



# DESIGN IS GOOD BUSINESS

*It doesn't just add value; it multiplies it.*



*Your building can do much more than keep the rain off your business; it can advance your business plan. To capture the full value of your capital program, you will do well to engage your architect in a discussion of your business goals, with your business leaders.*

## ***A Wise Architect Talks About Client Relationships, Part 1***

Every two years in the autumn, the AIA California Council sponsors what many believe to be the best architecture



conference in America, at Asilomar Conference Center in Pacific Grove. It's called the [Monterey Design Conference](#), or MDC for short. At the 2013 MDC, a renowned "tribal elder,"

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architect Jack MacAllister spoke, offering ten lessons from his sixty years of practice. The talk, full of humor and wisdom, was a big hit.

Three of MacAllister's ten lessons focused on the relationship between the architect and the client. In this and the next installment of Design Is Good Business, we share with you those lessons.

## **Lesson No. 10: NEVER START A PROJECT WITH AN UNRESOLVED BUDGET AND SCOPE**

[laughter and applause; remember, this is a big room full of architects]

**Jack MacAllister:** This is deadly serious.

I was successful for a while going to clients and saying, "I want to sell you a cheap insurance policy for a very small fee. I'm going to validate that you have a scope and budget that's in place. We're going to hire a conceptual estimator, a cost consultant, to verify that you can do the project." When they bought it, it was damn good insurance, and the project usually proceeded. If they didn't, we usually got in trouble.

It is better to lose a project than to begin a project that isn't possible to do. Unfortunately, clients are guilty of wishful thinking, . . . and also lying. [laughter] I had an experience (I won't say at which university) where they advertised a project as being a \$38 million project. It was a very complicated research building. On looking at it, we said, "There's no way they could do it for \$38 million." I came upon a document, which I wasn't supposed to have, which said the budget was \$50 million. And I went to the campus architect, and he apologized. He said, "Yeah, it's 50. We're sorry we did that. We just thought we'd get a better deal." [laughter]

I won a project for the Moffitt Cancer Center in Tampa, Florida, which was an international competition, and it was advertised as a \$100 million construction budget, which was paid for by tobacco money. Before I started the project, I asked to see their project budget. They said, "What do you mean?" I said, "Well, there are costs beyond construction. Do you have those covered?" And they said, "Well, no, the \$100 million is for building it." So, I gave them a one-page list of things they might consider as expenses, like legal expenses, inspection and testing and so forth. And, sure enough, they were \$20 million short. So, we had to start over, reprogram the building,

got paid for doing that... and started with a better relationship with the client, because they saw us as being realistic and helping them.

Just never, ever start unless you validate the budget and work together.

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We don't have the list Jack MacAllister gave to the Moffitt Cancer Center, but some items you might consider in your project budget are:

Specialty consultants, both for design and for operations

Legal expenses

Surveys

Inspection and testing

Printing

Temporary relocation of operations

Moving and storage

Demolition

Hazardous material abatement

Utility relocations

Furnishings and equipment

Permit fees and other regulatory fees

Project management

Financing costs

Insurance

Your architect can help scope out these and other project expenses.

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The Salk Institute, photograph by Alfred Essa, CC BY-SA 2.0.

## **The Salk Institute, photograph by Alfred Essa, CC BY-SA 2.0.**

John E. "Jack" MacAllister, FAIA (1934-2014) was one of California's—and the nation's—most distinguished architects, educators, and practice advisors. At the age of 25, he led the design and construction of the Salk Institute for Biological Studies in La Jolla for the Office of Louis Kahn. He went on to co-found Anshen + Allen Los Angeles (now CO Architects) and to lead both its parent firm, Anshen + Allen, and NBBJ in times of dramatic growth. Jack was an early pioneer of the application of digital technology to design, construction documentation, and practice management, who reveled in not having drawn a construction document with a pencil since 1971. A valued mentor to generations of younger architects, he was a vocal advocate for women in the profession. His full Monterey Design Conference talk can be found [here](#).



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