



Bradford Perkins, FAIA
Perkins Eastman Architects

International Practice for Architects

INTERNATIONAL PRACTICE FOR ARCHITECTS

Bradford Perkins

FAIA, MRAIC, AICP



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International Practice for Architects

*To the many friends I have worked with overseas
and to my family who have shared my interest
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Introduction and Historical Overview

INTRODUCTION

Virtually every aspect of the North American economy has been affected by globalization. Design professionals—architects, engineers, planners, interior designers, and more than a dozen other design disciplines—are currently engaged in countries around the world. For a few, international projects are an essential part of their practice; but for most, such work is an interesting—but secondary—part of their workload. For many, international work has been both professionally challenging and profitable, but for others it has been a serious drain on their firm’s human and financial resources.

This book is intended as an introduction to international practice. Because of the author’s direct, personal experience, the primary focus is on the issues facing architects, planners, landscape architects, and interior designers, but much of the material applies to other design disciplines as well.

Specifically, this book was written primarily for six groups:

1. North American design professionals as well as students and interns who have no, or very limited, international experience but who are interested in exploring foreign work.
2. Architects and others who do not work overseas and who are looking to confirm their decision to stay near home.
3. Firms that have international experience and that are interested in

building overseas work into a significant part of their practice.

4. Firms with international experience in one or more regions that are looking for an introduction to the issues they will face in new countries or regions.
5. International firms looking to the experience and advice of other firms to strengthen their international practice.
6. Firms looking for an introduction to issues they should be considering on specific international practice issues: setting up an overseas office, managing an international practice, outsourcing, etc.

Of course, this book is not a comprehensive analysis of the issues facing design professionals in each country around the globe. Instead, with the help of experienced principals from dozens of firms, this book introduces interested professionals to the major issues most firms face in the international markets for design services.

The book is organized into six parts:

1. An introduction.
2. A second chapter that covers the issues that should be considered prior to seeking work outside of the United States.
3. A subsequent chapter that discusses issues related to running an international practice.
4. A chapter, which makes up the greater part of the book, that provides an introduction to over 190 countries and

overseas territories around the world—many of which have used North American design services. This section, Chapter 4, includes expanded descriptions of some countries to highlight issues that a North American design professional might face while working in the regions and countries that have most frequently employed international architects for significant projects.

5. A final chapter that discusses issues and trends that could impact international practice in the future.
6. Appendices with supplemental material.

While the majority of the fee volume earned on projects overseas is earned by the larger firms, many smaller firms are actively engaged in international projects. According to the *Business of Architecture: 2003 AIA Firm Summary*: “More than a quarter of the firms overall are currently working on international projects or are interested in doing so” (p. 44). Few firms are actively working in more than two or three countries at a time, and most of us who work internationally have experienced how quickly conditions can change. Thus, this book is intended as both a guide for firms contemplating international work as well as a current overview of the international market—as of 2007.

Some of the material in this book will, undoubtedly, be made obsolete by the rapid changes that are occurring in the world economy, but much of the material is as relevant today as it was at the beginning of my career thirty-eight years ago. Firms contemplating international work or expansion into new countries should find guidelines—many of which

have been provided by others as noted above—that are a useful starting point for their planning.

AN HISTORICAL OVERVIEW

When my grandfather’s firm designed the original campuses of two universities in China—Shandong and Nanjing—the required travel was a commitment of months. Years later, when I was growing up in the 1950s, I remember going with my father to the airport because it was a special event; he was flying to Germany to start Perkins & Will’s first international project—a school for the children of U.S. Army personnel in Frankfurt, Germany. Except for the architectural divisions of large engineering and design-build organizations, international practice was not a major part of most firms’ practice at that time. Today, my children and the children of hundreds of my contemporaries find nothing extraordinary about their parents taking another flight to another foreign project.

In the 1960s, the rapid expansion of international air travel, as well as many other factors, began to change design professionals’ view of international practice. A growing number of firms—such as The Architects Collaborative, which was retained to plan and design a new technical university in Baghdad—began seeking and receiving major commissions from clients other than the U.S. government and North American corporations with operations overseas.

It was the great U.S. recession, as well as the Organization of Petroleum Exporting Countries (OPEC)–related shift of wealth, in the mid-1970s that permanently changed things for the architectural profession in North America. During those years many sought internation-



al work due to a sharp drop-off in domestic commissions (particularly in such major centers as New York City) and the availability of huge new commissions in countries with limited domestic architectural resources. In that period, many firms made major commitments to international practice, and large numbers of my contemporaries got a taste for both the rewards and the strains of working overseas.

The OPEC countries became a less important part of international practice when Europe, Hong Kong, Japan, and other countries opened up to North American architects in the 1980s. In addition, North American clients, such as Olympia & York, Disney, and IBM, as well as international clients imported many firms for their expertise in those most American of building types: high-rise of-

fice buildings, shopping centers, and mixed-use and corporate interiors. The draw of major projects in such glamorous places as London, Paris, and Madrid was irresistible, and many firms even committed to permanent offices overseas.

When the real estate boom of the 1980s hit the wall at the end of the decade, a large number of firms had developed the skills, organization, and need to continue to seek work overseas. Just as the European and Japanese firms finally caught up with us in our traditional areas of expertise, a new real estate boom took off in Asia.

The Asian boom—and the steep North American recession that lasted into the early 1990s—drew more firms overseas, this time to the overheated economies of Indonesia, Thailand, Korea, Taiwan, Malaysia, Singapore, and the

Fig. 1-01: *Nanjing University, Nanjing, China. Perkins, Fellows & Hamilton, 1917.*

Introduction and Historical Overview

emerging giant, China. North American firms continued to work in the Middle East and, if a firm had a local office or marketable design reputation or expertise, in Europe. A reduction in barriers to foreign design firms also opened markets in South America, Eastern Europe, and Russia.

Many of these markets crashed in the mid 1990s, just as the U.S. economy was recovering. Some firms reduced their commitments to work overseas; but the majority of the large firms, as well as many smaller firms, now regarded international practice as a basic part of their strategies for their firms' futures.

At the time this book was written, North American firms are engaged in projects in dozens of countries around the world. China is the hottest market, until their own domestic design capabilities grow to meet the demand; but the United Arab Emirates and several other regions

have also become big markets. Hundreds of firms now work in these as well as dozens of other countries around the world.

The *Engineering News Record (ENR)* annual "Top 500 Design Firms Sourcebook" records the steady increase in international practice. The 1965 version does not refer to international work even though many firms had started to work outside the U.S. and Canada. The 1975 issue, on the other hand, noted the rising importance of international work, particularly the emerging market in the Middle East. Reported projects there tripled from 1972 to 1974. Central and South America, in the 1970s, still accounted for the largest number of projects, followed by Africa and a growing number in Indonesia. By 1985 the top 500 had over \$1 billion in foreign billings and almost half of that came from the Middle East. Overall, 210 of the 500 firms were working

Table 1-1. International Practice at ENR's Top 10 "Pure" Designers

| Firm | Total Revenue from International Practice (%)* | International Offices** |
|---------------------|--|---|
| HOK | 43 | Hong Kong, London, Mexico City, Ottawa, Shanghai, Toronto |
| Gensler | 12 | Dubai, London, San Jose, Shanghai, Tokyo |
| SOM | 36 | Hong Kong, London, Shanghai |
| Leo Daly | 1 | Hong Kong |
| HKS | 6 | London, Mexico City |
| Perkins & Will | 10 | Shanghai, Vancouver, Victoria |
| Heery International | 18 | London, Scotland, Germany, Spain |
| NBBJ | 23 | London, Beijing, Shanghai, Dubai |
| EDAW | 37 | Beijing, Brisbane, Edinburgh, Hong Kong, London, Manchester, Melbourne, Shanghai, Shenzhen, Singapore, Suzhou, Sydney |
| RTKL | 31 | London, Madrid, Shanghai, Seoul, Tokyo |

Source: "The Top 500 Design Firms," *Engineering News Record*, April 18, 2005. Firms listed in order of gross revenue.

**Firm web sites

abroad—89 of which had projects in Saudi Arabia. By 1995 Europe, which had been a busy market, was now according to some “a very mature market,” and Asia had become “the top attraction for international design firms.”

By 2005 over 20 percent (almost \$11 billion) of the revenue of the *ENR* “Top 500 Design Firms” came from international assignments. Even taking out the huge international design revenues of the larger engineer-architect-contractor firms, such as Fluor or Bechtel, it is clear that overseas work is a permanent and important part of many firms’ practices. This is particularly true for the largest architectural firms. Most of the 10 largest architect, architect-engineer, or architect-planner firms on the list derived a significant percentage of their revenue from international projects, many of which were managed out of overseas offices as illustrated in Table 1-1.

While many of the smaller firms on the list did not have overseas work in 2005, firms of all sizes are working internationally.

The 2006 American Institute of Architects (AIA) Firm Survey in “The Business of Architecture” noted that about 12 percent of the total respondents had been involved with international work in the last three years. For firms with 20 to 99 staff members, the figure was 24 percent and firms with more than 100 staff members, 59 percent had recent international work. Billings, for this work, while still a small percentage of the respondents’ total, doubled between the 2003 and 2006 surveys (p. 53).

Ten years from now the focus of international practice will undoubtedly have shifted again. The design professions in North America are now—and will continue to be—integrated into an increasingly globalized world economy.

Getting Started

WHY CONSIDER AN INTERNATIONAL PRACTICE

International practice sounds glamorous and fun, but is it something that your firm should consider? As noted in Chapter 1, the cyclical nature of the North American economy was one of the factors that stimulated international practice at many firms. A growing number have used overseas work to balance periodic declines in domestic workload. This, however, is a rationale that is typically used after a firm has already committed to pursuing international work. Few firms have been able to anticipate the periodic North American recessions, and even fewer have been able to shift their practice from domestic to international on short notice.

Eight Reasons To Consider International Practice

While a balance of domestic and international work can be a valid long-term rationale for pursuing an international practice, most firms begin their involvement overseas for other reasons. Eight of the most common reasons are the following:

1. *A strong personal interest:* Most firms are a direct reflection of the personal interests and capabilities of the senior principals. If one of those interests is international work, it can be a valid basis for pursuing work overseas. Because of this interest, one or all of the principals may have developed a network of relationships overseas that eventually leads to project opportunities. In my own case, an undergraduate degree in Latin American studies led to a lifelong interest in the region and several of my first international projects.
2. *An influential foreign friend or business associate:* Many of us have been drawn overseas by an individual who claimed to have access to international projects, and most of us have found that this is not always true. Unfortunately, most of us have stories about con men who convinced us to fund unproductive business development efforts overseas. As I describe in later chapters, however, this approach is valid often enough to be one of the major starting points for many firms' international practice. Nevertheless, learning to judge who can, and who cannot, really help you get work in a country is an essential and hard-to-learn international practice skill.
3. *Introductions from friends and family:* Many North American architects or their firms' employees are foreign-born and educated, or they have friends and family overseas. Many of the first projects may start with requests for assistance on or introductions to overseas opportunities from these relationships.
4. *A client who takes you international:* All firms owe a good part of their success to a few clients who give them the projects that become the foundation of the practice. This is true for international practice as well. Many firms have been taken overseas by clients (including the U.S. government) who

Common reasons to start working internationally

1. Strong personal interest
2. Influential foreign friend or business associate
3. Introductions from friends and family
4. Clients who take you overseas
5. International clients seeking expertise
6. Foreign design firms seeking expertise
7. Targets of opportunity
8. A planned effort

“Basically we followed Wal-Mart into Canada, Puerto Rico, and Mexico. With Mexico the work was extensive enough to warrant an office. Wal-Mart was moving into those regions, and we were doing work for them.”

*Thomas F. Keeter,
Vice President,
Operations, BSW
International, Inc.
Tulsa, Oklahoma.*

they met and worked for in North America.

5. *International clients seeking specific expertise:* Some firms establish a reputation that attracts international interest. In some cases it is a reputation for design innovation and creativity; but in most cases it is a demonstrated track record in a building type or service that is perceived as relevant and needed by international clients.
6. *Foreign design firms seeking expertise:* In this increasingly global world, overseas design firms also seek out U.S. and Canadian firms that have the experience needed for their projects.
7. *Targets of opportunity:* Many firms' first overseas opportunities happen by chance. A principal meets someone at a conference, a college classmate makes an introduction, and so forth, and it eventually leads to a first project.
8. *A planned effort:* Possibly the least-followed start to an international practice—but the one strongly recommended in this book—is a plan. Some firms plan the effort that leads to their first project.

International practice, however, should not be justified by the cliché used by some mountain climbers to justify their dangerous sport—“because it is there.” Overseas work can be expensive, disruptive, and a serious distraction. Some firms have even destroyed their domestic practice by diverting too much energy and too many resources to foreign work. The Architects Collaborative (TAC) of Cambridge, Massachusetts (and my first architectural employer), is just one of the more prominent examples. TAC, once one of the country's leading firms, had many problems in its

later years; but its heavy commitment in the Middle East left it overextended when Saddam Hussein's invasion of Kuwait brought a sudden halt to several large projects.

Since international practice is inherently riskier, why do it? Interest in foreign culture, a desire to travel, and other personal motivations can be valid justifications; but there are some typical business justifications as well. Among the most often cited are the following:

1. *Growth:* Some firms are committed to growth; they see it as a way to keep the firm challenging and profitable for the principals and staff. At some point in the development of these firms, a number of the better growth opportunities were outside of North America.
2. *A hedge against North American economic cycles:* As noted in Chapter 1, an interest in international work has often been stimulated by an economic downturn in the United States. Few firms can shift from domestic to international work on short notice; but with planning, overseas work can be a healthy way to balance changes in domestic workload. In addition, if one takes a long view, some projections suggest that the majority of the world's design and construction activities will shift from the developed to the developing countries over the next two decades.
3. *A new market for a specialized capability:* Some of us have specialized practices, and we are always on the lookout for clients who need that expertise. SOM and KPF are just two of the firms whose commitment to high-rise office design makes it logical that they pursue opportunities overseas where many

of the most challenging high-rise projects are being planned.

4. *Creation of an interesting practice:* I used to refer to our initial international projects as “yeast”—they helped make the dough (our practice) rise. This might be a clumsy analogy, but creating a challenging and interesting practice is a valid objective. Interesting practices attract better staff, media attention, and clients. As Burt Hill’s CEO, Peter Moriarty, noted, “The prospect of overseas travel and international work could and should be a recruiting and retention assist—especially since so many of our staff in the future will be immigrants or their children—many of whom will retain ties to their country of origin.”
5. *Building credibility for future domestic opportunities:* Some firms find that they can get projects overseas that enhance their ability to get similar work back home. Because international clients are often not as focused on demonstrated expertise in a particular project type, it is often possible to get projects that can be used to convince a more focused North American client that you are qualified to design their project.
6. *The scope and challenge.* The scope and challenge of some overseas projects is unmatched domestically. For those who find the opportunity to design multimillion-square-foot, mixed-use developments, entire new university campuses, and new cities exciting, most of these opportunities are overseas.
7. *Profit:* Some international work can be extremely profitable. The 2006 AIA Survey on “The Business of Architecture” found that the surveyed firms re-

ported that, while the cost of doing business internationally is higher, “profitability is comparable” (AIA 2006, 57).

8. *Mission:* Some of us believe in the old-time religion—that our design expertise can change people’s lives for the better. In our case, our professional commitment to the belief that the physical environment plays a part in the health and health care as well as the housing of the frail elderly has helped support our involvement overseas. We—and many other firms—believe we can make a meaningful difference in people’s lives, and that alone justifies the effort to work overseas.
9. *Globalization:* National boundaries are becoming less relevant each year. Firms are not only working internationally but using international resources to carry out the work. Each year more firms are outsourcing drafting, rendering, and other tasks to the highly talented, low-cost resources developing in countries like India and China. Thus, as the *AIA Handbook of Professional Practice* article, “Practicing in a Global Market,” states: “International practice has become a reality for American design firms” (Williams and Meyer 2001, 100).

Reasons to Be Cautious

All of the above are valid reasons to pursue work outside of the U.S., but these rationales should be balanced by a clear understanding of the risks. International practice is far more difficult and risky than working near home. The *AIA Handbook* explains some of the issues: “Differences in language, privacy, trust, and accessibility all make the foreign design project quite different from the U.S. project, and

Reasons to Have an International Practice

1. Growth
2. Hedge against domestic downturns
3. New markets for specialized expertise
4. Creation of an interesting practice
5. Building credibility for future domestic opportunities
6. Scope and challenge
7. Profit
8. Mission
9. Globalization