

# How Should Firms Respond to an Uncertain Economic Climate?

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*Yes, we all look forward to reconnecting in person.*



## How Should Firms Respond to an Uncertain Economic Climate?

While previous economic jolts (think 1981 – 1982, early 1990s, Dot-Com Bust, Great Recession) offer some guidance for design professionals, there is no playbook for how to respond to a global pandemic. I have been talking with firm leaders across the nation, participating in virtual discussions hosted by AIA chapters and monitoring e-blasts from many of you. From these, I have compiled a preliminary guide about how best to navigate in these unprecedented times. I will continue to update this as the situation unfolds.

Consider these strategies to respond to an uncertain economic climate:

- **Maintain Contact with your Clients.** Your clients may be struggling with how to respond to this pandemic. When does it make sense to put projects on hold? How can they keep abreast of needed decisions? How can they maintain their operations amidst so much uncertainty?

You can reassure them by acknowledging their challenges and letting them know that you are available in whatever capacity they need. Describe specific steps you are taking to continue project commitments and to keep them informed. Offer your analytical and problem solving expertise to examine best to worst case scenarios. Now is the time to share your leadership capabilities and extend your generosity as your clients struggle to address their business priorities. A few tangible suggestions:

- Call your active clients. You don't need an agenda other than checking in and inquiring how they are doing. Make sure your staff knows that this is not a marketing call.
- Compile a 2 – 3 minute video for each of your major clients about how their project is progressing. Find someone within your firm who can produce these videos and/or provide a template to your project teams. These videos, which can be sent weekly, semi-monthly or monthly, can be a compilation of screen shots, webcam footage and audio. Consider using simple videoconferencing software such as Zoom, or export a narrated PowerPoint presentation to an .mp4 file. Don't worry about the production values – clients will appreciate simply being kept informed.

- If video does not seem right, send a PDF of a project status report outlining recent accomplishments, decisions, schedule changes or upcoming decisions required.
- **Host a Video Meeting with Each Client.** A good start is to send an e-blast about how you are maintaining operations, working remotely and leveraging technology to do so. As the adage goes, "Show, don't tell." Invite each of your clients to a virtual work session. Make sure you rehearse, and remember the goal is to illustrate how seamless it will be to keep clients informed and decisions on track. Have graphics ready to show and script the meeting as carefully as you script an interview.
- **Empower Your Staff.** Let your employees know that you entrust them to provide leadership to your clients and to their team members. Since client interactions will be limited, encourage staff to demonstrate their leadership and problem solving abilities as they recommend decisions and paths forward to your clients.  
On a personal note, let your staff know that they are in the best position to make decisions that affect their health and the health of their families.
- **Foster Staff Morale.** Social distancing does not mean social isolation. Create opportunities for virtual interaction. In addition to the proverbial virtual happy hour, consider other virtual events such as project- or firmwide whiteboard sessions, flash design competitions, online critiques and charettes and weekly chats.
- **Crowdsource Best Practices.** Sharing information can help you deal with this disruption to project delivery. Talk to your colleagues. Poll your staff. Ask your consultants. Build on the creativity of our larger community.



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- **Check out Resources from your Local, Regional and State AIA, USGBC, ACEC and ULI chapters.** Even if you are not currently a member, many chapters are posting resources and hosting Town Halls with subject matter experts in the fields of human resources and employment law, finance, contract obligations, insurance and managing workflows remotely. Check out these resource pages:
  - <https://www.aia.org/pages/6280670-covid-19-member-resources>
  - <https://aiacalifornia.org/covid-19-resources/>
  - <https://www.aiachicago.org/news/entry/from-national-aia-best-practices-covid-19/#.XnknoipFjQ>
  - <https://www.aiany.org/resources/covid-19-resources/>
- **Check Project Contract Obligations.** Get advice from your legal and insurance advisors, particularly on force majeure terms (often defined as a party's inability to perform its obligations under a contract if an unforeseeable event prevents such performance). Determine if and when you should notify your clients of any previously unforeseen delays.
- **Push Forward Firmwide Initiatives.** As most firms have been extraordinarily busy over the past few years, some important but not urgent long-term priorities got left behind. Use this opportunity to push forward those firmwide initiatives that will pay dividends as we approach a new normal. Some initiatives to consider:
  - Update your QC standards and resources
  - Add to your Best Practices resources
  - Produce marketing collateral
  - Prepare and disseminate in-house educational material
- **Deliver Internal Lunch & Learns.** Use video conferencing technology that enables as many people as possible to be seen via their webcams. Aside from the education value, this is a terrific opportunity for younger staff to develop their presentation skills.
- **Limit non-essential expenditures.** Firms with stronger balance sheets have more staying power. Social distancing will go a long way toward eliminating high-ticket non-essential expenditures such as travel, conferences and equipment upgrades. Look for other expenses to reduce but weigh these against the benefits of investing in some of the other initiatives described above.
- **Revisit Your Strategic Plan.** Significant changes in external factors test even the most prescient strategic plans. After you attend to the immediate challenges, take a fresh look at your strategic plan. Start from what has and is projected to continue to work well, then move on to your weaknesses, opportunities and threats. Be careful not to overreact, as a strategic plan looks ahead five or more years. Do, however, take time to reassess how to diversify your practice. What worked well in an unprecedented bullish economy, where most sectors flourished, is likely to differ significantly in a declining or recovering economy.

Please share your thoughts on making ownership more attractive and affordable by emailing [Michael@StrogoffConsulting.com](mailto:Michael@StrogoffConsulting.com) or calling us at 415.383.7011.



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### *About the Author:*

Michael Strogoff, FAIA, has led dozens of firms through successful ownership transitions, attracted outside buyers, developed valuations, facilitated buyer-seller discussions, and collaborated with attorneys, accountants and other advisors. Michael is the former managing principal of an architecture firm, a frequent speaker and author on mergers and acquisitions and ownership transitions, a five-year Advisory Group member to AIA's Practice Management Knowledge Community and an advisor to design professionals nationwide. He brings an in-depth understanding of the architecture, landscape architecture, engineering and related design industries and of the ownership transition and mergers/acquisition process.

Michael recently authored the chapter on Ownership Transitions for the *15th edition of AIA's The Architect's Handbook of Professional Practice*. He has been awarded Presidential Citations and Commendations from the AIA California Council and AIA San Francisco for his contributions to the design professions and, in 2009, was elevated to the American Institute of Architects' College of Fellows for his contributions to the practice of architecture.

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