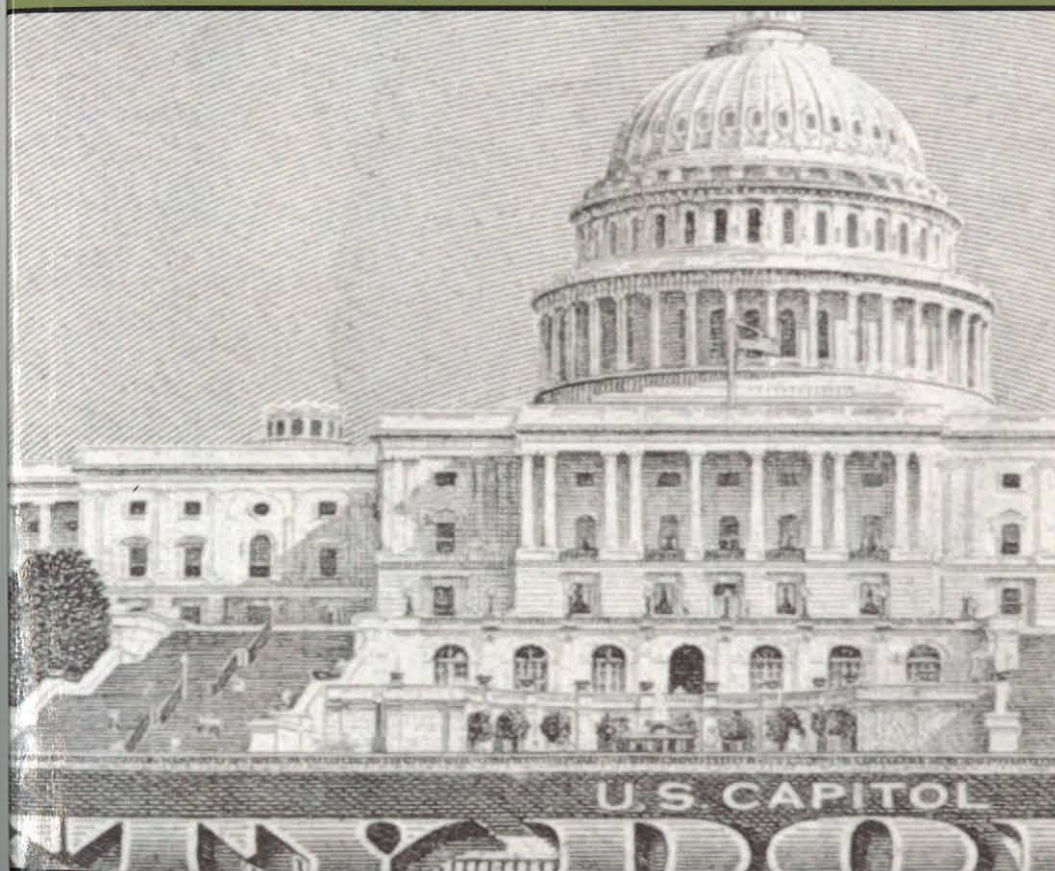


The Profitable Architect

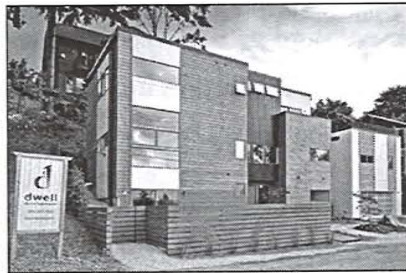
How to attract new projects
and work with clients that understand
the value of good design



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USING THE “DOWN ECONOMY” TO IMPLEMENT MORE STRATEGIES

For these case studies, I also wanted to explore if the people with design/build firms are using similar strategies and tools to promote their services and their projects. Here is the story of one of the most successful ones here in Seattle, referred to as the



“Hot” New Project

“Hot Shot” in the Northwest Home magazine.

Anthony Maschmedt of Dwell Development started his design/build firm in 2005 at the peak of the housing industry. Because of good strategies and decisions for his business, he is now one of the six companies still open out of the 46 that existed in 2005.

Anthony always had a strong interest in housing, real estate and development. His mother is a successful interior designer in Seattle as well as a general contractor by trade; therefore he was always surrounded with this field. He started buying and selling real estate when he was really young. He was only 21 when he bought his first house and had up to eight houses at one point in his late twenties.

He then decided that it was time for a change and started working in sales and marketing for one of the biggest hair product company in the country. He had a successful career but always had an eye on the development industry.

After thirteen years of traveling all over the country for this company, he decided that it was time for another change. His mother suggested he join her and his brother to start a new design/build firm in Seattle. He decided that this would be a good opportunity for him to go back to his passion of housing and took the role of sales/marketing/land acquisition and the business side of this new company.

His first task was to put in place all the systems that he had learned during his thirteen years working for a national company and ensuring that he would make those “fit” into a business model that would work for a design/build company.

In 2005, he decided that it was time to go out on his own and start his company so he could push his ideas even further. He wanted further systems in place, with consistent and specific architectural style for all his projects, to get a better focus and better results on the end product.

The transition was really easy since it was the perfect market for an experienced person to start a design/build firm. Like he said, he would build a house and put up a sign, and it was sold in time for the next one.

When he started Dwell, his thought was, “I don’t want to jump in a big pond with a lot of fishes.” He made a conscious effort to stay outside of where everyone was working and search for something that would position him in a unique place.

Anthony was fully aware that this housing climate would not last forever and was already spending time looking at what

other people around him were doing in an effort to be smarter about his own process. He knew that when the market is good, you can do pretty much everything “kind of good” and you could still have a successful business. But it would be a different story if the economy would change.

He contacted a local firm where he liked the type of work they were producing and decided to work with one specific designer to develop a specific architectural style for all his projects to create his own signature for his company.

That first year they quickly worked on five projects in which Dwell would purchase properties, design the projects, permit the projects, and then work with a developer for the construction aspect to limit risks during construction and for time efficiency in creating a niche within a specific neighborhood.

Anthony was very selective about where he would do his projects and decided to limit all of them to a specific area. It is important for him to have a sense of community in his projects, and to buy locally and build locally.

After that first year, Anthony and architect Julian Weber decided to partner and to create a second section of Dwell Development: Dwell Design. Both aspects of Dwell have a strong focus on green design – not because it makes it easier to sell their projects, but because they believe in it.

Anthony mentioned that it is actually the other way around with green design: It actually makes it more difficult to

sell their projects to people who have not met with them first to talk about the benefits they can gain from it.

As we all know, the housing market did in fact really change, and not in a good way. In addition to the systems that he had already put in place, Anthony decided to streamline what he was doing in-house and hire people to reduce his cost on overhead and liability.

With the current economy, they now have lowered the number of projects that they work on at the same time and make sure that they are sold early in the process.

They are using this “down period” as an opportunity to work on marketing strategies, update their website, test new strategies to get more attention from potential leads, and look at how people find them to ensure they get the right information about all the different services offered.

They are also working with outside consultants in an effort to leverage their time and to learn new tools and concepts to implement in their business model. The main goal is to implement as much as possible now to keep building a sustainable business for the long term.

They are well aware that it is important to have a list of potential leads and that it is part of their continuous success, especially in this economy. This list was not just given to them; they have been working with different strategies to make this happen.

For example, they're using only one real estate agent for all their projects, and this agent is required to keep in touch with people who have contacted him about any of the Dwell projects.

They are giving tours of their new projects to this list of people and also tours of their projects under construction to educate as many people as possible on the work they do. The result is that people are aware of what they do, understand how they can benefit from it, and know the high quality of it.

When the partners have a project starting construction, they send an e-mail to these people letting them know they are welcome to visit the site – and that they are the first ones to have a chance to look at it to decide if the project is what they are looking for.

The people like it because they don't need to verify on a regular basis if Dwell has a new project that might be the one for them; they know that they will get an e-mail about it. Dwell loves it because it makes the sales process much easier.

It used to be more of a random process, based on what they were doing at a certain time. They are now looking at ways to make this process more systemized to get better results for them and their prospects.

Anthony was generous with his time, and his passion for his neighborhood was obvious: Three people greeted him during our interview at his local coffee shop.

Not only this, he also often gives tour of his projects under construction to interested architects, especially on the green design aspect. He doesn't feel the need to hide his work from his peers and from architects in general. For him, it is more about networking and sharing ideas with people in his industry.

He is not afraid to give away his secrets since he sees this as flattering when people ask him about it and believes that he can also learn from others when he does share those secrets.

He mentioned that he finds it pretty funny to see how architects are so competitive with one another. For him, there is room for everyone who does good projects.

He also mentioned that, yes, you need to be proud of the quality of your projects, but that first it is a business that you are dealing with and that any decisions that he makes have to make sense from a business standpoint first.

Anthony's big "ah-ha" during this last year is that you have to have systems in place and that self-promotion is a must: "You have to blow your horn as loud as you can and promote yourself constantly."