

BUSINESS



TEXT BY EDWARD HESGAN
PORTRAIT BY SIOUX NESI

Lars Fischer, María Ibanez, and Todd Rouhe (left to right) share three firms—IdS/R Architecture, Lars Fischer Architecture, and Common Room—operating out of the same office on Grand Street in Manhattan. Common room 2 is their name for the public lobby of their building, where they regularly curate exhibitions.

→ BEST PRACTICES

The Exhibitionists

SHOWING ART IN YOUR OFFICE CAN FUEL CREATIVITY AND PROVIDE ALMOST-FREE PR.

TODD ROUHE, MARÍA IBANEZ, AND LARS FISCHER share one fourth-floor room and three firms on Manhattan's Lower East Side. For the past two and a half years, they've also curated a series of exhibitions in the building's ground-floor lobby. Here, they explain how the exhibitions have transformed an underused space, not to mention informed—as well as promoted—their practice of architecture.

What's the space like?

TODD: We noticed when we moved in that the lobby was too big for the amount of activity in the building. The walls are mauve colored vinyl wallpaper, and we use it "as is." We use double-stick tape. Some people call it depressing. It's a low-key, institutional space.



**What are the logistics?**

LARS: We have a verbal agreement with the landlord. We did one show and developed it from there. Every two months we had a new show, but we never knew whether the next one would happen or not. It was always questionable whether the landlord would allow us to continue.

How do you choose the topics and exhibitors?

TODD: We conceived it as an exhibition space for artists whom we knew or people who are interested in doing work about the built environment—not particularly architecture, but about public space in general.

What assistance do you give exhibitors?

LARS: It's a collaboration with the artists and architects whom we invite. They're interested in working with us. Often, they take a desk in our space and we think through the projects together. We help them set it up.

How do you pay for the exhibits?

TODD: We support it. For each show, we have a budget of \$300–\$100 per partner. That should include the beer, but sometimes we go over on the beer.

LARS: Even if we had a lot of money, the shows wouldn't cost that much. It's an unsupervised lobby. Things can (and have been) taken away. We would never put that much into the exhibitions.

Is there any outside funding?

TODD: We had a grant from the Graham Foundation for four shows. We used that for publications.

Aren't the exhibits a form of advertising for you?

LARS: In a way, but we don't see it as that.

TODD: The lobby activities have a presence, but the firm is hidden. Our practice isn't drawing from the exposure, but we're having more conversations about exhibitions. The firm is still backstage.

MARIA: We've had confusion about the authorship of the work that we show. The landlord thought we were putting up our own work. They didn't understand us as curators or facilitators of the exhibits.

Have you shown your own work?

LARS: No. I was one of the artists in a show, but it wasn't the work of common room.

How have the exhibits informed your work?

TODD: This summer, the artist [whose work was being shown] organized activities—events, lectures, discussions, and plays—in the lobby on Sundays. It redefined how the built structure was used. This is how we approach our projects, how our projects address public space. □

→ STRATEGY

The Fee Conundrum

REDUCE FEES, HOLD THEM STEADY, OR REDEFINE YOUR SCOPE OF SERVICES? IN A RECESSION, WHEN SETTING THE RIGHT PRICE IS CRUCIAL THERE'S NO EASY OPTION.

TEXT BY ERNEST BECK

CHARLES THANHAUSER, principal of TEK Architects in New York, knew the economy was on the skids by last year, when he started hearing stories about firms slashing fees and clients driving harder bargains. But he came face-to-face with the downturn for the first time in November: A client threatened to go with its No. 2 choice unless Thanhauser dropped his fee on a small project to \$195,000 from \$250,000. He agreed, although at that price it wasn't clear he would turn a profit. "We needed the work, and we'll take on any work that keeps everyone employed," Thanhauser says of his 18-person firm. In the current climate, he notes, clients have a take-it-or-leave-it attitude, because "they're hip to the fact that there's desperation out there."

As architects grapple with the economic slump, opinion is divided over whether to lower fees to secure business. Some strongly believe that lowering fees sets a risky precedent: In the long run, it could hurt a practice and the profession in general, because even when business picks up, clients will still expect a discount. The problem, says Hugh Hochberg, a partner in the Coxe Group, consultants to design professionals, is that "markets remember lower fees for decades," a position that can be difficult to recover from. Instead of lowering a fee, Hochberg suggests reducing the scope of work involved or offering higher-value services.

Michael Strogoff, a management consultant to designers, agrees that taking projects at any cost can be a recipe for disaster. Clients who ask for reductions, he observes, "tend to be the most difficult clients to work with and have the highest expectations that cannot be met." However, Strogoff believes there are times when lowering a fee should be deployed as a last resort. That would be when there are no other alternatives to keep the firm's best staff occupied and pay overhead.

One way around a lower fee, Strogoff says, is for the firm to negotiate a deal to reap some of the potential returns of a project—as an investor—or to agree to an incentive plan based on results, such as a percentage of the revenues from condominium units sold. Structuring fee payments over a longer period of time is another way to placate client concerns about paying a large portion up front.

