

marketer

Volume 29, Issue 5, October 2010

The Journal of the Society for Marketing Professional Services

on point

*Accountable Owners:
A Conversation with
Barbara White Bryson*

by Lee Slade

book excerpt

*Design...Marketing...
Clients...Expectations!*

by Anton Germishuizen

Setting Expectations

by J. Rossi

business development

How Rainmakers Should Behave

by Greg Goodwin

executive briefings

*Recession Strategies in
a Disruptive Economy*

by Marjanne Pearson and Nancy Egan

Get Loose

by Phil Harrison

On the Power of the Owner to
Recreate the Building Industry



SMPS

Society for Marketing
Professional Services



PHOTO: BY DREW DONOVAN

ON POINT:

Accountable Owners

A Conversation with Barbara White Bryson, FAIA, Associate Vice President for Facilities, Engineering, and Planning, Rice University

INTERVIEW BY LEE SLADE, P.E.

In 2000, Barbara White Bryson arrived on the beautiful urban campus of Rice University eager to make a difference. As the new director of project management and planning, she faced two huge challenges. The first was to oversee the on-time, on-budget delivery of over \$250 million in new buildings planned by the university in the coming 3 years, which is what attracted her to Houston from the University of Miami. The second challenge was more problematic. She was not at all confident that the building delivery process in use by the university at that time—and by most institutional and investment owners, for that matter—was up to the task. At the macro level, she feared that the construction industry, which somehow has actually lost productivity over the last 30 or so years, could not keep up.

By thoughtfully looking first inward at her own staff's attitudes and methods, and then at the overall delivery process, she began to identify levers for change. As she implemented changes over the next few years, she actively tracked performance metrics, eventually creating a scorecard to understand the relationship between process changes and project outcomes.

A decade after she arrived, Rice has completed dozens of projects worth over \$1 billion. Not bad for a private institution with just over 3,000 undergrads and another 2,000 or so graduate students. By and large, these sophisticated buildings have been christened within budget, not always an easy task on a campus that is committed to outstanding building design and consistently hires globally-known design architects.

“The A/E/C industry as a whole must start to be more active contributors to the improvement of the process.”

In the process, Barbara White Bryson was transformed into a new kind of forward-thinking institutional owner, one who remains highly dissatisfied with the status quo of the A/E/C business but is willing to be accountable as the owner to lead the steps of change in her own backyard and beyond.

Even better, Bryson has written a book (with co-author Canan Yetmen) to document what she and her teams have learned over the past decade. To my pleasant surprise, I did not find it to be an esoteric tome but a down-to-earth explanation of what she has learned while accomplishing so much at Rice. It amounts to a call to arms to owners to change the way they work, to be more accountable, and to expect more from themselves and from their project delivery teams.

A senior fellow of the Design Futures Council and a member of the Association of University Architects, Bryson studied architecture at Georgia Tech and the University of Texas at Arlington, obtained an MBA from the University of Miami, and is pursuing a doctorate in higher education management at the University of Pennsylvania.

I caught up with Bryson in her office this past summer.

Lee Slade (LS): The title of your new book is *The Owner's Dilemma*. Let's start there. At its heart, what is that dilemma?

Barbara White Bryson (BWB): Owners today are understandably unhappy with the standard industry practices that they, in part, have helped create and reinforce. *The Owner's Dilemma* asks if the owner should accept these standards or find a way to take control of these processes, to change them and make them produce predictable, successful outcomes.

LS: As opposed to better buildings at lower cost?

BWB: In my view, project processes must refocus from “lowest cost” to “highest value.” Project processes that deliver predictable outcomes provide me as the owner the data I need to evaluate both lowest cost and highest value. Only after the layers of opacity that shroud project processes get peeled back is it possible to know what is really happening and generate more predictable outcomes. And yes, better buildings will result.

LS: *Opacity* is a word I don't hear much in our business. What do you mean?

BWB: Project teams tend to be made up of strong personalities working for their own self-protection. When owners fail to create a safe working environment, every team member tends to hold their cards very close to their chests, creating layers of opacity. It becomes very hard for the owner to get the real answers about

design options or real costs in this kind of environment. The opacity of not knowing without peeling back numerous layers is very expensive. Only after owners create a safer project team environment can they expect their design and construction team members to behave differently, and to expect more of them.

LS: Who should read your book?

BWB: It is primarily intended for institutional owners. The real target audience is the CEO—the chief executive who hires a VP for facilities and holds them accountable. CEOs are the ones who need to understand the costs on their business of poor and inefficient building delivery processes. They are the ones who can put the emphasis in the right place and insist that their facilities professionals focus on the right things. Unfortunately, too many CEOs don't understand the real costs of focusing on lowest building cost at the expense of highest value.

Of course, I think that architects, engineers, and builders also will learn from the book.

LS: What are the three takeaways that you believe are absolutely crucial?

BWB: First, let's stop fooling ourselves about how our current business delivery processes work. U.S. construction productivity has actually declined over the last 30 years, despite fundamental advancements in education, tools, and technology. Research shows—and our experiences confirm—that there is 30% inefficiency in our traditional processes. This is unaffordable and unacceptable to me as an owner. This costs owners significantly in both construction dollars and the quality of what they get. Owners need to recognize how much they have at stake.

Second, owners need to reexamine their concept of what their role is in project delivery. I believe that the owner plays three roles in a project: customer, service provider, and project team member. Most owners are pretty good at being the customer, but when it comes to serving the rest of the team with such important things as clear goals, timely decisions, and accountability among all team members, owners fall short. And too many owners don't have a clue about how to be a contributing member of the project delivery team.

Finally, the A/E/C industry as a whole must start to be more active contributors to the improvement of the process. In particular, accountable A/E/C professionals must conduct and learn from rigorous and relevant research. Our industry gathers and shares way too little foundational knowledge. Predictability of outcomes can only come from knowledge. It is time to gather it.

LS: So how should—and can—the process actually change?

BWB: At Rice we focused on three simple action words: *standardize, analyze, and react.*

We began by standardizing our basic project delivery processes, forms, and communications, starting with project budgets. We quit allowing our project managers, design professionals, and builders to define how we wanted to organize and see data. This simple step helped us start to create a body of information that allows us to quickly see and understand where projects really are. It peeled away several layers of opacity.

“Too many owners don’t have a clue about how to be a contributing member of the project delivery team.”

The second action was to analyze the data we were collecting, first focusing on budgets, cash flow, and risk assessments. But we didn’t stop there. Properly formatted and understood, shop drawing and RFI logs tell a story of team dynamics and brewing project problems that are there to be harvested.

Finally, we had to react to what we saw. My project managers began to have the information at hand to execute hands-on management decisions, and to expect more from their project delivery teams. In my role, I had immediate, relevant information to much more clearly understand how our projects were progressing and where we needed further coaching, correction, and changes.

LS: When and why did you start thinking about writing this particular book?

BWB: I didn’t want to forget what we had learned at Rice as we transformed our processes and our outcomes. We wanted to consolidate the lessons for sustained excellence of our journey.

As the successes mounted and lessons became obvious to us, I began to think that others might learn from our journey. There are no silver bullets; being a good owner is hard work, and there are few good resources out there. Too many of us don’t have the right skill sets to manage our projects more skillfully. It is complex and challenging. My hope is that design and construction professionals who read it will pass it on to their owners, assuming they want their owners to change.

LS: I doubt you’ll get much argument from SMPS members about the importance of enlightened owners. On the flip side, it is easy to find designers and builders who are quick to cite

the ways owners create project environments that are less than ideal. The obvious question they will ask is, “Where do I find these enlightened owners?”

BWB: The short answer is that the industry needs to make them. A/E/C professionals must nurture and encourage owners to be great. Rather than bemoaning what owners don’t understand, professionals should take the initiative to ensure that they do understand.

In most traditional project processes, designers are way too eager to start designing the building and solving the technical problems rather than explore the process. Every project should start with clear rules of engagement for the process and a clear set of goals and success measures.

A/E/C professionals must engage their owners in a higher level of dialogue and help them develop more effective work processes. At Rice, much of our process improvement came with integral input from the design and construction teams.

LS: You discuss the important linkage between design and the owner’s business. How should A/E/C firms better understand their prospective owner’s business models?

BWB: Be curious. Ask great questions about businesses you don’t understand. Look for the underlying drivers of decisions and measures of success. Do your homework. Examine the organization. Research the mission. The world revolves around strategic purposes of organizations, not buildings. Ask better questions. Find out how and why decisions are made, and what changes are ongoing.

LS: Most of your suggestions seem best suited to “serial builders”—owners with a multiple-building program that can be used to test and improve processes. Would you tell the one-time, first-time, or infrequent owner anything different?

BWB: Responsibilities of one-time owners are the same, though the stakes may be even higher, since by definition they often have only one chance to get it right. I advocate a stewardship approach to the responsibilities of being an owner. The owner is the one entity in a project best positioned to control things. I’d tell the “one-time owner” to spend much more time selecting the right team members. Ask “why” five times about each process before implementing it.

LS: What if the owner doesn’t have the needed skills? Many turn to project management firms, developers, or other third parties.

BWB: I think each of these third-party entities has a role in certain situations, if they bring something of value and are

committed to the same goals and processes as the owner and his design and construction team. But the owner can't insulate himself from the responsibilities of being the owner, with or without a third-party PM.

LS: I've always believed successful projects evolve from good decisions, decisions that are made in the right sequence and at the right time. It seems so obvious and so simple. Is it?

BWB: It is simple but not easy. For the last decade at Rice, I've used and advocated a seven-step decision process (refer to sidebar). It has served my projects very well. We can't always make perfect or successful decisions, and we have to be prepared for some of our decisions to be wrong. However, we can be accountable to use a good decision process. My team members know that they will be expected to follow this process on all decisions. Eventually, it becomes a matter of habit, and serves our teams well.

LS: Change happens. The world is shrinking. Technology is exponentially evolving. Generations transition. As an owner, what are the changes that offer the most positive potential for change, and which concern you?

BWB: Don't forget changes in the educational process of design professionals. I teach a course at Rice in the architectural and business program—with MBA and architecture students in the same classroom—and I know that my students think in multi-disciplinary ways rather than silos. They also adapt to change much faster than my generation did and are unafraid to ask thoughtful questions that I didn't hear just a few years ago. Students today understand the power of technology and can self-educate in ways

that weren't an option a few years ago. Student architects today are being exposed to more research than ever before. That is extremely good news. As an owner, it tells me that a more team-oriented, research-savvy professional is coming—soon. My processes must be built to take advantage of their skills and attitudes.

I think that global flattening and emergent technologies are very exciting. They offer opportunities for those who will capitalize on them. U.S. firms could certainly learn something from the way that European firms harvest data to conduct research. BIM allows project teams to collaborate in a way that wasn't possible two years ago, assuming the project environment allows it, or even requires it.

LS: Does the current slow economy speed change, or slow change?

BWB: I think that it speeds change, because owners today simply cannot afford the 30% waste in the process. That said, there are certainly dangers related to the economy. I had an exchange with a CFO recently who was advocating that owners should be taking full advantage of "all the hungry designers and builders out there." I argued with him against the short-term focus of that approach, as well as the fallacious mindset that this approach even yields lower costs at all. Squeezing architects and builders certainly doesn't produce highest value. Construction professionals should be at the forefront of gathering the data to prove that point.

LS: My firm has 300 engineers who wake up each morning eager to serve their clients better and design great projects. Let's just assume for a moment that not all of them will be reading your book in the next six months. What would you want me to tell them about how to better serve their architectural clients and their institutional owners in their day-to-day work?

BWB: I'd tell them to be brave enough to have the conversations that need to occur. Speak respectfully, but speak candidly about processes that are misguided or unproductive. Don't leave a room with a question unanswered. Be curious about your owner's business and business needs. Be willing to prepare and research issues on your own so your questions are based in a credible level of understanding.

LS: In the current marketplace, the number of firms pursuing a given opportunity with an institutional client has skyrocketed, from 10 or 20 to 40 or even 80. How would you advise the reader to work to differentiate their firm from these hoards of competitors?

BWB: There is no question that the poor economy has super-heated the competition. One firm told me last week that they have already spent their entire 2010 marketing budget, just 7 months into the year.

7-Step Structured Decision Process

1. Clearly define the decision to be made.
2. Identify the stakeholders to the decision.
3. Identify the decision risks, including risks of not making the decision at all.
4. Determine information required to make the decision.
5. Confirm if the decision is the team's to make, or another party's to make.
6. Schedule the decision process.
7. Collect needed information and make the decision. Don't look back.

First, I'd tell designers and builders to focus on relationships and try hard to differentiate your teams before the competition, but more importantly, I would tell owners that casting the net to 30 to 80 consultants or contractors for a single project is irresponsible. Pre-qualify your candidates and cut the list to a reasonable competitive number. Unnecessarily wasting the consultant's or contractor's resources during this difficult economy will only increase stress and inefficiency. As a serial builder, I know Rice will be here a long time. I want the best designers and contractors to want to work at Rice. If I abuse our teams now, possibly contributing to their demise, whom will I count on when I need great customer service, great products, and great value on a future project?

LS: There is a current TV commercial for a big insurance company that shows all the animals frolicking together at the water hole—with the point being that, if you can take the risk and fear out of the equation, great collaborations can occur and life is more fun. It seems like many of the problems with our project processes have roots in risk aversion. Do you agree?

BWB: The only one who can change the project risk environment is the owner. The owner starts out with all the project risk, and at the end of the day retains all the risk. The owner who doesn't recognize that is fooling himself. The question the owner must ask himself is, "How much additional risk is being created and thrown onto the rest of the team?" In general, liability insurance and other tools developed by the industry to "manage risk" don't do that very well.

"Rather than bemoaning what owners don't understand, professionals should take the initiative to ensure that they do understand."

Owners must understand that the real unknown risk of a project is embedded in what he doesn't know about his project. The higher the number of unknowns, the greater the risks, so creating a safe project environment that allows all parties to share their truths transparently pays big dividends by reducing the unknowns. Every project has some unknowns at each step, and contingencies are an appropriate way to account for them. Unfortunately, too many owners think of contingency accounts as spending accounts.

LS: In my dealings with dozens or even hundreds of A/E/C firms, I have found that very few of them systematically gather information from clients about how they are perceived, about how their services meet or don't meet the owner's needs. Most have occasional principal-level meetings and ask, "How

are we doing?" but the answers to those questions—whether a pep rally or a bitch session—don't often become part of a larger fabric of useful information on which the firm can systematically take action to improve outcomes. How should A/E/C firms be gathering better information from their clients about their performance?

BWB: Professionals need to understand what research is, and requires. They need to do some core research, preferably as part of their educational experience. Architectural schools tend to focus heavily on design excellence, at the expense of other core skills such as research. Once an individual personally experiences research, they understand its methods and its value for a lifetime.

Few firms in our industry have any real research capability in place. The best systems are those that don't require independent data input. Data collection of important metrics needs to be a part of the project delivery process for it to be sustainable. Measurements must be clear, and with a level of rigor that isn't often seen in our industry. Performance then can be grounded in actual success measures that are proper for the project. One size doesn't fit all in this regard.

LS: In your book, you use lots of examples from the distant past and from the entertainment industry to illustrate your points. What is your favorite movie and why?

BWB: I like "The Last of the Mohicans." It is a beautiful story about people following their own value set through the harshest of environments.

LS: Is the violence and bloodshed also a metaphor for the typical non-collaborative project process?

BWB: [Laughs] Perhaps, although that does raise a good point. Owners must stop punishing team members for making errors or wrong decisions, as long as those decisions are made using the decision process for the project.

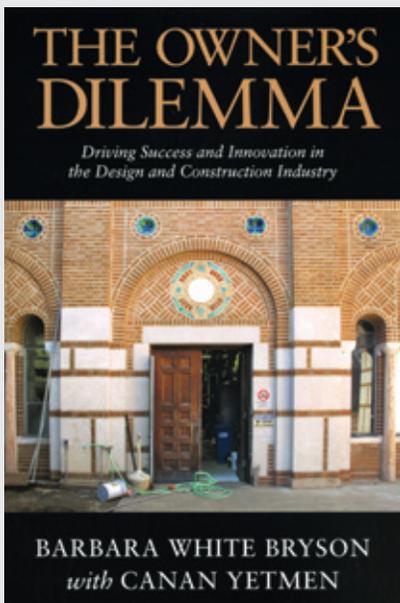
The Owner's Dilemma was co-written by Barbara White Bryson and Canan Yetmen and published by Ostberg Library of Design Management/Greenway Publications. It is available at the DesignIntelligence Bookstore (www.di.net/store/book-tod). 

About the Interviewer



Lee Slade, PE., is a senior principal and executive director of the Structural Engineering Services Group of Walter P Moore (www.walterpmoore.com). Based in Houston, Lee can be reached at 713.630.7416 or at lslade@walterpmoore.com. Since 1998, he has authored two other major *Marketer* cover stories.

BEHIND THE LINES: A Co-Author's Perspective



BY CANAN YETMEN

The gestation of *The Owner's Dilemma* happened, coincidentally, at the same time the recent recession had the design and construction industry in a proverbial death grip. As Barbara White Bryson and I were writing the book, large and small firms, from multi-national to sole practitioners, struggled to stay afloat in a plunging economy and tried to get a foothold in what the evening news took to cutely calling “the new normal.” Competition for every project was fierce, firm payrolls were decimated, and we saw owners and architects alike in danger of backsliding, with some owners taking advantage of architects’ desperation and some architects undercutting each other in order to get that project that would keep the doors open.

I am not an architect. I am a writer who writes about architecture. I could say I write about buildings, but really I write about people: the people who design the buildings, the ones who build them, those who use them, and of course, the ones who instigate and invest in the process—the owners. The building is simply the physical manifestation of hundreds—thousands—of decisions made by smart and caring people about function, program, design, materials, and budgets. I am always interested in what makes a building successful and how that success is defined. Without question, the owner’s organizational interest and long-term success are a significant part of that equation.

The vast body of inaccessible knowledge that exists among individual firms and practitioners is impressive. The further we got into the book, the more we saw the value this knowledge could be as a teaching tool, not just for owners but also practitioners and students. Between the two of us, Barbara and I have had the good fortune to work with some of the best and brightest architects in the country. We were interested in telling their stories from the frontlines, using real-world situations, and to begin a conversation about ways architects and owners help each other innovate. As we interviewed architects for the chapter supplements, they continually reinforced the concepts we had outlined in the book: Collaboration, transparency, honesty, value, and, without exception, an engaged and involved owner were key factors in the success or failure of their projects.

“As we emerge from this economic downturn, it will be interesting to see how owners and architects change their processes to adapt to this ‘new normal’ and what role the industry will play in driving its own success.”

We were especially interested in how architects engage with owners to achieve exceptional outcomes. Whether they told us about a values-driven process that tapped into a wealth of emotional currency on a project like the Texas School for the Deaf, or dealing with the inevitable politics of a high-profile project on a large campus like Texas A&M University, they all talked about a people-driven, transparent, and defined process. We also learned about architects who worked with owners to amend the regulatory process in California to enable faster plan reviews on healthcare projects that lowered the project cost by mitigating inflationary factors.

On the Rice campus, the team working on the BioScience Research Collaborative solved major energy usage concerns in a charrette-like environment that ultimately reduced the building's energy usage by 20% in a single meeting. Architects told us about adjusting to advances in technology and investing in the future of BIM, taking great leaps to innovate their in-house design process and encouraging their owners and consultants to do the same. Others devise creative and, dare I say, fun ways to inspire a reluctant owner to participate in the process and inform the design and construction of their building. Visionaries like Stephen Kieran and James Timberlake are experimenting with prefabrication and other methods within their client's established process parameters. Every day architects, their consultant teams, and owners are solving problems and expanding the reaches of the profession's influence and knowledge.

We also took on some stories of projects that went awry, ones that clearly show how an uninformed, disengaged owner can destroy a project, even when they have the best intentions. Of course, the woes of design teams struggling with a promising project that goes off the rails are painfully well known to any architect. We were interested in uncovering how a failed or faltering process affects the outcome, and if it can be pulled from the brink of disaster. We hope the chapter supplements are a good start toward contributing to the industry's body of knowledge and formalized research and intend to build on these real-world stories through online discussions that encourage readers to share their ideas and experiences.

We are experiencing first-hand the double-edged sword of living in interesting times. It's clear that the design and construction industry is on the cusp of change and that some practitioners will be left behind. In *The Fountainhead*, that 60-year-old Hollywood touchstone of the industry's public image, Gary Cooper's Howard Roark espouses the value of architecture for architecture's sake: "To get things done you must love the work, not the people," he says, and then throws in, "My work, done my way," just in case anyone still wonders where his motivation lies. Every practitioner knows the days of the dictatorial architect are behind us, but so are those of the dictatorial or disengaged owner.

As we emerge from this economic downturn, it will be interesting to see how owners and architects change their processes to adapt to this "new normal" and what role the industry will play in driving its own success.

"Collaboration, transparency, honesty, value, and, without exception, an engaged and involved owner are key factors in the success or failure of their projects."

I am fascinated by why buildings look the way they do and why some buildings work so beautifully, while others fail. How is the information about a building's function, an owner's needs, and an organization's business translated into a brick-and-mortar edifice? The answer might be design, it might be programming, it might be technology, or a combination of all of these. But ultimately the process that begets the places that endure and hold meaning is one of human interaction and problem solving. Technology allows for collaboration across platforms, in real time, from coast to coast. But behind the computer screens are real people with ideas, emotional investment, and experience. The benefits of strengthening and empowering those relationships and individuals cannot be undervalued. In the end, an innovative, inclusive, and collaborative process frees everyone to focus on what they do best and to collaborate with the team. Isn't that the best outcome for the industry?

We encourage your feedback and a continuing dialogue. To continue this discussion online, go to www.ownersdilemma.com or to LinkedIn at <http://www.linkedin.com/groups?gid=3256633&about=>. 

About the Author



Canan Yetmen—who began her career as an editorial assistant in Munich, Germany, and worked as a freelance German translator and book researcher focusing on art history and architecture texts—is principal of CYMK Group, an Austin, TX, consulting firm that provides writing services to architecture and design firms around the country. From 1995 to 2001, she was publisher of *Texas Architect*. She can be reached at canan@cymkgroup.com. This is her first contribution to *Marketer*.

This article was published in *SMPS Marketer*, October 2010. Copyright Society for Marketing Professional Services. All rights reserved. Distributed with the permission of SMPS.