

DESIGN IS GOOD BUSINESS

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



Design is Good Business

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.

The project delivery methods described in the previous installment of Good Design Is Good Business can be seen as structures for optimizing the relationship among cost, schedule, and quality in a building endeavor. Equally, they are structures for mitigating the often-divergent interests of owner, architect, and builder. A new model of project delivery attempts, instead, to align—and in some cases even to unite—these interests. Known as Integrated Project Delivery (IPD), this approach can be understood as a set of principles that may be applied to any contractual situation; or it can involve a unique, three-party contract among the owner, architect, and builder. Such a three-party contract establishes shared risk and reward, aligning the interests of the parties in the timely, cost-effective completion of the project at an agreed level of quality. In effect, it approximates the ideal scenario in which the owner, designer and builder are the same entity. While the use of three-party contracts remains relatively rare to date, the following nine principles of IPD are being successfully applied to improve other project delivery methods:

1. Mutual Respect and Trust

In an integrated project, owner, designer, consultants,

Library

- [Savings by Design](#)
- [The Business Case for Green Building](#)
- [Green Schools Investment Guide](#)
- [The Technical Feasibility of Zero Net Energy Buildings in California](#)
- [The Dollars and Sense of Green Retrofits](#)

constructor, subcontractors, and suppliers understand the value of collaboration and are committed to working as a team in the best interests of the project.

2. Mutual Benefit and Reward

All participants or team members benefit from IPD. Because the integrated process requires early involvement by more parties, IPD compensation structures recognize and reward early involvement. Compensation is based on the value added by an organization, and the method rewards "what's best for project" behavior, such as by providing incentives tied to achieving project goals.

3. Collaborative Innovation and Decision Making

Integrated projects use innovative business models to support collaboration and efficiency. Innovation is stimulated when ideas are freely exchanged among all participants. In an integrated project, ideas are judged on their merits, not on the author's role or status. Key decisions are evaluated by the project team and, to the greatest practical extent, made unanimously.

4. Early Involvement of Key Participants

In an integrated project, the key participants are involved from the earliest practical moment. Decision-making is improved by the influx of knowledge and expertise of all key participants. Their combined knowledge and expertise is most powerful during the project's early stages, when informed decisions have the greatest effect.

5. Early Goal Definition

Project goals are developed early, agreed upon, and respected by all participants. Insight from each participant is valued in a culture that promotes and drives innovation and outstanding performance, holding project outcomes at the center within a framework of individual participant objectives

and values.

6. Intensified Planning

The IPD approach recognizes that increased effort in planning results in increased efficiency and savings during execution. Thus the thrust of the integrated approach is not to reduce design effort, but rather to greatly improve the design results, streamlining and shortening the much more expensive construction effort.

7. Open Communication

IPD's focus on team performance is based on open, direct, and honest communication among all participants. Responsibilities are clearly defined in a no-blame culture, leading to identification and resolution of problems, not determination of liability. Disputes are recognized as they occur and promptly resolved.

8. Appropriate Technology

Integrated projects often rely on cutting edge technologies. Technologies are specified at project initiation to maximize functionality, generality, and interoperability. Open and interoperable data exchanges based on disciplined and transparent data structures are essential to support IPD. Because open standards best enable communications among all participants, technology that is compliant with open standards is used whenever available.

9. Organization and Leadership

The project team is an organization in its own right and all team members are committed to the project team's goals and values. Leadership is taken by the team member most capable with regard to specific work and services. Often, design professionals and builders lead in areas of their traditional competence with support from the entire team, yet specific roles are necessarily determined on a project-by-project basis. Roles are clearly defined, without creating

artificial barriers that chill open communication and risk taking.

IPD principles can be applied to a variety of contractual arrangements, and IPD teams can include members well beyond the basic triad of owner, architect, and builder. In all cases, integrated projects are uniquely distinguished by highly effective collaboration among the owner, the prime designer, and the prime builder, commencing at early design and continuing through to project handover.

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2015 AIACC Honor Award Winner, Torr Kaelan, San Diego, CA, Rob Wellington Quigley, FAIA. An interactive environment for creative tenants to live over their workplace in a redeveloping downtown neighborhood.