



## Counsel Ring

WHEN MENTORING AT MIDCAREER, THREE RETIRED EXECUTIVES URGE A FOCUS ON FUNDAMENTALS

By Linda Stephens

While possibly nursing bruises inflicted by the current recessionary economy, midcareer firms are also wrestling with significant strategic questions regarding growth, leadership development and firm transition. Where will new work come from? How will the next generation of leadership be developed? How will the founding partners be able to retire gracefully?

Few formal mentoring opportunities exist for established firms, so *Chicago Architect* turned to three industry leaders, each retired from successful firms that managed to thrive through both boom and bust economies. The trio generously shared fundamental strategies that they

feel contributed to the longevity of their respective firms.

Key among their insights: Along with design and competitive fees, strong client relationships are essential to continued work and firm growth. Internal structure and specialization, while counter to the generalist approach practiced at small firms, provides the foundation for handling large, complex projects that many mature firms yearn to tackle. Finally, while there are a number of approaches to ownership transition, all require foresight, diligence and investment.

On top of all those, "There has to be an element of luck," said Len Peterson, FAIA, the retired former president of OWP/P, the

Chicago firm that merged with New York-based Cannon Design in 2009.

### Relationships

As important as luck, Peterson said, are relationships. More than a client strategy, building relationships defined the OWP/P culture, he explained. Peterson credits client relationships with the establishment of several major portfolio segments, a single referral leading to years of work. To illustrate, Peterson remembers a school district client referring the firm to a friend in charge of a project at Lake Forest Hospital. Despite the fact that OWP/P had never done healthcare work, they won the job, which initiated a relationship with the hospital that lasted more than 25 years and provided the foundation for what became a significant healthcare practice.

Similarly, Jack Hartray, FAIA and founding partner of award-winning firm Nagle Hartray, suggested that relationships—in addition to great design—won projects at both Nagle Hartray and Harry Weese & Associates, where Hartray led projects for more than 15 years. Executives with Time-Life short-listed Weese for a new Chicago office and spent a leisurely day interviewing the firm's leadership. According to Hartray, "No one ever spoke of the project or even of architecture," rather discussing other shared interests. Weese & Associates won the award, because, as Hartray sees it, "No one knew what the building was going to be, yet they knew that the relationship with our team was good and that we could work together to successfully discover the shape of their building." Completed in 1969, the Time-Life Building was recognized in 1973 with an AIA Honor Award.

### Growth through Specialty

George Hays came to OWP/P as a senior principal in 1986 after tenures with industry giants SOM and Perkins+Will. OWP/P

had grown from a small, suburban firm to a mid-sized regional with nearly 80 staff, and continued growth was imminent. The firm's relaxed organization was beginning to buckle under the weight of larger projects and Hays was asked to lead the transition to a more structured model. Hays knew from experience that "complex projects require a team of specialists—in design, technical detailing or project management—each with defined responsibilities."

While he faced initial resistance from those accustomed to being involved with all aspects of a project, the evolution of OWP/P's structure persevered, allowing it to take on bigger projects and expand to more than 370 employees in two offices within 10 years.

**Building the Future**

Nagle Hartray identified and involved the

next generation of partners years before a projected retirement. "New partners were in no way junior," Hartray said. "However, they did tiptoe into management over a period of time." The firm funded the transition of ownership with an annual, budgeted set-aside of 15 percent of the office payroll, which could be distributed as either bonuses or profit sharing, and which also provided a surplus for future partners to buy equity in the firm from older partners.

Over 15 years, the set-aside was always available, and the succession of Nagle Hartray's leadership effectively accomplished.

OWP/P took a broader approach, establishing a profit-sharing plan in 1972 that provided indirect payments to all employees at a rate of 15 percent of their annual base salary. In lean times, pay cuts might be tolerated, but the profit-sharing contribution

remained steady for 17 years. As the firm grew, the contribution percentage was adjusted, but the profit sharing plan remained in place, providing retirement funds for all employees.

While not silver bullets, the sage words of these veterans provide substantial food for thought to midcareer firms: look to your best client relationships to leverage additional work through referrals, both direct and informal; structure your firm to accommodate targeted projects, building the framework that will attract desired work; and finally, plan for your future and that of the next generation of leadership, devising a program that serves plausible firm progression.

*Linda Stephens is a strategy and marketing consultant to the A/E/C industry and a freelance writer. [www.lindastephens.net](http://www.lindastephens.net)*



Chicago Debates



Join the debate.

Leading voices from architecture, design, business and politics discuss the future of Chicago.

To participate in the discussion and to find out about upcoming debates, visit [www.architecture.org/ChicagoDebates](http://www.architecture.org/ChicagoDebates)

CHICAGO ARCHITECTURE FOUNDATION

224 South Michigan Avenue, Chicago, Illinois 60604  
312.922.3432 | [www.architecture.org](http://www.architecture.org)

PRESENTED IN PARTNERSHIP WITH



OFFICIAL AIRLINE



THIS PROJECT IS GENEROUSLY SUPPORTED BY



AIA Chicago