

dba Design-Build

by Paul Eldrenkamp

Several years ago — in 2000, to be exact — we became a full-service design-build company. Previously we had worked collaboratively with several architects we knew well and trusted but who contracted directly with the owner rather than with us. I eventually realized, however, that we were missing some opportunities for tighter coordination and improved services by not bringing everything under one contract. With just one person in charge, we could be more accountable and better organized, and hit our budgets and schedules more reliably.

In this article I'll share some of the lessons we've learned over the last seven years of design-build work. We still have much to master — if only I live that long.

Accountability Is Clear

When I present the design-build concept to prospective clients, the most powerful argument I can make is that this approach guarantees a single, crystal-clear line of accountability. If anything goes wrong at any point in the process, the client has just one person to point a finger at: Me.

As masochistic as it sounds, I like it that way. If we make a mistake, I make sure we fix it. No finger-pointing, no arguments, no gray areas. This has real resonance for homeowners. In fact, it's often at this point in our conversation that the sale is closed, for all intents and purposes, and we switch from “whether” to “when.”

The key, of course, is to back up that sales pitch with genuine accountability.

Too Much Trust Can Hurt

With design-build, that accountability is enormous. Clients enter the design-build relationship with an unusually high level of trust — which, though essential, can also be hazardous. Clients who trust you implicitly sometimes don't pay as close attention as they should, and may end up surprised by what they actually signed on to. In other words, their trust may be so high that they're convinced you're reading their minds and

giving them exactly what they're imagining, even if they haven't explained it all that thoroughly. This can cause real problems for you when the reality hits home.

I've learned to view as a red flag anything that seems too easy in the sales process. You don't want a busy, pre-occupied client signing a construction contract just to move things along. Yes, it's tempting to simply get the signature and close the deal, but you need to slow down: Set up a meeting to review the documents, make sure the clients really understand the package, and then get the signature. You won't regret it.

Design Is for Designers

The design process needs to have its own integrity. Design is more than a sales tool for the construction side of the business or a hobby that the contractor indulges in to fill his evenings — and it's about more than just features, square footage, and moving product out the door. It's a legitimate, valuable service, and it needs to be its own profit center.

I see too many contractors calling themselves “design-build” without taking the effort to provide a bona fide design service. Good design requires training, experience, and talent — attributes that, admit it or not, few contractors have.

Charge for the Whole Package

Good design demands a serious commitment from not only the company, but also the homeowner. Thorough, careful design and planning take time, and the client will have to pay for that time.

We charge hourly for design work; typically the whole package of design, engineering, and product selection costs 10 percent to 15 percent of the construction budget. This seems in line with traditional architectural firms, which often cite a 15 percent fee (though design costs, like construction costs, can be all over the map).

The service we offer is comparable to those offered by stand-alone design firms — and often more comprehensive — so I know we're competitive in that

regard. We can't compete on price with the design-build firms who charge as little as 2 percent of construction costs, but we don't try to.

One of the first things you learn in construction is that the more you try to compete on price, the longer it will take to create a viable business. This holds for design services as well. Telling clients that design-build is a way to save money on design is one of the weakest arguments you can make — it sends the wrong message about the value of design at your company. In my experience, you're better off charging full market rate for design services and then making sure that what your clients get for that fee is far superior to what they'd get from other firms in your price range.

Don't Forget Why The Client Called

Remember that "design service" has two components: design and service. Of the two, the service part is typically more important. Design is not necessarily the first thing on clients' minds when they call you about a project. I wish people hired us primarily because of the exquisite quality of our projects, but I have to acknowledge that their reasons generally have more to do with other factors: We return phone calls, we vacuum up after ourselves, and we respond to warranty requests within 24 hours. For most homeowners, accountability is more compelling than esthetics.

Here's how I know this is true: Even though we team up with three architects for our work and each has a distinct style, people rarely care which I bring to the table first. Clients assume any architect we work with is good; few are seeking a particular signature "look." Most know only very generally what they're after — they just want a pleasant, livable space, with as little hassle as possible.

The general naiveté and ignorance with which many homeowners start the design process is all the more reason your design services need to have a real integrity, independent of the construction phase. These people trust you; don't betray that trust with a mediocre product.

The Road to Integration

In my ongoing efforts to improve our overall service, one major challenge I've encountered is the entrenched separation between "designing" and "building." Despite our attempts to integrate these two phases, they tend to come across as two different divisions within one company: Some people do the design; others build the design. (Still others price the design.) There's some practical overlap — the lead carpenter gets up to speed on the job well before it's scheduled to start, and the architect visits the job frequently during construction to help with troubleshooting and interpretation of design intent — but we still haven't achieved a satisfactory level of integration.

I'm blessed with carpenters — some of them accomplished artists in their own right — who are capable of more than the architects typically ask of them. And our architects are unusually receptive to feedback from the carpenters, and consult with them as equals. I keep feeling I should take this talent and mutual goodwill and make the borders between the disciplines more porous, to create a true synergy. I try to encourage the carpenters and the architects to push each other harder both in design and in execution so that we can offer our clients even more.

It's a fascinating challenge — the sort that should keep me going for many more years of design-build.

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