

small-firm advantage

Practice Model as Business Strategy

BY ALEKS ISTANBULLU, AIA

As I prepared to leave the Los Angeles office of Skidmore Owings & Merrill to start my own practice in 1986, my premise was to establish what I conceived of as a “Chicago-style” generalist practice.

My concept was based on what I had experienced as a student at IIT, after working at a number of firms around Chicago—smaller practices with two or three partners, often working as educators as they ran highly professional practices that produced quality design and excellent documents. These firms were the very backbone of the Chicago design community. They brought not only a high level of design and professional integrity to smaller projects, but they also had a commitment to train a younger generation of architects, as they did for me.



PHOTO: MICHAEL GRECCO

Aleks Istanbulu, AIA, founder and principal of Aleks Istanbulu Architects.

Looking around Los Angeles, I saw few comparable, design-oriented firms who could tackle smaller urban infill projects. Instead there were two varieties of practice: powerhouse production firms and design ateliers that struggled with documentation. I was convinced the LA market was ready for a new model of practice.

My second prerequisite was the desire to work at a variety of scales and project types where we could maintain the intellectual rigor that sustains creativity and ultimately provides value-added design for those projects/clients that need and want it.

Our marketing strategy has been to focus on clients who recognize and need our design capabilities to add value to their projects. I often refer to our approach with potential clients as “investment-grade architecture,” which is a pretty outrageous claim for a 6- to 10-person design studio to make; however, I believe we deliver consistently on our claim.

The challenge has been to maintain seemingly contradictory goals: a broad practice and a hands-on, principal-driven, detail-oriented studio. This is attractive to clients who want their projects to be tended from a service standpoint yet need to make the most of each project from a design standpoint because they require a return on their investment in architecture.

So how does that vision of a small, design-focused practice translate into a real-world architecture firm? My two priorities, every single day, are identifying and satisfying the right clients and attracting and nurturing the right talent. Even though the majority of our work now comes through existing clients and referrals, I spend most of my time thinking like a marketer. Maybe 10% of my week is spent directly pursuing new work, while the rest of it is spent making sure we are delivering the highest quality design and service to our current clients.

Along the way I have learned three key marketing lessons:

- First, know when to say no. We have just finished a major adaptive reuse project in downtown Los Angeles: the Biscuit Lofts. Some years ago I did several feasibility studies

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for a young developer. When he came back with yet another study, I told him, in the nicest possible way, he had to pay for the next project. He went away but came back five years later with the idea for the residential conversion of the old Nabisco factory.

- Second, see what’s not there. Our recent urban design work in Tucson is the result of a referral from a client to his brother, a developer with a site for multifamily residential. Working with the client to maximize his site, I recognized a larger urban design problem with the city’s plans for a new roadway. We seized the chance to present an alternative concept and were hired by the city to develop the urban design. We sold a strategy that created a larger opportunity for Tucson.
- Finally, exploit emerging trends. In the early ’90s, a colleague recommended us to Frank Gehry and the artist Chuck Arnaldi, who were developing lofts in Venice, CA. These were the first ground-up lofts in the area, and by working on these prototypes in the earliest days of the loft trend, we gained experience and credibility. We were able to take the lessons learned on the three initial projects with Gehry to evolve a more sophisticated residential model that continues to mature, and to attract new clients.

Keeping the talent we need to do the work we market is our biggest concern. Fortunately, our reputation—enhanced by teaching, awards, and publications—generates interest in the firm. More difficult is holding on to the best. After four or five years the talented and ambitious young designers we nurture often choose to go on their own. We are learning to be more flexible as we try to retain good architects. Currently we have a designer who moved to New York City for personal reasons and is a key collaborator on a number of projects. The long-distance relationship has focused our efforts; we find that the time we spend on the phone in front of the same drawings on the screen is highly productive.

We also try to keep the architects working on architecture as much of their time as possible. I have an outside bookkeeper who recently began to manage timecards in addition to her financial duties. I look outside for advice on issues from codes to management strategy. Simple, smart investments also help keep us on track, from owning our space, which keeps



PHOTO: PROVIDED BY ALEKS ISTANBULLU ARCHITECTS

Lago Vista Guesthouse, Beverly Hills, CA. A hillside retreat and guesthouse on a verdant lot with sweeping canyon views. Inspired by its setting, an array of irregular painted panels blend the volumes into the surrounding greenery.



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Yukse Vadi Mixed-Use Community Center, Izmir, Turkey. Amid a new village of 2500 residential units, the vertically stacked mixed-use community center integrates a rooftop community pool, two 150-seat restaurants, neighborhood medical offices, grocery store, and miscellaneous retail including a food court and pharmacy. The vertical service-core/signage device is separated from the body of the building by circulation breezeways at each level.



PHOTO: PROVIDED BY ALEKS ISTANBULLU ARCHITECTS

Biscuit Company Lofts, Los Angeles, CA. The redeveloped 1925 National Biscuit Company (Nabisco) factory carves out 104 residential units each with individual character and identity. Unit types include flats as well as two-, three-, and four-story townhouses in the sky. All original floor finishes including bathroom terrazzo and maple floors have been preserved to create a seemingly random quilt.

overhead low, to staying current with technology, which gives us the capabilities and speed we need to compete.

Twenty years later, we are an 8-person practice completing the urban design component of a master plan for the City of Tucson that integrates \$35 million of traffic improvements into the historic core and entertainment district of the city; completing the adaptive re-use of the 7-story Nabisco Cookie Factory into 104 live/work units at the Biscuit Company Lofts; designing a 5-story, stacked, mixed-use, commercial center in Izmir, Turkey; designing 8 residential/mixed-use urban infill projects in Los Angeles, West Hollywood, and Tucson; and completing a hilltop guesthouse and the interiors of several lofts.

Remaining a “small” practice is a choice. Size is related to the instinctive need to maintain a direct connection to the work. While the desire to remain intellectually challenged makes us vulnerable to markets shifts, I have resisted the push to build a niche market strength. It may keep us out of the RFP business, where numbers of like projects count, but it gives us leverage with the kind of clients we serve best.

As we have become the firm I imagined, we have worked hard to hold on to three key things: inventive quality design, professional service, and fiscal responsibility. It remains my job to

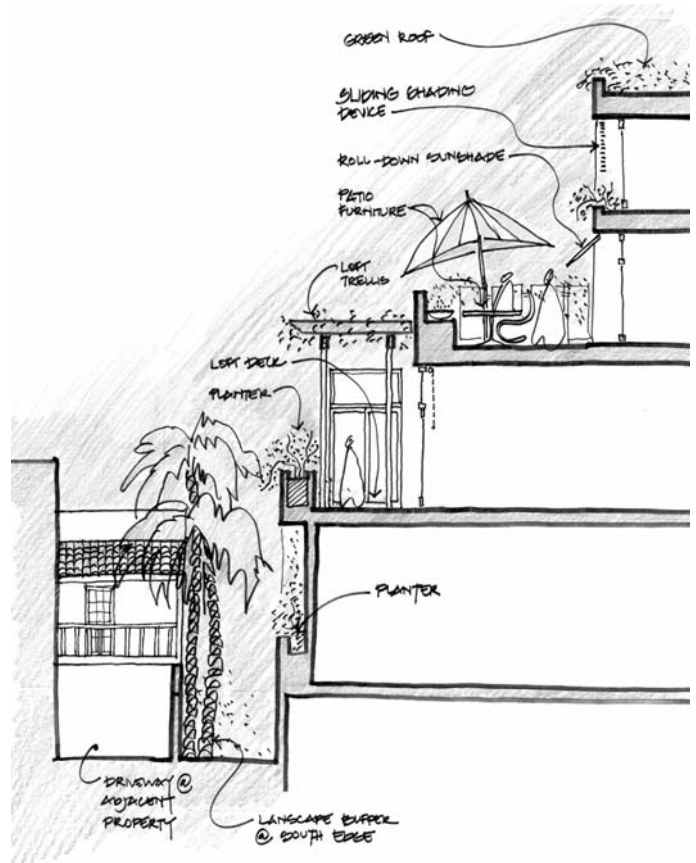



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West Knoll Maisonettes, West Hollywood, CA. The four-story, mixed-use building is organized as a series of four discrete residential blocks sitting atop a continuous single-story of sidewalk retail along a commercial street. Each unit is exposed to daylight on at least three sides and is intended to feel like an independent house. Green roofs unify the project. The southern edge takes its cue from the scale and texture of the two-story residential neighborhood.

determine how we can be most effective in delivering on our value proposition: a return on design investment.

Editor's Note: “Small-Firm Advantage” is edited by Andrea Walden. To pitch story ideas or submit articles, contact her at andrewalden@vantaqetcg.com. 

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