

# Starting a Firm in Las Vegas

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While much has changed since Wills wrote this statement in 1941, the business aspects of the architectural profession still seem to be left to the architect to figure out for him or herself with little support or information other than the stories of peers. With the support of [AIA Trust](#), and AIA San Francisco, AIA Las Vegas embarked on the development of this "How-To" guide for architects interested in developing their own practice. This guide is meant to be an introduction with a particular focus on Las Vegas, but the principles are the same for architects in Tallahassee, Florida and Anchorage, Alaska. The primary message is ...to be thoughtful in establishing a new practice – seek advice from your local government and business and architectural resources (especially your AIA chapter). None of the information included is meant to substitute legal or professional advice. We don't claim to have all the answers or the best path to follow in starting your own firm, but we can offer you the basic steps that need to be taken and resources to learn more.

## Deciding if Starting a Firm is the Right Choice for You

Starting one's own firm is a dream for many architects for all sorts of reasons; it offers independence, recognition, and appeals to the romantic image of the architect as an independent creative force. No matter the reasons for wanting to start a firm, architects must be aware that successful architectural practices not only have skilled designers but skilled entrepreneurs. Architects (and business owners of all sorts) commonly report that they spend a significant proportion of their time on marketing, money management, and the other nuts and bolts of business operation. Being a successful business person is also contingent on a willingness to take risks and adapt to a dynamic business environment, often straying from original goals or plans, for better or worse. Those who feel uncomfortable with elements of financial instability may have trouble making potentially beneficial choices that carry an associated risk.

If you are willing to take risks, and are ready to take on not only the business of architectural practice, but the accompanying marketing and administration tasks as well, starting a firm may be the right choice for you. No matter what the hurdles and risks, starting a firm certainly has the potential to offer autonomy, security, and self-fulfillment. As Paul Segal, FAIA, writes in *Professional Practice; A Guide to Turning Designs into Buildings*, "One of the most exciting aspects of running a firm is the range of topics to learn and master, making it a perfect job for people who enjoy being the ultimate generalist, as many architects do." (103).

## ||| Determining Your Firm's Character, Objectives, and Legal Form

Before going further, it is important to establish ideas and goals for your firm. What will set your practice apart from others? Why will your practice attract clients who already have a number of established architects to choose from? Some things to consider are the characteristics unique or special to your design portfolio and capabilities, your experience with a particular type of building or region, or your ability to design buildings with different constraints, such as small budgets, difficult building sites, etc. It is also important to think of your firm in terms of its emphasis on either practice or business. Figuring out this set of potential characteristics and strengths of your firm will be doubly useful as it may ultimately serve as what Peter Piven refers to in *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm* as a "marketing concept."

Part of your vision should also include an idea of what kind of legal entity your firm will take. Depending on whether you are working alone or in partnership with others, who is going to take on financial liability, and other factors, your firm will take on one of several legal forms. While this may not be the most exciting part of the planning process, it's important to have this in mind as it will affect your later choices and steps. A tax attorney can help you decide which legal entity is best. Always seek advice from a lawyer when making decisions with legal implications.

## ||| Planning: Business and Strategic Plans

Once you have decided that starting a firm is the right choice for you, it is important to establish a detailed plan or set of goals for yourself. Without a clear idea of what you aim to accomplish, it can be easy to lose sight of the reasons you started a firm in the first place. As Peter Piven, FAIA, and Bradford Perkins, FAIA, point out in *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm*, a "Strategic Plan" can also be useful as a more long-term document detailing the firm's vision and action plan for attaining that vision. Ask yourself questions such as: Will my firm require other employees or consultants? What will define my firm in a competitive environment? How will I acquire start-up funding? Where will my practice be located?

While it may be an aspect of planning you'd rather avoid, it is just as important to plan an exit strategy for your practice as it is to plan for its success. Especially if you are working in partnership with others, each stakeholder must be part of a clear agreement as to what will happen financially in case the business is dissolved. Again, always seek advice from a lawyer when making decisions with legal implications.

In instances where loans or outside funding is involved, it will also be integral to create a business plan, a relatively short-term plan that details marketing, finance, operations and human resources. San Francisco SCORE counselor David Jackson points out, if a potential business owner hasn't thought through a realistic, well-organized business plan, he or she may not have what it takes to run a business. Furthermore, a business plan will help you flesh out important financial details such as what gives your firm a competitive edge, how many staff members or partners will be involved, where your cash inflow will go, and how you will make a profit. Piven and Perkins also emphasize the importance of revisiting these documents on an annual basis, to be sure your firm is staying on track, and also to revisit your goals and edit or amend them over time.

## V Funding and Resources for your Firm

Once you have worked out the details of what will define your firm and how it will run, it's time to find the startup money that will make it all happen. Unless you are fortunate enough to have personal or family finances, or an investor already in place, finding a loan is a likely funding option. Even if you already have your first project lined up, you may not see your first check for at least 60 days (two billing cycles), and you will need space, technical and office equipment, stationery, consulting, or staff to start practicing.

The Las Vegas office of the Small Business Administration (SBA) offers help with loan applications, and will review your application before it is sent to any bank that is an "SBA Lender" (most major banks in Las Vegas are). This does not ensure its approval by the bank, but getting an "SBA-backed loan" ensures that your application is sound before you go through the trouble of taking it to the bank, and it also acts as a guarantee to the bank that your loan will be paid back, which eliminates some of the perceived risk on their end. Be prepared to change your loan to conform to the banks' needs after submitting it. As Elena Marcheso Moreno writes in "Starting an Architecture Firm" in *The Architect's Handbook of Professional Practice*, "Banks are in the business of lending money to make money. They like to invest in what they consider to be a good risk. Few start-up or newly formed design firms are recognized as good risks, so you must be well prepared when you approach a bank. It is your responsibility to explain your firm, your track record, and your capabilities to the banker."

Aside from financial support, this is also a good time to check in on other types of resources. Many architects have emphasized that having a good support system was crucial in their early stages. Whether it is your spouse or family member, your lawyer and accountant, your former employers or colleagues, or a professional organization, make sure you have a network of individuals who can help and advise you when you go out on your own.

## V The Nitty Gritty: Location, Paperwork, Initial Expenses

Now that you have ironed out all the details of your firm's intended character and functionality, it's time to put your plan into action. If you don't already have an office space lined up, finding a physical location that is affordable and meets your needs will be a priority. Be sure that any property you are considering is zoned for your use before you sign a lease.

Depending on whether your firm is a sole proprietorship, corporation, or type of partnership, there are various steps in registering your business with the city, state, and federal government. Most businesses will have to register with the Secretary of State, the Internal Revenue Service (IRS), The City Treasurer/ Tax Collector, and the City Assessor-Recorder. If your firm will be using a fictitious business name (a name other than your legal name), you must also register it with the county clerk. You will also need to make sure that your firm is registered with the Nevada State Board of Architecture, Interior Design and Residential Design and that the name of your firm has been approved by this board. Although an architecture firm should not need any additional permits or licenses, always get legal advice or check with the city to make sure you know all of the steps you need to take.

While sorting through the various registration processes for your business, now is also a good time to think about setting the right image for your business, and then designing a website, printing business cards, stationery, etc. Also make a thorough list of your initial expenses such as rent and deposit, telephone/internet, utilities, insurance, equipment and furniture, office supplies, etc.

## VI Maintaining a Successful Business: Marketing and Sales Strategies

Successful firms will have a strong marketing plan in place before they open their doors to clients. Assuming that clients will start to come your way as soon as you open your doors, will almost definitely lead to disappointment. As was mentioned in the first section, successful architecture start-ups may spend as much time with marketing and other administrative tasks as they do practicing architecture, and they must take responsibility for finding and securing clients. Therefore, one of the most valuable pieces of advice we can give is to be proactive and resourceful about seeking clients out, rather than waiting for them to come to you.

To develop a marketing strategy, think about the niche you see yourself filling, your particular expertise, and then think about what market you think will respond to your services. Find ways to get in touch with that market and let your presence be known. Join professional associations, local clubs, or other networks that will help you make connections. Make sure you approach these interactions with an idea of what makes your firm unique, and what technical and personal skills you can offer that other firms cannot.

When you take the next step and meet with potential clients to discuss future projects, make sure to have a coherent, relevant, and easy-to-grasp presentation ready. As marketing your architectural services depends not only on your technical skill and expertise, but also on a level of trust and mutual understanding from your client, you should emphasize these personal strengths as much as your design and problem-solving capabilities. And, once you have secured clients, work hard to understand and respond to their needs, do the best work you can, and make sure they are pleased with your services even after the project is completed. Return clients and referrals are often a major source of projects, so keeping in their good graces will undoubtedly provide you future work.

## VII Closing Remarks

While starting your own firm may seem like a daunting process, we hope that this step-by-step guide helps you understand that it is really fairly straightforward when broken into small steps. Although it is not for everyone, starting a firm can provide many benefits (personal and professional) to those who choose to take it on. Please make the most of the following resource section to learn more about specific areas of this article and about resources for maintaining a firm once it's on its feet. Good luck!

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### Resources

#### *Section I: Deciding if starting a firm is the right choice for you*

"Comments from Recent Startups." AIA Best Practices. March 2008.

[http://www.aia.org/aiaucmp/groups/ek\\_public/documents/pdf/aiap037334.pdf](http://www.aia.org/aiaucmp/groups/ek_public/documents/pdf/aiap037334.pdf)

*Interviews with recent firm start-ups about their experiences and what resources and skills they recommend for anyone going out on their own.*

"Considering your own Firm?" AIA Best Practices. March 2008.

[http://www.aia.org/aiaucmp/groups/ek\\_public/documents/pdf/aiap037333.pdf](http://www.aia.org/aiaucmp/groups/ek_public/documents/pdf/aiap037333.pdf)

*Details lessons that can be learned from recent start-ups about what you need to start a firm.*

Densmore-Bey, Aisha. "Starting your own Business? Things to Consider Before Taking that Step." Boston Society of Architects. April 11, 2011. Web. June 13, 2011.

<http://www.architects.org/news/starting-your-own-business-things-consider-taking-step>

U.S. Small Business Association. "Choosing the Right Business for You."

U.S. Small Business Association: <http://www.sba.gov/about-offices-content/2/3102> Under "Resources in Your Area."

## **Section II: Determining your Firm's Character, Objectives, and Legal Form**

### **Determining what will set your firm apart**

Piven, Peter, FAIA, and Bradford Perkins, FAIA with William Mandel. "Deciding to 'Go on Your Own'." *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm*. Hoboken: Wiley, 2008, pp 7-16.

Reigle, Jack. "Firm Identity and Expertise." *The Architect's Handbook of Professional Practice*. American Institute of Architects. Hoboken: Wiley, 2008. 115-128.

Segal, Paul. "The Architect's Office." *Professional Practice: A Guide to Turning Designs into Buildings*. New York: W.W. Norton & Company, Inc., 2006, pp 103-109.

### **Deciding on the right legal entity**

Small Business Assistance Center. "What You Need to Know About Business Entities: Selecting the Right Entity for Your Business." *How to Start a Business in Las Vegas*, pp 6-10. Booklet available as a pdf at

<http://www.sfgsa.org/Modules/ShowDocument.aspx?documentid=7193> or print version available at the SBAC office, City Hall, Room 110, 1 Dr. Carlton B Goodlett Pl., Las Vegas.

## **Section III: Planning: Business and Strategic Plans**

### **The following are resources specific to the field of architecture:**

American Institute of Architects, Best Practices, Section 06.02, "Strategic Planning for the Design Firm". Online Resource: <http://www.aia.org/practicing/bestpractices/AIAS076990>.

"Business Plans: The Executive Summary." AIA Best Practices 06.06.09. April 2008.

[http://www.aia.org/aiaucmp/groups/ek\\_public/documents/pdf/aia037535.pdf](http://www.aia.org/aiaucmp/groups/ek_public/documents/pdf/aia037535.pdf)

Pearce, Lynn M., Ed. "Architecture Firm." *Business Plans Handbook*. Vol. 17. Detroit: Gale, 2010. 7-18. Web.

[http://go.galegroup.com/ps/i.do?&id=GALE%7CCX2133100009&v=2.1&u=sfpl\\_main&it=r&p=GVRL.sfpbph&sw=w](http://go.galegroup.com/ps/i.do?&id=GALE%7CCX2133100009&v=2.1&u=sfpl_main&it=r&p=GVRL.sfpbph&sw=w)

Available for free through the Las Vegas Public Library with membership.

Piven, Peter, and Bradford Perkins. "Strategic and Business Plans." *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm*. Hoboken: Wiley, 2008. 165-180.

Reigle, Jack. "Strategic Planning for the Design Firm." *The Architect's Handbook of Professional Practice*. American Institute of Architects. Hoboken: Wiley, 2008. 103-114.

***This is a list of general templates and guidelines for writing a business plan in any field:***

"Business Plan for a Startup Business." SCORE. April 19, 2011. <http://www.score.org/resources/business-plan-startup-business>

"Writing an Effective Business Plan." *City & County of Las Vegas Office of Small Businesses*. Las Vegas General Services Agency. Web. <http://sfgsa.org/index.aspx?page=4216>.

## **Section IV: Funding and Resources for your Firm**

Moreno, Elena Marcheso. "Starting an Architecture Firm." *The Architect's Handbook of Professional Practice*. American Institute of Architects. Hoboken: Wiley, 2008. 82-93.

Piven, Peter, and Bradford Perkins. "Resources and Support." *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm*. Hoboken: Wiley, 2008. 151-164.

"Preparing your Finances" and "Loans, Grants, and Funding." US Small Business Association, SBA.gov. Web, last viewed 9/12/2011. <http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/preparing-your-finances>, and <http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/loans-grants-funding>

## **Section V: The Nitty Gritty: Location, Paperwork, Initial Expenses**

Piven, Peter, FAIA, and Bradford Perkins, FAIA, with William Mandel. "Launching your Firm." *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm*. Hoboken: Wiley, 2008, pp 215-223.

Small Business Assistance Center, "Registering Your Business in Las Vegas Checklist" Available at the SBAC office, City Hall, Room 110, 1 Dr. Carlton B Goodlett Pl., Las Vegas.

Small Business Assistance Center. "What You Need to Know About Business Registration, Licenses & Permits." *How to Start a Business in Las Vegas*, pp 11-24. Booklet available as a pdf at

<http://www.sfgsa.org/Modules/ShowDocument.aspx?documentid=7193> or print version available at the SBAC office, Las Vegas City Hall, Room 110.

"Starting A Business: Step 4. Register the Business." City & County of Las Vegas Office of Small Business, Small Business Assistance Center. Last viewed on 9/12/2011 at <http://sfgsa.org/index.aspx?page=4218>.

### ***Section VI: Maintaining a Successful Business: Marketing and Sales Strategies***

Koren, David, CPSM, Assoc. AIA. "Marketing Strategy and Planning." *The Architect's Handbook of Professional Practice*. American Institute of Architects. Hoboken: Wiley, 2008. 176-188.

Piven, Peter, FAIA, and Bradford Perkins, FAIA with William Mandel. "Marketing and Sales" *Architect's Essentials of Starting, Assessing, and Transitioning a Design Firm*. Hoboken: John Wiley and Sons, 2008. Pp 17-46.

Pressman, Andrew, FAIA. "To Market, To Market." *Professional Practice 101: Business Strategies and Case Studies in Architecture*. Hoboken: John Wiley and Sons, 2006. Pp 199-226.

Segal, Paul, FAIA. "Marketing Architectural Services (Getting the Project)." *Professional Practice: A Guide to Turning Designs into Buildings*. New York: W.W. Norton & Company, 2006. Pp 35-40.

Wolff, Howard J. "Seeking the Project." *The Architect's Handbook of Professional Practice*. American Institute of Architects. Hoboken: Wiley, 2008. 189-201.

#### ***General Resources:***

Many of the resources with chapters or sections listed in the sections above are also useful to look at in their entirety. Las Vegas also has many non-print resources to take advantage of, including SCORE, SBA Las Vegas, the Las Vegas Public Library Small Business Center, and the Las Vegas Small Business Assistance Center. These organizations, especially the SBA Entrepreneur Center, offer regular and extensive courses in marketing, writing business plans, and other important aspects of starting a business.

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