepared to get a BEE, black partner, in your** company, not working together with another black firm, get a loyal guy, a competent guy and make him a shareholder **H3-2**

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### **A6S**

I can only speak of the few countries, Tanzania, Rhodesia and Kenia. I cannot recall any problem doing that. Arrived and looking for grounds, rented some rooms and set up shop. No permits and registrations. **In SA here you have to be legitimate,** you need to be a member **H3-3**

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### **A5M**

, that sometimes people flop around before they actually find who is going to pull the thing together, generally I will take the lead. It is just more for efficiency, just to delegate, to make sure that the same person is not doing the same thing. Joint ventures we did a lot of, they have been good, we have learnt some great lessons working with some good practices.

I think contract administrative challenges in South Africa now in 2015 compared to 10 or 15 years ago, it is just the role of the architect in terms of what we are supposed to be doing and what we end up doing, responsibilities around appointment of contractors, adjudicating tenders, recommending who should be building buildings and decisions around claims for extension of time, cancellation of contracts, people **don't take us seriously anymore**. So I think in South Africa if you speak to a lot of architects if you are working in the public sector it is very different, it is very challenging. If you are in the private sector there is a different.. so for me because a lot of my work is in the public sector and the parastatals those challenges are big for us. **H3-4**

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### **B7S**

The challenges here are exactly the same as England I think with running a practice. They don't have any of **the black dynamic** which I think can be very challenging, because very often particular pairing of practices is a disaster **H3-2**

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### **B4G**

It's consistent yes. I think just to add another slant to that answer, the very very big firms employing hundreds of people simply have to be global to do that. There are different models of how the cash flow is generated and where it goes to and where it is dispersed, but the principles are the same. It also depends on what the partners want out of it,

Yes but xxx is also.. it just depends on what BEE level, xxx has always been a level 2 but in the new construction [unclear 1.25.57.7] now we have slumped to a level 4. I mean most of our colleagues we are all down [unclear 1.26.02.7], so one has grown our business to negatively affect our business. So as you move forward you come up against legislation which actually just.. so that's why we are being innovative looking abroad. **H3-2**

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## **C1G**

No it's easy here, number one is our salaries are lower than the rest of the world because we pay them banana money and secondly is South Africa has got a good work ethic even if I should move the practice somewhere else I would rather try to get South Africans to come and work for me because we have got a very high standard of work ethic that you don't find everywhere in the world. So I think South Africa still works for me. **H3-5**

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Themes:

- H3-1** Developing world scenario (2)
- H3-2** BEE presents a uniquely South African challenge (5)
- H3-3** Compared to other African countries, South Africa has more bureaucratic impediments to starting a new firm. (1)
- H3-4** Architects aren't taken seriously (1)
- H3-5** It is easier to manage an architects' firm in South Africa (1)

## **SYNTHESIS**

Of the 10 enduring architects' firms that provided a direct response to this question approximately 10% believe that it is actually easier to manage a firm in South Africa. As far as the nature of the differences is concerned, approximately 50% of the respondents identified BEE as the major challenge while approximately 10% identified bureaucratic impediments as the major challenge. Another 10% believe it is because architects are not taken seriously while 20% believed it is due to South Africa's developing world situation.

## **DEDUCTION**

Black Economic Empowerment is regarded as the major unique challenge. However, it is interesting to note that diversity and demographics features strongly in the latest (15<sup>th</sup>) edition of the AIAs The Architect's Handbook of Professional Practice (AIA 2014) giving

credence to the view that South African Practice is different, but not entirely so. Other reasons are the country's developing world scenario, because architects are not taken seriously and because of bureaucratic impediments.

#### **H4 How does your firm deal with the SA specific challenges?**

##### **A5M**

No I will just not get involved in it; I have excused myself from projects, I have withdrawn myself from projects for good reason because professionally I feel like I am not going to do a good job and I am going to get myself into trouble. So I have a friendly lawyer who advises me and I stay out of it. I think these days you have to be like that otherwise you get drawn into some of your client's issues. It's about contractor appointments and all those sorts of things. [H4-1](#)

Apparently not because everyone now in other countries, the issuing around tendering is about competitive pricing, anything you do should be competitive and I think some countries have the same challenges that we do. But I think in South Africa it is a little bit more about corruption and all sorts of other things that creep in. Contract admin is a challenge and it only gets easier as the years go by, so like 10 to 20 years later it is a piece of cake, administering a contract is so easy, but then your challenge is not there anymore, your challenge is actually your client because you are now not doing what you are supposed to have done, what you are trained to do. I don't know if it is making us bad architects going forward or not, I have to train my staff to be aware of things you know. If I am not at a meeting or if I send somebody to site the person has to be aware and my staff are very aware, I have taught them what they should be doing and what they should not be doing. If you are not sure about anything don't make any decision and come back, because often they don't realize the implication of something that might happen in a meeting that may end up being my problem later on. [H4-11](#)

Yes we've got a lot and a lot of it I agree with but a lot of them also just don't talk to each other. So I am having this problem with gender now, we live in a country where we are supposed to be empowering women and we actually just don't empower them at all. The preferential procurement legislation, the triple BEE legislation, the employment equity legislation, they are all being developed independently of each other so how we must fit into all of this I'm not quite sure. So I am involved in this thing at SACAP, [H4-2](#)

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##### **A1L**

we can't use Eurocentric ways of doing things. You know how we put projects together, our African colleagues, the way that they approach things, you know it is slowly slowly slowly, consult consult consult and many times it's making big statements but followed by very little because it's impression is better than delivery. [H4-3](#)

That is one of the examples where there is a complete different way and big business is not representing but it is changing, there is a different way of doing things.

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## **A7L**

Most of my day analyzing 20 % that is not going well. If you go to a doctor he does everything himself. Architect cannot do it themselves. In practices, you got to understand if it goes beyond 20% mark. You cannot do everything. Allot of architects do not want to let go of fear something is going wrong. Full circle who you employ. Hire slow fire fast. We try our best in time to hiring. If not working then let them go. [H4-4](#)

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## **B4G**

. In a nutshell before there was any empowerment legislation back in 1998 we were targeting major jobs. We had been approached already for the new domestic terminal at xx Airport, but we knew that we couldn't go forward with those discussions because there were quite a few firms that they were talking to at the time, without being able to look ahead at how we would react to what we knew was coming. So what we did is we formed a completely new company, so effectively the oldest white practice joined forces with the oldest black practice, and we formed xxxx [H4-5](#)

The one cardinal rule is do not start a project if you haven't got your fees agreed and your cash flow agreed, that's where the problem starts and the minute that starts your business is even more at risk. [H4-6](#)

You know they are all good challenges, they are hurdles, other countries have other hurdles; trying to work in Europe is a nightmare. So no, I think every country has its hurdles that you have to overcome, those are just challenges. I just think that the people in the profession are difficult to manage and I think that is worldwide. We have sort of linked up with a small practice in Dubai, they will be the sort of people on the ground, they are lovely guys, I met them last week in Dubai for the first time. I have been working with them for a couple of months now and I went to see them, and they are really genuine people, lovely guys. They have got the same problems as we have, they are cut from the same cloth, they have very similar views as we have so it's a great marriage, but managing a practice, managing people within the architectural profession "is nie maklik nie".

[H4-7](#)

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## **B2M**

Well I think that we put up a fight on the site, you do good drawings, we have got very good details in drawings and then you make sure they build from the drawings. [H4-8](#)

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## **C6M**

Now you already take on a lot of liability to limit by defining your exposure to liabilities in the likes of the client-architect agreement and things like that, you know. If you don't do that then those liabilities hang around for a long time. [H4-8](#)

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## **C4G**

. So you have this whole BEE thing which really causes unnecessary dimension in running a business. But it happens to any other business as well. Ours is just a little different in that the pool of candidates is so shallow. You don't have this pool of half decent people who is looking for employment. What we are doing is taking on and mentoring candidates who have done their BAS, I'm interviewing 3 this week, so we will probably take on about 3 next year and hopefully out of that identify people that we can encourage and maybe sponsor and bring into the business. [H4-9](#)

Kenya, and I was hesitant wondering if I needed a Kenyan, and he said don't worry we don't have your BEE hang ups, I don't care who you use as long as they do the job, that is all I'm interested in. And this was a black client. And so it makes it difficult, and then off course the current economic climates is not exactly bubbling along as it could or should be so we are needing, we are slightly changing our focus locally to things such as housing, health care, because the hospitality industry is not going to grow at the pace that it has. Yes a few still to come, but not a lot. So we are concentrating outside of SA on health care and residential, and internally we are looking much stronger at residential and a certain amount of office developments and possibly health care, expanding that. [H4-10](#)

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### **Themes:**

- H4-1 We withdraw as soon as anything untoward comes up
- H4-2 We lobby for change via SACAP
- H4-3 We adapt our procedures to local culture and the ways of doing things
- H4-4 Select and appoint staff carefully
- H4-5 By forming joint-ventures that will have a favourable BEE rating.
- H4-6 Ensuring that all the basic agreements are in place before starting a new project.
- H4-7 We accept these as challenges and deal with them-there are challenges in all countries.
- H4-8 Ensure that contract documentation is of a very high standard.
- H4-9 Employing and developing through mentorship underqualified candidates to provide for their BEE requirements.
- H4-10 Focus on doing projects in foreign countries.
- H4-11 In-house staff training to sensitise them regarding ethical risks.

## **ANALYSIS**

Seven enduring architects' firms directly responded to this question. While it was not mentioned some respondents alluded to the fact that unethical or corrupt behaviour is a problem in the industry.

Of the seven firms only two firms (28,5%) dealt with the challenges in the same way by insisting on contract documentation that is of a very high standard.

The other five firms (71,4%) responded in different ways:

- One firm withdraws from the project as soon as anything untoward comes up. They provide in-house staff training to sensitise them regarding ethical risks while lobbying for change via SACAP.
- The second firm adopted their procedures to local culture and the ways of doing things.
- The third firm responded by selecting and appointing staff carefully.
- The fourth firm responded by forming joint-ventures that will have a favourable BEE rating,
- ensuring that all the basic agreements are in place before starting a new project where after they accept these as business challenges and deal with them as such- there are challenges in all countries.
  
- The fifth firm started employing and developing (through mentorship) underqualified candidates to provide for their BEE requirements

## **DEDUCTION**

Enduring architects firms have responded in various different ways to the perceived unique challenges facing South African architects' firms. Some responses relate to the way they operate or the way they are structured while others relate to staff selection, appointment and development.

## **H5 How will this challenge vary between smaller and bigger firms?**

### **A3C**

Oh I think so yes definitely; [unclear 49.23.4] similar to architects and three years later by then I had already left but three years later they were down to four senior partners and that was it. So yes I think there is very definitely managing a huge practice is quite a full time operation for someone, as a small operation it is quite an operation for one person so the scales are different between the two. I think at the end of the day you tend to get to a point of its old hat whereas if you are on your own every problem tends to be a newish problem which requires a newish kind of solution. [H5-1](#)

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### **B7S**

In one respect, every decision in the big practice required a meeting and convincing people and persuading them. Now I make the decisions behind the wheel of my car and when I arrive at the office I give the instruction; much easier. The decisions that you make are the same but the process is much easier. [H5-2](#)

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### **B6G**

Well I think so yes because there are more people.

What is the advantage of having a bigger firm and not the other – I am going to write a book about that, I love that topic and maybe it is self-justification but I just find that when we were 20 / 30 people it was tough, tough making the monthly payments etc. Everyone was working around the clock, creativity levels dropped and you either have to be small or you have to be big but anything in between doesn't work, that scenario resonates for me. The bigger we have become the more relaxed I have become because there are a lot more capable people that I can delegate to, because there are a lot of good people in the world, in our profession and so we have a very very strong opinion about who works for DKH. We are very careful about who we choose; so the bigger we have become the more I believe there is time to create, which is a contradiction to what I was saying now, but there is more opportunity, there is more talented people who come up with their ideas that all goes into the creative pot. So I think our work has just become more interesting and more varied and more responsive and there is a lot more intellectualism around it. Urban designers, landscape architects, we've got great architects and we all work collaboratively and make better projects than the smaller ones who just can't see the wood for the trees anymore and they become creatively bankrupt, do the same thing all the time. It's like a university here, we do internal design competitions for our clients. Two of our clients recently experienced it, where we said we have chosen several little groupings of people and we have a whole [unclear 1.13.00.1] and these guys love it and then we say well let's go in that direction and then the firm adopts that concept and that

approach and we run with it. But everyone has had such a great time and we have demonstrated our competitive advantage over smaller firms or other firms, we are very design driven and very academic in that sense. So I think it is much better being big. **H5-3**

, I mean the smaller practices or the middle medium size practices, they are the guys who are breaking up into smaller practices; and the big practices like yourselves are getting bigger and your turnover is actually increasing.

But the 7s game I was reading that you have got to be so much fitter and it is not so physical, it is more an endurance test whereas the 15 man game is a more all-round thing so you have to be physically fit but also very [unclear 1.16.04.1] agile etc. So it is almost a more efficient game, the 7s game it almost too inhumane, you are all trying to be Usain Bolt which is virtually impossible and you are all trying to be unbelievable athletes whereas the 15 man game you have got the big fat boys who push up the front, the fast boys at the back so there is a nice blend. I think in architecture we are a better team when you are a bigger team because you have more of everything, you have got your fly halves, you have got your props, you have got everything and you can get to a workable solution a lot easier I think than squeezing it out of a smaller team, there is too much to do.

**B6G:**

Yes, yes.

**Christo Vosloo:**

And so is that part of the reason why that is happening?

**B6G:**

Absolutely, yes. That is 100% correct.

**Christo Vosloo:**

Do you think it is easier to survive economic recessions if you are bigger?

**B6G:**

That's a very interesting question, we have certainly proved it – why, because your overheads.. Stay the same or escalate, but A you are a lot more hungry because you have got a hell of a big bill to pay so you are out there and you are jostling for work. Recessions have always been our best times, we are very careful about what things costs and so on. We are very hungry, we never compromise and also because of our humanity thing we don't fire people or retrench, we try every other trick in the book, we reduce our salaries if we have to when times are hard but I think we are more flexible, we are able to find quick fast solutions as a bigger team. I think 7 man rugby and 15 man rugby there is a hell of a

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## **B5C**

Hmm, bigger firms are more assertive than smaller ones

**Christo Vosloo:**

And you have got a bit more leverage with the powers that be?

**B5C:**

Yes we have, absolutely. Especially in the field where we are, absolutely so, and when our plans come in they treat it sort of differently than others. That's absolutely so.

**H5-4**

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## **B2M**

Yes I'm good friends with both xxxxxxxxxx and they can have a separate department to deal with HR and to deal with marketing etc. so they are structured completely differently and much more effectively and efficiently. So I think when you are smaller you do everything yourself and that is a huge difference. **H5-5**

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## **C2S**

More difficult, in my experience the more people you employ the more difficult it gets because the more people you have the less they work per capita – I don't know how you put that – you get less out of four people than you do out of three. **H5-6**

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Themes:

- H5-1** Managing a bigger firm is more demanding but in a routinized way while managing a small one is more challenging: In a small firm each problem tends to be unique.
- H5-2** Procedurally managing a small firm is less cumbersome.
- H5-3** It is better to be either very small or very big. Managing a large (as opposed to a biggish firm) firm you have increased capacity to absorb fluctuations in workload, directors and others can develop specialist roles such as HR or Finance. Also in large firms, the pool of suggestions on how to solve a problem is bigger and hence the level of decisions taken is one or more notches higher.
- H5-4** Bigger firms are more assertive than smaller ones.
- H5-5** Bigger firms can have specialist departments taking responsibility for various functions. Small firms rely on 'jacks of all trades'.
- H5-6** The output of staff in bigger firms is considered to be lower than in small firms.

## **ANALYSIS**

Six enduring architects firms directly responded to this question. All agreed that the managerial challenges faced by larger and smaller firms are different. However each respondent (16,6%) offered a different point of view. These are:

- Managing a bigger firm is more demanding but in a routinized way while managing a small one is more challenging: In a small firm each problem tends to be unique.
- Procedurally managing a small firm is less cumbersome.
- It is better to be either very small or very big. Managing a large (as opposed to a biggish firm) firm you have increased capacity to absorb fluctuations in workload, directors and others can develop specialist roles such as HR or Finance. Also in large firms, the pool of suggestions on how to solve a problem is bigger and hence the level of decisions taken is one or more notches higher.
- Bigger firms are more assertive than smaller ones and there are times when 'size counts'.
- Bigger firms can have specialist departments taking responsibility for various functions. Small firms rely on 'jacks of all trades'.
- The output of staff in bigger firms is considered to be lower than output in small firms.

## **DEDUCTION**

Managing a small firm has definite advantages over managing a bigger firm and managing a big firm can be more demanding than managing a smaller one, managing a small firm is regarded as simpler from a procedural point of view. However, it is regarded that large firms have certain advantages such as increased capacity to absorb fluctuating workloads and other demands made on the firm, the chance to develop specialist managerial skills and a wider range of input when problems are encountered. Furthermore, the stature of bigger firms could be an advantage.

## **H6 How would you describe your management style?**

### **A6S**

Not taking but giving responsibility. I am sometimes too willing to do so.

I need to see all processes and how it's housed. That is important to have your hands on things.

I manage myself. Opposite of heavy handed. I tend to play on peoples fairness to do things well, they have pride in it, give them space to find themselves. One or two exceptions my former employees in Kenia, Tanzania, I said we got to fold this. I will help you in any way I can to continue your own practice. [H6-4](#)

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### **A2S**

I believe that as the principal I need to be fully hands on in each project. [H6-3](#)

My policy is to get from day to day, from project to project; happy client will invite me to tea, one unhappy client & he'll turn off half a dozen others is that a policy no?

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### **A4M**

It's always been quite top down because I have always adopted an attitude of training people I get them in when they are young and useless and I train them up, and then they move on because it's just a financial consideration. I can't afford to have someone earning R40 000 a month. Their output has to be good to make that sort of money at that level and the sort of fees and the work that I do. It is hard to make it profitable [H6-1](#)

We are all in an open plan; I try and spend as much time as I can in the office because it's pretty productive. I am always here, we go back and forth, and we have open plan conversations everybody is listening but as to why we do if somebody makes a mistake we talk about it. And if somebody does something which I think is unprofessional I'll say you need to be careful about that , and you need to handle it like this because we are this kind of practice which we do and so it comes out when its opportune which I find is a better learning experience and when everybody is sitting there and you are talking to them or you are reading something and it doesn't have a meaning, but when suddenly there is a client who is shouting, then you take this opportunity to explain to them what needs to be done.

My management style is to let it go and try and keep the peace and move on.

So from that point of view its very hands on I meet with the staff once a week, I look over there drawings every day

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## **A5M**

, I don't see myself as a boss in my own office. I have worked with two men before and they are not like me at all, I mean my partners used to complain to me [on a Monday morning 33.29.4] that it was just like too much admin stuff, they had had a nice weekend. But I actually find since I have been in my own from 2008 to now, I can see that there is a different style that has emerged in me, now I just have freedom in terms of the way I run my office and it is run very differently. It is more efficient, there is a lot more happier people and everybody knows what each other is doing and it is horizontal. My office is horizontal; women's offices are like that. I know a lot of my women colleagues would say the same, we operate slightly differently to men. **H6-4**

I don't get too involved. Systems are there and they just manage those systems and make sure they are doing things the way it is. The only thing I do get involved in is I check everything that leaves the office in terms of admin, all letters, all minutes and all the normal stuff that architects have to check before it goes out; that I do. The design work I do myself together with them but I am still in charge of it, I still make the last decision, but I have trained my staff even though they are technologists to be designers in whatever they do. So I think after a while people think the same way that you do, so my office structure works for me

I lead an office but I lead in a very different way, if there are any achievements it's all of ours it's not just mine and I think that comes from working with one of my two partners was a very self-centered person so I think because he is not around I see my office as very different now; it's not about me and my building and my design, it's everybody's.

Flexible! We are very flexible in the office, I am also flexible. If I have overloaded my office and they cannot go out to do something I will get in my car and I will go there myself. So we are used to being deployed.

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## **A1L**

I have yes but I have a philosophy that I base my philosophy on a sports team. This is Nick Mallet's philosophy of a winning team, you get together with a common vision, and a passion to win and exercise the ability to bring the best out of your team mates that is how I practice.

As a young architect I did that... we are very sport orientated but to me really a successful sports team is the most clear pattern for business. One that continues being successful that is why we must be doing something right for 120 odd years, it is a happy team is a successful team and my team produce it. As the principal here I can't do it by myself so we do it together. **H6-4**

Our current new South Africa is not delivery orientated so we then have to come and be the delivers for them and try and assure them of our abilities to deliver. It's often collaboration amongst many many people and you don't just get quick decisions.

They are starting to take and what is current and I am starting to just watch them and how they do things now, they have got a different way of networking, a different way of running things and to the extent they are almost going back to a bit more accurate than I was approach

But they come in here any time, have coffee, when I lead a meeting I never sit at the head of the table because I don't like the sort of top structure; the guys know I say the head of table is arrogant so I am very much part of the team and that is my brain.

With a sports team, you look at some sports teams and they just keep on reinventing themselves and they are fantastic over the years and that is what I am trying to do here.

. I must admit I love designing buildings that is why I became an architect but I spend more time now growing the team that are actually going to continue. Like sitting now with the guys on a project and just going through it with them and saying you know make it your own building, you have the photographs in front of the building when it is finished.

One thing I detest is territories, when people mark out their territories and then become protective of territories and then there is war. So if you are on my team you have no territory. The team has the [unclear 21.54.1] not the individual. I'm not [teritorial] either.

– I don't want to be a headmaster, as soon as I start doing that I lose the principle of how I am operating here. I've lost the key and my door is never locked, they can always come in and I am accessible.

I worked at just after university and it was annoying, I had to always think like him instead of me; I've got something in here that I have to release and fortunately it was the only practice I didn't enjoy until I joined A1L. So my experience [unclear 1.14.35.6] approach. So I can't remember the original question now but when you get bigger someone has to take on the managerial and you still have to keep your same focus.

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### **A3C**

. No, I felt by and large I wasn't necessarily a business architect, I am a hands on person who likes to get on to site, get things going, deal with the client, deal with the contractor – so to develop a sort of business mode was not part of my sort of ethos or my plan. **H6-1**

Your business management style, I think you have to be autocratic as you are only one person,

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### **B7S**

Arrogant, egocentric, autocratic; no we are all friends, there is a lot of laughter here and very great important [unclear 1.22.02.5] tea sessions. We normally have cake, nobody is here this morning, I am sorry you are not here when the place is full of people. You've just come on a morning when nobody is here. **H6-5**

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**B1S**

I presume control is important for me. I need to make sure that everybody who is doing their particular job is enjoying their work. That is also critical for me, because if they are not, I'm not going to get a good product, so I think the management is bottom up in a way as in I [unclear 0.28.07.2] to make sure that from the cleaner up, there are people who are totally satisfied in the work that they are doing with me. So, I don't know if that is a management style, I'm not sure.

H6-4

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**B4G**

Entirely hands on. Weekly to manage the business, absolutely imperative; open door policy – ranging right across to personal problems, sometimes people will don't feel or will never feel comfortable talking about things but if they want to that is also quite important because a person whose got other problems and feels they are not allowed to bring them to the office, well the fact is you do, I mean you've got a brain and you've got a soul and you know you feel things. All of that is in the room, you H6-4

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**B5C**

We had our personalities analyzed, I think there is a good balance there. The partners would determine the direction and the pace and we would definitely negotiate that with the rest of the practice. For instance, we would not appoint people when we have got a lot of work. We would ask the staff whether they would like to have us appoint new people or would they like to work an hour more for more money, which they chose to do. So we work an hour extra every day, they chose that – coming in at 7:30am and leaving at 5:30pm.

We cannot always be a team player, all teams have a captain, but you must see where you need to lead a bit by example mostly, but sometimes you need to put your foot down and say this is how we are going to do this and people like that; they feel much more secure. Democracy is not always a good thing. H6-3

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**B2M**

I think it is very horizontal; I think at the end of the day most of the people here know that it is the quality that goes out of the office that is important and I think that for instance you give me a drawing that is upside down I will freak. So there are certain things that we sometimes have staff meetings which really help, [H6-4](#)

I like that term that you used as being horizontal – so it's a very participative and a very democratic, or not democratic but everyone is on the same level; it's not autocratic.

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**B3M**

Ok, maar ek praat nou van hulle, maar hulle leer en hulle is angstig om te leer. Hulle weet hulle kan leer by hom, so hulle luister na hom en as hulle beter idees het, dan luister hy na hulle. So dis soos ek sê, 'n demokratiese bespreking van planne in ons gemeenskaplike tee tye en daar is nie van ek sê dit en dit en dit moet gebeur nie, dis nie so nie. As jy kom met 'n beter oplossing, ok, kom ons dink daaroor. Teken hom uit en maak 'n model dan kyk ons hoe lyk dit. Dis soos ons werk. [H6-4](#)

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**C2S**

that has ever worked for me, I am not his boss. If we can make more money doing it his way we will do it his way. [H6-4](#)

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**C3S**

I think I am more participative but I'm quite specific about what I want when I instruct someone to do something. I think you can't have a grey area and then there is a better understanding if you don't. [H6-3](#)

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**D4S**

Hands on. [H6-3](#)

No. I would like to think that we've got quite a horizontal high archie.

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**D3S**

Well I manage, I can almost say by walking around. I supervise at what is happening and not only in an office environment because even though I might not have particular staff at any given moment I still have to manage my environment which is where my practice is in which means I might have some technical staff that is at a distance and they are not immediate employed but they have to be employed at some stage because of the need of the environment, so what I do is I don't particularly

manage on a micro scale I think it is more on a macro scale and it's more about being aware of environmental inputs by things that are happening on a micro scale [H6-4](#)

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### **C5M**

Autocratic; just as a time saving device. [H6-1](#)

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### **D1M**

what is the English word.. if you are approachable not authoritarian style? [H6-4](#)

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### **D2M**

Very easy going, I never check up on the guys time leading, the principle that I apply in the office is that it is not the number of hours that you sit here and work it is what you produce. [H6-5](#)

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### **C4G**

And to a large extend, what has happened is not entirely me, you know. It's more of a team effort and I think probably if I had any particular skills it would be the ability to bring people together to get consensus to go somewhere and do something. So I don't really drive the business in that direction, what I do is I simply shape people and bring people into it that I think has good qualities.

I think I'm fairly hands on. And it's quite interesting, I can tell you how other people perceive me, because we've just done a 360 degree review of ourselves.

I'm perceived to be a good manager, ok, and I think I'm a reasonably good manager. At times I'm seen to be a bit autocratic, and sometimes not seen to delegate sufficiently.

Yes. I honestly don't see myself as a one stop shop guru anything, I really am not. I will give you an example. [H6-4](#)

So my management style is not about me at all it's about the business and the directors and the partners and the associates coming in.

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### **C1G**

Yes, systems systems systems. [H6-1](#)

Fairly relaxed until you p\*\*\* me off, plain Afrikaans. I am fairly easy but the people are weary of me, I don't have to wield a heavy stick anymore and I have got staff backing me up that will wield the stick if it is necessary. Like I sometimes joke what I do with the builders is I look at their work and I say you don't expect to be paid for that do you – and I have got the same attitude with the architects and suddenly you will find them here until 1am sitting upstairs trying to sort it out.

Subtly autocratic I would say – [unclear 1.02.11.6] joke. I don't necessarily have to drop a ton of bricks on them every time, just a small pebble and they get the message.

It is your way or the high way type of style?

Totally.

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## D6G

Now very informal, very hands on, like listening and I like participation; that is why I would never be happy to be a one man practice like my son. I always say to him who do you talk to, I talk to everybody, all the time, everywhere. **H6-4**

So what do you call that autocratic democracy, sometimes you have just got to say we are doing this, but I think that boils down to leadership.

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### Themes:

From the responses received the respondents were, for the sake of convenience, cursorily classified<sup>7</sup> into the following management styles as described by [Sheehan](#) (2016) and Tutorialspoint.com ([sa]):

H6-1 Autocratic (4)

H6-2 Persuasive (0)

H6-3 Consultative (4)

H6-4 Participative (12)

H6-5 Laissez-Faire (2)

### ANALYSIS

Twenty two firms out of a possible 26 enduring architects' firms (85%) responded directly to this question. In doing so the founders indicated their own understanding of their management style (which could be quite different to the views held by their employees).

From the responses, it seems that 18% practice an 'autocratic' management style, 18% a 'consultative' style, 55% a 'participative' style and 9% practice the 'laissez-faire' style of management.

### DEDUCTION

The 22 enduring architects' firms, who responded directly to this question, practice a wide range of management styles and that the 'participative' style is used by most of the

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<sup>7</sup> Proper classification would require deeper analysis. Also, according to the Situational Leadership Model management styles are not static (Blanchard, Zigarmi, and Zigarmi 2000).

respondents. The 'consultative' and 'autocratic' styles are practiced by equal portions of the sample while a small group use the laissez-faire style.

Considering that architects' firms are staffed by professionals who operate in teams, the participative or consultative styles of management would be expected to be the best suited styles to employ, as is the case with 73% of the interviewees. However, the fact that 27% of respondents use other styles is of concern, particularly the 18% who use the autocratic style. Considering responses to earlier questions regarding challenges faced and the indication that staff relations is a major problem for some firms, it is revealing that a number of firms practice the autocratic management style. An EET programme for architects should therefore include leadership development.

## H7 Does your firm have any set policies?

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### A4M

Out of the labour laws for managers I have created documents for appointments and so on. Leave systems and personal, which I use, I haven't updated it much but I have got that sort of thing, has been in the system. [H7-1](#)

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### A5M

No, but I mean legally we comply with everything, we run ourselves very well in terms of the way we employ people, contracts, people's contracts, their leave, all of that. I have documents for everybody, even students that come in for little bits of in-service, the way people get allocated work and everything is done according to the law and a set of rules; and we are all happy with that. If people have problems they let me know. [H7-2](#)

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### A1L

I know we should but we don't, we just had one done with maternity leave and we have drawn one up there yes because we have a lot of women here and one particular woman took directorship and she had a baby and we paid five months maternity leave, paid her salary; she came back after a few months, her husband got a job in [\[Isle of Man and unclear 1.16.36.1\]](#). The very next person who fell pregnant was my daughter so I had to draw up a policy into what we did and I couldn't be hard but I had to be realistic. So yes we have a maternity policy but no other policies [H7-1](#)

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### A3C

That's interesting; I assume you don't have any set policies I mean it is only yourself so there is no sense in doing that.

#### Interviewee:

No. [H7-2](#)

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### B7S

. For the policies, a lot of policies don't exist because maternity leave doesn't come into it. If you work on an hourly basis it doesn't come into it. I do have policies next-door but it is a guesthouse where I actually employ people so we have all those things in place, but here not. I just don't want to put time into girls, unless they are a very special girl, sorry I am a male chauvinist pig hey. I don't want to deal with menstrual cycles and moods and I can see why women are paid less than men because they just can be a nuisance and they are going to get married no [H7-2](#)



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**B1S**

No we don't. We kind of take things mostly as they come. Probably the one set policy is that we always take builders holiday and the office closes so everybody takes their leave around that time. Generally we are flexible with each other and support where there may be a need to work different hours or take time off. [H7-2](#)

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**B6G**

Yes, HR policies- maternity leave etc. [H7-1](#)

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**B4G**

Yes we have a completely structured practice manual and everyone gets a copy of that. It's flexible but there is a book of rules. [H7-3](#)

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**B5C**

Yes absolutely, absolutely – the image of this firm is non-negotiable. [H7-4](#)

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**B2M**

Yes we are very rigorous on our documentation and maybe that is why we have survived so long is that we really do very good documentation. [H7-3](#)

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**B3M**

Ons vat Kersfees natuurlik af, oor die bouers vakansie. Almal moet afvat dan, klaar

Nee wat, ek het niks hoegenaamd op skrif nie. Ek het geen kantoor reëls nog ooit op skrif gehad nie.

Ek het al selfs gesê as sy haar babatjie in die kantoor wil herberg is dit fine, ek sal help oppas en sy kan haar gaan tietie gee wanneer dit nodig is en ons sal almal help die kindjie grootmaak. So daar is daardie soort gevoel, dink ek, wat lekker is.

Maar ons het nie 'n stel reëls nie [H7-2](#)

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**C3S**

No, well we don't have any [H7-2](#)

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**C2S**

Do you have any set policies or have you had any set policies?

**C2S:**

For staff?

**Christo Vosloo:**

Yes, for instance..

No [H7-2](#)

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**D4S**

Do you have any set policies?

**D4S:**

No.

**Christo Vosloo:**

Not necessary.

**D4S:**

No.

**Christo Vosloo:**

Why do you not believe that this is necessary?

**D4S:**

I don't know, I can't answer you. I think it is due to the staff.

[H7-2](#)

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**D3S**

that in the practice because we've got a practice standard that things need to be done, it doesn't matter who does it, it needs to look the same. It has to have the same graphic quality, the same input, the same particular information in. [H7-3](#)

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**C5M**

Yes, on taking on work, yes. [H7-4](#)

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**C6M**

Not a set policy but what we want is that the work that we have is done in a certain period of time and during the day, I mean we don't run a practice that operates until 8pm, on weekends and whatever, only if really really necessary. So that is one of our parameters for instance, and then I have other parameters like that you can't eat lunch and work on your screen and drop your cereal down my keyboard. If there's lunch there's lunch, go and take lunch and go and sit in the garden or go and do your stuff at lunch. [H7-6](#)

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**D2M**

Not really, we have got our contract of employment which lays down a lot of those things but we don't have a policy document that I hand over to a guy when he starts working here. [H7-2](#)

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**C4G**

We didn't and it's not clearly spelt out but we are in the process of doing it, so we are kind of going through a period of consolidation. We have been running around like crazy and what I've said to the guys is that I need to pull myself back from the day to day running of the business and concentrate on these important aspects and with the help of my other partners, but you can't do it while you are running a project.

You've mentioned that you have a policy about gifts, do you still have such a policy?

**C4G:** [H7-7](#)

Yes to a certain extend, we keep it down, it is not a social event at all.

Do people have to declare it?

**C4G:**

Gifts coming in?

**Christo Vosloo:**

Yes.

**C4G:**

Yes, we do. That is agreed amongst ourselves but they are not extravagant, they are fairly minor. If somebody came and said here is a holiday, we decline it. The gifts that we get are pretty minor but we do declare amongst ourselves, for sure.

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**C1G**

Look we have got very definite systems about the amount of time that can be spent on actual design and that gets monitored on a weekly basis, that we know exactly what it is costing us to design anything. The moment it goes over 20% your direct cost on design is over 20% we see red lights, we are heading for a loss on that particular project. So that is very important and end of the year when we do bonuses for the staff those things are brought up; have you completed your projects in time and were we happy with the projects, were they good enough that we were happy with them, that sort of stuff. So there is a definite system for that, we have paid bonuses for 30 years straight out in a line, this is the 31<sup>st</sup> year we will still be paying a bonus but we expect you to perform for it and we are paying fairly top salaries in the industry and not necessarily for all the staff in the industry, but if we find a guy that lasts and is prepared to learn, we nurture him along, we push him, we put the golden handcuffs on, we keep him as simple as that. Then also the whole office, it is run like a

business, you do your business hours and the only time they work overtime is when they realize they are in the red, generally we don't encourage [H7-8](#)

Definitely yes, otherwise things are just blowing around in the wind and I hate that. I want to know, you will see the girl who sits here this morning is my daughter-in-law, and she is a qualified architect and all she does all day long is she checks plans and she checks progress. At any moment I can ask her, at the moment we are busy [\[unclear 18.24.3\]](#) five projects, and I can ask her what is happening with this project where is it at; and she can immediately say it is there or there or we are waiting for this or that or this guy is busy with it and he is still within his 20%. Control, it is not just a system; a system leads to control so you can control what you are doing.

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## D6G

Yes lots of policies, eventually much later, maybe when the firm was 25 years old, we had a practice manual and we developed a couple of policies. You just simply have to deal with things like people that become pregnant and people that leave, people that steal, people that steal IT information, people that do things on their computers that they are not supposed to be doing – that sort of fairly mundane kind of do's and don'ts if I can put it that way, yes. How to apply for leave etc. but nothing sinister, just to be able to have a system so that if somebody falls pregnant they know they have got 3 months maternity leave not 6 months etc. So you do need to have a bit of a regulatory environment. The bigger your firm gets the more admin you have got to do unfortunately. [H7-9](#)

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Themes:

H7-1 Yes, HR matters (3)

H7-2 No we don't (9)

H7-3 Yes, we have a practice manual (3)

H7-4 Yes- content not disclosed (2)

H7-5 Yes-taking on work (1)

H7-6 Not policies but parameters on working hours, lunch, etc. (1)

H7-7 Yes- on accepting gifts.

H7-8 Not policies but parameters on performance, performance management (1)

H7-9 Yes, we have a practice manual and HR related policies. (1)

## **ANALYSIS**

21 firms directly responded to this question.

Approximately 41% of respondents indicated that they don't have any policies in place. These are mostly small or medium firms.

Two firms indicated that they don't have any policies (approximately 9%) but that they do have set parameters regarding aspects such as working hours, project performance and performance management.

Eleven firms (50%) indicated that they have policies and/ or practice manuals in place. These policies covered mostly HR matters, ethics, procedures and quality standards. These firms fell in the medium and large categories.

## **DEDUCTION**

41% of the enduring architects' firms that directly responded to this question do not have any form of policy in place. This could result in inconsistent behaviour and treatment of staff. Considering earlier indications that staff relations often is a problematic aspect in firms this aspect could be a contributing factor. In addition, considering the uniquely South African challenges indicated, the absence of clear policies to guide operations is a glaring omission.

### **H8      What do they cover?**

**INCLUDED IN H7**

### **H9      Why do you believe these are necessary?**

**B4G**

I think if you don't have a set of rules you don't have much room to negotiate, then it's down to personality.

**INCONCLUSIVE**

### **H10     How did your management style contribute to your firm's enduring?**

**INCONCLUSIVE**

## **J TOPIC: FINANCIAL MANAGEMENT**

The first question asked 'do you employ a full-time financial manager or do you use an outside agent/ consultant?' (refer to J1 in Addendum C). Twenty three of the 26 (or 88%) of enduring architects' firms surveyed provided direct responses to this question.

The following financial managerial situations each existed at five respondents (n=20 firms):

- An internal non-specialist (21,7%).
- An internal specialist (21,7%).
- An external specialist (21,7%).
- Combination of internal and external person (21,7%).

Three respondents (13%) indicated that they use a financial managerial person but did not provide more details.

The second question asked 'do you prepare yearly and/ or monthly and/ or project budgets?' (refer to J2 in Addendum C). Twenty-three of the 26 possible respondents (88%) from enduring architects' firms provided direct responses to the question.

Ten firms (43%) indicated that they do not prepare budgets while 12 firms (52%) indicated that they do. One firm (4%).indicated that they do no more than cash-flow projections. From this it would seem that only 56% of responding firms did some form of budgeting or financial planning.

The third question asked 'if so, what do you use as basis?' refer to J3 in Addendum C). Eight of the interviewed 26 enduring architects' firms (31%) provided direct responses to this question.

The responses indicated that the enduring architects' firms that do budget use a variety of budgeting models: Fifty percent of respondents indicated that they used historical data while a further 25% indicated that they used an income/ cost model. The remaining 25% were split equally between using a targeted turnover and their current income.

The fourth question asked 'how regularly do you monitor adherence?' (refer to J4 in Addendum C). Fourteen of the 26 (54%) enduring architects' firms surveyed provided direct responses to this question.

One firm (7%) per category indicated that they performed budget monitoring as follows:

- Monthly and quarterly.
- Four-monthly.
- Half-yearly.
- Yearly

Two firms (14%) indicated that they performed budget monitoring on a weekly basis while five (36%) firms indicated that they do budget monitoring on a monthly basis. Three respondents (21%) did not indicate how regularly they performed budget monitoring.

The responses received indicate that monitoring intervals vary between weekly and yearly. One respondent (B3M) indicated a total disregard for any form of financial management (refer to J4 in Addendum C). Likewise, yearly and even half-yearly budget monitoring reflects a lack of appreciation for the importance of financial management.

The fifth question asked 'do you have monthly statements prepared?' (refer to J5 in Addendum C). Sixteen of the 26 (62%) enduring architects' firms directly responded to this question. Eleven of the 16 respondents (69%) indicated that they do, while four (25%) indicated that they do not have monthly financial statements prepared. One firm (6%) indicated that they only have statements prepared when needed. Thus, the majority (69%) of responding enduring architects' firms have monthly financial statements prepared.

The sixth question asked 'do you apply the normal tests to monitor costs and profitability?' (refer to J6 in Addendum C). Eleven of the 26 surveyed enduring architects' firms (42%) provided direct responses to the question.

Nine respondents (82%) indicated that they did while two respondents (18%) indicated that they did not. This shows that most of the respondents to the question do perform ratio analysis to gauge the firm's profitability, liquidity, etc.

The seventh question asked 'do you use outside auditors?' (refer to J7 in Addendum C). The nine out of 26 (34.6%) enduring architects' firms surveyed that provided direct responses to the question responded in the affirmative. This should be considered with the results of Question E1 which found that 54% of the firms surveyed have adopted a style of practice that legally requires the use of external auditors or accountants. Thus, it would appear that at least 54% but possibly as many as 100% of the surveyed enduring architects' firms use external auditors.

The eighth question asked 'do you actively manage your cash-flow?' (refer to J8 in Addendum C). Twenty one of the 26 (80,7%) enduring architects' firms surveyed provided a direct response to this question . The majority of architects' firms surveyed believe cash-flow must be managed actively and does so since fifteen of the respondents (71%) indicated that they actively managed their cash-flow while only 29% indicated that they did not.

The ninth question asked 'how regularly do you invoice clients?' (refer to J9 in Addendum C). Twenty-two of the 26 (84,6%) enduring architects' firms surveyed responded with a direct answer to this question.

Fifty-four point five percent of respondents indicated that they invoice clients on a monthly basis compared to the nine percent who indicated that they sent out invoices only upon completion of a work stage. Of the remaining respondents,

- One firm (4,5 %) invoice clients on a three-monthly basis,
- Three firms (13,6%) indicated that it depends on factors such as how far the project has been completed.
- Four firms (18%) send out invoices when they regard it as 'strategically appropriate'.

Considering the impact of invoicing on cash-flow it is concerning that only 54% of firms invoice only on a monthly basis.

The tenth question asked 'how regularly do you follow-up on outstanding invoices?' (refer to J10 in Addendum C). Only six of the 26 (23%) enduring architects' firms directly responded to the question.

Responses received reveal that:

- One firm (17%) follows-up after two weeks.
- Two firms (33%) follow-up after a month.
- Three firms (50%) follow-up 'regularly'.

The results indicate that half of the respondents don't have a set follow-up policy.

The eleventh question sought to find out 'on average, how long do you have to wait before receiving payment?' (refer to J11 in Addendum C). Only nine respondents from the 26 (34,6%) enduring architects' firms questioned responded to this question.

The responses received can be summarised as follows:

- Six of the firms (67%) indicated that they get paid within 30 days.



- Two of the firms (22%) indicated that they get paid within seven days unless the government is the debtor.
- One of the firms (11%) indicated that they get paid within seven days.

While some respondents cited government payments that have been outstanding for up to four years, the fact that private sector clients pay within seven or in some cases 30 days is commendable.

The twelfth question asked 'is non-payment a major problem?' (refer to J12 in Addendum C). Eighteen of the 26 (69%) enduring architects' firms provided a direct response to this question. The responses received are as follows:

- Fifty percent (nine firms) indicated that they have experienced this.
- Forty-four percent (eight firms) indicated that it is not a problem.
- Six percent (one firm) indicated that it is a major problem.

Thus, 56% of firms have experienced or are concerned about non-payment but 44% of responding firms do not regard it as a major problem.

The thirteenth question asked 'what measures do you use to ensure payment?'. (refer to J13 in Addendum C). Eleven of the 26 (42%) respondents from enduring architects' firms provided direct responses to this question. Their responses were as follows:

- Three firms (27%) indicated that they hand the non-paying client over to their attorneys for follow up.
- Two firms (18%) indicated that they use in-house follow-up by various members of staff.
- Two firms (18%) indicated that they give clients advance notice of impending invoices.
- Two firms (18%) indicated that they charge a deposit.
- One firm (9%) indicated that they 'walk-away'.
- One firm (9%) indicated that they include a payment clause in their appointment agreement.

When the varying mechanisms are aggregated it becomes clear that firms deal with non-payment in three distinct ways namely:

- Being reactive (45%) by following-up once non-payment becomes problematic.
- Being pro-active (45%) by taking steps that [aim][aims] to prevent non-payment.

- Walking away.

The first two (or all three) mechanisms can be used together: All service provider contracts should include clauses that clearly stipulate payment terms and the actions that will result from non-payment. Should non-payment occur, follow-up steps, including dispute resolution mechanisms, as stipulated in the service provider agreement should follow. If so preferred, one can decide to 'walk-away' at any time during the follow-up process.

The fourteenth question asked 'how did your financial management style contribute to your firm's enduring?' (refer to J4 in Addendum C). While only four of the 26 (15%) enduring architects' firms interviewed provided useful direct responses to this question, the responses provide valuable pointers which all architects should take note of. The responses (one per firm- 25%) are:

- Planning ahead allowed us to endure.
- Staying out of debt allowed us to endure.
- Building-up resources (reserves) helped us to endure.
- Seeking and following advice from financial professionals allowed us to endure.

These responses confirm that thorough financial planning and management are of critical importance for the survival of architects' firms.

## **Findings**

The responses received to the questions posed have shown that:

- Eighty eight percent of responding enduring architects' firms employ financial administrators comprising either internal non-specialists, internal specialists, external specialists or a combination of internal and external persons.
- Only 56% of responding firms do some form of budgeting or forecasting thus that as many as 44% of responding firms don't practice budgeting- the most basic form of financial management.
- Firms that do budget, use a variety of budgeting models.
- Budget monitoring takes place at intervals that vary between weekly and yearly.
- Yearly and even half-yearly budget monitoring reflects low levels of appreciation for the importance of financial management.
- The majority (69%) of responding enduring architects' firms have monthly financial statements prepared,

- Eighty two percent of the respondents to the question indicated that they do perform ratio analysis to gauge the firm's profitability, liquidity, etc.
- At least 54%, but possibly as many as 100% of the surveyed enduring architects' firms use external auditors.
- The majority of responding architects' firms (71%) indicated that they actively managed their cash-flow situation.
- When considering the importance of invoicing on cash-flow it is concerning that only 54% of firms invoice on a monthly basis.
- Equally concerning is the fact that half of the respondents don't seem to have a set follow-up policy.
- Fifty-six percent of firms have experienced or are concerned about non-payment but 44% of responding firms do not regard it as a major problem.

When the varying mechanisms reported are aggregated it becomes clear that firms deal with non-payment in three distinct ways namely:

- Being reactive (45%) by following-up once non-payment becomes problematic.
- Being pro-active (45%) by taking steps that aim[s] to prevent non-payment.
- Walking away.

Finally, the responses received confirm that thorough financial planning and management is of critical importance for the survival of architects' firms. Hence a profession-specific EET framework must emphasise the importance of strict financial management and provide participants with the knowledge and skills to ensure that it is done in order to ensure the firm's survival.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation: nil

Business Management:

The responses received to the questions posed have shown that 88% of responding enduring architects' firms employ financial administrators comprising either:

- Internal non-specialists.
- Internal specialists.
- External specialists

- A combination of internal and external persons

Only 56% of responding firms do some form of budgeting or forecasting. This implies that as many as 44% of responding firms don't practice budgeting- the most basic form of financial management. Firms that do budget, use a variety of budgeting models. Budget monitoring takes place at intervals that vary between weekly and yearly. Likewise, yearly and even half-yearly budget monitoring reflects low levels of appreciation for the importance of financial management.

The majority (69%) of responding enduring architects' firms have monthly financial statements prepared and 82% of the respondents to the question indicated that they do perform ratio analysis to gauge the firm's profitability, liquidity, etc. At least 54%, but possibly as many as 100% of the surveyed enduring architects' firms use external auditors.

The majority of responding architects' firms (71%) indicated that they actively managed their cash-flow situation. However, considering the importance of invoicing on cash-flow it is concerning that only 54% of firms invoice on a monthly basis. Equally concerning is the fact that half of the respondents don't seem to have a set follow-up policy.

Fifty-six percent of firms have experienced or are concerned about non-payment but 44% of responding firms do not regard it as a major problem. While some respondents cited government payments that has been outstanding for up to four years, the fact that other clients pay within seven, or in some cases even 30 days is noteworthy.

### **Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

When the varying mechanisms reported are aggregated it becomes clear that firms deal with non-payment in three distinct ways namely:

- Being reactive (45%) by following-up once non-payment becomes problematic.
- Being pro-active (45%) by taking steps that aim[s] to prevent non-payment.
- Walking away.

The fourteenth question asked 'how did your financial management style contribute to your firm's enduring?' (refer to J4 in Addendum C). While only four of the 26 (15%) enduring architects' firms interviewed provided useful direct responses to this question, the responses provide valuable pointers which all architects should take note of. The responses (one per firm- 25%) are:

- Planning ahead allowed us to endure.

- Staying out of debt allowed us to endure.
- Building-up resources (reserves) helped us to endure.
- Seeking and following advice from financial professionals allowed us to endure.

These responses confirm that thorough financial planning and management are of critical importance for the survival of architects' firms.

Finally, the responses received confirm that thorough financial planning and management is of critical importance for the survival of architects' firms.

**Of relevance to Research Question 7:**

A profession-specific EET framework must emphasise the importance of strict financial management and provide participants with the knowledge and skills to ensure that it is done in order to ensure the firm's survival.

**J1** Do you employ a full-time financial manager or do you use an outside agent/ consultant?

**A6S**

I do it all with my wife. It is simple. We have about 5-6 projects. And I have it on my fingertips. Agreed fee and I paid them out and I kept my fee from my client. **J1-1**

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**A2S**

I have a competent bookkeeper who is a bit off the wall, with whom I can't talk & sometimes agree. **J1-5**

I do all my own accounts and so forth. We prepare the stuff for bookkeeper who, once every two months goes through my stuff & prepares my papers & does the VAT & so forth.

---

**A5M**

Yes. **J1-2**

They have got to have business skills, you have got to hire somebody in your office who deals with money and fees and checks that money comes in and phones people, xxxx does all of that, she does all of that. Like a simple fee account for may R40k sometimes involves 20 emails and 10 phone calls to remind the person and if you don't have stuff like that in your office then the money will just never come in, you will just like forget about it.

---

**A1L**

Yes, I am not too sure, my accountant does that, I'm not sure what it is, I just look at the results.

Yes, she is a fantastic girl. **J1-2**

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**A3C**

The accountant said to me do you know how much money you made I said no I don't but he tells me and it is clearly a lot

Yes.

Yes. **J1-3**

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**B7S**

Very strict, very strict. I have a secretary who I insisted be trained; I get full financial statements, like other people get every year I get full financial statements roughly seven days after the end of every month. **J1-1**

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**B1S**

I have an accountant, yes. **J1-4**

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**B4G**

Yes absolutely, the same accountants run both.

Yes. [J1-4](#)

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**B6G**

, we have got a financial director, one of the 8 partners is not an architect, she is a CA and she is the financial director. [J1-3](#)

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**B5C**

Very, very, critically. Somebody needs to tell somebody that there is no money in the bank, not the bank manager, you need to know that.

Marlene our secretary does that; she answers telephones and does only financial work, nothing else, nothing else. That is a big job.

Does she have any specific training in that regard?

She does yes. [J1-1](#)

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**B2M**

Yes but we do all the preparation work. [J1-5](#)

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**B3M**

. Ek het 'n rekenmeester of 'n ouditeur altans wat elke jaar my boeke en goed doen en hy adviseer maar so hier en daar, maar hy het nog nooit voorgestel dat ons verander nie. [J1-5](#)

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**C2S**

I have someone that satisfies the Revenue service requirements, nothing more complicated than that. I don't generate a ream of financial statements, I mean it is my bank statement. [J1-3](#)

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**C3S**

And you do that yourself? [J1-1](#)

**C3S**

Yes. [J1-1](#)

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**D4S**

I've got an auditor and then I do the invoices, so it's a combination. [J1-5](#)

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**C6M**

We do have an admin person but they do kind of filing and that kind of stuff, they don't generate invoices. I do all the financial stuff. [J1-5](#)

We have a bookkeeper who does things on a monthly basis and then our accountant who reviews everything on an annual basis.

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**D1M**

Yes. [J1-4](#)

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**D2M**

I use my accountant, I don't have somebody in-house, I believe we are too small a company to employ somebody, we used to have a lady accountant working half a day but for me I think it is better value for money to pay my auditor who does the financials for the company, if I need something to ask him to do that. He does all the financials, if I need interim financial statements or management statements I just phone him and ask him and he charges me for that. I think that is more cost effective than to employ somebody in the office.

Do you ask them for financial advice ever? [J1-3](#)

**D2M:**

Yes I do sometimes, yes. Especially when it is tax related because I think that is really important, to manage your company within the limits of the tax laws without giving them one cent more than I have to because they waste it.

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**C4G [J1-2](#)**

we do have a financial director

It varies from client to client, it really does. That is Pierre's job and our accounting department's job. Just to put it into perspective, in our office here, Pierre heads up the whole group, he obviously heads up this office, but we've got 2 financial assistants to Pierre, 1 lady is a very well trained book keeper and her assistant. In the Dubai office we have 8 people managing the finances and one of them is a Chartered Accountant.

---

**C1G**

I have got a full time accountant, I appointed my first accountant about five years after I started when I realized the tax man is going to lock me up if I don't get somebody to look after the books as I not interested in that. So that I leave to her and my wife; the two of them handle that. [J1-1](#)

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## **D5G J1-3**

It is an external consultant, specializing in small businesses so they do payrolls and statements.

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## **D6G**

So we had like an internal auditor that ran our finance department, a lady who is still there, she probably had about 2 or 3 people working for her and they look after the different firms.

## **J1-2**

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### **THEMES:**

- J1-1** Internal- non specialist (5) (22%)
- J1-2** Internal-specialist (5) (22%)
- J1-3** External specialist (5) (22%)
- J1-4** Yes- no further details provided (3) 13%
- J1-5** Combination internal external (5) (22%)

### **ANALYSIS**

Twenty three of the 26 (88%) enduring architects' firms surveyed provided direct responses to the question 'do you employ a full-time financial manager or do you use an outside agent/consultant?'.

Five respondents indicated that they have implemented each of the following:

- An internal- non specialist (22%).
- An internal-specialist (22%).
- An external specialist (22%).
- Combination internal and external (22%).

Three respondents indicated that they do use an accounting person but did not provide details (13%)

### **DEDUCTION**

Eighty-eight percent of responding enduring architects firms employ financial administrators.

This is divided equally between the following categories:

- An internal non specialist.
- An internal specialist.
- An external specialist.
- A combination of internal and external persons

**J2** Do you prepare a yearly/ monthly/ project budgets?

**A6S**

Do you have a budget?

**J2-1**

No

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**A4M**

Yes but I don't do it as a budget I look at my cash flow and what accounts did you work out. What my target for the month is in terms of in the middle of the month I work out what I am going to invoice for the end of the month. That is really my management tool; I see how many invoices have gone out and how much in come. I know what my expenses are because my PA keeps those up to date I know if my outflow is more than my income. **J2-**

**2**

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**A5M**

No. **J2-1**

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**A1L**

Yes. Project budget **J2-2**

Yes annualbudget

---

**A3C**

No. We do a forecast and also do current monitoring of the incomes and what have you, but as I said we have been very blessed because at the end of the day we have made a huge amount of money, almost every year. **J2-2**

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**B7S**

No. In retrospect we look and see what we did the previous year. **J2-1**

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**B1S**

No. Never. **J2-1**

Nope.

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**B4G**

We prepare weekly financial statements in both practices, we prepare monthly budget reviews looking referring back to an annual budget, so I am sort of working in reverse – let me start again – we prepare an annual budget, I am the Financial Officer, you might call it Senior Partner that would be age only but I am responsible firstly to my other partners for the financial aspects of the business. We are responsible to each other for running our projects and we run them together. We operate different sectors and we are counter-cyclical to each other and that is the most critical aspect in the financial management of the practice. It has been the great strength of our business because we operate in different sectors some of us are very busy and others of us are very quiet simultaneously and that constantly changes. It means that we have a strong cash flow and we have a consistent business. So we plan annually, that plan is an obligation on each partner to bring that amount of cash flow in and we look for projects to fulfill that. **J2-2**

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## **B6G**

It might seem a strange question but obviously then you do annual budgets, monthly budgets?

**B6G:**

Yes, yes, cash flow projections, yes. **J2-3**

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## **B5C**

How regularly do you compare your budget with your actual expenses?

**B5C:**

Every month. **J2-2**

You have mentioned, you have monthly statements prepared?

**B5C:**

Yes.

Yes, that gets fed into our system. We've got a bit of a separate spreadsheet where all the projects and their fees are loaded, once the fees are quoted, the fee is put in there so then we know how much money is not invoiced, how much is invoiced, paid, not paid – we have a 100% feel every month.

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## **B2M**

Yes. **(INVOICING)**

Yes. So I will do like the projects on the left, dates on the top and just fill it in. We try every cycle of 3 months to do invoices because it takes a lot of energy to do an invoice, you have got to get your disbursements, you have got to get your travelling, so I try to do it every 3 months on most of our projects. J2-1

Do you have a project budget, in other words once you know what your fees will be do you then decide if this is the amount of fees that I am going to get then this is how long we can spend on the project?

**B2M:**

No no I don't do that; I will shoot myself if I did that because I know exactly.. I mean the [Horston] project, I worked on it, I had architects work on it, I had technicians work on it, I had facilitators come with me to facilitate some meetings, workshops – I worked out that was R200k down the drain.

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**C2S**

I know my turnover I should make and I do my best to make it, and there is flood and famine, we have had both. J2-1

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**C3S**

As the work comes in we just make sure that we can pay our [vault 1.06.33.8] every month but I mean being 2 partners then it's easy to move money back and forth between your personal and your work if you need to but we try to not do that and keep the funds available, depending on how much work you J2-1

No we never really had that, because if we have 2 or 3 sets of projects running at the same time we just appoint another contractor.

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**D4S**

Do you budget?

Yes.

Per year and per month. J2-2

Do you ever compile a project budget?

It depends on what the scale of the project is.

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**D3S**

Yes.

No, I have a very strict monthly budget. My monthly budget is my fixed and calculable expenses for the month, which is being revised every month which ties into my production management, which are the plans to have this done by this time because we want those accounts going out on that specific day. So the expenses are tied to the payment schedules. [J2-2](#)

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#### **C5M**

We look at a turnover per annum that we would like to achieve, whether that is achievable or not or is achieved or is not achieved is of course a different matter, and in the current environment we are finding a more and more aggressive environment to operate in. [J2-2](#)

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#### **C6M**

No not really, we just kind of know what we need to earn to cover salaries and equipment etc.

No, no. [J2-1](#)

And per project?

Well what I sometimes do as I said on some of those projects is I might sit with the staff and say okay how long do you think we are going to take to do this project and work it out. Then I am going to expect them to keep to that.

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#### **D1M**

Because I am solely responsible, I do an informal budget myself because there is nobody to report to. [J2-2](#)

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#### **D2M**

No I am very bad with that as well, but I don't need to do that and that is one of the things that I believe in running your own business, whether you are an architect or you have a shop of some sort or an import/export company it doesn't matter, if you are the owner of the company you have to keep your finger on the financial works. I do all the financial controls, payments, invoicing and all of that goes through me. So end of February, end of financial year I do a work in progress debtors and creditors and all of that; and I do the calculation on what our monthly overheads is but I don't really do a cash flow. I've done it in the past but I just saw that doing a cash flow is a waste of time because you never know which projects are actually going ahead. You can do a cash flow on all the projects that you are working on at the moment but only 40% of those projects will be going ahead

and the rest you will never get an income in or you will wait two or three years for that. So a cash flow income forecast is almost just a waste of time. **J2-1**

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**C4G**

Absolutely. We do very detailed monthly reports for every office and those are circulated to all the directors and tested against budgets **J2-2**

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**C1G**

Definitely yes, otherwise things are just blowing around in the wind and I hate that. I want to know, you will see the girl who sits here this morning is my daughter-in-law, and she is a qualified architect and all she does all day long is she checks plans and she checks progress. At any moment I can ask her, at the moment we are busy [unclear 18.24.3] five projects, and I can ask her what is happening with this project where is it at; and she can immediately say it is there or there or we are waiting for this or that or this guy is busy with it and he is still within his 20%. Control, it is not just a system; a system leads to control so you can control what you are doing.

Not really; what we do is monthly profit and loss statements. **J2-2**

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**D5G**

We don't actually. **J2-1**

Yes

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**D6G**

So don't worry about the hours check the job. If you have got enough hands on control you will know when you are losing money. **J2-2**

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Themes:

- J2-1** No we don't (10) (44%)
- J2-2** We do (12) (52%)
- J2-3** Cash flow projections only (1) (4%)

**ANALYSIS**

Twenty-three of the 26 respondents (88%) from enduring architects firms provided direct responses to the question 'do you prepare a yearly/ monthly/ project budgets?'.  

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Ten firms (43%) indicated that they do not while 12 firms (52%) indicated that they do. One firm indicated that they do cash-flow projections only (4%).

**DEDUCTION:** Only 56% of responding firms do some form of budgeting or forecasting. It is concerning that as many as 44% of responding firms don't practice budgeting- the most basic form of financial management.

**J3 If so, what do you use as basis?**

**A1L**

We do use a database of how much time it is going to take for certain aspects and that is normally myself and the project [unclear 1.18.13.7] who work out that. Then I just divide my fees over the duration of that contract and that is how much we have got to spend.

Yes. I use the word prognostication which was handed down to me – it is such a big word and it sounds quite impressive. [J3-1](#)

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**A3C**

We do a forecast and also do current monitoring of the incomes and what have you, but as I said we have been very blessed because at the end of the day we have made a huge amount of money, almost every year. [J3-2](#)

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**B4G**

So the budget from last year becomes the base for the budget for next year yes. [J3-1](#)

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**B6G**

We do both; we have got a very good system of how we determine what it is going to cost us. We have developed that whole software, the whole system and then we see what the fee scale is – we often just compare and very often we take the middle row and we say we can make so much profit out of it if we run this thing properly so we can afford to fix our fee on that particular amount of percentage. [J3-3](#)

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**B5C**

No it will definitely be historic; [J3-1](#)

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**C5M**

We are looking more at turnover and the effect of use of the turnover than we are looking at profit. I think profit is almost impossible to achieve as a % in architecture because it is almost impossible to predict how many hours will go into something even though you have a fair idea, it may very quickly change with one or two side swipes from another intervention, neighbors may be involved, the council may slow something down, so I think it is very difficult. I think mainly the turnover specifically and then looking at how to do that effectively as possible. I think it would be very hard to aim at profitability as a % in the company. [J3-4](#)

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**C1G**



No we work totally on a square meter rate and we look at the value of the work and we set a square meter rate beginning of every year. We have got a very definite system again, on marketing we get 10 enquiries, I see three people and I sign one. If that ratio goes up I sign two out of three, fee is too low; if that ratio goes down, I only sign one out of five our fee is too high so we have to keep it steady for a while. It's a simple as that and that is how we do it. The one thing you have to avoid is typically what you see with a lot of builders, that they quote on the one project too low and then they are in trouble; then the next five they quote way too high and then they don't get anything and then they have to quote too low again to get a project to keep it going and that we try to avoid. We try to make sure we are steadily in that line where we want to be, that one out of ten enquiries is signed up but that means you have got a steady pipeline of enquiries otherwise you immediately start dropping your prices to try and stay alive. So you have to do the marketing to do that. [J3-3](#)

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## **D6G**

just an indicative budget based usually on the previous year's [J3-1](#)

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Themes:

- J3-1** Historical (4)
- J3-2** Current income (1)
- J3-3** Income/ cost model (2)
- J3-4** Target turnover (1)

## **ANALYSIS**

Eight of the interviewed 26 enduring architects firms (31%) provided direct responses to the question 'if so, what do you use as basis?'.  
Fifty percent of respondents indicated that they use historical data while a further 25% indicated that they use a income/ cost model. The remaining 25% are split equally between using a targeted turnover and their current income.

## **DEDUCTION**

Those enduring architects' firms that do budget, use a variety of budgeting models.

#### **J4 How regularly do you monitor adherence?**

##### **A5M**

She can forecast, she forecasts for me, I work very closely with her and I have trained her up quite well. So at any point in time or on a weekly basis we go through everything from the bank balance to the accounts that have gone out, the ones that are still to go out and she does the forecasts for me. But she doesn't do it independently of me, I am still involved in that. I know when I need to finish a project if I need to get a fee out. J4-1

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##### **A1L**

It's almost on a monthly basis, it is not deliberately, [unclear 1.19.03.3] but I just see how much time have we spent on this and so on. J4-2

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##### **B4G**

Then we track ourselves monthly and weekly and we meet twice a year to see how we are doing.

No, monthly adherence to the budget and weekly cash flow monitoring, sorry I might have put that badly.

Yes, we are to trial balance every month. J4-2

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##### **B6G**

Absolutely yes, oh yes, it is on spreadsheets, it's very clear, whoever starts running with the project that is the guide and it gets monitored on a monthly basis. It is broken down into the stages, so you can say you have now run out of money for stage one, where are we with it. J4-2

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##### **B5C**

Every month. J4-2

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##### **B3M**

maak my bang. Nee, daar het nog nooit 'n probleem opgekom nie. Ek het 'n rekenmeester of 'n ouditeur altans wat elke jaar my boeke en goed doen en hy adviseer maar so hier en daar, maar hy het nog nooit voorgestel dat ons verander nie.

##### **B3M**

Maar ek sal jou sê, ons sekretaresse in die kantoor, sy is al 30 jaar by ons en sy doen al ons boekwerk. Sy doen die in en uit betalings en sy stuur die rekenings in en uit en ons weet nie eens wat ons uitstuur nie en ons weet nie eens wat ons inkry nie. Aan die einde van die jaar hoor ons of ons gefaal het of gepass het. Dit is werklik so. Ons is nie bewus van ons geldelike sake nie. Nou die dag het ek haar gevra, toe het sy vir my gesê, "Maar kyk mevrou, as ons meer inkry as wat nodig is

vir ons running account, dan sit ek dit op B3M1 se spaar rekening, sodat as julle dit nodig het dan is dit daar". En ons het ook soveel aandele, maar ek, ons weet dit nie eers nie. Sy reel al daardie dinge saam met ons boekhouer.

Doen hy, stel hy vir homself state op, kyk hy na byvoorbeeld kontantvloei?

Nee, hy kyk nie na kontantvloei en state of so nie. [J4-3](#)

Nee, dis Lizelle wat dit doen, en ons rekenmeester. Die ouditeur

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#### **D4S**

Yes. [J4-7](#)

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#### **D3S**

Yes, I do monitor that.

[J4-7](#)

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#### **C5M**

. I think there is a lot of scope however for the planning you know, I mean at the moment we are still to a large extent earning money and hoping it has made a profit rather than saying we are short on target or this project is running into trouble because it is using too much resources that we haven't allowed for. So with working on multiple projects in one firm of course it is very easy to move resources where the loudest cat is meowing at the moment that one gets the milk, and it is not necessarily a good thing. You should say I am not putting more people into that we better have it done in what we have left, that is what we have to make money. So it is a challenge for us. [J4-7](#)

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#### **C6M**

I try and keep about a day a month to do invoices and stuff but sometimes you get busy and things kind of fall by the wayside a bit, but we are always tracking. I have a little spreadsheet where we track what we are earning where; I am aware on a kind of global level where we are and where the issues are in terms of what is coming in, because sometimes we may not earn anything for four months and we need to make sure that we have got a cushion. We are very lucky that we have been able to develop to that point. [J4-2](#)

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#### **D1M**

It is basically our flow of income from projects that I check regularly and we do our income budgets on all the projects on a six monthly basis. [J4-4](#)

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## C4G

We monitor our projects on a project for project basis on profitability so at any point in time, on any given day in fact we can assess project x, we are at 25% of production or whatever it is, and it's cost us x and the anticipated profit at that point is y but it is looking like z, because either you are very efficient or you are very inefficient. So we monitor it very closely, and that doesn't mean that we get it right every time. But we are actually in the process of purchasing a completely new time managing system for all the practices, globally. [J4-6](#)

. We meet as a group 3 times a year, we all get together at least 3 times a year. I have a once a week conference call with my senior guys in Dubai and Lisbon, and we meet once a month in Dubai as the 3 senior guys to assess the business and including my financial director, Pierre Deckers.

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## C1G

Look we have got very definite systems about the amount of time that can be spent on actual design and that gets monitored on a weekly basis, that we know exactly what it is costing us to design anything. The moment it goes over 20% your direct cost on design is over 20% we see red lights, we are heading for a loss on that particular project. So that is very important and end of the year when we do bonuses for the staff those things are brought up; have you completed your projects in time and were we happy with the projects, were they good enough that we were happy with them, that sort of stuff. So there is a definite system for that, we have paid bonuses for 30 years straight out in a line, this is the 31<sup>st</sup> year we will still be paying a bonus but we expect you to perform for it and we are paying fairly top salaries in the industry and not necessarily for all the staff in the industry, but if we find a guy that lasts and is prepared to learn, we nurture him along, we push him, we put the golden handcuffs on, we keep him as simple as that. Then also the whole office, it is run like a business, you do your business hours and the only time they work overtime is when they realize they are in the red, generally we don't encourage

Do you know what your running costs are per day? [J4-1](#)

I know per month so it is easy enough to extrapolate per day – it's about R15k to R18k a day. To give you an idea in 2008 we bought a generator that cost R100k and I calculated by the fourth power shedding we paid for the generator.

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## D6G

we do budget management and see how we are going, monthly and quarterly. [J4-5](#)

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Themes:

[J4-1](#) Weekly (2)

- J4-2 Monthly (5)
- J4-3 Yearly (1)
- J4-4 6 monthly (1)
- J4-5 Monthly and quarterly (1)
- J4-6 4 monthly (1)
- J4-7 Interval not indicated (3)

### **ANALYSIS**

Fourteen of the 26 (54%) enduring architects' firms surveyed provided direct responses to the question 'how regularly do you monitor adherence?'

One firm (7%) per category indicated that they conducted budget monitoring as follows:

- Monthly and quarterly.
- Four-monthly.
- Half-yearly.
- Yearly

Two firms (14%) indicated that they conducted budget monitoring on a weekly basis while five firms (36%) indicated that they do budget monitoring on a monthly basis.

Three respondents (21%) did not specify how regularly they conducted budget monitoring.

### **DEDUCTION**

The responses received indicated that monitoring varies between weekly and yearly. The response from B3M indicates a total disregard for any form of financial management. Likewise, yearly and even half-yearly budget monitoring reflects low levels of understanding of the importance of financial management.

**J5 Do you have monthly statements prepared?**

**A2S**

I do all my own accounts and so forth. We prepare the stuff for bookkeeper who, once every two months goes through my stuff & prepares my papers & does the VAT & so forth. [J5-1](#)

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**A1L**

Yes. [J5-1](#)

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**A3C**

You mentioned that you use an accountant – do they prepare statements for you on a regular basis and if so what is the basis, annually or is it monthly?

**Interviewee:**

Because it is such a small practice we basically do it yearly. [J5-2](#)

**Christo Vosloo:**

So you basically judge how well you are doing by looking at your bank account?

**Interviewee:**

That's right yes and how much I pay the tax man.

Yes they do report to me about the situation like as I said to you before they ask me do you know how much money you made this year, look I think our financial control situation is a bit sort of flexible or variable. The fact of the matter is one has a handle on how much money.. I mean I can tell you exactly how much money we have got invested right now and how much is in the bank balance right now and how many bills we still have to pay. But that's my sort of hands on sort of financial control but it's not sort of crisis management.

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**B1S**

Yes. [J5-1](#)

Yes, we are VAT registered, so every 2 months there are statements.

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**B5C**

Yes. [J5-1](#)

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**B2M**

No. [J5-2](#)

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**B3M**

Nee, hy kyk nie na kontantvloei en state of so nie. [J5-2](#)

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**C2S**

. I don't generate a ream of financial statements, I mean it is my bank statement.

currently I send off my bank statements to my bookkeeper, they get it ready, PAYE and I have domestic staff and I pay PAYE myself [J5-2](#)

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**C3S**

They do a monthly check on everything so that they can compile and annual thing and then it's easy. But all of the internal bookkeeping, I just do myself. Like letters of appointments and invoicing clients and all of that. [J5-1](#)

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**D4S**

My auditor does, yes. [J5-1](#)

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**D3S**

Every month, [J5-1](#)

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**C5M**

Yes [J5-1](#)

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**D1M**

Yes. [J5-1](#)

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**D2M**

.. I have had my business for 25 years and for me a financial statement.. I've probably got a mental block, I don't want to understand it because for me it is a waste of time. I know what goes on in my business and I know when we are making money and I know when the cash flow is not good.

I use my accountant, I don't have somebody in-house, I believe we are too small a company to employ somebody, we used to have a lady accountant working half a day but for me I think it is better value for money to pay my auditor who does the financials for the company, if I need something to ask him to do that. He does all the financials, if I need interim financial statements or management statements I just phone him and ask him and he charges me for that. I think that is more cost effective than to employ somebody in the office. [J5-3](#)

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**C4G**

. So the 4 of us meet once a month in Dubai to assess how the business is performing and we report it back to the guys but they get a monthly report every month, full financials. [J5-1](#)

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**C1G**

Yes, monthly. I want to know every month what came in and what goes out, and whether we are making provision for this time of the year when you pay full salaries and half a month's work. [J5-1](#)

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Themes:

[J5-1](#) We do (11)

[J5-2](#) We don't (4)

[J5-3](#) When needed (1)

**ANALYSIS**

Sixteen of the 26 (62%) enduring architects firms directly responded to the question 'do you have monthly statements prepared?'.  
Eleven of the sixteen respondents (69%) indicated that they do while four (25%) indicated that they did not have monthly financial statements prepared. One firm (6%) indicated that they only have statements prepared when needed.

**DEDUCTION**

The majority (69%) of responding enduring architects' firms have monthly financial statements prepared.



**J6 Do you apply the normal tests to monitor costs and profitability?**

**A5M**

Yes I get feedback from my accountant

Yes. We have all those systems, timesheets and whatever. [J6-1](#)

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**A1L**

Yes look she will do that and then we have a consultant firm of accountants that come in and review them and report to us, so they would do that for us. I don't want to sit there and pour over asset numbers. [J6-1](#)

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**A3C**

Because it is such a small practice we basically do it yearly [J6-1](#)

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**B1S**

No.

Not that I'm aware of. You don't worry too much about that. I think in a bigger company you have to worry about that. You have loads of staff that need to be paid, you know, salary bills percentages are really high, so I haven't found that I've needed that. [J6-2](#)

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**B4G**

Absolutely. [J6-1](#)

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**B5C**

Our books are available every month, 100%, we know exactly where we are. [J6-1](#)

we always say to our staff here your hourly rate, your nett hourly rate which is calculated working back your annual salary, multiply that by 2.5 and the message is you only break even then. Anything above that is profit; and we always work to the 2.5 figure. We've brought it down, you can measure it actually, that is quite easy to measure, we have brought it down to under 2 but that doesn't happen very often. That is mostly when you've got a big job and the whole office is working on that and then you can easily monitor that and work it well, when the fees are big, but 2.5 times what you earn nett per hour is break even and the rest is profit. That figure has always worked very well for us; maybe it's archaic I don't know.

Yes.

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**B2M**

Yes. [J6-1](#)

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**D4S**

My auditor does that, we sit bi-monthly and look at it, yes. [J6-1](#)

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**C5M**

No, no. [J6-2](#)

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**D1M**

Yes I am hands on, with internet banking it is so much easier so I am really virtually on a daily basis hands on. [J6-1](#)

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**C1G**

Yes I know that all the time; they actually don't need to show me that I know where I am at that point. [J6-1](#)

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Themes:

[J6-1](#) We do (9)

[J6-2](#) We don't (2)

**ANALYSIS**

Eleven of the 26 surveyed enduring architects' firms provided direct responses to the question 'do you apply the normal tests to monitor costs and profitability?'. Nine respondents (82%) indicated that they did while two respondents (18%) indicated that they did not.

**DEDUCTIONS**

Most of the respondents to the question indicated that they do perform ratio analysis to gauge the firm's profitability, liquidity, etc.

**J7 Do you use outside auditors?**

**A6S**

I do it with my wife J7-1

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**A5M**

Yes. J7-1

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**B5C**

Absolutely.

Yes. J7-1

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**B2M**

Yes, we have got very good auditors; so as the sole proprietor I don't really have to be audited but the bank always wants the balance sheets, but as the PTY Ltd and being a BEE one it has to be completely audited, signed off, SARS don't give you a tax clearance certificate without it. So it is very well audited.

Yes I try to but it's quite difficult because it often relates to the performance of the contractor on site; so I had projected that we would get X for this one project, J7-1

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**C3S**

Auditors. (Yes) J7-1

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**D3S**

Yes I do. J7-1

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**C5M**

Yes I do use an accountant and we use auditors, so we do have those meetings month to month and year to year. J7-1

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**C6M**

Yes J7-1

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**B1M**

Yes, auditors, yes. J7-1

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Themes:

J7-1 We do

**ANALYSIS**

All nine (100%) of the 26 (34.6%) enduring architects firms surveyed who provided direct responses to the question 'do you use outside auditors?' responded in the affirmative.

Question E1 found that 54% of the firms surveyed have adopted a style of practice that requires the use of external Auditors or accountants.

**DEDUCTION**

At least 54% but possibly as many as 100% of the surveyed enduring architects firms use external auditors.

**J8 Do you actively manage your cash-flow?**

**A6S**

Actively manage cash flow?

Invoice clients on monthly basis?

A6S:

I sent out account every month. And that would be percentage that's been quoted and accepted. Not had a case that client argued about it. And the job is 15% complete then 15% of your total fee payable.

Christo Vosloo:

Do you have a problem with outstanding invoices?

A6S:

Yes this happened. Very common to use. You do work, sent account it does not get paid, you just get on, sent another account. I've been caught. You issue your pay certificates quite regularly. [J8-2](#)

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**A4M**

Now I'm looking at cash flow I am looking at the whole management angle and how to give your best structure for the invoicing system

Every single cost I get is recorded, more from a personal point of view than a practice point of view I don't cost in print I just have a figure, in my fee proposal which says: some much for the drawings and the dissepiments depend they are 5-10% of the project, I tell them that I recon this job is probably 100 prints and I work that out as a percent of the fee but generally my fee scale and the discernment scale are on an annual cycle which is updated annually by negotiations [J8-1](#)

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**A5M**

I don't, my financial manager does; but it is a weekly thing for [J8-1](#)

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**A1L**

I [\[unclear 1.20.45.0\]](#) cash flow, the reason being if a fee is too big it's hard to pay. I would rather submit more smaller invoices and I separate my disbursements from my main fee because the disbursements are the ones that [\[unclear 1.21.00.7\]](#) and I try and do it by cash flow. Then I start the cash flow and as per cash flow, there is no calculating they just pay pay but the big thing is not to have too big a fee. [J8-1](#)

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**A3C**

Yes in terms of our cash flow, if you are working for the KwaZulu government you can forget about cash flow. We are actually still waiting for fees on work which we finished four years ago, you know that is just constant sort of fighting and letters and sitting down having discussions to try and get the money out of these guys. Other than that what I do is obviously when the job is secure then we go on a stage basis and I don't actually bill monthly I basically bill according to the amount of work I have done, clearly in terms of the different stages as per the fee agreement. [J8-1](#)

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### **B7S**

I used to when I started. When I started the practice I was terrified and I did those cash flow projections like I used to do for XXXX and watch where the income is coming, particularly I had 16 people here and I had to pay the salaries of 16 people. I used to do cash flows regularly and monitor it minutely, but once I got rid of the 16 people I didn't have to do it anymore because there was always more money and I was amazed how much money you can earn with one assistant, without a big infrastructure, how my profit went like that. So I was working to capacity, that's what we always do, we work to capacity; but very few of us work to capacity. [J8-2](#)

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### **B1S**

Yes. [J8-1](#)

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### **B4G**

. We have a financial allocation which is in our savings account. So we run our business on a cash flow basis and we meet once a week to manage that and to make sure that we are always cash-positive.

Cash flow, especially if you are working in parastatal or where government departments have to set budgets and your cash flow is dependent on that and they get it wrong – happens a lot. That is a huge risk and you have got to get your fee accounts out and you have got to make sure that your work stages that you drive your programs. So you have got to work at a speed that generates cash flow to keep your staff paid. [J8-1](#)

It is work stage based unless you have a structured monthly cash flow

Yes we do and that's all agreed with the client; so there's a letter of appointment, a [\[unclear 1.08.13.9\]](#) cash flow and a fee; irrespective of whether it's a straight line cash flow or a work stage cash flow.

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### **B6G**

Yes, yes, cash flow projections, yes. [J8-1](#)

Absolutely, yes, it all runs like a clock, yes. That's our finance department, we have got four people in our finance department and invoices go out by certain.. we have cash flow meetings every Friday to track how it's working. Cash flow is king; it is a serious business.

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**B5C**

Yes, extremely. [J8-1](#)

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**B2M**

Yes, I think it is very important. [J8-1](#)

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**C2S**

Cash flow I obviously negotiate the fee, I produce the work and I [\[unclear 41.34.9\]](#) collect the fee. I don't have accounts apart from with the Council, there I have two 14 day accounts but I don't have bad debt, I don't carry anybody [J8-2](#)

Yes, yes.

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**C3S**

No you can't, in architects you can't do that because you don't know when you are getting anything in or out. [J8-2](#)

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**C5M**

Do you manage your cash flow in any way? [J8-2](#)

C5M:

The cash flow is not that difficult to manage because that is really fixed costs per month for certain things like rental and copiers and phones and so on; and then the rest is the large component of architecture is clearly staff costs.

But because those cost more and must be paid on a monthly basis do you for instance make allowance with your clients that they pay you on a monthly basis?

C5M:

Oh yes.

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**D4S**

Yes [J8-1](#)

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**D3S**

but to me cash flow is the most important issue.

Yes I do. Very vigorously because that is where you stumble or fall and I've learned the hard way a couple of times in my life as it goes, the moment you run out of money, you can have the best project ever but if they haven't paid yet it's not going to help you much. You have to find cash flow to make sure, so I keep a tab on my cash flow and in that sense I've made my practice very predictable. I don't have unexpected expenses [J8-1](#)

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### **C6M**

It depends on what job it is, sometimes monthly, and we like on bigger jobs to develop a cash flow that we say rather than get R1 million in one chunk and then you have got nothing for six months, we would prefer sometimes to split that over, especially if a project is over two years or something, to try and even out a cash flow even though there may be chunks of money. That works better for us, we prefer that. Sometimes we will do the whole job and then only get paid at the end, sometimes it is on progress on the work stages, 50%, we've done 20%, something like that and then on a monthly basis. It depends on how big the job is, if we are going to get paid R30k for a job then it may well be that we wait until the end of the project so long as we know the client; some clients we would like a deposit from. [J8-1](#)

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### **C4G**

How actively do you manage your cash flow?

Daily. [J8-1](#)

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### **C1G**

Cash flow I don't have a problem with, we are sitting with a reasonable amount on call accounts and [\[unclear 50.45.4\]](#) accounts and so forth that I can arrange a withdrawal. [J8-2](#)

We base our invoices on a project stage basis but that is why we have got our timesheets that we make sure the project is not dragging so that the money comes in on time. So by keeping an eye on that I know the money comes in on time so that we don't ever have a problem.

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### **C5G**

He would prepare a billing forecast, normally around August, that is when architects need to start panicking. We always pay bonuses and we like to pay bonuses to ourselves as well at the end of the year and clients don't like paying January and February that is when from a financial forecast we go and sit down and we plan billings and identify if there might be any potential short falls for those next 6 months when many architects won't make it. You know you may have a lot of money in your bank [J8-1](#)



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**C6G**

Yes, extremely important because as I said cash flow management, debtors and creditors and all those are extremely good and important, if your financial management and cash flow is gone you have got no firm. You need working cash flow management J8-1

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Themes:

J8-1 Yes we do (15)

J8-2 No we don't (6)

**ANALYSIS**

Twenty one of the 26 (80,7%) enduring architects' firms surveyed provided a direct response to the question 'do you actively manage your cash-flow?'

Fifteen of the respondents (71%) indicated that they actively managed their cash-flow while the remaining 29% indicated that they did not do so actively.

**DEDUCTION**

The majority (71%) of responding architects firms believe cash-flow must be managed actively and does so.

**J9      How regularly do you invoice clients?**

**A6S**

I sent out account every month. [J9-1](#)

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**A2S**

I invoice them at the end of a work stage, how do you estimate what you have done that month & if you do it on a stage thing? [J9-2](#)

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**A4M**

I'm very tactical about when I invoice. I wouldn't want to be invoicing and having a fight with a client. I make sure I invoice at appropriate times (when everyone is happy and the projects are going well). That is one of the most crucial things in a business you don't over charge and you don't over charge. If you need the money from the client, and depending on the situation if you can avoid it because you have money coming in elsewhere leave it until he is happy again. [J9-3](#)

Monthly because otherwise you sit with half a mil.

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**A5M**

It doesn't always work like that; all clients have got different ways and times and conditions in terms of when you bill them and how long they are going to pay you and whatever. I think I just have a good feel and Nareesha also has a good feel of when we think we need to invoice out. I generally invoice out if I know that I need money to come in and you learn to manage your cash flow between financial years like that. You don't make too much of a profit in one year and you rather roll your fees over to the next one, you learn those sort of tricks along the way; but it is not in any structured way. [J9-3](#)

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**A1L**

Yes well I actually because I know where every project is I do the fees every month

Then I get them to take it forward, so I monitor the progress on that. [J9-1](#)

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**B7S**

Haha!! Maybe once a year when I get down to it. I have got hundreds of thousands of accounts at the moment that I just can't get down to doing the blady account. I invoice them usually when a project is well under way, it's just stupid, it's stupid. So my invoicing is stupid because I am not concentrating on it. Once the project is on site and you are getting regular certificates then you always pair your invoice to the certificate, so once the job is running your cash flow works out

automatically because every month [unclear 1.42.07.5] and we pair the certificate to that. But between that and the job running my account system is dismal. [J9-4](#)

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### **B1S**

I do spend a lot of time on that because it is important that I can keep in practice and pay staff so I do spend a lot of time on that.

Absolutely.

Not always. I have an agreement with the clients in our letter of appointment that says that I will work monthly because it's better for them, because then they know what to expect. So generally I will take the overall fee and I will say right, we are going to expect about 12 months of working together, I will charge you x per month. It doesn't always work like that, some are stage based, but generally I like to send a monthly, just for cash flow. It makes a big difference. [J9-1](#)

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### **B4G**

, if it's a structured monthly cash flow then that is determined by the life of the project and that's easy. Then they are expecting it, it gets consolidated in a project cost control sheet by the quantity surveyor and the client pays [J9-1](#)

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### **B6G**

Yes. [J9-1](#)

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### **B5C**

Monthly; but we do space that out a bit because we can see where we are going and then we know sometimes you hold back on accounts and sometimes not – you need to plan that very properly; so say you have a million Rand account and you had a very good year then you would really try and get that thing into the next book year, I mean that is just simple common sense. [J9-1](#)

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### **B2M**

Yes, especially if things are on site, and we at the moment have 3 projects, 4, things on site, so that system just works better. (every third month) [J9-5](#)

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### **B3M**

Stuur hulle rekening op 'n maandelikse basis uit?

B3M

Ja. [J9-1](#)

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## **C2S**

No. I invoice my clients on delivery but I used to when we were doing massive projects, especially on the 5<sup>th</sup> work stage on the project administration side, that was the only one we really.. but the rest we invoiced on delivery. Currently we just invoice on completion, if I complete this stage I invoice. If I complete that stage I invoice. It is not a monthly thing, I invoice on completion. [J9-2](#)

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## **C3S**

No, as the projects runs.

Yes. At the end of stage 1, 2 and 3 together, which is the sketch plan, and stage 4 would be at 75% completion of the drawings and 25% on the balance of the working drawings when that is done and then supervision as you do your certificates. But even that is too much bookkeeping so you wait and you do sort 1, 2, 3, otherwise I will sit and work on that forever. [J9-3](#)

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## **D4S**

Monthly. [J9-1](#)

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## **C5M**

where we explicitly make that a monthly rate, but the other ones its more still on a project stage delivery than it is monthly and our projects are typically not that enormous in size; I can imagine if I had to do a R150 million building and the design would take me 8 months then I would want some sort of payment before I have reached some design stage, is that what you are referring to? [J9-4](#)

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## **C6M**

It depends on what job it is, sometimes monthly, and we like on bigger jobs to develop a cash flow that we say rather than get R1 million in one chunk and then you have got nothing for six months, we would prefer sometimes to split that over, especially if a project is over two years or something, to try and even out a cash flow even though there may be chunks of money. That works better for us, we prefer that. Sometimes we will do the whole job and then only get paid at the end, sometimes it is on progress on the work stages, 50%, we've done 20%, something like that and then on a monthly basis. It depends on how big the job is, if we are going to get paid R30k for a job then it may well be that we wait until the end of the project so long as we know the client; some clients we would like a deposit from. [J9-4](#)

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## **D1M**

Yes, with all of our clients what we do is when we do our letter of appointments we advise them that it is actually to their benefit that we spread our fees over the project period. We work actually to the normal one, the new fee scale is actually too high, there is something wrong there. [J9-1](#)

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**D2M**

Yes; I am very disciplined as far as that is concerned. I invoice monthly and I keep our cash flow on track. I try to avoid running the company on an overdraft and we have been very successful in doing that, or I know that for the work that is under production in the office [J9-1](#)

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**C4G**

And do you invoice clients on a monthly basis?

Yes. [J9-1](#)

projects that are milestone based, but what we do with them then is, and if they are absolutely out of the squirt of their mouths done base thing, we say fine, we will look at it and we need say 60% of it just to keep the cash flow good to say to the client, ok fine, take 40% and put it on the milestone, so you know we will come back for that, and spread the 60% over the 6 months. And most clients are pretty reasonable about that,

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**D5G**

. I think quite often architects bill too late. You need to look at it on a month to month basis, rather than to think that you will get paid when you've completed phase 3 of this project so you don't have to worry about that. [J9-3](#)

No, not necessarily but in the pool of projects that we have we try and make sure that we have monthly invoices that goes out but not necessarily every month on a client. There is one client where the projects are not that defined but we've been doing work on a long term basis for him, so for him we said we have been doing work for 6 months now and we know that they are going to become a reality but we've invested and now it's your time to invest so we are going to bill you R150 000 per month and he says no, R120 000 and we said ok, so we billed him R120 000 per month. So we have the odd client that

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**D6G**

Absolutely. Most clients today in the commercial world prefer a fixed fee paid over a certain amount of months over the building period. They normally would only pay you when they get their first draw because no developer builds a R500 million with cash, [J9-1](#)

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Themes:

- J9-1 Monthly (12)
- J9-2 At the end of a work stage (2)
- J9-3 When I think the time is opportune (4)
- J9-4 It varies (3)
- J9-5 Every third month (1)

### **ANALYSIS**

Twenty-two of the 26 (84,6%) of the enduring architects' firms surveyed which responded with a direct answer to the question 'how regularly do you invoice clients?'

Fifty-four point five percent of respondents indicated that they invoice clients on a monthly basis compared to the nine percent who indicated that they sent out invoices upon completion of a work stage.

Of the remaining respondents,

- One firm (four point five percent) invoice clients on a three monthly basis,
- Three firms (13,6%) indicated that it depends on factors such as how far the project has been completed.
- Four firms send out invoices when they regard it as 'strategically appropriate'.

### **DEDUCTION**

Considering the impact of invoicing on cash-flow it is concerning that only 54% of firms invoice on a monthly basis.

**J10 How regularly do you follow-up on outstanding invoices?**

**A1L**

Yes if you leave an invoice for too long it festers so if it is not paid by month then knock knock knock [unclear 1.22.28.5] otherwise it becomes out of reality of what they are paying for. All this attitude I was involved at schools when my kids where part of the chamber of governing bodies and things like that and athletic school fees has taught me a few things and that is the thing about not allowing accumulation of your fees, if your bad debt gets too high then it never gets paid and you battle with it. [J10-1](#)

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**A3C**

Yes in terms of our cash flow, if you are working for the KwaZulu government you can forget about cash flow. We are actually still waiting for fees on work which we finished four years ago, you know that is just constant sort of fighting and letters and sitting down having discussions to try and get the money out of these guys. Other than that what I do is obviously when the job is secure then we go on a stage basis and I don't actually bill monthly I basically bill according to the amount of work I have done, clearly in terms of the different stages as per the fee agreement.

Yes we are very fortunate in that most of the private sector clients pay literally within a day it's just the government who have actually taken a long time to pay, you know the typical 18 months for them is kind of prompt payment and as I say now we are battling with an account that has been outstanding for 4 years but that is ongoing battles, fighting, letters with senior people in the Department of Works and that sort of thing, it is just unethical but that is just the name of the game I'm afraid South Africa has simply devolved into that kind of approach to business. [J10-3](#)

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**B1S**

Absolutely. I'm a bulldog. [J10-3](#)

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**B4G**

After 30 days and then we try the personal approach. [J10-1](#)

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**B5C**

Extremely regularly; we are non-negotiable. If somebody has got an outstanding account and we see that it is going nowhere we would immediately stop; not dig deeper, no. [J10-3](#)

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**B2M**

I try every two weeks, you have to otherwise you can just lose the plot, because if they lost your invoice then you have got to redo the invoice, get to them and make sure it is in their system.

### **J10-2**

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Themes:

**J10-1** Monthly (2)

**J10-2** Two-weekly (1)

**J10-3** Regularly (interval not specified) (3)

### **ANALYSIS**

Only six of the 26 (23%) enduring architects firms directly responded to the question 'how regularly do you follow-up on outstanding invoices?'.  
Responses received reveal that:

- One firm (17%) follows-up after two weeks.
- Two firms (33%) follow-up after a month.
- Three firms (50%) follow-up 'regularly'

### **DEDUCTION**

Half of the respondents don't seem to have a set follow-up policy.



**J11 On average, how long do you have to wait before receiving payment?**

**A5M**

Government departments now are quite good with paying fees, it's just to get them to sign it because generally they want to show cash flow a lot of the time because it is good for them, it shows that they are doing work and stuff. I do work for Eskom, Eskom will pay me like two or three weeks on the date they will pay me my fees; public works, three to four week's maybe. So you get to know systems and then you know when to issue an invoice and plan when that money is going to come in.

**J11-1**

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**A3C**

Yes we are very fortunate in that most of the private sector clients pay literally within a day it's just the government who have actually taken a long time to pay, you know the typical 18 months for them is kind of prompt payment and as I say now we are battling with an account that has been outstanding for 4 years but that is ongoing battles, fighting, letters with senior people in the Department of Works and that sort of thing, it is just unethical but that is just the name of the game I'm afraid South Africa has simply devolved into that kind of approach to business. I am digressing but there was a chap who was.. are you worried about time? **J11-2**

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**B1S**

. I make sure that accounts go out monthly at a certain date and I make sure they get paid by a certain time. So there is a lot of follow up and the accounts are regular and yes. I probably spend like 40% of my time on that.

I tell the clients they've got 7 days to pay and that's what I expect and it's upfront, so I haven't had major problems. **J11-2**

Government, take at least a month to pay; I know it, so I plan for that. But then the projects are consistent and they are generally relatively bigger than what I would get in the private sector, so I can afford to wait a little bit for that. But I do also follow up with them. But I expect about a month.

---

**B7S**

Sometimes 6 hours, sometimes 10 days.

**Christo Vosloo:**

But not months? **J11-1**

**B7S:**

No, only one case where there was a factory, we waited a year for the account needless to say I had written him off as a human being by that time.

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**B5C**

30 days. [J11-1](#)

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**C3S**

Well, it's the weirdest thing, now that you are online, you get paid immediately. In the old days, the check was always in the mail and it could take 3 months before you get it.

No, never. [J11-3](#)

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**C5M**

30 days – [\[NO 1.16.20.2\]](#) it is very clearly on receipt, our invoices state that they are payable on receipt or issue. We do not however apply the percentages that we should on outstanding amounts. Yes, yes. There is particularly a trend at the moment that the market has discovered the value of emotional unhappiness as a way of engineering the architect's fees. Constant. I see it on almost every second project now, oh at the end of the project there is an unhappiness for financial gain, it is a very clear strategy by the market to reduce the fees of the architect and it is just too obvious a common strategy now to not be looked at. [J11-1](#)

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**C6M**

Well specifically corporate or those type of clients they have specific terms, it is usually two to three weeks.

Mostly, yes, mostly. [J11-1](#)

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**D6G**

. So that borrowed money only comes into play when his money is paid up, so normally you battle to get your first two or three payments and then it starts and then you get a monthly payment. But most clients give you a fixed fee over a certain period of months and you bill them every month. [J11-1](#)

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**Themes:**

[J11-1](#) Within 30 days (6)

[J11-2](#) Within 7 days-government excluded (2)

[J11-3](#) Within 7 days (1)

## **ANALYSIS**

Only nine respondents from the 26 (34,6%) enduring architects' firms questioned responded to the question 'on average, how long do you have to wait before receiving payment?'.

The responses received can be summarised as follows:

- Six of these firms (67%) indicated that they get paid within 30 days.
- Two of these firms (22%) indicated that they get paid within seven days unless the government is the debtor.
- One of these firms (11%) indicated that they get paid within seven days.

## **DEDUCTION**

While some respondents cited government payments that has been outstanding for up to four years, the fact that other clients pay within seven, or in some cases even 30 days is commendable.

**J12 Is non-payment a major problem?**

**A6S**

Cannot recall problem with financial side.

Yes this happened. Very common to use. You do work, sent account it does not get paid, you just get on, sent another account. I've been caught. [J12-1](#)

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**A2S**

My clients have almost without exception been absolutely wonderful. I have had one client who sent me in without litigation & went to arbitration. [J12-1](#)

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**A5M**

No it's not a problem, I just don't get involved in stuff, I can't afford to get involved with clients where I am working at risk. I have just never been the sort of person who is willing to take on that level of risk. [J12-2](#)

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**A1L**

No my team will chase it. [J12-2](#)

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**B7S**

, I have never had a problem getting my accounts paid.

Never had that problem, never ever had that problem.

Sometimes 6 hours, sometimes 10 days. [J12-2](#)

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**B1S**

Absolutely. They are to any small business. [J12-1](#)

Yes, but not often and more in the private sector, than the government. The government pays eventually, unless you don't perform. Whereas in the private sector people might not pay for many emotional or other reasons but the government does pay their bills.

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**B4G [J12-2](#)**

We have almost no bad debt, that's not to say that we don't have a struggle, but you have to manage that struggle to get the money in and that's what we do weekly and we help each other.

We haven't had a bad debt, I can't remember how long, we currently have some but they are not yet declared bad debts, they are just accounts unpaid I think would be the right way of putting it, and we just have to get them paid. Sometimes it takes a long time, sometimes it takes a year, but not very often.

---

**B6G**

Yes, I think it is a universal thing, not as bad as many many years ago because our client profile has become a lot more stable I would say, public companies mainly; but you do get the odd cowboy here and there. I think the worst we find is Africa and getting money out of those countries for the work that you have done

Yes. [J12-1](#)

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**B5C**

No, no. [J12-2](#)

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**B2M**

That is also why we don't do private work because we have found that a lot of private clients don't pay. So when you have a funder or a government agency you know you have got a project of R5 million and your fee is whatever your fee is that you have agreed and you can bank on it. But we do a lot of work for free which is a major problem; we do a lot of teaching, a lot of work with international universities, building buildings for communities where we don't get paid a cent. So then we land up doing not such nice work that carries the work that we really want to do. So it is a very unique.. I don't think there are many practices that function in the way that we function.

We are extremely lucky that we have very few people who don't pay us; I mean they will pay us eventually [J12-2](#)

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**C2S**

Yes, I think that is why I have never had bad debt; well I can't say never, just that once, I won't tell you how we did get the money eventually, it is not something I am proud of. Strong arm tactics.

[J12-1](#)

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**C3S**

Do you have a problem with clients not paying? [J12-2](#)

C3S

No, never. I think it hedges around good communication, your letter of appointment that the client knowing exactly what the cost will be and then there is no argument.

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**D4S**

I suppose I've never had outstanding invoices. [J12-1](#)

I've had two experiences and those were friends.

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### **C5M**

A big problem, it is becoming more and more of a problem over the years. [J12-3](#)

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### **C6M**

That is one of the reasons why we don't like doing domestic work because those are the clients that are problematic in payment because it is large sums of money, and then they always find excuses to why they think you haven't done the work properly and then they don't pay you and there is very little recourse. [J12-2](#)

#### **Christo Vosloo:**

When people don't pay what follow up procedures do you have, do you send them lawyers' letters or do you simply phone them?

### **C6M**

No it is a very difficult one, I have sent a very large person after somebody once and got the money.

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### **D1M**

Yes, it does happen. [J12-1](#)

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### **D2M**

We do but very rarely. [J12-1](#)

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### **C4G**

Yes. Yes, here is the risk of working in the Middle East, is that you can have a Debtors [unclear 1.12.40.6] that really makes your eyes water and so that is why we manage it on a daily basis.

If we have a delinquent client, we will hand them over. We will take legal action, but we don't do it lightly we sit around a table and discuss the chances of getting cash from the client and what have we done with this and then hand them over. And funny enough, you sometimes have to hand them over to get the money, and then the guys will almost sort of make a joke out of it, sort of saying they were wondering when we were going to hand them over. [J12-1](#)

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#### **Themes:**

- [J12-1](#) It has happened (9)
- [J12-2](#) It is not a problem (8)
- [J12-3](#) It is a big problem (1)

## **ANALYSIS**

Eighteen of the 26 (69%) enduring architects' firms provided a direct response to the question 'is non-payment a major problem?'.

Responses received follow the following themes:

- Fifty percent (nine firms) indicate that they have experienced this.
- Forty-four percent (eight firms) indicate that it is not a problem.
- Six percent (one firm) indicates that it is a major problem.

## **DEDUCTION**

Fifty-six percent of firms have experienced or are concerned about non-payment but 44% of responding firms do not regard it as a major problem.

**J13 What measures do you use to ensure payment?**

**A6S**

Over my long career taken for a ride, did allot of work, and then project was cancelled. My early days substantial days, allot of work, go to lawyers to get paid. It's not nice. Its awe full. Lawyers' fees. I had to go to court. And then we finally appear judge will say waste of time.

J13-1

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**A1L**

I've got only one that is outstanding and I might have to do that yes. You see what I also do is I have xxx as the Financial Director and [name 1.23.34.3], [name] does follow ups. Then if they get a call from xxx they know it is serious, if they get a call from me they know I carry a bazooka, so I don't get involved in that it is a very very deliberate process J13-2

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**B7S**

If they don't want to pay I just simply say f\*\*\* off, I've done that enough. When we were doing the XXXX restaurants, they had about a R20k account and said just take it and get stuffed and go away, I don't want to see you again. Take your R20k put it in your pocket and bugger off. I don't want to work with [unclear 1.42.51.7], it was worth R20k to say that, just f\*\*\* off. J13-5

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**B5C**

Yes but that's when we've given up, but that doesn't happen so often.

We've got a bit of an innovative accounting system where we would send proforma invoices to clients to send this is what is going to come, you don't have to pay this but you are going to pay this, are you happy or unhappy, do you agree – that works well. J13-3

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**C2S**

I have been under paid, it happened once that someone struggled to pay and we ended up having to settle, but my father taught me that, you discuss money in the honeymoon stage, you don't wait.. the account should never be a surprise to your client because that is when you get resistance. If someone looks dicey I have asked for a deposit in the past. I have also, not refused to give plans, but I told the guy your plans are ready when you come bring proof of payment, I don't know if I have the weight advantage or what but I don't have people that don't pay. It's a small town. J13-4

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**D3S**

By just blindly sending him an invoice the day that you were suppose to send him one, is not clever. You use all sorts of mechanisms to prepare him in some way depending on the circumstances, that



in a week's time there is going to be a substantial amount of money to be paid and it is due on rendering of the account, not 30 days, because you've got your 30 days 90 days ago. [J13-3](#)

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### **C5M**

I have sued several clients successfully for fees, and as I have become older I have become more and more assured of the fact that I have earned my money and that I should be paid. That is the same as any contract, I have a contract in place, the service has been exchanged and the money should be exchanged. [J13-1](#)

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### **D2M**

Fortunately with most of our clients we don't need to follow up, they have a set date on which payment goes through. [J13-2](#)

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### **D1M**

Are there any measures that you use to ensure payment; we spoke about deposits, do you require payment guarantees?

**D1M:** [J13-6](#)

We have got a letter of appointment where there is an agreement and we have got a situation now at this very moment which has actually gone to my PI insurance, we are waiting on an outcome for a client that we had serious problems with, with a change of attitude, we don't know what happened in the process.

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### **C1G**

Okay so you actually charge a deposit of 33.3%; that is quite a substantial deposit. Well that is another way of sorting out your cash flow. Have you ever clients who refuse to pay it?

**C1G:** [J13-4](#)

If they don't want to pay it he can go somewhere else, one of the other architects in the country.

Christo Vosloo:

Yes, but I mean people who after you have done a lot of work don't pay you..

**C1G:**

I don't do a lot of work if I haven't been paid before that, as simple as that.

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### **C4G**

We will take legal action, but we don't do it lightly we sit around a table and discuss the chances of getting cash from the client and what have we done with this and then hand them over. And funny enough, you sometimes have to hand them over to get the money, and then the guys will almost

sort of make a joke out of it, sort of saying they were wondering when we were going to hand them over. **J13-1**

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Themes:

- J13-1** Hand clients over to lawyers and then litigation. (3)
- J13-2** In-house follow-up. (2)
- J13-3** Send pro-forma invoice before the actual invoice so clients have advance warning.(2)
- J13-4** Charge a deposit. (2)
- J13-5** I walk away. (1)
- J13-6** Clause in letter of appointment (1)

**ANALYSIS**

Eleven of the 26 (42%) respondents from enduring architects' firms provided direct responses to the question 'what measures do you use to ensure payment?'. Their responses were as follows:

- Three firms (27%) indicated that they hand the **client over to their attorneys** with the view of eventual litigation.
- Two firms (18%) indicated that they use in-**house follow-up by** various members of staff.
- Two firms (18%) indicated that they **give clients advance** notice of impending invoices.
- Two firms (18%) indicated that **they charge a deposit.**
- One firm (9%) indicated that they **'walk-away'**.
- One firm (9%) indicated that they include a **clause in their appointment** agreement.

**DEDUCTION**

When the varying mechanisms are aggregated it becomes clear that firms deal with non-payment in three distinct ways namely:

- Being reactive (45%) by following-up once non-payment becomes problematic.
- Being pro-active (45%) by taking steps that aims to prevent non-payment .
- Walking away.

The first two (or all three) mechanisms can be used in tandem: All service provider contracts should include clauses that clearly stipulate payment terms and the actions that will result from non-payment. Should non-payment occur, follow-up steps, including dispute resolution

mechanisms, stipulated in the service provider agreement should follow. If so preferred, one can decide to 'walk-away' at any time during the follow-up process.

**J14 How did your financial management style contribute to your firm's enduring?**

**A2S**

I think that in any office you need to plan for the bad times. I have never had to make somebody redundant [J14-1](#)

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**A1L**

Yes, yes, cash is king. [J14-2](#)

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**C5M**

I think it is vital, I am not saying that we are doing, I am afraid it is one of my shortcomings not understanding the budgeting and the pre-budgeting, but it is very important, yes – and simple rules; I mean one of the things I discovered much too late in my life is to make sure that you have [\[unclear 1.09.39.3\]](#) resources available, otherwise you are living under constant month to month hour to hour pressure. So unless you build up those things, and when you start building them up you can see quickly that clients are going to rob you of that at the end of the project and you don't take them on. So I think financial management is important. [J14-3](#)

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**C4G [J14-4](#)**

Yes, you have to, the simple answer is you have to. If you are going to get beyond a certain size, otherwise you will have to have a very close relationship with an auditor or somebody like that and we did have that when we were xxxxxx We had a great relation with a small practice who really looked after us, but the minute we grew out, we realized that we have to have a financial director.

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Themes:

[J14-1](#) Planning ahead prevented job-losses

[J14-2](#) Staying out of debt

[J14-3](#) Building-up resources

[J14-4](#) Financial professional guidance

**ANALYSIS**

While only four of the 26 (15%) enduring architects' firms interviewed provided useful direct responses to the question 'how did your financial management style contribute to your firm's enduring?' the responses provide valuable pointers which all architects should take note of.

The responses (one per firm- 25%) are:

- Planning ahead allowed us to endure.
- Staying out of debt allowed us to endure.

- Building-up resources (reserves) helped us to endure.
- Seeking and following advice from financial professionals allowed us to endure.

### **DEDUCTION**

Thorough financial planning and management are of critical importance for the survival of architects' firms.

## **K:TOPIC: OPERATIONS MANAGEMENT**

The first question asked 'how are your operations (design and production of drawings) managed?' (refer to K1 in Addendum C).

Seventeen of the 26 enduring architects' firms interviewed (65%) provided direct responses to this question. Fourteen of the firms (82%) indicated that their operations are organised on the basis of projects. Only two firms (12%) indicated that their operations are based on work stage while a further one firm (6%) indicated that they use both.

Thus it was established that eighty-eight percent of respondents operate on a project basis.

The second question asked 'do you operate on the basis of work-teams?' (refer to K2 in Addendum C). Only 10 of the 26 (38,5%) enduring architects' firms interviewed provided a direct response to this question. While the response rate was on the low side, all respondents unanimously indicated that they operate on the basis of work-teams.

The third question asked 'do you plan and manage your operations using 'management by objectives' principles?' (refer to K3 in Addendum C). Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to this question. Fourteen of the firms (70%) indicated that they do set target objectives as a way of managing progress on projects. However, five firms (25%) indicated that they don't apply this principle while one firm (5%) indicated they sometimes do. Thus it was established that seventy-five percent of respondents use target dates as a mechanism to manage progress and the meeting of deadlines.

The fourth question asked 'how tightly are these schedules enforced?' (refer to K4 in Addendum C). Nine of the 26 enduring architects' firms interviewed (34,6%) provided direct responses to this question. Six of the firms (66,7%) indicated that they enforce the targets tightly while three firms (33,4%) indicated that they don't enforce these targets tightly.

The fifth question asked 'how do you allow for the fact that design inspiration cannot be time managed?' (refer to K5 in Addendum C). Eleven of the 26 enduring architects' firms interviewed (42%) provided direct responses to this question. Seven firms (64%) indicated that, because time is limited, they keep on working because solutions or inspiration often appear as they progress. One firm (9%) indicated that if the first designer can't get going, they give the project to someone who can while three firms (27%) indicated that they will adjust their overall programme somewhat to give the designer some time in order to create the best design possible within the overall project programme. So, it can be said that responding enduring architects' firms have found ways to complete designs without waiting for inspiration.

The sixth question asked 'who accepts responsibility for 'quality?' (refer to K6 in Addendum C). Thirteen of the 26 enduring architects' firms interviewed (50%) provided direct responses to this question. The responses were as follows:

- The firm principal (54%)
- The project architect (15%)
- Designated quality controllers inside the firm (8%)
- The partner in charge (15%)
- We share the responsibility (8%)

Because responsibility can't be completely delegated, the firm's principals must ultimately accept the risks associated with quality and liability. However, the principals of responding enduring architects' firms often delegate this responsibility to others in the firm.

The seventh question asked 'how important is meeting deadlines to the firm?' (refer to K7 in Addendum C). Four of the 26 enduring architects' firms interviewed (15%) provided direct responses to this question. In order to form a more representative picture two indirect responses are also included. The responses were as follows:

- One firm (17%) indicated that it is not important to them.
- Two firms (33%) indicated that they try to meet these targets.
- One firm (17%) indicated that it is very important to them.
- Two firms (33%) indicated that it is not negotiable to them.

Thus it was established that achieving deadlines are important or very important to most (83%) responding enduring architects' firms.

The eighth question asked 'do you have any views on punctuality?' (refer to K8 in Addendum C). Four of a possible 26 (15%) enduring architects' firms provided direct responses to this question. Unfortunately, the low response level to this question limits the value of any conclusions that can be made in this regard. However, seventy five percent of respondents indicated that punctuality is important to them while one firm's (25%) response highlighted the benefits of proper time management. Thus, it seems that punctuality coupled to good time management could be a requirement for firms to reach 'enduring' status.

The ninth question asked 'do you make use of independent contractors?' (refer to K9 in Addendum C). Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to this question. Seventeen of the firms (85%) indicated that they make use of independent contractors. Three firms (15%) indicated that they don't make use of independent contractors. Therefore, it is clear that outsourcing is a common practice amongst respondent enduring architects' firms.

The tenth question asked 'how did your operations management style contribute to your firm's enduring?' (refer to K10 in Addendum C). Only three of the 26 enduring architects' firms interviewed (11.5%) provided direct responses to this question. None of the responses

provided an explanation of 'how' their management style contributed to their endurance. However, two firms indicated that they believed it did, while one firm indicated that they did not believe that it contributed. Unfortunately, due to the low response rate and divergent views no convincing findings can be made.

## **Findings**

The questions posed found that:

- Eighty-eight percent of respondents organise their operations on a project basis.
- All respondents indicated that they operate on the basis of work-teams.
- Seventy-five percent of respondents use target dates as a mechanism to manage progress and meeting of deadlines.
- Two thirds of respondents indicated that they enforce target dates tightly while the remainder indicated that they do not enforce them very rigidly.
- Responding enduring architects' firms have found ways to complete designs without waiting for inspiration.
- Achieving deadlines are important or very important to most (83%) responding enduring architects' firms.
- Punctuality coupled to good time management could be a requirement for firms to reach 'enduring' status.
- As far as quality management is concerned it was confirmed that ultimately the firm's principals must accept the risks associated with quality and liability.
- The principals of responding enduring architects' firms often delegate this responsibility to others in the firm.
- Outsourcing is a common practice amongst respondent enduring architects' firms.
- This practice could complicate adherence to deadlines and other targets.

Since respondents have indicated that punctuality and adherence to deadlines are important, an EET framework for architects should cover time and project management principles.

The findings can be linked to the relevant research questions as follows:

### **Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation: nil

Business Management:



The questions posed found that eighty-eight percent of respondents organise their operations on a project basis and all respondents indicated that they operate on the basis of work-teams.

In addition it was found that seventy-five percent of respondents use target dates as a mechanism to manage progress and meeting of deadlines. Also, two thirds of respondents indicated that they enforce target dates tightly while the remainder indicated that they do not enforce them very rigidly. Furthermore it was found that responding enduring architects' firms have found ways to complete designs without waiting for inspiration.

As far as quality management is concerned it was confirmed that ultimately the firm's principals must accept the risks associated with quality and liability. However, the principals of responding enduring architects' firms often delegate this responsibility to others in the firm.

Outsourcing is a common practice amongst respondent enduring architects' firms. This practice could complicate adherence to deadlines and other targets.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

Achieving deadlines are important or very important to most (83%) responding enduring architects' firms. Thus it was found that punctuality coupled to good time management could be a requirement for firms to reach 'enduring' status.

**Of relevance to Research Question 7:**

Since respondents have indicated that punctuality and adherence to deadlines are important, an EET framework for architects should cover time and project management principles.

## **K1 How are your operations managed (by project or work stage)?**

### **A4M**

My operations are managed by project [K1-1](#)

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### **A5M**

We are very flexible, we can work in environments that other people would not be able to and we are fine with it. I don't have a problem going to a meeting in a township for example; some people still have issues with that, some practices may have issues with that. I have had one architect work in my office [K1-1](#)

So we have projects, we have clients who just phone us and say can you send your staff to Empangeni tomorrow. You also have to have an office in an environment where people can just move like that and nobody feels like I don't really want to be there or I am not happy to do that job or something.

but at the time we were one of the few practices that could actually just get in a car and spend a whole week with whoever driving around KwaZulu putting things together. It is that feel you have working with groups of people.

We move each other around depending on how things are but generally the two senior persons will share responsibilities for projects, they would have to run their own project at any point in time.

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### **A1L**

We are not big enough for that, no. It is done on ability and a few progress underway schedules Well generally on a project I sit and very seldom do we have any.. we are always the principle agent or project manager, so as a team we sit and determine that and we tie into that yes.

Yes well really that overall program yes. [K1-1](#)

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### **A3C**

Yes so in a way you actually manage your projects by work stage – you do the design and conceptualization, the early stages you do and the later stages Julie your associate does?

**Interviewee:**

Yes. I then also do the actual site management. [K1-2](#)

**Christo Vosloo:**

Yes so the latter stages again you get involved.

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### **B7S**

No, no, no, no; that's the nice thing about a young guy coming in here, they do everything. That is why [\[unclear 1.43.58.0\]](#) he says he has never been so generalized in his life because normally he was

draughting and not seeing what he was building, now I said you can't draw that drawing if you don't see it, go to the site regularly. He can't get enough of it, he is just like amazed. [K1-1](#)

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### **B1S**

I would say in our office, there could well be that kind of break down. We have some who concentrate on design and design drawings, others who produce the construction drawings, and some who mostly site management. But the roles sometimes change. [K1-2](#)

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### **B4G**

Your operations, does it work by project or by work stage; in other words do you have a design section who might pass the project on to the documentation section?

B4G:

No.

Christo Vosloo: [K1-1](#)

So it's one team?

B4G:

It's one team – project team based from beginning to end.

---

### **B5C**

We cannot always be a team player, all teams have a captain, but you must see where you need to lead a bit by example mostly, but sometimes you need to put your foot down and say this is how we are going to do this and people like that; they feel much more secure. Democracy is not always a good thing.

A team would do everything; it's more project driven in other words, well we are three partners and the three partners would each take a job and identify people in the office and run with it. From measurements to sometimes there is a bit of cross-pollination if there are more skills in the other team than than the one working on it, like doing the heritage assessment or things like that, then we can pull in somebody from the outside or if we have time we can do it internally. So I think it is project driven definitely. [K1-1](#)

Christo Vosloo:

So it's basically project teams, a team working on a project?

B5C:

Absolutely right.

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### **B2M**

No everybody does everything, everybody can do everything. That is something I really push to try and make sure that everybody can do everything, and especially the second years. It's funny because you explain something and you think the person understands it and then you just realize but they don't understand it, something that K1-1

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### **B3M**

Ja, 'n afsnydatum en dan werk almal saam as dit een dit nie kan bykom nie, dan help die ander daarmee sodat ons op daardie datum die regte input kan gee wat nodig is. K1-1

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### **C3S**

No (by project). K1-1

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### **D4S**

Both K1-3

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### **C6M**

No well besides the fact that we do a lot of the design work, no, it usually is the same people that take it all the way through. K1-1

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### **D1M**

I basically give it to one, we have got three work stations and one of the guys takes a project from beginning to end. K1-1

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### **C4G**

No, we try and have continuity, sometimes we are not able to do it that well, but we try and give the people continuity K1-1

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### **C1G**

We have got a basic, what do you call it, the major projects come to me for the basic layout – so I do the program, make sure it works, works with the site and applies with all the regulations and so forth and then once the client makes a second payment once he has approved that, it goes to one of the architects upstairs who does a 3D which then gets vetted by my son upstairs, he is in charge of the esthetics side. So he would then start guiding them where to go with the actual form for the building until he is happy and then we show it to the client. If they are happy then it goes on to whoever is available, usually the same guy who did the 3D will go on and do the working drawing. The smaller projects we pass on to some of the architects to take from inception right through to completion, but the major things, the stuff over 1000m<sup>2</sup> I normally design myself. K1-1

No the architect who does the working drawings does the contractual documentation and so on, and then both the plan and the contractual documentation gets checked by two qualified architects.

Yes to some extent but as I say I have got my son that controls quality of aesthetics, he is basically the Director of Aesthetics; then I have got two people that check the actual technical aspects of the plans, so once all of that is sorted out your quality is basically there, then it is just site [\[unclear 1.11.47.7\]](#) make sure you get good builders and that is why we are always cautioning our clients against using builders that you don't know from anywhere, these fly-by-nights at very cheap prices then you get a product that is actually worth half of what he charged you.

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## **D5G**

Yes, they do it all themselves. No they don't contract out. I believe the technical drawings is part of the design component and I think there is a lot of efficiency and time wasted in people trying to explain to someone else how to do it. [K1-1](#)

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Themes:

[K1-1](#) By project (14)

[K1-2](#) By work stage (2)

[K1-3](#) Both (1)

## **ANALYSIS**

Seventeen of the 26 enduring architects' firms interviewed (65%) provided direct responses to the question 'how are your operations managed?'.  
Fourteen of the firms (82%) indicated that their operations are based on projects.  
Only two firm (12%) indicated that their operations are based on work stage while a further one firm (6%) indicated that they use both.

## **DEDUCTION**

Eighty-eight percent of respondents indicated that they operate on a project basis.

## **K2 Do you operate on the basis of work-teams?**

### **A6S**

This is teamwork. I appreciate and acknowledge it's not just me its coordination of people's ideas encouraging those This is teamwork. I appreciate and acknowledge it's not just me its coordination of people's ideas encouraging those K2-1

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### **A4M**

It depends on the size of the projects but they generally work on their own projects. I have three or four of them working at the same time on different project stages. K2-1

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### **A5M**

Team work. I am a big team player. Weekly meetings, I have a full office meeting on a Monday morning so everybody knows what they are doing which means staff, my admin, financial staff as well as my drawing office staff, we are all in sync.

It's team work and I am very present in my office, I am here every day and I don't just sit at my desk the whole day. I run all my site meetings whenever I can so I am there, I am very present in the work, in the office and in the practice stuff, the contract admin stuff and all of that. So I would say for me it is team work K2-1

But do you subcontract any other work, technical? No absolutely not. We never did historically and I don't do it now. It is very difficult to coordinate. I have worked on a lot of joint ventures so I have managed to learn how to work in teams. I think now if I am in a team I generally want to lead the team if it is JV, if I am comfortable, if other people are comfortable with me doing it because I think I do that quite well; I'm not sure why

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### **A1L**

I have yes but I have a philosophy that I base my philosophy on a sports team. This is Nick Mallet's philosophy of a winning team, you get together with a common vision, and a passion to win and exercise the ability to bring the best out of your team mates that is how I practice.

. They weren't in position to change because it was the only way they knew and I took it away from institution to more of a team K2-1

But they come in here any time, have coffee, when I lead a meeting I never sit at the head of the table because I don't like the sort of top structure; the guys know I say the head of table is arrogant so I am very much part of the team and that is my brain.

Absolutely because I mean for me innovation design was what I started off with and I love travelling and I am inspired by the opportunities, not by talent and innovation abilities but by opportunities elsewhere and to bring those back. My role as an architect is collating expertise of the consultants

around me in a creative way and that is the architecture. So whilst my team here, I try and work on a team base

Yes well I will put people together that work well together but I am not stuck to like Team A

I like to get people to work through a project to completion otherwise some guy doing design work actually doesn't understand it, a drawing is only a communication, a building is architecture and on that basis I like them to see the fruits of creativity.

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**B7S**

Yes of course we are a team. K2-1

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**B4G**

It's one team – project team based from beginning to end. K2-1

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**B5C**

A team would do everything; it's more project driven in other words, well we are three partners and the three partners would each take a job and identify people in the office and run with it.

Absolutely right. K2-1

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**B2M**

Yes, K2-1

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**D4S**

Oh yes, yes we do. K2-1

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**D1M**

It works like this, I see the clients, I procure the work and I do the concept designs. I then give it to one of my personnel, they then take it through the documentation stages or design development and documentation up to tender phase and then from tenders when the tender documentation is done I take over and I do the project management, I mean project administration. K2-1

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**Themes:**

**K2-1** We do (10)

**ANALYSIS**

Only 10 of the 26 (38,5%) enduring architects' firms interviewed provided a direct response to the question 'do you operate on the basis of work-teams?'.

While the response rate is on the low side, all respondents unanimously indicated that they operate on the basis of work-teams.

**DEDUCTION**

All respondents indicated that they operate on the basis of work-teams.



**K3 Do you plan and manage your operations using 'Management by objectives' principles?**

**A6S**

No I do not draw programmes for myself. Not someone who has very strict regimen. I cannot work like that. [K3-2](#)

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**A2S**

I think one is obliged to as well. I think that some of my clients know that Rome wasn't built in a day but many of the others think you can drop everything & go straight on [K3-1](#)

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**A4M**

It is a lot difficult to do that and is seldom accurate, I prefer the weekly meetings, just to let you get a sense of progresses retro fitted, so you say well you are about 30 % done, you need to be at 30% at the end of the week, it is not done on a bar chart, it's too much work. You need a special admin guy to do that sort of stuff properly, we have a lot of work in this practice, everyone has four or five projects each big ones, [K3-2](#)

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**A5M**

No, we move things around, I think they are quite flexible. I mean in the middle of something a huge project may arrive and I have to deploy the person somewhere else so we've got quite a flexible arrangement where we can just move people around and that's life. I also try and give people responsibilities to suit what their strengths are as well because I mean not everybody writes the best letter or does the best freehand drawings. So we plan on a Monday what we are going to do for the week but by the time you get to Wednesday it's like gone pear shaped so you have got to re-plan but that is just the nature of what we do [K3-2](#)

Flexible! We are very flexible in the office, I am also flexible. If I have overloaded my office and they cannot go out to do something I will get in my car and I will go there myself. So we are used to being deployed.

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**A1L**

We try and do that on certain projects but you know it doesn't always work out that way. Our software is not... you know our timesheets are not that advanced to just plug in. I know there are practices that do have that; I have researched that and it is going to cost a lot of money I would rather put that money in my pocket than try and manage more of a sort of manual way. So the ones that we have to cut fees we do do that yes. Basically we will set targets from that I will say you know I have calculated about three weeks, that's your date, I don't care how much you work that is my date. [K3-3](#)

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**A3C**

Do you have certain time objectives for yourself in terms of when you get a project do you prepare a project plan and certain deadlines by when certain things have to be done?

**Interviewee:**

Very much so, very much so. That's why I can't even take a holiday because I have actually got to try and factor a holiday into the sort of work flow stages. We definitely do that, I think it is essential to do that. [K3-1](#)

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**B1S**

No. Actually, no, let me rephrase. At the start of the project I usually give a program to the client of what I anticipate and I tell them where the gaps are or the unknowns. The unknowns, there are 2 of them. It's mostly in the design stage, and in the municipal approval stage. You just build those unknowns into a program and I keep an eye on it, but I'm not rigid with it. [K3-1](#)

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**B4G**

Yes. [K3-1](#)

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**B5C**

Yes. [K3-1](#)

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**B2M**

Yes we do, it always relates back to information. [K3-1](#)

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**B3M**

Stel julle datums vas wanneer sekere stadiums bereik word? [K3-2](#)

Nee ek vermy dit soos gif. Ek het te veel kantore daarmee al gesien.

Ja, 'n afsnydatum en dan werk almal saam as dit een dit nie kan bykom nie, dan help die ander daarmee sodat ons op daardie datum die regte input kan gee wat nodig is.

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**C2S**

Do you set a program for yourself, do you set objectives, I need to have that finished by that date etc.?

**C2S:**

Not formally. I try, but not formally, in my mind. It is not written down anywhere, no.

**Christo Vosloo:**

But you do have a sort of plan?

**C2S:** K3-1

Oh yes, I know what I am going to work on now and next and by when is the latest this has to be finished?

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**C3S** K3-2

No, no, as soon as we are happy, we go onto the next faze. We won't use time and say well we have now exceeded our limit for design; we have to accept the solution although we think it is not the best. Then rather stretch it longer and get the right thing and make up on the next step, at least try.

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**D4S**

Yes K3-1

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**D3S**

I tend to set goals on a monthly basis, which formed the basis of my proactivity.

Absolutely and I make sure that it happens in that month even if I have to work 25 hours in a day, I will make sure that it happens because I've experienced in my earlier days that once you led it slide you end up in chaos, you never know where you are, you don't know what is going to happen, you need to be in control. K3-1

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**C6M**

Yes, well yes more or less. K3-1

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**C5M**

Yes. I have become very aware of that being one of the weaknesses of architects, and I don't always do it correctly, but I do know that things can also just.. there could be a dying of the interest in a project because it just takes too long. So for me it is very important even if it is unrealistic to set dates in the beginning, and when we get close to that date we may ask for an extension of a week or so, but it is very important to set the time for the delivery of a stage especially initial ones. Get it going, set yourself a short time, we actually probably work better under stress than not under stress, especially in terms of concepts etc. So we tend to set dates for particularly initial phases that we are in control of; and then we have the design client interactions that you can't do very much about, yes we like to set unrealistic times in the beginning. K3-1

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**C4G**

We monitor our projects on a project for project basis on profitability so at any point in time, on any given day in fact we can assess project x, we are at 25% of production or whatever it is, and it's cost us x and the anticipated profit at that point is y but it is looking like z, because either you are very efficient or you are very inefficient. So we monitor it very closely, and that doesn't mean that we get it right every time. But we are actually in the process of purchasing a completely new time managing system for all the practices, globally. [K3-1](#)

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## **C1G**

Look we have got very definite systems about the amount of time that can be spent on actual design and that gets monitored on a weekly basis, that we know exactly what it is costing us to design anything. The moment it goes over 20% your direct cost on design is over 20% we see red lights, we are heading for a loss on that particular project. So that is very important and end of the year when we do bonuses for the staff those things are brought up; have you completed your projects in time and were we happy with the projects, were they good enough that we were happy with them, that sort of stuff. So there is a definite system for that, we have paid bonuses for 30 years straight out in a line, this is the 31<sup>st</sup> year we will still be paying a bonus but we expect you to perform for it and we are paying fairly top salaries in the industry and not necessarily for all the staff in the industry, but if we find a guy that lasts and is prepared to learn, we nurture him along, we push him, we put the golden handcuffs on, we keep him as simple as that. Then also the whole office, it is run like a business, you do your business hours and the only time they work overtime is when they realize they are in the red, generally we don't encourage [K3-1](#)

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## **D3S**

. When I sign a client-architect agreement with my clients, he gets a detailed program. This is how your project is going to happen. If you are not happy with it, we change it now we don't change it along the way. This is the way I've programmed my office. [K3-1](#)

### **Christo Vosloo:**

So you've set certain deadlines for everything?

### **D3S:**

Absolutely and I make sure that it happens in that month even if I have to work 25 hours in a day, I will make sure that it happens because I've experienced in my earlier days that once you led it slide you end up in chaos, you never know where you are, you don't know what is going to happen, you need to be in control.

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Themes:

K3-1 We do (14)

K3-2 We don't (5)

K3-3 Sometimes (1)

### **ANALYSIS**

Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to the question 'do you plan and manage your operations using 'Management by objectives' principles?'.

Fourteen of the firms (70%) indicated that they do set target objectives as a way of managing progress on projects.

Five firms (25%) indicated that they don't while one firm (5%) indicated they sometimes do.

### **DEDUCTION**

Seventy-five percent of respondents use target dates as a mechanism to manage progress and meeting of deadlines.

#### **K4 How tightly are these schedules enforced?**

##### **A5M**

You know if you met my previous partner, he had no time management skills whatsoever but when we did work well together I would do the time management component because he would be designing when the builder was even on site to the horror of the client. But there is a point where you actually have to stop and get on with the stuff, you have got to get your drawings done. Like we did when we did competitions – I mean it would be the night before you are submitting this thing and then you just arrive and think aah the roof is going to look like this you know.. and you just don't have time for it. The reality of it is I am very strict about time management, all architects have to have good time management skills. . [K4-1](#)

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##### **A1L**

Look we are probably internally not.. if we say we mean it by a certain day as I say it's set by project and timing and our budgets are set within that so if I have got three months to do something I won't put ten guys on there I will probably put three guys on there. But if it is only for one month I will probably put nine guys on there, so I know, I allocate my resources to the time I've got.

I have calculated about three weeks, that's your date, I don't care how much you work that is my date [K4-1](#)

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##### **A3C**

We definitely do that, I think it is essential to do that.

##### **Christo Vosloo:**

And do you take that very seriously, the deadlines and adhering to your program?

##### **Interviewee:**

Yes. I think that is one of the, possibly call it success stories, the fact that if you say to someone I'll have it to you on Monday you work day and night, weekends and so on for it to be there on Monday. So it's not a hit and miss situation. [K4-1](#)

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##### **B7S**

You have to. [K4-1](#)

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##### **B1S**

, but I'm not rigid with it. [K4-2](#)

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**B6G**

Yes, well we try and do that but it is dependent on the client as well; very often the client imposes those deadlines. [K4-2](#)

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**B5C**

. No no you have got to be on time I think. [K4-1](#)

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**C2S**

Oh yes, I know what I am going to work on now and next and by when is the latest this has to be finished?

**Christo Vosloo:**

And do you stick to that? [K4-2](#)

**C2S:**

I do my best but sometimes I am lazy, like this afternoon I was lazy, I didn't sleep well last night.

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**D3S**

. When I sign a client-architect agreement with my clients, he gets a detailed program. This is how your project is going to happen. If you are not happy with it, we change it now we don't change it along the way. This is the way I've programmed my office.

**Christo Vosloo:**

So you've set certain deadlines for everything? [K4-1](#)

**D3S:**

Absolutely and I make sure that it happens in that month even if I have to work 25 hours in a day, I will make sure that it happens because I've experienced in my earlier days that once you led it slide you end up in chaos, you never know where you are, you don't know what is going to happen, you need to be in control.

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Themes:

[K4-1](#) Tightly (6)

[K4-2](#) Not tightly (3)

**ANALYSIS**

Nine of the 26 enduring architects' firms interviewed (34,6%) provided direct responses to the question 'how tightly are these schedules enforced?'.  
Six of the firms (66,7%) indicated that they enforce the targets tightly.  
Three firms (33,4%) indicated that they don't enforce these targets tightly .

**DEDUCTION**

Two thirds of respondents indicated that they enforce target dates tightly while the remainder indicated that they do not enforce the very rigidly.



**K5 How do you allow for the fact that design inspiration cannot be time managed?**

**A4M**

I sit down and inspiration will come to me, it's just discipline you have to get it done. What I like to do is clear my desk in the sense of ok now I can't just focus on that otherwise most of the day I am if they have five projects each then I have 15 because [K5-1](#)

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**A5M**

Creativity is just ongoing but you have got to learn to be realistic, you can't expect to suddenly have some inspiration on site one day and like tell the client sorry can we have another R20k [K5-1](#)

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**A1L**

I realized you have X amount of time and you have got X amount of money, you actually have to make your best decision in that time. You can't go and rework design and there are practices that do that but then if there is a particular aspect then I will work through the night, but within the constraints of what the time allocated is. You actually have to make a decision and you can only make decisions as good as [\[unclear 1.27.26.6\]](#) based on the time that you have got and you have to try and do that [K5-1](#)

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**B4G**

We just have to adjust to project programs and where there are tight programs then we have a bigger team meeting more intensively to help; so we would draw in resources from other teams to push a design through on a tight program. It is supply and demand, so if a particular project has got three weeks well then we respond in that time, but you can't let design drag out at the risk of a program if that's the answer to your question. [K5-3](#)

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**B5C**

Then you need to hand it over to somebody in the team who has that flash; no, no, I don't think there is a good allowance for that anymore. No that's gone. Some clients would say that you don't need to perform tomorrow but no that doesn't happen anymore [K5-2](#)

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**B2M**

No. I think because I don't separate things, I am constantly thinking whether I am walking or driving, you know we drive to George every second week and it is a fantastic time to just think [K5-1](#)

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**C2S**

No, inspiration not so much; what happens is I will do a project that doesn't inspire me but I try and find something.. and the smaller it is strangely enough or paradoxly enough, the more I will put into it pro-rata. I love doing the little toilet block at the cemetery because it is almost like designing jewelry. It's more difficult to design a small building than it is a big one in my opinion, not that I have done big buildings, but I mean the bigger projects the architecture kind of comes automatically but when it is a box it's difficult. The Japanese actually have a whole study, I am sure you are aware, you know, the better you can design a shoe box the better. [K5-1](#)

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### **C3S**

Some designs take longer and sometimes you get feedback from a client and then it takes even longer but it's all built into the process and we have never actually thought of it that way, that we are spending double time on this and making less money, we are not orientated that way.

No, never. [K5-3](#)

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### **D4S**

You get to a point where you have to make decisions. [K5-3](#)

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### **C5M**

A muse is always available, I think it is a big ego thing to think that the muse is not available; I have become very aware of the fact that I am an active participant in a process of which I have very little control, but I have to show up for it, I have to show up. [K5-1](#)

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### **C6M**

I've always got something to do, but yes sometimes you don't really know how to attack something, yes, but I've always got something to do. I am never sitting outside on a deck chair waiting for a bolt of lightning. [K5-1](#)

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Themes:

[K5-1](#) We work through it-you can't wait till inspiration arrives. (7)

[K5-2](#) If someone can't get going we give the design to someone else. (1)

[K5-3](#) We adjust our programme somewhat. (3)

## **ANALYSIS**

Eleven of the 26 enduring architects' firms interviewed (42%) provided direct responses to the question 'how do you allow for the fact that design inspiration cannot be time managed?'

Seven firms (64%) indicated that, because time is limited, they keep on working because solutions or inspiration often appear as they progress.

One firm (9%) indicated that if the first designer can't get going, they give the project to someone who can while three firms (27%) indicated that they will adjust their overall programme somewhat to give the designer some time in order to create the best design possible within the overall project programme.

#### **DEDUCTION**

Responding enduring architects' firms have found ways to complete designs without waiting for inspiration.

**K6 Who accepts responsibility for 'quality'?**

**A6S**

I do my own supervision.

Work done by architect firms. Everything overlaps, I do my own input. Supervision on site, each of us have our own supervisions. It overlaps. K6-1

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**A2S K6-1**

I'm a sole-proprietor .I doesn't hold a separate ace for the office if my practice sinks I sink.

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**A1L K6-2**

Project leader.

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**B7S**

So you are in charge of the quality control in the firm?

Absolutely. That is a danger zone because what goes out gets built and what gets built costs money and to undo it costs more money. K6-1

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**B1S**

that I don't make errors that would get me into big trouble, or make sure that there is a cushion of some nature financially K6-1

Absolutely, yes.

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**B5C**

All of us and the partner in charge yes; we try to get that right down to grassroots level. K6-4

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**B2M**

Do you accept full responsibility for quality?

Yes we have to because we are often the

I try to yes. K6-1

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**B3M**

Ja, niks gaan uit die kantoor sonder dat dit oor my lessenaar kom nie. Dis ook moontlik in 'n klein kantoor, as die kantoor 'n bietjie groter word vanselfsprekend is daar niemand wat eintlik alles meer kan kontroleer nie. K6-1

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**D4S**

Do you accept...

Yes K6-1

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**C5M K6-5**

No I don't think so, I think we tend to employ people that show they want to share responsibilities.

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**C6M**

We usually try and check things but you know sometimes with the volume of stuff that goes out it is not possible. It is also person dependent K6-4

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**C4G**

Yes, the project leader and then we always say it's the office directors. K6-2

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**C1G**

Then again like every plan before they start they have got a check list, have you got all the stuff that you need to design something and then as they complete the plan they have got about 200 questions that they have to tick off that they have looked at this, that it is on the plan, that it is designed properly before they even pass it to the two people we have got checking every plan. So it goes to the one, she makes notes, it goes back to them, it goes to the other one, he makes notes and then it goes back to them. Those plans that are checked are kept on record so that they can't afterwards say but you didn't tell us this is wrong, and they know it is on record, we have got it, it is scanned and saved so if they didn't fix something that we can pick it up later so we have created responsibility also. K6-3

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Themes:

- K6-1** Principal (7)
- K6-2** Project architect (2)
- K6-3** Designated quality controllers (1)
- K6-4** Partner in charge (2)
- K6-5** Shared responsibility (1)

**ANALYSIS**

Thirteen of the 26 enduring architects' firms interviewed (50%) provided direct responses to the question 'who accepts responsibility for 'quality?'. The responses were as follows:

- The firm principal (54%)
- The project architect (15%)
- Designated quality controllers inside the firm (8%)
- The partner in charge (15%)
- We share the responsibility (8%)

**DEDUCTION**

Ultimately the firm's principals must accept the risks associated with quality and liability. The principals of responding enduring architects' firms often delegate this responsibility to others in the firm.

**K7 How important is meeting deadlines to the firm?**

**A6S**

Deadlines? No. [K7-1](#)

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**A5M**

Absolutely. [K7-4](#)

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**A1L**

I would think so, you know to grow [\[and shrink painlessly 45.13.4\]](#) is probably something I have tried to do because you never know what is around the corner. So yes we have had some tough times and we have had some demanding times, work on pillars, people that you can't afford to lose and keep them. We have never had to retrench any of those pillars. The guys that were just here for the ride [\[unclear 45.43.6\]](#) still stand. We should be a lot bigger but we keep our size tight, there are different ways of getting it... you know I don't like paying overtime because people become reliant on that but there are ways of a good bonus or we had a couple of occasions where we said okay guys there is our fee, I have so much I have allocated to salaries for this project, it's all yours. I don't care when you do it, who you get to help you, how short you do it, it's yours so therefore I have taken away overheads and profit and things like that and for them it is a big thing. They will get more money and it's something they will put that extra effort in so they can bring their pay day sooner instead of me just... and it's helped. We don't like doing it and I do believe that they've got a life to live but in certain times we have done that. [K7-2](#)

before and things like that, but make sure that you want to deliver what you originally set out to. That's me, I was strong concept strong concept strong concept okay it's just an alteration addition job and then it's just straight mechanical time but if it's in terms of design I think you have to present the most important thing first and then I believe you can manage that.

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**A3C**

Yes. I think that is one of the, possibly call it success stories, the fact that if you say to someone I'll have it to you on Monday you work day and night, weekends and so on for it to be there on Monday. So it's not a hit and miss situation. [K7-4](#)

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**B1S**

. We update our programs as we go along as sometimes clients need time to give feedback.

[K7-2](#)

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**C1G**

Look we have got very definite systems about the amount of time that can be spent on actual design and that gets monitored on a weekly basis, that we know exactly what it is costing us to design anything. The moment it goes over 20% your direct cost on design is over 20% we see red lights, we are heading for a loss on that particular project. So that is very important and end of the year when we do bonuses for the staff those things are brought up; have you completed your projects in time and were we happy with the projects, were they good enough that we were happy with them, that sort of stuff. So there is a definite system for that, we have paid bonuses for 30 years straight out in a line, this is the 31<sup>st</sup> year we will still be paying a bonus but we expect you to perform for it and we are paying fairly top salaries in the industry and not necessarily for all the staff in the industry, but if we find a guy that lasts and is prepared to learn, we nurture him along, we push him, we put the golden handcuffs on, we keep him as simple as that. Then also the whole office, it is run like a business, you do your business hours and the only time they work overtime is when they realize they are in the red, generally we don't encourage **K7-3**

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Themes:

- K7-1** Not at all (1)
- K7-2** We try to meet these targets. (2)
- K7-3** Very important. (1)
- K7-4** Not negotiable (2)

### **ANALYSIS**

Four of the 26 enduring architects' firms interviewed (15%) provided direct responses to the question 'how important is meeting deadlines to the firm?'. To form a more representative picture two indirect responses are also included (highlighted). The responses were as follows:

- One firm (17%) indicated that it is not important to them.
- Two firms (33%) indicated that they try to meet these targets.
- One firm (17%) indicated that it is very important to them.
- Two firms (33%) indicated that it is not negotiable to them.

### **DEDUCTION**

Achieving deadlines are important or very important to most (83%) responding enduring architects' firms.



## K8 Do you have any views on punctuality?

### A2S

Punctuality is important K8-1

If it's punctuality by Micromanagement, no. I think that if you give your client expectations in terms of what he can reasonably expect, like what date you need to make sure that is done

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### A5M

I do, my staff know that, they are under pressure, I don't pay my staff overtime. I manage to get them to work from a Monday morning to a Friday afternoon without working overtime. On a few odd occasions where someone else doesn't sync into what we are doing do we work until 6pm or 8pm or whatever, a few times a year. So I also don't like overworked tired people working for me, we went through that phase when we were younger when we used to just like work every night and then after a while your quality of work suffers K8-2:

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### A1L

Oh yes yes! To me if you sum up all of this, it's consistency. It's your brand, it's how you deliver, your reputation will be built on that. If you are always late, one of our [unclear 1.29.40.4] is a German woman engineer, I said to her you are the only German I know that is late, because she's different. We work with her but you need to be consistent because clients that are going to work with you want consistency. Start here and just follow all the way through and be consistent from where you started. K8-1

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### C6M

. I am quite pedantic about that, that work starts at 8am and ends at 5pm, and that if you arrive at 8:30am then work that time in, not during lunch because you can't eat lunch and work, but don't come at 8:30am regularly. I am quite pedantic on time keeping. K8-1

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Themes:

K8-1 Punctuality is important (3)

K8-2: Time management is important (1)

## ANALYSIS

Four of a possible 26 (15%) enduring architects' firms provided direct responses to the question 'do you have any views on punctuality?'.  
The low level of responses to this question limits the value of any conclusions that can be made in this regard. Seventy five percent indicated that punctuality is important to them while one firm's (25%) response highlighted the benefits of proper time management.

**DEDUCTION**

Punctuality coupled to good time management could be a requirement for firms to reach 'enduring' status.

## **K9 Do you make use of independent contractors?**

### **A6S**

When I have extra work, I go to other architects and ask them for a draftsman people to help.

So far I do all the drawings on drawing board, they get what they want. All accurately done. I found no reason at this stage in my career to start to get computer literate in my work. There are plenty of people around to convert my work into a computer [K9-1](#)

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### **A4M**

I have a few staff that is on contracts that have their own firms and we work out a fee that is good for the both of us [K9-1](#)

Who have gone on their own or whatever. If I need a job done quickly I can ask them to do it and they are happy to do it they know my systems and so it works well

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### **A5M**

. I mean whatever we can't do, presentation stuff in our office we do it outside, but we have always had like really high quality colour plotting and all of that which we do in our office on canvas, on good quality paper, so we don't subcontract a lot of that out. [K9-1](#)

But do you subcontract any other work, technical? No absolutely not. We never did historically and I don't do it now. It is very difficult to coordinate. I have worked on a lot of joint ventures so I have managed to learn how to work in teams. I think now if I am in a team I generally want to lead the team if it is JV, if I am comfortable, if other people are comfortable with me doing it because I think I do that quite well; I'm not sure why

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### **A1L**

We just were about to do that and we just turned them down and got someone permanent here.

Only as an absolute outside extreme situation, no we try to work together. [K9-2](#)

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### **A7L**

Everything is done in house. But we used to. Design is an evolving process. You got to change. [K9-2](#)

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### **A3C**

end of the day in terms of creativity what I do is I design [\[unclear 14.44.1\]](#) and I employ a lady who lives in Pietermaritzburg who does all my CAD work. So I produce the sketches, discuss things with

the client and just email the sketches through to her and she then produces the documentation and the clever things like specifications and what not I actually do myself. [K9-1](#)

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### **B7S**

be more complicated than that we would outsource it. [K9-1](#)

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### **B1S**

Yes, I do. [K9-1](#)

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### **B4G**

Yes sometimes if we've got a push on a job we will bring in people that we have worked with before who sort of freelance, architects and specialists, and then we outsource some of the 3D work where we don't have the hardware capacity – in other words just the service space. [K9-1](#)

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### **B6G**

No, no. [K9-2](#)

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### **B5C**

Regular. [K9-1](#)

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### **B2M**

Yes; I find the work stages in the letter of appointment, you

Yes I do, often, like just recently we did a big clinic [K9-1](#)

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### **C2S**

Not a lot no, I have, but not a lot. I outsource if there is a fancy 3D to be done, I outsource if I don't have time for that project, if it is something straight forward and there is not a lot of design. I think the last thing I outsourced was an oil store for the xxx Wastewater Treatment Works. I mean that is a concrete bunker so please do that for me I don't need to. [K9-1](#)

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### **C3S**

Yes. Both of us, we are not CADD literate; [K9-1](#)

No, we've actually let all of those people go. So I'm doing a lot of that, I'm doing the production side, Johan having always been a master designer, I think he got his highest distinction ever in design in our final year, which was design 5 or thesis, I'm not sure. If you look at our website and you look at the drawings on the background of each page on the website and those are all hand drawn by

him. Just now, I will ask him to bring you some of his perspectives He nowadays does [unclear 0.33.11.7] on a piece of paper like this

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**D4S**

Yes.

Yes often K9-1

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**C5M**

Yes sometimes if it is required yes. K9-1

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**C6M**

Not necessarily because we like to have people in the office and to maintain quality standards, but every now and again we have got one or two people that we sometimes get in to help because we don't want to employ another person or we have got a bit too much work. K9-1

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**D1M**

Only a bit of the visuals. K9-1

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**D2M**

Not unless I have to but K9-1

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**C4G**

So we contract that in. K9-1

Yes, it's limited.

For doing plans and stuff, no very seldom, I have got two ladies that worked for me that now work from home and they would take on our excess work if we are too busy; at the moment both of them are busy doing projects for me but they both worked in my office for 15 years that sort of time, so very experienced people that work part time at home and also like to work at night like I do so they do it there, but both of them are close to their 60s.

Themes:

K9-1 We do. (17)  
K9-2 We don't (3)

**ANALYSIS**

Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to the question 'do you make use of independent contractors?'

Seventeen of the firms (85%) indicated that they make use of independent contractors.

Three firms (15%) indicated that they don't make use of independent contractors.

**DEDUCTION**

Outsourcing is a common practice amongst respondent enduring architects' firms.

**K10 How did your operations management style contribute to your firm's enduring?**

**A4M**

I do I think that is absolutely critical, I would never let a member of staff go out and manage something like that it would be me, it is a very crucial component because behave yourself, you have to make sure that they understand exactly what their position is. **K10-1**

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**A5M**

I don't think so, I mean I am not conventional, my office is not conventional. We started off in a time when our practices were completely non-racial, also being a woman I think we fall outside the normal category of the way that we run ourselves. So I don't think I run myself very differently to other people and it's fine; but I think '94 for us was a time when it was just that mindset that you could do anything, you didn't have to follow your role models, anything was possible. **K10-2**

Ja you know.. we are 20 years old now, the work I am doing now is quite different to that type of work. We were younger then and we had a lot more energy, we were all over the place and I had three partners, now I am by myself so I can't just like go off for a week somewhere.

---

**A1L**

small firm, you actually can't do what you want to, you are the sole spark plug and you are firing that engine all the time; unlike a four cylinder or six cylinder with a couple of hundred spark plugs who [unclear 1.15.22.4] their strengths, we have got people who are here that just love managing and I use them for that but I try and coach them because is it fear of design or is it naturally your best ability. I had that discussion with the staff reviews on Monday with someone else; I checked you out before you came here, I knew you can design. **K10-1**

I think so; my management style has determined where we are. It could change in another six years then I will be retired.

---

Themes:

**K10-1** I think so. (2)

**K10-2** I don't think so (1)

**ANALYSIS**

Only three of the 26 enduring architects' firms interviewed (11.5%) provided direct responses to the question 'how did your operations management style contribute to your firm's enduring?'. None of the responses provided an explanation of 'how' their management style contributed to their endurance.

Two firms indicated that they believed it did while one firm indicated that they did not believe that it contributed.

**DEDUCTION**

Due to the low response rate and divergent views no convincing findings can be made.



## **L: TOPIC: RISK MANAGEMENT**

The first question asked ‘do you make use of standard client–architect agreements?’ (refer to L1 in Addendum C). Twenty-four of the 26 enduring architects’ firms interviewed (92%) provided direct responses to this question. Ten respondents indicated that it is their first choice but that clients sometimes have their own agreements. Eight respondents indicated that they seldom do because they believe that a letter of appointment or a handshake is enough while a further six respondents indicated that they use their own which is based on, or refers, to the standard agreements.

This implies that only two-thirds of responding architects’ firms prefer to use, directly or indirectly, the standard, tried and tested service provider agreements negotiated between all stakeholders. The remaining third could be exposed to a variety of risks because their agreements might not be balanced or tried and tested, implying inadequate risk management.

The second question asked ‘what modifications do you include (if any) to limit the firm’s liability?’ (refer to L2 in Addendum C). Ten of the 26 enduring architects’ firms interviewed (38%) provided direct responses to this question.

Two of the respondents (20%) indicated that they make changes regarding the Professional Indemnity cover required. One respondent (10%) indicated that they make changes to the stipulated liability period while five respondents (50%) indicated that they make changes to limit the quantum of liability claims allowed. The other 20% of respondents indicated that they prefer not to make any changes or that changes are negotiated by all parties to the agreements.

The third question asked ‘what basis do you use to determine the Professional Indemnity cover that you require?’ (refer to K3 in Addendum C). Six of the 26 enduring architects’ firms interviewed (24%) provided direct responses to this question. Each respondent provided a different indication. These were:

- Our claims history.
- Alternative risk (quality) management strategies in place.
- Profession-specific averages and client requirements.
- Cost and client requirements.
- Value of work-in-hand and client requirements.
- Duration of agreed liability period.

The fourth question asked 'how do you allow for the risk of unpaid fees?' (refer to K4 in Addendum C).

Only two of the 26 enduring architects' firms interviewed (92%) provided direct responses to this question. Their responses were:

- We screen their financial status before inception.
- We have funding to fall back on.

Unfortunately the response rate was too low to allow for any analysis.

The fifth question asked 'how did your risk management efforts contribute to your firm's enduring?' (refer to K5 in Addendum C). Only one of the 26 enduring architects' firms interviewed (92%) provided direct responses to this question hence no analysis was possible.

## **Findings**

The foregoing indicate that:

- Only two-thirds of responding architects' firms prefer to use, directly or indirectly, the standard service provider agreements negotiated between all stakeholders.
- The remaining third could be exposed to a variety of risks implying inadequate risk management.
- Respondents from enduring architects' firms that do use the standard multi-party negotiated agreements negotiate changes to limit the Professional Indemnity Insurance required, the quantum of liability claims allowed and the period of liability.

Enduring architects' firms use a variety of measures to determine the value of Professional Indemnity Insurance cover that they need. These are:

- Their claims history.
- Alternative risk (quality) management strategies in place.
- Profession specific averages and client requirements.
- Cost and client requirements.
- Value of work-in-hand and client requirements.
- Duration of agreed liability period.

Thus a profession-specific EET framework should include risk management and strategies to manage the risks architects' firms face without incurring comprehensive measures to limit exposure to claims against the firm.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

Business Management:

The foregoing indicate that only two-thirds of responding architects' firms prefer to use, directly or indirectly, the standard service provider agreements negotiated between all stakeholders. Thus the remaining third could be exposed to a variety of risks implying inadequate risk management.

Enduring architects' firms use a variety of measures to determine the value of Professional Indemnity Insurance cover that they need. These are:

- Their claims history.
- Alternative risk (quality) management strategies in place.
- Profession specific averages and client requirements.
- Cost and client requirements.
- Value of work-in-hand and client requirements.
- Duration of agreed liability period.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

Respondents from enduring architects' firms that do use the standard multi-party negotiated agreements negotiate changes to limit:

- The Professional Indemnity Insurance required
- The quantum of liability claims allowed.
- The period of liability.

**Of relevance to Research Question 7:**

A profession-specific EET framework should include risk management and strategies to manage the risks architects' firms face without incurring comprehensive measures to limit exposure to claims against the firm.

**L1 Do you make use of standard (PROCSA or SAIA) Client –Architect Agreements?**

**A6S**

There were a few projects to follow certain building agreements. Everybody signed in. Then some clients also have other agreements. It's rarely so. Clients know me very well. They call me in, we get everything together. [L1-2](#)

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**A2S**

If you don't follow SACAP'S definition exactly you will automatically be found wrong irrespective of whether you have put it down in a letter of appointment. In your contract with your clients I am having to apply in new stages with finding it exceedingly difficult because they do not suit sort of work. In the amount of hours we put in will be so huge that our fees will triple so then commission will go anywhere. I would say that half of my big projects have been taken between 10-15 years to actually go from initial stage to go ahead & do tender drawings.

I believe you have to have an agreement with your client. Any of my clients who sees the standard client agreement, takes one look and says fine I'm not going to read this that includes smaller municipalities & so what is the point of it & I have been greatly criticised about writing a client/architect agreement, I write what I call a letter of appointment in which the project

. I believe that ideally you & your client should be able to talk it over, shake hands & walk away. [L1-2](#)

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**A5M**

Not often enough. Clients we work with have their own agreements so very rarely do you have to go and use that contract these days, but we are aware of it. We also give it to our clients who don't ask us to sign it anyway because some of these departments that you work for now they don't even know what agreements are about

I had to learn about the NEC contract but the client architect agreement I very rarely use it in my office. [L1-1](#)

Yes all of them, National Public Works has got the best contract now in the public sector and it's a good contract, it doesn't disadvantage us. It is different to the client architect agreement but most of the clauses are there and it is pretty straight forward.

Yes it does, it is pretty straight forward but I think at National Public Works does sit with SAIA and some of our professional bodies when they write those contracts so we are sort of covered with those. Some of the other funny ones like the city, our municipality, they've got some weird stuff.

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**A1L**

Always, yes absolutely. I do manage that and I do put things in there for risk management, yes I do put that in.

I use the standard one but I add to it.

The standard SAIA one? [L1-1](#)

Yes. For instance I put in you know like fee payment I want it by a certain time of the month otherwise we have the right to stop work and that one works, by the 24<sup>th</sup> of the month I want the cash flow, I want to be paid otherwise.. and then I put a big interest on it. So I manage it in that process yes and definitely spelling out, I go through what we are to deliver and nothing more nothing less.

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**A3L**

I use the client architect agreement. [L1-1](#)

**Christo Vosloo:**

The one from the Institute of Architects?

No, no, that is definitely one thing I don't do. I think they have actually been well tested and tried and therefore they must work and therefore we don't change anything at all.

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**B7S**

It's normally on a very personal basis. I have never signed a client architect agreement, ever but our appointment letter always says we hereby place on record that in terms of the contract of the client architect agreement. xxx will probably say that is stupid, I have never done otherwise.

I say it, I think the [\[unclear 1.47.47.4\]](#) I always slip in is as registered members of the Institute of Architects we work to the recommended fee scale and our appointment will be in terms of the current addition of the client architect agreement as produced by the SACAP. It's a single sentence; and would you please sign the bottom of this letter and return it. [L1-3](#)

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**B1S**

Yes I use standard agreements. I use Procap documents and PROCSA, I think it's called. We also recommend building using the standard JBCC building contract, which the client and building contractor sign. [L1-1](#)

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**B4G**

We try to, we very seldom are allowed to and I say that quite deliberately; we negotiate our own agreements, sometimes they include the SAIA agreement as an Addendum Cut they are written in a way that talks about risk, if a project starts on risk and it defines what we will do at our cost and what we won't do at our cost. If anything happens to the project and the client decides to abandon it then there is a cost involved. [L1-3](#)

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### **B6G**

Yes, and then we have our own system of evaluating the client, we do research on them and see how risky they are and we rate them, and if they don't come up to scratch then we might not take them on or we will confront them about it, yes. We are very careful about that. [L1-1](#)

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### **B5C**

SAIA. (saia/procsa) [L1-1](#)

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### **B2M**

I have never in my life used it, never. [L1-2](#)

No the government is very clever, they give you a full contract with everything in it and you just write back or sign

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### **B3M**

Nee, ek et nog nooit met 'n kliënt 'n kontrak aangegaan nie. [L1-2](#)

Stuur jy vir hulle 'n brief net om te bevestig, dankie vir die aanstelling?

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### **C2S**

No. SAIA/PROCSA [L1-2](#)

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### **C3S**

No, we have never actually used it, but we have a letter of appointment which specifies the stages and what we have to do for each stage and that they sign and send back, and that is almost that.

[L1-2](#)

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### **D4S**

Yes.

Yes, what we are doing nowadays is we actually add as an addendum.

Yes, we have never actually used the PROXA agreement, we've just added the Matrix as an addendum. Basically the client actually decides what they want to use. One can make a recommendation. In this case we actually signed a [unclear 0.29.05.6] contract. [L1-3](#)

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### **D3S**

. When I sign a client-architect agreement with my clients, he gets a detailed program. This is how your project is going to happen. If you are not happy with it, we change it now we don't change it along the way. This is the way I've programmed my office.

I use SAIA's. For me its good enough. [L1-1](#)

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### **C5M**

Both, we use the PROCSA or I am very fond of document contracts because I understand them and I know that reducing grey areas is one way of getting on track, and for an architect's safety and income protection you have to have these things in place. So client architect agreement every time, even if it is by referral to it in a covering letter. The client architect agreements are always in place and that complies with SACAP regulations as well. Then we would not do work unless our initial deposit is paid and then our document that says we require this to be paid will be an instruction to proceed. So we don't do any work unless we have the payment. What other documents do we use – it depends, on the contracting side we have used different ones, PROCSA, JDCC and then that building was done on some engineering contract actually, the NEC, that building was on the NEC. So very different responsibilities on the architect or whoever is considered the project leader or whatever it is called in the thing. [L1-1](#)

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### **C6M**

Not always, no, no; we've got sometimes a letter of appointment that refers to the client architect agreement, sometimes we use the PROCSA and we work a lot with the NEC. [L1-3](#)

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### **D2M**

We use the PROCSA agreement which I think is better than the Institute client architect agreement, and clients are starting to use that as well and it makes it a lot easier, especially the bigger clients that do a lot of building work like Redefine and the University of Pretoria and all that. That helps a lot but I think if we really as architects realize the risk that we are going through on every project, especially the larger projects we would probably stop practicing. [L1-1](#)

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### **D1M**

It is based on that, we refer to that document [L1-3](#)

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**C4G**

Oh yes. Absolutely. (USE PROCSA) L1-1

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**C1G**

Very simple thing, you pay I work, as simple as that.

One of the terms that most architects find very strange is the fact that we say you are going to allow us to photograph the house and to feature it, that is part of the deal, if you don't want to do that we don't do your house as simple as that. On the day he signs the letter of appointment he signs that so he can't later on refuse.

you have got your own agreement that you have developed over time?

Yes. L1-2

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**D5G**

I try to refer to that as much as possible and we do have architect-client agreements that we send that is well written out and normally in that agreement it says that any claims against us will be limited to our fees and if our fees are discounted then any claims will be treated with the same amount of discount, L1-3

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**D6G**

Never.

Write a letter, hand shake, put it in writing, very simple L1-2

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Themes:

**L1-1** It is our first choice but sometimes clients have their own agreements. (10)

**L1-2** We seldom do; a letter of appointment or a handshake is enough. (8)

**L1-3** We use our own which is based on it or we refer to the standard agreements. (6)

**ANALYSIS**

Twenty-four of the 26 enduring architects' firms interviewed (92%) provided direct responses to the question 'do you make use of standard client-architect agreements?'.  
Ten respondents indicated It is their first choice but sometimes clients have their own agreements.



Eight respondents indicated that they seldom do because they believe that a letter of appointment or a handshake is enough while a further six respondents indicated that they use their own which is based on it or refers to the standard agreements.

**DEDUCTION**

Only two-thirds of responding architects firms prefer to use, directly or indirectly, the standard service provider agreements negotiated between all stakeholders. The remaining third could be exposed to a variety of risks implicating inadequate risk management.

**L2 What modifications to you include (if any) to limit the firm's liability?**

**A6S**

Professional Liability insurance?

A6S:

Yes, never been a claim made against.

**Christo Vosloo:**

Limit Liability? [L2-1](#)

A6S:

Yes.

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**A5M [L2-2](#)**

You know generally we are sort of covered if they are not covered because generally I work for big clients so it would not just be me that would have an issue there would be a whole range of people.

---

**A1L**

Try this you won't get that, engineers do but we have been successful in doing that; we have never been sued and we never had a PI claim. We have offered it and that is another thing is that we have to own up for our responsibilities [L2-5](#)  
things. In terms of limiting liability I would love to know if you can because my clients just say forget it. **Engineers do and they limit the amount as well, three times their fees.**

---

**B1S**

I prefer not to, because they have been put together by everybody involved and I think it's dangerous to make the changes. I would say if the client wants to make a change, they should get a lawyer to verify that it's all acceptable and legally binding. [L2-3](#)  
No, I haven't particularly, I just make sure that I've got enough insurance depending on the scale of jobs we have.

---

**B4G**

Yes, so we try for twice fees but that doesn't always work. If we have a problem in our PI insurance we have risk legal advice which we draw on which is free in terms of how we take **[unclear 1.19.43.4]** so that's how we manage that. [L2-4](#)

I think the market place does that for us, **its five years and you are not going to get** away with anything less than that.

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**B6G**

That varies, for different people we do more or less work

Yes, yes, we don't no. **Our top clients want the full cover.** L2-5

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### C2S

Yes, I have put that in but it's been where.. you asked me just now if I worked for other people, I have worked for engineering companies where they needed an architect and with them I actually, with xxx we did have a separate contract **where I am limited to a certain proportion of my or a multiple of my fee or something.** The bigger clients ask for you to confirm whether you have professional indemnity, it's never gone beyond that. L2-5

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### D3S

Yes. (LIMIT RISK?) L2-5

Right, I **normally limit the claim to the maximum amount** of fees that were earned on the project. I don't always get it agreed by the client but I often do.

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### C5M

Recommended fee scale, whatever that means, we say published, if our fees are under that our liability will reduce in the same proportion. **So if you only pay me 75% of what I am supposed to get you can only claim 75% of whatever your claim** was meant to be from me. L2-5

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### C4G

Yes we do. Interestingly enough, you can by arrangement, for example with xxxx, when we were doing their Casino work, **they wanted massive cover and the** reason for that is that it is one of the few instances where if a project doesn't finish on time and they can demonstrate that is was due to our inhbace or whatever, that we could be held liable for it, it is one of the few instances that you can prove exactly how much money was lost everyday, instead of the usual thing of so many thousand dollars a day. L2-1

No. Our preference really is to use client tested documents. We find the minute somebody start changing anything in the documents or the project manager starts adding clauses into PROXA and things, he messes it up because he doesn't realize the implications that it has. So we like to use things like PROXA, FIDIC agreements and stuff like that because people understand them and if you end up going to arbitration then the guys arbitrating it understand it so we shy away from tailor made agreements.

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Themes:

**L2-1** Professional Indemnity cover required. (2)

**L2-2** It is determined by all the parties involved (1)

- L2-3 We prefer not to make changes (1)
- L2-4 Increased fees and a related liability period. (1)
- L2-5 Quantum of liability claims. (5)

## **ANALYSIS**

Ten of the 26 enduring architects' firms interviewed (38%) provided direct responses to the question 'what modifications to you include (if any) to limit the firm's liability?'.

Two of the respondents (20%) indicated that they make changes regarding the Professional Indemnity cover required.

One respondent (10%) indicated that they make changes to the liability period.

Five respondents (50%) indicated that they made changes to limit the quantum of liability claims allowed.

The other 20% of respondents indicated that they prefer not to make any changes or that changes are negotiated by all parties to the agreements.

## **DEDUCTION**

Respondents from enduring architects' firms negotiate changes to standard service provider agreements to limit:

- The Professional Indemnity Insurance required
- The quantum of liability claims allowed.
- The period of liability

**L3 What basis do you use to determine the Professional Indemnity (PI) cover that you take-out?**

**A6S**

Yes, never been a claim made against. [L3-1](#)

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**A2S**

Nope, I tell my clients that I don't have it, because I think it's grossly misused. It covers you for your incompetence [L3-2](#)

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**A1L**

I do speak to our insurance and say what is the average claim for architects and I work on that but on two of our projects now the clients wanted more and then they pay for it. [L3-3](#)

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**A3C**

How much it is going to cost me. Certainly the government require a minimum of R2 million cover and I think that is basically what we do is just to ensure that if we get government work at least we have met that requirement. [L3-4](#)

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**B5C**

Look on some of the government jobs they stipulate what it needs to be and we would bump it up or down and make sure that we have it in place. If we have big jobs like we also do prisons and that could be like R250 million to R300 million worth of work, then we would bump it up. So I think it's cyclic and what we are busy with at the moment. [L3-5](#)

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**C4G**

South Africa by R10 million and then anything over and above that, you reinsure us and they were quite happy with that. We were happy to take the knock if it's there, but fortunately it hasn't happened. But there is a case and point where you can physically demonstrate a loss, whereas an office building or a magistrates court, if it opens a week late, how would you know it?

Ok, very often, for example in the Middle East, we have what they call a run off period of 10 years. So we have to indemnify the building for 10 years. But that is built into our insurance policies because we have a single point of insurance. [L3-6](#)

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Themes:

- [L3-1](#) Our claims history. (1)
- [L3-2](#) Alternative risk (quality) management strategies in place. (1)
- [L3-3](#) Profession specific averages and client requirements. (1)
- [L3-4](#) Cost and client requirements.(1)

- L3-5 Value of work-in-hand and client requirements. (1)  
L3-6 Duration of agreed liability period. (1)

## **ANALYSIS**

Six of the 26 enduring architects' firms interviewed (24%) provided direct responses to the question 'what basis do you use to determine the Professional Indemnity cover that you take-out?'.

Each respondent provided a different indication. These were:

- Our claims history.
- Alternative risk (quality) management strategies in place.
- Profession specific averages and client requirements.
- Cost and client requirements.
- Value of work-in-hand and client requirements.
- Duration of agreed liability period.

## **DEDUCTION**

Enduring architects' firms use a variety of measures to determine the value of Professional Indemnity Insurance cover they need.

#### **L4 How do you allow for the risk of unpaid fees?**

##### **A1L**

thing is you have to make sure who your client really is, can you sue them, if it is some shaft company that owns nothing then that is a risk and you have to ask that. You have to some way pin somebody and don't be too naïve at project inception to ask that. We've asked a few questions recently because the client owns nothing, everything else is in his wife's name or someone else's name etc.

So do you ask for financial statements? [L4-1](#)

Yes.

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##### **B1S**

No, I just have something called an access bond so it just means I have to pay more to get the money but the money is available if I need it. It's like a facility to cover if we are stuck. [L4-2](#)

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Themes:

[L4-1](#) We screen their financial status before inception

[L4-2](#) We have funding to fall back on.

#### **ANALYSIS**

Only two of the 26 enduring architects' firms interviewed (92%) provided direct responses to the question 'how do you allow for the risk of unpaid fees?'.  
Their responses were:

- We screen their financial status before inception
- We have funding to fall back on.

#### **DEDUCTION**

**INCONCLUSIVE**

**L5 How did your risk management efforts contribute to your firm's enduring?**

**A1L**

Very sensitive; most of my clients are the ones who actually [unclear 04.06.9] because they are corporates so they are really risk averse so they put the fear of God into you so you think about your own situation. But I am probably not obsessed with risk but I try and mitigate against the risk by using my experience and knowing where risk is going to be. Risky clients I am very suspicious about. We have mechanisms to manage that and if I feel that the client is risky then I work in credit and not in debit.

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Themes:

**L5-1** Avoiding risky clients. (1)

**ANALYSIS**

Only one of the 26 enduring architects' firms interviewed (92%) provided direct responses to the question 'how did your risk management efforts contribute to your firm's enduring?'.

**DEDUCTION**

**INCONCLUSIVE**



## **M: TOPIC: MARKETING<sup>8</sup> MANAGEMENT**

The first question asked 'who is responsible for marketing in your firm?' (refer to M1 in Addendum C). Twelve of the 26 enduring architects' firms interviewed (46%) provided direct responses to this question. Six respondents indicated that the principal(s) are responsible for marketing the firm. A further three respondents indicated that members of staff do their marketing while three respondents indicated that they don't do any marketing.

In two of the three cases where members of staff are responsible for this function, this is done by specialists employed specifically for that purpose.

The second question asked 'how do you market your services?' (refer to M2 in Addendum C). Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to this question.

Some of the responses are not active marketing methods in the narrow sense but strategies or goals aimed at procuring work. These include:

- Providing extra service and value (leads to recommendation/ return clients).
- Return clients.
- Creating awareness.
- Recommendation.

Cold calls as a marketing action were mentioned once only while the following marketing actions were mentioned twice:

- Socialising.
- Involvement in social organisations.
- Advertising.

Other responses included:

- Networking (mentioned by eight firms).
- Website and social media (mentioned by six firms).
- Winning competitions and awards (mentioned by three firms).
- Getting published (mentioned by five firms).

Hence, it was established that responding enduring architects' firms use a variety of strategies and marketing methods to procure work. Networking was mentioned by 40% of firms, followed by using websites and social media (mentioned by 30% of firms), getting

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8 Marketing is understood in the broadest terms as "The messages and/ or actions that causes messages and/or actions" (Bayer & Naslund 2011:94-95) in other words the messages and actions that result in commissions.

published (mentioned by 25% of firms) and winning competitions and awards (mentioned by 15% of firms).

Placing advertisements, getting involved in social organisations and socialising with the specific aim of marketing the firm were each mentioned by 10% of firms while only five percent mentioned using 'cold-calls'.

Apart from active marketing, firms also rely on other means and strategies to procure work. These are providing extra service and value (leads to recommendation/ return clients), actions aimed at encouraging return clients, creating general (public) awareness and very importantly, actions that will result in recommendations (or word of mouth) from past clients or others within their networks.

The third question asked 'what do you believe constitutes the most effective means of marketing for SA architects' firms?' (refer to M3 in Addendum C).

Sixteen of the 26 enduring architects' firms interviewed (62%) provided direct responses to this question. Their responses can be categorised as follows (more than one recommendation per firm):

- Ten respondents recommended actions that will result in 'word of mouth' type referrals.
- Eight respondents recommended providing high levels of service.
- Six respondents recommended actions that will result in repeat clients.
- Two firms recommended getting published.
- Two firms recommended building relationships.
- One firm recommended cold canvassing.
- One firm recommended exposure to potential clients through social or professional organisations/ lecturing.

Hence, it was established that ninety four percent of respondents agreed that actions that will result in repeat clients or 'word of mouth' referrals are the best ways to secure future appointments. These goals can be achieved by offering superior levels of service that respond to or exceed expectations as suggested by 50% of respondents or by forming relationships as suggested by 13% of respondents.

Getting published and building relationships were recommended by 13% of respondents. Providing exceptional service should in most cases also result in strong relationships.

Showcasing the firm to potential clients either by cold canvassing or participation in social or professional organisations appears to have a relatively reduced chance of securing future appointments.

The fourth question asked 'in your experience what does not work?' (refer to M4 in Addendum C). Only seven of the 26 enduring architects' firms interviewed (27%) provided direct responses to this question. Of these, three respondents (43%) agreed that belonging to clubs or social organisations is not an effective marketing strategy.

One respondent per strategy (14% each) believed that the following actions are not very effective:

- Publishing in trade magazines (the type of magazines funded by the advertisers and are distributed free of charge to all built-environment professionals).
- Doing risk work.
- Cold canvassing.

One firm cautioned that everybody's style is different and that one should not generalise. Also, when the foregoing is compared to the assessment of recommendations made earlier in question M3 certain contradictions become evident.

The fifth question asked 'how did your marketing management efforts contribute to your firm's enduring?' (refer to M5 in Addendum C). Only two of the 26 enduring architects' firms interviewed (8%) provided direct responses to this question. Thus the result is inconclusive.

## **FINDINGS**

The foregoing indicates that:

- In 50% of responding enduring architects' firms, the principal(s) are responsible for the marketing function.
- In the remaining 50% of responding enduring architects' firms, the function is performed by members of staff (25%) or alternatively no-one in particular is responsible for marketing the firm.
- In the case of two of the firms where staff fulfils this function, marketing specialists have been appointed for this purpose.
- Responding enduring architects' firms use a variety of strategies and marketing methods to procure work: Networking was mentioned by 40% of firms, followed by using websites and social media (mentioned by 30% of firms), getting published (mentioned by 25% of firms) and winning competitions and awards (mentioned by 15% of firms).
- Placing advertisements, getting involved in social organisations and socialising with the specific aim of marketing the firm were each mentioned by 10% of the responding firms while only five percent mentioned using 'cold-calls'.
- Apart from active marketing, firms also rely on other means and strategies to procure work.

- Providing extra service and value to their clients (leads to recommendation/ return clients), building relationships with the view of getting return clients, creating general (public) awareness and very importantly, recommendation[s] (or word of mouth) from past clients or others within their professional networks are strategies employed to secure future appointments.
- Ninety four percent of respondents agreed that actions that will result in repeat clients or 'word of mouth' referrals are the best ways to secure future appointments.
- These goals can be achieved by offering superior levels of service that respond to or exceed expectations, by forming relationships and by providing exceptional service should in most cases result in strong relationships.
- Getting published was recommended by 13% of respondents.
- Showcasing the firm to potential clients either by cold canvassing or participation in social or professional organisations appears to have a relatively reduced chance of securing future appointments.

When the foregoing is compared to the assessment of recommendations in question M3 certain contradictions become evident. This situation highlights the wisdom of the statement by B2M (refer to M4 in Addendum C) that one should not be dismissive of any marketing strategy. The following examples from two 'large' firms, extracted from the interviews should highlight this difference.

The first firm, C1G receives only about 10% of their approximately 70 projects per year from referrals. The remaining 90% come as a result of marketing actions. The firm specialises in luxury residences and has built up a strong international brand based on various factors but mostly a strong design signature. The firm markets this image extensively through publication and the internet. The founder cited an example of a particular house that, according to him, appeared around the world in over 50 magazines and on probably more than a thousand websites (C1G p14). The firm employs two full-time specialist marketers.

The second firm D6G is highly commercialized (D6G:20) has offices in the four main centres in South Africa and another one elsewhere in Africa. The founder relates that the firm was built through establishing a network of contacts using family connections, social engagements, involvement in church/ social organisations, sports clubs and even 'cold calls' (D6G p.8-9). They place a strong emphasis on using technology and presentation skills as part of the process to secure commissions (D6G:11-12).

The commonality is providing service and quality: Three respondents indicated that they don't do any marketing. Thus, while different approaches or strategies can be followed, some stand out as being the more likely to result in sustained commissions. Most notable amongst these are the recommendation regarding exceptional service levels and long term relationships. The foregoing should be included as part of marketing management in a profession-specific EET framework.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

Business Management:

It was found that responding enduring architects' firms use a variety of strategies and marketing methods to procure work. Networking was mentioned by 40% of firms, followed by using websites and social media (mentioned by 30% of firms), getting published (mentioned by 25% of firms) and winning competitions and awards (mentioned by 15% of firms).

Placing advertisements, getting involved in social organisations and socialising with the specific aim of marketing the firm were each mentioned by 10% of the responding firms while only five percent mentioned using 'cold-calls'.

Apart from active marketing, firms also rely on other means and strategies to procure work. These include providing extra service and value to their clients (leads to recommendation/return clients), building relationships with the view of getting return clients, creating general (public) awareness and very importantly, recommendation[s] (or word of mouth) from past clients or others within their professional networks.

Ninety four percent of respondents agreed that actions that will result in repeat clients or 'word of mouth' referrals are the best ways to secure future appointments. These goals can be achieved by offering superior levels of service that respond to or exceed expectations as suggested by 50% of respondents or by forming relationships as suggested by 13% of respondents. Providing exceptional service should in most cases also result in strong relationships.

Getting published was also recommended by 13% of respondents. Showcasing the firm to potential clients either by cold canvassing or participation in social or professional organisations appears to have a relatively reduced chance of securing future appointments.

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

In 50% of responding enduring architects' firms, the principal(s) are responsible for the marketing function.

In the remaining 50% of responding enduring architects' firms, the function is performed by members of staff (25%) or alternatively no-one in particular is responsible for marketing the firm. It is noteworthy that in the case of two of the firms where staff fulfils this function, marketing specialists have been appointed for this purpose.

The commonality is providing service and quality: Three respondents indicated that they don't do any marketing. Thus, while different approaches or strategies can be followed, some stand out as being the more likely to result in sustained commissions. Most notable amongst these are the recommendation regarding exceptional service levels and long term

relationships. The foregoing should be included as part of marketing management in a profession-specific EET framework.

**Of relevance to Research Question 7:**

The following should be included as part of marketing management in a profession-specific EET framework:

- Providing service and quality is key: Three respondents indicated that they don't do any marketing. Thus, while different approaches or strategies can be followed, some stand out as being the more likely to result in sustained commissions. Most notable amongst these are the recommendation regarding exceptional service levels and long term relationships.
- One should not be too dismissive of any marketing strategy.

**M1 Who is responsible for marketing in your firm?**

**A5M**

Yes and xxxx does as well, xxxx does my finances and she also does all my tenders, she sends letters out, contacts clients and so on. I don't do it formally, I don't do enough marketing actually full stop, I should be, I just don't do enough. [M1-1](#)

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**A1L**

Marketing management – we are almost on the last page; who is responsible for marketing your firm?

I am. [M1-3](#)

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**A3C**

I don't do any specific marketing at all. [M1-2](#)

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**B4G**

All the partners and we meet once a month and we look at the opportunity landscape and we have targeted strategies to try and turn ideas into projects and projects into appointments. [M1-3](#)

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**B5C**

All of us but mostly me [M1-3](#)

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**B3M**

Nee, glad nie en ek lê ook nie in die kroeg nie. Ja, maar ek is ernstig as ek dit sê, ek gaan nie rondsoek vir werk nie. [M1-2](#)

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**D4S**

I am. [M1-3](#)

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**D3S**

I market myself in the same way that I charge my fees, I package it. I can be various things depending on what you need, because often you are dealing with a client who doesn't know what he wants. Somebody phones you up and says ok they want a factory or they want a house, in the mean time when he walks out of there you do his house and his factory because he didn't know that you also do houses. So I don't ever try and convince people that I'm good, I do try and convince them that they can trust me to provide them with a hassle free service because people don't like things that don't run well, they have to [wick 1.47.35.1] it. It's got a little bit to do with the second fase or your brain that doesn't like to work, it likes to do nothing. [M1-3](#)

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**C5M**

At the moment I am still a big marketing connector myself, we have actively in about six or seven years ago maybe more, started a website. **M1-3**

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**C4G**

No we do it internally. We've got a lady who focuses on our marketing and we direct her and she gets us out on social media and manages our website, gets us into publications, she got friendly with the various editors and all those who are responsible for various publications, so that is something that we will probably ramp up a bit next year we have been busy sorting out other things right now, so yes, for example she is responsible with our marketing committee, we have a committee that does it, producing our practice brochures and things like that. **M1-1**

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**C1G**

Look I have got two people marketing full time here and the one is just on social media and liaising with all the magazines around the world and all the websites around the whole who want to feature our work. The other one is just handling all the enquiries. But yes a lot of the internet, especially when I first started, the internet marketing I did myself and it worked. **M1-1**

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**D5G**

we don't market at all, that is why I said earlier that we can probably be more profitable if we are more selective with our clients or we can be bigger but maybe in this new structure of us that will be one of the things that falls by the sides. **M1-2**

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## Themes:

- M1-1** Member(s) of staff. (3)
- M1-2** We don't do any marketing (3)
- M1-3** The principal(s) (6)



## **ANALYSIS**

Twelve of the 26 enduring architects' firms interviewed (46%) provided direct responses to the question 'who is responsible for marketing in your firm?'.  
Six respondents have indicated that the principal(s) are responsible for marketing the firm.

Three respondents indicated that members of staff do their marketing while three respondents indicated that they don't do any marketing. In two of the three cases where members of staff are responsible for this function, this is done by specialists employed specifically for that purpose.

Three respondents indicated that members of staff do their marketing while three respondents indicated that they don't do any marketing. In two of the three cases where members of staff are responsible for this function, this is done by specialists employed specifically for that purpose.

## **DEDUCTION**

In 50% of responding enduring architects' firms the principal(s) are responsible for the marketing function.

In the remaining 50% of responding enduring architects' firms the function is performed by members of staff (25%) or no-one is responsible for marketing the firm. It is noteworthy that in the case of two of the firms where staff fulfils this function, marketing specialists have been appointed to perform this function.

## **M2 How do you market your services?**

### **A6S**

No never had. Always been recommendation. People see and hear about me being talked about. **M2-1**

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### **A2S**

Because during a four year project on government housing, we were so concentrating on it that we did not concentrate to go out to the society for our next job. That is not in our system.

I have been told several times by old architects will you get yourself out of one's paper a bit? You are starting to promote yourself in newspaper. xxxxxx took me aside & twisted my ear very strongly because xxxxxx was giving me some work because of exhibitions I have been doing & so forth **M2-2**

that way I promoted architecture, promoting heritage, not my work. But just taking part in institute exhibitions

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### **A4M**

, I am quite well organised from a marketing point of view, I will never send out a flyer or put an advert in a newspaper or that sort of thing . I am a reserved person; I am a very competitive person, **M2-3**

I have had these clients of mine who I have had for 15 years so I have stopped. I am not looking for clients at all.

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### **A5M**

Inadvertently I think I am but no I think women are a little bit different, we don't promote ourselves in that sort of way. I know when I was practicing with my two male partners we were more competitive in those days than we are now, now it is a little bit settled, but I suppose I am competitive in an indirect way. I think after a while you develop skills and people come to you because they want you as opposed to anybody else. So you are competitive in that kind of way.

I am member now of the Chamber of Commerce, we have a women business forum and they do offer programs. I attend some of them, they are workshops you know, one day workshops, so I do that but not through my Institute or anything, . They don't know much about architecture but you get to meet people. **M2-4**

No not really. I've got quite a good company profile on our website and we use that to market ourselves

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### **A1L**

– produce great service and that is your best marketing tool. Great architecture and then unfortunately my immediate predecessors became very institutional and academic and the buildings showed that and A1L got that reputation. We've got back that now to win design awards, build relationship **M2-5**

This whole thing of making sure that we are selling value so clients understand; one of our buildings we did one of the directors came from London at the opening and said well I don't know how to handle clients because they just believe our fee is like a bottomless pot and they dig and dig and dig. I said no no it's sell added value. This guy had some very successful architects in the UK and he said sell added value; if you price so many hours this and that you are like a doctor and you can only bill accordingly to the number of hours in a day. But when you sell added value you are selling more than what you can actually produce because you actually have quality and experience and knowledge that they need. We have to tell them what you can offer them. s with those three categories that I mentioned.

Like I just said; we do have target people and it has proved successful every time. We have got a good order book for the next two to three years but I always believe we need to market for two years' time.

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### **A3C**

Some of them, I think my particular problem is I am too honest, I am too straight down the line and I don't duck and dive, I don't entertain, the work I get is as far as I am concerned divine intervention because I have never advertised, I have never gone out, I am not a sociable kind of person so I don't mix with people and the work has just kept coming in for the last 18 years. So I don't think I have those skills, you know having worked briefly in Johannesburg and seeing the characteristics of the guys there, I don't fit into that mold at all. **M2-1**

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### **B7S**

The third thing was we are never going to advertise.

I don't seek work, work comes to me. **M2-6**

Oh yes, you have to because again you develop a relationship with the people. There's a balustrade I have got to do in somebody's house, it's just the amount of time you are going to put into detailing a balustrade and then I am probably not going to ever render a fee account either because the fee account I render would have to be three times the cost of the balustrade. But you do it because you have got a relationship with people. I wouldn't take on a new balustrade for somebody that I don't know.

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**B1S**

Not necessarily, no. We have a good reputation after being in practice for so long, so often previous clients will recommend us to new clients.

We try and get completed projects published in relevant magazines. I like to do branding, if we've got clients, then every year we either have some branded pens or something we give out to people, but other than that, I don't do major marketing because we've been around for a long time and are known. I think you need to spend at least 5 years just building up a practice in any field and then after awhile, if you limit where you work, which is Cape Town and surrounds, then the reputation is there already so hopefully the work comes in and the practice runs itself. We have an updated website, I think you have to be completely and utterly literate and you need to understand how new technologies work. I'm not a great Facebook or twitter fan, but we certainly have a website that is updated. We are also on platforms such as Linked In. **M2-7**

Well to me, that's basic. We are graphic people and people like to see images of what you've done and I think that that's important. You can't walk around with a portfolio anymore, this way somebody can look you up and see what you do.

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**B6G**

In terms of marketing, you mentioned that you are quite active in terms of marketing, is it based on building relationships?

Yes.

Networking?

**B6G:** **M2-8**

Yes, yes.

That's different, that's different then you strike up a conversation over a coffee or drink and say we should talk a bit more. Do you mind if I come and see you, I would love to whatever.. cold call, no. So I don't know, oh what doesn't work for me

! So I'm a hypocrite. You know that sort of stuff, no, we do invite our clients and potential clients for network functions, we also do something [unclear 1.27.54.6] – we are a Cape practice and we know a lot about wine so we give little wine tastings to sort of six eight people around the table, we tell them a little bit about wine and they find that fascinating and for once we are not talking architecture we are talking about how you make this stuff you know.

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**B5C**

Somebody needs to make the Rand somewhere, you cannot have the best office and just leave the door open, you must actively go and get those jobs. Sometimes they do come, but I am not scared

to go and get them. I pick up the phone if I hear somebody bought a farm and I will phone him. My reasoning is if he doesn't know about you then he is never going to call you and that is so, but if he has your name and he knows who you are, then at least he has got a phone number – and invariable our strike rate is about I would say 90% plus [unclear 17.45.1].

So you have got a good network of people who keep you updated?

**M2-9**

**B5C:**

Yes, I find that ten times better than if it's in the paper then it's already a week or two too late, I find. Everyone knows about it then.

Ja and the way you prick your ears, how sharp are you, what do you hear, what don't you hear because you must really be sharp to pick those things up. If you hear something then you must follow it up immediately, not sit and ponder on it, put it on a list of actions – pick up the phone and phone. It's as easy as that, do it. Some people think they must do it and they don't do it.

. A merit award is something that comes out of hard work and you get recognition for it. Some practices do work for that, you could see it in the awards this year; the things that we specialize in normally don't really fall into those merit categories easily

but we do marketing on all the public platforms and where we should, the website and Facebook and all that and then of course magazines but that is very actively managed. We will not miss an opportunity.

network is fairly complex in – how can I put it – our networks are incredibly personal. We work for the XXX group which is the biggest farming around here, but I know all of the XXXX We work for theXXX but I know the XXXX; we work for XXXX but we know XXXXX we work for Mr Singh but we have now come to know him. XXXXX, we know him, I know XXXX. So it's so different from where you would know of but you don't know the people. We make it our business to know the people and it's interesting that the jobs that we first did for them, we are now working for their sons, so it's come through the whole family. That's a very solid base, there is nobody that will ever take the XXX or the XXXXX jobs away from us because we know them – I don't know how to say it.

**Christo Vosloo:**

They have got full faith in you as a firm.

But even their sons would not even bother phoning anybody else, and they would say they want to work with this one.

**Christo Vosloo:**

So in terms of marketing building up the correct network and knowing the people in that network personally and shall I say servicing them?

Absolutely.

Absolutely.

Risk work.

Doesn't work, not for us, doing work that you are not specialized to do, we would not do it. We would not do a multimillion rand warehouse, we would not do it. We specialize in wine cellars, we understand the process but we would not do the process, we would not take fees on the process ever, that's just too risky.

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## **B2M**

. I have to talk to people. People don't talk to you, you have got to get off your backside and make people aware of you. Make a little brochure, don't email it, it doesn't work – face to face, you will see the people who have got a lot of work now are the people who spent two years sitting at UWC in the corridors talking to the finance guy and the next thing they get offered a job. So you have got to be very proactive.

that time we did a lot of proposals for nursing faculty, accommodation for students, a lot of it didn't come off but I mean because I did that I can now walk in and sit down with the financial director or director and say you know is there any new work. So you have to build up a track record I think, that is really important. **M2-10**

. We find that sometimes say you have a function or something and you network with people, that is the kind of marketing I find works best, when there is a face to face experience with your clients, then they might phone you the next day and say oh I remember now that job you did so I have got another harbor would you like another harbor. I think it's all about networking.

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## **C2S**

I think the closest I would say to marketing would be other professionals like a QS or an interior designer or rarely an engineer. Council, they have lists but it is not active marketing.

, if I hadn't been caught up in all the drama I have had in my life it would have been a different story. The work I have done has been unique, I unfortunately didn't think to market it ever. I think if I had to do this again I would do better marketing, I would enter the competitions, I would pay to be in magazines, I would try and do that because I think you get more satisfying work. I don't say I would necessarily want to make more money, it would be nice to have something that stands out. There is nothing.. I always fantasize that one day you know.. but it is more now about being known for the art side more than the actual design side, the architecture. I don't think I am going to be faced with any challenges as far as architecture is concerned any time soon. **M2-11**

. So it was a friend and then you give a good service and they refer you, you get the next job; I was in practice about 6 years before I went and looked for any government work. You know government

work at that stage a lot of my colleagues at that stage were doing government work and it took me about 6 years to get any government work, but it was networking. As I said I never really did anything big; the biggest projects I have done were for the government but it was a consortium. The second biggest project I did was a shopping center that never got off the ground; that is where I lost the most money in my life, it is not something you want to get into if you don't know what you are doing and the rest have been like housing developments, retirement villages, mini factories and that kind of thing, [unclear 11.32.1], I don't know what you call that in English – small factory complexes, workshops.

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### **C3S**

No I didn't do any aggressive marketing. We are sort of more of the opinion that its word of mouth and work will follow you that way. Any other client is not really a client worth while having because then they are going to test you to the extreme. Whereas when someone has heard about you and wants to appoint you have a much better working relationship. So, yes, maybe we should've done more aggressive marketing, but we just felt that our work was selling us. So we always liked it when we were published, took part in competitions did something with it, that sort of thing. Actually quite laid back that way. [M2-1](#)

No, we feel that publication is the best way of marketing and word of mouth.

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### **D4S**

By talking to people. [M2-8](#)

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### **C5M**

Yes in a social environment, not in a purely commercial, but I mean yes I would if I know an editor or something and say I forgot something that may be of interest to you, yes I would raise that.

With the recent spate of awards and that we have supported some of the magazines, especially where we have been very confident, because these magazines are handed out on the evening of the award function and then it is nice to be represented in it because it goes to 500 or 600 players in the industry. So there your cost may be worth it but I am very hesitant to pay anything to anybody and you never know who their readership are, whether it will revert in any fee, whether there will be any enquiry from it etc. and I would normally say to people I am afraid you are up against tough competition because we get most of our exposure for free. [M2-12](#)

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### **C6M**

I think through meeting people and going to events, meeting people, getting to know people who are in a specific arena, that kind of thing; and obviously through competitions and that kind of stuff.

We only just got our website working, it still needs a lot of work; but I don't know, we have to work on trying to get that coming up further on searches and stuff. [M2-13](#)

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## **D2M**

well we spend a bit of funding on advertisements, we do a full page in the professions register, you are not only show casing your work but I think it also mentally when you have a full page advert you are obviously perceived to be a successful company; whereas if you just have a small little advert in the corner

or publication that I feel we will get good exposure I will take a full page ad in that. Apart from that we are now in the process of revamping our website, I don't think it is live already but people do actually go and have a look at your website. We are on Facebook, we use social media, we have a Facebook brand page and we try to keep all of that updated.

Yes we try to, it's not easy, sometimes you have to appoint somebody that does your PR work, you know we are not really in that sort of league but we try to get our projects published in as many publications as we can and some of them in the glossy architectural, I think if you get published in the Architecture SA I think you have done good work for the purist. [M2-14](#)

Sometimes, I am actually not very good at that, we have invited people for a weekend to the bush; it's a presentable place that you can entertain clients over a weekend, I don't have a box at Loftus, I really think I should get that, I think that is good marketing but I haven't got that. But that sort of thing is very important and one should be doing that, we should be doing more.

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## **C4G**

Yes, I encourage people to do that, whether they do it or not, that is their call. I must be honest, when I was building the practice for example in Botswana and when I came to Johannesburg initially, I was very heavily involved in things like, I started in rotary and then I went to round table and those kind of business associated organizations are very good in terms of developing your contacts.

## [M2-15](#)

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## **C1G**

If you don't market you won't have a firm, simple as that.

Well just take that particular house that is on the front cover [\[unclear 43.55.4\]](#), we first published in August September thereabouts and by now it has appeared in over 50 magazines around the world, and it must be on 1000 websites by now.



Yes, they normally ask me do we want to do an ad which just doubles the message so quite often we take out an ad at the same time to just show people where to find us after they've seen the article and they've seen the house; you can see we have had one two three four five six front covers with them over the last few years; and Home Owner I think we have had about 30 front covers. [unclear 44.41.8] is about 15. **M2-16**

No if I don't want to pay they will still feature my work but as I say it is just stupid not to do it, not to take an advert; I mean we don't pay for the article but we pay for the advert, so we take the advert out because then people see the advert and they see the house and you just hammer in the message – this is the people to speak to.

They saw the work on the internet, that is basically the marketing we've done, it's from that we get all our overseas work.

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## **D6G**

I would always ask them do you belong to a church, do you belong to a social organization, do you belong to a tennis club, do you belong to a running club, where do you interact with people. That is where people must understand that you are an architect and usually the jobs will come on the basis of referrals from those people or people that they know, in other words if you belong to a church you know John in the church, John knows you have started your practice because you have told him so, you don't keep quiet about it, you announce the fact that you are now on your own, people feel quite sentimentally orientated towards you so John will go and he's got a friend who is a developer or a client who needs a house or whatever it may be and he would say to him do you know my friend Peter has told me he has just started his practice, why don't you approach him and then he will put a good word in for you. That is how it will start. Secondly if your wife goes out anywhere without you and she meets people and she comes home and she can't tell you what her friends' husbands work is and what he does, you must send her back to go and have another cup of tea and come and tell you because often you will find that your wife's friends have got other connections and their husbands are potentially involved in business that relates to architecture. You might for instance that your

wife's friend's husband works for a development company and your wife can introduce you to his wife and him and so you get introduced. So all practices start generally speaking with word of mouth; so the big thing is that people must know that you have started a practice, they must essentially feel a little bit sorry for you and want to help you, and you must ask them if don't know of anybody that wants to give you work. Then in the social structure wherein you work, the churches, the sports clubs and so on, that is where you pick up contacts, so that at the end of the day it is about a successful network. It is about not who you know but how well do they know you. **M2-17**

Thirdly you can do cold calls, you can go to anybody you like. I used to identify firms and if I remember one company in particular, it was XXXXX in Cape Town. I wanted to work for xxxxx, they were the biggest developers and are today still one of the biggest developers in Cape Town. I simply picked up the phone, I phoned XXXX, the owner of the business or the most senior guy and I said can I come and introduce myself and my practice to you. We have got a firm in Cape Town, I see you are doing great work, we would like to be associated with that kind of work, can I have a cup of coffee with you, can I come and introduce myself, can I do a little presentation and invariably if you do it correctly and politely and properly, they will give you a chance. We got great work that way and xxxx became a client; so you can cold canvass clients that are developing the kind of buildings that you would like to do. In other words if you see somebody is doing great houses or hotels or hospitals or whatever it is, you can approach them. It is the more technical buildings where people will not appoint you on a risk basis of doing your first hospital; it is very seldom that you will get a technical project like a hospital as a first case hospital. You will get it in some other way, a consortium and maybe slowly build up the expertise, but a design orientated building which hasn't got that expertise like a small office building or a little retail facility and so forth, so all the

specialized buildings, things like laboratories, hospitals, big shopping centers are all specialist projects, maybe high rise buildings, those are buildings that will come with time. You must never aim at them when you start, you should aim at small stuff and I think one has to in your early years, at least the first three years, you have to have a never say no attitude and just do anything. You have just got to do anything but do it well, do it with zeal and do it with enthusiasm and you will get referred and it will just keep on growing, that is what happened to us. There is no other way, and then if you have the correct political inclination for instance in the current circumstances in South Africa, I think there still exists such a thing as a lists of architects at the Department of Public Works and so on, those lists are very difficult to access even though you can register on them, but they don't work like they worked in my dad's days where everybody got a job; but if you have political connections it can be very influential in getting you work in the current situation in South Africa. But it didn't exist in our days so it is just another angle which one has to analyze the current market conditions and you have got to play in that ball game.

So it is personal relationships but if you had a disaster then you have these sorts of things.

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### Themes:

- M2-1 We don't market: People come to us based on recommendation. (3)
- M2-2 We don't market ourselves: People see or read about our work. (1)
- M2-3 We don't market: We get our work from return clients. (1)
- M2-4 By networking and our website. (1)
- M2-5 By competitions and awards coupled to the added service and value we provide our clients. (1)
- M2-6 By building relationships with people. (1)
- M2-7 Getting published, branding and our website (1)
- M2-8 Networking and building relationships (2)

- M2-9 Following-up on leads received from a relationship based network of informants, awards, getting published and our website. (1)
- M2-10 Face-to-face networking, brochures. (1)
- M2-11 Through a network of professionals. (1)
- M2-12 By getting published. (1)
- M2-13 Networking, website competitions. (1)
- M2-14 Advertisements, getting published, social media, socialising (1)
- M2-15 Involvement in social organisations. (1)
- M2-16 Aggressively seeking publication and advertising in national and international journals and the internet (1)
- M2-17 Socialising, cold calls, building networks and relationships through involvement in social organisations. (1)

### Mega-themes:

If the list of themes are aggregated the following mega-themes can be identified numbers in brackets show number of firms who mentioned it).

- MM2-1 Recommendation (1)
- MM2-2 Creating awareness (1)
- MM2-3 Return clients (1)
- MM2-4 Networking (8)
- MM2-5 Website and social media (6)
- MM2-6 Winning competitions and awards (3)
- MM2-7 Providing extra service and value (leads to recommendation/ return clients) (1)
- MM2-8 Publication (5)
- MM2-9 Socialising (2)
- MM2-10 Involvement in social organisations (2)
- MM2-11 Advertising (2)
- MM2-12 Cold calls (1)

### ANALYSIS

Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to the question 'how do you market your services?'

Some of the strategies mentioned are not active marketing methods but strategies aimed at procuring work:

- Providing extra service and value (leads to recommendation/ return clients)
- Return clients

- Creating awareness
- Recommendation

The following marketing actions were mentioned once only:

- Cold calls

The following marketing actions were mentioned twice:

- Socialising (2)
- Involvement in social organisations (2)
- Advertising (2)

Other responses included:

- Networking (mentioned by eight firms).
- Website and social media (mentioned by six firms).
- Winning competitions and awards (mentioned by three firms)
- Getting published (mentioned by five firms)

## **DEDUCTION**

Responding enduring architects' firms use a variety of strategies and marketing methods to procure work. Networking was mentioned by 40% of firms, followed by using websites and social media (mentioned by 30% of firms), getting published (mentioned by 25% of firms) and winning competitions and awards (mentioned by 15% of firms).

Placing advertisements, getting involved in social organisations and socialising with the specific aim of marketing the firm were each mentioned by 10% of firms while only five percent mentioned using 'cold-calls'.

Apart from active marketing, firms also rely on other means and strategies to procure work. These are providing extra service and value (leads to recommendation/ return clients), return clients, creating general (public) awareness and very importantly recommendation (or word of mouth) from past clients or others within their networks.

### M3 What do you believe constitute the most effective means of marketing for SA architects' firms?

#### A6C

Yes **past clients**. Schools in particularly.

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#### A5M

Yes it is your **quality of work**, you always strive to finish off a building well and hand over a good building to a client not just in terms of what it looks like but the price of the building and everybody is happy. I have been doing a lot of space planning work for Eskom for the last 10 years and it has been a life-saving flow of work that I have had in my office. So we do a lot of space planning which doesn't involve me too much but it has just managed to keep us afloat when things get bad. Ja what was the question?

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#### A1L

Once again it is **basically delivering what the client expects us to deliver. They are our biggest marketers, not that we just bow and courtesy to clients but they are one of the biggest marketers.**

These guys talk, they are on [unclear 1.02.18.3] boards and things like that so that is how I work it.

]. I just truly believe that you have to be easy to work with and you have to **deliver what the client is expecting**. So often you might become so design orientated, the client wants [unclear 1.04.57.2], and we get frustrated, we get cross with them and agitated but every decision is the clients and we have to get them to make the right decision. So we have to convince the client, we have to become marketers and it's not about marketing as in wining and dining, it's about letting the client know that they are getting what they want,

, but **you build up a relationship, you build up a hunting team** if you can call it that, engineers, architects. If you have a team that is working well with you... our biggest competitor has a pool of QSs, consultants, they do everything together and they market together, they work together and they could do things far more efficiently. That is why I say guys at university with that brand start from there, the people around you, that wave that think similarly to you, and then after that you can start branching out. But if you are out there on your own it is very difficult unless you are a profiled person. I was just telling my guys the other day about that, don't worry about my wave, it's your wave that is coming through

They work but look some guys do build it on being the center of the party but that doesn't work for me. It has to be natural with me; the other guys do it differently but you actually have to be out there. **You have to be connected; the most important marketing target is your current existing clients.** Lose them and you lose a lot and **repeat work is very important.**

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## A7L

Basically at any architecture practice you start small what commissions etc. What we beginning to notice those **small jobs tended to lead** into bigger jobs. I notice at an early at someone's boundary wall I did a good job I ended up doing his ads and all's. His friend will recommend me, one of the biggest is of the practice if clients come we have a repeat client you almost know if they start to build a new home I stated to realize that the biggest part is when of practice is when clients come and that showed me once you have a repeat client you realize that showed you almost know that you have a little bit of success going. It basically **repeat clients**. XXX are **repeat clients**. We were successful.

And all we basically do we were busy all the time we **put the job first put the job first and money second** we also realize that in the building industry never ever let your client down. Because when your client is out there and he is busy building he do not have allot of money so when he comes to your with a problem the worst thing you can do is push him away and tell him to settle his account and settle your account get on with your service. We have found out that if that is the attitude professionals have when .....if your client is in need they if That is the attitude when clients are in need those clients will never come back, when the client is in need this is when they need that is when they need the professional architects services the most. When he has problems and disputes with contractors. I have a client that only have enough money to pay for his sufficient rooms and for his working drawings and then we started he runs into trouble that is when the client needs our service the most. billionaires won't move a brick without calling us. But it comes that they trust you.

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## B7S

from one job to another to another job, we don't have time to do the blady website and I know I should allocate it but then I think why do a website. We don't want the sort of client who is going to go to the website who I don't know, I have been passed from client to client to client. A client comes with **a recommendation of a person that has sent you to them**, so in a way that filters your client.

I don't consider them competitors I consider them colleagues, really. And I also learnt there is no competition in architecture. Architecture is so personality related; I know a lot of my clients would never go anywhere else because they just wouldn't have that personal interaction with them. It's all personality based.

They come to me **because other clients have sent them to us**. I don't know!

Yes you have **got to give the service; it is on reputation of service yes**.

Just live. I went to a concert last night, most of the people that I know are in the foyer of the concert and you just chat about this that and the other thing. Then they will phone you in 5 weeks' time;

last night at the concert [unclear 1.53.42.0] my friends are desperately waiting for you. I said no we can't I'm sorry, I want to sleep also occasionally.

Only word of mouth, only word of mouth.

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#### **B4G**

right which is the best way of getting repeat work and that's how we generally get our work is repeat work or referrals.

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#### **B5C**

On the job we have two very distinct advantages that of the personal service that we have, if you are a client and we are the ones that make the contact, I am the only one that you will ever see. So we are very loyal towards clients and then our project administration is twice what it needs to be and we find that is incredibly successful. Then after that we have a very strong follow up, even years after, we would go and visit our projects and make sure everything is fine. So I think clients feel very comfortable with that and it's just like normal things; I mean people like being attended to and we just hammer that, we do that every time. We almost pamper our clients that they feel they are our only ones. That's very successful, especially in the xxx. I think the city people do understand that but they are not so needful of that I don't think; but here in the xxx it's a farming community, it's more [unclear 21.39.6]. So I think those three specific qualities discern us from all the others, definitely.

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#### **C2S**

I think what is nice here is when I do sell something to a client I sell myself and it is purely myself. I haven't worked for a boss, I have worked in my life post-graduate, post-army, I worked for a boss for 10 months so I can't really talk from the other side; but what I can say from this side is I can give of myself, purely of myself. When I put something out there I have done it all. I am proud of what I am putting out there if that makes sense?

All of them; I don't advertise, I don't have a name board up, so I would say it is all word of mouth.

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#### **C3S**

and you just do your best and that's what I always tell people, do the best that you can and the point that you are doing it, you will find other jobs through that.

Is it mostly your past clients or clients that's been referred to you or that has been referred to you by previous clients?

#### **C3S**



Well I think people on that level are in the know in the sense that they probably do their own inquiry and they read a lot and so they know.

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#### **D4S**

Good service.

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#### **D3S**

So building relationships is more important than giving gifts.

Absolutely. I also always

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#### **C5M**

It depends on what they are I suppose. On a residential small one man residential operation and building practice it may be worth their while to actually pay for something like the SA Home Owner which has a huge readership in people who are looking for buildings and new buildings and alterations. How would you market a firm another way..

best projects so far and to disperse them to old and prospective clients because the older clients would find their homes and things in there. You know we have got a very nice portfolio of publishable work and I think that is also something you are reminding me to pursue, and I think that would also make a nice Christmas present, or just in the year, send something that has their project in it in sort of a self-published coffee table book.

Do you phone people regularly?

Yes, Yes

Word of mouth and repeat clients.

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#### **C4G**

The other interesting thing which I never would have anticipated, but if you think about it, does happen, is as you get a critical mass and as you get a critical mass of completed projects you find people actually come looking for you. You do it the other way around obviously, actively and aggressively but we find that we are getting a lot of referrals from satisfied clients, satisfied operators, or hotel operators for example who abroad projects and they patently don't work and then they say to them, look go and chat to these guys they can fix it for you. So you are getting that kind of referral happening as you get the critical mass going. And as more projects get completed and if they are good, they look good, people say, "I will have one of those", and the project that we are doing in Saipan is for a Chinese client who visited the XXXXX in Dubai, which we have done, and said, "Wow, who did this?" And that's how we got that job.

So the quality of work that you produce is key?

We do from time to time and that is part and parcel of our strategic thinking by looking at our current client basis and seeing where things have moved or who have we not gotten in rows in to, that doesn't mean to say we are going to work with them, but do they know us, do we know them, can we get in there to do a presentation to them. So it often requires a bit of cold canvassing. What I've done again, I sort off started by myself, I've encouraged a lot of my fellow directors to belong to things such a SAPOA and get involved in various committees in SAPOA and that exposes us to developers in the industry as SAPOA is. I've actually been past chairman of XXXXXX which is run in Cape Town, and I've been on that committee now for 10 or 15 years and I actually do a lecture slot at the GSB on design economics and that gives you a bit of exposure again, you know. There are 64 delegates there every year coming from all hawks of the industry, all property focused people, so it's part of the PR exposure thing.

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### C1G

that stage it was still totally word of mouth, there was no internet to spread the word so you had to do it word of mouth. I only had my first articles in magazines about 8 or 9 years after I started and my first front cover 10 years after I started, I had my first front cover on a magazine.

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### D5G

From word of mouth I believe and we get a lot of work from,

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### D6G

Do a proper job and you will never have to look for another client again because a repeat client is the best client in the world.

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Themes:

M3-1 Word of mouth/ referrals by past clients. (Mentioned by 10 firms).

M3-2 Repeat clients. (Mentioned by 6 firms).

M3-3 High service levels. (Mentioned by 8 firms).

M3-4 Exposure to potential clients through social or professional organisations/ lecturing. (Mentioned by 1 firm)

M3-5 Building relationships. (Mentioned by 2 firms).

M3-6 Having a critical mass of completed projects (Mentioned by 1 firm)

M3-7 Cold canvassing (Mentioned by 1 firm)

**M3-8** Getting published . (Mentioned by 2 firms).

## **ANALYSIS**

Sixteen of the 26 enduring architects' firms interviewed (62%) provided direct responses to the question 'what do you believe constitute the most effective means of marketing<sup>9</sup> for SA architects' firms?'. Their responses can be categorised as follows (more than one recommendation per firm):

- Ten respondents recommended actions that will result in 'word of mouth' type referrals (63%).
- Eight respondents recommended providing high levels of service (50%).
- Six respondents recommended actions that will result in repeat clients (38%).
- Two firms recommended getting published (13%).
- Two firms recommended building relationships (13%).
- One firm recommended cold canvassing (6%).
- One firm recommended exposure to potential clients through social or professional organisations/ lecturing (6%).

## **DEDUCTION**

Ninety four percent of respondents agreed that actions that will result in repeat clients or 'word of mouth' referrals are the best ways to secure future appointments. These goals can be achieved by offering superior levels of service that respond to or exceed expectations as suggested by 50% of respondents or by forming relationships as suggested by 13% of respondents.

Getting published and building relationships were recommended by 13% of respondents. Providing exceptional service should in most cases also result in strong relationships.

Exposing the firm to potential clients either by cold canvassing or participation in social or professional organisations appears to have a relatively reduced chance of securing future appointments.

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<sup>9</sup> Marketing is understood in the broadest terms as "The messages and/ or actions that causes messages and/or actions" (Bayer & Naslund 2011:94-95) in other words the messages and actions that result in commissions.

#### **M4 In your experience what does not work?**

##### **B7S**

And you don't belong to associations or clubs or anything as a specific marketing means? Do you invite people over because of the possibility of getting work from them?

**B7S:** **M4-1**

No never, never.

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##### **B6G**

Look I think cold canvassing, knocking on doors, is something we have never done and it doesn't work for me. It is the same as we are very happy with XXX, and XXX and XXX keep knocking on our door and we keep chasing them away. It is a degrading exercise, I don't think it works. I think building up strong relationships brings repeat business, a network, I know a lot of people, I have met a lot of people in my life, I strike up lots of conversations so building a network; networking is what it is all about, going to network functions and conferences, meeting people and chatting. Then eventually the reputation is there and people come for that then. So what doesn't work, I don't know, I think the cold calling thing, I don't go to [unclear 1.26.42.6] and say please give me some work. It has to somehow.. **M4-4**

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##### **B5C**

What does not work or what do you say does not work?

**B5C:**

Risk.

**Christo Vosloo:**

Risk work. **M4-3**

**B5C:**

Doesn't work, not for us, doing work that you are not specialized to do, we would not do it. We would not do a multimillion rand warehouse, we would not do it. We specialize in wine cellars, we understand the process but we would not do the process, we would not take fees on the process ever, that's just too risky.

---

##### **B2M**

No, no.

because I think for some people some styles work, some people are very involved with say the wood industry or they are very involved with a particular brand or product, concrete and they align themselves actively with it, XXXX or whatever. So I think everybody's style is very different. **M4-5**

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### D3S

Do you belong to clubs or associations or any of those sort of things?

I do, I'm president of the rotary club in my area at the moment.

And do you think that is a source of work?

Not really no. M4-1

---

### C6M

, as I said I would prefer to spend the money going to the Green Building conference and network with people. I would prefer to spend the money and give a bursary to a student; I would prefer to use that money in different ways. I think I would prefer to spend R30k and have a party and invite our clients, I would prefer to do that, I think we would get more mileage out of it than just going in those trade magazines. M4-2

The problem is you spend a lot of money on these advertisements and then it strikes the wrong bunch of people that you are trying to target, and those people come to you with specific requests and then you say but hang on a second this is not what I wanted as a result of a lot of investment. So we are actually resisting that now having had a few bad experiences of people coming to you with these kind of fancy projects that they've got and it's all fancy fancy fancy.

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### C1G

The whole golf club story and so forth, I don't have the time. The time I spend on a golf course I can create so much what do you call it on the internet that it is just not worth it. M4-1

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Themes:

- M4-1 .Belonging to clubs or social organisations (3)
- M4-2 Publishing in trade magazines (1)
- M4-3 Risk work. (1)
- M4-4 Cold canvassing (1)
- M4-5 Everybody's style is different (1)

### ANALYSIS

Only seven of the 26 enduring architects' firms interviewed (27%) provided direct responses to the question 'In your experience what does not work?'.  
Three respondents (43%) agreed that belonging to clubs or social organisations is not an effective marketing strategy.  
One respondent per strategy (14% each) believed that the following actions are not very effective:

- Publishing in trade magazines (the type of magazines funded by the advertisers which are sent out to all built-environment professionals).
- Doing risk work.
- Cold canvassing.

One firm cautioned that everybody's style is different and that one should not generalise.

### **DEDUCTION**

When the foregoing is compared to the assessment of recommendations made in question M3 certain contradictions become evident. This situation highlights the wisdom of the statement that one should not be too dismissive of any marketing strategy. However, some stand out as being the most likely to result in sustained commissions. Most notable amongst these is the recommendation regarding exceptional service levels.

**M5 How did your marketing management efforts contribute to your firm's enduring?**

**A1L**

. It is relational, it's not [unclear 07.20.5] because they are great people to work with and contractors reinforce that. Then our peers, I had that recognition just last week from peers, if you have got A1L you are in good hands and that is from one of my peers; to me that [breeds 07.34.5] and the staff [breed 07.39.0] as well. A happy team is a successful team so I am not an entrepreneurial architect in terms of the true definition but we are progressive in doing what I have just described.

---

**C1G**

Yes if you don't market you don't work, it's as simple as that. **M5-1**

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Themes:

**M5-1** Yes if you don't market you don't work, it's as simple as that. (10)

**ANALYSIS**

Only two of the 26 enduring architects' firms interviewed (8%) provided direct responses to the question 'How did your marketing management efforts contribute to your firm's enduring?'.  
The result is inconclusive..

**DEDUCTION**

**INCONCLUSIVE**

## **N TOPIC: CLIENT BASES AND RELATIONSHIPS**

The first question asked 'what is the firm's major source of work?' (refer to N1 in Addendum C). Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to this question. When their responses are aggregated the following mega-themes can be identified (and the frequency of mentions):

- Repeat/ recurring clients (8 mentions)
- Government (7 mentions)
- Various Private sector (14 mentions)
- Word of Mouth referrals (2 mentions)
- Public entities (Universities) (1 mention).
- New private clients. (1 mention)
- A combination of private and government (4 mentions)

The above can be summarised as follows:

- Only one response (5%) mentioned each of 'new private clients' and 'public entities.
- Word of mouth referrals were mentioned in two responses (10%).
- Government as a source of work was mentioned by seven respondents (35%)
- Repeat/ recurring clients were mentioned by eight respondents (40%)
- Various sources within the private sector were included in 14 responses (70%)
- Four respondents indicated that they received major portions of their work from both government and private sources (20%).

The private sector sources mentioned were:

High-end commercial (1)

Luxury residential (2)

Automotive dealership (1)

Larger companies (1)

Property funds (1)

Financial institutions (1)

Educational (2)

Retail design (2)

From the analysis, it would appear that, 70% of responding enduring architects' firms get all, most or some of their work from the private sector, specifically from repeat clients in the private sector. The retail, education and luxury residential components of the private sector, at the time of the survey, were the major areas from which firms procured appointments. In



addition, 35% of responding enduring architects' firms procured all, most or some of their appointments from various government sectors. Both of these groups include the 20% of respondents who get substantial portions of their work from both private and government sources.

The second question asked 'how do you build and maintain client relationships?' (refer to N2 in Addendum C). Twelve of the 26 enduring architects' firms interviewed (46%) provided direct responses to this question. The responses received can be summarised as follows:

- A third of firms confirmed that they strive to build personal relationships.
- Sixteen comma seven percent of respondents indicated that they achieve this by using their personalities and the ethics (values) they display in their dealings with clients or by establishing trust.
- One firm (8,3%) suggested each of the following: Showing commitment, producing well designed work on time and within budget, providing extra value and keeping the client satisfied.

Hence, it was found that personality, providing good service and added value, genuine interest in your client's dreams and aspirations and the style and values that your conduct exudes all play a role in building strong relationships with clients.

The third question asked 'do you seek and perform government work?' (refer to N3 in Addendum C). Fourteen of the 26 enduring architects' firms interviewed (54%) provided direct responses to this question.

Forty three percent (six firms) of respondents indicated that they don't seek or perform government projects. Four firms (29%) indicated that, while they don't seek government work, they will undertake it if it comes their way. Four firms (29%) indicated that they seek and do government work.

The fourth question asked 'have you attempted to secure overseas work?' (refer to N4 in Addendum C). Twenty one of the 26 enduring architects' firms interviewed (81%) provided direct responses to this question.

The responses received can be summarised as follow:

- Seven firms (33,4%) actively pursue international work.
- Seven firms (33,4%) have done international work but don't actively pursue it.
- Seven firms (33,4%) don't do international work.

This shows that equal numbers of respondents have indicated that they actively pursue international commissions, don't do international work or have done international work but don't actively pursue it.

The fifth question asked 'do you do work on a contract basis?' (refer to N5 in Addendum C). Fourteen of the 26 enduring architects' firms interviewed (54%) provided direct responses to this question.

Their responses can be summarised as follows:

- Four firms (29%) indicated that they do.
- Eight firms (57%) indicated that they don't.
- Two firms (14%) indicated that they were thinking about it, one seriously as a way of using the low value of the South African Rand to their advantage.

The sixth question asked 'how do your client management efforts contribute to your firm's enduring?' (refer to N6 in Addendum C). Only three of the 26 enduring architects' firms interviewed (11,5%) provided direct responses to this question. While the low response rate means that the results can hardly be considered 'conclusive', all three respondents indicated that their client management efforts did contribute to their firm's endurance.

The responses received indicated that:

- The service they provide means recurring appointments.
- Without work you will perish.
- It has allowed us to build relationships with our past clients.

Thus, client management efforts could contribute to a firm's endurance.

## **Findings**

From the above, it was found that:

- Seventy percent of responding enduring architects' firms get all, most or some work from the private sector, specifically from repeat clients in the private sector.
- The retail, education and luxury residential components of the private sector, at the time of the survey, were the major areas from where firms procured appointments.
- Thirty five percent of responding enduring architects' firms indicated that they get all, most or some of their work from various government sources.

- Twenty percent of responding enduring architects' firms indicated that they get work from both private sector and government sources
- Personality, providing good service and added value, genuine interest in your client's dreams and aspirations coupled to the style and values your conduct exudes, all play a role in building strong relationships with clients.
- Less than half (43%) of the respondents indicated that they don't want to do any government work while 57% do. Of the last group, half the firms indicated that they don't actively seek such commissions but will do it if it comes their way while the other half indicated that they actively sought government commissions..
- Equal numbers of respondents have indicated that they actively pursue international commissions, don't do international work or have done international work but don't actively pursue it.
- While only 29% of respondents indicated that they do consider doing work on a contract basis, and 57% indicated that they don't, two firms were looking at the possibility. Interestingly, in terms of the topic of this study, is the fact that one of these firms (D4S) has recognised this possibility as an entrepreneurial opportunity which they hope to explore.
- Indicators suggest that client management efforts could contribute to a firm's endurance.

Sources of work should be included in a profession-specific EET framework, particularly the fact that enduring firms secure most of their appointments from the private sector. A glance into those industries that provide most work to architects' firms should also be included.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

- Less than half (43%) of the respondents indicated that they don't want to do any government work while 57% do. Of the last group, half the firms indicated that they don't actively seek such commissions but will do it if it comes their way while the other half indicated that they actively sought government commissions..
- Equal numbers of respondents have indicated that they actively pursue international commissions, don't do international work or have done international work but don't actively pursue it.

- While only 29% of respondents indicated that they do consider doing work on a contract basis, and 57% indicated that they don't, two firms were looking at the possibility. Interestingly, in terms of the topic of this study, is the fact that one of these firms (D4S) has recognised this possibility as an entrepreneurial opportunity which they hope to explore.

#### Business Management:

- Personality, providing good service and added value, genuine interest in your client's dreams and aspirations coupled to the style and values your conduct exudes, all play a role in building strong relationships with clients.

#### **Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

respondents indicated that their client management efforts did contribute to their firm's endurance.

The responses received indicated that:

- The service they provide means recurring appointments.
- Without work you will perish.
- It has allowed us to build relationships with our past clients.

Indicators suggest that client management efforts could contribute to a firm's endurance.

#### **Of relevance to Research Question 7:**

Sources of work should be included in a profession-specific EET framework, particularly the fact that enduring firms secure most of their appointments from the private sector. A glance into those industries that provide most work to architects' firms should also be included.

## **N1 What is the firm's major source of work?**

### **A1M**

When xxx first hired me he gave me more commercial work, more retail work. He was very close to xxx and xxx where his two main clients. In the shopping centres and xxx he was doing show rooms but sometimes it was service stations attached. I started doing those for him and then a Family friend who was an engineer came to me and said: you know do you want to start making some buildings? Some factories and that sort of thing he was just starting out as a developer, and I said ye sure thing. That's how it's been. It's just gotten bigger and bigger and now I sit **with basically 3 clients**, two retail property developers and working extensively in the Eastern Cape, Northern Kwa-Zulu Natal. **N1-1**

**My one client is in education and the other two are in retail**, but both of those are fast growing components of our Country. With the transfer of power in 1994, there is a huge demand for schooling, private in particular white people were drawing into more expensive forms of education, I have never done a single project for the government,

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### **A5M**

So there wasn't a lot of work, so it was difficult, we took chances but we thought as a group of three that we would stand a better opportunity and we did. So we marketed ourselves as a practice of three and we got jobs from everybody; within three to five years we had jobs from everybody, the province, national government, we just got work, we got a lot of work because we were three as opposed to one.

We are very flexible, we can work in environments that other people would not be able to and we are fine with it. I don't have a problem going to a meeting in a township for example; some people still have issues with that, some practices may have issues with that. I have had one architect work in my office

Then you realize how different your office is compared to other offices, would have partnered her off with somebody else, but here we would just go. Some people are just not comfortable working in some environments in South Africa still and I think we manage to do sort of.. we are okay with it you know.

No I don't do residential work; I have only done one house for a friend of mine who built it thank goodness, so I don't do residential work. I try not to do projects that are too small; we've just always been like that. We just never did residential work and we never did like domestic work or whatever, we try and avoid it.

It's not a good **relationship**, it's a continual reminder to them that they need to give you more work. It doesn't just like arrive you know. Some of the government departments are difficult; **I did get a lot**

of work from public works over sort of a period of time when they were giving work to women architects in South Africa, N1-2

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### A1L

At the moment it is industrial but we have done quite a lot of retail, sort of [unclear 1.38.46.7] retail the last few years and industrial is the biggest one. Because Durban is becoming a logistical center because of the harbor and everything just goes straight to Jo'burg or to Gauteng and then gets distributed from there N1-3

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### A3C

Very much so. N1-4

It is largely the private sector.

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### B7S

It's a network yes. N1-5

Major source of work has been believe it or not other consultants, other [unclear 1.54.14.0], passing me on or introducing me to their clients and saying you must get this architect. Like this [unclear 1.54.22.1] we were brought onto that by xxx because he had had a huge upset with his previous architect who you actually interviewed, and the landscaper said xxx you have got to get B7S on the job to come and get it sorted out. So that was with xxx that we met xxxx and the result of that one meeting.

So it's word of mouth and referrals by past clients and other clients?

It's referrals by past clients mainly and past consultants, those are the people you operate with

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### B1S

Mostly government and then private sector. N1-6

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### B4G

But it all comes down once again to who you know and that is still the case, even though in the old days business was entirely gained by who you know; now it's a mixture of your own skill, your record and who you know. As to gaps in the market for young professionals that is a very difficult question to answer because the economy creates those gaps and the industry around the economy fills those gaps. So it would depend on their natural talent, maybe it might depend on the project they chose for their thesis; a lot of people find that they can more easily move into a gap because they designed

that for their thesis and that would be social, community, where there is not a natural perceived need or a will for the market place to give high quality buildings in a low quality environment.

We take on most projects that come through the door provided that they have a potential of being good projects so that there is nothing risky about them either in the nature of the client, what they are, certainly if we can do them, there are certain projects that we turn away – more in the residential market because we are not good at them because we've done less and less of them and we've lost the edge and there are plenty of other firms who do it far better than we can do, and frankly they lose money, so houses and things we are not the right size firm, we would have to charge a gargantuan fee

I think the difference would be in where the work comes from, so once again it goes back to who you know and how well you delivered, your track record. So repeat business and new business, all of us have different but similar types of sources of work, be they property funds or the financial institutions, commercial clients, we all operate in the same theatre but if you look at it as one big cake we all have our own slices in that cake. If a client wants to go from one slice to another, and it happens, we are always considerate towards each other to make sure that the rules of engagement are followed, that if work is being done at risk and the client jumps ship that there is a payment for that to leave the ship and to jump on to the next slice. **N1-7**

Most of our business is repeat business and reputation derived business; those two categories. We very seldom have to create work, I'm not saying they come beating a path to our door but we through contractors, through our colleagues, doing work well, it's referred inside in a [known] team environment and a [known 1.23.46.8] client environment.

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## **B6G**

No, people consider us as big hotel and office commercial building architects; we've done a good deal of educational buildings, not enough, there is just not enough going around for everyone. Then we've always been big in residential, but I am talking about town housing and housing developments and apartment buildings and so on. So those are our core.. we have surprised many people with our retail stuff. Our first retail project was

Would you say that repeat clients is your major source of work?

**B6G:** **N1-7**

Yes.

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## **B5C N1-8**

No, we've done offices, we've done homes, [unclear huisies 1.29.17.5], but there is a lot of agriculture in it because most of these old things are on farms. Tourism, no there is a full spectrum of it, I think there is a wide.. old buildings have lots of uses and that helps us a bit. Network sourced

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**B2M**

kind of work we do is that we also raise the money for the communities that we work with; so even in the beginning I had to work with funders and I had to do fund raising basically for our own income

**N1-9**

Your firm's major source of work you have mentioned is the government?

**B2M:**

Yes.

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**C2S**

I love repeat clients, obviously the council has been a repeat client of mine, they are the biggest client as far as our number of repeat projects. I try and get repeat clients, those are the clients I like; I would say over the time most of my work has been repeat clients but a lot of them are first time clients. So I would say 75% repeat and 25% first time. **N1-2**

Yes the smallest design I have done were little ablution blocks because I have done the local council's work now for 10 years, 11 years maybe, the first 8 years I would say or no it wasn't that long, the first 6 years I was their only architect and subsequent to that they got a roster currently 1 of 3 architects on it. So I do anything they ask me to do; private clients no, I don't do anything anymore. I used to, I would do anything, I have done lapas, I've done the whole swimming pools, garden walls, so I can't say I have ever shown anything away - currently I don't do additions.

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**D4S**

I think, you know heritage at the moment, I think, doesn't even make out 30% of the work that we are doing but you know it fluctuates. And I think it is a combination. **N1-10**

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**D3S**

No, not government. It is a combination. **N1-11**

but I do a lot of industrial work and I do a lot of residential work but off the beaten track, in rural areas in South Africa and Angola. So it's in areas where the normal resources are not available in loco.

. I found a niche in what I call under the radar projects. I'm not required to have any BEE credentials, although I have them I'm never asked for them and it is a sort of work that is required to be done very efficiently for specific reasons.

At the moment it is industrial work.

Yes from repeat clients



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## C6M

No then we would just say look we are not the right people we are a little bit busy at the moment maybe you can go and talk to so and so and maybe refer them to a friend. Having said that we have done smaller work in order to have continuity with a client, so like we have done bigger projects with the client but we have also done alterations to buildings for them because we need to keep that continuity going and so on. We have always **seen that the smaller work feeds into the bigger work.** **N1-12**

And contractors are also a very viable way, I mean I would prefer to take contractors and spend some time with them. Contractors generate work for us sometimes.

Well **social housing companies**, **[municipal 59.59.8]** specifically.

Yes, well **municipal**, government, not really government, but **municipal entities and larger companies**. We have done a lot with **universities** recently, but you know things go in spates and then it will work itself out and then there is no work to be done in that sphere and then you have got to look for something else.

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## D1M

At the moment we have got **private clients mostly**,

You mentioned that you get a lot of work from **existing clients, so they become repeat clients** and referrals from repeat clients – is that your main source of work?

**D1M: N1-13**

**Well we are also involved with them in some of the properties, so** we regularly have meetings when we do our yearly books for the properties. So we work with them virtually as partners as well and they are then also our client; but a lot of the work we just consult for them, we are not involved as co-owners in all of them.

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## D2M

We do get that but most of our work is **recurring work from existing clients**, which I think is probably the most difficult because it means you did something right on the previous projects that they would use you again. **N1-14**

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**C4G N1-14**

It's probably **existing client base. Probably 70% existing client base and 30% new opportunities**

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## C1G

Yes, we get a lot of referrals but at the level where we are I would guess on a general level we get in most probably around 70 projects a year that we start up, and maybe 10% of those are referrals so the rest are new work that comes in from all the different types of marketing.

We are close on 50/50, 50% overseas and 50% South Africa. [N1-15](#)

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## D5G

Would you consider yourself as being specialist of any type of buildings.

### D5G:

Yes we are definitely luxury residential specialists and we are definitely automotive dealership architectural specialist but we don't want to limit ourselves to that. We have also done a few embassy's, one of which we won a price for. So we are always busy with an embassy and we are always busy with a few houses and we are always busy with a dealership, so I think those are the top 3 things and then my background being brand environment designer specialist.

### Christo Vosloo:

Are there any types of work that you won't take on? [N1-16](#)

### D5G:

I would love to do a house of Ill Repute or so, but we haven't been offered that, so. You know if somebody asks me to do a building that will defuse my environment or any environment for that matter, I won't do it. So yes I will say there are definitely work that I won't do. If I do get asked to do that, I would try and influence the client to do something else or to do it in a different location, but if somebody asks me to take this property here and do a warehouse because he has managed some underhanded methods to get the approvals or the roads or the zone for it, then I wouldn't do it because your reputation would get damaged. Probably only among architects but as architects we respect our profession and we want to be respected [unclear 0.57.55.8]. We are professional people we don't sell soap.

### Christo Vosloo:

But say if someone should approach you to do a garden wall, or a small alteration or addition, would you consider that?

### D5G:

I try and deflect it. But we would probably help people. We've done an extension at a nursery school which was probably the project that kept me the busiest 2 years ago and we didn't ask a cent to do the work, but we did it. So we do pro bono work.

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## D6G [N1-17](#)

I would say we were highly commercialized architects, so we did anything from a golf estate to a shopping center, industrial buildings, commercial buildings essentially. But we did do a few special buildings like a church here and there, a retirement home here and there, but essentially our buildings I always used to say, we specialize in buildings that make money for clients, they have to give a return.

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Themes:

- N1-1 Specialist in educational and retail design- repeat clients. (1)
- N1-2 Government work based on established relationships -repeat clients. (2)
- N1-3 Specialist in educational and retail design. (1)
- N1-4 Private sector (unspecified) (1)
- N1-5 Word of mouth referrals by fellow consultants (1)
- N1-6 Mostly government and then private sector (1)
- N1-7 Property funds or the financial institutions, repeat commercial clients, (2)
- N1-8 Variety rural buildings, private sector, network sourced. (1)
- N1-9 Government work (social work). (1)
- N1-10 Combination private and government work (1)
- N1-11 Combination private and government work- repeat clients. (1)
- N1-12 Work from municipalities, from public entities, and larger companies word of mouth referrals. (1)
- N1-13 Private clients mostly- existing clients, so they become repeat clients (1)
- N1-14 Recurring clients (no further information) (2)
- N1-15 70% new private clients responding to extensive marketing campaign. Luxury housing specialist. (1)
- N1-16 Luxury residential and automotive dealership architectural specialists. (1)
- N1-17 Highly commercial architects specialising in buildings that had to generate an income. (1)

## ANALYSIS

Twenty of the 26 enduring architects' firms interviewed (77%) provided direct responses to the question 'what is the firm's major source of work?'.  
When their responses are aggregated the following mega-themes can be identified (and the frequency of mentions)

(and the frequency of mentions)

- MN1-1 Repeat/ recurring clients (8 mentions)
- MN1-2 Government (7 mentions)
- MN1-3 Various Private sector (14 mentions)
- MN1-4 Word of Mouth referrals (2 mentions)
- MN1-5 Public entities (Universities) (1 mention).
- MN1-6 New private clients. (1 mention)
- MN1-7 A combination of private and government (4 mentions)

The above can be summarised as follows:

- Only one response (5%) mentioned each of 'new private clients' and 'public entities'.
- Word of mouth referrals was mentioned in two responses (10%).
- Government as a source of work was mentioned by seven respondents (35%)

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- Various sources within the private sector were included in 14 responses (70%)
- Four respondents indicated that they received major portions of their work from both government and private sources (20%).

The private sector sources mentioned were:

- High-end commercial (1)
- Luxury residential (2)
- Automotive dealership (1)
- Larger companies (1)
- Property funds (1)
- Financial institutions (1)
- Educational (2)
- Retail design (2)

#### **DEDUCTION**

From the analysis it would appear that 70% of responding enduring architects firms get all, most or substantial portions of their work from the private sector, specifically from repeat clients in the private sector. The retail, education and luxury residential components of the private sector, at the time of the survey, were the major areas where firms procured appointments from. In addition, 35% of responding enduring architects firms procured all, most or a substantial portion of their appointments from various government sectors. These groups include the 20% of respondents who get substantial portions of their work from both private and government sources.

## N2 How do you build and maintain client relationships?

### A2S

My policy is to get from day to day, from project to project; **happy client will invite me to tea,** one unhappy client & he'll turn off half a dozen others is that a policy no? **N2-1**

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### A1L

, but I believe in a personal approach, a name not a couple of symbols. This whole thing of making sure that we are **selling value so clients understand;** one of our buildings we did one of the directors came from London at the opening and said well I don't know how to handle clients because they just believe our fee is like a bottomless pot and they dig and dig and dig. I said no no it's sell added value Yes I always take two people, we are going to Pretoria on Tuesday, I will take someone with me because I know it's extra air fare but if I have a heart attack or a client phones and he can't get hold of me he knows he can speak to Dennis or he can speak to Sipiwe and accessibility is very important to me. **Always return calls, clients don't want to feel that they have been flogged off.**

Yes the **client must be contacted every six weeks, that** is my philosophy. **N2-2**

Funnily enough I mean I am fortunate in Durban that I am well known but the younger set coming through, younger developers, younger clients I don't know them and that is what I have tasked my younger guys to do because it is their new wave coming through. So I mean I do go to functions, I will go to openings of this etc. but I don't make it a... Durban is small enough to be word of mouth but we do attend odd things. We've won many competitions and that is another way we do things. We are spending their money; we are not saving them money, that is the big difference you know. Accountants are saving that money, attorneys are securing it, we spend their money so we have to be careful that we spend their money well. That is why I believe we need to talk business, we need to start talking about your realtor return and talk their concepts so they understand you are producing **something but it is actually adding advantage to them and they must think that way. Even with a house you appeal to what their real ambitions are, profile, lifestyle but particularly you need to meet their needs and create a way.**

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### A3C

I think it is based on **one's personality and the ethic that comes through in the discussions that you have with people; which leads to very often getting repeat commissions because of their experience of working with you and that sort of thing.** Or they refer other people, other potential clients to you, that is how **[unclear 1.02.18.5]** worked. **N2-3**

No, I'm old fashioned. When I first started out in architecture that was one of the things, you couldn't even accept the thing it was a total taboo very old **[British 1.02.34.4]** system

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## **B7S**

and I say there are two types of architects and there are two types of clients. The one type of architect.. no there are two types of clients sorry, you get the client who has a dream and he wants an architect to help him make that dream, a creative vision dream. Another client doesn't quite care what he gets but he wants to get into magazines, he has got a certain social aspiration. There are two types of architects, there is the architect who wants to understand the client and find out what his dream is and in the process of interaction shape that dream and it will always be your own job because it comes through your head, you will shape that persons dream and work with the client and create a joint dream. But there is another type of architect who has his own dream and he needs the clients' money to make his own dream; now he is the perfect architect for the other guy because he will produce a building that will get into all the magazines, which will be photographed on a certain day with no jerseys lying around and it will go into the magazines and the client will be thrilled out of his mind. But he won't really enjoy living in the house because the place is probably unliveable okay. So what was the question..

Every time you meet a new client it is equivalent to a job interview and if you are going to get hung up about that you can forget about it. So you can go into every meeting with a new person, just relax. They are going to decide within 5 minutes whether they are going to work with you or not and it is going to be based on things you can't even think of. It is going to be body language, the way you dress, the way you look at them, the way you talk, so just forget about it. Just go and be yourself. You might be totally unacceptable to them, which in that case they better get out of your life quickly, quickly and you see that's the thing, if money is what is driving you, you will start mixing with people who you don't have that natural interaction. If money is not your concern and only the personal interaction then the person will eradicate himself quickly down the line and that is not the sort of person you want to work with anyway.

I think if I now talk about my clients and why they pass us on, I think it is empathy. I did a farm in the Elgin Valley some time ago, a farmhouse, they said these are friends of ours and they can't get right with their architect. I got there and found they had 10 architects, 10 architects! I said well what is the problem he said well they can't get the design right, they can't get the feel, they can't bond.. I said well what's the problem? He said well he's got this house and we sat for what was supposed to be a tea session and it ended up being a seven hour session. We went through supper, I eventually drove away from there at 12pm. [unclear 1.19.56.8] we eventually designed the whole house. It was so simple, the whole thing, you just had to listen to what they had to say, looked at the way the structure was, how it could be extended, it was just so simple. You know that drawing that we did at that seven hour first tea party session I can show you the finished building now, it's almost unchanged from that drawing after that seven hour session. **N2-3**

Oh yes I do that for clients, yes, because I have learnt that you have got to shock the client upfront. Regularly when I start a project, as soon as the costs start becoming apparent I give them a cash flow prediction. Now that shocks them, I give them a cash flow projection, they forget that they have got to employ the health and safety officer, that they have got council fees, they've got this and they've got that and I give it to them. So you have got to be computer literate, you have got to be [unclear 1.37.41.6], I do that all myself. I give them the time scale of which the project is going to be, all the fees are going to be and then give them a cash flow graph. That normally shocks the pants off them and that is the time to shock them, not later. Get them shocked and let them recover, and if they fall over that's fine, so I do my project budgets, definitely.

It's part of the relationship and you are busy shaping their dreams, that is not risk work, not in the sense you mean.

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### **B1S**

I'm sure they do, you know that one doesn't always know what is the motivation behind a client appointment, but I'm sure they do, I mean, why I think we continue to get government work is that we produce work on time and on budget and it's usually thoughtfully designed, so that's probably why we get more work and similarly with our private work. We hope that the building users are happy too. I think that is why the firm is successful is that you do one and then it's word of mouth. Mountain club, bridge club, arbitration, other than that, not specifically. I'm not that much of a person who would go out to seek work in my social situations. **N2-4**

. I think via websites and via word of mouth is what I prefer. But it works in a small practice but not in a bigger. I'm sure in a bigger practice they need people to go out there and play golf or do whatever. We are just not that way orientated.

Absolutely. Especially the government ones but I think it's just by making sure that we don't make mistakes and that the workmanship and the quality of the service that we give is always good. We are not allowed to give gifts in government so they don't get from me but my private clients get.

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### **B4G**

Take clients for lunch etc. **N2-5**  
Not often enough, we should and that is a very important thing to do. The answer is we must do that and we are bad at it.

---

### **C3S**

**N2-5**  
No, but we often say that we need to be better at remembering birthdays for a start you know, because I mean you sit with the title deed and so you can easily check her birthday and you know, sort of more that kind of touch, and we don't. And once the job is done the clients move away,

sometimes intentionally, because I mean you are like a hawk for 2 years in their life, almost and now they get to live in their building themselves. So sometimes it is intentional that we move away.

---

#### **D4S**

I think it is a combination. It all depends on what projects you are doing. [N2-5](#)

**So you will go out of your way to maintain personal relationships with clients- Yes**

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#### **D1M**

No, we just believe that if you do a nice addition for a guy now you might end up doing.. we are doing an addition to a clinic down at Brooklyn Circle, you know a fire escape and a couple of store rooms to the theatres - as a matter of fact that is actually an old client that asked us to do that, so most of **those little jobs you do because it is for a client and he needs that small job to be done and you do it.** Or if it is a new guy you will do it because it might go into something else.. so we don't turn away, we will do an outside toilet. [N2-5](#)

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#### **C4G**

Oh yes, I think we are all aligned in our vision and that vision really is, as I've said to you from a **practice we are far more designed and client driven than numeration driven and I think the proof of the pudding is that we went through that 2008/2009 crash in Dubai and we** bit the bullet and we lost a lot of money but we know it will come back, you know, we will get it back, so we kept the office in tact and the people in tact, and we have huge credibility in Dubai because we stayed there. The guys that have left and that are trying to come back, they are viewed as sort of a jaundiced eye.

[N2-6](#)

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#### **C1G**

**I find it easier to establish trust with people, that they trust me that I am not trying to take them for a ride and that is the important part of the whole game;** if you remember that old ad that they used against Richard Nixon where they showed him and said would you buy a second hand car from this guy. That is what we try to avoid. [N2-7](#)

I've got lots of clients I like, that's the other definite thing, **we do not socialize with clients,** we keep it on a professional basis. I have seen too many guys that thought clients are their friends and it just turns out very sour. We don't socialize with clients, **we don't take them for lunches or for dinners or away for weekends or take them to Italy or whatever.**

what we do do is if we do a photoshoot at their places we would send a bottle of champagne and some chocolates and things like that as a thank you and a little booklet with nice photos for them, a



coffee table booklet which is good marketing, but that's all. We do not socialize. The night we do the photoshoot we will have some champagne with them at the house on my account.

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## **D6G**

, I loved it when a client would tell other people, either in front of me or not in front of me this is my architect. If you could reach the point where a client says this is my architect, then you know you have reached the point where the confidence that the client has got in you is so high that it is highly unlikely that that client will go elsewhere. It is like any business, client retention is a very very important factor. That was also one of the things that led us to which were our preferred clients; our preferred clients were always the big institutions that continuously builds. It is no use getting a one off client, in other words if the one guy is going to build one building and never build another building again is not as good as a client who has got a portfolio like a xxxxxxxxxxxx or xxxxxxxx or one of those funds, that continuously needs more work done. They are the kind of guys that you want to invite into your office and the creativity of your environment and what it looks like and feels like and the vibe is massively important, I believe. **N2-7**

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Themes:

- N2-1** Keep the client satisfied (1)
- N2-2** Providing great (extra) value (1)
- N2-3** One's personality and the ethic that comes through in the discussions. (2)
- N2-4** We produce work on time and on budget and it's usually thoughtfully designed, (1)
- N2-5** Building personal relations. (4)
- N2-6** Show commitment. (1)
- N2-7** Establish trust. (2)

## **ANALYSIS**

Twelve of the 26 enduring architects' firms interviewed (46%) provided direct responses to the question 'how do you build and maintain client relationships?'. The responses received can be summarised as follows:

The responses received can be summarised as follows:

- A third of firms confirmed that they strive to build personal relations.

- Sixteen point seven percent of respondents indicated that they do it by using their personalities and the ethics they display in their dealings with clients or by establishing trust.
- One firm (8.3%) suggested each of the following: Showing commitment, produce well designed work on time and within budget, providing extra value and keeping the client satisfied.

### **DEDUCTION**

Personality, providing good service and added value, genuine interest in your client's dreams and inspiration, the style and values your conduct exhumes, all play a role in building strong relationships with clients.

**N3 Do you seek and perform government work?**

**A2S**

I will not go out as matter of principle does not take part in tendering for Architectural services. If some wishes to use me and saw my work, or they have heart, then I'm a nice guy and very I'm happy to work for them **N3-2**

If the government would like me to do some work & it is something that I find morally acceptable, no hesitation will be taken. I have been approached by the municipality here & been asked to do BEE ratings & I don't do that. I have certain skills they tend to my knowledge & exclusion of profession. My skills do not lie in politics.

---

**A4M**

, I have never done a single project for the government  
on I am not even going to try it either **N3-1**

Well I think because we have always geared ourselves to looking for work from the public sector most of my work comes from the public sector. I get very little from the private sector because I don't think private sector actually wants to work with me really, so I don't bother too much. Parastatals, public sector those are my clients; so I market myself on any building type that those departments would be involved in.

---

**A1L**

No, if it comes our way [unclear 1.40.09.3]. That is the biggest risk. **N3-2**

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**A3C**

We have just started a weird house project for a local client, fantastic person to work with, interesting sort of job, challenging job, so I think that is very [unclear 12.42.8] get into your own business. To do work for the government which I am also doing is a challenge because they don't pay you, they are highly bureaucratic;  
work, do you seek out government work?

**Interviewee:** **N3-1**

Not at all.

I'm actually doing one job at the moment and that is my last job, I refuse to do government work from now on because they expect discounted tendered fees and I am not prepared to do it.

---

**B7S**

big decisions I made was I was never going to do government work, the first time I got [unclear 12.53.6] I found insulting. I am sorry I have got to be a white male and that is why I am and I am not going to change that. N3-1

You mentioned that you don't do government work, are there other types of work which you won't touch?

---

#### **B4G**

Government seeks us even though we have got a level 4, so I mean we do tender for parastatal work, we are not often successful because the tender environment is so discounted that it is an irresponsible environment. So we put in a tender where we know we can still grow, we can keep our staff and if we lose it we lose it and the government is welcome to the cut throat guy who will take them to the cleaners. So a lot of our current work is what we call rescue appointments where we have been asked to come in to save the day N3-3

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#### **B6G**

Yes we have tried, in the previous regime and in the new regime and we don't seem to be very popular. We weren't Afrikaans enough in the previous regime and now we are just not black enough. N3-3

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#### **B5C**

Yes actively. N3-3

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#### **B2M N3-3**

Yes, public work. We are also interested in doing private work and I am talking to some builders about doing some work, I am particularly interested in student residences, I find a lot of the student residences are really badly designed and they are not conducive to good learning, they are hideous Well I regularly try and visit them or see them, or I phone them, so you constantly keep up with them. A lot of them will phone me and offer us tenders, I just don't do it anymore because the last one I gave 30% discount and I was the highest so I am not even going to go and fetch them anymore.

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#### **C3S**

No. N3-1

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#### **C5M**

Not.

No, not that I don't want to, I just never got any. **N3-1**

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### **C6M**

Not necessarily, it depends, we are obviously on the Public Works Department roster so if a job comes off the roster which is very rare, then we will look at it and see **N3-2**

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### **D2M**

No, no, nothing at all. We follow the tenders on the tender bulletin and we have spent a lot of time to get on the roster, we have done in the past but not at the moment. **N3-2**

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### **D6G** **N3-1**

I didn't like to do government buildings at all, we never did any government projects, ever.

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Themes:

**N3-1** No, we don't (6)

**N3-2** No, we don't seek it but will should it come our way (4)

**N3-3** Yes we do. (4)

### **ANALYSIS**

Fourteen of the 26 enduring architects' firms interviewed (54%) provided direct responses to the question 'do you seek and perform government work?'.  
Forty three percent (six firms) of respondents indicated that they don't seek or perform government projects. Four firms (29%) indicated that while they don't seek government work, that they will do so if it comes their way. Four firms (29%) indicated that they seek and do government work.

### **DEDUCTION**

Less than half (43%) of the respondents indicated that they don't want to do any government work while 57% do. Of the last group, half the firms indicated that they don't actively seek such commissions but will do it if it comes their way while the other half indicated that they actively sought government commissions.

#### **N4 Have you attempted to secure overseas work?**

##### **A6S**

I work for a French company now I've done work for them from Kenia, and Cape, and they say you got all the background we need this

. **Overseas work come to me.** I'm doing a small job in India. A French company. Quite substantial work, came to notice to people in France. They came to open it. Recently they said get xxx to go and do that. I find it quite satisfying. My work stands there as a recommendation. **N4-1**

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##### **A4M**

I have done a bit mostly just for friends and family and mostly on a sketch plan level. I haven't I have often thought of using outside contractors practices of India in particular they are pretty jacked up, **but generally speaking I would really stay away.** **N4-1**

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##### **A1L**

**we do work all around the country and internationally** **N4-3**

I keep my eyes and ears open but whilst the economy is [okay 1.40.31.3] here, we are looking at avenues right now; we've done work in Egypt, we've done work in New Zealand, we've done UK so yes and throughout Africa. That is a risk in itself.

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##### **A3C**

I've **done work in Zambia,** I've done work in the Cape, I've done work all over Natal.. **N4-1**

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##### **B7S**

doing overseas work?

**No.** **N4-2**

And you don't want to do overseas work?

No.

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##### **B1S**

Personally **I wouldn't want to work in other countries, so that's not an issue.** I'm absolutely in this particular city and that's where I have my reputation and my desire to live has always been here. No, I don't have any desire to take a different direction, but sometimes life takes you in a different direction, so what I'm saying is you need to be receptive to potential change, but I'm certainly not looking for it. **N4-2**

**Not interested at all.** No. Then I would have to get to know different regulations and I don't want to work in a different country and then I would have to look at different staff. I've got a very nice bunch of people that I like working with.

---

**B4G**

**Yes we do but not** a lot, we are trying to change that and right at this very moment that is exactly what we are doing, so we were in a cycle of meetings to take South African clients offshore and they are taking us with them. **N4-3**

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**B6G**

**Yes lots of it.** United States, Italy, a lot of work in Italy, we have been working there for 18 years. Africa.

And that was a specific conscious decision that you wanted to diversify in terms of where you work?

**B6G:** **N4-3**

Yes.

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**B5C**

**No not really,** we are too busy. **N4-2**

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**B2M**

We've done something in Namibia in Keetmanshoop and we hope to do something in Botswana with the same people who we worked with in Keetmanshoop. Then I worked in France on a small like shop,

Not really because it is quite complex, **N4-1**

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**B3M**

Nee, maar John het nou iets in Zambië, maar ek

Nee, maar ek sou eintlik verkies om nie buite Suid-Afrika te werk nie. **N4-1**

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**C3S**

No we haven't and we haven't done any **N4-2**

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**D4S**

No **N4-2**

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**D3S**

Well, I think what happened was in his particular case, you know one thinks about these things but you never give it much thought because it is a logically unknown factor because how do you get a hold of all the facts. In fact when I got involved with this Australian project I started to research other firms and services around the world would cost the Australians **N4-3**

---

**C5M**

I have twice, no more than that, I have looked at overseas abilities quite often but I haven't actively made that something to look at. I am not putting feelers in other countries, no. **N4-1**

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**C6M**

No **N4-2**

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**D1M**

No. **N4-2**

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**C1G**

Yes, the moment the enquiries started coming in we decided it is a good idea and we started going for it. Start earning hard currency especially nowadays. **N4-3**

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**C4G N4-3**

Yes, I think we are would be the answer. We've got a taste for it now, and we now literally work all over the world. And I mean all over the world. We've done projects in Chili, in Cuba, we are currently doing a Casino project in Saipan, which is a little island in the middle of the Pacific next to Guam, we've done concept work in China, the Dubai office is currently working on major projects in Aisa Bhajan, Jordan, Ajman. The Lisbon office is working in St. Petersburg in Russia, Majorca, they finished a project in St. Kitts near Bermuda, Mexico. So we are working everywhere. Whatever comes up, we are ready.

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**D5G**

We have done some work in Botswana and Namibia but I think we need to look wider than Southern Africa **N4-1**

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**D6G**

So those that haven't made inroads into Africa for instance, and I know D6Ghas because they opened up a firm in Kenya and are doing very well there, they are



going to bring work in from Africa so they are balancing their demand ratio that I'm talking about a bit better because they have got international work. **N4-3**

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Themes:

- N4-1** We have but don't actively pursue it (7)
- N4-2** No, we have not (7)
- N4-3** We actively pursue it (7)

### **ANALYSIS**

Twenty one of the 26 enduring architects' firms interviewed (81%) provided direct responses to the question 'have you attempted to secure overseas work?'

The responses received can be summarised as follow:

- Seven firms (33.4%) actively pursue international work.
- Seven firms (33.4%) have done international work but don't actively pursue it.
- Seven firms (33.4%) don't do international work.

### **DEDUCTION**

Equal numbers of respondents have indicated that they actively pursue international commissions, don't do international work or have done international work but don't actively pursue it.

**N5 Do you do work on a contract basis?**

**A6S**

I work for a French company now **N5-1**

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**A2S N5-1**

I am being consulted by one of these firms to do a heritage assessment for another firm

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**A5M**

No. **N5-2**

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**A1L N5-2**

No. We have taken over a lot of projects from other architects but we don't work under them no.

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**B7S**

No. **N5-2**

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**B1S**

I am doing it at the moment, but I have not done it in the past. And I prefer not to. **N5-1**

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**B6G**

Yes, yes. We are busy doing one now where we have been brought in as the concept and design architects for this hotel in Dubai. **N5-1**

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**B5C**

No. **N5-2**

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**C2S**

I haven't, I wouldn't mind doing it, I think it would actually be a relief not having to do the client part of this work because that is the only part that I don't really enjoy. **N5-3**

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**C3S**

No, I would never do that. **N5-2**

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**D3S**

You've mentioned that you are thinking of doing work for overseas clients by contracting work. Do you ever or have you ever used contractors here in South Africa to keep yourself competitive and to

keep your costs down comparing with other firms so that you can compete with an office that runs in a more conventional way? Was that decision made after a conscious decision of sitting down and thinking about how you can improve this service or how you can run at a more cost effective way, or was it just simply over time that you realized that there is an opportunity if you do it that way?

### **N5-3**

**D3S:**

Well, I think what happened was in his particular case, you know one thinks about these things but you never give it much thought because it is a logically unknown factor because how do you get a hold of all the facts. In fact when I got involved with this Australian project I started to research other firms and services around the world would cost the Australians, for example if they go to China or Malaysia or to some other place to get the same work done, just for me to get an idea of what my costs basis will be here in South Africa but also what I can present that would be acceptable because they would obviously do the same. They will also go look around the world and ask the question of why they should pick South Africa. And except for the fact that we maybe have large expertise to our disposal in this country which is honestly under utilized, I'm not sure about that because it is difficult to get a hold of that research. But what I did get was a sort of general price, so if you want your house plans drawn in Malaysia, all you have to do is send them your AutoCAD file or I don't know, whatever. Why would you send them an AutoCAD file because by the time you have that, you are already ¾ down the road so why would you pay someone else to only do a little? But anyway, whatever they need and then they can present to you a set of drawings which is probably not going to be approved by the local authorities because I don't know if they are going to bother to find out exactly what it is that needs to be on the drawing that is going to satisfy my particular authorities but obviously that was part of our competitive edge to say to Australia that whatever it is that they need, we can give it to them. So that you can just take the next step as if it were drawn in your own office. That is where we wanted to enter their system, through the drawing that was done. Now that wasn't something that I thought about, thinking that it would be nice if we can do work for somebody overseas, it was just an opportunity that arouse.

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**C6M**

No, no. **N5-2**

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**D1M**

No. **N5-2**

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## C1G

No, not at all. N5-2

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Themes:

- |      |                           |     |
|------|---------------------------|-----|
| N5-1 | We do.                    | (4) |
| N5-2 | No, we don't.             | (8) |
| N5-3 | We are thinking about it. | (2) |

### ANALYSIS

Fourteen of the 26 enduring architects' firms interviewed (54%) provided direct responses to the question 'do you do work on a contract basis?'.  
Their responses can be summarised as follows:

- Four firms (29%) indicated that they do.
- Eight firms (57%) indicated that they don't.
- Two firms (14%) indicated that they were thinking about it, one seriously as a way of using the low value of the South African Rand to their advantage.

### DEDUCTION

While only 29% of respondents indicated that they do, and 57% indicated that they don't, two firms were looking at the possibility. Interestingly, in terms of the topic of this study is the fact that one of these firms (D4S) has recognised this possibility as an entrepreneurial opportunity which they hope to explore.

**N6 How did your client management efforts contribute to your firm's enduring?**

**A5M**

I just do the best I can, I deliver on time, best quality work; also with some clients you have to have

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**A7L**

, factories and warehouse, we do allot of space planning. Big market. These are our fundamental. Houses we lose, but we do it gives us opportunity. It's the leas cost effective to us. But we do not lose it. But apart from it, if we do not have the ability to work you become a dinosaur. The amount of refurbished building.....it's like that at the moment. You got to learn everything. You need to do refurbishing.

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**A3C**

No not at all.

I hope to think so, I would like to think that really. Does not answer question

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**B7S**

Literally past clients are my friends.

It's not a service you become a part of the person's life as an architect, it ceases to be a service, they invite you into their lives, that's what it is.

---

**D4S Does not answer question**

I think so, yes.

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Themes:

**N6-1** The service we provide means recurring appointments. (1)

**N6-2** Without work you will perish. (1)

**N6-3** It has allowed me to build relationships with my past clients. (1)

**ANALYSIS**

Only three of the 26 enduring architects' firms interviewed (11.5%) provided direct responses to the question 'how did your client management efforts contribute to your firm's enduring?'. While the low response rate mean that the results can hardly be considered 'conclusive', all three respondents indicated that their client management efforts do contribute to their firm's endurance.

The responses received indicated that:

- The service we provide means recurring appointments.

- Without work you will perish.
- It has allowed me to build relationships with my past clients.

### **DEDUCTION**

Indicators suggest that client management efforts could contribute to a firm's endurance.

## **O TOPIC: FEE DETERMINATION AND POLICY**

The first question asked 'what constitutes your fee policy?' (refer to O1 in Addendum C). Twenty six of the 26 enduring architects' firms interviewed (100%) provided direct responses to this question.

Seventy seven percent of respondents (20 firms) use the recommended fee scale published by SACAP to some extent as the basis for determining their fees. Off these:

- Eight firms (31%) use it and are not willing to negotiate a fee that deviates from it.
- Eight firms (31%) use it but are willing to negotiate a fee that deviates from it.
- Three firms (11,5%) use a combination of the recommended fee scale and their own cost estimates to derive a competitive or profitable fee.
- One firm (4%) uses the recommended fee scale as basis but does not quote their fee in terms of it: They offer their clients a packaged fixed fee which often is higher than the recommended fee scale.

Only three firms (11,5%) calculate a fee based entirely on the projected cost to the firm while one firm (4%) base their fee on the estimated cost of the project (building and furniture-they offer a package service that includes the interior design and furniture). The estimated unit cost used varies according to market conditions. One firm (4%) base their fee on a variety of factors to arrive at a competitive but profitable fee.

The 31% of responding firms that insist on using the recommended fee scale without deviation display uncompetitive attitudes and hence low entrepreneurial attitudes. Furthermore, setting a fee that doesn't consider the actual cost of providing the service can result in low profit levels- levels that could threaten the survival of the firm.

The firms that use the recommended fee scale religiously and are not willing to deviate (up or down) from it, is not only 'un-entrepreneurial' but because it doesn't consider their actual cost, could result in low profit levels or missed commissions.

The second question asked 'if pushed for discounts, how do you determine what you can work to?' (refer to O2 in Addendum C). Thirteen of the 26 enduring architects' firms interviewed (50%) provided direct responses to this question.

The responses received can be summarised as follows:

- Four respondents (30,8%) indicated that they base it on a rough assessment of what can work for them.
- Two respondents (15,4%) indicated that they calculate what their costs will be and then negotiate the discount.
- Two respondents (15,4%) indicated that they end the conversation and walk away.

- Two respondents (15,4%) indicated that they first reduce the scope of work that will be undertaken but that ultimately they calculate the cost to firm when a critically low fee becomes a distinct reality.
- One respondent (7,7%) indicated that they estimate what their costs will be based on past projects.
- One respondent (7,7%) indicated that they use software that helps them estimate what their costs will be.
- One respondent (7,7%) indicated that they firstly limit the scope of work where after they discount.

When the above is aggregated the following mega-themes of actions that are employed singularly or in combination (where practical) emerge:

- We do a rough assessment of what our costs will be and then negotiate (31%).
- We calculate what their costs will be and then negotiate the discount (15,4%)
- We end the conversation and walk away (15,4%).
- We limit the scope of work to be done and then calculate their costs (23,1%).
- We estimate what our costs will be either by using a fee calculator or based on past projects (15,4%).

All of the above are reasonable reactions but ending the conversation does not constitute an entrepreneurial attitude while doing a rough assessment of costs might not result in a sustainable fee offer.

The third question asked 'do you have figures relating to your costs?' (refer to O3 in Addendum C). Nine of the 26 enduring architects' firms interviewed (34,6%) provided direct responses to this question.

Six of the respondents (66,7%) indicated that they do have cost figures while two respondents (22%) indicated that they don't and one respondent indicated that they don't have up-to-date figures, but that they have once in retrospect, compared their fees to their costs.

The fourth question asked 'do you 'tender' or 'bid' for projects?' (refer to O4 in Addendum C). Thirteen of the 26 enduring architects' firms interviewed (50%) provided direct responses to this question. Seven respondents (54%) indicated that they do while six respondents (46%) indicated that they don't.

The fifth question asked 'on what basis do you prepare your offer?' (refer to O5 in Addendum C). Only nine of the 26 enduring architects' firms interviewed (35%) provided direct responses to this question.

The responses received can be summarised as follows:



- A total of six firms (66,7%) use the SACAP recommended fee scale.
- One firm (11%) indicated that they use the value they offer as the basis.
- One firm (11%) indicated that they use the estimated cost of performing the project.
- One firm (11%) indicated that they use the estimated cost of performing the project and then reduce their fee by negotiating a related reduction in service.
- One of the firms that base their fee on the recommended fee scale offers discounts linked to early payment.
- One of the firms that base their fee on the recommended fee scale, where possible, turns it into a fixed fee coupled to a fixed scope of service.
- One of the firms that base their fee on the recommended fee scale offers discounts linked to a reduction in liability.

The responses indicate that the SACAP recommended fee scale once again forms the basis for the preparation of fee offers for most firms when competing in tendering. The fee indicated by the recommended fee scale is then turned into a fixed fee against a fixed project scope by one firm. Two of the firms use the recommended fee scale and then pragmatically, negotiate discounts linked to early payment or a reduction in liability. While these novel strategies might have certain benefits, it might still endanger the sustainability of the firm. The remaining three firms follow a far more sustainable strategy by basing their fee on the value they offer, cost of performing the service and the scope of the appointment.

The glaring shortcoming in many of the responses is the recognition that tendering is by nature a competitive process that aims to identify the most efficient service provider. This implies that firms must be structured and organised to perform work in a very efficient manner and that service providers must be able to accurately estimate what their production costs will be. However, question three earlier on established that only about two-thirds of enduring respondents know what their production costs comprise.

The sixth question asked 'do you do 'risk work'?' (refer to O6 in Addendum C). Fifteen of the 26 enduring architects' firms interviewed (57,7%) provided direct responses to this question. Eight respondents (53%) indicated that they do, while six respondents (40%) indicated that they do not. One respondent (7%) indicated that they do take part in design competitions which could be regarded as a form of risk work.

The seventh question asked 'how did your fee policy contribute to your firm's enduring?' (refer to O7 in Addendum C). Six of the 26 enduring architects' firms interviewed (23%) provided direct responses to this question.

One respondent (16,7%) did not provide a clear answer and was thus disregarded. The remainder all indicated that their fee policy contributed to the firm's endurance (83,3%). Of

these, two firms (33,3%) indicated that following an appropriate fee policy was key because it allowed them to do good work and one firm (16,7%) indicated that using the recommended fee-scale simplified the appointment process for the firm and their clients. Two firms (33,3%) did not explain their response.

The majority of firms (83,3%) believe that their fee policy contributed to the firm's endurance. Hence a profession-specific EET programme should highlight the importance of following the correct fee policy.

## **Findings**

The investigation found that:

- The recommended fee scale published by SACAP forms the basis of the fee determined by seventy-seven percent of responding enduring architects' firms.
- As many as 31% of these firms use the recommended fee scale religiously and are not willing to deviate (up or down) from it.

While the recommended fee scale might provide a convenient benchmark, this practice could result in low profitability levels. Likewise, other 'discounted' fee setting mechanisms used by firms that don't, to a certain extent, consider the actual cost to the firm (including risks and required profitability), could pose a serious threat to the viability of the firm.

Furthermore, it was found that when the responding enduring architects' firms are pushed for a discount they determine what they can work to by doing one or more of the following:

- They do a rough assessment of what our costs will be and then negotiate.
- They calculate what their costs will be and then negotiate the discount.
- They end the conversation and walk away.
- They limit the scope of work to be done and then calculate their costs.
- They estimate what their costs will be either by using a fee calculator or based on past projects.

Ending the conversation does not constitute an entrepreneurial attitude while doing a rough assessment of costs might not result in a sustainable fee offer. However, it is worth noting that the investigation also established that only two-thirds of responding enduring architects' firms know what their operating costs comprise.

Next it was established that:

- More than half (54%) of responding enduring architects' firms indicated that they do tender for projects.
- The SACAP recommended fee scale forms the basis for the preparation of competitive fee offers for most firms.

- The fee indicated by the recommended fee scale is then turned into a fixed fee against a fixed project scope by one firm.
- Two of the firms use the recommended fee scale and then pragmatically, negotiate discounts linked to early payment or a reduction in liability.

While these novel strategies might have certain benefits, it might still endanger the sustainability of the firm.

- The remaining three firms follow a far more sustainable strategy by basing their fee on the value they offer, cost of performing the service and the scope of the appointment.
- Firms will have to understand that tendering is a competitive process meant to reward the efficient, thereby requiring operational and cost estimating skills.
- Slightly more than half (53%) of the responding enduring architects' firms that responded, do 'work on risk'.
- Following an appropriate fee policy was key to a firm's survival and endurance.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

Entrepreneurial Orientation:

- The study established that slightly more than half (53%) of the responding enduring architects' firms that responded, do 'work on risk'.
- More than half (54%) of responding enduring architects' firms indicated that they do tender for projects.
- The recommended fee scale published by SACAP forms the basis of the fee determined by seventy-seven percent of responding enduring architects' firms.
- As many as 31% of these firms use the recommended fee scale religiously and are not willing to deviate (up or down) from it.

Business Management:

- Following an appropriate fee policy was key to a firm's survival and endurance.
- 'Discounted' fee setting mechanisms used by many firms that don't, to a certain extent, consider the actual cost to the firm (including risks and required profitability), could pose a serious threat to the viability of the firm.

- The responding enduring architects' firms are pushed for a discount they determine what they can work to by either doing a rough assessment of what their costs will be, limiting the scope of work to be done or estimating what their costs will be. Some walk away from the negotiations.
- Only two-thirds of responding enduring architects' firms know what their operating costs comprise.

**Of relevance to Research Question 3:**

(Which entrepreneurial actions, practices and orientations enabled enduring South African architects' firms to achieve this status?)

- The investigation found that the recommended fee scale published by SACAP forms the basis of the fee determined by seventy-seven percent of responding enduring architects' firms.
- More than half (54%) of responding enduring architects' firms indicated that they do tender for projects. As was found earlier, the SACAP recommended fee scale forms the basis for the preparation of competitive fee offers for most firms.
- The study also established that slightly more than half (53%) of the responding enduring architects' firms that responded, do 'work on risk'.

**Of relevance to Research Question 7:**

(What do South African architects and candidate architects, in retrospect, regard as the shortcomings of the EET and support offered during the respective, preceding, phases of their careers and which aspects should be included in the envisaged educational, training and support framework?)

A profession-specific EET framework for architects should point out the importance of following an appropriate fee policy and include teaching on determining operating costs and doing cost estimates. Furthermore it should cover negotiation strategy and tactics. This could enable architects to work at adequate levels of profit.

## O1 What constitutes your fee policy?

### A6S

**Fee scale.** Old clients it's a global kind of figure I think its fare. Below the rate. But it kept me going for so long and sometimes they ask what the scales, a new clients are for instance. Then I have quotes. Yes on cost of structure. **Usually percentage.**

Usually the **recommended scale fees is my guide and then savvy clients industrial clients they get discount** their only argument is how many discount you giving. My guide is set of scale. **O1-1**

If you want me to do the whole project, then I open it all up all fees. I combined the fees. Advantage everything happens in one thing. I have the advantage of doing it. If you have to accept the offer and they communicate electronically with each other. This is how I can do it for you. I have never had an argument about it. I try to be fair and logical with it.

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### A2S

if a client says I want to use you, but can you compete with the rest. **I say this is what I do and do not change my standards** **O1-2**

I have recently looked at the most recent recommend I do tend to in the office stick to the fee scale I think we should be doing that, I am pretty dogmatic about it we were at one time asked to tender on our jobs we ended up with 3

I think if there is a **recommended fee scale** the implication is that we should be using it however I've recently tried to calculate fees scale & I don't know what they were doing when they actually did it.

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### A4M

I base it on a **bit of both**, I think **more fee scale than actual cost** but one is always evaluating what it is going to cost, but touch wood I have stopped doing that because I haven't really needed to the cash flow has been very strong and work is getting out, we are meeting deadlines so I'm sure if a thing started to tighten up then I would start to look at those things again a bit more carefully, the way it is right now I'm just happy that we don't really need to do that **O1-3**

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### A5M

Our fees now are just regulated by whoever is going to pay you; not everybody is paying full fees now, I have some relationships with some clients where they have given me a lot of work on an ongoing basis with a little discount which is fine; but fees now, the environment for fees is completely **[unclear 1.03.12.2]** and fees in tender is completely **[out of hand 1.03.15.5]**. I may as well sit at home. So no I mean I have never had the need to demand more fees because I am going

to be [unclear 1.03.26.1], I would love to be in that category, I know architects who are sought after people you know.

You have to tender now and so I have a minimum discount that I will offer anybody and otherwise I just don't do it. But I find with my colleagues, engineers and QSs, nobody wants to get involved in projects now that are going to result in them working in projects that are potentially dangerous in terms of the end project and their professional indemnity. You are still responsible for projects and clients don't know that actually they just think don't worry we have got an architect, they have got PI, we're covered and then on the other hand they are wanting you to do the work for 80% discount or something. So I think a lot of us haven't quite figured that one out. But I know a few colleagues of mine, engineers and QSs colleagues of mine are just saying there is that amount, below that we don't go there. O1-1

I've done a few projects where I've been forced to discount my fees and I just ended up in one situation.. and [unclear 1.04.57.8], it was like the lowest paying job in the office, the most problematic job in the office and you learn from it

because you also worry that those ones are the ones that you are going to get yourself into trouble for.

No I mean we use the gazette fee scale, we always do that, I always do that because when we fill in our professional indemnity forms they ask you to do things like that. We have always done that, xxx always uses the gazette fee and then if the person needs a discount then it's negotiable. We will never say I will just do the job for you at 2%, as architects we say our fee is based on whatever Gazette number whatever, we do the calculation and then show the discount on top. Not a lot of architects do that, some of them just say I will do it for 3% or whatever, but we are used to in this office doing it in that way so people can see this is what you should be paying us, this is the sort of discount you want; if you don't do it like that then you report to your professional indemnity company in terms of what cover you get for that project is usually based on that fee as well. So we put it on everything; you get some clients that try and make us do things a little bit outside the ordinary.

Yes, I am not embarrassed to talk about money to anybody, to a client who wants a discount. Often architects think that I am such an amazing architect I don't need to talk about money. Our practice never learnt like that, we always brought the issue about fees and payment and all of that, we just talk about it very openly. I think in our profession people need to and it comes from what you are taught. You are not taught the things like money and sustainability, like that word sustainability for us from the time we started A5M was that word we used. People asked so what do you want to do

and we said we want to be around 10 years from now and we want to be around 20 years from now and we want to be the most successful practice in KZN

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### **A1L**

. So I manage it in that process yes and definitely spelling out, I go through what we are to deliver and nothing more nothing less. Our fees **are based on a scope** and not on a value. **O1-4**

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### **A7L**

All new contracts we do it on a time basis. From architect to guy that running the site. You put time down that is how you do it. **We work backwards. Not percentage.** Negative of bigger companies, they charge reduced rates and put junior guys on this. New way **O1-6**

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### **A3C O1-2**

**I refuse to negotiate because I feel at** the end of the day I have been in this business for 50 years and I want some compensation according to the fee scales and I won't negotiate certainly not with government. We just got government work now and they wanted a **[unclear 39.26.9]** price.

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### **B7S**

. Also I work on the FFOFO system, full fees or f\*\*\* off okay. **O1-2**  
, I am prepared to trust them on that because if you work within that fee scale, and it's again the money thing and working for developers, if you work within that fee scale those guys in their wisdom have thought about roughly what the just remuneration is, and if you put your all into the job, not being stupid, we do more details than most, but if you are not stupid you will find that the resource expenditure is sort of covered by those fees

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### **B1S**

**I use the government gazetted fee scales** **O1-2**

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### **B4G**

**Fee scale we use as a reference.** We always look at the nature of the project and I mentioned earlier that we categorize our projects into three categories and they each carry an overhead factor and a profitability factor. **We determine the fee we need to charge based on looking at the team, so we assemble a team for that project, we look at the cost structure for that team, we look at a program and then we generate a fee based on time looking at what it would cost us to service that job over that length of time.** The other thing I mentioned earlier in the interview was the fee calculator; that will give us an added advantage in that it will give us a software driver to check whether our manual calculations which is how we did it before, can be refined to our benefit. We haven't yet gotten

answer because we are using it on a project that we are currently trying to bed down because we only got the software three weeks ago. [O1-3](#)

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### **B6G**

We do both; we have got a very good system of how we determine what it is going to cost us. We have developed that whole software, the whole system and then we see what the fee scale is – we often just compare and very often we take the middle row and we say we can make so much profit out of it if we run this thing properly so we can afford to fix our fee on that particular amount of percentage. [O1-3](#)

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### **B5C**

That's the only way we would discount. We will discount the things that you don't want us to do, if I leave that on we will look at the stages and say this is all the work per say, if you don't want me to do that then I will discount you.

That would be definitely the minimum fee. [O1-1](#)

I think so; I think it's expensive but fair because very few people realize how much work you need to do and what it takes to get a job done properly. So I think it's fair; the new fees are a bit on the high side I must honestly say, I find that a bit too high but yes I think that's part of the success not negotiating yourself into the ground.

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### **B2M**

Yes, normally if we are appointed by provincial government it is according to the fee scale yes. [O1-2](#)

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### **B3M**

Ons gebruik die standaard Instituut van Argitek foieskaal en ons wyk nie af daarvan nie. Ons maak nie minder of meer om die job te kry nie, sal ek maar sê. [O1-2](#)

Dan doen ons nie die werk nie. Ons bly by die Instituut se voorskrywings. Ons probeer nie jobs kry deur minder te vra nie, want dan moet jy 'n [blinde 1.36.53.1] standaard behartig. Jy kan nie anders nie.

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### **C2S**

I do a fee scale, I have no idea of my predicted costs because my costs aren't high, so I work on the fee scale and I work on a fixed percentage discount but I link it to prompt payment. You get this much discount if you pay within 7 days, 14 days, 30 days [O1-1](#)

I haven't been paid full fee in a long time because I get paid quickly. It works, people don't actually employ you if they can't afford to pay and everybody wants to pay less, I mean I would pay less if I



had the opportunity. So when they approach you I say right when I get to there this is your offer, and the only people I give a discount are other professionals, churches, schools, things like that, I will just give them a discount but other people it is linked to prompt payment. It is a prompt payment discount, it is not a discount.

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### C3S

To us that is a difficult thing. To that extreme that we will say to the client, we are fixing your price at this fee, for the purpose of our [unclear 0.54.07.2] we are fixing your building cost at that. And that gives you the freedom if you ever want to have gold taps, I'm only joking, but anyway. Anything very luxurious, we will not make a profit on that. You have to have the best solution.

No, never. We like working on the fee table that is set out by SACAP and the new one which was published now in 2015, we find a bit excessive.

Yes, there is a lot of resistance against that. So now we just lower our estimate of a contract price and that way we get a feeling of what is reasonable. We don't want to over value ourselves, I mean even if you look at that hourly rate, I think it's crazy. You can never work like that. How can you count hours in any case when you are working? [O1-1](#)

Yes, but as I've said the new one we find excessive so I'm sure they will adjust it. I don't know who compiled it.

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### D4S

Do you charge according to the recommended fee scale?

I do normally, yes. [O1-2](#)

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### D3S

I often round it to a fixed fee not with bigger projects, but with the smaller projects, I have discovered that clients are much more inclined to pay a higher fee if it's fixed, where as architects fees are mostly depending on the size of the project. Let's take a residential project of R2 million, the fees are about 10% with the new SACAP. [O1-5](#)

With the fee scale, but I charge them 15% and they tend to smile and it's because of 2 things. I package my services, in other words I give them benefits so it's not only employing the best architect you can get your hands on but you are also getting benefits out of it, all sorts of additional benefits that you as a home owner builder or new home owner will find precious, and I know that because I've been through them all so many times, so I know that. If you want to make a guy happy, give him something for free. It depends on what it is, but instead of trying to confuse the client by throwing all sorts of calculations on the table, give him a fixed fee. What does it matter? Rather round it up

to a higher figure and say look, I can do this for x amount fixed fee. You are not going to call about, we know you're house is going to cost more and it's your problem to find the money but I'm not going to charge you more. In the meantime if I were speaking plain Afrikaans I would say, look, I'm already overcharging you anyway, but you don't know it and it's not as if I'm doing you in because I'm going to give you that service. He is going to get the fees paid, this is a particular fee scheme where there are fees paid for considerations of drawings and ecological approval and council fees, so it's all included

Well it is initially based on the fee scale. Fee scales being used as a tool to introduce a portion of the fee.

When you ask them what they expect to pay you or what they think architects get paid, and they normally don't have an idea, then we will go through the fee scale and I explain to them how it works and then invariably turn the discussion to in some way fixing the fee

Do you charge it up front?

Yes I have to see it in my bank account before they pitch otherwise I never see the money and it is discounted from the total fee when they appoint me but if they are just coming to waist my time I at least got my [unclear 2.54.04.4]

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### C5M

it says if my fees are under whatever is the latest published rate, I am not saying whether it is suggested or what is the current..

Recommended fee scale, whatever that means, we say published, if our fees are under that our liability will reduce in the same proportion. So if you only pay me 75% of what I am supposed to get you can only claim 75% of whatever your claim was meant to be from me. O1-1

Not explicitly but I get a feel for the complexities and particularly for the client profile, is this going to be a client that will give me a lot of carte blanche and be happy with the result, is this one of those people that will sit on me 12 phone calls a day to see that I have done what they have asked etc. so you get an idea of the client difficulty scale. How difficult would the client be.

Okay so it is not based on the recommended fee scale and then say well this looks like a difficult client so therefore we will increase it?

Beyond 60%, yes

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### C6M

Some of our work is at quite low fees but we work out the hours and all of those kinds of things, but yes I mean some of it is done at quite low fees. O1-6

It is a bit of a mix but some is done on an activity base schedule where we work out what we are going to do and we put hours to it and that is the fee; sometimes it is kind of a we look at a percentage based and then the hours and then the [unclear 29.03.6]. Sometimes they come out very close together or we split the difference between the two, something like that, sometimes it is a percentage, but most often it is a percentage that results in a fixed fee. Very very rarely are our fees recalculated on final values.

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### **D1M**

. The point is I never know what these things cost me because I know a guy is not going to concentrate on this one job, because I am going to divert him all the time to get in between. So I simply take a project, we estimate the cost, we actually work to the previous fee scale, present that to the client, they usually nibble a bit and with the houses a lot of times what happens is the guys can't claim VAT so the VAT is a burden to them. We base our fee like the fee scale says, you take your fees and you have got to add VAT and these guys can't, so a lot of times I have got to throw in the VAT and then you have got problems because now your fees get paid but you are actually giving a 14% discount. So it's problematic and with the housing sphere that we work in, like our own developments here, when we do like a R10 million development we cannot claim VAT because it bites you because you cannot get it back. So I am interested in the insurance that you can now take out against the tax man because they sometimes come with sly little tricks. O1-1

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### **D2M**

No we are not very good at predicting our own cost and keeping track of the costs of our company, I have discussed that with a number of my friends in the business world. I am very bad with that, I just have a gut feel and an instinct of when we are making money on a project and when we are losing money on a project. I would rather let the guys spend time on the projects and doing timesheets and spending time on getting somebody to put it on, I know I should be doing that but we are not doing that, but the way we negotiate fees is we start off with the fee scale but you never get there, not even with the university. You always have to negotiate down and we always try to negotiate. I think because I am in property development as well I have done a lot of negotiations with the guy in buying his land, so I am also not a good negotiator with clients because you are always in a bad situation but we always negotiate fees and sometimes you have to make the difficult decision in that you know the discount is too big but you rather take the project for keeping the cash flow going. But there are projects where you know you are getting a proper fee, it is not always the fee scale but it is not that much of a discount. O1-1

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## C4G

Yes. That is why we keep such a strong database of our costs and our time. So we have 2 methodologies of estimating a fee. One is, we can take the size of a project, we know how many man hours it will take to execute a 10 000 m<sup>2</sup> project, we gauge it on complexity, etc. but we know it is going to take 5 people, so many months and so on. You work it back and we then do a calculation on that with a mark up and then we test it against a similar project which is done and dusted, historically, how many hours did it take us to do that project and what was the success or otherwise of the projects in terms of it's profitability. So you end up doing as accurate as possible, comparative assessment of what has gone before and of what you have now and it's based on man hours in turn of production not on percentages. [O1-6](#)

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## C1G

No we work totally on a square meter rate and we look at the value of the work and we set a square meter rate beginning of every year. We have got a very definite system again, on marketing we get 10 enquiries, I see three people and I sign one. If that ratio goes up I sign two out of three, fee is too low; if that ratio goes down, I only sign one out of five our fee is too high so we have to keep it steady for a while. It's a simple as that and that is how we do it. The one thing you have to avoid is typically what you see with a lot of builders, that they quote on the one project too low and then they are in trouble; then the next five they quote way too high and then they don't get anything and then they have to quote too low again to get a project to keep it going and that we try to avoid. We try to make sure we are steadily in that line where we want to be, that one out of ten enquiries is signed up but that means you have got a steady pipeline of enquiries otherwise you immediately start dropping your prices to try and stay alive. So you have to do the marketing to do that.

Yes, if I see the cash flow is getting low, it is usually a case of who is not finished with their projects; so I kick some butt, I grab some of the projects myself and help to complete them. I show them how to get the thing completed and get a move on. You see work on a 33% deposit when we start, then [\[when he approves the floor plans 53.14.3\]](#), just the floor plan layouts, he pays a further 50%. Then there is only 70% left right at the end for [\[unclear 53.23.7\]](#) going out to tender etc.; so we get paid upfront all the way.

I don't do a lot of work if I haven't been paid before that, as simple as that. Like last time I had a client here, one of the houses that I showed you just now, who approved the floor plans, I did the floor plans, my son did the elevations and he was in love with the elevations and two / three weeks' time he wants to come back and change the floor plan. It cost him R800k a plan now an extra R150k and he wanted to argue the point and I showed him, here we said it to you if you change after we

start with the working drawings you pay for it and this is R150k worth of time that went in there and that is what it will cost you. He paid. The thing is he already has a big investment with me for he has already paid 83% of the plan fee so now he must decide is he going to throw away almost R800k because he doesn't want to pay the extra R150k or is he going to pay the extra R150k and get his plans.

It is basically we work roughly on 5% of the cost of our houses but now you must understand our houses, the actual construction cost of most of them is about 50% of the total cost, if 50%; more than 50% is interior design. [O1-7](#)

Once they get involved that price would go up to R20k, R25k, R30k or 40k a square meter. So we work on roughly 5% of that but as I say it doesn't include any site supervision, we charge per hour for site supervision and site meetings and stuff. So it is based roughly on that and then internationally we basically work on roughly the same fee of what it cost in South Africa to build, for it doesn't cost me more to design a house in another country where it is more expensive to build. So it's as simple as that, and that's the other thing that people will say "oh but we are going to build a cheap little house" and I say to them the structure is going to cost the same, my work is the same, whether you put in a bare concrete floor that you [unclear 1.22.46.1] or you put in a 2000m<sup>2</sup> tile I don't do more or less work. Where you put in a R10k kitchen or you put in a R1 million kitchen it's not more work for me so I am not worried what price you build at; I am worried about the area you build in and that is what I base my fee on.

. So I charge my fee per square meter and he doesn't know what he is paying me per hour.

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## D5G

I like to use the 2015 fee scale especially when developers say we've got a blanket of 12% for fees and [O1-2](#)

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## D6G

Absolutely. Most clients today in the commercial world prefer a fixed fee paid over a certain amount of months over the building period. They normally would only pay you when they get their first draw because no developer builds a R500 million with cash,

We start with 5% of the building contract price, that's about it, and then depending on the kind of job it can go down a bit or up a bit. No, mostly it was a question of two calculations, we did one on hours roughly, just sort of check out the hours to

see how low we could go because you often had to negotiate, it's like you always had to negotiate. **O1-8**

So it's a negotiated calculated gut feeling hourly thing all coming together and then you also have to take into consideration the competition. Sometimes you want the job a bit more than you need it and you would say let's just cut a little bit and you have to know your opposition. If I know I am competing against [xxx 1.16.46.8] I know, or if I know I am going to compete against xxx they are going to charge 4% I know, they told me that. We often used to talk about it because we used to say to them you okes are bugging up the market. So yes you use the fee scales as sort of a guide but I don't know of any architects that can use the South African Architect's fee scale for the private sector. Never, not going to happen.

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Themes:

- O1-1** Recommended fee scale (discounts possible) (8)
- O1-2** Recommended fee scale (no discounts) (8)
- O1-3** Combination recommended fee scale and cost estimate. (3)
- O1-4** Based on the scope of the project (what will be delivered) and not the value of the building. (1)
- O1-5** Fixed fee based on recommended fee scale. (1)
- O1-6** Based on projected cost to the firm. (3)
- O1-7** Percentage of building cost (includes interiors). (1)
- O1-8** Market related fee based on a number of factors including cost 'geustimate' (1)

## ANALYSIS

Twenty six of the 26 enduring architects' firms interviewed (100%) provided direct responses to the question 'what constitutes your fee policy?'

The responses received can be summarised as follows:

- Seventy seven percent of respondents (20 firms) use the recommended fee scale published by SACAP to some extent as the basis for determining their fee.
- Eight of these firms (31%) use it and are not willing to negotiate a fee that deviates from it.
- Eight of these firms (31%) use it but are willing to negotiate a fee that deviates from it.

- Three of these firms (11.5%) use a combination of the recommended fee scale and their own cost to derive a competitive or profitable fee.
- One firm (4%) use the recommended fee scale as basis but don't quote their fee in terms of it: They offer their clients a packaged fixed fee which often is higher than the recommended fee scale.
- Three firms (11.5%) calculate a fee based entirely on the projected cost to the firm.
- One firm (4% base their fee on the estimated cost of the project (they offer a package service that includes the interior design and furniture). The estimated cost used varies according to market conditions.
- One firm (4%) base their fee on a variety of factors to arrive at a competitive but profitable fee.
- One firm (4%) base their fee on the scope of the project (what will be delivered) and not the value of the building.

The 31% of firms that insist on using the recommended fee scale without deviation display uncompetitive attitudes and hence low entrepreneurial attitudes. Furthermore, setting a fee that doesn't consider the actual cost of providing the service can result in low profit levels-levels that could threaten the survival of the firm.

### **DEDUCTION**

The recommended fee scale published by SACAP forms the basis of the fee determined by seventy-seven percent of responding enduring architects' firms. As many as 31% of these firms use the recommended fee scale religiously and are not willing to deviate (up or down) from it. This is not only 'un-entrepreneurial' but because it doesn't consider their actual cost, could result in low profit levels or missed commissions.

While the recommended fee scale might provide a convenient benchmark, using the actual cost of building as the fee scale does (the cost ultimately determined by the building contractor) implies that the contractor's cost calculation and profit levels have a direct impact on the profitability of the firm. This, again, could result in low profitability levels. As with many of the other 'discounted' fee setting mechanisms, fees that don't, to certain extent, consider the actual cost (including risks and required profitability) to the firm could pose a serious threat to the viability of the firm.

It begs the question; how will firms who currently base their fees on the recommended fee scale determine/ justify their proposed fee should SACAP stop publishing a recommended fee scale?

**O2 If pushed for discounts, how do you determine what you can work to?**

**A6S**

When you negotiate a price- Do you base on cost?

Yes on cost of structure. Usually percentage.

How would you react to 30% Fee scale discount?

Usually the recommended scale fees is my guide and then savvy clients industrial clients they get discount their only argument is how many discount you giving. My guide is set of scale. My case the engineering and architecture I've got two standards. How many involved in architectural or engineering. I can charge two fees. I can make a rough assessment and get to something that work for me. I've been very easy about this, because this is my boardroom. **O2-1**

A fee is create a percentage of constructions, which include architectural design, supervision, surveying. Not in formal way. But in many cases we negotiate. We have rates. If I'm in doubt I phone some of my pals in the surveying field, what is their recommendations what are we looking at.

Never had this.

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**A2S**

I need to feel comfortable about the fee that I am charging a client, knowing that the services I have given them deserve that fee & that they are reasonable within of what I need to get to practice & give myself & staff a fair remuneration. **O2-1**

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**A5M**

then you will be ending up with this or that or whatever. He was so right in so many ways, we would sit and talk about things, about fees, he was not an architect but he had worked in the industry for a very long time so he had quite a keen sense of what would be profitable and what would not. I think he just learnt from mistakes, a lot of people now that are going in at high discounts are just going to get their fingers burnt somewhere along the line or they are going to do such poor quality work that nobody would want to go with them again so you have got to balance it.

And that is based on your experience and on your gut feel? Yes **O2-1**

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**A1L**

Look we find a lot of our clients say don't even bring us a fee scale, give me a number, but then I fix to scope so if I go for a R1000 it is going to be a full finish or if I go for a R200 it's going to be a full finish and the client says why should I pay more because it doesn't cost you anymore. So the two recent projects we did that and it did help us to [save on outside 28.07.7] rate and things like that, and we came slightly less than a discounted fee but then I know that I can do [unclear 28.18.6].



First I ask questions with my Gauteng clients of what the going rate is up there so it is really based on how the client perceives. Now the owners of this property are big developers in Durban and they don't work on a fee they want a figure. So I can I find out how the client views fees and if we are in competition then I take that into account. **Then if I really want that project then I go to a detailed calculation of time and I see how far I can go.** I have a good feel that office buildings are between X % and X % and I play within that. If I really want to go lower then I do check out whether I can do it but I know because I have done enough of them fortunately. But if it is a one off building then I will figure it out. The other thing where Durban is going now is going to be the renewal of existing stock because we have grown certain areas to the max and it's just redistribution, so there are existing buildings and we are starting to get people to recycle those. We don't have a database [unclear 1.43.41.6] time consuming but we are still trying to work on that. [O2-2](#)

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### **A7L**

You cannot argue you ask for service and we quote you on it. Everybody put their hours in. You find that now everything how many hours, **what does it cost,** you bring it to the end and **you can see the available hours.** It gives us a complete to understand how it works. [O2-3](#)

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### **B7S**

**Yes I normally discard them, discard the people I mean** [O2-4](#)

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### **B1S**

Yes, they might push for a discount but generally speaking I work with the fee scale because I think it's a useful guide, without it, I just don't know where you would put yourself. You can put yourself anywhere. Hourly rate is crazy, because people will never buy the number of hours we actually do spend. So, yes. [O2-4](#)

**I don't like to give discounts, so sometimes I might loose work because of that.** Because I know what we can do within the fee scale and I think that the fee scale is fair, so I'm not generally one who gives a discount. Government are asking you to give discounts, but I also don't think I would be competitive in a tender situation. So I don't know how I got some of these jobs.

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### **B4G**

out of a collaboration to see how we can offer fees to our clients **as we learn to move away from the fee scale.** You know that is quite a nervous move because it is quite secure and happy when you have got a table and you know where your cap value sits in that table and then that's your fee. **The market doesn't want to pay those fees and we are resistant to listening to them, so we had to find a way to bridge the gap, we think we found a way and it goes back to those six work stages.** We are

used to working in them, we know how to run our business in them, so instead of looking from the fee into the cost structure we are looking at the cost structure out to the fee and that is precisely what we are doing. So it's a unique software package because we've made it, it talks to how we do work. I'm sure it could be tweaked for an engineer because more and more all our colleagues, be they QSs, are all talking the same work stage language and they are adjusting. So when we are in a room together with a client and we are a big team, we can talk a language around a boardroom table that all makes sense to us. [O2-5](#)

Yes we do, it is entirely defined, everything down to the telephone bill, the toilet paper, everything is factored into the cost overhead.

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## B5C

Things that we don't do, then we discount. [O2-6](#)

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## B2M

No, I do give discount and I would work out what it would cost me and how to run the office. I would work that out and then say okay I am going to do this for you for say R50k but actually maybe I would have started on R100k. That might be the full fee and then I would do the business plan or the proposal for you for less. [O2-7](#)

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## D4S

**Christo Vosloo:**

If fit for discounts, how do you determine what your bottom line is?

**D4S:**

What is financially viable for the office.

**Christo Vosloo:**

Yes, but do you do calculations for that?

**D4S:**

No. [O2-1](#)

**Christo Vosloo:**

Ok, so you just project your cost in other words?

**D4S:**

Yes.

**Christo Vosloo:**

Do you have figures relating to your cost? In other words, let's say the cost per day of running the office would be x amount and so on.

**D4S:**

Yes.

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#### C4G

. We often turn projects away because the client will come back and say they really want us to do it but this is the quote I got from XYZ practice, then we say they must let them do it.

. So I literally look at the job and what needs to be done, I charge an hourly fee and I set up my tasks and I actually make an effort to write out which drawings would be delivered for the fee and then agree an hourly fee for anything more than that is required and you limit the amount of site meetings and often we do smaller projects and especially on a smaller project we need to say that we are doing exactly this or that and what is stage 1. If you go and read through the stage 1 to stage 6 fee scale and you give advise or get information from the local council on what you need, like renovating a bathroom in somebody's house, if you charge according to that fee scale they can say they want discount because I didn't have to contact the council to find out whether my tap can move 30 centimeters to the left, so quite often it is irrelevant. So I think architects need to look at different ways of calculating fees and RIBA have their fee scale which is a checklist of items, I don't know if you are aware of it? [O2-8](#)

Different ways of creating it. Some times it is a percentage according to the normal fees. It depends on the clients and what they need. We did some work for a company and they said that an architect's fee is 4%. So that is it. There is the deal. So I will say, for that fee I will do the following, and then I will literally list and I will list the drawings that I will do and I wont list more things than what would be profitable. So I would literally limit my services to fit in with that fee.

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#### D6G [O2-7](#)

The other was experience and you start knowing that you can't do a house for under 5% 6% or 7% but the right way to do it is to calculate the hours that you are going to spend, who you are going to put on the job and that comes from experience and timesheets and stuff like that, and then you put a markup on that and you put a profit on that and then you just add a little bit for the incase and then that gives you your minimum fee. Then you would go and negotiate something.

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Themes:

- [O2-1](#) Rough assessment of what can work for me. (4)
- [O2-2](#) Fee linked to the scope of work. Calculated cost to firm used when critically low fee becomes a distinct reality. (1)
- [O2-3](#) We estimate our cost based on past projects. (1)

- O2-4 We end the conversation. (2)
- O2-5 We have software that help us estimate what our costs will be.(1)
- O2-6 We firstly limit the scope of work where after we discount (1)
- O2-7 We calculate what our costs will be and then negotiate discount. (2)
- O2-8 We limit the scope of work and then calculate what our cost will be for the remainder.  
(1)

## ANALYSIS

Thirteen of the 26 enduring architects' firms interviewed (50%) provided direct responses to the question 'if pushed for discounts, how do you determine what you can work to?'.  
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The responses received can be summarised as follows:

- Four respondents (31%) indicated that they base it on a rough assessment of what can work for them.
- Two respondents (15%) indicated that they calculate what their costs will be and then negotiate the discount.
- Two respondents (15%) indicated that they end the conversation.
- One respondent (7.6%) indicated that they first reduce the scope of work that will be undertaken but that ultimately they calculate the cost to firm when a critically low fee becomes a distinct reality.
- One respondent (7.6%) indicated that they estimate what their costs will be based on past projects.
- One respondent (7.6%) indicated that they have software that help them estimate what their costs will be.
- One respondent (7.6%) indicated that they firstly limit the scope of work where after they discount.
- One respondent (7.6%) indicated that they limit the scope of work and then calculate what their cost will be for the remainder.

When the above is aggregated the following mega-themes of actions that are employed singularly or in combination (where practical) emerge:

- We do a rough assessment of what our costs will be (31%)
- We end the conversation. (15%).
- We limit the scope of work to be done. (23%)
- We estimate what their costs will be. (54%)

## **DEDUCTION**

When the responding enduring architects' firms are pushed for a discount they determine what they can work to by doing one or more of the following:

- They do a rough assessment of what their costs will be.
- They end the conversation.
- They limit the scope of work to be done.
- They estimate what their costs will be.

All of the above are reasonable reactions but ending the conversation does not constitute an entrepreneurial attitude while doing a rough assessment of costs might not result in a sustainable fee offer.

**O3 Do you have figures relating to your costs?**

**A4M**

Every single cost I get is recorded , more from a personal point of view than a practice point of view I don't cost in print I just have a figure, in my fee proposal which says: some much for the drawings and the disbursements depend they are 5-10% of the project, I tell them that I recon this job is probably 100 prints and I work that out as a percent of the fee but generally my fee scale and the discernment scale are on an annual cycle which is updated annually by negotiations O3-1

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**A1L**

We try and do that on certain projects but you know it doesn't always work out that way. Our software is not... you know our timesheets are not that advanced to just plug in. I know there are practices that do have that; I have researched that and it is going to cost a lot of money I would rather put that money in my pocket than try and manage more of a sort of manual way. So the ones that we have to cut fees we do that yes. Basically we will set targets from that I will say you know I have calculated about three weeks, that's your date, I don't care how much you work that is my date.

. I do believe that when it gets to a critical scale you do need that. O3-1

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**B7S**

Yes, absolutely. As I say every month I get O3-1

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**B4G**

Do you actually have figures relating to your costs? O3-1

**B4G:**

Yes we do, it is entirely defined, everything down to the telephone bill, the toilet paper, everything is factored into the cost overhead.

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**B5C**

Like I said, I don't think you should measure so hard but you do get a good feel of how a job is going; if you meet your deadlines, we don't leave ourselves a lot of breathing room nowadays; I think you would rather measure when you don't do a job properly. Rather measure that side of things than try to measure how well you are doing it. O3-2

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**B2M**

No, no. O3-2

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**D4S**

Yes O3-1

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## C6M

No we haven't done that but we have taken retrospective hours and compared them to the fees that we earned to see where we were more or less. Then use that for the next fee calculation; there is a little bit of fat built in because if you work out their salary divided by the number of hours let's just say it's R250 an hour and we are putting in our hours at R450 or R500 or whatever it is, so obviously although we have got maybe 50 hours it is just that we are earning less until hopefully we don't get to a point of going under what their salary is. O3-3

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## C1G

Look we have got very definite systems about the amount of time that can be spent on actual design and that gets monitored on a weekly basis, that we know exactly what it is costing us to design anything. The moment it goes over 20% your direct cost on design is over 20% we see red lights, we are heading for a loss on that particular project. So that is very important and end of the year when we do bonuses for the staff those things are brought up; have you completed your projects in time and were we happy with the projects, were they good enough that we were happy with them, that sort of stuff. So there is a definite system for that, we have paid bonuses for 30 years straight out in a line, this is the 31<sup>st</sup> year we will still be paying a bonus but we expect you to perform for it and we are paying fairly top salaries in the industry and not necessarily for all the staff in the industry, but if we find a guy that lasts and is prepared to learn, we nurture him along, we push him, we put the golden handcuffs on, we keep him as simple as that. Then also the whole office, it is run like a business, you do your business hours and the only time they work overtime is when they realize they are in the red, generally we don't encourage O3-1

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Themes:

O3-1 We have. (6)

O3-2 We don't have. (2)

O3-3 We don't have but we sometimes compare our fee and what it cost us to do the project (1)

## ANALYSIS

Nine of the 26 enduring architects' firms interviewed (34,6%) provided direct responses to the question 'do you have figures relating to your costs?'

Six of the respondents (66.7%) indicated that they do have, while two respondents (22%) indicated that they don't and one respondent indicated that they don't have up to date figures but that they have once, retrospectively compared their fee to their costs.

**DEDUCTION**

Two-thirds of responding enduring architects' firms know what their operating costs comprise.



**O4 Do you 'tender' or 'bid' for projects?**

**A6S**

For government projects do you tender? **No never tendered for a job**

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**A1L**

**No.** I've been burnt too many times.

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**B1S**

**Yes.** You have to tender on most of the projects. Some of them we get an appointment via a roster system I think.

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**B4G**

Government seeks us even though we have got a level 4, **so I mean we do tender for parastatal work**, we are not often successful because the tender environment is so discounted that it is an irresponsible environment. So we put in a tender where we know we can still grow, we can keep our staff and if we lose it we lose it and the government is welcome to the cut throat guy who will take them to the cleaners. So a lot of our current work is what we call rescue appointments where we have been asked to come in to save the day

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**B6G**

So you can't just sit and wait for the phone to ring, you have to go in this country anyway, you have to go out and find your work, you have to propose things, you need to do competitions, **tenders**, there is a certain amount of risk work that has to take place in order to get your foot through the door; but we have even got that under control. We get most of our clients to pay what we call petrol money, you know a little bit of seed capital and that also shows obviously with the big guys like xxxt you don't have to go too far on risk, they are good people, it's the smaller scaly-wags as we call them, and we sniff them out very quickly.

**We do both;** we have got a very good system of how we determine what it is going to cost us. We have developed that whole software, the whole system and then we see what the fee scale is – we often just compare and very often we take the middle row and we say we can make so much profit out of it if we run this thing properly so we can afford to fix our fee on that particular amount of percentage.

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**B5C**

**No.** I have, the last one we tendered

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**B2M**

, we've done about twenty tenders and we were only successful on two, but we gave 56% discount. Now you can't work like that, we are seeing that we cannot actually do the work for giving that. So I think you have to be innovative but you have got to understand the risk; I mean I will now not tender anymore, I do not tender for any work, I would rather sit on the beach because it has now become counter-productive. I am paying salaries that are more than my income on the project.

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### **B3M**

Ek dink nie so nie, nee

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### **C2S**

No, not at all.

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### **C3S**

No.

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### **C6M**

Yes, yes.

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### **D2M**

We have done that and every time I decide we will never do it again and every now and again we do it again; but I don't like doing that because a lot of the tenders are actually rigged it's just a smoke screen for appointing somebody that they have already decided on. So I don't like doing tender work but if it comes to a point where that is our only way of getting appointments then we will have to do that.

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### **C4G**

Yes.

interests so, but we end up competitive bidding on various projects. We've got 2 out at the moment from people who've approached us. We've signed non-disclosure agreements, they then send us the document, give us a time frame, scope the work, bid, put your price in. So it's just like tendering, it's no different. We do it often.

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Themes:

O4-1 We do (7)

O4-2 WE don't. (6)

**ANALYSIS**

Thirteen of the 26 enduring architects' firms interviewed (50%) provided direct responses to the question 'do you 'tender' or 'bid' for projects?'.

Seven respondents (54%) indicated that they do, while six respondents (46%) indicated that they don't.

**DEDUCTION**

More than half (54%) of responding enduring architects' firms indicated that they do tender for projects.

**O5 If so, on what basis do you prepare your offer?**

**A1L**

if you price so many hours this and that you are like a doctor and you can only bill accordingly to the number of hours in a day. **But when you sell added value you are selling more than what you can actually produce because you actually have quality and experience and knowledge that they need. We have to tell them what you can offer them.** So the whole thing of environmental; my son is involved in that so I am bringing him in, but on those packages you know maybe on day because I know **O5-1**

**Yes; it is a fee on the scope of a fixed scale yes.** Clients want us to fix our fee but then it's on scope.

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**B1S**

I'm not a great one for those kind of things because I find they are very hands on with the projects and there is not really a pattern that I can assess for us, so I mean one can say these are your staff expenses but you never know how long the projects are going to last. So I tend not to get majorly involved in all the calculations. **For me it's just simpler, there is a fee scale, work with it or not.** All I know is at the end of the month, do I actually have something in the bank or not and that's kind of it. I don't particularly concern myself over and above that. You know, as long as I'm not in the red, I'm kind of ok. I don't do all kinds of cost projections and work out what did this cost or if that job worked out on a profit or not. I think you can spend a lot of time on that but I think in a big firm you might need to. I don't need to do that, so I hope I never have to. I would be bored stiff. **O5-2** No, but I finished a long time ago. I think it's also ongoing and also as you run a practice over a certain amount of time, you get to understand how your practice works. . I know how many jobs we need to have or what total amount of work we need to have in our office in order for our office to make a profit. But that's about it. I don't go into anymore detail than that.

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**B2M**

Yes normally the tender is set up like that, **they give you the full fee and you get no disbursements** on all national government jobs now because they are trying to get people in the area appointed so they cut the disbursements; no travelling, they give you no travelling. **O5-2**

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**C2S**

**I do a fee scale,** I have no idea of my predicted costs because my costs aren't high, so I work on the fee scale and I work on a fixed percentage discount but I link it to prompt payment. You get this much discount if you pay within 7 days, 14 days, 30 days.

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**D4S**

**On the fee scales.** **O5-2**

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### D3S

When you ask them what they expect to pay you or what they think architects get paid, and they normally don't have an idea, then we will go through the fee scale and I explain to them how it works and then invariably turn the discussion to in some way fixing the fee. If the [scope 2.41.56.2] or the project is fixed, you know sometimes the [scope 2.41.58.8] isn't fixed and then I don't fix the fee, but then we fix the fee when we know what the scope or the project is.

O5-6

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### C5M

it says if my fees are under whatever is the latest published rate, I am not saying whether it is suggested or what is the current..

Recommended fee scale, whatever that means, we say published, if our fees are under that our liability will reduce in the same proportion. So if you only pay me 75% of what I am supposed to get you can only claim 75% of whatever your claim was meant to be from me. O5-7

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### C4G

And just to confirm, that tender is based on your cost estimate of actually doing a project plus your profit?

Yes. O5-3

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### D5G

And to me it is a lot more logical because you establish your hourly rate which people can say is too high or too low, and then you literally spend more time creating a checklist of fees saying that is what I believe I need and if the clients say they don't want this of that, then you uncheck those boxes and your fees reduce rather than giving a discount, so it makes it more difficult or maybe it makes it easier if you tender on a project as an architect. So there are a lot of people in South Africa who is looking at a similar fee scale at the moment. O5-4

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Themes:

- O5-1 The value that we offer. (1)
- O5-2 The SACAP recommended fee-scale. (3)
- O5-3 The cost of performing the project. (1)
- O5-4 The cost of performing the project-reductions in fees are balanced by a reduced service as negotiated with our clients (1)
- O5-5 The SACAP recommended fee scale linked to discounts for early payment (1)

**O5-6** The SACAP recommended fee-scale turned into a fixed fee linked to a fixed scope of services (1).

**O5-7** The SACAP recommended fee-scale with discounts linked to reduced professional liability (1).

## **ANALYSIS**

Only nine of the 26 enduring architects' firms interviewed (35%) provided direct responses to the question 'on what basis do you prepare your offer?'.

The responses received can be summarised as follows:

- A total of six firms (66.7%) use the SACAP recommended fee scale.
- One firm (11%) indicated that they use the value they offer as the basis.
- One firm (11%) indicated that they use the estimated cost of performing the project.
- One firm (11%) indicated that they use the estimated cost of performing the project and then reduce their fee by negotiating a related reduction in service.
- One of the firms that base their fee on the recommended fee scale offers discounts linked to early payment.
- One of the firms that base their fee on the recommended fee scale, where possible, turns it into a fixed fee coupled to a fixed scope of service.
- One of the firms that base their fee on the recommended fee scale offers discounts linked to a reduction in liability.

## **DEDUCTION**

As was found in O1 the SACAP recommended fee scale forms the basis for the preparation of fee proposals for most (66,7%) firms. The fee indicated by the recommended fee scale is then turned into fixed fee against a fixed project scope by one firm. Two of the firms that use the recommended fee scale then pragmatically, negotiate discounts linked to early payment or a reduction in liability. While these novel strategies might have certain benefits, it might still endanger the sustainability of the firm. The remaining three firms follow a far more sustainable strategy by basing their fee on the value they offer, cost of performing the service and the scope of the appointment.

**O6 Do you do 'risk work'?**

**A4M**

All my work is at risk, for the stage one with the thumb nail sketch, it's a free hand line diagram with a little bit of colour, it sets out the site, the anchor tenant, where the line stops are. My clients will go and find a site and they will say what we can do on it. I'll do a thumb nail, and that will be enough to get a project started, as we develop I'll do some more SDP's, we develop the scheme and start to look at their numbers in a little more detail we start contacting tenants, depending on the size of the project. In a reasonable sort time frame, they phone me up and say let's do the drawing plans, we then send them a fee proposal. The hit rate is very high, there has been times where I have had to work really hard, it takes me about 20 mins to do a R40 mil scheme. Because on the retail side of the scheme I know what is involved O6-1

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**A5M**

I won't take on jobs where I am working at risk. I try and limit it, I won't say I won't take it on; I am very careful of limiting risk so I don't have like a whole lot of stuff like floating around the place and hoping one day your client might appoint you. I won't do that type of client. O6-2

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**B3C**

You don't do discounts. Do you do risk work?

**Interviewee:**

Yes on a couple of occasions; for instance this Burns job which is so fascinating, that was purely on a risk basis because there was an NGO trying to put this whole scheme together so there was a lot of risk work there. O6-1

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**B7S**

No. O6-2

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**B1S**

No. I think that would put my staff at risk too. O6-2

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**B4G**

O6-1

Yes we do but on clear terms; so in our marketing meetings all our work starts off at being risk, that might be risk that we generate like trying to create an idea to win a team or a client or both, or we might be reactive to someone who comes and says we would like to see what you can do and then we want to know who else they are talking to

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**B6G**

, there is a certain amount of risk work that has to take place in order to get your foot through the door; O6-1

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**B5C**

No we don't work at risk so we don't have to really go beg

Twice in 25 years. Never ever again, no . O6-2

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**B2M**

Yes, you have to, and they also expect you to do things at risk so we choose where we will put our energy. Sometimes I will do a lot at risk and nothing comes out of it and sometimes I will do nothing and just introduce our firm and they will come back to us, so it's very unpredictable.

Yes O6-1

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**B3M**

Of kompetisies, want dit kan jy werk op risiko.

**B3M1 :**

Kompetisie, ja, maar dis baie selde dat ons kompetisies doen. Kindu is dalk maar die uitsondering en dit was ook maar omdat Willie ons gevra het. O6-3

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**C2S**

Not risk as such, if I don't know you I won't work for you, but risk as far as to get you to go and market our product yes, but high risk high return. We don't negotiate fees if I have done work for you at risk. O6-1

Financially in the sense of at risk for a client but I won't do pie in the sky work, I won't do somebody just walk in here and says he wants to build a Disneyworld out here. I am not in the market for that, but to assist someone to put something together to look for finance, to get the thing going, I have done that.

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**C3S**

We use to in the old days, but we don't do it anymore. O6-2

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**D4S**

Very limited. I would do it for good clients that I know well. O6-1

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**C5M**



We are quite strong in not wanting to take on risk work, it is too challenging, it is too financially unpredictable. I have done risk work and I continue to do risk work but only when I think that the risk is a viable one. O6-2

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## D6G

We would always do work for somebody that owned a property on that particular property. O6-1

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Themes:

O6-1 We do (8)

O6-2 We don't (6)

O6-3 Only in as far as taking part in competitions constitutes 'risk work'.(1)

## ANALYSIS

Fifteen of the 26 enduring architects' firms interviewed (57.6%) provided direct responses to the question 'do you do 'risk work'?'.

Eight respondents (53%) indicated that they do while six respondents (40%) indicated that they do not. One respondent (7%) indicated that they do take part in design competitions which could be seen as doing work 'at risk'.

## DEDUCTION

Only slightly more than half (53%) of the responding enduring architects firms that responded to this question, do 'work on risk'.

**O7 How did your fee policy contribute to your firm's enduring?**

**A4M**

I would say that's a no brainer, if you don't get that right then you won't last, the business will disappear [O7-1](#)

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**A5M**

If that is your goal then you have to make sure that you have money every month to pay your salaries and you are going to take all the sacrifices that go with it, it is also about sacrifices. You can't expect to earn loads of money in your first year of practice, it is also the balance of hiring people, paying them good salaries as well. In our profession we don't pay ourselves well actually, people think we are very wealthy people, successful people and whatever actually we are not. The people I went to school with are doing far better than I am. Doctors and lawyers... [O7-2](#)

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**B1S**

I don't know. I don't think necessarily. I just think it's an extremely useful guide for a client and for us because otherwise, I would have to do all this kind of research as to exactly how much I need to charge and I think that that's complicated so for me I think the fee scale makes our lives easier and it makes generally the clients lives easier because they know exactly what they are dealing with. They can work their cost out up front. [O7-3](#)

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**B4G**

Absolutely [O7-4](#)

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**C3S**

Well, maybe yes, indirect to the policy of trying to do the best that we can, good quality work. I know a relative for instance, who is a developer and now and then I see the proposals at architects who obviously do it for nothing in the hope of procuring the job and it's the biggest rubbish you can imagine. [O7-1](#)

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**C5M**

I think so yes. [O7-4](#)

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**Themes:**

- [O7-1](#) Following the correct fee policy is key to enduring because it allows you to do quality work (2)
- [O7-2](#) Not clear (1)
- [O7-3](#) Using the recommended fee scale simplifies the matter for all parties (1).
- [O7-4](#) It did- no explanation given (2).

## **ANALYSIS**

Six of the 26 enduring architects' firms interviewed (23%) provided direct responses to the question 'how did your fee policy contribute to your firm's enduring?'.

One respondent (16,7%) did not provide a clear answer and will thus be disregarded. The remainder all indicated that their fee policy contributed to the firm's endurance (83,3%). Of these, two firms (33,3%) indicated that following an appropriate fee policy was key because it allowed them to do good work and one firm (16,7%) indicated that using the recommended fee-scale simplified the appointment process for the firm and their clients. Two firms (33,3%) did not explain their response.

## **DEDUCTION**

The majority of firms (83,3%) believe that their fee policy contributed to the firm's endurance. Hence a profession-specific EET programme should highlight the importance of following the correct fee policy.

## **P TOPIC: ENTREPRENEURIAL SUPPORT**

The first question asked 'what advice would you give to young architects thinking of starting a new firm?'. Twenty four of the 26 enduring architects' firms interviewed (92%) provided direct responses to this question. Due to the fact that the question is a relatively open one, relevant indirect responses were also included in the analysis. The responses received can be summarised as follows:

The following pointers were given by one firm (4% each) only:

- Get past clients to recommend you/ build up a portfolio of work.
- Operate under your own name.
- Take Professional Practice seriously.
- Make sure you remain relevant.
- Produce good design within whatever limitations the client sets.
- Understand how you arrive at your cost.
- Build-up networks.
- Get to understand how the economy works.
- Make sure your work gets exposure.
- When you do something, just think how you are going to defend this when you are standing in court.
- I think, if you want to do your own thing, you have to develop your own philosophy and that takes some introspection and self-discovery.
- Act with integrity.
- Be diligent about contracts- all contracts.
- Go with others- don't do it alone.
- Specialise in a field you can sell.
- Values and common sense is important.
- Beware of unscrupulous 'developers'. Ask the right questions.
- Respond to the demand of the day.
- Come with the expertise or have a contact that will trust you and give you the opportunity.

The following pointers were given by two firms (8% each):

- Do your best with every project that comes your way.
- Save up money before starting out.
- Select your premises carefully.
- Don't take on projects that you can't handle.

The following pointers were given by three firms (12,5% each):

- Think big. Big firms are better for the profession.
- Learn how to market yourself, how to be a business person and how to procure work.
- Be entrepreneurial – also by thinking outside conventional practice.
- Get enough experience before starting on your own firm.
- Learn to, and do, market yourself, look after your clients.
- Make sure that you, for the first twelve months, are going to get an income to survive. Do cash flow projections would be my recommendation, and if you can't survive, don't start a firm.

The following pointer was given by four firms (16,7% each):

- Get a mentor.

The following pointer was given by five firms (20,8%):

- Learn from another firm.

Nine firms (37,%) advised young architects to attend entrepreneurship/ business management training.

The most repeated pointer offered by the responding enduring architects' firms is that young architects thinking about starting a new firm should attend entrepreneurship and/or business management training. The second and third most repeated advice also relate to entrepreneurial education and training (but could include other operational and professional aspects). These are that prospective founders of architects' firms should learn from another firm (experiential learning) and/ or enlist the services of a mentor. Both of these aspects resonate with the suggestions made by entrepreneurship education and training theorists (refer to... in Chapter 3). Many of the pointers given fall within the following business management and entrepreneurship related fields:

- Marketing Management.
- Strategic Management.
- Operations Management.
- Financial Management.
- Risk Management.
- General Business Management.

These fields should thus form part of the content of a profession specific EET programme.

The second question asked 'what form of support is needed by 'young' architects' firms?'. Twenty five of the 26 enduring architects' firms interviewed (96%) provided direct responses to this question. Due to the fact that the question is a relatively open one, relevant indirect responses were also included in the analysis. The responses received can be summarised as follows:

The following suggestions were each made by one firm (4% each) only:

- A programme that teaches assertiveness training.
- Mid-career training courses.
- A programme that teaches time management skills.
- Legal support.
- A programme that teaches building economics.
- A programme that teaches negotiation skills.
- A programme that teaches how to set up and structure a firm.

Each of the following suggestions was made by two firms (8% each):

- A programme that teaches contractual knowledge.
- Advice.
- A sounding board.
- A programme that teaches marketing skills.

The following suggestions were each made by three firms (12% each):

- A programme that teaches people skills.
- An MBA for architecture.

Each of the following suggestions was made by four firms (16% each):

- Entrepreneurship education and training.
- Opportunities to gain experience.

The following suggestion was made by five firms (20%):

- Financing.

Six firms made the following suggestion (24%):

- A programme that teaches basic accounting knowledge.

The following suggestion was made by ten firms (40%):

- A programme that teaches the basics of running a firm.

Thirteen firms suggested a mentor (52%).

These suggestions can be aggregated into the following mega-themes:

- An EET framework, possibly in the format of a post-graduate degree and follow-up training courses that will, amongst others, include the basics of running a firm, basic accounting knowledge, people skills, marketing skills, contractual knowledge, how to set up and structure a firm, negotiation skills, building economics, assertiveness training and time management skills.
- A support system that can offer mentorship, financing, opportunities to gain experience, advice, legal support and a sounding board

Thus, responding enduring architects' firms suggest that young architects' firms will benefit from specialised education and training and a support system that will offer, amongst other things, mentoring and advice.

The third question asked 'would you be willing to act as a mentor to a 'young firm'?'. Twenty out of 26 (77%) enduring architects' firms provided direct responses to this question. Seventeen of the 20 enduring architects' firms which responded (85%) indicated that they would be willing to act as a mentor to a newly established firm. The remaining 15% indicated that they have reservations about acting as a mentor.

## **Findings**

Responding enduring architects' firms believe that young architects thinking about starting a new firm should:

- Attend entrepreneurship and business management training.
- Learn from another firm (experiential learning) and/ or enlist the services of a mentor.

The following aspects should, *inter-alia*, be included in the content of such a profession-specific EET programme:

- Marketing Management.
- Strategic Management.
- Operations Management (including time management).
- Financial Management.

- General business management.
- Risk Management.
- Human relations management (including negotiation and assertiveness training).
- Commercial law.
- Building economics.

The respondents believe that young architects' firms will benefit from:

- An EET framework, possibly in the format of a post-graduate degree and follow-up training courses that will, amongst others, include the basics of running a firm, basic accounting knowledge, people skills, marketing skills, contractual knowledge, how to set up and structure a firm, negotiation skills, building economics, assertiveness training and time management skills.
- A support system that can offer mentorship, financing, opportunities to gain experience, advice, legal support and a sounding board.

Most of the respondents from enduring architects' firms are willing to act as mentors for newly established firms. Thus, a profession-specific support framework could make use of the knowledge and experience of this group.

The findings can be linked to the relevant research questions as follows:

**Of relevance to Research Question 2:**

(What are the current entrepreneurial performance levels of firms, the entrepreneurial orientation of firms and the level of business management in firms?)

nil

**Of relevance to Research Question 3:**

Which entrepreneurial actions, practices and orientations enable enduring South African architects' firms to achieve this status?

nil

**Of relevance to Research Question 7:**

Responding enduring architects' firms believe that young architects thinking about starting a new firm should attend entrepreneurship and business management training. Furthermore, they should learn from another firm (experiential learning) and/ or enlist the services of a mentor. The following aspects should, *inter-alia*, be included in the content of such a profession-specific EET programme:

- Marketing Management.
- Strategic Management.



- Operations Management (including time management).
- Financial Management.
- Risk Management.
- Human relations management (including negotiation and assertiveness training).
- Commercial law.
- Building economics.

The respondents believe that young architects' firms will benefit from:

- An EET framework, possibly in the format of a post-graduate degree and follow-up training courses that will, amongst others, include the basics of running a firm, basic accounting knowledge, people skills, marketing skills, contractual knowledge, how to set up and structure a firm, negotiation skills, building economics, assertiveness training and time management skills.
- A support system that can offer mentorship, financing, opportunities to gain experience, advice, legal support and a sounding board

Most of the respondents from enduring architects' firms are willing to act as mentors for newly established firms. Thus, a profession-specific support framework could make use of the knowledge and experience of this group.

**P1**      **What advice would you give to young architects thinking of starting a new firm?**

**A6S**

Character trade in what you do. A huge amount of energy. I think that for me always been a major issue to apply yourself to whatever comes your way and do it best of your ability. To do best to next job. Character trade. Whatever you got apply yourself fully to that for young people. **P1-1**

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**A5M**

But it's a teaching thing you know, I think if you instill in people from the time they study, like when you go and work in an office when you are doing your in-service training people think I am going to go and sit in this architect's office and see how they draw and design buildings. They must also go in there and understand how the business works you know. **P1-2**

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**A1L**

I think architects need to be more substantial and being that is producing better work with a bigger group. What happens is the smaller guys the one man bands tend to come in and say I am looking for a salary and not really looking for big profit so they reduce the fee payment expectation of clients. [unclear 1.50.11.0] to 1.5% but for a one man guy who does the minimum he carries no responsibility, well he does carry responsibility but he doesn't deliver at the end what it should be. So I would like more guys to get together and form more substantial relationships to be able to produce more substantial service to our clients. That's how I see it. There will always be those guys who do the one man bands and that's fine and they have got a place but if they are eroding the greater profession then I have an issue. But for starting off, I mean we have had them here, xxxxx and things like that, and they work well but I have always found it's still eroding the profession status of quality deliver, we have to think bigger than one man and if it is boiling towards growing away from that I am fine. Another thing is I don't think it has to be 50, 150, 250 size practice, 5 or 6 guys get together and do something. There is structure within that but they have to give a holistic approach where the clients say the architect profession they deliver! These too many one man bands don't deliver. **P1-3**

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**A7L**

Previously architects are very poor at marketing themselves what we need to teach students. How to market themselves. Architects are not thought to be a businessmen. They thought to do a service. And how to procure work. **P1-4** In the seven years were not taught business-skills. One of the biggest problems is also seeing an opportunity and going

for it. We have certain strict coded to live by. Part of the codes is what we live by. I and I think part of the codes actually hamper entrepreneurial spirit.

. You need in-service practice. I got a job

Unfortunately the biggest is tender market. It's difficult to get back in history. I'm honest I cannot understand how young architect will go forward. You need back up. You got to have five misused building above 15mil building must be completed. You need letter form clients rating your serviced. Out of 10 practices maybe 10 percent of practices will qualify. Last five years so I believe that's going to be our biggest...P1-5.....its International trend and that is what worries us about young guys in the market. Old days we could slash fees.

? You must have an endorsement. First thing to answer. I worry about new guys, but it is tough out there.

. That is very important you an entrepreneur in your own company. That can be important part to teach students.

How can you compete in the tendered market? Encourage younger Architects that is difficult but start entrepreneurship in you company. Look at opportunities, how can you get clients in. How can you get clients, How Law firms are doing it. Important to show them how to grow with it .Important part of latter. P1-6

Architects don't go into the property market themselves. Huge opportunities. We started buying old homes, paint and do floors. My painter long in my life. Another key market that architects not in the market. It's so much red tape for Architects to get into property market or to build you house. Another aspect to teach Arch how to get into property market. Developing hospitals, industrial parks on private skills.

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### A3C

. So I think that the development of those issues is very vital to survival in architecture and survival as a practice. I am not answering your question directly because my mind is working 1000 miles elsewhere but I think that that would be a certain [unclear 48.31.7].

I would prefer to evaluate as to how much experience they've had in a firm before starting their own firm because I think to simply come out of university, finish your two years, write your professional exam and start your own business is just a recipe for disaster; unless it is developed like [unclear 1.05.00.6] here, developed into other sort of programs offered by the Institute or whatever. I think you are just heading into a brick wall to be quite honest. I think it requires actually exposure in an environment where the person who is leading the team to have had a lot of experience, because I think otherwise you can become hopelessly unstuck. P1-7

I would say that in essence one needs to actually have your own supply of cash P1-8 for the moment you go into a joint venture with another practice, that is possible because I think in a joint

venture you can actually learn a lot if you have got the right partnership. I think that is actually a very worthwhile operation to do is a joint venture. **P1-9** I think a lot of black builders are doing this, in fact my wife works for

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## **B7S**

So you can operate under your own name which I think is the top thing, that is a great security your clients can have, if you stuff up under your own name well there is no way out. **P1-10** So that is the top. xxx Associates right. Next one is you operate under the names of people who established the practice, XXXXX, I was too arrogant to operate under the name XXXXX. Or you operate under the initials of the practice, XXX Architects. Or worse than that you operate under the initials of people who are dead XXXX, they are all dead. Now not only are they dead but their names are dead now you are left with their initials that mean nothing, so that is the fourth degree. The fifth and worse degree is you operate under [unclear 32.34.6] or XXX Architects or something, that is the lowest. Those are the five degrees of degradation.

Five degrees of removal from reality. We have got a wonderful practice of young kids up here they call themselves XXXXX or something, who the \*\*\*\* is XXX – you have got three very nice guys with very nice names who the hell is this blady XXXX. Do you want to have a drawing taken out of an archive in 100 years' time and written on the bottom is XXXX. Huh?

. If I was a young architect I do think that young architects should attach themselves to bigger practices because the only way you learn is by personal interaction, you learn by watching, you learn by taking over things, you learn by apprenticeship. **P1-9** Architecture is taught by apprenticeship that is what it is. Don't please try and set up your own practice when you get your degree because you are actually a liability to the profession, you are a liability to everybody, you know absolutely bugger all, you have a [unclear 35.07.1] ideas are worse, you are useless, useless to the operation.

**P1-7** A technician who comes out of technikon is of more use to a practice than a young architect, [unclear 35.20.2] because I was also a young architect. But in practical terms to an office immediately a technician is more useful. So if you could unwind all your pretensions when you finish architecture and put yourself into the mindset of a [unclear 35.34.9] and go and make the tea in an architect's office and look around the see what comes your way, that is the way you become an architect, by apprenticeship. After 5 years working with a firm.. I would say what you must do as a young architect, look around and see practically architects that you respect, because it has all got to be respect, you are choosing a mentor for yourself **P1-11**

]. It was only I started practicing did I realize how important that is, when I started encountering the first contractual problems and then I suddenly rushed back to those and thought wow this is actually

more important than learning about design you know. It is all about people and how people interact.

Now a young architect is going into this wonderful profession of architecture but they don't realize what they are actually doing. **They are actually taking this incredible financial responsibility on them. You don't learn that at varsity, you learn that as it dawns on you after you are in it,** after you are already too deep in it to get out. Then sometimes you find you are enjoying it and you don't think about it; so I don't think about it.

Yes, as I say it will be the most boring subject, the kids will want to bunk the lectures, I think they must be made aware of the issues that are going to exist one day. **They are going to have to know what an arbitration is, they are going to have to know what a contract document is, that thing that was called professional practice which was so bloody boring we were at least aware of it. We had the handbook. We thought it was terrible, if you were aware that it exists in life, yes.** **P1-12**

**As I said, attach yourself to a big practice,** go learn the ropes, practice from somebody that you respect, somebody who you want to be like. Some people attach themselves to the office of [unclear 2.09.46.2] in Japan or work for XXX or something like that; that's not what I am talking about. It's not at all what I am talking about, because you are not going to become an XXX by working for them, you are going to become yourself and architecture adventure is going to arise out of your own creativity

You have got to produce, you have got to become an active architect who can produce the goods, this picks up all the ethics and things you spoke about. **Equip yourselves and the only way you are going to do it is by apprenticeship. Don't try and do it yourself. Learn from the other guys who have done it before you.** **Gone and find one that you admire and have the qualities that you would like to have yourself one day.** I was very fortunate, **I had the best mentors that you could possibly have** and I had a range of them, each with a different talent. I learnt [unclear 2.12.10.0]. So I would say that is my advice to you. **You want to start your own practice, don't, before you have equipped yourself with hands on knowledge and in that five years** or whatever you will have gone to courses by Ivan Vincent and you will have been faced with problems on site where you were given the wrong instruction and it is costing the client money and you have got to sort it out, and you are going to cut your teeth on it. **You have got to have an older guy there who can tell you it is not the end of the world.**

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## **B1S**

**and I have at least 4 architects that I'm constantly in practice with or in touch with.**

**Christo Vosloo: P1-11**

Ok, and do you consult them from time to time for advice?

Most the time. We work together a lot.

We need to ensure that we remain relevant in a place where many people don't understand what our role is **P1-13**. We need to be able to design spaces that uplift people and communities and give them hope. We sometimes you need to really try hard to promote good design because sometimes you are dealing with people who are more concerned about budget, time, etc. rather than actually producing something that is going to outlive their particular project. So that I suppose is the challenge is to produce good design within whatever limitations the clients sets **P1-14**. I think most firms would have that as a challenge.

I think there is a need for it in any sphere and I think there is a need for it at school. I don't think necessarily at university I think from school, people should get an understanding of finance and business. **P1-4**

Look out for good mentors **P1-11** and also don't start on your own immediately. **P1-7** Go into different firms for a period of 5 or 10 years when you come out of university and get training from those who has been around for awhile.

I think it's dangerous to look for financial support at the start of a practice. **P1-8** But I think design support is useful and an understanding of finances. I was very lucky, I worked in a big firm when I started out, the one that retrenched me, but I got a very good training and we worked on building sites immediately. So that also gave an understanding of how things are made. That would be my advice that when you complete your studies, stay in a big firm but get out of the office and be on a building site and trail somebody about and see how they run meetings, and see how buildings come out of the ground. It is very useful to have that understanding of how something is built, besides having good understanding of basic design principles, which you can pick up from others, or from magazines, pick up from looking around. Context is critical in design.

I would say your basics are understanding good design and being able to read your context, you know, because there will be lessons there. Then pick up from mentors for the rest and then get yourself into a bigger practice for a few years, hopefully you won't need to start on your own, but if you do, you would have at least had that grounding. Its not always easy to find work in Architectural companies and competition is high for work. I would say start early and use your annual University holidays to go into architectural practices from year one. Find yourself a practice, even if you have to offer your services free over the holidays. Just get into a practice.

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## **B4G**

I think the answer to that is two stages; the new legislation in terms of registering with **SACAP** which is the professional legislated body that governs the built environment professionals, be that technologists or architects, creates a candidate window of two years. That is critical, whether you

want to do it on your own or joining a practice, you have to fulfill that and that is a huge learning curve. You have to write a board exam at the end of that which automatically obliges anyone to up their game. If you want to do it alone or you can only do it alone because you can't find employment, then you have to find a mentor and that person could be someone who can't employ you but can help you. **P1-11** In any event you get the same level of skill but the one is more remote, that is doing it on your own and not living five days a week in an office where you also learn by simulation, you are learning by mentorship. So the one is a more difficult road, doing it on your own, and joining a firm is an easier road but the outcome is the same. From then on I would say another three years; so it's always been a five year window **P1-9**, that five years is just happening differently, it's happening in a two year prescriptive way and a three year nonprescriptive way. Yes, how I don't know but the answer is yes.

Yes, you need to **P1-15** understand how you arrive at your cost; it's like any business, it doesn't matter what you make, you have got raw materials in the manufacturing industry, you have got people, you have got time – all of it, exactly the same process. It's just the line items labels in the spreadsheet are just different labels because you are not making a shirt you are designing a building, but the principles are the same **P1-2**.

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## **B6G**

No, no. I think what I would never trade is my education at XX as a designer. I think was invaluable and I have just seen it again through my son and I employ people from all over the country. I have got as many XXX and XXX and XXX and XXX andXX; XXX is a cut above the rest in terms of classic architectural design and theory training, nothing else. As far as running a practice is concerned I mean that was completely non-existent. The training at XXX, my education was very strong on the architectural design and theory and that prepared me well, the rest you have got to learn along the way. **P1-2**

**Christo Vosloo:**

But do you think there is a need for some sort of entrepreneurial training for architects **P1-16**?

**B6G:**

Yes, very much so. I would endorse that fully, that is why I am sitting here talking to you, I am very very for it. I think it is something that is sorely lacking

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## **B5C**

Architects are very stupid with that, extremely stupid (Marketing Management). They can be so skilled, they can even do the first building that everyone can see that you are so skilled and then [use you –how are you going to get unclear on that one 1.27.04.7]. Marketing is not simple, you must be

able to market and most architects are not able to market because they are mostly introvert, they are mostly very talented, they are not very skilled at marketing. **P1-17** I had to teach myself to do it but you are more comfortable amongst the people that you know then it's easier to market, but to market in an unfriendly environment – I wouldn't be able to do it in an unfriendly new situation, I don't think I would be scared of that, you can only market if you have got a bit of confidence as well, you've got to market something that you believe in.

**Do you think building and maintaining a client basis should be included in architectural education?**

**B5C:**

**Yes.**

They should do their homework so well. They will probably do better if they go to the town where they grew up in; at least they have got that advantage. You know I would say if you don't do anything else that's one good step that worked for me because I knew most of the people in the field owning all the buildings. That helps a lot, at least you have got some database that you can work at; but if you are new, if I was young and I had to start up in Jo'burg, you can latch on to a firm and then build up a base from there that's a good start and then go; but I wouldn't "sommer" just go on my own **P1-9**. Many practices or young people have tried to start a practice here in Paarl over the last 15 years and they have miserably not succeeded.

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**B2M**

. So I think a lot of the young people build up networks and I think that is one of the most important things is to teach people how important it is to build up networks. **P1-18** Nobody offers anybody a job, not in the private sector and not in the public sector, nobody. So there is a standard joke in Cape Town is if you find out how xxx gets all her work that will be very interesting, I won't comment on that.

– it doesn't work that way, you can't just get people to sit and think everything is going to get put in your mouth with a spoon. That is why I am much more excited about the Technikon process where you know these kids are really much tougher, you can shove them into a township, you can send them to a meeting somewhere else, you know there is somebody there with a process of discovery and I think that is the crisis that especially the academic, more the University system, is in a total disaster.

Yes I think so, I think it will be very valuable; I must just say I worked for **[Louis unclear 55.46.8]** in Pretoria for six months and I think I learnt an enormous amount, that was when I just graduated, and I think I learnt a lot in that six months about how their office is really well organized, managed, every Friday we had a meeting, how we were going to strategize for the next week, who was going to do



what, what were the outcomes for the next Friday – so Louis ran that office very well, I learnt a lot there. **P1-2**

I think the fact that it is linked to the economy so closely and I think that is why students would ask to understand the economy and how it could impact on them, and how they can project things better **P1-19** I think that if I was about making money that would've been an aspect I would have preferred to understand better and then align myself with that better; but it's not really important to me

Yes I definitely think so that is why I think building something physically should definitely be part of architectural education; even that straw bale workshop we went on, it was phenomenal, it builds so many other things you know.

Yes I definitely think so, that is why

Do you think architectural students get enough in their education to prepare them in terms of determining and setting a fee?

**B2M:**

No definitely not.

I think make sure that you are sure that the next twelve months you are going to get income to survive. I think do a cash flow projection would be my recommendation, and if you can't do it don't start a firm. **P1-20**

think it is about your life, what do you want for your life, it's not about working and that is the big difference. I think for a lot of other people it is just about working.

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**B3M**

en dwaas moet wees om uit Universiteit te kom en dan 'n praktyk te gaan begin. So ek dink in die werklike lewe, meeste ouens gaan werk êrens, en jy sien maar hoe die kantoor bedryf word. Kyk, dis darem ook nou nie 'n baie ingewikkelde ding om 'n argitek kantoor te bedryf nie, né. **P1-2**

Ja, ek sou nie iemand aanraai om op sy eie te gaan as hy nie 'n tyd gewerk het nie en daardie ervaring op gedoen het nie, né. So ek dink nie dis wenslik nie, is dit?

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**C2S**

. As far as marketing is concerned the projects I was proud of I would have made sure they had better exposure **P1-21**. I'm not saying I would have gotten more work but I think I would have gotten maybe better quality work. I think if you are well known I don't think you get asked for discount really but that might just be my perception. I think if you are snowed under work you can pick and choose. What would I have done differently – I would have paid the people who worked for me better, I would have made them more part of the shares or I don't know how to put it, I

would have had not production incentives that sounds like slave driving but I would have been more appreciative of the people that worked for me. I don't think I was.

– it would be nice to have some basic business.. and stupid things.. what a good file should look like you know, what sections should you have in there, what correspondence should be in your file. The thing that helped me and it's a silly little thing but the index is about the most important thing, your index should be complete because if somebody takes something out of a file and there is no index you don't know it's not in the file anymore. My philosophy used to be, and this doesn't sound good but, **when you do something just think how you are going to defend this when you are standing in court. P1-22** That is your approach to something, your paperwork should be to the degree that you can defend yourself in court. I think it was Ivan Vincent who told us that one, it might have been Peter Bold I don't remember, but they said you know you keep your stuff to the degree where your client is covered if you do ever get sued.

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### **C3S**

Most people start with small jobs and then they move up, but I didn't and that's probably not the right way to do it, so you would find your links in Government and all the [unclear 0.22.52.2] and stuff, I think it's quite a project of process that you have to go through to see where the niches lie. I don't know, what do you think?

**I think it is nice to work in a medium size firm for 2 or 3 years and to experience the whole process of a project, from initiation to completion, seeing how the admin works and everything. Learning from a good firm then you can be up on your own, you will be fine. So about 3 years. P1-2** What do you think?

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### **D4S**

**Do you think that business management should be included in architectural training?**

**Undoubtedly.**

**Financial management, in your opinion, how important is the financial management for the future of your firm?**

**Crucial. P1-16**

**I think so.** Even if it is only for raising the awareness and how important that is.

**Christo Vosloo:**

Do you think architectural students should be taught how they should calculate their fees?

Undoubtedly.

I'm not only talking about calculating repeat fees for repeat buildings and so on but how to base it on your cost etc.

Absolutely.

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### D3S

. So a very important part of being, and this is now maybe coming back to the entrepreneurial spirit that architects should have, is to realize that things are changing and you have to position yourself constantly in response to what is requested of you and that also, **P1-6** being viewed in the light that architectural projects tend to take a long time. It can take years sometimes to come to completion where procedures even changes during that time, even contracts change. There are constant updates, everything needs to be updated these days.

Yes, and it is something that everybody should be doing and it's not something shameful or underhand it is just basic common sense. Do you go to your lawyer for advice and you don't pay? Come on. And that is accepted by everybody so what is the difference? There is a lot of mind shifting that has to take place and it has a lot to do with where we came from I think. Because at University level there are no business acumen, there are no business input and there are no practicing architects that goes to University's and tell the students that if they want to start their own businesses you do the [unclear 2.54.49.5] if you do it, just know about these things. **Know the difference between cash flow and capital. Know the difference between promising the client something and actually doing the work without pay. Know what it is about risk that you don't have to take.** **P1-16** Know about these tips and trick sort of things. You know in the old days you couldn't become an electrician or a brick layer without

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### C5M

I don't think that is really a way of finding either your own voice or a very important voice in architecture, I think if you want to do your own thing you have to develop your own philosophy and that takes some [ironing 41.21.1] and self-discovery I think. **P1-23**

Immediately. **I think integrity is probably one of the most important ones,** **P1-24** so rather than a constant sort of sucking up to the client, it is also very professional to tell somebody that you won't do something, and they appreciate that because you are the professional and you are going to lead me through a process where I am going to spend hundreds of millions of Rand and if you are always bowing down and scraping to me I am not really going to find you professional. So you have to say I am not doing that, yes but my other QS said this then you might have to find yourself another architect if this is really important to you but I am not doing that. I think it is very important, I think we forget how important that professionalism is to people, that the architect is some underling that must you know.. I will give you an example and it is partly one of the ways we do things – a client said to me, very recently he said go and do something and I don't want you to give me many options.

I said to him I am not giving you any options at all, I will come up with what I think is the most suitable. If you don't like that then you can look at other options but I am not going to propose, I am not actually coming up with three schemes that you must choose from. I said I find that impossible because in my view I know exactly which one is the better of the three and I would like to go with that one. So anyway..

VAT, registration, more and more; and this is something that has been of personal interest to me is that the growth of the architectural profession is going in the process where only the big will survive. Only the big will have the ability to do the advertising, deal with the legal processes a P1-3 that cannot be good for the future. We need small practices and we need those small practices to go into medium sized practices because they must form the next wave of new creative inventive big practices. We can't just let the guys from 30, 40, 60 years ago continue because they have the money and the status or something. I am very concerned that legislation and the administrative stress on small practices make them unworkable. Doctors should be able to have a one man practice, architects should be able to have a one man practice. I am very concerned about the survival of particularly small and medium sized practices.

Make sure that you have enough work to start with or enough to carry yourself through it if you don't have the work P1-20 and be diligent about contracts P1-25. Without a contract you have got nothing. What's the point of starting out on some design adventure if there is no agreement as to payment.

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## C6M

I think it might be and it might be going forward because I think in the landscape in which we are in it is very easy to become sidetracked. For instance architects can get kickbacks from suppliers to specify things, there is a certain thing; interior designers do that. We usually pass that on to the client and say look there is a discount, there it is, but you could very easily get sidetracked into that and nowadays you can get very easily sidetracked into bribery or functionaries like municipalities.

Do you think business management should be included in architectural education? P1-16

I think it would be useful, I don't know who would teach it and how but yes I think it would be useful. I think specifically because people come from different backgrounds as well; I came from a background where my parents own their own business and work from home, so I could see how they operated and what they did. But if you come from an environment of no exposure to business I think that you might struggle with different things so yes I think it would be useful.

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## D1M

The first thing is you have to select your premises **P1-26** and actually go with other guys; the best advice would be to maybe take three or four other guys that also wants to start an architectural firm, not necessarily as partners, you will have your own work, but don't go into it alone. **P1-27** You will have to have somebody that if you get stuck with too little work you can draw for him, you know help the guys out or vice versa, if you are lucky enough to get a big project you have got somebody next-door that you can pay to help you work. You can share your secretary, you can share your rent, but to go into it from scratch alone.. with the regulations we were lucky in the sense that we got this property years ago and it was situated on this corner so that we could have a house with a different address and we could build this office here for ourselves, totally different from our house, but I need only to cross the lawn. So if you have got a situation where you can sort of work from home which a lot of architects I guess do, because you don't have feet coming in, but you have got to have parking and you can't have your client sit miles away in an unsafe street or whatever the case may be. So first just get your overheads down that you can first just get your feet into the market, but don't ever.. a guy must just not take on work that he is not going to be able to produce. **P1-28** It will invariably not happen that a young guy will get a job that is over his head that will be very foolish, if you do get a big job share it with somebody that will help you with the thinking although you have now made your calculation on the fees rather share it.

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## **D2M**

and I never worked from home, I always had an office **P1-26**. I actually found that we moved into this office 2½ years ago, we were in an office building just around the corner but sort of an office building getting long in the tooth and old and so on, and I just saw it happening that moving into better premises like this office building, it really improved or enhanced our image even though we didn't design the building, I think just better quality premises made a difference in the image of the company. So no I never worked from home.

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## **C4G**

, and it's that architects don't have sufficient financial backgrounds to run large businesses. **P1-16** if you specialize in a field you can sell it **P1-29** and that is where I suppose in a sense, I brought that to the new practice was that I told them they have something very special and they should sell it. If I think of hospitality. And you know the 3 fields that I've been in education, healthcare and hospitality, they are all specialized. I've hardly done a house, I think I did one for my brother-in-law. So my advice is look at the gaps in the market, see what is trend, **P1-6** I mean if you take [unclear 0.21.13.3] I mean he specialized in office buildings and he understands the technology and the way

things are going and he is leading that field very strongly so he has identified that niche and he is driving it. So I think that would be my advice to young guys or girls starting out.

I really believe that it may help formulate some opinions in young minds if they understand the significance of it. As I've said, I find that a lot of young architects think that they have been trained, they can do this and that but they don't think about how do you get ahead of your opposition and how do you get ahead in that business environment so I believe it would do no harm whatsoever for a young architect to have some kind of introduction to that concept. I find that they are quite naïve when they start working. **P1-16**

I think the one thing which was never touched on, yet we had professional practice as a subject and it was really all to do with the legalities of this and what you can't and can do and all the kind of professional ethic side of the business and it was useful but what was not taught to you was the actual business side of a business. Like how to read a balance sheet, you have no idea how many architects can not read a balance sheet. They don't understand how it works or why it works or whatever and the importance of getting, even if you said to a guy when you start up a practice go and find yourself a small auditing business, don't go to the big ones like Ernest and Young or whatever, go and find a 2 man

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## **C1G**

Not so much a mentor I just looked at the systems they used, the way they operated and how they operated the business and I learnt a hell of a lot from that and also again they were systems driven. As they always say about MacDonald's it's a multibillion Rand / Dollar property business being run by teenagers. They themselves identify themselves as a property business not as a food business.

I don't think values are ever touched on in their course at all, but so is just common sense actually **P1-30** never touched on, just basic ideas. I have got some guys working here that cum laude every year of their architectural course and when they come here they don't know how to calculate sun control; they don't know why you face a building north, nothing like that, but they cum'd every year because they weren't taught the very very basics. The lecturers at Varsity never again touched on that, they get a few lectures during the first year on sun control and stuff like that and then after that it is just ignored as though it doesn't make any difference.

**Do you think architects know enough about business management?**

**C1G:**

No, most of them don't have a clue.

**Christo Vosloo: P1-16**

**Do you think it is something that should be taught to architects?**

**C1G:**

Definitely.

**Christo Vosloo:**

You don't think business management is at odds with design?

**C1G:**

If you are worried about how you are going to pay your rent at the end of the month and keep your kids in school, your design is going to suffer in the end. I did my best design once I reached a stage where I felt I have got financial freedom, that I don't have to worry about the money, I have to worry about the quality of work.

I think marketing more than anything else. Marketing, you need the admin also once you start building the firm, but unless you can market and create the demand for the work **P1-17** [you are a deck in the water 1.30.33.6]. It doesn't help that you have got the accounting and the admin and all the back up if you don't have the work; so you have to have the marketing that you can create the work, that you can build that client base that is going to support you for the rest of your life.

. But you see what I find is people get over-confident very fast, they think they know everything after a year or two years and it is not as easy as that. Building up to that point where you can really sustain a firm is not that easy and people very easily under-estimate the amount of work and time that goes into it.

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**D5G**

**Business training for architects?**

Definitely yes. I think that should've been part of our curriculum. No doubt about it **P1-16**

I would say at university\

I have seen physically with young people is they work for a large corporate somewhere and then they get a whiff of somebody promising them a big project and they need to work on risk to make it come off and then what happened in my instance is one guy resigned and the other one kept on working for the company with the agreement that they will share the salary and they will share the project when the project comes off and it never came off. So it was quite a clever way to look at doing your own thing but it didn't work out for them, there are too many sharks looking to basically use architects to explore potential development options or potential profitable ventures which often carry enormous amounts of risk but only for the architects because they are the only people who put their time and effort into it. So there is a culture out there where lots of young architects wait their time by doing sketches and designs for people and the young architects don't understand business and they don't understand what the risks are so they often don't ask the right questions like, have you bought the land, how do you intend to fund the project, here is my fee agreement can you pay the deposit, or things like that. There are some basic questions that I think architects, young

and old, are scared to ask. **P1-31** And often our time gets wasted on it. But if you are a young person and you want to start a company I would say, if you have a real project, give it a go but don't focus only on that project and also look at other ways to get your name out. The structured way to do it is to go to the housing estates, which is probably the easiest and get yourself on their panel of architects. **P1-4** Some of those estates are easier and some are more difficult to get in than others, but that is a definite way to get projects.

, but I think architects don't want to do it (**Entrepreneurial and business related training**) and we probably have to and that is why I'm saying it needs to be a part of your structured course so **P1-16** that you can do it while you are at University and it was handy to do, and movie making and all kinds of other things that we did while we were there.

Most people can't really do that and I think they need to make it more difficult to become an architect and I think that is where bringing in business courses together with other practices matters. You know the JBCC contract is only one component and that is all and you write exams on it. It is ridiculous. Most projects these days happen without the JBCC contract in any case, so I find that exam a little bit arbitrary.

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## D6G

So the big thing was not to put the lid on growth, **P1-3** there were many architects of the day that had no succession planning concept at all; I remember one architect, his name was xxxxxxxx actually when we asked him xxxxxx what would you do for succession planning and he said that is a load of bull\*\*\*\*. He said I don't do that, when I die whoever stays behind can take it further if they wish and if nobody stays behind then the firm will close.

We didn't have the privilege, which happens many many times, most practices I believe, small practices start off where an individual gets offered a project either by one of the firm's existing clients, which everybody hates to happen but it does happen often – we had that happen often in our practice, some of the younger guys would convince the clients that they should rather go with them and then they would do the job cheaper and that is how they would start – so most firms start with a job which of course



I always say to the guys the easiest job you will ever get is your first job if it is given to you. The hardest one to find is the second one and then it follows. [P1-20](#) So we actually started without a single job, we just made up our minds that it would be a good idea to start a practice. We had no motivation for it other than to want to work for ourselves and not for a boss.

It's hard for a young architect, very hard, to convince a client to give them a decent size project. That is why most architects start with alterations, little buildings, usually domestic orientated buildings, sometimes maybe a small shopping center. Nobody starts off with a multimillion Rand head office building, because even if people can give you a job like that they wouldn't be able to do it because it would be too risky. You will never find a young architect landing a R100 million building, not that I know of.

, I would say to him first of all congratulations it is a great decision. It is a very difficult decision, have you got a project, if he would say to me yes hopefully it is not one of the firm's projects, we had guys that had some of our clients that wanted to use them. I would not apprehend them on that basis, I would not speak to the client, I would just say to them we have to make some kind of an arrangement and you can take the work with you. You can continue it as long as we get paid for our portion of the work, otherwise I would say to them do you need work, can I give you some work, maybe subcontract some work to them – the idea being to stimulate them to make a success of their endeavor rather than to stifle them and to see them as competition. My view was always we don't need to as a big firm compete against a one man practice, we should rather stimulate them. That I think was the way we did it and I would do it today too. [P1-9](#)

If a young guy would walk into my office today and I have that often, I have people often asking me two things – they ask me should my child become an architect and then that is quite a long conversation, alternatively the architect himself would

say can you give me some advice and usually the advice is about how to set up the practice, what to do and what not to do and basically discuss 10, 20 or 30 points of what makes a practice successful. The ultimate question always arrives is how do I get some work. I would always ask them do you belong to a church, do you belong to a social organization, do you belong to a tennis club, do you belong to a running club, where do you interact with people. That is where people must understand that you are an architect and usually the jobs will come on the basis of referrals from those people or people that they know, in other words if you belong to a church you know John in the church, John knows you have started your practice because you have told him so, you don't keep quiet about it, you announce the fact that you are now on your own, people feel quite sentimentally orientated towards you so John will go and he's got a friend who is a developer or a client who needs a house or whatever it may be and he would say to him do you know my friend Peter has told me he has just started his practice, why don't you approach him and then he will put a good word in for you. That is how it will start. Secondly if your wife goes out anywhere without you and she meets people and she comes home and she can't tell you what her friends' husbands work is and what he does, you must send her back to go and have another cup of tea and come and tell you because often you will find that your wife's friends have got other connections and their husbands are potentially involved in business that relates to architecture. You might for instance that your wife's friend's husband works for a development company and your wife can introduce you to his wife and him and so you get introduced. So all practices start generally speaking with word of mouth; so the big thing is that people must know that you have started a practice, they must essentially feel a little bit sorry for you and want to help you, and you must ask them if don't know of anybody that wants to give you work. Then in the social structure wherein you work, the churches, the sports clubs and so on, that is where you pick up contacts,

so that at the end of the day it is about a successful network. It is about not who you know but how well do they know you. [P1-17](#)

Thirdly you can do cold calls, you can go to anybody you like. I used to identify firms and if I remember one company in particular, it was XXX Properties in Cape Town. I wanted to work for xxxxx, they were the biggest developers and are today still one of the biggest developers in Cape Town. I simply picked up the phone, I phoned XXX, the owner of the business or the most senior guy and I said can I come and introduce myself and my practice to you. We have got a firm in Cape Town, I see you are doing great work, we would like to be associated with that kind of work, can I have a cup of coffee with you, can I come and introduce myself, can I do a little presentation and invariably if you do it correctly and politely and properly, they will give you a chance. We got great work that way and xxxx became a client; so you can cold canvass clients that are developing the kind of buildings that you would like to do. In other words if you see somebody is doing great houses or hotels or hospitals or whatever it is, you can approach them. It is the more technical buildings where people will not appoint you on a risk basis of doing your first hospital; it is very seldom that you will get a technical project like a hospital as a first case hospital. You will get it in some other way, a consortium and maybe slowly build up the expertise, but a design orientated building which hasn't got that expertise like a small office building or a little retail facility and so forth, so all the specialized buildings, things like laboratories, hospitals, big shopping centers are all specialist projects, maybe high rise buildings, those are buildings that will come with time. You must never aim at them when you start, you should aim at small stuff and I think one has to in your early years, at least the first three years, you have to have a never say no attitude and just do anything. You have just got to do anything but do it well, do it with zeal and do it with enthusiasm and you will get referred and it will just keep on growing, that is what happened to us. [P1-1](#) There is

no other way, and then if you have the correct political inclination for instance in the current circumstances in South Africa, I think there still exists such a thing as a lists of architects at the Department XXX and so on, those lists are very difficult to access even though you can register on them,

I don't think there are very definitive gaps, in architecture there are certain types of work, let's call it educational buildings, religious buildings, commercial retail buildings with various categories of course being shopping centers, small shopping centers, big shopping centers, national shopping centers and the like; and then you have things like motor dealerships, value centers and so forth, let's call it straight commercial work. Then there is the industrial sector, so I think there are sectors, and what we find as it is in the economy is that these sectors vary in demand from time to time. Everybody does shopping centers until they are pretty much saturated, like currently in South Africa, and then there is a new development sector that opens up which at the moment is accommodation, and it varies from high quality accommodation or residential to low easy to rent kind of accommodation, guys are building buildings like for instance blocks of apartments in Johannesburg and Pretoria where they rent out beds, they don't even rent out a room, and the demand is unsaturable. So five years ago there was no demand like there is now for residential, so it comes and goes and then it gets saturated. The industrial market is the same, we are not manufacturing much in South Africa so nobody is building factories, but what they are doing is they are converting factories to warehouses from which distribution takes place, because what is happening in South Africa at the moment is we import everything say technically from China mostly, 90%, and from other places, it gets brought to South Africa and it gets distributed. So distribution centers are jumping up here and there and everywhere, if one looks at the R21 going to the airport. So you have to respond to the demand of the day, **P1-32** but it is very seldom that you say you are going to build a new category; if you

take something like a data center, that is a category on its own, it is highly specialized, there are very few of them in South Africa and they are done by very few people. If you think you are going to start a practice and you are interested in data centers and you are going to get a data center you will never get one. So you have to respond to what the experience level of yourself is when you start P1-28 , because not everybody starts after university, they maybe start 5, 10 or even 15 years into practice and then open a practice. You have got different levels of expertise. If you have built up expertise in a certain sector, or if you have worked in an office, let's use a good example, you worked in an office that specializes in hospitals, you could quite easily go out into the market and say I have a new firm, I want to do hospitals or I specialize in hospitals, these are the hospitals that I have worked on courtesy all the practices. P1-29 What the young guys do of course is they say I know everything about hospital, I build XXX, [unclear 30.08.8] or whatever they do and they never acknowledge the firms that they come from. Everybody of course knows that isn't exactly how it works but at least the guy is knowledgeable. So you will find sometimes that you can break into a niche.

The other way that you can break into a particular niche is if a previous architect has made a bundle of his project. That is about the only time that you can get into a firm that continuously uses the same type of practices all the time. If you take a big development company, they tend to identify two or three or sometimes not even, maybe one or maybe five practices that they work with, to lift any one of those practices out of the seat and to try and get an opportunity is very difficult. You either have to come with the expertise and have a contact that will trust you and give you the opportunity, P1-33 or you have got to wait until one of those guys has failed and at that moment you have got to be there and it is not always easy to get that right, and they say well XYZ has made an absolute mess, we don't use them

anymore, we are looking for a new architect. We had an opportunity like that at xxxxxx Properties, where xxxxx said look we are actually looking for a new architect and I had a call from one of the people from xxxxx who said we would like to have a chat with your firm. We are interviewing a number of firms and we want to select another firm or two to work with. Those opportunities are very scarce but they do come. So I don't know if that helps you but I don't think there is little niche markets that you can identify other than the basic broad categories that I have mentioned. Of course there are resorts and hotels also, you know what I mean, by the categories.

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Themes: (number of firms which mentioned)

- P1-1 Do your best with every project that comes your way (2).
- P1-2 While you are still working for someone else, get to understand how the business works (6).
- P1-3 Think big. Big firms are better for the profession (3).
- P1-4 Learn how to market yourself, how to be a business person and how to procure work (3).
- P1-5 Get past clients to recommend you/ build up a portfolio of work (1).
- P1-6 Be entrepreneurial – also outside conventional practice (3).
- P1-7 Get enough experience before starting on your own firm (3).
- P1-8 Save up money before starting out (2).
- P1-9 Learn from another firm (5).
- P1-10 Operate under your own name (1).
- P1-11 Get a mentor (4).
- P1-12 Take Professional Practice seriously (1).
- P1-13 Make sure you remain relevant (1).
- P1-14 Produce good design within whatever limitations the client sets (1).
- P1-15 Understand how you arrive at your cost (1).
- P1-16 Attend Entrepreneurship/ business management training (9).
- P1-17 Learn to, and do, market yourself, look after your clients (3).
- P1-18 Build-up networks (1).
- P1-19 Get to understand how the economy works (1).

- P1-20** Make sure that you for the next twelve months are going to get an income to survive. I think do a cash flow projection would be my recommendation, and if you can't do it don't start a firm (3).
- P1-21** Make sure your work gets exposure (1).
- P1-22** When you do something just think how you are going to defend this when you are standing in court (1).
- P1-23** I think if you want to do your own thing you have to develop your own philosophy and that takes some introspection and self-discovery (1).
- P1-24** Act with integrity (1).
- P1-25** Be diligent about contracts- all contracts (1).
- P1-26** Select your premises carefully (2).
- P1-27** Go with others- don't do it alone (1).
- P1-28** Don't take on a project that you can't handle (2).
- P1-29** Specialize in a field you can sell it (1).
- P1-30** Values and common sense is important (1).
- P1-31** Beware of unscrupulous 'developers'. Ask the right questions (1).
- P1-32** Respond to the demand of the day (1).
- P1-33** Come with the expertise or have a contact that will trust you and give you the opportunity (1).

## ANALYSIS

Twenty four of the 26 enduring architects' firms interviewed (92%) provided direct responses to the question 'what advice would you give to young architects thinking of starting a new firm?'. Due to the fact that the question is a relatively open one, relevant indirect responses were also included in the analysis. The responses received can be summarised as follow:

The following pointers were given by one firm (4% each) only:

- Get past clients to recommend you/ build up a portfolio of work.
- Operate under your own name.
- Take Professional Practice seriously.
- Make sure you remain relevant.
- Produce good design within whatever limitations the client sets.
- Understand how you arrive at your cost.
- Build-up networks.
- Get to understand how the economy works.
- Make sure your work gets exposure.

- When you do something just think how you are going to defend this when you are standing in court.
- I think if you want to do your own thing you have to develop your own philosophy and that takes some introspection and self-discovery.
- Act with integrity.
- Be diligent about contracts- all contracts.
- Go with others- don't do it alone.
- Specialize in a field you can sell.
- Values and common sense is important.
- Beware of unscrupulous 'developers'. Ask the right questions.
- Respond to the demand of the day.
- Come with the expertise or have a contact that will trust you and give you the opportunity.

The following pointers were given by two firms (8% each):

- Do your best with every project that comes your way.
- Save up money before starting out.
- Select your premises carefully.
- Don't take on projects that you can't handle.

The following pointers were given by three firms (12.5% each):

- Think big. Big firms are better for the profession.
- Learn how to market yourself, how to be a business person and how to procure work.
- Be entrepreneurial – also outside conventional practice.
- Get enough experience before starting on your own firm.
- Learn to, and do, market yourself, look after your clients.
- Make sure that you for the next twelve months are going to get an income to survive. I think do cash flow projections would be my recommendation, and if you can't do it don't start a firm.

The following pointers were given by four firms (16.7% each):

- Get a mentor.

The following pointer was given by five firms (20.8%):

- Learn from another firm.



Nine firms (37.5%) advised young architects to attend entrepreneurship/ business management training.

## **DEDUCTION**

The most repeated pointer offered by the responding enduring architects firms is that young architects thinking about starting a new firm should attend entrepreneurship business management training. The second and third most repeated advice also relate to entrepreneurial education and training (but could include other operational and professional aspects). These are that prospective founders of architects firms should learn from another firm (experiential learning) and/ or enlist the services of a mentor. Both of these aspects resonate with the suggestions made by entrepreneurship education and training theorists (refer to... in Chapter 3).

Many of the pointers given fall within the following business management and entrepreneurship related fields:

- Marketing Management.
- Strategic Management.
- Operations Management.
- Financial Management.
- Risk Management.
- General Business Management.

These fields should thus form part of the content of a profession specific EET programme.

## **P2 What form of support is needed by 'young' architects' firms?**

### **A6S**

I do not need money to pay rent or secretaries. But you can start off like that. I did. You grow and grow. [P2-1](#)

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### **A2S**

I've working in space as XXXX; although he was my junior in qualifications he showed me a side of running a practice. He was the one that said you must have a bank account, do letterhead for yourself. In those days it was wonderful. [P2-2](#)

I've been mentoring and tutoring someone in my office for 12 years. Finally He shows signs to be involved top on management on his own. And he is taking risks. I just wanted the experience [P2-3](#)

, I would recommend that professional practice includes a simple system of bookkeeping. I was fortunate that friends of mine showed me, at XXXX. There is a course where I teach them for a couple of weeks [P2-4](#)

When architects come out of this degree their going to have to spend some time in practice. When you in practice how many guys actually open their books to show students what it's all about.

One should encourage students in their practice years to look at this because how else are they supposed to learn.

. I think there is a huge need for mentors.

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### **A4M**

He mentored [P2-3](#) me; he taught me a lot about the business side of architecture [P2-2](#)

You can't say to him you have to have a book keeper and you got to have receptionist and a PA. The advice needs to come when it is needed, for example start with a client/ [P2-5](#) architectural agreement, before you jump ship with your new practice get an architect agreement even if it is not worth the paper it is written on get it drawn up because it requires a level of commitment from both parties. It's a tragedy but a lot of South Africans by cheap a lot of the kids have some fancy plans but he has not got the money. [P2-1](#)

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### **A5M**

[P2-3](#) we didn't have role models as well. A lot of the black practices didn't have role models, we had experience [P2-9](#) in working for other practices but we didn't have a lot of role models where we could just understand how they worked and try and use the same method that they had. So the practices that were run then would have been surviving on minimal work from government that would have kept them going, they would have been around ten years old at the time, around '95.

. I think there are a lot of entrepreneurial role models in South Africa, they might not be architects but there are other people, generally in South Africa there is an environment where I think entrepreneurial ideas are being talked about. It is more now than before.

I don't think so, I mean I am not conventional, my office is not conventional. We started off in a time when our practices were completely non-racial, also being a woman I think we fall outside the normal category of the way that we run ourselves. So I don't think I run myself very differently to other people and it's fine; but I think '94 for us was a time when it was just that mindset that you could do anything, you didn't have to follow your role models, anything was possible.

Like practices we knew, you know people look at us, our communities look at us as role models. I get lots of people coming in, lots of women, black, colored, Indian people whatever, coming to me to meet the kids for the day for example. So we are also like role models and people come to us as opposed to going to anybody else for a reason, maybe they feel more comfortable.

Yes, so like our institutes have three wise men, I wish they all were but anyway, our regional institute has a group of people, we call them the three wise man. **We go to them when we have a problem.** SAIA also has that, they are not quite mentors but they are people there to help and I have used them very often. You just phone them and say listen I've got this problem client and I have got this contractor and the client wants me to do this, I can't do this because of so and so, what do I do. So you need that support and I think the institutes do it, I'm not sure if it happens in all the regions.

**I never really had a mentor,** I went and did my in-service with so and so and I went and wrote my board exam, but I didn't really have a formal person who was allocated to me that said do this this and that. But I think there are ways that you can do that. I think there are some successful people that can be lured into passing that information on. Like the three wise men, they only deal with contractual stuff and they are very senior people, they are people that have maybe even retired.

structured one from the institute but you know when you are doing your formal training, like the SACAP training, so the person that signs off your log book is sort of a mentor, if that could be structured in a way so that some of those points that you take off and you score, there is a section for entrepreneurship in there. So you are forced to in an office not just.. because when I worked, when I was doing my training, **I never knew how people set fee accounts out and so on P2-2,** it was just a magic thing that happened because **we never saw the business side of practices** when we were doing **[software 1.42.34.0]**. So almost like I think they structure those log books into different sections, so maybe if it could be in there somehow so that everybody is forced to at whichever practice they are, to make sure that they have got the following things shown and taught to them while they are doing it. At least it's a start right but it happens after you have completed your degree.

looking at programs where you are teaching women how to start a business. Like banks and taxes, auditors, partnership agreements, cash flow, how to send accounts out, basic stuff like that; P2-4 but I mean that could be done generically. So I think CPD also can help people because not everybody wants to leave university and start a business immediately, maybe after university you want similar thing but we haven't got into too much detail but we need to just look at what is particular about the architectural practice that is different to others because with women it is also about teaching them to be assertive on site P2-6 because even me with my 27 years of experience if there is a contractor I don't know he is going to tell me that he has got more experience than me and the first few meetings are going to be a little bit of a battle until things smooth out. So it's just for women to learn that it's expected that that is going to happen, it's not that you are stupid or you are not going to make a good architect or whatever, but just for people to know that once you get past that hurdle it's actually going to be fine. So there are ways of structuring entrepreneurial whatever into the syllabus, P2-7 even into university. I think some universities even have courses that are similar?

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## A1L

I do believe that it is not even touched on in university so yes design design design design and the construction technology behind that but I think we are double edge on what practice is all about P2-2.

. We've got guys from townships that we have brought through and I spent quite a lot of time mentoring, P2-3 that is why I am involved mentoring five year masters students and sitting here, what is it like to be an architect, you come from a township, what is the professional expectation, what is your expectation of the profession, how do you create.

Yes you know I like seeing the profession grow; there was a firm that does mostly the hospitals here and around the country and the senior partner packed up and decided I'm going to Australia. One of the architects who was just one of the architects, he just said this is what it's going to cost you. He came to see me and I helped him through it. I try to advise him [unclear 1.45.19.1] and basically I said just go hardnosed, it's the fees at hand it's not the future work that you have to be paid for because that's unknown. They battled for a while and now they turned around and are doing very well, so I do like doing that. I will talk to anybody and help them if it's for the betterment of the profession but I won't give away our trade secrets because that is what is particular to us.

I think as a practice there is room for mentoring but it's mentoring the individuals as well and growing them and re-orientating them, particularly if someone who has just got academic education and not a holistic education – I'm talking about guys coming from townships who have talent but

they don't really understand all these things we are talking about, is to sit with them and teach them about or mentor them through the whole process of becoming a recognized valued contributor to the profession and in the built environment profession and how you link with them. **P2-2** So that's where it is I believe, a lot of us have got subconscious education. I was fortunate in that my dad was a professional man, he didn't speak much to me about things but I watched him and I heard comments about my dad and they were always positive. I always wanted to be someone who is valued because of his contribution as my dad was. I have been working towards that but you know we are all in the same

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### **A7L**

Look we were fortunate my dad help me out. Biggest Stumbling blocks was that I never had a student loan at University. Makes a big difference of how to start off. I never had student loan. Makes a big difference and at what you start off debt free. **P2-1** When an arch student leaves university after 7 years his salary is about 12 and 15 000 to 14000 as a doctor go out for 35000 and more. Big difference. I think that is where tragedy lies. When students out of university majority not good enough. That is where biggest thing happens when an architectural student out of university debt of 35 to pay is half of salary. How does he lives of 15 000 where medical student same debt is earning much more makes big difference of graduate out of University.

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### **A3C**

I would say that in essence one needs to actually have your own supply of cash **P2-1** for the moment you go into a joint venture with another practice, that is possible because I think in a joint venture you can actually learn a lot if you have got the right partnership. I think that is actually a very worthwhile operation to do is a joint venture. I think a lot of black builders are doing this, in fact my wife works for consulting engineers here in XXX and they have a lot of these guys who come in and because they have got access to the BEE work they have joint ventures

### **Christo Vosloo:**

Is part of the benefit of that the sort of mentoring that can take place?

### **Interviewee:**

That's right, very much so.

Do you think there is a role for a mentorship program **P2-3**?

### **Interviewee:**

Absolutely yes.

Oh very much so, no problem at all. It is quite interesting some years ago I was actually offered a job by the Cape Provincial Department of Works to take on the job as a mentor at the Department of

Works which I thought was actually a very good scheme. It was just a two year contract and funnily enough

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### **B7S**

, it is the young person that chooses the mentor. P2-3 Like in [unclear 36.11.6] it was the young boy who chose his mentor and introduced the older boy to the family. The young one chooses the mentor, so find someone that you respect, that you would like to be like, somebody who you see as a role model and inveigle your way into that person's orb. If necessary go and make the tea for him with no salary. Watch what he is doing. Learn and it will become apparent to you what you are comfortable with and what you are not comfortable with you will not be good at. I am not comfortable with most developers. Work in the comfort zone that suits your personality. So I would say the opportunity will reveal itself to you as you start allowing your personality to accrue to itself what is natural to it.

No, I learnt it by osmosis.

It's not the end of the world, you are going to make a mess so mentorship I would say is my big advice.

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### **B4G**

. If you want to do it alone or you can only do it alone because you can't find employment, then you have to find a mentor P2-3 and that person could be someone who can't employ you but can help you.

#### **Christo Vosloo:**

Do you believe business management should be included in architectural education training?

Yes.

Mentorship certainly and I think it would be a dream environment if legislation requirements, CPD points and need combine into a strategy that means that let's say your BEE scorecard that you can win points through the CPD mechanism mentoring people to comply with legislation and get your points up. That could be at University level to make sure that you develop relationships early enough with students who are coming through the system to help educate them; where we have to give up income generating time for no gain in the hope that someone might like us which is how it has been up until now, is why it is not working.

Yes, you need that now for people who have never been educated and then you need to go back to my previous point of making a sustainable system which recognizes all the regulatory and CPD stuff, that you can [take 1.35.24.9] the benefited skills learnt the hard way, you can bring them right forward early enough, to answer your question, and create an entrepreneurial education system

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**B6G**

Yes, I see that all along, young people coming into our firm and the **P2-3 whole mentorship program** and the **value of mentorship** and what it means for the individual. You know I had a lot of mentorship from Revel Fox in my fourth year, that is what I always appreciated and regarded as a very good example for me. Then I worked for xxxx, he wasn't a great mentor, he wasn't a great architect either; so there was very little mentorship, so yes I would have probably.. I just learnt it all myself but it would have been nice to have **a confidante and a person**. **P2-12** Over the years I did try and glean from old quantity surveyors, XXX was one of them, XXXX was another one, they were quantity surveyors but they sort of helped me, they took me under their wing, **certainly with contracts** **P2-5** and so not only just estimates but I got a lot of help from my QS brothers but no old architect ever stepped forward and said I will help you, they are too jealous. Maybe up here it would have been a different story.

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**B5C**

No not experience, not knowing what they are busy with; to make architecture and to admin architecture and to do architecture you cannot do that alone here. Architects need help, you know you cannot do everything, you cannot do the admin, answer the telephone, see clients, do the design work, do the quality checks – I cannot think how people think they can do that alone. How many jobs can you then do a year, and if you then discount, how will you live, I don't know. I cannot see it. It's so complicated, so many facets now, it's difficult to run it on your own, very difficult, and to go and look for clients or see where the opportunities are. I just cannot see it happening.

A rich father. **P2-1**

I forgot about that, we actually had an IDC loan, yes. I forgot that; because it's difficult to go to a bank if you don't have a house and you want **some startup capital**, it's very difficult. You don't have a database, it's extremely difficult. So if you don't have an **outside support system** family wise I don't know how you are going to make it on your own. I cannot see it.

We didn't get a lot, I think we got about R60k or something like that but it does help you along and at least you can pay a salary or what for a couple of months.

**Christo Vosloo:**

Do you think there is a **need for entrepreneurship training and support for architects?**

**B5C: P2-7**

**I think so.**

Well firstly to be able **to interpret financial statements**. **P2-4** I think very little gets taught about the **government systems, the way you should manage municipal submissions, there are so many pitfalls**

that you would not even know if you stood right in it. Sign submission forms wrongly, I don't know, I think if somebody could hold your hand a bit on that side it could make it a bit easier. **P2-2** Teaching you to wait, sometimes you wait for your money. Patience is also quite an interesting thing. I think some psychology skills would help tremendously, being able to read clients, know what they want, be able to listen and not be the grand designer that is going to teach them everything; they thought out the job not you. **P2-8** I think there are lots of skills that young architects need to learn. You cannot teach them time because time is a very rare commodity that we need to afford ourselves to be able to be better, and you have got to be patient at that. I see it every day with these young architects that we have where they can now see how much time it takes to get skilled. I think it is probably more than ten years now, you know nowadays ten years would put you in the senior bracket. I think there is so much to learn nowadays it takes you more than ten years to be where we were in ten years. I think we were probably taught better in practices than these young people now but they must be so hands on; we just had drawing boards and pencils and the municipality and some prints to make and things like that, sepias – the most difficult thing was how you put a sepia, which side is the right side, anyway now it's all electronic stuff and it's computers and 3Ds rendering – they can't even think straight anymore. There are so many things. So I think a practice like this helps them, if you can just find your feet, get your skills level up, concentrate on architecture, separate that from the client's needs, just keeping all these things together is quite complex. So if somebody can teach them how to manage all these onslaughts they would probably do better architecture maybe.

I think it can be post-graduate.

. I would not leave them unguarded but they do pick it up quite quickly, if they are keen and lots of these young people are very keen. I must say that people who think that young professionals are lazy, they are making a big mistake, they are very greedy, they would like to run but they don't have the skills and if you can just sort of direct them they pick it up very quickly and become quite good. I mean so far as our youngest partner here was 28 when he became a full partner here, but he is an exceptional guy and he picked it up so quickly. I think training, I don't know how one would do this kind of training in what format, maybe through [SIFA 1.46.03.2] it could them a lot. There are so many things they don't know, what do you really teach them, but some basic skills.

Yes I don't think it's an instant thing no. How do you handle a secretary, how do you answer the telephone, you know I think architects need to know these things because they drive these practices and they need to be able to tell somebody how to handle things. I'm lucky it came over time, sometimes you need to work for practices to see how it's not done, that also helps.

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**B2M**



I would always recommend that someone works somewhere else for at least three to five years to in practice get experience because when you go to a course you don't get experience. **P2-9** You know you can listen but it is not an embodied experience, you are not doing it, so the minute you do it you learn much faster

Yes that would be very good.

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### **B3M**

Jy kan altyd vir advies vra, né. Kyk daar is 'n soort van finansiële komitee, ek vergeet nou wat die ou se naam is daar by die Instituut, en jy kan enige tyd gaan vra vir advies as jy wil. **P2-10** Hy sal jou altyd help.

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### **C2S**

. That was how acrimonious that site was; but I used to phone Brian and Ivan. **P2-10** I used to attend a lot of the mid-career training courses **P2-11** ; in fact I think I attended them all.

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### **C3S**

I would've liked to have had a sounding board. To have one person around me, which I now have and it's wonderful. I think you do need to throw around ideas. **P2-12** A single idea is not always the best.

That would've been nice, and now that we have a lot of experience we thought that it will cut young people off from us, but it didn't. We find it very interesting that we are still getting young clients and I often think that it must be quite hard for them to listen to us because we also tell them about our disasters. Don't do that because this might happen, and you can easily start sounding completely negative. You have to be very careful.

I think that would have been the ideal thing. **P2-8** Like psychology, basic financial management, **P2-4** which is lacking in most professionals not just in architects, in medical people and so forth. So many make huge mistakes. They work themselves into the ground and then they get some sort of hit and run investment advisor or something and they lose everything. You hear it everyday and it's because they have never worked with that kind of thing. Now, suddenly, they are not in the pound seats but they are starting to make money and then they get misled so they need that as a basic course at Varsity.

You are right; you don't fall into any of the categories so you can't do that. Wow, we all did that, moonlighted and weekends and it was fantastic, we learned a lot. **P2-9**

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### **D4S**

Do people come to you?

Yes.

Ok. When do you think people should actually start to be trained in terms of starting their own practice? When do you think would be the best time?

I think in your final 2 years. **P2-7**

Post graduation?

Yes.

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### D3S

It is a thing that a one only learns later and it's actually a thing that you will learn on someone else's expense, in other words, when you work for someone in someone else's practice, which is why this is called experience. If you gain experience on your own expenses than it costs a lot of money and it takes longer and you make mistakes **P2-9**. And it basically means, something I feel very strongly about is, what needs to be incorporated in the curriculum is business for architects. **P2-2**. You are not just a purveyor of architectural services you also need to be a business man and whether you work for someone or you have your own practice, you still need to know how business works and what the value is of the services that you are getting yourself involved in which to a large extent are underwritten, not just in South Africa but world wide and it has become the sort of soccer ball that everyone kicks around, whether it is in Spain or wherever it is. Years ago when XXX was president of the PIA I didn't even know at that stage because I wasn't a member of the PIA, I can't remember why, but I wasn't.

So do you think if there was a mentoring system that you would've benefited from it?

**D3S: P2-3**

Absolutely. That is one of the things that is sorely missing and we've tried it a couple of times but being voluntary organizations, it's a dog. There is only so much time available. But I think we've tackled it the wrong way. I think there is much more opportunity for mentoring younger architects. And you also can't keep young architects from opening their own practices. If that is what they want to do then that is what they will do.

After being screwed over by a client where you actually realize there is a couple of things that you missed. There are a couple of agreements that you haven't signed or haven't entered into. It is basically your own fault that you are where you are. I mean over the years I must've lost millions of Rands in the first 5 years for things that we just didn't know. At some stage, our practice particularly, had the development right on all railway grounds north of Bloemfontein. We managed to get that and we didn't even realize the value of it. We got involved in a company which was created for the purpose of developing railway grounds in prime areas in the middle of town. It was a company called XXX, which is now XXXX. Together with my partners we had 60% share, we didn't

know what it meant and we lost all of that because of some stupid technicality or something. So although the initiative was there and maybe the gut feeling was there, what really was missing was a mentor.

There is no reason for anybody or for any architect to work overtime or through weekends. Time management, [P2-13](#) please guys. Get your priorities together, don't do things that you are not getting paid for. Know what you are doing. Know what is asked from you. Read the question before you start answering it. And there are a lot of misconceptions, there are a lot of perceptions in the environment by clients. They thought that we were going to do it, then you just say sorry sir, I'm not but if you want me to do it, it will cost you R20 000 so yes or no and then often they will say it's too expensive and eventually they will ask you to do it. That has happened to me very often. In fact very often the clients that I don't accept after the first discussion, which I charge for by the way not an arm or a leg but R1000 for the consultation.

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## C5M

I think for those who would be interested in it, I think it should be an alternative, I'm not sure that there are many alternatives that you can do in architecture, but I think that maybe if I had to think of an idea I would think that some honors or masters in that should be available like an MBA but for architecture. [P2-14](#)

I think for those that are interested in it. I think that could go with the sort of MBA type structure yes. Not everybody should be taught that because that wouldn't be everybody's thing.

Legal support. [P2-15](#)

Legal support, well also just experience, somebody to go to and ask for help.

A mentor. [P2-3](#)

Well my personal drive would be as I have discussed with you that there should be more backing for architects in terms of legal. Architects are not lawyers and you've sometimes pointed out very validly in meetings that this legal thing should be left to lawyers and an architect should focus on the architecture; but many architects try and be sort of seafaring lawyers and get involved and entangled and write [\[semi unclear 1.53.57.1\]](#) letters etc. and I think that the market at the moment is flattening architects because there is not enough legal strength on the [\[kinder side 1.54.10.3\]](#) of the profession. I am thinking of, and maybe in an illusory way, that if I am a poet or a play writer in America, if somebody dare touch my words or my phrases in my book or my something

What I have noticed in the engineering practice is that mentorship is becoming a huge part of the skill training of people and I see that we don't have anything in that really in the architectural field at the moment. All engineering fields are now awarding prizes for the best mentors. Mentorship of the year goes to this engineering company, that engineering company, they have taken on 20

people, they have taken on 10, they have them in their offices after hours, they take them to site on Saturdays, but that also then becomes a way of building up work and face to the engineering and I think it is something we should immediately look at, is mentorship programs for architects. I believe one out of one practice I have heard is tackling that issue but it is the place I think we need to go right now, is mentorships.

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### **C6M**

I think we have luckily always been able to call up other more senior architects and sort of bounce stuff off them and that has always been useful. Sometimes you do run into a problem and you don't know how to resolve it, so I think that is probably the only thing, yes. P2-2

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### **D1M**

It is one of the most glaring omissions in our course, I don't know what is the attitude now, but when we were there you were taught how to design and to do working drawings which we were fairly well versed in, even the building contract although you learn much more in the mid-career courses on the contract than at varsity because it was more practical, at varsity it was too theoretical, you didn't realize the type of problems that you were going to get. But for the life of me I couldn't figure out how the people always taught us that architecture, it was even called an art form, I mean my goodness, it is at the most a creative profession in that we have got to create these buildings but it is absolute business from the beginning to the end. You are dealing with contractors which are in it for business, you are there to see to it that that building works commercially, within the budget, it is all about business and we are so far behind. We were taught nothing about how to read a proper income statement, I mean you are supposed to be able to interpret a set of financial statements, not only for yourself – P2-4 okay as a matter of fact, what was old XXXXX partner, he did those courses where we did the finances and that helped a lot in the mid-career courses. That is where you picked up most of the stuff that is why I say it was so important because you only start learning practice hand after university, but at university they should have much more emphasis on buildings as commercial entities. I P2-16 mean that is all it is, the guys come to you and they say this is a rental income, they don't tell you listen I want this beautiful building, they say this is my rental income. I want a building with this rental income, I have got to make a profit, work it back and that's business. Yes there is a little creative tail at the end to make the thing look nice but ja.. I don't know if it has changed and whether they teach these guys now that when they come out here.. the guys that worked for me that came out of last year I mean they were so out of their depth hey. They couldn't even do a blady working drawing!

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## D2M

and the [older / Olden 30.42.3] guys, they were fantastic guys, they were very much like mentors to us, P2-3

. I can see all the years of experience makes you just wiser? sometimes they walk in here almost in tears because there is a major thing happened on a project and I say let's sit down, and then all the experience kicks in and you can resolve the problem.

No but I think all the consultant firms, whether you are an architect or a QS or an engineer you are facing basically the same challenges. A total other type of business, I think every business has its own challenges, you have to face it, and the difference is most guys that own businesses from a small business to the bigger corporations or bigger companies or chain stores or national companies, is that the guys in charge there have a proper business administration P2-14 or leadership training as architects you don't have that. You are trained as an architect so if you don't pick up those skills by experience or by reading or studying it is a challenge to be a good architect which I think is a very challenging profession; to focus on that as well as running a company financially and managing your day to day HR and financial management and all that, I think it is difficult.

I think so and I think a lot of architects should do a good course firstly in marketing P2-17 because not all of us have got [unclear 59.11.9] and I think xxx is also a good marketer. So it's a number of things, managing a business, I think that is very important and the other thing that I actually suggested to the Pretoria Institute, one of our major problems in practicing as an architect is you sit down with clients and you have to negotiate fees, especially if you sit with the big corporates, they make mincemeat of an architect. The QSs are used to negotiating prices, engineers are in a better position that we as architects are for some or other reason, so we need extra training in the art of negotiations. P2-18 There are guys going to study a degree of some sort in the art or the skill of negotiating and we don't do that, we are very bad negotiators and I think that also has a major effect on the profitability of architects. That will be an interesting part of a study like that, is to compare just the average income from your junior architects right up to the senior level; our income compared to QSs, engineers, auditors, CAs and attorneys. I think from those five we will by far be the lowest paid profession and a lot of that has to do with because we can't negotiate. The other guys are in the same situation in that they are sitting with a client across the table which they want to keep but they just seem to be able to negotiate a better fee for their services than what architects do. We are so afraid that we lose the client if we ask for more money that we settle for a 50% discount.

I think very much like an MBA, P2-14 they don't allow you to study an MBA unless you have two, three, four years' experience, hands on practical experience. I also don't think there is any use doing that when you are doing your honors or masters because I think there will be concepts that will be

foreign to you. I think if you have been in practice for a few years, one, two or three years then it will add a lot more value to do that sort of thing. What I am doing is not specifically related to that but some of my son-in-law and my son's friends studied architecture with them, some of them are slowly starting to begin their own businesses and even though eventually we could be in competition with each other, they have

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#### **C4G**

go, but it has all changed so what is the significance of having, I don't CC even in work these days, you can only have a PTY now, so what is the difference between being a professional practitioner for your own account and being a limited liability company. **What are the cost associated with that and the benefits associated with that and I think if somebody can just come in and do a very short course of how it could and should be set up, would help a lot of people. Even going into an existing practice, at least start asking pertinent questions about how is the business set up, P2-19** what is the responsibility here, who is responsible for this of that so you know, certainly now in our practice, everybody knows how the finances are set out where the responsibilities lies, where individual's responsibility lie in terms of, for example when we send out a fee proposal to a client, it has to be signed off by at least 3 directors, ok there is 4 of us, well 5 including Pierre, in this office, but it has to be signed off by 3, not just 2, 3 and it stops the slips that can happen, we are all human and we are all fallible, you put a comma in the wrong place and it can either be too much or way too little so then you are in big trouble. **But I think just general very simple book keeping and accounting would help enormously. P2-4**

For sure. I did have a mentor in a sense. One of the senior partners, XXXXX at XXXX, he was based in Pretoria and everything I did I bounced off him, so I did have one, almost by default because I had to report to him and so he would guide me and say, don't do this and do that. **Mentoring I think has huge value. P2-3**

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#### **C1G**

**Yes I think mentors would have helped a lot; P2-3** I didn't have any mentors, I basically learnt from the guys, they weren't really mentors at the project management company; but they weren't really mentoring me they were just throwing me in at the deep end. **But yes mentoring can help a lot** in that if somebody can teach **y P2-8 ou the skills of working with people, the art of working with people.** You see as I say I am basically an engineer **[so the IQ is not that high 1.31.35.1] and that emotional intelligence is very important [unclear 1.31.43.1]** with people. I get along well with people, I am fairly an extravert but there is still an art of selling to people to make sure that you get the sales and to convince people that you are the right guy to do their work and creating that

confidence in people. That is something that a mentor can help you a lot with even if he just sits and watches you interacting with clients and then doing a bit of a curt afterwards – don't do this, do that etc. that sort of thing. But – marketing marketing marketing - that is the most under estimated part of most architects' repertoire.

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#### D5G

Yes and I think sometimes architects need to be more open at looking at different ways to charging your fees and limiting your exposure and your liabilities. [P2-2](#)

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#### D6G

we needed advice which we didn't get at university and which we needed to get from other people. [P2-3](#) Fortunately I came out from an architect's home, my dad was an architect and I had a lot of exposure in the building trade to various professions, architects, engineers, these were all friends of my father. I could go to them from time to time and get information and learn from them.

I would say every year you need a component of it and you might change it as you start. What I would do in the first year is I would take them to site. I would want to get the guys excited because the guys that are not exciting will drop out quickly and not carry on. The guys that are excited will get more excited. So the first year I would want to expose them to as much of the reality as possible, although it sounds the wrong way round, first get some knowledge and then expose you to the reality, I would start in the front. Then if I were the university I would definitely bring the private sector in on special training courses. Not long things because they don't have lots of time. I would make many of those afterhours so that you can sift out the guys that are really keen and the guys that are not keen. So the more optional it is and not an exam type of thing the better. I would say those are the two three things that I would do.

They will need it but they will not necessarily know where to find it and they will not necessarily pick up the phone like I did and go to somebody who thinks knows or is knowledgeable. So what you can teach them at university in your entrepreneur

class in [the final years 1.20.27.9], guys when you start your practice my best advice to you is number one, go and select a firm that you think is the best, you might not know because you don't know who is the best, you go there and you ask them can you have a chat with them. You just go and talk to them, would you mind showing me your practice and you ask the guy how do you do this, how do you do that, he is not going to feel threatened by you he is going to want to help, he is going to love to have a cup of tea with you. He will feel flattered that you have selected him. So go to somebody, go to a firm that you think is the right type of firm and usually you will identify them by the work that they do. So start with the aesthetic side, if you say gee those XXX guys do fantastic jobs, so go and phone Mr XXX and say my name is XX, can I come and chat to you about architecture. Would you mind giving me a few tips on practice; then you can ask the question, what would you do here, you can fire the questions across the table and they will give you answers, they will tell you everything. I did that with XXXX. He couldn't stop telling me because he wanted me to join the firm and in the meantime I was just listening.

So I think teaching guys where to go and that they should go and they shouldn't be shy to go, and not "sickle" along, teach them things like how to start your business, where to start your business, the kind of story I told you. Don't start in your kitchen or your back yard. Go and find yourself a cute little office, go close to a developer, go and work with your first client for argument P2-7 sake XXXX like I did, we went and worked for them. It happens to this day, XXXX, our QSs, they worked for two major clients, us and XXXX. They are moving in with [unclear 1.22.01.7] here now, they used to be with XXXX at [XXXX 1.22.03.7], so XXXX said they don't have any more space for them so now they have signed up with us because we said to them you must come near us, come sit next to us; they are



signing up with us. Their other office in Midrand they moved from Fourways to Midrand, why because they want to be next to XXXX planning office because XXXX offices are in Midrand. So move where your client moves, be compatible, you can teach them that. But the best is that XXXX lecture that I had in my 5<sup>th</sup> year that I spoke to you about, every year I think you should have a slot for what you might say is entrepreneurship but don't call it that. Call it like I said to you how to make money in architecture, P2-2 how to run a good practice, how to market an architectural practice P2-17 and get the guys interested; but don't make it part of the lecturing curriculum. Make it this is extra over guys, this is like extra classes, the guys who want it come and get it. The guys that don't want it I don't care if you don't want to come, if you are really interested in becoming a good architect you need much more than your academic training

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Themes: (Number of respondents who suggested)

- P2-1 Financing (5).
- P2-2 A programme that teaches basics of running a firm (10).
- P2-3 A mentor (13).
- P2-4 A programme that teaches basic accounting knowledge (6).
- P2-5 A programme that teaches contractual knowledge (2).
- P2-6 A programme that teaches assertiveness training (1).
- P2-7 Entrepreneurship Education and training (4).
- P2-8 A programme that teaches people skills (3).
- P2-9 Opportunities to gain experience (4).
- P2-10 Advice (2).
- P2-11 Mid-career training courses (1).
- P2-12 A sounding board (2).
- P2-13 A programme that teaches time management skills (1).
- P2-14 A MBA for architecture (3).
- P2-15 Legal support (1).
- P2-16 A programme that teaches building economics (1).
- P2-17 A programme that teaches marketing skills (2).
- P2-18 A programme that teaches negotiation skills (1).

**P2-19** A programme that teaches how to set up and structure a firm (1).

## ANALYSIS

Twenty five of the 26 enduring architects' firms interviewed (96%) provided direct responses to the question 'what form of support is needed by 'young' architects' firms?'. Due to the fact that the question is a relatively open one, relevant indirect responses were also included in the analysis. The responses received can be summarised as follow:

The following suggestions were made by one firm (4% each) only:

- A programme that teaches assertiveness training.
- Mid-career training courses.
- A programme that teaches time management skills.
- Legal support.
- A programme that teaches building economics.
- A programme that teaches negotiation skills.
- A programme that teaches how to set up and structure a firm.

The following suggestions were made by two firms (8% each):

- A programme that teaches contractual knowledge.
- Advice.
- A sounding board.
- A programme that teaches marketing skills.

The following suggestions were made by three firms (12% each):

- A programme that teaches people skills.
- A MBA for architecture.

The following suggestions were made by four firms (16% each):

- Entrepreneurship Education and training.
- Opportunities to gain experience.

The following suggestions were made by five firms (20%):

- Financing.

The following suggestions were made by six firms (24%):

- A programme that teaches basic accounting knowledge.

The following suggestions were made by ten firms (40%):

- A programme that teaches the basics of running a firm.

Thirteen firms suggested a mentor (52%).

These suggestions can be aggregated to the following mega-themes:

- A Entrepreneurship Education and training framework, possibly in the format of an post-graduate degree and follow-up training courses that will amongst others, include the basics of running a firm, basic accounting knowledge, people skills, marketing skills, contractual knowledge, how to set up and structure a firm, negotiation skills, building economics, assertiveness training and time management skills.
- A support system that can offer mentorship, financing, opportunities to gain experience, advice, legal support and a sounding board

## **DEDUCTION**

The most repeated suggestions made by the responding enduring architects firms is that young architects' firms will benefit from specialised education and training and a support system that will offer amongst other things mentoring and advice.

**P3 Would you be willing to act as a mentor to a 'young firm'?**

**A6S**

Willing to provide this support. In principle **yes**, to extend that I can be useful. I used to do that. Deliberately taking University students to mentor. **P3-1**

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**A4M**

the institutes are there to help mentor people **P3-2**

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**A5M**

Oh absolutely, **yes I would** be happy to. I would also be happy to.. I have a lot of women students that I take on in my office so like the gender thing, I actually find that when I get women coming into my office and UT and UKZN like sending a certain type of a woman student to me that is not quite sure. I find that just having someone like that in my office for me, all they have to do is just see me and they think ooh I can do that. So I think for women there is a need to do that, like we try now to get the women **P3-1**

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**A1L**

Pietermaritzburg that's the time **when I will mentor** people, I

Yes, yes. **P3-1**

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**A3C**

**I would** accept but in my particular practice I don't think they would learn very much because a lot of the time I am out of the office either at meetings or site meetings and things like that; I have been approached on a number of occasions to take on a mentorship role and I **say I am very happy to** but at the end of the day I don't think they are going to learn very much because of the sort of lack of direct continuous contact. **P3-1**

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**B7S**

**Oh yes, oh yes, absolutely, yes.** But that is again personal contact, discussing things, yes, well we do that within ourselves all the time. Those people on my letterhead were at the concert last night and we talk about things all the time. We go and have dinners together and discuss the problems we've got and how would you deal with it. **P3-1**

Yes, that would be great fun. And of course appointments could take the form of a coffee session or a drinks session you know, it becomes like a social event, but you are actually talking about work.

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**B1S**

**I have sort of on and off mentored** people as they need it. **P3-1**

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**B4G**

Well if you can create benefits for people like me, I am not going to give up my time and not earn the money to go and teach people for which I get no credit. I am just inviting the idea that if you have got a BEE order thing that is saying you want social development, you want skills development, well then reward the people who can give it by giving the points in University as opposed to somewhere outside it or inside our business. Inside our business is too late, you know it is too late, the bus has parked –

Absolutely.

**Christo Vosloo:**

Mentoring people. P3-1

xxx

Absolutely – we need to give advice because we can't tick the boxes even doing mentoring here because you know what forms do we fill in. You know there is not even that sort of structure and yet it is being demanded of us but that support isn't there, so it has created a whole new [tier 1.37.44.8] of businesses who we have to pay to get them, and then that then further takes out the ability to grow the business because you can't employ the people.

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**B6G**

Yes, yes. I think we have spun out so many people or rather people have left us and started their own little companies and we are always proud of that. P3-1

**Christo Vosloo:**

And yet you don't mind mentoring them, providing advice?

**B6G:**

And not even people who worked for us, other young architects have often phoned and said how do we do this, this contract, what is your attitude towards fees here, the guy wants me to work on risk for a while, is this normal or he wants me to work for 2.5%.

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**B5C**

Ja, ja.

Ja, yes. I do that every day here. P3-1

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**B2M**

I think it would be very difficult because it is difficult enough having younger people in the office, so if you still have to get involved with other people's management problems I think it will be virtually

impossible. I mean I have supported many people starting a practice, I mean I have given them work, that is maybe a better way you know. What I have done with two people is that I pass all my smaller work, anything that is say under R1 million or R2 million, I pass on to them. So like the Methodist church, I have a lot of work with District 6 Museum and the Methodist church, I just pass all of that on. So anything that is time consuming that a young firm has got energy and they are not embroiled with 200 other projects that you have to go and do snagging and I have got to go back and fix this window story that is 15 years old etc. so I would then rather give them work. I think that would be a very good way that established practices support smaller practices by giving them some projects and just sharing the work a bit more, that would be a better way.

**Christo Vosloo:** P3-2

If someone would phone you and ask you for advice would you give it to them?

**B2M:**

Yes I mean I get thousands of people from all over the world who ask for advice and come here and ask how do you do this, how do you do that, so it's a particular way of working that people want to adopt. I did a one day workshop in [unclear 1.36.16.3] and I was now in Finland again and a girl came to me and said I have been applying what you taught me in that one day workshop and I have now got my own office and I am doing work and I am very happy now I understand how to do it. So it was quite interesting, just a one day workshop and somebody can apply the skills you teach them.

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**C2S**

No. P3-2

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**D4S**

Yes and I think that was definitely a big factor and as I'm getting older I'm actually trying to mentor young architects. P3-1

Yes, I do make myself available.

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**D3S**

Yes, I think I'm already doing it on an adult basis but there are a lot of young architects that regularly phone me and I do a lot of presentations at PIA or the workshops on all sorts of issues. And in the next year there are going to be 2 or 3 in a series of workshops on the sort of issues that we were talking about now as advice to young architects. P3-1

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**C5M**

Sure. P3-1

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### D1M

It's happened; guys have actually already come to me and done that. I mean my son is a good example, I had to set him up and advise him and they have done exactly that advice, they have slowly gone into it. [P3-1](#)

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### D2M

being like a bit of a mentor to the younger guys starting their own business because usually when a guy has got the guts to do that I see so much of myself in that motivation in having your own business. So I really like passing on good advice to a young guy like that and I actually pass on work to them as well, like alterations and additions because when you start your own firm that is where you have to start, or even residential projects that I feel we shouldn't be doing. So a mentorship I think can also work very well if you have somebody, if you are a young architect, you have done a few years of work in practice and you want to start your own business, to use an established older architect as a mentor I think sometimes that can be as good as going to study. I know GIBS has got apart from a full MBA they have got a PBDA, my daughter has done that, like a one year diploma in business management which is also good. I think it is very good but it is very difficult because if you are starting your own business in architecture you work really hard, you work really hard, so you won't really have the time to do that unless you do that before you start your own business while you are still working for somebody else. Just another idea is if senior architects take up the role of being a mentor to the young guys that can be very valuable I think. [P3-1](#)

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### C4G

, and I said yes in principle we would be prepared to consider it, yes. She is endeavoring to get the small businesses on good footings and stuff like that and I think there is no harm in it, no not no harm in it, I think there is merit in it. I've got a young architectural student, [xxxxx 1.31.27.4] he left us to join the green building council, and he is in the green building council and he approached me to assist him into mentoring him. So I think he is thinking of going out on his own now and doing something. So I think there are guys out there who are looking for it and I think there is merit in it. Why let someone else make the mistakes that you made when you started out, if you can stop them.

[P3-1](#)

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### C1G

Yes sometimes what I find is some of the guys that worked for me would phone me and ask me for advice and ask me how to handle situations with clients, that does happen sometimes yes. [P3-1](#)

I don't mind in the least; as you know I do the lectures for the Institute at times and try to teach people how to make money out of architecture and how to market and so forth.

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### **D5G**

Look, I think there are fantastic people in the architectural business. I think you need to ask different people's advise on different matters. So the trick is to know who to ask. If somebody wants to make money then I'm maybe not the best person to ask because that is not our company's focus really. If somebody wants legal advise, maybe somebody different would be more helpful but if somebody calls me and tells me that they want to set up an office and they just want general advise, **off course I will help them but I think very few people has the boldness to pick up the phone and ask the questions but I think very few architects would say no** if someone should ask their advise. I have informally given advise to people like that. **P3-1**

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Themes:

**P3-1** Yes, I will in principle (17).

**P3-2** No, I have problems with that (3).

### **ANALYSIS**

Twenty out of 26 (77%) enduring architects firms provided direct responses to the question 'would you be willing to act as a mentor to a 'young firm'?'.  
Seventeen of the 26 enduring architects firms questioned (85%) indicated that they would be willing to act as a mentor to a newly established firm. The remaining 15% indicated that they have a problem with acting as a mentor.

### **DEDUCTION**

Most of the respondents from enduring architects' firms are willing to act as mentors for newly established firms. A profession specific EET framework could make use of the knowledge and experience of this group.



ADDENDUM D  
ETHICS COMMITTEE: LETTER OF APPROVAL



Reference Number: EBIT/54/2015

29-Jul-2015

Christo C Vosloo  
Architecture  
UNIVERSITY OF PRETORIA

Dear Vosloo,

**FACULTY COMMITTEE FOR RESEARCH ETHICS AND INTEGRITY**

Your recent application to the EBIT Ethics Committee refers.

1. I hereby wish to inform you that the research project titled "A FRAMEWORK FOR ENTREPRENEURSHIP EDUCATION, TRAINING AND SUPPORT FOR SOUTH AFRICAN ARCHITECTS." has been approved by the Committee.

This approval does not imply that the researcher, student or lecturer is relieved of any accountability in terms of the Codes of Research Ethics of the University of Pretoria, if action is taken beyond the approved proposal.

2. According to the regulations, any relevant problem arising from the study or research methodology as well as any amendments or changes, must be brought to the attention of any member of the Faculty Committee who will deal with the matter.
3. The Committee must be notified on completion of the project.

The Committee wishes you every success with the research project.

Prof. J.J. Hanekom  
Chair: Faculty Committee for Research Ethics and Integrity  
FACULTY OF ENGINEERING, BUILT ENVIRONMENT AND INFORMATION TECHNOLOGY